



# Observatory PASCAL

*Place Management, Social Capital and Learning Regions*

*PASCAL UNIVERSITIES REGIONAL ENGAGEMENT PROJECT (PURE)*

*PURE Regional Visit Report (RVR1)*

*ESSEX, UNITED KINGDOM*

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*The review of the two linked regions took place 20<sup>th</sup> – 22<sup>nd</sup> April, 2009*

## Introduction

This was a joint review of both Essex and Kent. It followed an earlier CDG visit to the Thames Gateway in which both counties have a part, and which gave some initial understanding of some parts of both these county regions. Both Authorities had prepared regional briefing papers for the CDG: the CDG spent 1 day in Kent and a day and a half in Essex.

In Kent, the team heard presentations from Professor Vickerman of Kent University on the economic impact of the University on the regional economy, and from David George focussing on the developments in transport infrastructure and regeneration of Kent Thameside, within the Thames Gateway area of the County. It was able to discuss a range of issues with a number of stakeholders in a plenary meeting. Because of sickness, a planned presentation of Kent strategies for vocational education in schools and further education could not be given.

In Essex, the CDG met with the University of Essex and Anglia Ruskin University, received presentations from the Regional Economic Development Agency and from Insight East, an analytical unit supported by the Agency, and participated in a valuable meeting over dinner with a range of stakeholders of Essex County Council, and other bodies.

This report is presented as two separate parts concerning respectively Kent and Essex, with some common materials. In relation to Kent in particular, the team did not feel they were able to gain a fully rounded picture of the issues because the input possible during the visit was less extensive than had been planned. Nevertheless, a number of insights should inform the developing situation in the County.

The purposes of the initial visit were as follows:

- to familiarise key stakeholders in the regions about the PURE project and process;
- to enable the CDG properly to understand the nature of the Kent and Essex regions, the main developmental priorities and aspirations in the region, and the context in which these developments were being pursued;
- to form preliminary views on issues relating to the engagement of higher education institutions (HEIs) in the regions on priority developmental themes; and
- to agree programmes of work, including benchmarking, to be taken forward following the Vancouver PURE workshop and for the second CDG visit in early 2010.

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## Essex

In Essex, the CDG heard presentations from the University of Essex, Anglia Ruskin University and from Insight East, an analytical unit that operates out of the Regional Development Agency. They were also able to participate in a wide-ranging discussion of development issues over a dinner hosted by Essex County Council at the University of Essex, which brought together a number of stakeholders and businesses involved with the development of the skills agenda and with economic development in the Essex region.

### Key regional characteristics

Like Kent, Essex is a large 'upper tier' local authority, covering some 1300 square miles. The administrative County of Essex comprises 12 districts and boroughs. Greater Essex also includes the unitary areas of Southend and Thurrock situated in the urban south of the County, and which are within the Thames Gateway South Essex development area. Taken together, the area has a total population of some 1.7m people. Essex is part of the East of England government region, despite its proximity to London and the south east of the country.

Essex is an area of considerable contrasts. It boasts a rich and varied environment: it is more than 70% rural, with 28% of the population living in rural areas, much higher than the national average. It has a long coastline (over 350 miles), and over 200 conservation areas. The County contains significant numbers of protected buildings and historical sites. The natural environment is seen as an important asset bringing benefits to both the population and to the economy.

The economy is mixed between light industry in the south and agriculture in the more rural north [is there any chance you could elaborate here on your understanding of the Essex economy? Any particular sectors of importance you picked up on?]. Traditionally, the Essex economy supported the London area with manufacturing and service provision of paramount importance. The links with the capital are still strong - some 20% of Essex residents in employment work in London. It is recognised that London and international markets are crucial to the economy of the region: it has significant port and airport infrastructure with the ports of Harwich and Tilbury, London Southend Airport and an international airport at Stansted. The diversity within the region is recognised by the Council which has identified four coherent functional economic areas within the County which require differentiated economic development policies which can be aggregated up and given strong political patronage at the County level.

Some 78% of the population in greater Essex of working age are in employment, but, much akin to other parts of the country, the area has seen steeply rising unemployment during the current recession. Essex is performing below the national and regional averages in skills levels 2-4, although skills levels vary significantly between areas in the County with implications for inward investment and innovation. Overall, 14% of adults have no formal qualifications, but this rises as high as 18% in some areas. Whilst the quality of life is good in many areas of the County, it also contains areas of significant social deprivation, having some of the most deprived areas in the country within its borders. Essex has a lower proportion of its population from black and ethnic minorities than the national average (some 3% overall compared with 11% nationally).

