August 2022

Economic Plan – Research Project

Evidence report to Braintree District Council

FINAL VERSION

SQW

Contents

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1. Introduction

1.1 In April 2022, SQW was commissioned by Braintree District Council (BDC) to research the current economic position in Braintree and steps that BDC can take to support economic growth.

1.2 BDC is currently in the process of producing a new Economic Plan for the district. Since the current **Plan for Growth** *(2017-22*) was produced, there has been considerable change – relating both to the macroeconomic environment and also to the specific opportunities available to Braintree. For both of these reasons, there is a need for a refreshed Economic Plan. This document provides an evidence base which will support the writing of the new Economic Plan by BDC.

Approach

1.3 This evidence base draws on existing material that has been developed by BDC and partners (including Essex County Council and North Essex Economic Partnership), alongside official statistics from ONS and other sources. Early findings were tested and developed through a series of workshops.

Data analysis and the use of comparators

1.4 To aid the development of the evidence base and understand how Braintree's economy has performed in recent years, several comparator geographies have been used throughout the data analysis. These include sub-regional and national comparators – which are important. We have also included three other local authority districts that were identified as being similar to Braintree in statistical terms[1] through a very detailed analysis of the 2011 Census. On selected indicators (e.g. employment/business/productivity growth), these 'statistical neighbours' have been examined to understand how their performance has compared to Braintree's since 2011 and to provide a different perspective on how the district has evolved over that period.

1.5 As well as considering Braintree itself, we have therefore examined data for:

- Comparator districts:
  - Central Bedfordshire
  - Tonbridge & Malling
  - Maidstone
- North Essex (Braintree, Colchester, Tendring, Uttlesford)

[1] Noting that some of Braintree's neighbouring districts/boroughs are really quite different owing to their settlement structure (e.g. Colchester, Chelmsford)

- Essex Haven Gateway (Braintree, Colchester, Tendring) – as a proxy for Braintree or North Essex, i.e. where data for Braintree / North Essex is unavailable
- Essex
- Greater Essex (Essex, Southend-on-Sea, Thurrock) – as a proxy for Essex, i.e. where data for Essex are unavailable
- England

Note on use of data

1.6 There are a number of different sources of data used throughout this report, with the most accurate and up-to-date data used where possible. All of the datasets are widely used for the purposes of economic baselines and analysis. Many of these data are reliable (especially recently published Census 2021, Claimant Count and UK Business Count data). Some data are survey-based (including Business Register and Employment Survey and Annual Population Survey data). Local authority districts are relatively small areas and are therefore subject to sampling variability, which can vary according to the sample size of the population, and the number of people with each characteristic within this sample (e.g. proportion of unemployed people surveyed within Braintree's sample size). This inevitably introduces survey-based (sampling and other) 'errors'. As a result, data from survey-based sources can be subject to volatility (given the small sample size), and care should be taken in interpreting individual years of data. This is unavoidable. It means that there is a need to triangulate individual data with wider trends and other data sources to build a rounded picture of what is happening within the local economy.

Stakeholder workshops

1.7 In order to aid this process of triangulation, four workshops were conducted during the course of this study.

1.8 Near the start of the project, we met with officers from BDC to identify the key research questions that officers had, which has helped to frame the analysis which follows in this report.

1.9 Once the bulk of the data analysis was complete, we held three workshops with Council members, officers and wider stakeholders. This aimed to test the economic data presented and improve insights into the District's economic performance ahead of the writing of the Economic Strategy. Each of the workshops had a different theme as follows:

- Innovation, Knowledge Economy & Enterprise – and links to skills
- Towns – and links to skills
- Green economy – and links to skills

Report Structure

1.10 The report that follows is divided into eight further chapters:

- **Chapter 2** provides an overview of the ***current strategic context*** within which the new Economic Plan will be developed. It includes the national, regional, sub-regional and local policy context, as well as providing an overview of ***wider macroeconomic events*** that are impacting upon Braintree's economy.
- **Chapter 3** summarises the key evidence in relation to ***productivity, business and employment*** in Braintree.
- **Chapter 4** presents evidence on the ***sectoral composition*** of Braintree's economy and how its sectors have performed in recent years.
- **Chapter 5** summarises the evidence relating to ***people and skills,*** including the demographics of the district, economic activity and skills profile.
- **Chapter 6** provides data relating to ***Braintree's three main towns***: Braintree Town, Witham and Halstead.
- **Chapter 7** provides an overview of Braintree's performance relative to the ***comparator areas*** selected for this evidence base.
- **Chapter 8** summarises the available ***employment and population projections*** for Braintree.
- **Chapter 9** brings together all the evidence base presented and ***provides recommendations*** to BDC on what the new Economic Plan should focus on.

1.11 There is one Annex which provides detailed notes from the three workshops held with Council members, officers and wider stakeholders.

Headlines from the data

1.12 The table below shows some of the headline data for Braintree's economy, including statistics relating to the overall economic output, employment and business characteristics in the district and its demographic characteristics. Given the lags in the publication of data, the current **Plan for Growth** would have relied on data from c. 2015. The data from 2017 capture the context for the early delivery of the **Plan for Growth**. Currently, the latest available data are generally from 2020 or 2021. Two points are important in this context: the latest available data are affected by the pandemic; and – as mentioned already – there is a need to recognise the effects of year-on-year volatility in the data, particularly over a short time series.

Table 1-1: Braintree – key statistics

Statistic	2017 Level	Latest data
Output and productivity		
Total GVA (current prices)	£3.83bn	£3.26 billion *(2020)*
GVA per hour worked (current prices, smoothed)	£35	£38 *(2020)*
GVA per filled job (current prices, smoothed)	£55,987	£54,555 *(2020)*
Employment and businesses		
Total employment	57,000	57,000 *(2020)*
Number of businesses	6,680	6,675 *(2021)*
Business births per 1,000 active enterprises	122.6	98.6 *(2020)*
People		
Total population	N/A – Census 2021 data	155,200 *(2021)*
Working age[2] population	N/A – Census 2021 data	96,900 *(2021)*
Economic activity rate	87.8%	87.2% *(2021)*
Employment rate	85.1%	86.2% *(2021)*
Claimant count rate	1.1%	2.6% *(May 2022)*
Median weekly gross pay (employee) – workplace-based	£423	£443 *(2021)*
Median weekly gross pay (employed) – residence-based	£510	£518 *(2021)*
% of working age population with NVQ4+ qualification	31%	25% *(2021)*
% of working age population with no qualifications	7%	7% *(2021)*

Source: ONS, BRES, ONS Jobs Density, UK Business Counts, ONS Business Demography, Census 2021, APS

[2] Defined here as population aged 15-64 (Census 2021). Working age population would normally be defined as '16-64', but that data is currently unavailable from the latest census.

2. Strategic review

Summary

- Since the **Plan for Growth** was published in 2017, there has been a substantial change in the policy landscape around economic development at all spatial scales.
- Nationally, Central government policy has shifted. This was precipitated by the UK's departure from the EU and by the economic consequences of the Covid-19 pandemic. **Build Back Better (2021)** emphasised the importance of investment in infrastructure, skills, and innovation. In parallel, and particularly since COP26, the importance of the transition to Net Zero has increased. 'Levelling-up' has also emerged as a national priority. Many funding streams have changed with details released on the UK Shared Prosperity Fund, which delivers money directly to local authorities, alongside funding commitments made in the Levelling Up White Paper (including the Levelling Up Fund).
- At regional and sub-regional levels, SELEP, Essex County Council and the North Essex Economic Board's ambitions for innovation, cohesive communities and a better skilled workforce come through many of the policy documents. The recently launched **Essex Sector Development Strategy** identifies five key growth sectors which are important to the future of Essex as a whole; these are: construction (including retrofit), clean energy, advanced manufacturing & engineering, digi-tech and life sciences (including med-tech and care-tech).
- At a local level there has also been much change since the launch of the current **Plan for Growth**, with the publication of the Braintree Local Plan and the Council's Corporate Strategy which sets out the area's ambitions for the next four years. The declaration of a Climate Change Emergency within Braintree in 2019 provides ambitious net-zero targets for Braintree, with ambitions to reduce the impacts of climate change across the district.
- Various macroeconomic events (external to Braintree) have all had a profound impact on Braintree's economic performance and are therefore important to consider. The ongoing impact and recovery from the Covid-19 pandemic will continue to shape the district's economy in the future and the way in which it functions in the future. The UK's withdrawal from the European Union has changed the way in which the UK trades with the EU and the world. Finally, and more recently, the cost-of-living crisis is having a substantial impact on residents and businesses across Braintree, with inflation outstripping wage and benefit increases. All these factors need to be considered as the new Economic Plan is developed.

2.1 This is an important time for Braintree District Council as it looks to review its **Plan for Growth** and set its economic priorities for the next five years. The new Economic Plan needs to reflect upon the economic performance of Braintree over a turbulent period and also assess what the opportunities and threats are for the future. There have been substantial macroeconomic events which have impacted upon Braintree's economy, including the consequences of Covid-19 (both short-term effects and more permanent effects, such as the shift to hybrid working); the UK's departure from the European Union; and, latterly, the cost of living crisis which is seeing rising inflation and rising interest rates impacting upon economic growth potential.

2.2 This section provides an overview of:

- The ***national policy context*** around economic development – although noting this is subject to change with current political uncertainty.
- The ***regional & sub-regional policy context***, including ambitions developed by Essex County Council, the North Essex Economic Board and South East Local Enterprise Partnership (SELEP).
- The ***local policy context***, including the latest Local Plan and commitments made within the Climate Change Strategy.
- ***Recent macroeconomic events*** which have had/or are having a profound impact on Braintree's economy.

National policy context

2.3 Since Braintree's **Plan for Growth** was published in 2017, Central government policy has shifted – with implications for economic development in Braintree. **Build Back Better**: **Our Plan for Growth** sets out government's plans to support growth through significant investment in infrastructure, skills and innovation, and to pursue growth that levels up every part of the UK and enables the transition to net zero. These are key themes in current government policy, and many have been developed in subsequent publications, some of which are very relevant to this project.

Table 2-1: Key Ambitions set out in Build Back Better

Pillars of Growth	Objectives
Infrastructure	• Stimulate short-term economic activity and drive long-term productivity improvements through investment in broadband, roads, rail and cities, including through the Levelling Up Fund and Shared Prosperity Fund. • Achieve net-zero through the Ten Point Plan for a Green Industrial Revolution. • Support investment through the new UK Infrastructure Bank, investing in local authority and private sector infrastructure projects.

Pillars of Growth	Objectives
Skills	• Support productivity growth through high-quality skills and training, transforming Further Education through additional investment and reforming technical education. • Introduce the Lifetime Skills Guarantee to enable lifelong learning. • Focus on the quality of apprenticeships and improve the system for employers (e.g. transferring unspent levy funds and front-loading apprenticeship training).
Innovation	• Support and incentivise the development of ideas and technologies that will shape the UK's future high-growth sustainable and secure economy. • Support access to finance to help unleash innovation. • Develop the regulatory system in a way that supports innovation. • Attract the brightest and best people, supporting the international competitiveness of the UK's high-growth innovative businesses. • Support SMEs to growth through two new schemes: Help to Grow: Management and Help to Growth: Digital.

Source: Build Back Better – Our Plan for Growth, HM Government, 2021

2.4 The **Levelling Up White Paper** (published in February 2022) is important. The principles underpinning it seem to have secured a political consensus across both main parties. The White Paper provides details of 12 'missions' across four broad areas: boosting productivity and living standards by growing the private sector, especially in those places where they are lagging; spreading opportunities and improving public services, especially in those areas where they are weakest; restoring a sense of community, local pride and belonging, especially in those places where they have been lost; and, empowering local leaders and communities, especially in those places lacking local agency. It commits to further consultation on the metrics used to measure the success of these missions and to the creation of a statutory responsibility on Government to report on their progress.

2.5 In relation to discretionary expenditure, the Greater South East is unlikely to be a priority for some years to come. Looking ahead, a key funding source will be **UK Shared Prosperity Fund (UKSPF)**, which is effectively the successor to the EU Structural Funds. The Levelling Up White Paper provided some early insight into the likely make-up of UKSPF. One of its purposes will be "*stimulating local economies and job creation, by supporting local businesses to start, innovate, export and grow*"[3]. Braintree has secured £1.03m through the UKSPF, and therefore this is an opportune time to identify how this funding could be spent in the future with co-operation between authorities encouraged.

2.6 However as set out in **Build Back Better**, there are other major policy drivers too. Over the last year – and particularly since COP26 – the importance of **Net Zero** has become increasingly clear. Over the period of the new Economic Plan, Braintree will need to evolve as a local economy if wider commitments are to be achieved. This ought to be a central consideration. The UK's **Net Zero Strategy: Build Back Greener**, sets out policies and proposals for decarbonising all sectors of the UK economy to meet the UK's net-zero target by

[3] *Levelling Up White Paper*, HM Government, February 2022 – page 242

2050. This strategy includes a range of approaches to reducing emissions across the Economy, including for power, fuel supply, industry, heat & buildings, transport, natural resources and greenhouse gas removals.

2.7 Delivering on another commitment in **Build Back Better**, BEIS published the UK Innovation Strategy in July 2021. This set out the government's long-term plan for delivering innovation-led growth in the context of post-Covid recovery, re-structuring post EU-Exit, and transformative industrial change. Its primary objective was for the **UK to become a global hub for innovation by 2035.** Importantly, the Strategy built on the Grand Challenges in the Industrial Strategy (from 2017) by focusing strongly on missions and challenges to address societal and business led innovation problems. There is also a strong emphasis on a 'place-based' approach to innovation with the aim to develop innovation clusters by working with institutions and businesses[4]. *For Braintree, there are particular – and new – opportunities in the domain of innovation. Specifically the Cell and Gene Therapy Catapult's investment in an innovation facility in Braintree represents a substantial opportunity; and the extent to which the Cell and Gene Therapy cluster has grown around Stevenage (in Hertfordshire) should be recognised in this context.*

Regional and sub-regional policy context

2.8 At a regional (Essex-wide) level, we have considered a range of strategic documents, including South East LEP (SELEP)'s publications (although the role of LEPs in the longer term is somewhat uncertain); statements from Essex County Council including the Levelling Up Essex White Paper and the recently published Essex Sector Development Strategy (2022); and documents from the North Essex Economic Board.

2.9 SELEP's Economic Recovery and Renewal Strategy (2021) – **Working Together for a Faster, Smarter and More Sustainable Economic Recovery** – sets out how SELEP will work with partners to support a path to recovery and renewal in the short to medium term. The Strategy features four strategic priorities (driving forces) around:

- **Business resilience and growth** – through providing business support for all businesses and start-ups; supporting R&D and innovation activities; addressing gaps in digital infrastructure; and developing a highly skilled workforce.
- **UK's Global Gateway** – supporting the implementation of Freeports; building on strong record of inward investment; supporting employers to recruit the diverse range of talent needed by businesses.
- **Communities for the future** – developing high-quality new communities; supporting town centre economies; supporting the development of renewable energy infrastructure and low-carbon technologies and behaviours.

[4] Department for Business, Energy & Industrial Strategy (July 2021) UK Innovation Strategy

- **Coastal catalyst** – facilitating greater connectivity across the area; supporting rural businesses to growth; increasing access to learning at all levels; and supporting the recovery, adaptation and growth of our visitor economy.

2.10 SELEP's Smarter Faster Together Strategy (2019) preceded SELEP's Economic Recovery and Renewal Strategy and it sought to put in place a Local Industrial Strategy for the SELEP area. This document set out SELEP's ambitions to make the area a '*more productive and more prosperous economy in which everyone has the opportunity to succeed*'. The core vision of the strategy was to reduce the gap in productivity between SELEP and the rest of the UK. To achieve this, five priorities were identified:

- **Priority One: Creating ideas and Enterprise** – supporting our innovative capacity in our 'leading edge' businesses, and increasing the opportunities for creativity across the economy, enabling businesses with the potential for growth to expand.
- **Priority Two: Developing tomorrow's workforce** – developing a skilled workforce that can deliver productivity gains across SELEP, and lead to better pay, better jobs and better progression in work.
- **Priority Three: Accelerating infrastructure** – develop 'smarter' and 'faster' infrastructure to support future growth. Although progress has been made in recent years, a significant infrastructure funding gap remains.
- **Priority Four: Creating places** – create places in the South East to which resident and businesses aspire, and which support the growth of the region.
- **Priority Five: Working together** – work together with regions outside of our core geography to achieve our objectives.

2.11 At the Essex level, the **Levelling Up Essex White Paper** (2021) sets out the County's vision on levelling up, tackling several key challenges identified within Essex. The Paper identifies Rural Braintree as one of six priority places for investment within Essex, being ranked low in the deprivation assessment exercise undertaken by the Council. The paper identified five main areas in which support is needed:

- **The economy** – improving access to 'good jobs' in which people earn enough money to support a decent quality of life, and have the job security, flexibility and progression opportunities to create a good career.
- **The environment** – improve access to the natural environment and green spaces, and address climate impacts such as flooding. There is a commitment to making the transition to carbon net zero in a way which widens opportunities, through creating more green jobs and greater access to active and sustainable forms of travel.
- **Health and wellbeing** – supporting people to live long, happy and healthy lives by having high levels of physical and mental health and the social connections needed for wellbeing.

- **Education and skills** – improvements are needed to education attainment and ensuring that all can access good quality and relevant skills at all stages of their life.
- **Families and communities** – support people to grow up and live in strong, safe and resilient families and communities.

2.12 The Levelling Up Essex White Paper is complemented by the **Essex Sector Development Strategy** (2022), which targets '*a stronger, more inclusive, and more sustainable future economy*'. This strategy identifies five key growth sectors for Essex, which are: construction (including retrofit), clean energy, advanced manufacturing & engineering, digi-tech and life sciences (including med-tech and care-tech). The Strategy aims to drive growth in jobs and productivity within these sectors through three strategic goals:

- **Strategic goal 1: A thriving economy** – making Essex a centre of innovation and entrepreneurial spirit where the benefits of this growth are felt within the county rather than elsewhere.
- **Strategic goal 2: An economy for everyone** – ensuring every resident of Essex has the opportunity to gain the skills and experience to succeed in the future economy regardless of their background and identity.
- **Strategic goal 3: An economy fit for the future** – making green growth intrinsic to all future growth to ensure we meet our target for a net zero county by 2035.

2.13 At the sub-regional level, the **North Essex Economic Strategy** (2019) provides a shared ambition for long-term sustainable and inclusive prosperity, and actions for the next five years to support this. This Strategy is in the process of being updated following national policy change and recent macroeconomic events. Currently it has four key missions for North Essex:

- **Mission 1: driving innovation and technology adoption** – support an economy which is 'high value and productive', developing opportunities for innovative businesses to grow, technology clusters to emerge and for all businesses to take advantage of measures to increase technology adoption and drive forward productivity.
- **Mission 2: develop a skilled and resilient workforce** – develop a workforce – of all ages and in all communities – able to contribute fully to North Essex's growth opportunities.
- **Mission 3: creating a network of distinctive, cohesive communities** – preserve and enhance North Essex's unique local identities and diversity, while ensuring that all our towns and communities contribute to and benefit from economic growth within a complementary 'network' of distinctive and creative places.
- **Mission 4: growing a greener, more sustainable economy** - ensure that North Essex is a leading example of sustainable development – within existing communities, through our ambitious proposals for new Garden Communities and through lower carbon, innovative businesses.

Regional activity that will influence Braintree's economy

2.14 In the immediate area surrounding Braintree, there is a range of development taking place that will impact upon the area's economic trajectory and provide new opportunities and threats for Braintree's economy. This includes recently completed development, and pipeline development that is expected to come forward over the next five years. The table below summarises some of the more significant development expected in the immediate vicinity of Braintree:

Table 2-2: Major developments around Braintree

Development	Description
Freeport East	• At Felixstowe and Harwich, this is one of eight new Freeports in England, that will deliver a secure customs zone in which business can be carried out within the country's land border, but where different tax and customs rules apply. • There are plans to develop a Green Hydrogen Hub and a Green Energy Hub, with more than 13,500 jobs and £500m investment expected over the next ten years.
Beaulieu Urban Extension, Chelmsford	• A new community of 3,600 homes is being developed to the North-East of Chelmsford, which includes major new infrastructure (including a new train station) and business space.
Colchester Garden Community	• Although scaled back from the earlier proposals to develop three Garden Communities across Colchester, Braintree and Tendring Councils, plans for the 9,000-home development east of Colchester (Tendring/Colchester Borders Garden Community) are still planning to go ahead.
Stansted Expansion	• Stansted Airport has recently (May 2021) been successful in gaining planning consent to increase the airport's passenger capacity to 43 million per year, which will see more than £600 million invested over the next five years. This will include a new arrivals terminal, upgrades to the existing terminal and a new check-in area.
Bradwell B Nuclear Power Station	• Bradwell B is a proposed new nuclear power station at Bradwell-on-Sea in Essex. It is being progressed by joint partners CGN and EDF. Once completed the power station will generate enough energy to power four million homes. The proposals are currently at public consultation stage.

Source: SQW

Local policy context

2.15 The new Economic Plan is set to replace the current *Plan for Growth* in Braintree. The current document provides an overview of the local economy and the main plans/priorities for the district.

2.16 The Plan for Growth identified several key barriers to growth in Braintree, including an ageing population, poor infrastructure and connectivity, low skill levels, a lack of growth particularly in sectors of interest (including construction; IT, digital and creative; advanced manufacturing and engineering; health and social care; and logistics), challenges in town centres and rural regeneration, and a lack of employment sites.

2.17 The Plan for Growth identified five strategic priorities which were to be achieved under the Plan, namely:

- Improve road and rail connectivity and public transport
- Provide superfast broadband across all parts of the district and ultrafast for new business sites
- Bring forward strategic employment sites, providing a range of premises for businesses
- Target support to businesses in our growing and emerging sectors with innovation potential
- Work closely with businesses and providers to increase educational attainment

What progress has Braintree made in relation to the targets set out in the Plan for Growth (2017-22)?

The current **Plan for Growth** *stated that 'the number one economic priority identified within the Plan or Growth is to grow GVA beyond the projected level of £2.9bn by 2022 to £3.5bn, and to improve projected productivity as measured by GVA per capita of £18,200 by 2022 to £19,500' (all figures in 2011 prices).*

In growth rate terms, the ambition was for real[5] GVA to grow at 5.2% per annum between 2017 and 2022, and for real GVA per capita to grow at 2.4% per annum over the same period. These were very ambitious targets.

At this stage, assessing progress against the two headline targets is difficult. This is partly because of a range of data issues, but it is also because the pandemic (and in all probability Brexit) has presented real challenges in terms of economic growth.

The table below presents projected compound annual growth rates of Braintree's GVA and GVA per capita over 2017-2022 based on two data sources:

- *East of England Forecasting Model (EEFM) 2016, Cambridge Econometrics – on which the figures from the 2017* ***Plan for Growth*** *are based;*
- *East of England Forecasting Model (EEFM) 2019, Cambridge Econometrics – latest EEFM data available;*

It compares these to actual growth rates over 2017-2020 based on ONS statistics, as well as ***Plan for Growth*** *targets. All figures refer to 'real' (inflation-adjusted) growth.*

Projected		
Data source	***GVA 2017-22, CAGR***	***GVA per capita 2017-22, CAGR***
EEFM 2016	*+1.5%*	*+1.0%*
EEFM 2019	*-0.9%*	*-1.1%*
Target		
Data source	***GVA 2017-22, CAGR***	***GVA per capita 2017-22, CAGR***

[5] Real GVA / GVA per capita refers to values adjusted for inflation, i.e. real growth of the economy rather than one driven by an increase in prices.

*2017 **Plan for Growth***	*+5.2%*	*+2.4%*
	Actual	
Data source	***GVA 2017-20, CAGR***	***GVA per capita 2017-20, CAGR***
ONS	*-8.7%*	*-8.9%*

*At the time of the current **Plan for Growth**, the ambition was to raise Braintree's GVA and GVA per capita growth rates by respectively 3.7 and 1.4 percentage points above projections. Between 2016 and 2019, Cambridge Econometrics adjusted its projections for Braintree down to negative growth rates (possibly partly linked to the then-anticipated impact of the UK's exit from the EU), further increasing the gap between projected and target growth.*

ONS data suggest a downward trajectory in Braintree's GVA performance, with outturns well below not only target rates but also the original and adjusted EEFM projections.

The differences between expected and actual growth may be partially explained by the negative impact of two major economic shocks – Brexit and Covid-19 – but local economic factors are also likely to have played some role. The contraction of Braintree's real economy occurred despite major interventions taking place in the district since 2017.