Traditionally, Essex has seen an above average proportion of entrepreneurs, sole traders and micro-businesses. Many of these businesses are so-called life-style businesses in which there is often limited motivation to grow, and where training of staff is limited. There has been a decrease in VAT registrations of new businesses in recent years and re-registrations are fluctuating from year to year. The Essex area contains three HEIs, Anglia Ruskin University, University of Essex and Writtle College. Although outside the County area, the universities have relationships with like-minded institutions in the Cambridge and London areas.

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## Regional priorities, ambitions and aspirations

The Country faces a number of challenges.

Central Government plans envisage that Essex, together with the neighbouring unitary areas of Southend and Thurrock, may have to absorb 127,000 new homes by 2021, along with a corresponding increase of some 131,000 jobs to sustain this development. Whilst the current recession may slow the rate of progress, this scale of development nevertheless has significant implications for the economy of the region and for the provision of an adequate and sustainable infrastructure.

Despite its size, diversity, and location close to international markets, Essex has not seen as much inward investment or innovative business activity as regional counterparts. It is recognised that there is a need for continuing efforts from public sector stakeholders to improve this situation.

Access to services, public transport and employment is an increasing issue in rural Essex, as is housing affordability. These issues pervade the south east of England, and were echoed in Kent for example, in creating difficulties in sustaining local communities, in supporting and delivering public services such as health and education. The CDG heard how Essex had been particularly innovative in tackling some issues crucial to sustaining rural communities in relation to the support of rural post offices, and in developing community banking services.

Essex will also play host to Mountain Biking at the 2012 Olympic Games, and is close to the main Olympics venue in Stratford, East London. The County has a specialist Olympic legacy function, with Beacon status, which has the aim of ensuring the people and the economy in Essex can benefit from the event.

Essex County Council has developed a strategic EssexWorks programme which provides the policy framework for policy development. It has 10 priorities focused on 3 themes concerned respectively with:

- People: improving education and skills, promoting health and leisure, and supporting vulnerable people;
- the economy: improving transport, promoting sustainable economic growth, and delivery value for money; and
- the environment: protecting the environment, reducing and recycling waste, and making communities safer.

From the PURE perspective, policy recognises that a stronger HEI/Local authority partnership can address the significant skills deficit in Essex, and support the local business community in becoming better equipped to trade internationally, and establish the trading links that will be essential to their survival in an increasingly competitive international market. There is a need to understand what a better engagement strategy between the region and its HEIs would be like and what the added value would be.

More specifically, there is interest in:

- graduate retention;
- graduate demand;
- assisting in knowledge transfer and innovation;
- the role HEIs might play in assisting local authorities encourage local businesses to trade internationally and to better understand local markets;

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- exploring international example on securing economic benefits from major events such as the Olympic Games; and
- increasing the propensity of university spin-outs where the HEI's research expertise is complementary to the county's industry sectors and encourage local institutions to exploit their intellectual property for the benefit of local employment and the local economy;
- creating stronger links between institutions in terms of managing a co-ordinated effort in furthering business competitiveness and innovation.

## Key issues

### University Engagement

As in Kent, it was apparent that the universities within Essex had very different approaches to community engagement. Anglia Ruskin University (ARU) positions itself as a Regional University, aiming to contribute directly to the skills needs of the regional economy. It has 2 campuses, in Chelmsford and in Cambridge, and is a partner in the development of the new local campus in Thurrock. It could point to engagement with over 1,000 businesses in its region. Its Higher Skills and Work Team engage directly with employers, through a team of 5 consultants, to develop programmes which addressed employer needs. It has a company of business support specialists within the University. It sponsors periodic Business Ideas Competitions and runs a business incubator. The University had been successful in the HEFCE funded Economic Challenge Investment Fund, and was planning to offer a range of short courses, specialist knowledge transfer activities and seminars for business. It was developing an 'off the shelf' pack to protect its intellectual property.

It also sought to provide entrepreneurship learning opportunities to all its students, and had an Entrepreneurs Club for students on both campuses. ARU placed emphasis on the accreditation of prior learning (APL) in order to allow people to develop existing or new pathways whenever that was feasible. Almost half its students were aged 30 or over and 68% were female.

Writtle College was unable to be represented in discussions with the CDG. It is focussed on support for rural industries in the area.