Further data relating to Braintree's long-term performance (in relation to economic output and productivity) are provided in the next chapter.

2.18 A five-year and an annual delivery plan was developed to respond to these priorities above, focused around three priority areas: infrastructure and connectivity; business support; and skills development. The table below highlights some of the achievements against each of the priority areas identified within the **Plan for Growth** (2017).

Table 2-3: Progress against each Priority Area in Plan for Growth

2017 Plan for Growth Priority	Progress Made
Improve road and rail connectivity and public transport	• Some progress has been made in improving infrastructure, however one of the most substantial improvements needed (upgrading the A120 link road between Braintree and the A12) has been shelved following budget constraints. • Still accessibility issues for learners getting to education opportunities, particularly from rural parts of the district.
Provide superfast broadband across all parts of the district and ultrafast for new business sites	• The roll-out of superfast broadband has been ongoing, with more than 95% of properties in the district now able to access broadband speeds of at least 30Mbps[6]. There are ambitions to continue rolling out superfast broadband and enhance the provision of ultrafast broadband (FTTP) to more businesses – this is currently available in more than a quarter of premises.
Bring forward strategic employment sites,	• Progress has been made in delivering employment space in the district since the current Plan for Growth– including substantial

[6] https://www.braintree.gov.uk/news/article/417/faster-internet-services-are-coming-to-braintree-district

2017 Plan for Growth Priority	Progress Made
providing a range of premises for businesses.	development at Horizon 120, which is capable of providing in excess of 750,000 sqft of hi-tech, industrial and office space. • Major investment into Braintree town centre has been delivered, including the pedestrianisation of the high street and regeneration projects on Manor and Victoria Street. This includes the provision of new commercial space for businesses.
Target support to businesses in our growing and emerging sectors with innovation potential	• There has been success in attracting major innovation assets to Braintree – including I-Construct and Cell and Gene Therapy Catapult • The opening of GRIDSERVE's electric forecourt has put Braintree on the map as a place embracing the transition to net-zero, and is a nationally-significant exemplar project
Work closely with businesses and providers to increase educational attainment	• The opening of Braintree STEM Innovation Centre (in 2017) and Learning and Technology Centre (in 2019) at Braintree Campus will support the development of skills in the district (in particular digital skills)

Source: SQW

2.19 The **Braintree Local Plan** is titled the Local Plan 2013-2033, a document that will include all the major planning policy for Braintree District. Once adopted it will replace both the Core Strategy (2011) and the Local Plan Review (2005). Section 1 is a strategic plan for North Essex. It was adopted by Braintree District Council in February 2021. It is shared with Colchester and Tendring Councils and covers all three authorities. Section 1 has replaced a number of the strategic policies contained within the Braintree District Core Strategy, adopted in 2011. Section 2 contains policies, maps and sites for development, housing, employment, regeneration etc within Braintree District Council.

2.20 Section 1 (which has already been adopted) sets out ambitions to provide for more employment across Braintree, Colchester and Tendring. The key objectives are to strengthen and diversify local economies to provide more jobs and to achieve a better balance between the local of jobs and housing, which will reduce the need to travel and promote sustainable growth. Braintree's employment is relatively focused on industrial-type sectors, including construction and manufacturing at present. Section 2 of the Local Plan (which is going to full Council 25th July 2022) identifies a real opportunity to create significant economic growth in Braintree, which could build on the recent growth sectors in the local economy of finance and insurance, for example, to reverse out-commuting trends and bring more high-value, high-skills jobs to the district.

2.21 The **Council's Corporate Strategy**, which sets out the objectives and priorities for the district over the next four years, and the Annual Plan, which outlines how the Council will deliver the priorities and measure success, will also be important to review. One of the ambitions within this Strategy is to 'promote prosperity', creating thriving high-quality businesses that create jobs, wealth and wider prosperity. The key priorities identified, are to:

- Make use of the competitive advantage of Braintree's location to attract new business
- Support the growth of key employment sectors
- Enable businesses to thrive with access to business support and key networks
- Ensure skills and training provision is aligned to meet the needs of the local economy now and in the future
- Develop our culture and heritage offer in shaping opportunities for tourism and investment

2.22 Braintree declared a Climate Change Emergency in July 2019 and announced a target to be carbon neutral as a Council as far as practical by 2030, as well as supporting Braintree's communities to reduce the impacts of climate change across the district. In response to this, Braintree published its **Climate Change Strategy** (2021), which sets out seven key themes to achieving its climate goals:

- **Resources**: including reducing waste, increasing recycling, conserving natural resources, and reusing non-renewable materials.
- **Energy Conservation**: reducing energy use and improving energy-efficient infrastructure, increasing the proportion of energy from renewable sources, and improving the energy performance of existing housing.
- **Built Environment**: reducing the carbon impact and improving the biodiversity of new development, reducing energy use in existing housing by retrofitting energy efficient measures, and reducing household water consumption and maximising installation of sustainable drainage systems, water reuse and grey water harvesting technologies.
- **Transport**: increasing cycling and walking, improve digital connectivity to reduce work travel demand, grow an electric vehicle charging network and infrastructure, and encourage greener transport choices.
- **Business & the Green Economy**: develop Braintree's green economy, encourage businesses to reduce energy use, encourage businesses to reduce waste, and encourage businesses to build resilience.
- **Natural Environment**: improve biodiversity and green spaces, increase tree and shrub planning, improve air quality, and improve water quality, flood resilience and habitat.
- **Adapting to Climate Change**: increase drought mitigation for the district, support businesses and communities to improve resilience, improve flood alleviation for community areas that flood, maintain emergency plans for the district, and prevent the impact of climate change disproportionally harming the most vulnerable.

2.23 The **Tourism Plan for the Braintree District** (2019) sets out how the tourism sector will be developed from 2019 to 2021, with support from the Council and partners. The Plan sets out a number of key objectives for Braintree, including:

- Developing partnerships with tourism businesses/operators in the district and working together with key players in the region.
- Promoting the district, to raise the profile of Braintree as a place to visit.
- Develop new opportunities to develop Braintree's tourism offer, including quality food and drink, accommodation, attractions, events and activities.

Local activity that will help shape Braintree's economy

2.24 Within Braintree, there are a number of developments that have either been completed in the near past or are set to come forward in the future. The table below lists these key developments.

Table 2-4: Major developments expected in Braintree

Development	Description
Cell and Gene Therapy Catapult – Braintree (opened end of 2021)	• Opened in 2021, the Cell and Gene Therapy Catapult – Braintree is a £100m investment commitment by the Government to develop an innovation centre for cell and gene therapies supporting the growth of this expanding industry. The Centre will deliver a state-of-the-art facility, developing expertise and driving innovation into technology transfer for novel therapies and vaccines manufacturing at industrial scale. Large-scale gene therapy manufacturing systems will also be developed at the facility.
The I-Construct Business Innovation Hub (opened start of 2022)	• The I-Construct Innovation Hub is a £2.3 million centre of excellence for construction innovation based in Braintree. The hub's facilities are designed to be used to support individuals to start up a business in construction and construction-related sectors, nurture early-stage SMEs and facilitate the commercialisation of new ideas, technologies and research into construction markets.
East Anglia GREEN	• East Anglia GREEN is a proposal by National Grid Electricity Transmission (National Grid) to reinforce the high voltage power network in East Anglia, connecting the area to new low carbon energy generation. The proposed plans currently include a new overhead power line through Braintree, running to the north of the A12 corridor.
A120 Braintree to A12	• In March 2020, the government announced details of the second Road Investment Strategy (RIS2), covering April 2020 to March 2025. The A120 Braintree to A12 is one of the Road Investment Strategy 3 (RIS3) 'pipeline projects' that will undergo further analysis for consideration for potential future investment.

Source: SQW, based on a review of documentation

Macroeconomic context

2.25 There are a wide range of external macroeconomic events that are having a profound impact on Braintree's economy since the current **Plan for Growth** was produced in 2017. This section reviews some of the key factors which are continuing to impact the economy during the writing of this Economic Strategy, including:

- Ongoing impact of Covid-19 Pandemic
- Ongoing impact of Brexit
- Cost of Living Crisis

Impact of Covid-19 Pandemic

2.26 The Covid-19 pandemic has had a substantial impact on the global and national economy in many ways. Lockdown restrictions imposed by the government shut down many businesses and limited the way in which people travelled to and from work, family, leisure and services. Although the effects were cushioned through government intervention (not least the Coronavirus Job Retention Scheme), this has led to reductions in income, and disruptions in the transportation, service, and manufacturing industries.

2.27 Although there is a significant lag in the publication of ONS data, some of the impacts of the Covid-19 pandemic in relation to Braintree's economy are evident on key indicators. These include a rise in the number of people claiming unemployment benefits, a reduction in the economic output (GVA) of the economy and a short-term decrease in the number of job vacancies available. The data also suggest that much of the economy has now rebounded back to pre-Covid levels of production, although the lag in data being released makes this hard to understand for all indicators at the time of writing (July 2022).

Impact of Brexit

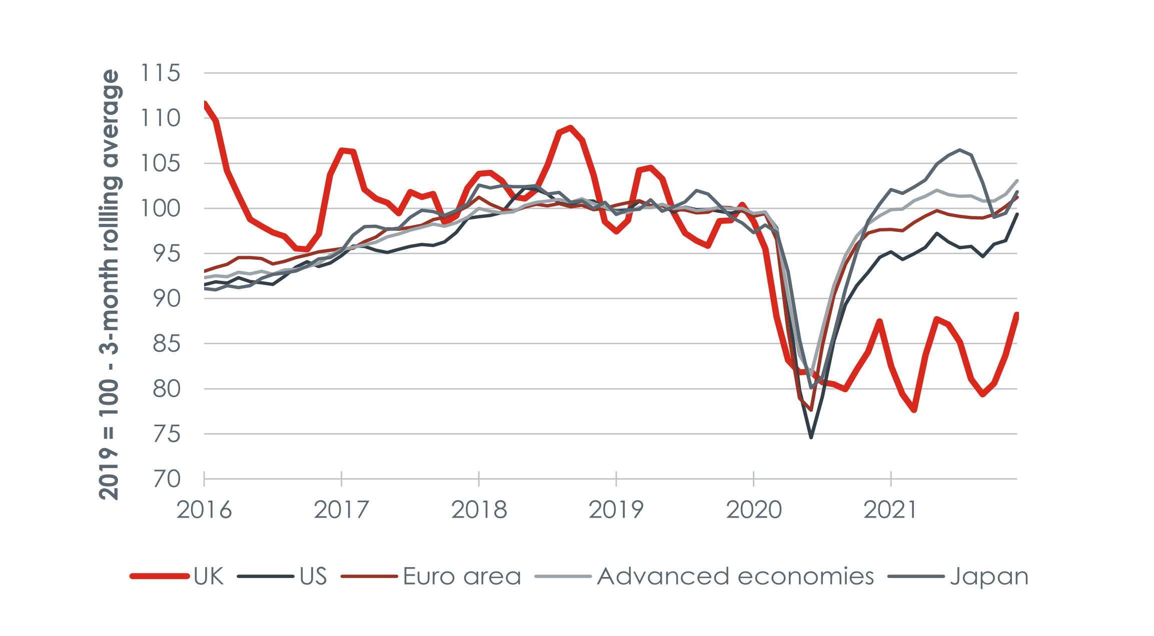
2.28 It has been more than five years since the Brexit referendum, two years since the UK left the EU, and just over a year since the transition period ended. Since then, the implementation of the Trade and Cooperation Agreement (TCA) has proceeded at different speeds on either side of the Channel. EU countries applied full customs requirements and checks on UK exports at the start of 2021, while the UK delayed the introduction of full customs requirements on EU imports until January 2022 and full health, safety and security checks to the second half of 2022.[7]

2.29 There has been a range of impacts on UK businesses (and those located in Braintree). Comparing the UK's recent overall trade performance with other advanced economies suggests that the UK saw a similar collapse in exports as other countries at the start of the pandemic but has since missed out on much of the recovery in global trade. UK and aggregate

[7] The latest evidence on the impact of Brexit on UK trade, Office for Budget Responsibility, 2022

advanced economy goods export volumes fell by around 20% during the initial wave of the pandemic in 2020. But by the fourth quarter of 2021, total advanced economy trade volumes had rebounded to 3% above their pre-pandemic levels while UK exports remained around 12% below (see figure below). The UK therefore appears to have become a less trade intensive economy (and it can be assumed that Braintree's economy has changed in a similar way).

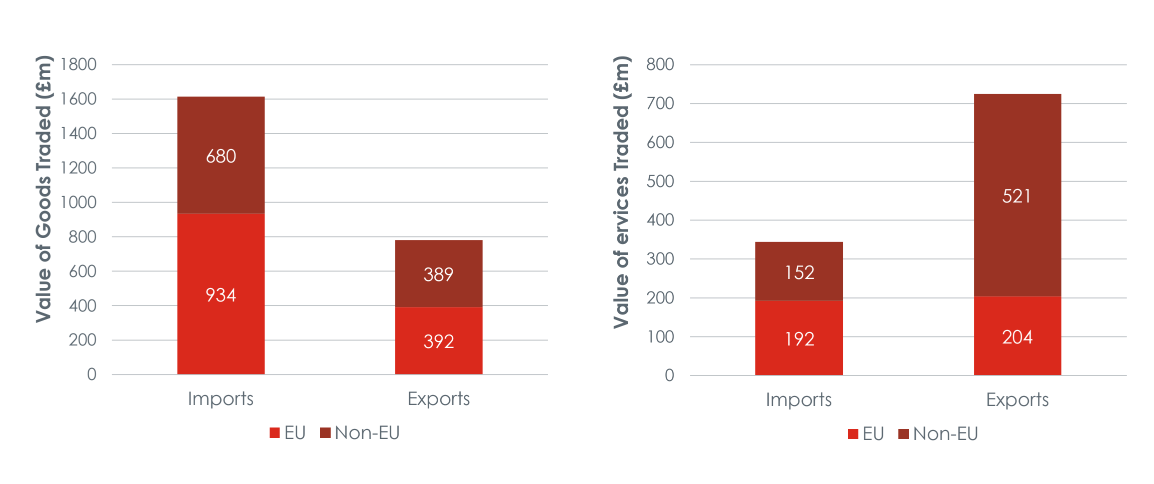
Figure 2-1: UK and Advanced Economy Trade – Goods Export Volumes



Source: The latest evidence on the impact of Brexit on UK trade, Office for Budget Responsibility, 2022

2.30 Prior to Brexit, Braintree's businesses were active in international trade. Data for the Essex Haven Gateway area (which incorporates Braintree, Colchester and Tendring) found that £781m of goods and £725m of services were exported in 2020. In 2020, the Essex Haven Gateway area was a net importer of goods, but was a net exporter of services, with an overall trade deficit.

Figure 2-2: Estimated value of exports and imports of goods (LH) and services (RH) for Haven Gateway (Braintree, Colchester & Tendring), 2020



Source: International trade in services by subnational areas of the UK, ONS, 2020
Note: Data is only available at NUTS3 geographies, and therefore Haven Gateway area is smallest geography available (includes Braintree, Colchester and Tendring)

Cost of living crisis

2.31 The ‘cost of living crisis’ refers to the fall in ‘real’ disposable incomes (that is, adjusted for inflation and after taxes and benefits) that the UK has experienced since late 2021. It is being caused predominantly by inflation outstripping wage and benefit increases and has been exacerbated by recent tax increases.

2.32 Inflation is calculated as the average change in the price of typical goods and services purchased by UK households over 12 months. This is tracked using the Consumer Price Index (CPI), calculated by the Office for National Statistics using a sample of 180,000 prices of 700 common consumer goods and services[8]. The latest data suggest a CPI of 8.5% in the 12 months to July 2022. The Bank of England aims to keep the CPI rate of inflation at 2% plus or minus 1 percentage point (i.e. between 1% and 3%) and adjusts interest rates to achieve this.

2.33 There are several factors that have contributed towards the cost pressures[9], including:

- ***Worldwide gas prices*** have increased since mid-2021 partly due to the strong demand from Asia, depleted gas storage supplies in Europe and the ongoing Ukraine-Russia war. Gas is an important source of energy in the UK: nearly 80% of households in England are heated by mains gas and a third of electricity is generated in gas power stations.[10]
- ***Disruption to global supply chains*** has also led to increased prices. Pandemic shutdowns of factories in Asia have caused a shortage of semiconductors, an important component in common consumer goods. Global shipping costs have also increased, as shipping firms

[8] Office for National Statistics, What's in the basket of goods? 70 years of shopping history, 2016
[9] Cost of Living Crisis, Institute for Government, June 2022, https://www.instituteforgovernment.org.uk/explainers/cost-living-crisis
[10] Office for National Statistics, Energy efficiency of Housing, England and Wales, country and region dataset

reduced capacity by 11% during the pandemic in anticipation of reduced demand. This has increased the price of commodities such as timber and other imported products.

- ***Russian invasion of Ukraine*** has exacerbated these economic stresses, with European industrial production having declined due to a shortage of essential parts from Ukraine and shutdown of activities in Russia. Ukraine is also a major exporter of agricultural commodities such as grain and sunflower oil. Disruption to the supplies of these commodities could lead to significant increases in global food prices.

2.34 The cost pressures impact on both businesses and residents within Braintree, as described below:

- **Pressure on Braintree's residents**: inflation is currently outstripping increases in nominal wages so incomes will fall in real terms. The Bank of England has forecast that real household disposable income will fall by 1.75% in 2022[11]. The impact of the crisis is most felt by the poorest households, with the inflation rate for the poorest 10% of households estimated to be 10.9% in April 2022, compared to 7.9% for the richest 10% of households.

- **Pressure on Braintree's businesses**: businesses are being impacted by increasing energy bills and the overall costs of products and services. A survey by BDO Consultancy of 500 business leaders nationally found that almost half (47%) of businesses thought it was the greatest challenge to their business over the next six months[12]. As a direct result of rising inflation, almost a third (31%) are seeking additional finance, rising to two-fifths (42%) of hospitality and leisure businesses and 36% for retail and wholesale – all industries that have already been hard hit by Covid-19.

[11] Bank of England, Monetary Policy Report, May 2022
[12] https://www.bdo.co.uk/en-gb/news/2022/inflation-skills-shortages-and-cost-of-living-crisis-threatening-business-growth

3. Productivity, business and employment

Summary

- Although there are limitations surrounding official data at a local level over short time periods, the data suggest that Braintree's economy has performed weakly over the past three years. Overall economic output has declined, productivity (measured by GVA per filled job) has declined, the number of businesses has flatlined, and employment appears to have declined from a peak in 2017. However, the longer-term picture is more positive: over the last decade or so, Braintree has performed well (absolutely and relatively) on metrics relating to productivity and employment.
- There are some promising signs within the economy, which provide a platform from which to build; business survival rates in the district are generally strong, employment growth was strong until 2017, and the evidence suggests that Braintree's economy has not been impacted by the Covid-19 pandemic any more than across the comparator areas. Data on recent GVA growth suggests that there has been 'some significant movement in business operations in Braintree' within the financial and insurance activities industry which has led to recent decreases in GVA.

3.1 This chapter provides headline productivity, business and employment performance data, to understand how Braintree's economy has evolved since the current **Plan for Growth** was published.

Productivity

3.2 Braintree's economy currently produces £3.26 billion per annum (2020)[13]. Braintree accounts for 28% of all economic production in North Essex[14] and 9% of economic production across Essex.

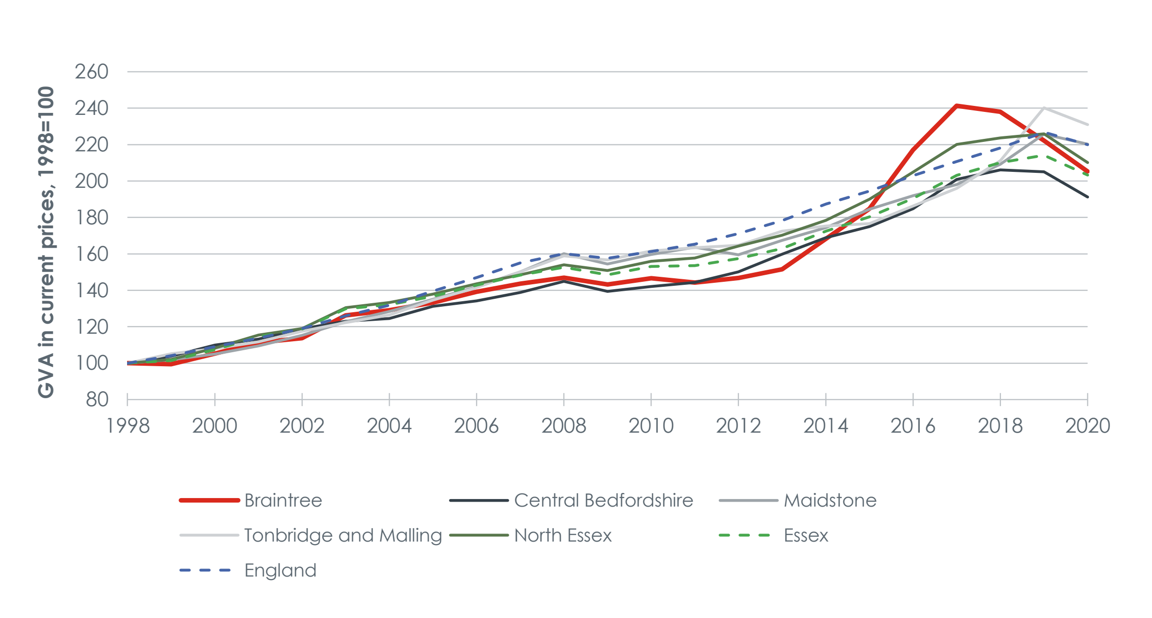
3.3 Data suggest that Braintree's production (as measured by Gross Value Added (GVA)) has fluctuated in recent years, with very strong growth in GVA between 2015 and 2017 – above the growth rate experienced across the comparator areas – before declining over the past three years. The overall pattern in Braintree has been similar to elsewhere, but more exaggerated.

3.4 Evidence from ONS data suggests that the growth in GVA from 2015 to 2017 and subsequent decline since 2017 may be driven by the performance of the financial and insurance activities

[13] ONS GVA(B) estimates, in current basic prices
[14] Defined as Braintree, Colchester, Tendring and Uttlesford

industry, which rapidly expanded and has subsequently declined. From a dialogue with ONS[15], we understand that there has been 'some significant movement in business operations in Braintree' within the financial and insurance activities industry which has led to this trend.

Figure 3-1: Gross value added (balanced) in current prices, 1998-2020, Index: 1998=100



Source: ONS

3.5 The productivity of Braintree's economy can be calculated by dividing the total production of the economy (as measured by GVA) by either the number of hours worked across the economy or the number of jobs. Both productivity metrics provide a similar story for Braintree; its performance is close to the national productivity rate, and ahead of the productivity achieved across Greater Essex. This is a much-improved position compared to 2002, where Braintree lagged behind most comparators on productivity.

[15] Through correspondence with ONS, July 2022

Figure 3-2: Productivity (GVA per hour worked (top) and per filled job (bottom)) in current prices, smoothed, 2002(4)-2020

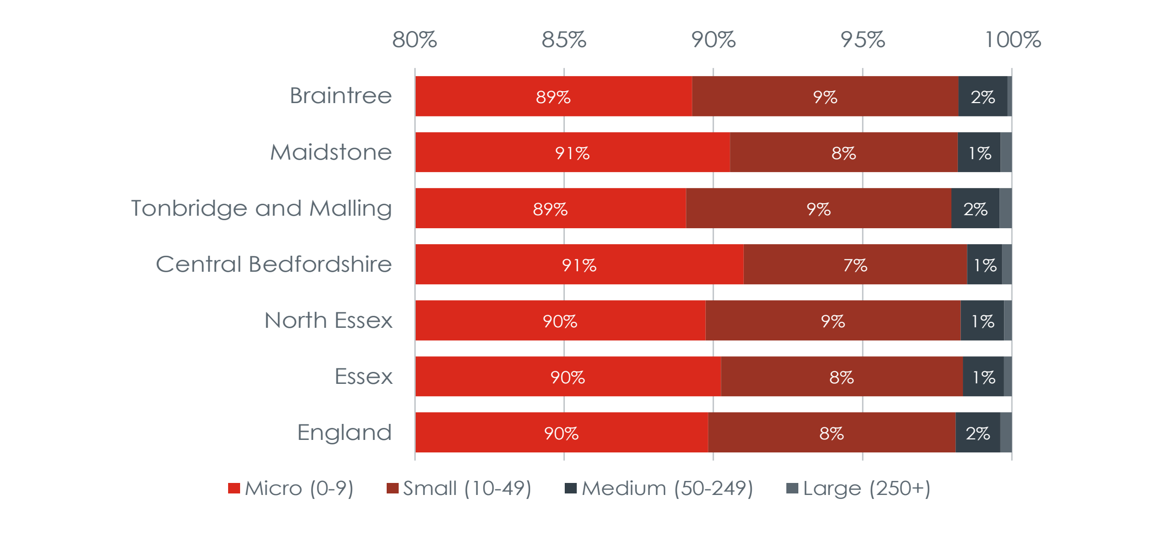
Source: ONS

Note: Essex Haven Gateway comprises Braintree, Colchester and Tendring, while Greater Essex comprises Essex (county), Southend-on-Sea and Thurrock. They are used as proxies for North Essex and Essex (county) respectively.

Business stock

3.6 Braintree is home to 6,675 businesses. Around 89% of all businesses are micro in size (employing between 0 and 9 employees). Relative to comparator areas, Braintree has a similar business size composition, with most other areas having a similar proportion of micro sized businesses as a proportion of their overall business base. One aspect where Braintree differs is the number of large businesses (employing over 250 people); the data suggest there are 10 businesses in Braintree employing more than 250 people (accounting for 0.1% of all businesses) compared to 25 in Tonbridge and Malling (0.4% of all businesses), 30 in Maidstone (0.4%) and 40 in Central Bedfordshire (0.3%). This is a picture that may change in Braintree given the nature of planned growth and connectivity improvements – but it is something that should be considered in relation to the new Economic Plan.

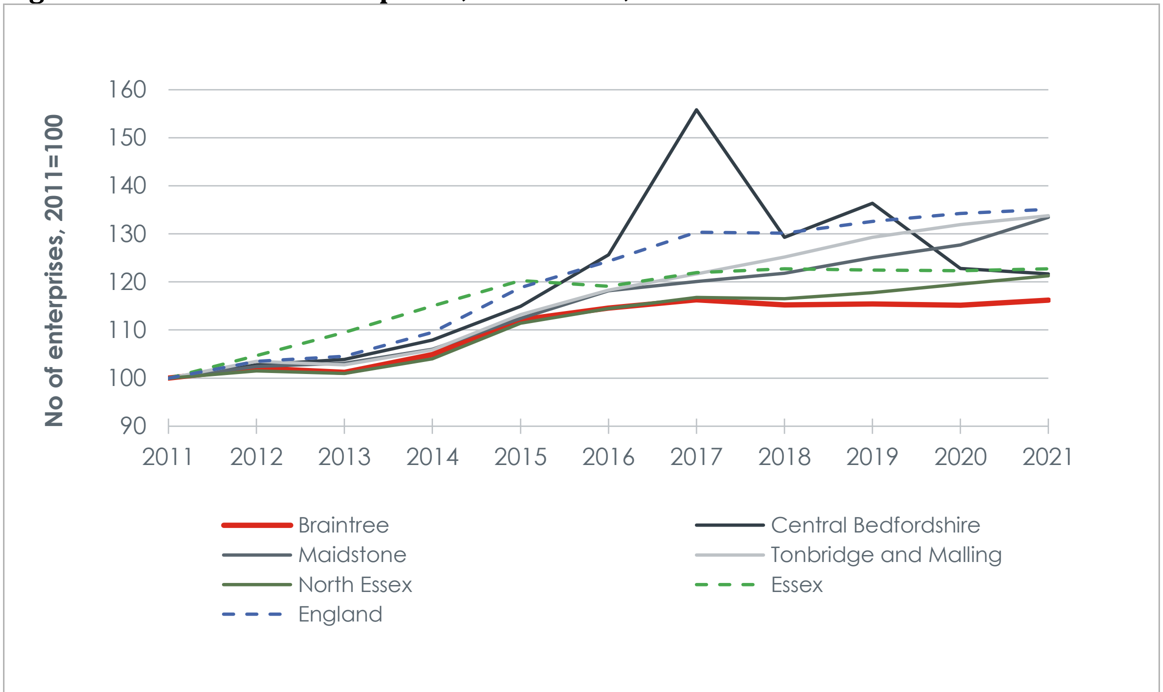
Figure 3-3: Size of businesses



Source: UK Business Counts

3.7 Growth in the business stock in Braintree has been relatively sluggish over the past decade, and Braintree (with growth in stock of 15% since 2011) has lagged behind comparators on this indicator. This puts Braintree behind the growth rate experienced across the rest of North Essex (22%) and Essex (35%) over the past decade. Slow growth in business stock coupled with a dearth of larger employers points to important challenges for the district.

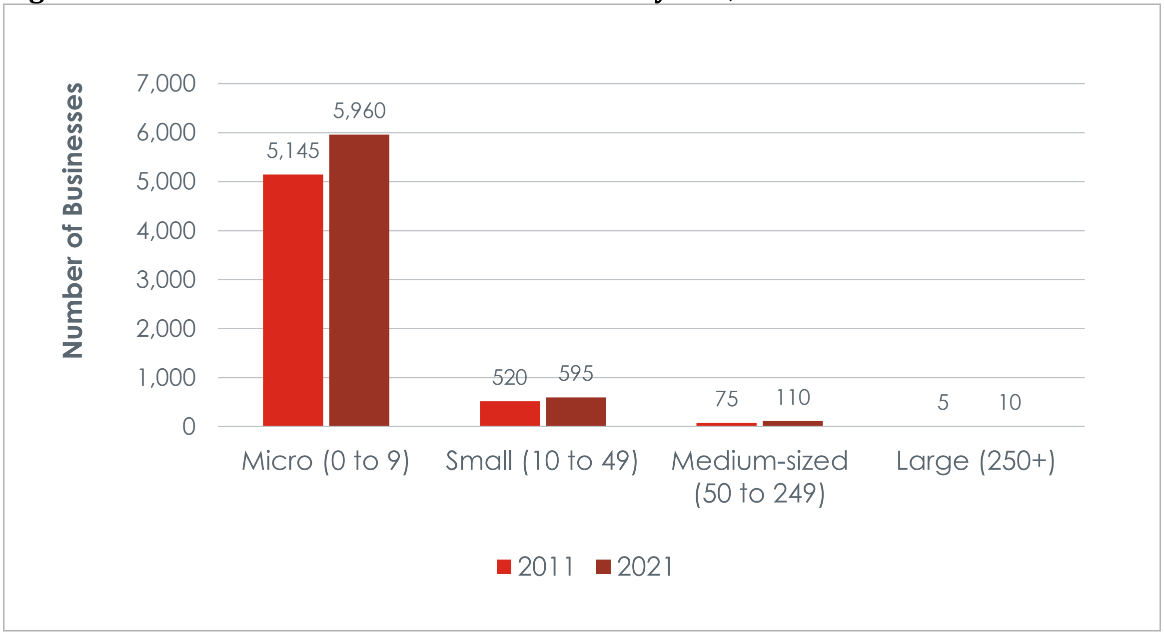
Figure 3-4: Number of enterprises, 2011-2021, Index: 2011=100



Source: UK Business Counts

3.8 The change in the business size over the last five years has been primarily driven by micro businesses (with between 0 and 9 employees), with this increasing by 16% between 2011 and 2021. Growth has been slow relative to Essex (30%) and nationally (35%) for businesses falling in this same category. The number of small businesses (employing between 10 and 49 employees) in Braintree has increased by 75 businesses between 2011 and 2021: a 14% increase. This was below the growth rate of small businesses experienced across Essex and nationally (where the stock of small businesses increased by 23%).

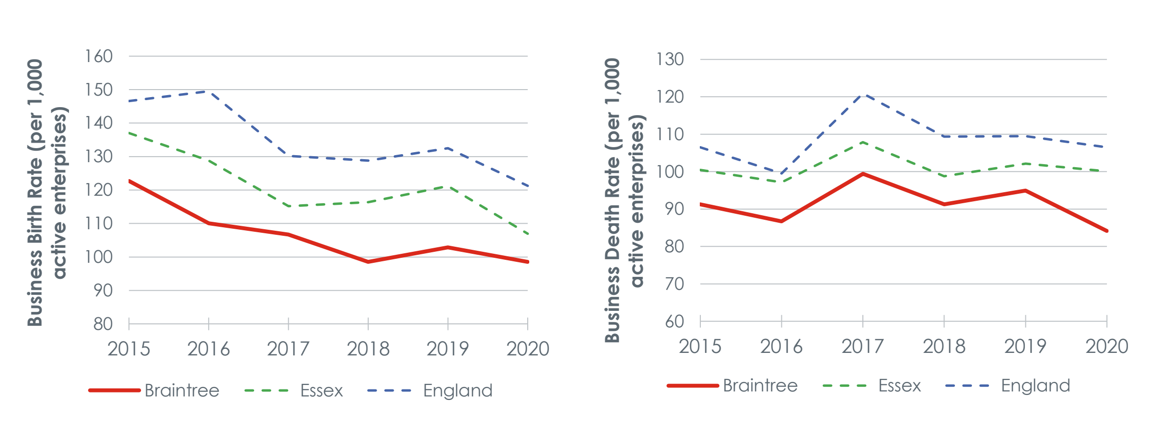
Figure 3-5: Growth in Braintree business stock by size, 2011-21



Source: UK Business Counts

3.9 Reflecting the slower growth in business stock that has been experienced in Braintree, business start-up rates are lower than the Essex and national levels, with around 100 new businesses started for every 1,000 active enterprises in 2020, a rate around 20% lower than the national one. This business start-up rate has declined since 2015 (when data are first available), falling by around 20%. By comparison, the business death rate has remained relatively stable over the same period. The decline in 2020 may have been the result of interventions linked to the pandemic (furlough scheme and the various business loan schemes) which kept many businesses afloat. Equally, the pandemic may explain the decline in business births in 2020.

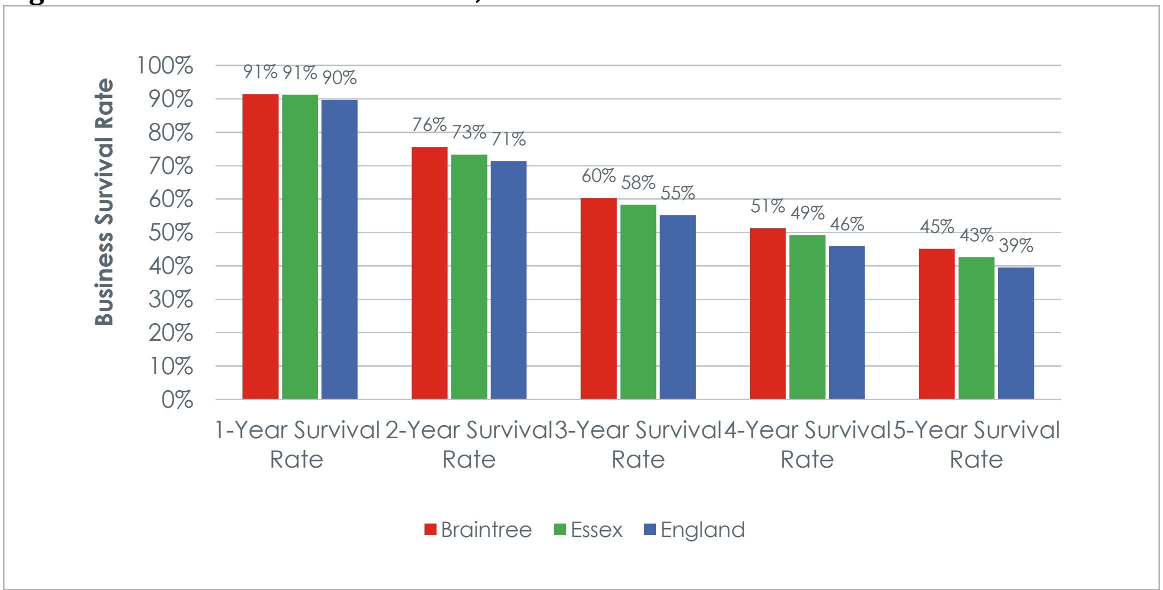
Figure 3-6: Business Birth & Death Rate per 1,000 Active Enterprises, 2015-2020



Source: ONS Business Demography

3.10 Business survival rates in Braintree are relatively strong, with 45% of businesses started in 2015 surviving their first five years. Braintree has a slightly better survival rate than Essex and nationally, reflecting a more stable business environment locally.

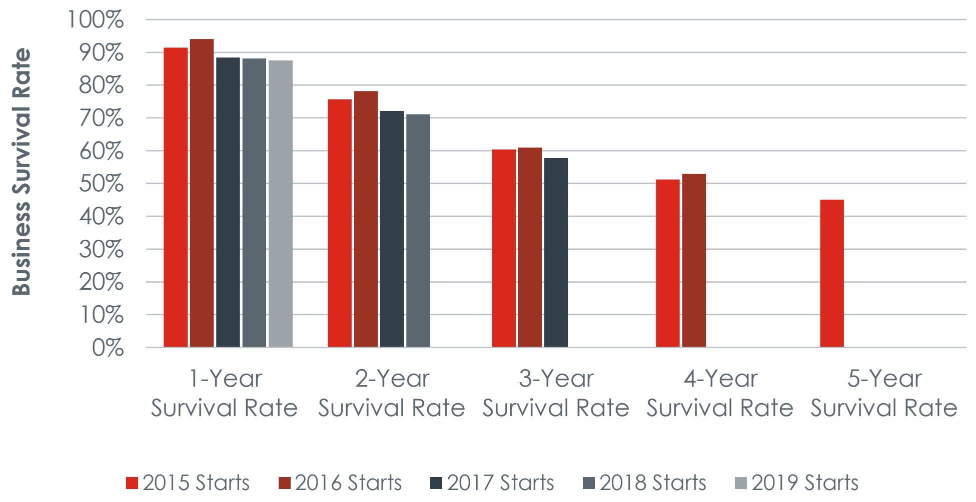
Figure 3-7: Business Survival Rates, 2015 Births



Source: ONS Business Demography

3.11 Braintree's business survival rates have remained relatively consistent over the past five years, with the 1-year survival rate fluctuating between 87% and 91%.

Figure 3-8: Business Survival Rate in Braintree, 2015 – 2019 starts



Source: ONS Business Demography

Employment

3.12 The ONS Business Register and Employment Survey (BRES) is the key source for recent data on workplace jobs. The BRES dataset reports on jobs in two different ways:

- Employees: an employee is anyone aged 16 years or over that an organisation directly pays from its payroll(s), in return for carrying out a full-time or part-time job or being on a training scheme. It excludes voluntary workers, self-employed and working owners who are not paid through PAYE. In 2020, there were 55,000 employees in Braintree.
- Employment: includes employees plus the number of working owners. This therefore includes those self-employed workers that are registered for VAT or Pay-As-You-Earn (PAYE) schemes. In 2020, there were 57,000 employed in Braintree based on these calculations. [Note though that BRES does not capture all self-employment jobs]

3.13 Using data relating to the number of employees in Braintree, 35% of all jobs in Braintree are part-time jobs.

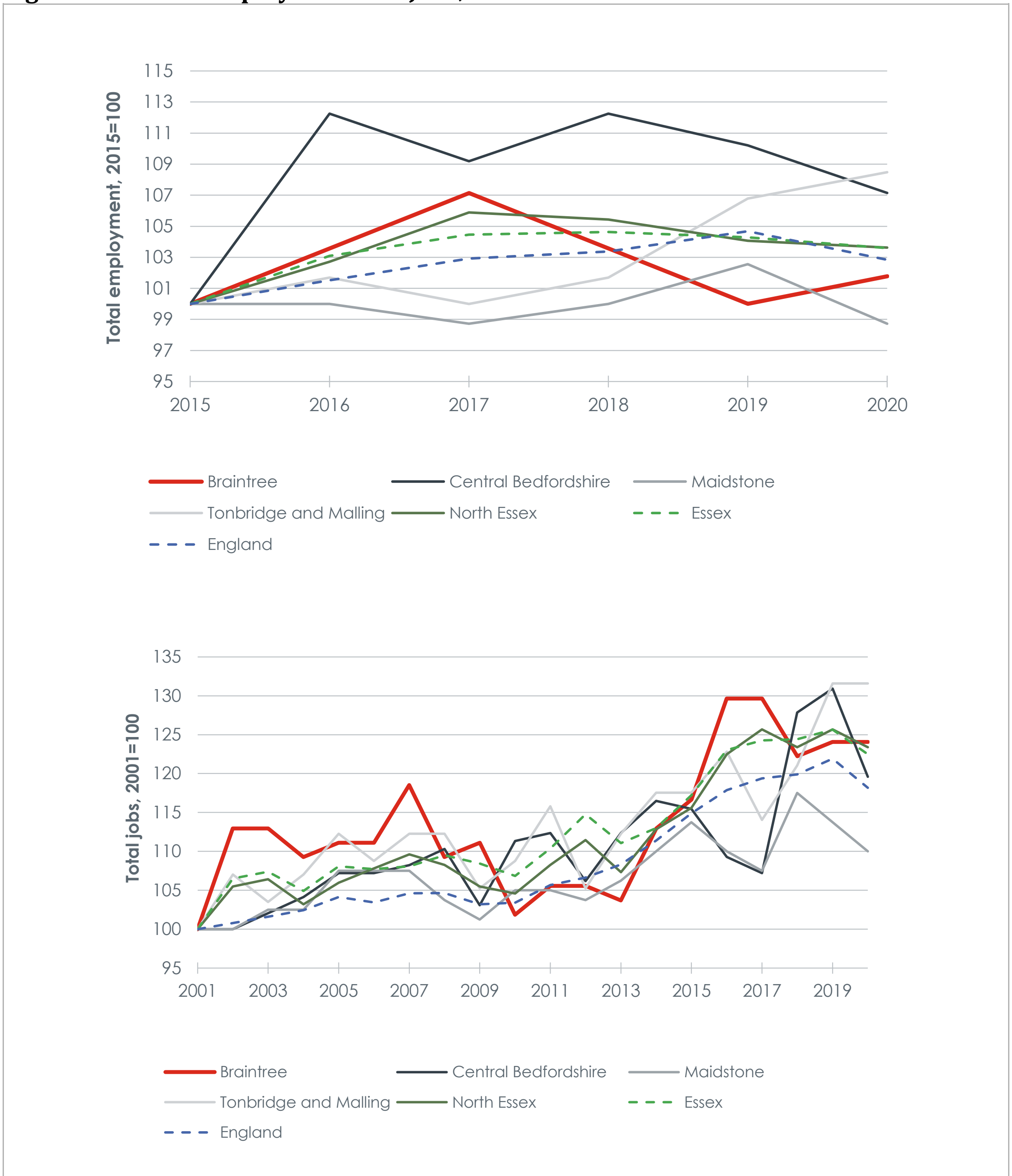
Table 3-1: Employment in Braintree, 2020

Indicator	Number
Total employment	57,000
Total employees	55,000
Full-time employees	36,000 *(65% of employees)*
Part-time employees	19,000 *(35% of employees)*

Source: Business Register and Employment Survey

3.14 Braintree's employment growth has been variable over the last five years, with relatively strong employment growth from 2015 to 2017, and then a decline in performance from 2017 to 2020. Over the five-year period, Braintree saw employment growth of 2%. Among the comparators, Maidstone had lower employment growth over that period (-1%). North Essex and Essex (both 4%) and England (3%) all saw faster growth. Examining employment over a longer trajectory (as is possible with total jobs data), shows that Braintree was on a relatively strong employment growth trajectory from 2013, following the recovery from the 2009-10 recession. Over this time period, Braintree has performed well in terms of employment growth, albeit with an employment decline since 2017.

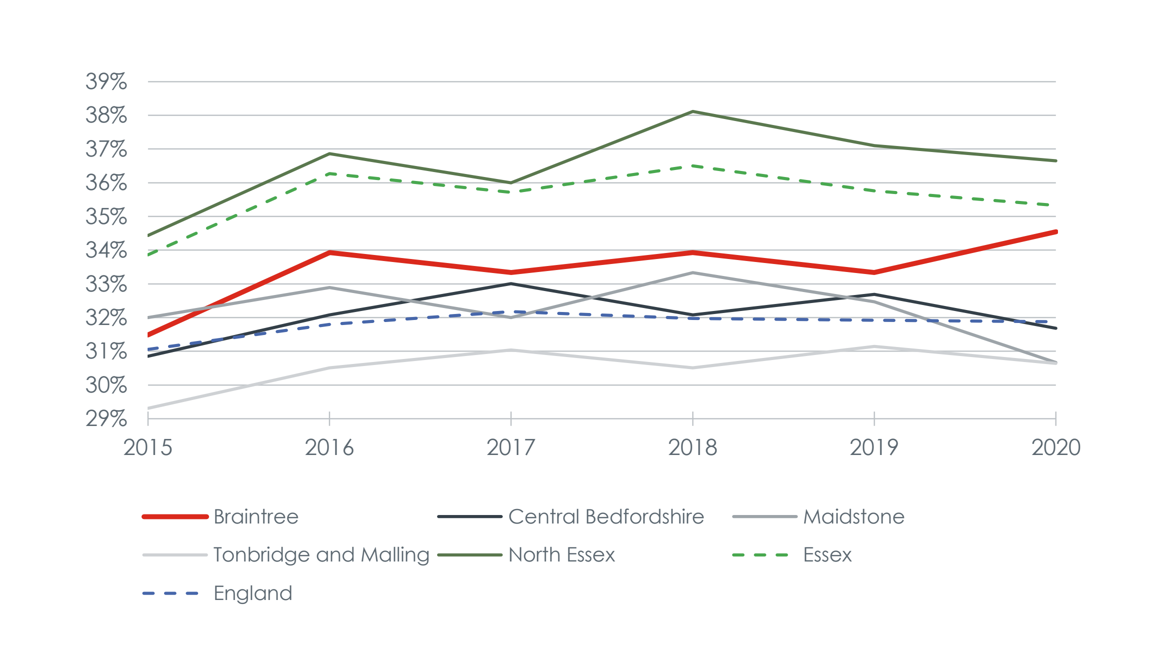
Figure 3-9: Total Employment and Jobs, Indexed



Source: Business Register and Employment Survey, ONS Jobs density

3.15 Over the past five years, there has been growth in the proportion of part-time employment within Braintree, with this making up a larger proportion of overall employment. This has grown from 31% of total employment to 35% in 2020.

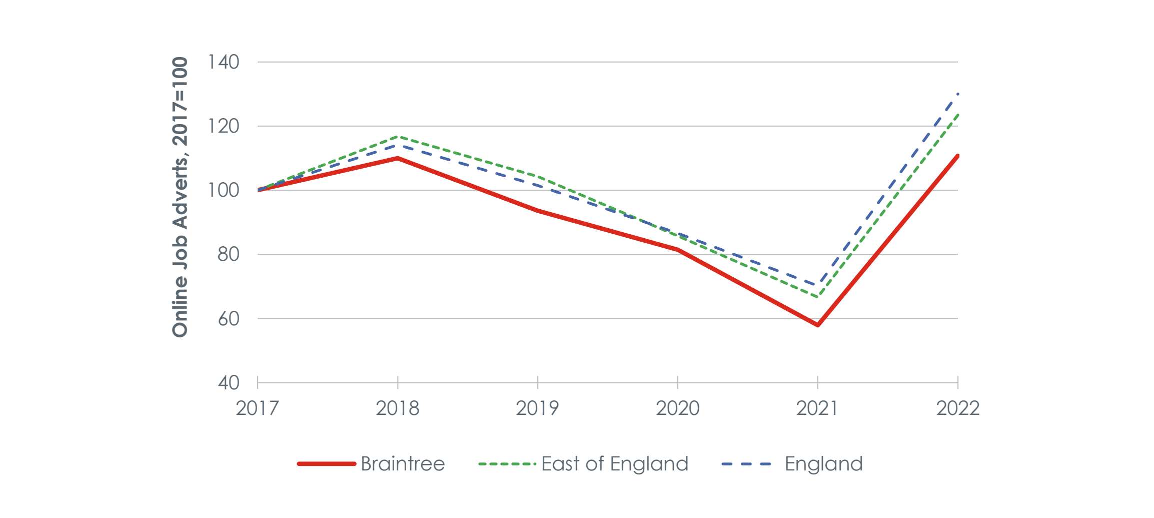
Figure 3-10: Part-time employees as a % of all employees, 2015-2020



Source: Business Register and Employment Survey

3.16 More recent data – which point to the impact of the Covid-19 pandemic on employment – are available through the ONS Vacancy Survey. This is a regular survey of businesses that provides a measure of the total number of vacancies. The data show that Braintree has experienced a fall in the number of job adverts since a peak in 2018, and although this decline matches a similar trend to one that has occurred nationally, it has occurred faster in Braintree. Since the Covid-19 pandemic, the number of job adverts has grown substantially and is now greater than in 2017 – although the pace of recovery has been slower in Braintree than elsewhere.