The University of Essex has its main campus at Colchester, and has an instrumental role in the development of a university campus in the centre of Southend. The university has a third campus at Loughton, supporting the E15 Acting School and the performing arts. The University described itself to the CDG as being *in* the region rather than *of* the region, being strongly aware of the need to respond to global pressure for quality research, but also clear that the region benefits from both the global dimension of its activities and its impressive range of enterprise activities with staff, students and businesses. It saw the image of higher education as an important driver of the economy of itself, bringing prestige through its presence as a high ranking university.

At the same time, it was aware of responsibilities to the community, seeing itself as a resource for the community, promoting wider participation through its local developments at the heart of communities, and cultural engagement through its links with the Colchester visual arts centre and the performing arts.

### Partnership working

The HEIs are engaged in a variety of networks and partnerships with a range of regional stakeholders. These include regional university partnerships such as the Association of Universities of Eastern England (AUÉE), and GradsEast, partnership of the region's universities, which enables the coordination of activities across them. They can also point to partnerships with further education colleges, with regional planning organisations, with local authorities and with local business support



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organisations such as the Federation of Small Businesses, the Confederation of British Industries, the Institute of Directors and Sector Skills Councils.

Despite this complex array of alliances and partnerships it remains the case that business support, especially for small businesses is problematic, and it remains hard for business to gain an understanding of what universities do, and can offer. We should, though, clarify this by acknowledging that UK businesses invest less in R&D and the low demand for engaging with HEIs is not entirely due to a lack of understanding of what they can offer. A key question for PURE here and beyond, is how do we stimulate business demand for engagement with HEIs?

Essex County Council has developed important international civic links, but there was a view that these would benefit from greater HEI connections. Similarly, it was not clear how the global connections of the universities were being connected and exploited for regional benefit in any systematic way. All three parties, the universities and the County Council, are exploring means of achieving this.

It seemed that the contact between universities and local and regional authorities and the business sector remained fragmented and occasional. It did not appear that there was a body or structure to regularly bring together universities and other stakeholders, although it is clear that the establishment of the 'Essex Economic Board' should start to remedy this.

The University of Essex was able to elaborate upon two high profile initiatives during the CDG visit - ,to develop an international catering school and to go ahead with their Knowledge Gateway proposal, more than a traditional science park and a project aimed at addressing regional, national and international needs – whilst being fully in-keeping with the rest of the university's vision .

## Identification of skills needs

The region benefits from the work of Insight East, a unit within the wider East of England Regional Development Agency (EEDA) which focuses on analysis for policy makers, and provides regular briefings of the progress of the regional economy of which Essex is a part. Analyses to date have focussed on skills attainment and business innovation. Conclusions point to a picture of average innovation performance, evidence of some high quality research and development, and also to a lagging in human capital. We also need to address the level of business investment in research and development. There is wide variation from area to area within the region.

The work of Insight East emphasises the need to promote innovation, and to be clearer about what knowledge is 'commercialisable'. It did not seem that work on future proofing of skill need for the region, and for the Essex area within the larger EEDA area, has yet been taken very far.

EEDA was addressing the skills agenda for the region. It had identified some skills priorities associated with some employment initiatives within the region, for example in relation to the Royal Opera House Production Park, and the 2012 Olympics. Sectors which were being given priority related to the creative and cultural industries, logistics, construction and craft engineering.

Developments were taking place within the context of national policies, and took account of the increasing role of local authorities in the education and training of the 14-19 age group. EEDA sought to develop a place-based approach, and was seeking to work through collaboration with HEIs, Further Education and business. In discussion it seemed there were important opportunities to incorporate European internship programmes, make further use of APL, and in particular to develop business involvement in further and higher education delivery and foundation degrees.



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## Overall

Essex County Council is an innovative authority attempting to pursue policies for economic and social development with a framework of larger regional planning authorities. It is making realistic attempts to identify functional economic areas which differentiate the needs of the different special geographies within its area. This raises the challenge of alignment of strategies between the array of relevant agencies and of the location of strategic leadership for Essex. The Council's coordination of the Essex Economic Board should start to address these issues.

The higher education/ business interface was seen as vital to the development of Essex, but at the same time remained in many ways patchy and ad hoc. There were clear examples of good practice (see below), but at the same time some familiar difficulties in universities' engagement with business, to boost knowledge transfer and innovation, to develop internship arrangements for students, to capitalise on the global links developed by HEIs and the international civic links developed by local authorities, and to increase business involvement in the planning and delivery of skills training.

An important thread of the CDG's discussion was on the role of HEIs in the presentation and positioning of Essex in the international development process and in the promotion of the idea of Essex. There was a view that this role could be much enhanced through the high standing of universities in or close to Essex, and could make more explicit the ways in which the HEIs can encourage the international competitiveness of Essex business.