Figure 3-11: Online: Jobs Adverts, Indexed, 2017-22



Source: Vacancy Survey, ONS, 2022

4. Sectors

Summary

- Braintree has a mixed and diverse economy, being home to a wide range of sectors. However this economy is shifting. Sectors which have high levels of employment in Braintree relative to elsewhere (manufacturing, construction and wholesale/retail sectors) have seen either limited employment growth (in the case of construction and wholesale/retail) or employment decline (in the case of manufacturing) over the past five years.
- There are a range of new specialisms which are starting to emerge, including the health and professional services sectors, both of which have experienced strong growth over the last five years and now have concentrations of employee jobs matching the national level.
- An analysis of the six priority sectors identified in the *Growth Sectors and Innovation Potential in Braintree report*[16], found that a high proportion of recent employment growth within these sectors has come from the health and social care, and low carbon and renewables sectors. There were also promising signs within the digital and creative sector, which outperformed the rate of growth experienced across Essex.

4.1 This chapter provides an overview of the sectoral composition of Braintree's economy, based on the level of employment and the size of the business base present in the district, and how this has changed since the **Plan for Growth** was published in 2017.

4.2 The analysis provides an overview of the key overarching sectors and their relative performance, but also reviews some of the growth sectors identified within the *Growth Sectors and Innovation Potential in Braintree* report[17], which identified six priority sectors for Braintree:

- Advanced manufacturing
- Construction
- Digital, creative and cultural

[16] Growth sectors and innovation potential in Braintree, Report to Braintree District Council by SQW, 2017

[17] Growth sectors and innovation potential in Braintree, Report to Braintree District Council by SQW, 2017

- Health and life sciences (these two sectors have been split for the purposes of this analysis)
- Logistics
- Low carbon and renewables

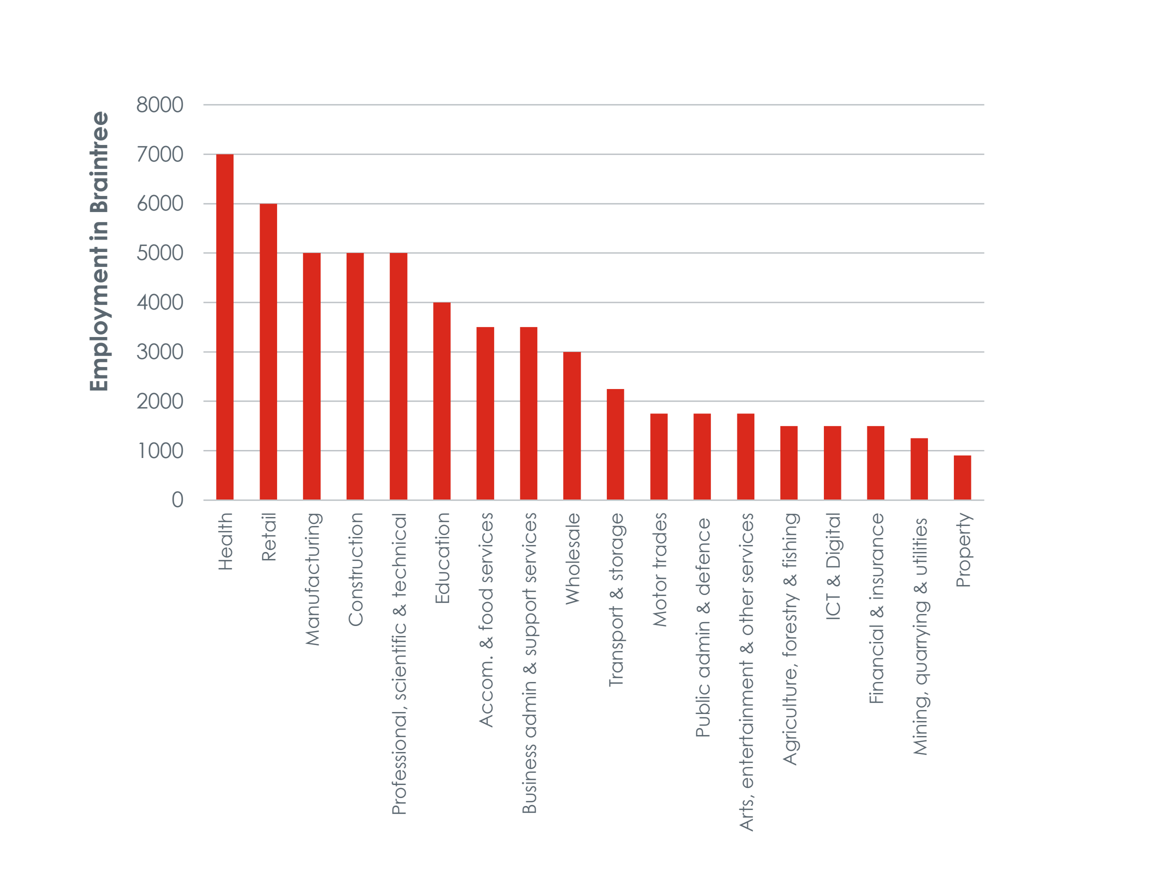
Overarching sectoral analysis

4.3 Braintree has a mixed and diverse economy and is home to a wide range of sectors. Business activity within Braintree can be better understood by drilling down into particular industrial sectors.

4.4 A location quotient (LQ) can also be derived from this data, which shows the concentration of employment by sector in Braintree compared to nationally (an LQ of greater than 1 shows a higher concentration of sectoral employment in Braintree than nationally). The evidence shows that in employment terms:

- Braintree's largest sectors are the health (7,000 jobs), retail (6,000), manufacturing, construction and professional, scientific and technical service (all 5,000) sectors, which in combination account for half of all employment in Braintree.
- Braintree has a higher concentration of activity in the manufacturing, construction and wholesale/retail sectors relative to the Essex level. However in all three sectors, the employment growth rate has either been stagnant (in the case of construction and wholesale/retail) or the level of employment has declined (in the case of manufacturing) over the past five years.
- Sectors which have grown strongly over the last five years include the professional services (25%), water supply and waste management (25%) and health sectors (40%), all of which have experienced growth above the Essex level.
- Water supply and waste management is a relatively small sector in absolute employment terms, but it has experienced strong growth over the past five years and has a relatively high concentration of activity compared to the national level.

Figure 4-1: Sectoral composition of employment, 2020



Source: Business Register and Employment Survey

Table 4-1: Sectoral breakdown of employment in Braintree

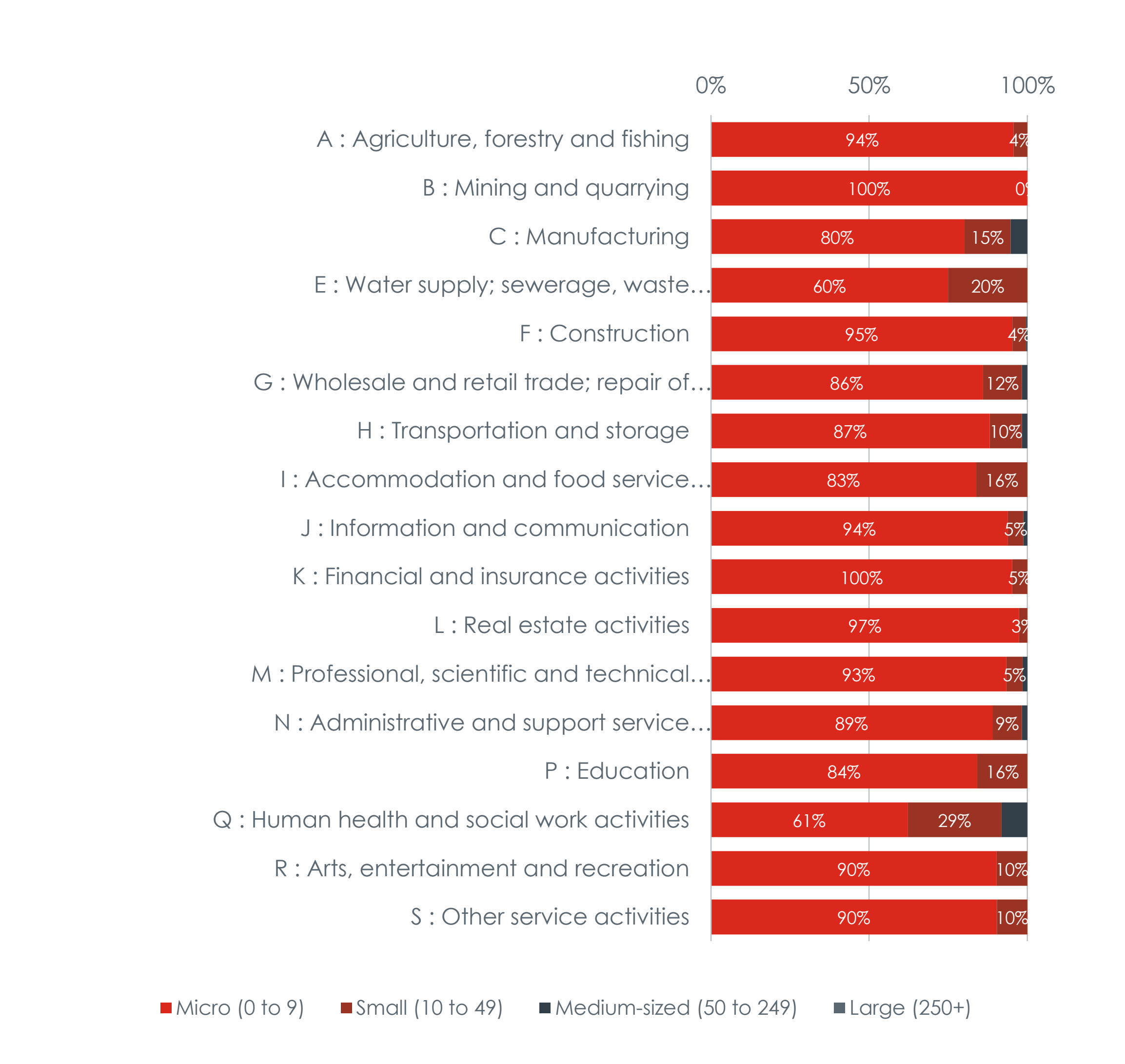
	Braintree				Essex	
	Employ., 2020	% of Employ.	LQ	Employ Change, 2015-20	LQ	Employ Change, 2015-20
A : Agriculture, forestry and fishing	1500	3%	1.9	20%	1.2	25%
B : Mining and quarrying	35	0%	0.8	0%	0.7	71%
C : Manufacturing	5000	9%	1.2	-29%	0.8	-12%
D : Electricity, gas, steam and air conditioning supply	25	0%	0.1	-38%	0.2	11%
E : Water supply; sewerage, waste management and remediation activities	1250	2%	3.4	25%	1.8	0%
F : Construction	5000	9%	1.8	0%	1.8	16%
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	10000	18%	1.2	0%	1.1	-1%
H : Transportation and storage	2250	4%	0.8	0%	1.1	25%

	Braintree				Essex	
I : Accommodation and food service activities	3500	6%	0.9	0%	1.0	5%
J : Information and communication	1500	3%	0.6	0%	0.7	-9%
K : Financial and insurance activities	1500	3%	0.8	-33%	0.8	0%
L : Real estate activities	900	2%	0.8	-10%	0.7	0%
M : Professional, scientific and technical activities	5000	9%	1.0	25%	0.9	11%
N : Administrative and support service activities	3500	6%	0.7	0%	1.0	9%
O : Public administration and defence; compulsory social security	1750	3%	0.8	-13%	0.7	0%
P : Education	4000	7%	0.8	-11%	0.9	0%
Q : Human health and social work activities	7000	13%	1.0	40%	1.1	8%
R : Arts, entertainment and recreation	1000	2%	0.8	0%	0.9	-8%
S : Other service activities	900	2%	0.8	-28%	0.9	-27%

Source: Business Register and Employment Survey

4.5 The characteristics of each sector vary, including the size of businesses within each sector. Those sectors which have a higher proportion of larger businesses in Braintree, include the human health and social work; water supply and waste management; and manufacturing sectors. However it is important to note that the number of large businesses within the district is very small overall.

Figure 4-2: Business size by sector in Braintree, 2021



Source: UK Business Count

Note: this analysis only considers private sector businesses, and not public sector organisations (as defined by ONS)

4.6 Analysis of more detailed 2-digit Standard Industrial Classification (SIC)-codes provides a more detailed view on specific specialisms within the Braintree economy:

- The retail sector is the largest 2-digit SIC code in Braintree, accounting for 5,000 jobs. Other sectors with a substantial presence in Braintree include the education sector (4,000 jobs), wholesale trade (3,000), food and beverage service activities (3,000), health activities (3,000), specialised construction activities (2,500) and residential care activities (2,500).
- The manufacturing, utilities and financial sectors are among those which have specific sector specialisms that high a very high concentration of employment activity in Braintree relative to the national level. The particular 2-digit SIC codes which have a high employment concentration in Braintree relative to the national level are water collection, treatment and supply (with a location quotient of 10.7), remediation activities and other waste management services (3.5), basic metals manufacture (3.2), manufacture of

computer, electronic and optical products (3.1), manufacture of other non-metallic mineral products (3.1) and insurance, reinsurance and pension funding (3.0).

- The highest absolute employment growth achieved by sector (at the level of 2-digit SIC codes) in Braintree is the human health activities sector, which has grown by 1,750 jobs over the past five years. This follows the sector growth trends identified above, in which recent employment growth has come from the health, professional and health sectors. Other sectors which have had strong absolute employment growth over the last five years are the water collection, treatment and supply (+750 jobs), services to buildings and landscape activities (+600), activities of head offices; management consultancy activities (+600 jobs) and residential care activities (+250).

Table 4-2: Largest employment sectors (at 2-Digit SIC Codes)

2-Digit SIC Code	Employ., 2020	Employ. Growth, 2015-20	LQ vs England
47 : Retail trade, except of motor vehicles and motorcycles	**5000**	0	1.0
85 : Education	**4,000**	-500	0.8
46 : Wholesale trade, except of motor vehicles and motorcycles	**3,000**	0	1.4
56 : Food and beverage service activities	**3,000**	0	0.9
86 : Human health activities	**3,000**	1,750	0.7
43 : Specialised construction activities	**2,500**	250	1.8
87 : Residential care activities	**2,500**	250	1.9
45 : Wholesale and retail trade and repair of motor vehicles and motorcycles	**1,750**	0	1.8
71 : Architectural and engineering activities; technical testing and analysis	**1,750**	250	1.8
84 : Public administration and defence; compulsory social security	**1,750**	-250	0.8

Source: Business Register and Employment Survey

Table 4-3: Sectors with a high relative concentration of employment (location quotient) at 2-Digit SIC Code levels

2-Digit SIC Code	Employ., 2020	Employ. Growth, 2015-20	LQ vs England
36 : Water collection, treatment and supply	800	750	**10.7**
39 : Remediation activities and other waste management services (includes the provision of remediation services)	75	45	**3.5**
24 : Manufacture of basic metals	350	-150	**3.2**
26 : Manufacture of computer, electronic and optical products	600	100	**3.1**
23 : Manufacture of other non-metallic mineral products	500	-200	**3.1**
65 : Insurance, reinsurance and pension funding, except compulsory social security	600	0	**3.0**
42 : Civil engineering	1,000	0	**2.5**
16 : Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	300	50	**2.5**
01 : Crop and animal production, hunting and related service activities	700	200	**2.1**
74 : Other professional, scientific and technical activities	700	100	**1.9**

Source: Business Register and Employment Survey

Table 4-4: Sectors (at 2-Digit SIC Code level) with the fastest employment growth

2-Digit SIC Code	Employ., 2020	Employ. Growth, 2015-20	LQ vs England
86 : Human health activities	3,000	**1,750**	0.7
36 : Water collection, treatment and supply	800	**750**	10.7
81 : Services to buildings and landscape activities	1,500	**600**	1.1
70 : Activities of head offices; management consultancy activities	1,500	**600**	1.0
87 : Residential care activities	2,500	**250**	1.9
71 : Architectural and engineering activities; technical testing and analysis	1,750	**250**	1.8
43 : Specialised construction activities	2,500	**250**	1.8
41 : Construction of buildings	1,250	**250**	1.6
01 : Crop and animal production, hunting and related service activities	700	**200**	2.1
62 : Computer programming, consultancy and related activities	1,000	**200**	0.7

Source: Business Register and Employment Survey

Priority sectors

4.7 Within the *Growth Sectors and Innovation Potential in Braintree* report[18], six sectors were identified which were 'priority sectors for the Haven Gateway as a whole' and which 'may not necessarily offer the best prospects for growth in Braintree'.

4.8 Sector-based analysis can provide a useful framework for considering the opportunities and challenges facing the economy. However, in identifying 'priority sectors', care should be taken in how these sectors are defined, particularly 'emerging sectors', which cannot be easily defined using existing SIC codes (such as 'digital' and 'low carbon') given the diversity of activity within each sector.

Priority sectors: a summary

4.9 Combined, the priority sectors (which were identified in the Haven Gateway Partnership sectors report) account for 21,125 jobs in Braintree (around 37% of all employment in the district). The table below compares the sectoral composition of the district with Essex.

4.10 Employment across all the priority sectors identified previously has grown at a stronger rate relative to the rest of the economy (with 11% employment growth in those priority sectors relative to 2% across the rest of the economy). However the data point to variable patterns of growth across these sectors:

- Two sectors have experienced strong employment growth over the last five years. The **health and social care** sector has experienced the strongest proportional growth, growing by 32% over the past five years (with an additional 1,640 jobs). The **low carbon and renewables** sector has also grown strongly, by 14% between 2015 and 2020.
- Over the period, the rate of growth in **digital and creative** sector outperformed that of Essex, which experienced an overall decline in employment.
- The **construction** sector, in which Braintree has a strong relative concentration of employment, has grown over the last five years, but not as strongly as the construction sector in Essex. There is a similar story for the logistics sector, which appears to have grown more slowly than across Essex as a whole.

Data from BRES need to be treated carefully – and the findings from a granular analysis (with small sectors in a small geographical area) really need to be considered alongside other sources of evidence. However there is some suggestion of a relative concentration of employment in Braintree around some of the priority sectors identified, including construction, health & social care, and low carbon and renewables.

[18] Growth sectors and innovation potential in Braintree, Report to Braintree District Council by SQW, 2017

Table 4-5: Performance of Priority Sectors in Braintree in terms of employment

Sector	Braintree				Essex	
	Total Employ., 2020	% of Employ.	Employ Growth, 2015-20	LQ	% of Employ.	Employ Growth, 2015-20
Advanced manufacturing	1,390	2%	-7% (-100)	0.5	3%	-18% (-2,765)
Construction	4,945	9%	+3% (+165)	5.6	8%	+15% (+6,965)
Digital and creative	2,155	4%	+8% (+170)	0.3	5%	-9% (-2,485)
Health & Social Care	5,140	9%	+32% (+1,640)	2.3	13%	+7% (+5,650)
Life Sciences	180	0.3%	-31% (-55)	0.2	0.2%	-21% (-240)
Low carbon and renewables	1,790	3%	+14% (+250)	1.3	2%	+19% (+2,465)
Logistics	5,525	10%	+4% (+215)	0.5	9%	+11% (+6,290)
Priority sectors total	21,125	37%	+11% (+2,285)	-	39%	+7% (15,880)
Total Economy	57,000	-	+2%	-	-	+3%

Source: Business Register and Employment Survey

5. People

Summary

- Data from the 2021 Census show that Braintree has an ageing population, with a high proportion of people aged between 50 and 60, many of whom may retire over the next decade. There has been no growth in the overall number of working-age people living in the district over the last decade, with the majority of recent population growth coming from those aged over 65.
- Braintree's resident working age population has relatively low qualifications relative to sub-regional, regional and national levels. This is consistent with the nature of Braintree's existing sectoral strengths and the lack of a higher education presence within the district. However, Braintree's young people tend to be qualified to degree-level more than across the rest of Essex.
- Braintree's working age population is very economically active, with relatively low levels of unemployment and economic inactivity. The District has rebounded well from the Covid-19 pandemic, with the number of people claiming unemployment benefits in the district below Essex and national levels.
- For full time employees, incomes earned by those working in Braintree have stagnated, in a similar manner to productivity growth, with no growth in workplace-based earnings in Braintree since 2016. This goes very much against growth that has been achieved by comparator areas. Resident-based full time employee earnings are 16% above workplace-based earnings, suggesting that residents may be out-commuting from Braintree in search of higher salaries.
- Deprivation levels in Braintree are generally low, with no small neighbourhood areas in the 10% most deprived nationally and two (2%) in the 20% most deprived.

5.1 This chapter provides an overview of Braintree's demography. It also examines the qualifications profile of the district's residents.

Demographic profile of Braintree

5.2 The latest statistics available from the Census 2021[19] shows there were 155,200 people living in Braintree as of 2021. This had increased from 147,084 in the previous 2011 Census –

[19] Note that only population and household statistics have been released at the time of writing. Further data is expected to be released in winter 2022 to early 2023.

growth of 6%, which is below the level of population growth experienced across Essex over the same period (8%).

5.3 Braintree has an ageing population profile, with Figure 5-1 showing the population pyramid for the district. There is a relatively high proportion of people aged between 50 and 59, and a lower proportion of people aged 15 to 24.

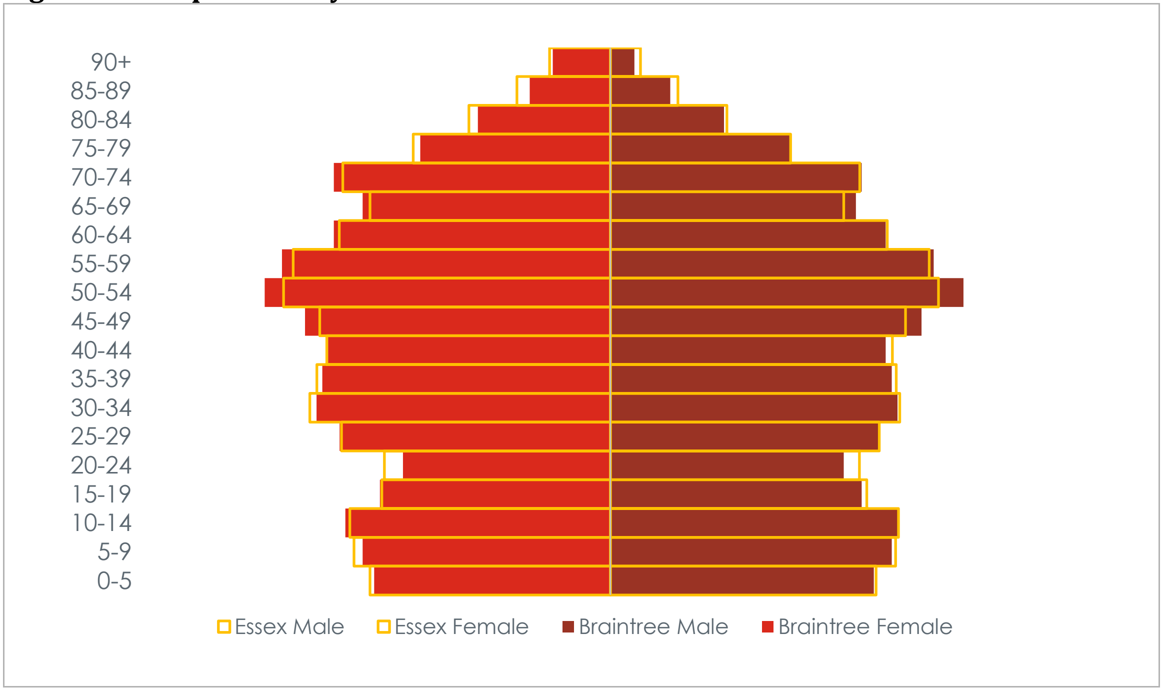
Table 5-1: Braintree's age distribution, 2021

Age group	Number	Percentage
Aged 0 to 14	**26,800**	**17%**
Aged 15 to 64	**96,800**	**62%**
Aged 15 to 24	*15,700*	*10%*
Aged 25 to 49	*48,800*	*31%*
Aged 50 to 64	*32,400*	*21%*
Aged 65+	**31,600**	**20%**
All ages	**155,200**	**100%**

Source: Census 2021

Note: Working Age Population would normally be defined as '16-64', but that data is currently unavailable from Census 2021

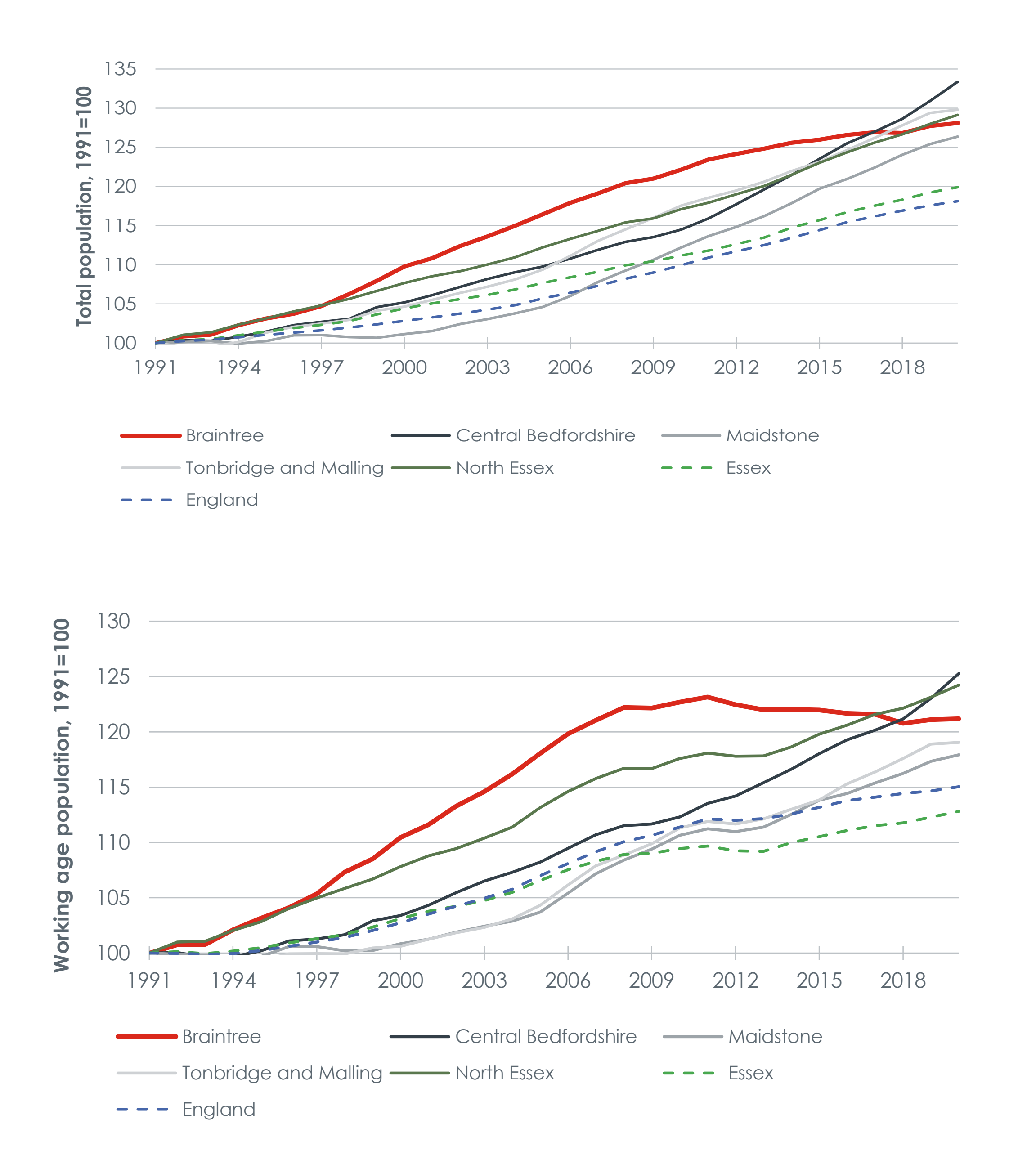
Figure 5-1: Population Pyramid for Braintree and Essex



Source: Census 2021

5.4 Figure 5-2 shows the growth in Braintree's total and working-age population over the last 30 years. It shows there was strong growth in Braintree's population in the first decade of this millennium, with strong population growth from 2000 to 2010. This rate of population growth, particularly for the working-age population, has slowed over the past decade. The data show that since 2009, there has been no growth in the working age population, in fact there has been a decline in the working age population in Braintree – in contrast to strong growth across all other comparator areas. The decline in the working age population is important in relation to Braintree's economy.

Figure 5-2: Total (top) and working age (bottom) population, 1991-2020, Index: 1991=100

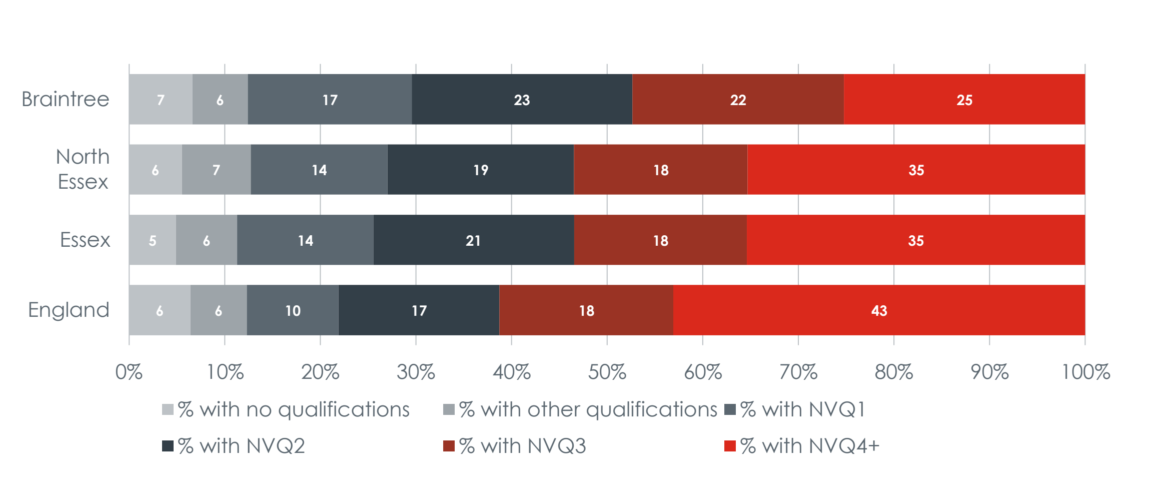


Source: ONS Population Estimates

Skills and qualifications

5.5 As shown in the **Plan for Growth** (2017), Braintree has a workforce which has relatively poor qualifications compared to the sub-regional, regional and national levels. A quarter of Braintree's working-age population is qualified to degree-level (NVQ Level 4+), much lower than the Essex (35%) or national (43%) level. This will be explained by many factors – younger adults (who tend to have the best qualifications) may be moving away perhaps because of the employment opportunities available in the district, plus there is no higher education institution within the district.

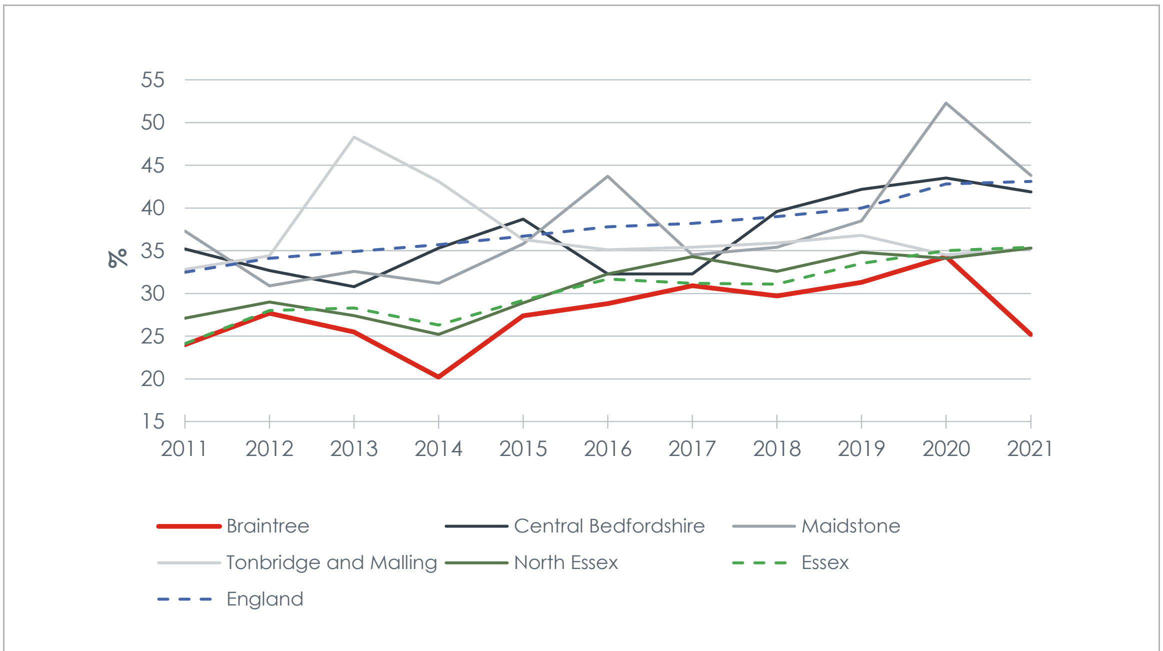
Figure 5-3: Qualifications across the working-age population, 2021



Source: Annual Population Survey

5.6 Data showing the number of working age people with degree-level qualifications are volatile. This partly reflects the survey-based approach taken to the Annual Population Survey (which has a limited number of responses for Braintree). Nevertheless, the proportion of the population with degree-level qualifications appears to have steadily grown over the past decade (except for in 2021, which may be a data anomaly within the survey approach).

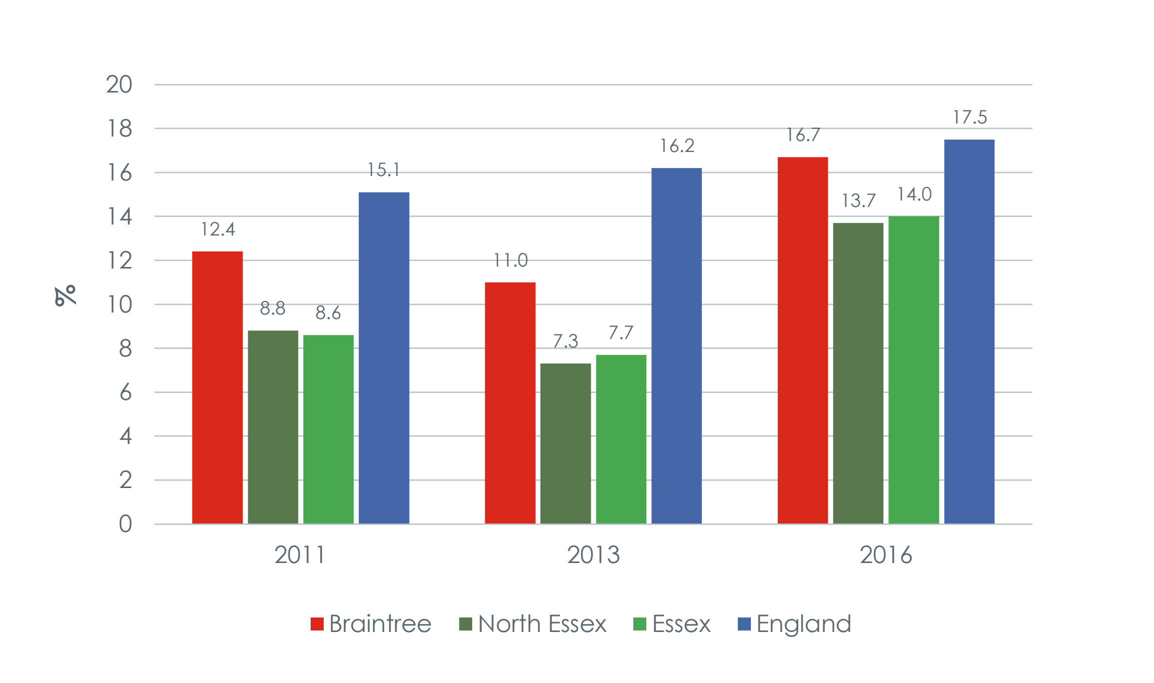
Figure 5-4: Percentage of working-age population with NVQ4+ qualification, 2011-2021



Source: Annual Population Survey

5.7 In a similar vein, data on young people is quite patchy, especially at district level – the latest data available for Braintree are from 2016. However this shows, in part, what sits behind the improving qualification levels in Braintree, with younger people in Braintree having relatively high qualification levels.

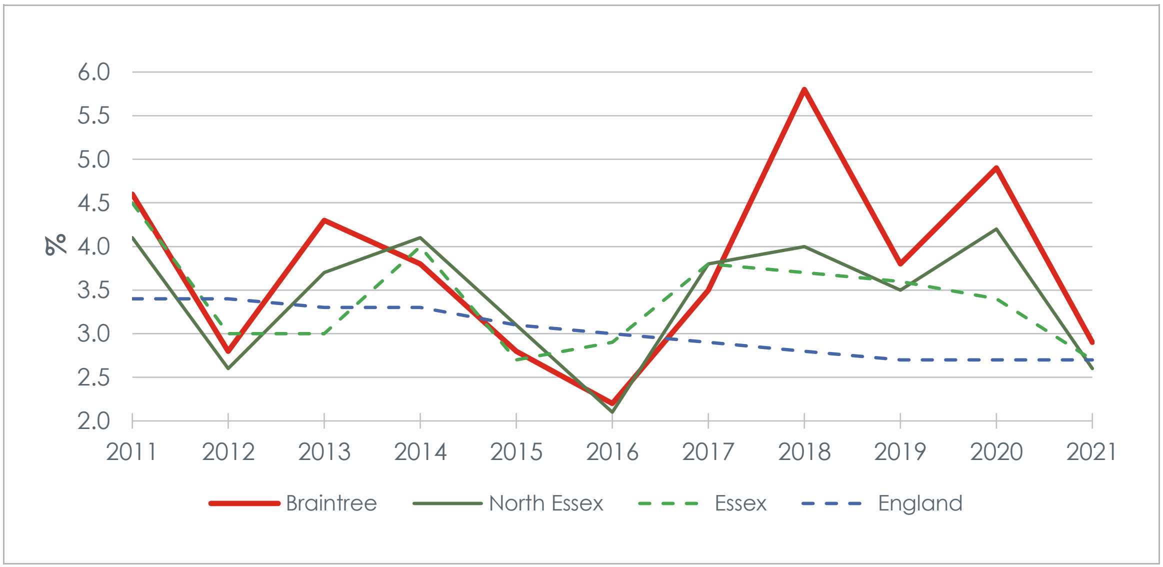
Figure 5-5: Percentage of young people (aged 16-24) with NVQ4+ qualification



Source: Annual Population Survey
Note: More recent data is unavailable for Braintree due to small sample size

5.8 Given the sectoral composition of Braintree's economy, it could be expected that a higher proportion of the workforce have practical-based qualifications, including apprenticeships. Data from the Annual Population Survey shows that Braintree's population has a higher proportion of people qualified with trade apprenticeships relative to the regional and national level.

Figure 5-6: Percentage of working-age population with trade apprenticeships, 2011-2021



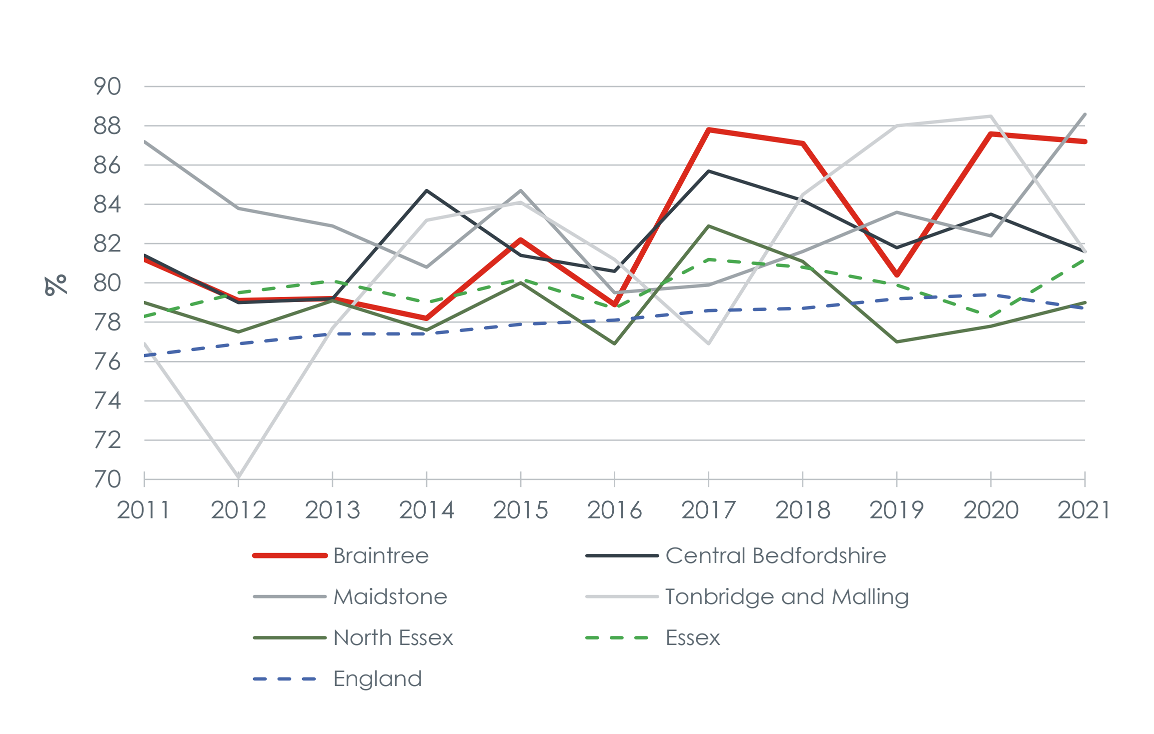
Source: Annual Population Survey

Economic activity and unemployment

5.9 Data relating to the labour market and its performance shows that Braintree generally performs well, with high levels of economic activity and relatively low levels of unemployment in the district.

5.10 Braintree has generally had a high level of economic activity over the last decade, with 87% of the working-age population currently economically active in Braintree. This is far above the level experienced across the rest of Essex (81%) and nationally (79%), with Braintree ahead of all the other local authority comparator areas apart from Central Bedfordshire.

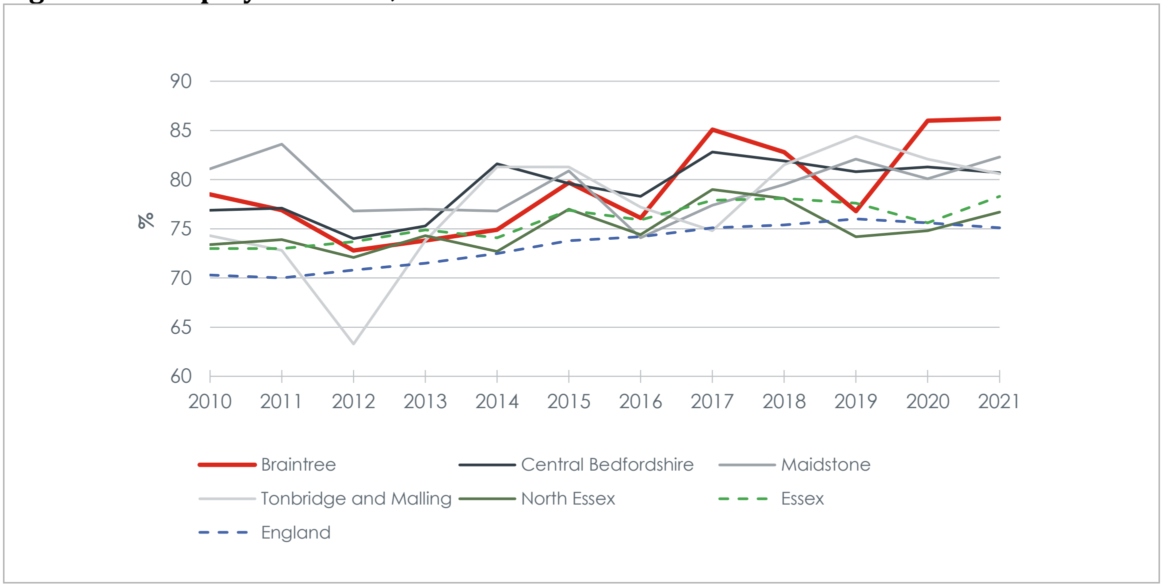
Figure 5-7: Economic activity rate, 2011-2021



Source: Annual Population Survey

5.11 Braintree's high level of economic activity also shows in the employment rate, with Braintree having the highest employment rate of all the comparator areas analysed; at 86% in 2021. Braintree has almost nearly always been higher than the Essex and national levels, particularly over the past five years, where there has been strong performance.

Figure 5-8: Employment rate, 2011-2021

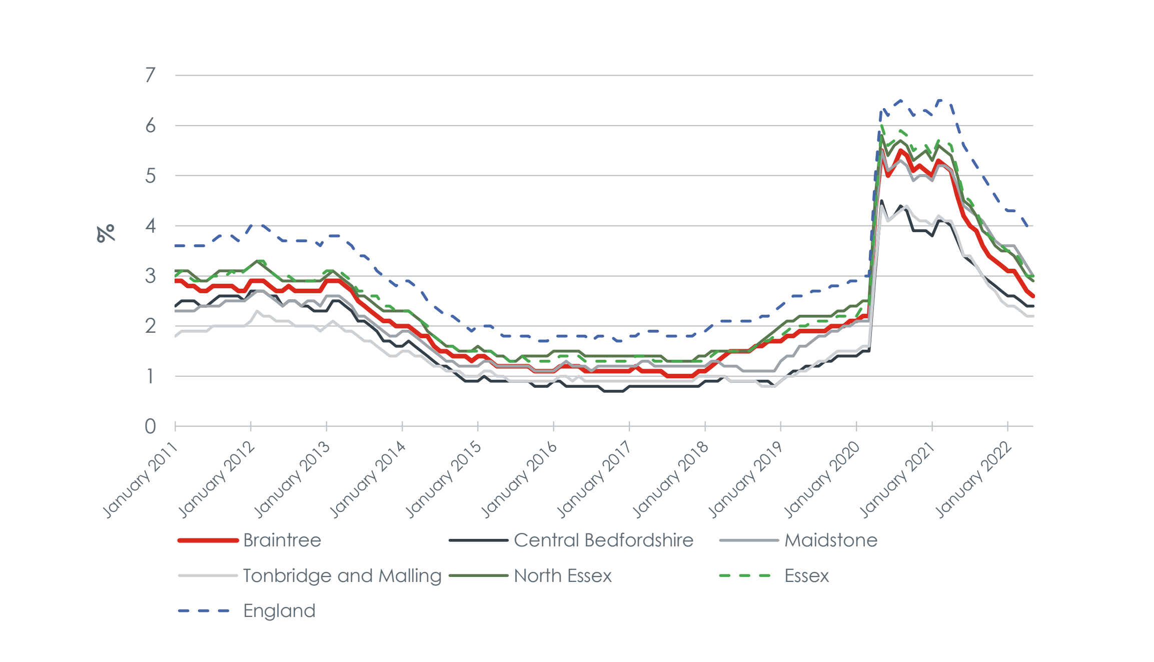


Source: Annual Population Survey

5.12 The Claimant Count provides an administrative measure of the number of people claiming benefits principally for the reason of being unemployed (claiming Universal Credit and/or Job

Seekers Allowance). Currently in Braintree, 2.5% of working-aged people are claiming some form of benefit because of unemployment. This is down from a peak of 5.4% during the Covid-19 pandemic. Braintree's claimant count has remained below the Essex and national levels throughout the past decade, including during the Covid-19 pandemic.

Figure 5-9: Claimant count, January 2011-May 2022



Source: ONS Claimant count

Earnings

5.13 In relation to employees, earnings in Braintree have seen little recent growth. Workplace-based earnings in Braintree (i.e. the salaries of employees working in Braintree) have not increased since 2016, with the current weekly gross pay being £520 (equivalent to £27,000 per annum). This picture does not reflect what has been experienced across the rest of the comparator areas, which have all experienced growth in workplace-based earnings since 2016.