## Special Interests

Many factors influence the competitiveness of Essex as a place to do business. Especially at a time of economic recession, keeping Essex competitive from both a local and an international perspective is crucial to the well-being of all residents.

Essex County Council is interested in developing the knowledge base from which it works. It wishes to use its participation in the PURE project to explore ways of developing the relationship it has with business and the universities in Essex, and in the role the Council can play in facilitating relationships between these sectors. Recognising the pivotal roll of HEIs in relation to skills and technology transfer and in the development of entrepreneurship, the County is keen to explore where there might be opportunities to develop partnerships in responding to a changing strategic and economic environment.

## Examples of Good Practice

Two examples of good practice might be written up to inform the wider community of PURE participants.

The first concerns the Higher Skills and Work programme offered by Anglia Ruskin University as a means of taking the University out to the business community, rather than waiting for the business community to find a way in to the, for them, rather intimidating university arena.

Second is the i-lab facility available to the business community through the University of Essex, at both its Colchester and Southend campuses.

## Action Plan

In the context of the discussion presented above, Essex County Council is looking to PURE for support in exploring the benefits to be gained from a more strategic engagement of the Authority



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with the Higher Education sector, a focus on sector development and innovation, and in exploring ways in which the Authority can facilitate relationships between business and higher education for the benefit of the people and economy of Essex.

## Concluding Observations

This report has presented observations on the Essex region separately from those on Kent. The CDG were nevertheless aware of a number of similarities between the two, and some important contrasts. This last section highlights some key aspects of these, in the expectation that the comparative insights may be helpful in taking issues forward either in the regions concerned or elsewhere.

There are strong similarities in the location and nature of the Kent and Essex regions. Both are largely rural with polycentric settlement patterns, and close to the pull of London. Both have extensive coastlines, important environmental sites, but with pockets of significant social and economic deprivation. Both have a strong historical heritage which there is a desire to protect in the face of regional government demands for substantial additional housing and job creation in the next 20 years. So far as the economy is concerned, both are well placed close to Europe and with major port and transport links which potentially give access to international markets. Both have large rural agricultural sectors, and also a significant proportion of their working population commuting outside the County to London.

Both counties have experienced the decline of traditional occupations, and whilst both retain a manufacturing base and have major employers, there is a need for re-skilling and up-skilling in the workforce, and for attracting and sustaining new employment opportunities through inward investment and support to existing business. Both areas have large numbers of small and medium sized businesses, many of which are micro- or lifestyle businesses. Both Counties are similarly placed in terms of their responsibilities within English local and Regional government, and from the PURE perspective, contain a number of Universities which embrace different missions, some focussed regionally whilst others focus more globally.

In both areas the potential for engagement of the higher education sector was recognised (at the time of the visit probably more so in Essex than in Kent), but engagement appeared sporadic and ad hoc. This observation would apply both to the County Council and to the HEIs. The regionally focussed HEIs had strong programmes of engagement with the public sector in Kent and with the business sector in Essex. In Essex, the more globally orientated university was also clear that it was *in* the region and had a role in regional development. That awareness was much less evident in Kent. Complex partnerships existed between the public authorities, HEIs and the business communities in both Kent and Essex. Frequently, these were bilateral partnerships: regular opportunities for regular meetings between all three sectors did not seem to be present. Partnership working in Kent in particular did not seem to be very effective. In both contexts the issue of leadership was apparent – it was not clear where the leadership to secure more focussed strategic partnership working would be found. Essex County Council, though, expect their Economic Board to provide this.

There were other common issues too. With respect to skills, analytical capacity to future proof skills requirements needed further development at County level, even if some such analysis was being undertaken at the Regional government level. Essex County Council has recently established a Skills Unit to reflect this need. Exploitation of the benefits of international links both of HEIs and civic links of public authorities to secure economic benefits for the county was not well developed. There were indications that some European Union programmes, for example on internships, could be exploited too, to the benefit of local economies and to increase local retention of graduates.



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There was a sense of a willingness to innovate in policy-making in both Kent and Essex. Whilst in Kent there appeared to the CDG to be frustration with the legislative context in which the authority was placed, Essex had more evidently pushed the boundaries of the local authority role in some recent initiatives such as the reopening of Post Offices and the launch of Banking on Essex. Nevertheless, discussion in both localities became focussed on the need to explore more systematically what the benefits of a more strategic relationship between the public sector, the business community and the HEI sector would be, and the ways in which that could be facilitated and sustained. This is likely to form the core of future work under the PURE programme.