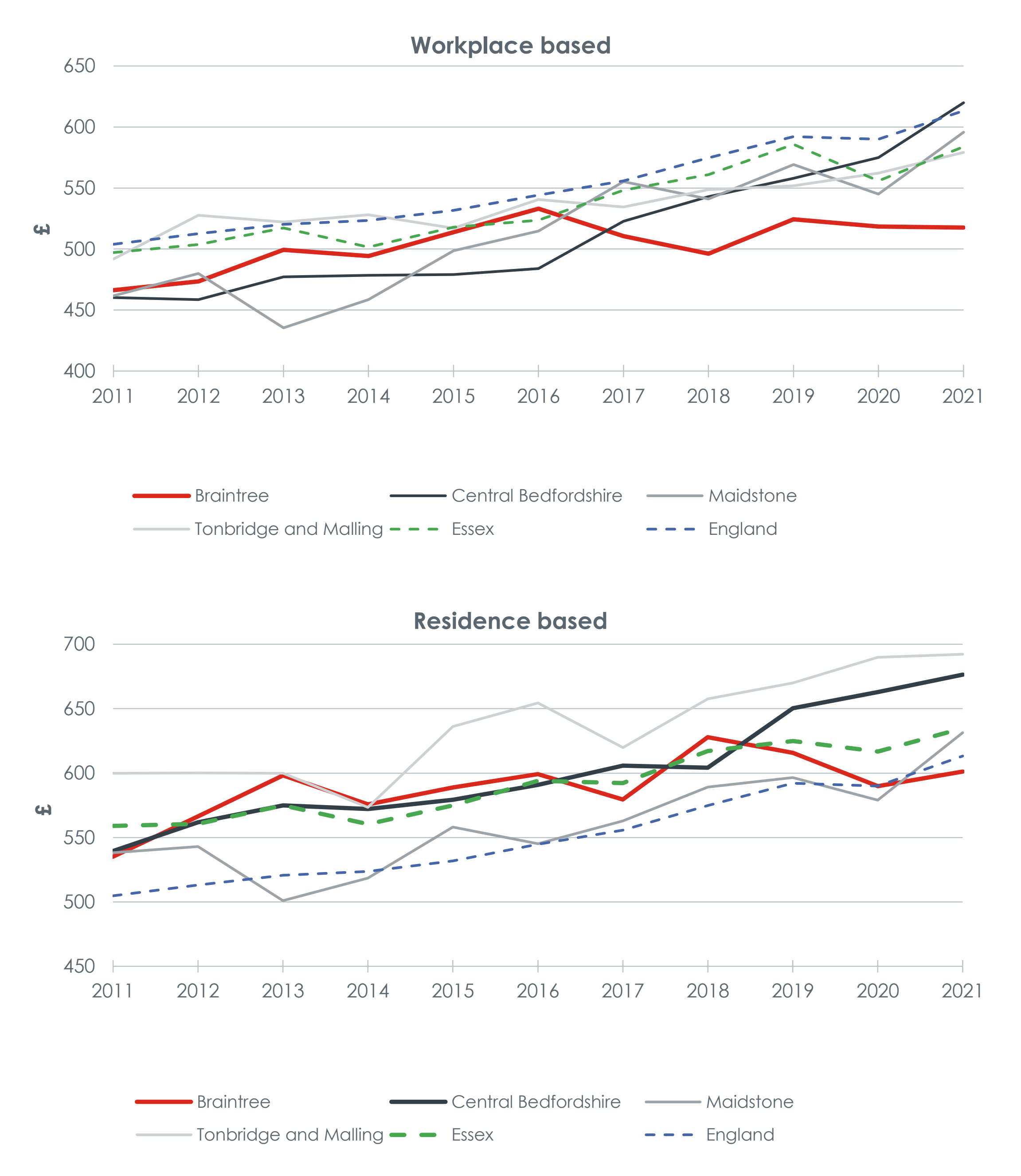
5.14 Residence-based earnings in Braintree (i.e. the salaries of employees who live in Braintree) are much higher than workplace-based earnings (16% higher for full-time workers). This may reflect higher incomes earned by out-commuters – recognising that some residents work at Stansted Airport or in Chelmsford, Colchester, Cambridge and London. Residence-based earnings have slightly improved from 2016, although not to the same extent as experienced across other comparator areas, with Braintree's residents now having the lowest take-home pay of all the comparator areas.

Table 5-2: Median weekly gross pay in Braintree, 2021

	Full-time employees	All employees
Workplace-based	£517.5	£442.7
Residence-based	£601.2	£517.9

Source: Annual Survey of Hours and Earnings

Figure 5-10: Median weekly gross pay for full-time workers, 2011-2021



Source: Annual Survey of Hours and Earnings

Deprivation

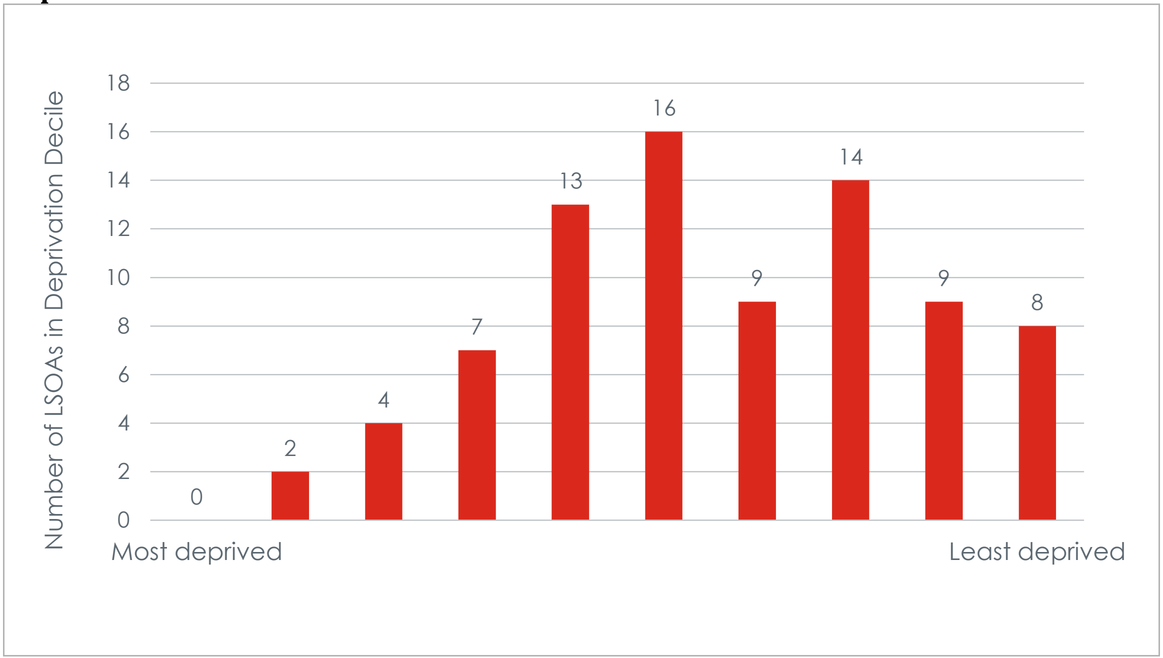
5.15 The English Indices of Deprivation were published by the Department for Communities and Local Government in 2019. The indices measure relative levels of deprivation in almost 33,000 small areas or neighbourhoods called Lower-layer Super Output Areas (LSOAs) in England by combining and ranking indicators for domains such as employment and income, health, education and skills, crime, housing, and living environment.

5.16 The latest indices indicate that Braintree ranks 209th out of 317 local authority districts in England in terms of its average rank.

5.17 Within Braintree (among the district's 82 LSOAs):

- None were among the 10 per cent most deprived in England
- 2 (2%) are in the 10-20 per cent most deprived
- 4 (5%) are the 20-30 per cent most deprived
- 7 (9%) are in the 30-40 per cent most deprived
- 8 (10%) are in the 10 per cent **least** deprived nationally.

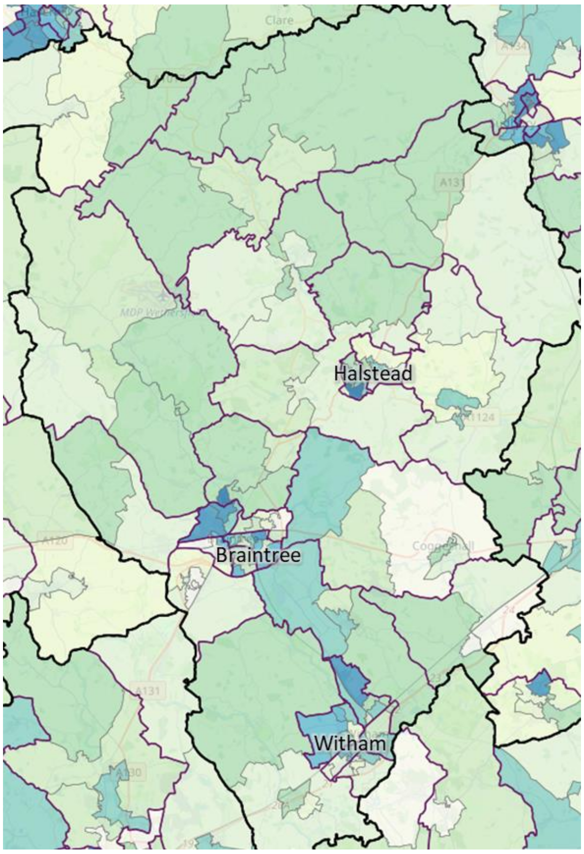
Figure 5-11: Distribution of Braintree's LSOAs by decile based on Index of Multiple Deprivation



Source: Index of Multiple Deprivation, MHCLG, 2019

5.18 The most deprived neighbourhoods/LSOAs in Braintree, as presented in the map below, are found on the outskirts of Braintree, Witham and Halstead. Generally, Braintree's rural areas have low levels of deprivation within them.

Figure 5-12: Index of Multiple Deprivation map of Braintree District



Source: Index of Multiple Deprivation, MHCLG, 2019

6. Braintree's towns

Summary

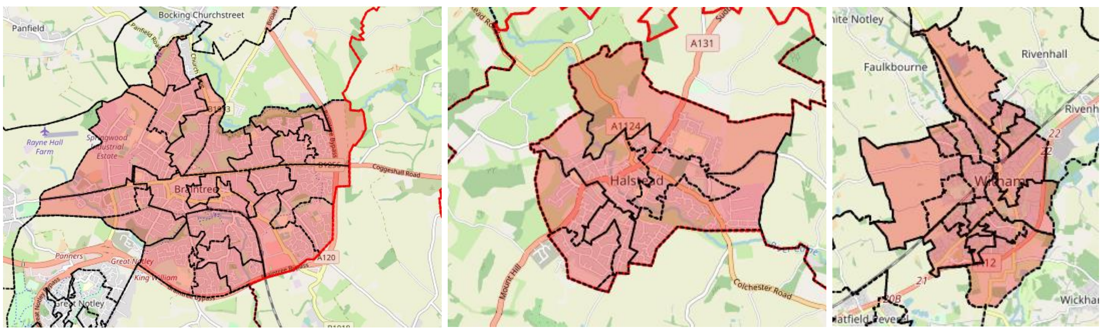
- Braintree's towns (Braintree, Witham and Halstead) are a critical component of Braintree's overall economy, supporting about 55% of employment across the district.
- Braintree (town) and Witham are the two largest centres in Braintree District (supporting 14,780 and 11,325 jobs respectively), which have a range of strengths in wholesale and retail, construction and manufacturing. The latest employment evidence available suggests that both towns have experienced employment decline over the last five years, with much of this loss coming from the manufacturing sector, although anecdotal evidence suggests that both towns are performing well with strong business demand for commercial space.
- Halstead by contrast is a smaller town, supporting 4,125 jobs, but one which appears to have seen employment growth over the last five years – growing by 17%.

6.1 To understand more about some of the nuances of towns across Braintree, more detailed analysis has been undertaken on Braintree Town, Witham and Halstead.

6.2 To enable statistical analysis to be undertaken around the towns, statistical definitions have been applied. These have used the LSOAs highlighted in the maps below.

6.3 Braintree's towns are important contributors to the overall economy. Combined the three towns analysed support 55% of all employment in the district.

Figure 6-1: Maps of LSOA Boundaries used for Town analysis
LH = Braintree, Centre = Halstead, Right = Witham



Source: Map data © OpenStreetMap contributors, CC-BY-SA, Nomis

Braintree (town)

6.4 Braintree is the principal settlement of Braintree District, and is home to around 40,000 residents and 14,780 jobs, more than a quarter of all employment in the district. The town has two main market areas, which run twice weekly; is home to Braintree Village (a large 'designer outlet village' on the outskirts of Braintree) and is home to several industrial estates, including Springwood Industrial Estate, Park Drive Industrial Estate and Broomhills Industrial Estate. Data suggest that the area has experienced employment decline over the last five years, decreasing by 5% between 2015 and 2020.

6.5 The largest sectors within Braintree Town's economy are wholesale and retail trade, construction, health and social work, and education. Strong growth has been experienced in the professional services and health sectors, with employment decline in most other sectors.

Table 6-1: Top Ten Employment Sectors in Braintree Town

	Total Employ., 2020	% of Total Employ.	% Employ. Growth, 2015-20
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	4050	27%	-6%
F : Construction	1360	9%	-1%
Q : Human health and social work activities	1285	9%	27%
P : Education	1200	8%	-12%
C : Manufacturing	1170	8%	-26%
M : Professional, scientific and technical activities	1110	8%	41%
N : Administrative and support service activities	930	6%	-20%
O : Public administration and defence; compulsory social security	930	6%	-1%
I : Accommodation and food service activities	745	5%	6%
L : Real estate activities	430	3%	-7%
Total	**14,780**	**100%**	**-5%**

Source: Business Register and Employment Survey

Witham

6.6 Witham is the second largest settlement in Braintree District, being home to around 25,000 residents, and is a well-connected town, being adjacent to the A12 and Great Eastern Main Line (providing connections to London, Chelmsford, Colchester and Ipswich). The town centre is mainly a linear one, focused on the high street and two shopping precincts – these are Newlands Shopping Centre and Grove Centre. The town has a large industrial area to the North-East of the town, adjacent to the A12.

6.7 There are around 11,325 jobs in Witham, accounting for around 20% of the district's employment. However BRES data suggest that this has declined in recent years (largely due to declines in manufacturing and financial and insurance activities), with overall employment declining by 17% between 2015 and 2020.

6.8 Employment in Witham is largely concentrated in six key sectors, which account for nearly three-quarters of all employment. These are: wholesale and retail; manufacturing; financial and insurance activities; administrative and support services; professional services and construction. Of these sectors, only wholesale and retail and construction have experienced employment growth over the past five years.

Table 6-2: Top Ten Employment Sectors in Witham

	Total Employ., 2020	% of Total Employ.	% Employ. Growth, 2015-20
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	2745	24%	+17%
C : Manufacturing	1660	15%	-45%
K : Financial and insurance activities	1050	9%	-41%
N : Administrative and support service activities	1050	9%	-17%
M : Professional, scientific and technical activities	945	8%	-12%
F : Construction	850	8%	+20%
P : Education	580	5%	-6%
Q : Human health and social work activities	580	5%	-12%
H : Transportation and storage	480	4%	+13%
I : Accommodation and food service activities	430	4%	+13%
Total	**11,325**	**100%**	**-17%**

Source: Business Register and Employment Survey

Halstead

6.9 Halstead is the smallest of the three towns in Braintree and is currently home to around 12,000 residents and 4,125 jobs. The town centre is largely focused along the A131 route, with a large industrial park to the east of the town, Bluebridge Industrial Estate.

6.10 Halstead's economy is dominated by five sectors which account for 73% of all activity in the town – these sectors are: wholesale and retail; manufacturing; health and social work; professional activities; and construction. Halstead's economy has performed relatively well over the past five years, being the only town to experience growth. Employment grew by 17% from 2015 to 2020, with most of this growth occurring in professional activities, construction, administration and support, and health and social work sectors.

Table 6-3: Top Ten Employment Sectors in Halstead

	Total Employ., 2020	% of Total Employ.	% Employ. Growth, 2015-20
G : Wholesale and retail trade; repair of motor vehicles and motorcycles	825	20%	-8%
C : Manufacturing	605	15%	-12%
Q : Human health and social work activities	585	14%	+19%
M : Professional, scientific and technical activities	570	14%	+375%
F : Construction	445	11%	+68%
P : Education	250	6%	-4%
N : Administrative and support service activities	205	5%	+41%
I : Accommodation and food service activities	190	5%	-12%
H : Transportation and storage	155	4%	+29%
J : Information and communication	75	2%	+25%
Total	**4,125**	**100%**	**+17%**

Source: Business Register and Employment Survey

7. Braintree's performance relative to Comparator Areas

7.1 Several comparator geographies were selected for the data analysis to better understand how Braintree's economy has evolved in recent years. The three local authority districts that were identified as being Braintree's closest statistical neighbours at the time of the 2011 Census have been examined in more detail. These are:

- Central Bedfordshire
- Tonbridge & Malling
- Maidstone

7.2 The table below shows how Braintree's economy has performed relative to these areas since the 2011 Census, and what some of the comparative strengths and weaknesses have been within Braintree's economy.

7.3 Braintree has performed well on indicators relating to economic output, employment and unemployment, being the best performing local authority district out of the four areas considered. Indicators on which Braintree has not performed as well as comparator areas (since the 2011 Census) largely relate to business, demographic and earnings data. Braintree was the lowest performing of the comparator local authority districts for business growth and population growth since 2011. Strikingly, Braintree has seen negative growth in its working-age population (aged 16 to 64) since 2011, the only comparator local authority district to experience this.

Table 7-1: Braintree's Performance relative to Comparator Areas

	1st	2nd	3rd	4th	5th
GVA Growth, 2011-20	**Braintree +42%**	Tonbridge & M. +40%	Maidstone +35%	England +33%	Central Beds. +32%
GVA per filled job Growth, 2011-20	Maidstone +30%	**Braintree +28%**	Central Beds. +26%	Tonbridge & M. +24%	England +20%
Jobs Growth (%), 2011-20	**Braintree +18%**	Tonbridge & M +14%	England +12%	Central Beds. +6%	Maidstone +5%
Business Growth (%), 2011-21	England +35%	Tonbridge & M +34%	Maidstone +33%	Central Beds. +22%	**Braintree +16%**
Population Growth (%), 2011-20	Central Beds. +15%	Maidstone +11%	Tonbridge & M +9%	England +6%	**Braintree +4%**

	1st	2nd	3rd	4th	5th
Working Age (16-64) Population Growth (%), 2011-20	Central Beds. +10%	Maidstone +6%	Tonbridge & M +6%	England +3%	**Braintree -2%**
% change in number of people claiming unemployment benefits, 2011-22	**Braintree -13%**	Central Beds. +6%	England +13%	Tonbridge & M +30%	Maidstone +41%
Change in workplace-based earnings (%), 2011-21	Maidstone +38%	England +22%	Tonbridge & M +21%	Central Beds. +15%	**Braintree +13%**
Change in resident-based earnings (%), 2011-21	Maidstone +25%	England 22%	Central Beds. +21%	Tonbridge & M +20%	**Braintree +14%**

Source: ONS Productivity Data; UK Business Counts; Business Register and Employment Survey; ONS Population Estimates; Claimant Count, Annual Survey of Hours and Earnings

7.4 Braintree's economic performance has also been compared to the performance of the wider sub-regional (North Essex) and County-wide data (for Essex). Given these are different geographical comparators to the local authorities expressed above, and the make-up of these economies are different, they have been presented separately.

7.5 There is a similar story for Braintree's recent economic performance compared to the previous local authority district analysis; Braintree performs very well on indicators linked to economic output, employment and unemployment rates, but there are some real demographic and business challenges facing Braintree's economy.

Table 7-2: Braintree's Performance in its wider local context

	1st	2nd	3rd
GVA Growth, 2011-20	**Braintree +42%**	North Essex +33%	Essex +32%
GVA per filled job Growth, 2011-20	**Braintree +28%**	Essex Haven Gateway +28%	Greater Essex +22%
Jobs Growth (%), 2011-20	**Braintree +18%**	North Essex +14%	Essex +11%
Business Growth (%), 2011-21	Essex +29%	North Essex +21%	**Braintree +16%**
Population Growth (%), 2011-20	North Essex +9%	Essex +7%	**Braintree +4%**
Working Age (16-64) Population Growth (%), 2011-20	North Essex +5%	Essex +3%	**Braintree -2%**
% change in number of people claiming unemployment benefits, 2011-22	**Braintree -13%**	North Essex -3%	Essex +2%
Change in workplace-based earnings (%), 2011-21	Essex +16%	**Braintree +13%**	n/a

	1st	2nd	3rd
Change in resident-based earnings (%), 2011-21	Essex +14%	**Braintree +14%**	n/a

Source: ONS Productivity Data; UK Business Counts; Business Register and Employment Survey; ONS Population Estimates; Claimant Count, Annual Survey of Hours and Earnings

Note 1: North Essex comprises Braintree, Colchester, Tendring and Uttlesford.

Note 2: Essex Haven Gateway comprises Braintree, Colchester and Tendring, while Greater Essex comprises Essex (county), Southend-on-Sea and Thurrock. They are used as proxies for North Essex and Essex (county) respectively.

Note 3: Earnings data is unavailable for North Essex.

8. Future projections

Summary

- Employment and population projections provide an indication of how Braintree's economy is expected to evolve. Those used for the purposes of this chapter are all based on data from before and during the Covid-19 pandemic, meaning they do not consider the impact of the pandemic on Braintree's economy.
- The available employment projections for Braintree (developed through the East of England Forecasting Model, 2019) are now dated. They suggest that Braintree was projected to experience slow employment growth over the next two decades, far behind the growth rate projected for North Essex, Essex and the wider East region. Much of this employment growth was expected to come from five sectors: health and care; construction; accommodation and food services; professional services; and retail. The manufacturing, finance and agricultural sectors were projected to experience the greatest decline in employment over the next two decades.
- Population projections for Braintree (developed by ONS) point to a continuation of recent trends, with the district having an increasingly ageing population (expected to grow by 7% over the next 25 years). Braintree's working-age population is projected to decline by 5% over the same period, creating labour supply challenges for local businesses.

8.1 This chapter looks to understand more about how Braintree's economy is expected to evolve in the near future, which provides important context for the new Economic Plan. The analysis draws upon published employment and population projections.

Employment

8.2 Employment projections have been taken from the East of England Forecasting Model (EEFM). This provides a consistent set of housing and jobs projections across the region based on a set of baseline forecasts prepared by Cambridge Econometrics. The employment projections provide overall employment to 2045, and break this down by occupation groups, sectors and qualification groups.

8.3 It must be noted that the **projections developed thorough the 2019 EEFM model are dated**:

- they were developed before the Covid-19 pandemic, before the full process of Brexit was complete and well before the current set of macro-economic concerns reported earlier (cost of living crisis, war in Ukraine, high inflation, etc.).
- they rely on historic (real) data from 2017 or thereabouts – and hence the narrative from 2015-17 will be especially important in shaping the trajectory (and as we have seen, this was a period when Braintree appeared to be growing on key metrics).

8.4 The projections therefore need to be used carefully – but they are useful insofar as they point to what was expected at around the point at which the **Plan for Growth** was published but noting that the economy nationally has undergone considerable change since the projections were calculated.

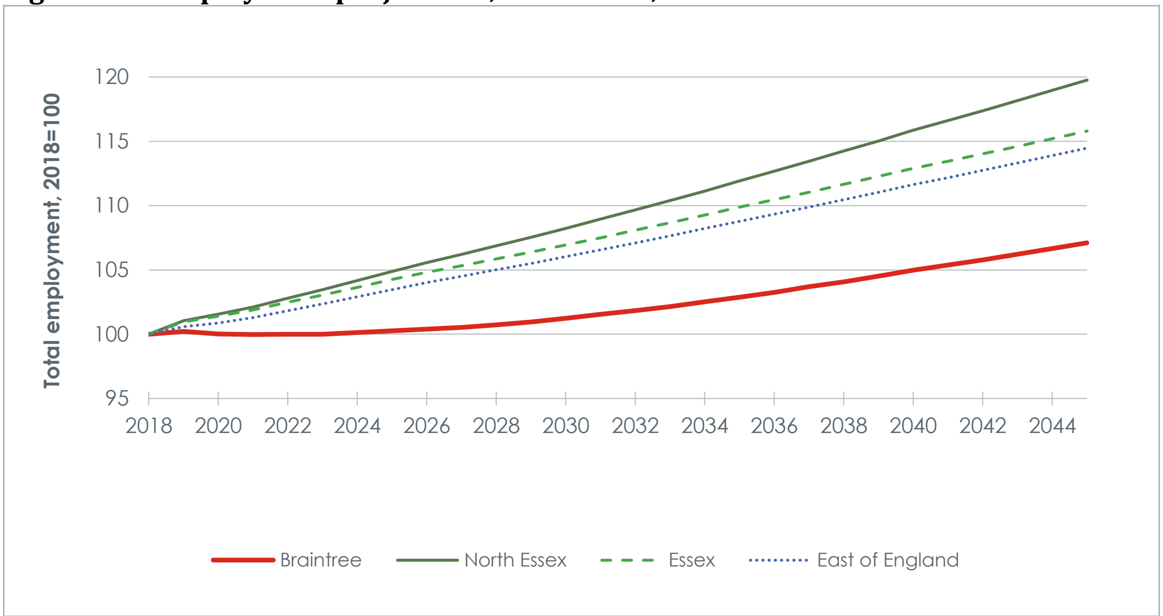
8.5 Projections from EEFM show that the Braintree economy was expected to grow at a much slower rate relative to other comparator areas. It was projected that between 2018 and 2045, the total number of jobs in Braintree would grow by 8.5%. This is a much slower rate of growth than projected for North Essex (20%) and Essex (16%).

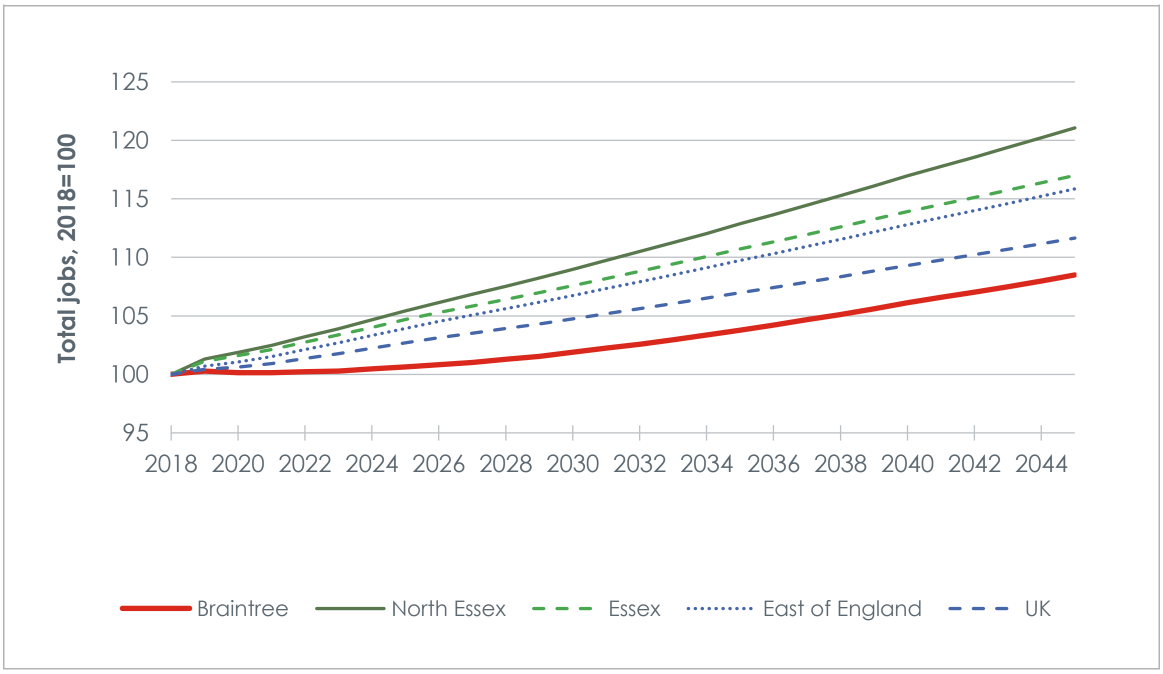
Table 8-1: Employment projections for Braintree, 2018 vs 2045

Indicator	2018	2045	% change
Total workforce employed people	65,864	70,544	7.1%
Total jobs	67,105	72,801	8.5%

Source: Cambridge Econometrics East of England Forecasting Model 2019

Figure 8-1: Employment projections, 2018-2045, Index: 2018=100



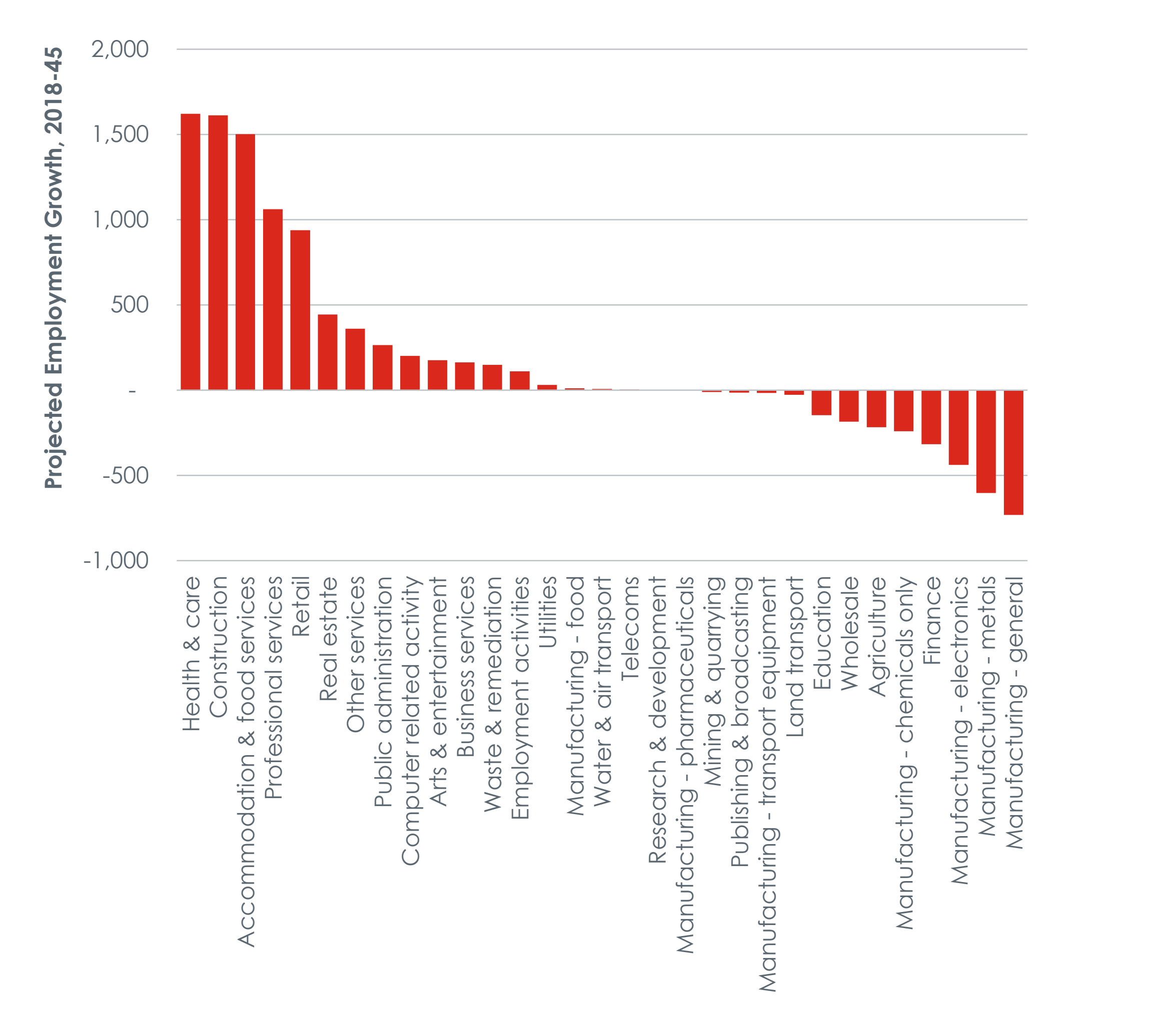


Source: Cambridge Econometrics East of England Forecasting Model 2019

8.6 Employment projections within the EEFM also consider employment by sector, providing an indication of which sectors were expected to perform well in future years, and which were expected to decline. The view from 2019 was that:

- The health & care (1,620), construction (1,610) and accommodation and food services (1,500) sectors were expected to deliver the highest number of new jobs between 2018 and 2045.
- The highest proportional growth in the number of jobs (compared to the size of the sector in 2018) was expected to be in the water and air transport sector (growing by 76% to 2045, based on 2018 levels), real estate (49%) and waste and remediation (43%).
- The manufacturing sector was expected to experience the greatest decline, with all the manufacturing sub-sectors identified within the EEFM model expected to decline (with the largest decline expected in general manufacturing, metals and electronics).
- Other sectors expected to experience a decline in employment included finance, agriculture and the wholesale sectors. This reflects some of the recent employment losses in these sectors (identified in Chapter 4), with employment decline in the manufacturing (-29%) and financial and insurance activities (-33%) sectors over the last five years.

Figure 8-2: Employment projections for Braintree by Sector, 2018-2045



Source: Cambridge Econometrics East of England Forecasting Model 2019

Population

8.7 ONS Population Projections provide an indication of how the population is expected to grow within local authority districts over the next 25 years. The latest population projections were published in January 2022, based on 2020 mid-year population estimates; they are therefore much more current than the available employment projections. These projections too are subject to uncertainty, and as they are based on population data up to June 2020, they only cover some of the impacts to the population from the early part of the Covid-19 pandemic. Assumptions of future fertility, mortality and migration are based on observed long-term demographic trends; again, it is unclear how these might be impacted by the pandemic.

8.8 The population projections show that Braintree's population is expected to grow at a much slower rate relative to comparator areas. Braintree's population is expected to grow by 7% between 2018 and 2043, with much higher growth rates expected in North Essex (16%), Essex (13%) and nationally (10%).

8.9 Braintree's age distribution is also expected to change, with the number of young people (aged 0-15) and working-aged people (aged 16-64) expected to decline over the next 25 years, with projected population growth all coming from those aged over 65. This will change the nature of Braintree's population, with more than a quarter of residents (27%) being aged over 65, and only 17% being aged under 15. This reflects similar trends to what has occurred over the past decade in Braintree, in which the working-age population has declined by 2% between 2009 and 2019.

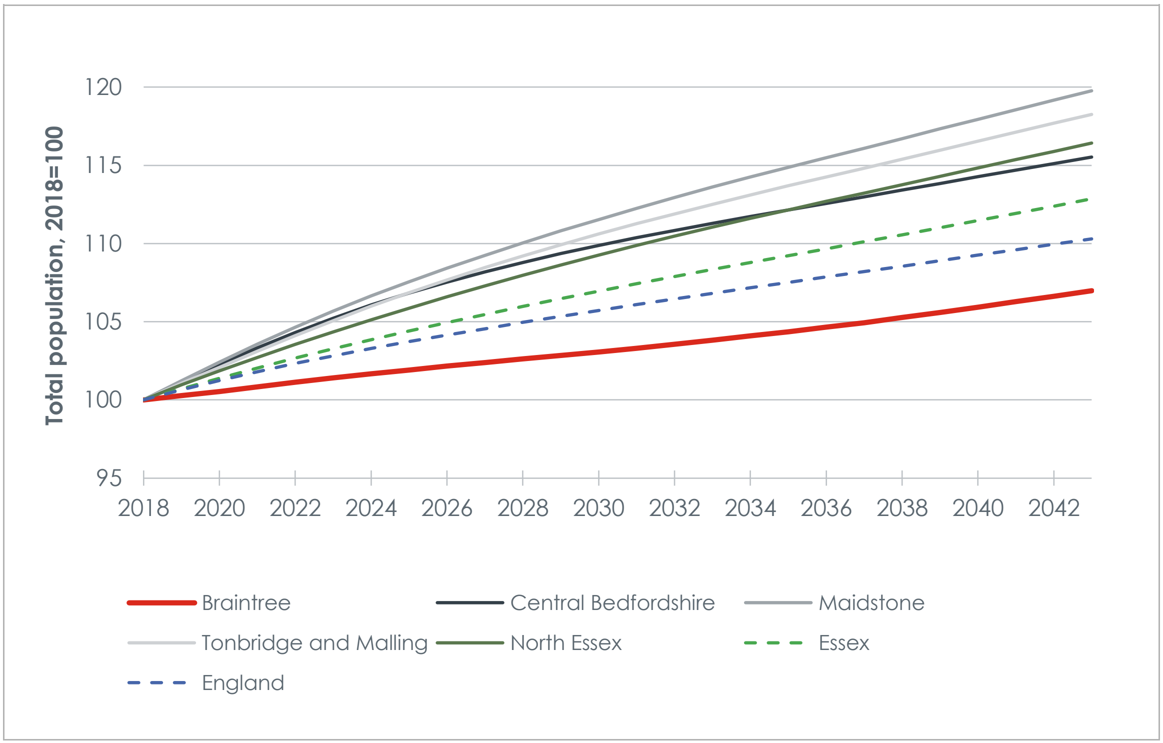
8.10 The dip in the number of working-age people in Braintree is particularly concerning for ensuring that Braintree's businesses have a big enough labour supply. The impact of this change is expected to become an issue from 2028 onwards.

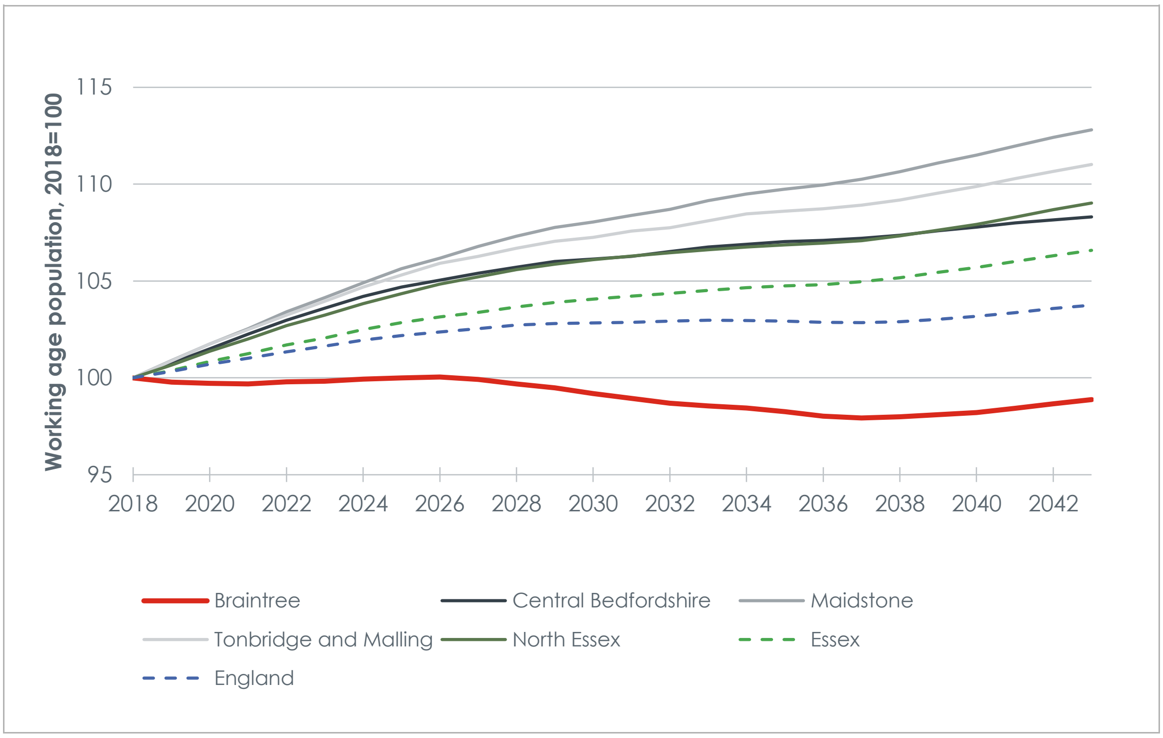
Table 8-2: Population projections, Braintree's age distribution in 2018 vs 2043

Age group	2018 (#)	2018 (%)	2043 (#)	2043 (%)	Percentage point change
Aged 0 to 15	29,124	19%	27,567	17%	-2%
Aged 16 to 64	91,962	61%	90,928	56%	-5%
Aged 65+	30,475	20%	43,649	27%	7%
All ages	151,561	100%	162,144	100%	-

Source: ONS Population Projections

Figure 8-3: Population projections, total and working-age population, 2018-2043, Index: 2018=100





Source: ONS Population Projections

9. Implications for the new Economic Plan

9.1 This report has reviewed a range of evidence from different sources. Although the limitations of those sources need to be recognised and the associated data need to be used judiciously, the analysis provides some useful insights into the character and performance of Braintree's economy.

9.2 To support the development of the new Economic Plan and to test the economic data presented above, three workshops were held with key stakeholders in July 2022. These workshops focused on three key themes:

- Innovation, Knowledge Economy & Enterprise – and links to skills
- Towns – and links to skills
- Green economy – and links to skills

9.3 Full notes on each of the workshops are provided in Annex A, with key reflections from the workshops incorporated into the summary analysis provided below. These insights are important as BDC embarks on the development of its new Economic Plan.

Overarching reflections on Braintree's economy

9.4 Historically, Braintree (district) has had a significant industrial sector. Looking back over decades, major employers (e.g. Crittalls and Courtaulds) played a major formative influence. Despite poor rail connections (other than from Witham in the south east), the district has been well located in relation to the national road infrastructure (even though travelling north-south within the district is challenging). Together, these two factors have shaped elements of the district's underlying economic character.

9.5 Overall, the data point to slowing rates of growth in recent years (including immediately pre-pandemic) on the principal indicators – population, jobs and GVA. However there is also evidence that Braintree's economy may be subject to supply side constraints. In particular, employment rates are high, unemployment rates are low and Braintree's working age population appears to be declining. Although the Council has brought forward a number of sites over recent years to reduce the pressures on employment space (e.g. the Plaza site and Hatchery) and some major developments are coming on-stream (e.g. Horizon 120), employment sites still continue to be in short supply.

9.6 Braintree's changing demography appears to be an important overarching factor in terms of how the local economy is evolving currently. The sectors which are growing in employment terms are typically those that are linked to an older population – so we are seeing increasing employment in, for example, health and social care. However growth is also apparent where links to the district's transport arteries are especially important (and Braintree Village (formerly Freeport) continues to be an important employment hub). At the same time, some of the district's key sectors (in terms of GVA) have seen employment decline.

9.7 This narrative is consistent with a district which – aside from Braintree (town) itself and particularly in the north – is substantially rural with an overwhelmingly small (and even micro) business economy. Despite its industrial heritage, Braintree now has very few large employers. By contrast, its stock of micro/small businesses is large. Business birth rates are not particularly high (suggesting 'steady state') but survival rates are strong. This may all suggest a district in which – in the main – businesses survive rather than thrive.

9.8 Workshop feedback was largely consistent with this assessment. The point was made that Braintree has a great stock of businesses, but *the SME population is not engaged in innovation activity*[20]. In part, the lack of capacity was identified as a key issue experienced by smaller businesses in Braintree, with only larger ones having the 'headspace' to engage in innovation activity. However the view was also expressed that smaller businesses could be supported and encouraged to invest more in innovation.

9.9 Cutting across all of this, there is evidence of change, and these processes will shape the future. As the Council and its partners look forward, it will be important to identify the implicit opportunities:

- There is some evidence of **growth in new sectors**. These are not large employment sectors currently, but the trajectory is important. For example, the **digital and creative sector** appears to have grown more quickly in Braintree than across Essex as a whole. This sector is generally associated with small businesses, and it lends itself also to remote working – particularly post-pandemic. It is a sector that can gravitate to towns and can also play a key role in wider place-shaping. For both reasons, it would appear to hold important potential in terms of shaping the district's economic future. The redeveloped Braintree Campus of the Colchester Institute has state-of-the-art digital media studios, and it ought to be seen as a key resource in supporting the sector's growth.
- Braintree's economy is – arguably – **being transformed as a result of its evolving connectivity**. This is reflected to some extent in the historic data, but connectivity improvements are still underway and looking ahead, the A120 Braintree to A12 scheme is likely to be especially important. This should open further opportunities particularly given the district's relationship to the East Coast Ports (and Freeport East), Stansted Airport and beyond. It should also facilitate stronger links with Colchester (including, potentially, with the University of Essex). Over the next decade or so, the associated drivers could be very important, and they need to be harnessed constructively.
- The prospect of improving connectivity may itself be something of a **game-changer in relation to key investment decisions**. The establishment of the Cell and Gene Therapy Catapult's innovation facility constitutes a real opportunity for the district – and one that is not easily explicable in terms of past growth and could not therefore have been

[20] Insight from Innovation, Knowledge Economy & Enterprise Workshop

anticipated. In other words, it offers the prospect of a changed economic trajectory and a changed economic development 'path'. This opportunity really needs to be used to the full – and in concert with the I-Construct Innovation Hub.

- Braintree offers **quality of life benefits** and in an era in which 'anywhere jobs' are likely to be more important, it has some important advantages relative to elsewhere. There are challenges too – and ongoing limitations in relation to rail connectivity (other than perhaps from Witham) are one. The quality of **digital connectivity** will also be a key factor going forward.

9.10 There are a number of key areas that have been identified through this evidence report and through intelligence gathered at the workshops which require further consideration as the Economic Strategy is developed.

Productivity & Skills

9.11 There is a need to **focus on productivity improvements** to drive forward Braintree's economy. Currently, Braintree's performance on key productivity metrics is very similar to the national average. Improving productivity typically relies mainly on *investment in workforce skills* – and this will need to be a priority. The qualifications profile of working age residents would improve if the district's young adults were persuaded to build their careers locally. This in turn will be influenced by the range of available job opportunities and the affordability of housing. It will also be affected by the vibrancy or otherwise of the three towns.

9.12 From the workshop discussions, three further points were made:

- One of the key issues for business at present, is being able to find the **right people with the right skills** locally to support businesses[21]. A large number of students currently have to travel outside the district for A level-type qualifications, often to Colchester or Chelmsford, and support for T levels is relatively limited. *Low attainment levels are a key barrier to attracting businesses into the district.*
- *Braintree's labour market experiences pressures not only in terms of skills shortages but also labour shortages* – people leave the district once they get their qualifications[22]. Proximity to London and Cambridge is an issue in this context, however there is a need to ensure that Braintree becomes a more attractive place for young people to stay. In this regard, the *lifestyle offer is crucially important for attracting people into the district – we need to understand the expectations and lifestyles of professionals*. A limited entertainment offer is a barrier – encouraging activity in the ICT sector (both to grow the sector, and develop cultural activities more generally) could be one of the messages for the new Economic

[21] Insight from Towns and Skills Workshop
[22] Insight from Towns and Skills Workshop

Plan. One asset here is Colchester Institute's digital media facility on its Braintree campus (with opportunities for 'gamification' of a range of sectors including healthcare).

- Within Braintree's existing workforce (and in particular the manufacturing sector), *there need to be more opportunities to upskill people – many people are aware their education is limiting them but are afraid to do anything online*. Improving digital skills will be important for connecting more people to education opportunities.[23]

Innovation

9.13 **Given the improved innovation provision, it is vital that businesses are able to grow** within the district – and recent evidence in this context is mixed. The provision of effective *grow-on space* will be very important, and this will have to be a key consideration for the new strategy[24]. There has been some progress on this since the current **Plan for Growth** (e.g. Horizon 120), but there is still more that needs to be done. It will depend crucially on the extent to which *local networks are nurtured and a culture of enterprise is genuinely developed*. Currently there are limited networks locally for businesses, particularly in the manufacturing and constructions sectors. There is a need to facilitate networking and collaboration to support more cross-sector knowledge exchange in innovation.

9.14 Historically, Braintree has been a place where small businesses survive – but rates of, and propensity for, enterprise have not been strong. Entrepreneurship and the process of enterprise is, by definition, risky. Places that thrive in relation to both are those which have seen this process 'de-risked'. This in turn means *building a wider ecosystem* in which the process of enterprise – across its various facets (e.g. early-stage investment) – can be vested. Typically places which have a university presence tend to have better support available for growing businesses, however in Braintree there is a relatively 'thin' HE provision. In this context, leveraging in some *external relationships* or using *anchor businesses* as centres of expertise could help bridge this gap[25]. *Building innovation work in the activity of existing education organisations will also be important*. The Council has strong links with *Colchester Institute*, but also does some work with *Anglia Ruskin University (around health) and the University of Essex (around data science)*. These links could be developed further.

9.15 Businesses also need to be *encouraged and supported to innovate*. One solution is to use bigger innovative businesses to engage with the supply chain and raise the aspirations of smaller businesses. Large businesses also need to be more visible and fill the space that universities would normally take, but they also need to be supported in transferring their expertise to smaller businesses. Making more connections between innovation-active businesses and the rest of the business population is critical, and mentoring activity could be a way of enabling this. For example, Earls Colne Business Park was identified through workshop discussion as

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[23] Insight from Innovation, Knowledge Economy & Enterprise Workshop
[24] Insight from Innovation, Knowledge Economy & Enterprise Workshop
[25] Insight from Innovation, Knowledge Economy & Enterprise Workshop

home to mainly small and medium-sized businesses and as a real success story; it could be considered for a 'buddy' system[26].

Towns

9.16 Braintree's towns play an important role in helping to support Braintree's economy, and are also critical in making Braintree a place where people want to live.

9.17 Within this context, a number of key points were made through workshop discussions:

- Some of the challenges currently faced within the district (including an ageing population) are in part caused by a less-desirable environment, and more work needs to be done to create a vibrant town centre environment[27].
- There are different factors impacting upon the performance of particular towns[28]:
  - *Braintree Town* has been a focus of a lot of activity since 2015. There is a general feeling that the town is now heading in the right direction. Importantly, the Town is starting to see a change not just in terms of people's perception of Braintree Town but also the town's functioning – it is becoming a place where independent businesses can thrive and where residents can spend leisure time and socialise, with a transition from shops to cafes, restaurants and more specialised / niche businesses. There is a need to *support these independent businesses* into the future, helping to build on recent successes.

    There is a mood of optimism as well as a lot of interest and enthusiasm among Braintree Town's shoppers and shopkeepers[29]. Businesses want to know how they can tap into new initiatives. This mood of optimism has been achieved through 'on-the-ground' presence and continued dialogue with the local business population. However, Braintree District's new innovation assets located on the periphery of Braintree Town (I-Construct, Horizon 120, Cell and Gene Therapy Catapult Innovation Centre) have so far not been part of this sense of opportunity among the town centre businesses. *Going forward, there is an opportunity to use these investments to articulate a vision of positive change and recovery of Braintree Town and spread the 'feel good' factor more widely (beyond just the town centre).*
  - Perceptions of *Halstead's* performance, by comparison, are poorer, with a number of vacant units on the high street, and a lack of people spending time in the town. There is a need to better link up older communities with the high street and give people the *skills and confidence to engage in local initiatives*.
  - The perception is that *Witham* has performed well in recent years (contrary to some of the employment data which shows negative performance). Residents have more

[26] Insight from Innovation, Knowledge Economy & Enterprise Workshop
[27] Insight from Towns and Skills Workshop
[28] All of these insights have been informed from the Towns and Skills Workshop
[29] Insight from Towns and Skills Workshop

disposable income and more propensity to spend it, with a good night-time economy offering in the town. Witham's industrial estates are generally performing well, although access to labour has become an increasing challenge.

Green Economy

9.18 Cutting across all of the themes listed above, there ought to be **real opportunities linked to the green economy**. The driver here is not specific to Braintree. It relates instead to national commitments to Net Zero which have also been endorsed locally. In practice, there are a number of different dimensions to how 'green' economic growth can be achieved:

- One element is related to the local *carbon and environmental goods and services sector*; Braintree has some assets in this context on which it could build. This appears to be a strength in the employment data, and GRIDSERVE is an exemplar project for the district. There may also be particular opportunities in waste-to-energy (and the area already has a very high concentration of waste management activities).
- A second dimension is concerned with more *environmentally efficient practices* across the stock of businesses whatever their particular sectoral focus. Braintree is currently home to 6,675 enterprises. Marginal improvements to resource use efficiency could make an important overall contribution.
- Third, there is a real opportunity to develop and nurture local supply chains, adopting where possible the principles of a *circular economy*. The evidence suggests that Braintree has a strong and well-established waste management sector, with a large clustering of computer recycling activity. Joining up this existing activity, and identifying potential opportunities to encourage new recycling practices will be important in encouraging a more efficient use of resources across Braintree.
- Fourth, the sector which offers the greatest opportunity in relation to Net Zero is probably *construction*. This is a big sector in Braintree and one which will grow given the scale of planned housing growth across North Essex. A proactive approach towards Modern Methods of Construction (perhaps building on the district's manufacturing heritage and noting that Western Homes are developing a new off-site MMC facility, using the latest automation technology) could make a substantial contribution – as could concerted encouragement of retrofitting across the existing stock of housing and commercial buildings.
- Fifth, the northern part of the district is substantially rural, and Braintree continues to have a significant *land-based sector*. This sector has been identified as one sector which is particularly important for Braintree's net-zero aspirations, with a need to support farmers in transitioning to more efficient methods of production[30]. The land-based sector is undergoing a significant transition as it adapts to a new policy environment post-Brexit. The Agriculture Act 2020 (with an emphasis on 'public money for public goods') is critical

[30] Insight from Green Economy Workshop

to this, and in practical terms, the new Environmental Land Management Schemes will be important. This will be challenging given current pressures from costs of production, however it is essential. There are already some innovative practices happening within a small number of businesses in the district, pushing the boundaries of what can be achieved in terms of the green economy – the key issue here is about making sure there is continued investment to sustain the development of farming practices[31]. They will be important in terms of wider Net Zero transitions and will also play both direct and indirect roles in shaping Braintree's economic future. The viability of the land-based sector should also therefore be considered in developing the new Economic Plan.

Implications for the new Economic Plan

9.19 Building on the evidence presented above and insights gained through the workshops, there are a number of key imperatives that Braintree should be looking to achieve through the next Economic Strategy, including:

- retaining more young people within the district to increase the size of its working-age population.
- developing higher-value opportunities, and seeking to attract more inward investment into the district.
- supporting town economies, especially town centres, to make them attractive and vibrant places which showcase activity happening across the district.
- growing the rural economy, whilst also recognising its wider value and the importance of supporting its transition to greener and more efficient methods of production.
- improving Braintree's performance in relation to net-zero, particularly to meet the objectives set out in the Braintree Climate Change Strategy.

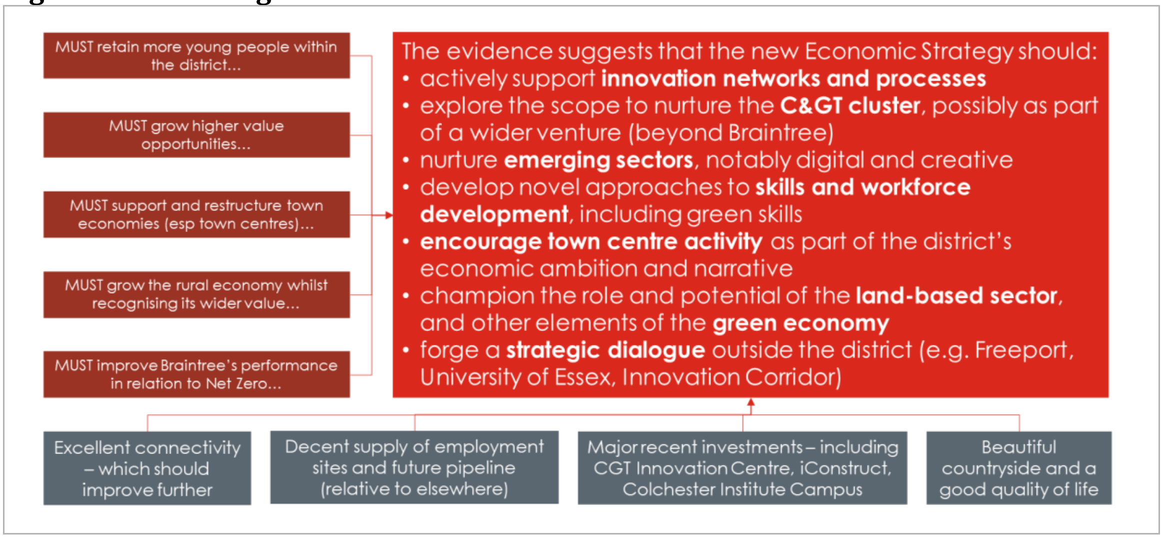
9.20 To achieve all of these imperatives, there are a number of key priorities that have been identified for Braintree's economy, which will help address some of the imperatives identified above. This suggests that the new Economic Plan should look to:

- actively support innovation networks and processes, particularly in those sectors which typically struggle to engage in innovation (e.g. construction and manufacturing).
- explore the scope to nurture the local economic potential of Cell and Gene Therapy, possibly as part of a wider venture, working with others from Stevenage, Cambridge and beyond to develop this.
- nurture and support Braintree's emerging sectors, notably the digital and creative sectors, helping to create a more vibrant offer in Braintree.

[31] Insight from Green Economy Workshop

- develop novel approaches to skills and workforce development, including green skills, working with institutions to ensure that courses being offered match skills gaps within the local workforce.
- encourage town centre activity as part of the district's economic ambition and narrative, making places that help to attract a younger generation to Braintree.
- champion the role and potential of the land-based sector, and other elements of the green economy.
- forge a strategic dialogue outside the district, working with partners to achieve Braintree's economic ambitions. This includes working alongside Freeport East, the North Essex Economic Board, Essex County Council, the University of Essex, Anglia Ruskin University, Stansted Airport, UK Innovation Corridor and others.

Figure 9-1: Building Blocks for Braintree's next Economic Plan



Source: SQW

Annex A: Notes from the Economic Strategy Workshops

A.1 To support the development of the Economic Strategy and to test the economic data presented above, three workshops were scheduled with key stakeholders within the Braintree economy in July 2022. These workshops focused on three key themes which were identified to be important and relevant as the Economic Strategy is developed. The three themes identified were as follows:

- Innovation, Knowledge Economy & Enterprise – and links to skills
- Towns – and links to skills
- Green economy – and links to skills

A.2 Full notes on each of the workshops have been provided below.

Innovation, Knowledge Economy and Enterprise – and links to skills

Developing Innovation Clusters

- Over the period of the new Strategy, there is an opportunity to maximise the impacts associated with three major new innovation assets:
    - **I-Construct** is building momentum and already becoming a focus for construction-related networking across Essex, getting exposure across the industry. This should be harnessed in conjunction with other initiatives such as Constructing Excellence and the BIM alliance. *Braintree should be a real hub for the construction industry and there are opportunities for advancing that, including around retrofitting*.
    - **Horizon 120** is one of the major business sites in Essex, and it will provide high-quality employment land and grow-on space. With the arrival of businesses such as Western Homes and Essex Cares, emerging sectors are staring to be represented on the site. *Promoting the development to the right type of businesses will be key to maximising this opportunity*.
    - **The innovation facility developed by the Cell and Gene Therapy Catapult** constitutes a major opportunity in relation to new vaccines. Braintree's good connectivity and proximity to Stansted Airport are key in this context. All the building blocks for developing a cluster are already in place. It would be helpful to have some supply chain mapping of existing activity. There are also opportunities to attract some life sciences activity from Cambridge where demand and prices are high.

- *Grow-on space for existing and new businesses is vitally important for developing innovation clusters*. Some progress on this has been made with the opening of the new innovation assets but more needs to be done.
- *Braintree's manufacturing history brings a skills legacy which can be built upon*. There is a fantastic opportunity to use existing manufacturing skills in new emerging sectors to put the district on the map and grow these clusters.
- Braintree currently doesn't have its own manufacturing network. *There is a need to facilitate networking and collaborations*, particularly among small businesses in advanced manufacturing sectors.
- Typically, areas of success are characterised by a university presence, with universities helping businesses improve productivity. Braintree (and Essex in general) has relatively 'thin' HE provision. In this context, leveraging in some *external relationships* or using *anchor businesses* as centres of expertise could help bridge this gap. *Building innovation work in the activity of existing education organisations will also be important*.
- The Council has strong links with *Colchester Institute*, but also does some work with *Anglia Ruskin University (around health) and the University of Essex (around data science)*. This could be developed further.

Encouraging Innovation across the Business Base

- Braintree has a great stock of businesses but *the SME population is not engaged in innovation activity*. One solution is to use bigger innovative businesses to engage with the supply chain and raise the aspirations of smaller businesses. Large businesses need to be more visible and fill the space that universities would normally take, but they also need to be supported in transferring their expertise to smaller businesses.
- Similarly, *it would be useful to identify 2-3 companies (both large and small) which are already engaging with universities* (e.g. Simarco – KTP with the University of Essex). We need to make connections between innovation-active businesses and the rest of the business population. This could involve some mentoring activity. For example, Earls Colne Business Park is home to mainly small and medium-sized businesses but it is a real success story and could be considered for a 'buddy' system.
- *Lack of capacity is a key issue experienced by smaller businesses in Braintree*. Bigger companies have a specialist for everything, but smaller ones simply don't have the 'headspace' to engage in innovation activity. Using the right language when communicating with them is very important.
- *Lack of expertise within management teams is a real barrier to innovation*. There is a need to offer management training to businesses through initiatives such as the Help to Grow scheme.

Skills – other comments

- One of the key issues is being able to find the right people with the right skills locally to support businesses. *A large number of students currently have to travel outside the district for A level-type qualifications, often to Colchester or Chelmsford*. More support is also needed around T levels. Low attainment levels are a key barrier to attracting businesses into the district.
- *The labour market experiences pressures not only in terms of skills shortages but also labour shortages* – people leave the district once they get their qualifications. Proximity to London and Cambridge is an issue in this context.
- *The lifestyle offer is crucially important for attracting people into the district – we need to understand the expectations and lifestyles of professionals*. A limited entertainment offer is a barrier – encouraging activity in the ICT sector (both to grow the sector, and develop cultural activities more generally) could be one of the messages for the new Economic Strategy. One asset here could be Colchester Institute's digital media facility on its Braintree campus (with opportunities for 'gamification' of a range of sectors including healthcare).
- *We need to look at where employers feel skills are lacking and work backwards*. If training for certain skills is not available locally, we should look at links to Cambridge and other places outside the district.
- *There should be more opportunities to upskill people – many people are aware their education is limiting them but are afraid to do anything online*. Improving digital skills will be important for connecting more people to education opportunities.
- *Links between schools and businesses can be built via community-business partner schemes*. There is some existing activity in this space, with businesses coming to talk to students and engaging with them through careers events and the Enterprise Challenge.

Braintree's Towns – and links to skills

Braintree Town

- Braintree Town has been a focus of a lot of activity since 2015. There was a general feeling it is now heading in the right direction. Importantly, we are starting to see a change not just in terms of people's perception of Braintree Town but also the town's functioning – it is becoming a place where independent businesses can thrive and where residents can spend leisure time and socialise, with a transition from shops to cafes, restaurants and more specialised / niche businesses.

- There is a mood of optimism as well as a lot of interest and enthusiasm among Braintree Town's shoppers and shopkeepers. Businesses want to know how they can tap into new initiatives. This mood of optimism has been achieved through 'on-the-ground' presence and continued dialogue with the local business population. Visits to sections of the High Street that don't get much exposure help animate relationships and create a sense of community. However, Braintree District's new innovation assets located on the periphery of Braintree Town (I-Construct, Horizon 120, Cell and Gene Therapy Catapult Innovation Centre) have so far not been part of this sense of opportunity among the town centre businesses. Going forward, there is an opportunity to use these investments to articulate a vision of positive change and recovery of Braintree Town and spread the 'feel good' factor more widely (beyond just the town centre).
- There was a view that despite all the positive change, more still needs to be done in terms of dialogue and reaching out to local independent businesses so that people know their views are being heard – silos and lack of partnership working are inhibiting progress on this.
- The challenge has been that while a lot of businesses have the opportunity to get involved in local initiatives, they just don't have the time and capacity within their working day. Good communication about the benefits of such schemes is needed to 'push' businesses in the right direction.
- More generally, small businesses in the town centre need to understand that they have to be proactive. They must also understand what the local market and community need and want in order to be successful.
- More support is needed for older business owners – many of them are retiring early and closing down their businesses as a result of new legislation (e.g. music licenses, data protection, health and safety risk assessments) which they see as additional hoops to jump through. Compliance seems to be more of a barrier as people get older.
- A more general point was also made that economics and culture cannot be separated as the social function of towns is increasingly part of the economic narrative. Civic pride is impacting on the economy of all the town centres, including Braintree.

Halstead

- Halstead is a self-contained town. It has poor connectivity and an ageing population. It is home to a lot of very small shops and a few small or medium-sized businesses. In terms of the town centre, it is quite concentrated, with many small units and a recent transition towards cafes, small restaurants and shops with niche offerings (which is encouraging). Small units seem to be doing fine but some of the larger ones have been vacated and are currently empty. The town is home to two employment parks, both of which seem to have good occupancy. The council is looking to do a refresh of the high street, which will be largely visual (benches, tree planting etc.).

- There has been a lot of new development around Halstead. The occupancy of new housing estates seems to be good, which is generally beneficial for the town but creates problems in terms of insufficient infrastructure to support that growth (in particular the local GP surgery and schools in the future).
- Halstead's older population is currently largely detached from the town's business activity. In order to lift the high street, we need to bring them into this equation – we need to look at retirement villages to try to encourage them to go into the town and release their equity to spend. As many of them don't engage with the internet and social media, online initiatives will not be enough to achieve that.
- We need to give people the skills and confidence to engage in local initiatives (including with respect to older people and social media / technology). A centre in the high street where people can get training or receive what they need as a service could help both in terms of supporting local businesses and reviving the high street. In addition, businesses which engage in social responsibility activities (such as offering online skills training for older people) need to be supported.
- There is a concern people won't be finding jobs in the local area. Younger people often leave the town due to low wages.
- Residents of the new housing estates tend to be young but they often have low qualification levels. Further education provision only goes up to level three, with people having to travel to access education – good transport connectivity is vital in this context.

Witham

- Witham is a well connected town. It is more of a commuter town than Braintree, with residents having more disposable income and more propensity to spend it (although this money is largely 'imported' from elsewhere). We can also observe a growing of the town's night-time economy, with a very good nigh-time offer in terms of bars and restaurants.
- There are industrial estates close to the town, with Witham having an advantage in terms of transport and logistics. Due to its sectoral mix, there are, however, difficulties with finding employees locally – businesses have to go out of the town and district to get their staff. Despite being highly accessible, Witham doesn't seem to have a locally accessible workforce.

Skills – in the towns and elsewhere

- While each of the three town centres has distinct needs, there seems to be a more general problem around graduate numbers and high-level qualifications. We need to have interventions to improve that, whether through apprenticeships or collaborations with Essex-based universities.

- What is needed to unlock the potential of the towns is a confident business base and a confident resident base. We need to support people whose needs are not currently being met by the existing provision. There may be scope to support social responsibility initiatives which help raise skills levels and develop the high streets at the same time.
- Access and accessibility are key. It is a big ask for some young people to travel to places further away – we need some local provision, more courses available locally.
- Skills training is delivered by many different agencies across the education landscape – it would be very helpful to map the existing provision (what is currently available and where) and link that to supporting the town centres. We need to think if we can bring some of the current initiatives to the high streets (hence also regenerating them).

Green Economy – and links to skills

Land-based sector

- Farmers are under pressure to be able to supply enough so that we don't need to import. As a result, there are some limits in the extent to which we can change their mindsets. It is a tricky arena, especially with the cost of living crisis.
- Farmers are struggling with rising transport and nitrogen costs at the moment – the biggest agenda currently is fuel poverty and escalating input prices rather than green transition. We need to be thinking about bringing those two points together – working in a smart way and aligning the two. On the other hand, rising costs may be an advantage if they push businesses to rethink existing activity.
- Initiatives such as Net Zero Innovation Network can be very helpful and it is something we can be doing right now. The green agenda may seem quite complex and scary for SMEs – we need to inspire farmers to make little changes and to start making a cultural change. Some of this profile raising activity is happening already – for example, it is a key element of the upcoming Climate Action Plan. Perhaps what the new Economic Strategy could do is to showcase a few good examples of what others have been doing.
- There already are some innovative practices happening within a small number of businesses in the district, pushing the boundaries of what can be achieved in terms of the green economy – the key issue here is about making sure there is continued investment to sustain the development of farming practices.
- Agriculture is a sector where local authorities do not engage very much. We need to be careful in this sector because there is a very specific set of needs. As a result, our decisions and policies can impact local farmers in ways that we don't understand. We need to think about the unintended consequences and have a better understanding of the sector, which can be supported by working with national and international bodies.

- We need to make sure we have the right skills provision in this sector and provide training to local businesses and SMEs. Farmers are working very long hours already, they won't have the capacity (or resources) to hire external consultants to help them make that transition. We also need to encourage younger people to get involved in this sector and acquire the skills needed – there is a lot of demand for labour and skills in this sector but young people are often not aware of it.
- It would be very helpful if the council could talk to the farming sector more consistently – including to gather information about what is being grown locally and where it is sold.

Construction

- Construction is one of the biggest employers in Braintree. The sector is not known for innovation. There is a feeling developers are particularly slow in adapting to the green transition – a lot of them are saying the market is not asking them for that (but rather for lower prices). They would have to redesign their whole business model, which is a massive thing to change. It feels like an area that needs a good push nationally.
- It is also a sector where the council has struggled to reach out to businesses. On the other hand, as the local planning authority, the council might have more levers in this sector than elsewhere. Another thing to consider here is the council's role in terms of their supply chain – they need to be looking for those companies which are adopting green policies (and monitoring whether they are actually doing it).
- At the grassroots level, local construction companies are not able to win the bigger bids because they are expected to frontload a lot of the expenses (which is not an issue for the big national companies) – we need to help those smaller companies access finance.
- I-Construct and Horizon 120 can act as good examples of how you can build environmentally friendly buildings. The I-Construct Hub is a SELEP-wide project, getting some really good engagement from businesses across the LEP area. A lot of small businesses are making significant innovations which don't cost very much but make a huge difference. One potential risk here is that ERDF funding runs out in March 2023 (the council is currently looking for new funding sources).
- Not every skills provider needs to be physically based in Braintree. We need to have a partnership approach to skills provision and make links to new retrofit academies in Harlow and Tendring. We also need to be thinking about reskilling (and not just upskilling). Currently there are a lot of heating engineers (oil, gas) in the sector who should be able to reskill relatively easily to retrofitting.
- There are good opportunities linked to MMC. With its manufacturing legacy, Braintree is well placed to act in this area (as it is becoming more about manufacturing than construction *per se*). We need to build on the modular work that Western Homes is doing in the district.

Waste management

- Waste management is a part of the green economy that we have had in the district for a long time but it's largely hidden from view. There is a huge amount of computer and electronics recycling and some amazing work in there. Braintree has a bit of a cluster in this area (whose creation was originally driven by cheap land and low costs in the district).
- Braintree is relatively well located which is an important factor for people looking to establish a business in this sector. Land travel around the UK has a very big environmental footprint so Braintree is in quite a good hub spot, with a potential to reduce travel around the UK (in terms of where that waste is going).
- We need some strategic actions to encourage businesses and residents to recycle more. We should be talking about waste as an asset – it is the message that we need to get across and create a more circular economy (waste as an asset that can be used locally).

Horizontal perspectives

- Looking at supply versus demand in terms of green skills provision, there seems to be no shortage of green skills (in terms of numbers) – there are enough places on green skills courses to meet employer demand, but the question is – are those the right courses and the right levels of skills? We need to be working with employers to make sure they're getting what they need (e.g. around retrofitting, Sizewell, Freeport jobs).
- We need to think a bit wider than Braintree as residents will travel to access training, especially at higher levels. On the other hand, there is some concern about rural Braintree (where connectivity is poor and people may not be able to travel easily, especially with the cost of living crisis). Digitalisation of training courses will be key in this context – for example, one college in Southend is using virtual reality to train people in servicing a wind turbine on a wind farm. Technology will be a key factor in how we can train people in the future.
- There are opportunities around community industrial energy uses, especially with respect to wind power and PV (which would also help reduce demand on the grid).
- We need to think about how the green sector is expanding. The end point is that every sector should be green – we mustn't forget those sectors which might be out of green for now but will influence green in future, such as healthcare (the largest employer, but unable to get those green grants at the moment).
- With respect to businesses which might be willing to make the green transition, how do we demonstrate that other than the initial cost, it is cheaper to be green? How do we demonstrate those benefits and change their mindset?

It would be useful to track the opportunities for businesses around those very large-scale projects that have an impact on the low carbon journey but are outside the district (e.g.

Sizewell) – we need to make sure people and businesses are prepared to take advantage of that.

SQW

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