

Bone Wells Associates

Economic & Planning Consultants

**Thurrock Council
Employment Study**

FINAL REPORT

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1. INTRODUCTION

1.1 Study Brief

Thurrock Council engaged Bone Wells Associates to conduct an employment study for the District in September 2004. The study was intended to test the validity of employment forecasts for Thurrock in emerging strategies and to identify local requirements in terms of the job/worker balance, potential business sector growth and company site requirements. This broke down into a desktop study and complementary business/stakeholder survey as follows:

Desktop study to assess validity of existing and emerging forecasts

- job/worker forecasts, methodologies and assumptions
- proposed job and housing balances
- implications of additional higher housing growth scenarios
- types of sectors and businesses contributing to proposed employment total
- likely contribution of existing Thurrock business to proposed job total
- adequacy of land supply to meet requirements

Business and stakeholder survey

- types and sectors of business including inward investment which require land for expansion/new sites
- particular sizes of company and types of sector which are not well provided for in terms of existing site provision
- qualitative factors in terms of site suitability, location, market demand
- non-planning constraints, e.g. skills shortage, training

1.2 Existing Projections and RPG/RSS and Thames Gateway Background

A brief resume of existing projections and comment is provided in Appendix 1 'Current and Emerging Strategies'. This summarises employment, housing and population projections prepared by or on behalf of the Thurrock UDP, EEDA Regional Economic Strategy, Regional Planning Guidance (RPG)/Regional Spatial Strategy (RSS) 14, now termed Draft East of England Plan (DEEP). It will be apparent that different forecasts and estimates are not all comparable, covering different years and with different baselines.

The Draft Regional Planning Guidance for the East of England, affirmed by the draft revision to the Regional Spatial Strategy December 2004, identified Thurrock as a 'Regeneration Hub' and 'Strategic Employment Site' in terms of proposed distribution, logistics and port related activity with major zones of change at Grays Riverside and Shell Haven. These have been singled out as

key components of the large quantum of planned employment growth in Thurrock. This quantum of growth is itself a significant proportion of the total anticipated in the Thames Gateway/South Essex (TGSE) area over the period 2001-2021. Issues arising from this include:

- the validity and likelihood of these jobs arising, particularly at Shell Haven
- the aspirations of Thurrock Council for diversification of employment and reducing reliance on logistics related jobs
- the alignment of housing and jobs proposed in DEEP (RSS14) as it applies to Thurrock
- the implications for commuting into and out of Thurrock as a response to major employment and housing development changes

The sub-regional development context is obviously relevant: Thurrock's position cannot be considered in isolation and some attention must be paid to wider sub-regional strategy developments, although this is not the role of this study

Methodology and Report Structure

The report is based on desk research supported by a business and stakeholder survey. The desk research comprises analysis of demographic, employment and other relevant data, appraisal of relevant policies, and development and application of a model to examine alternative housing and employment projections. The survey work comprised:

- business survey of existing Thurrock companies (excluding certain sectors such as retail and the very smallest firms), by postal questionnaire
- survey of actual and potential inward investors, by telephone interview and postal questionnaire
- survey of business stakeholders in Thurrock by face to face and telephone interview

The surveys were designed to identify the types and sectors of business which require land for expansion or new sites, to assess what types of sector were not well provided for in terms of existing site provision, and to appraise qualitative issues regarding site suitability, location and market demand.

Chapter 2 briefly summarises the local economy background, highlighting major employment trends, business floorspace changes, and the commuting balance. **Chapter 3** reviews existing policies and housing, population and employment projections, setting out the key underlying forecasts and assumptions. It shows the balance of housing/population and employment with particular reference to DEEP (RSS14) targets and their implications for commuting. **Chapter 4** examines the potential contribution of different sources of employment to employment targets as a check on their feasibility, and considers briefly housing target feasibility. **Chapter 5** reviews the potential supply and demand, and suitability of existing employment land and premises, based on the survey of occupiers and investors. **Chapter 6** briefly reviews the major factors influencing employment growth, and sets out the consultants' conclusions. Supplementary material is contained in Appendices.

2. ECONOMY AND EMPLOYMENT

2.1 Employment Structure and Trends

Although Thurrock has undoubtedly attracted many logistics and transport firms in recent years these do not dominate employment trends, indeed the most striking change over the last decade has been the rapid growth in services. Table 2.1 provides a snapshot change in employment over 1991-2001 by main sector, showing the 42% growth in service employment while extractive, energy and manufacturing employment has fallen. Roughly proxied by the wholesale and transport sectors, logistics and distribution rose over the decade, but appear to have been falling in recent years. Data for individual years from the same source indicate that this sector may have peaked in 2000 with as many as 15,600 jobs, but had declined to 12,400 jobs by 2004.

Table 2.1 Summary of main employment changes in Thurrock 1991-2001

Sector	1991	2001	Change '91-01	
Extractive, Gas, Elec, Water	2,180	440	- 1,740	- 80%
Manufacturing	8,950	8,150	- 800	- 9%
Construction	3,930	5,340	+ 1,410	+ 36%
Retailing	6,170	11,940	+ 5,770	+ 94%
Wholesaling	3,160	4,770	+ 1,610	+ 51%
Hotels & catering	2,890	4,120	+ 1,230	+ 43%
Transport	8,010	8,270	+ 260	+ 3%
Communications	200	400	+ 200	+100%
Financial services	880	600	- 280	- 32%
Business services	3,010	3,510	+ 500	+ 17%
Other Fin & Bus services	980	1,290	+310	+ 32%
Public Admin/Defence	1,810	1,410	- 400	- 22%
Education	2,510	3,880	+1,370	+ 55%
Health	2,390	3,420	+1,030	+ 43%
Other (personal services)	2,390	2,580	+ 190	+ 8%
TOTAL	49,480	60,100	+10,620	+21%

Source: ABI/Experian. Note that estimates include self employed, omitted from standard ABI data.

Service employment growth has of course dominated employment change everywhere, but its rapid growth in Thurrock can be overlooked. The impact of Lakeside is dramatic with an enormous expansion of retail employment. Wholesaling, hotels and restaurants, education and health also enjoyed large increases of around 40-50%. In contrast financial and business services, and personal services, have risen by a much lower rate. Overall there has been rapid growth in employment, and symptomatic of the housing and general construction boom, employment in construction rose almost as quickly as services. In manufacturing and distribution, significant increases in productivity have driven down employment numbers alongside heavy investment in plant and buildings.

Thurrock is one of the three main 'employment' towns in Thames Gateway/South Essex, alongside Basildon and Southend.¹ The employment structure of each reflects their relative strengths in distribution, manufacturing and services respectively. Thus as shown in Table 2.1, Thurrock in 2001 had 22% of its employment in logistics and distribution (Southend 5.8%, Basildon 8.3%). Manufacturing employment in Basildon (15,370) accounted for more than 20% of its employment (Thurrock 8.3%, Southend 6.8%), while services in Southend (55,180) accounted for 61% of its employment (Basildon 46%, Thurrock 55%). Simplifying slightly, Thurrock is the distribution town, Basildon the manufacturing town, and Southend the services town of Thames Gateway/South Essex. Thurrock has a very weak level of employment in financial and business services, as the comparison with Basildon and Southend in Table 2.2 (2001 actual, 2004 projected) demonstrates.

Table 2.2 Employment in financial and business services 2001

	Thurrock		Basildon		Southend	
	2001	2004	2001	2004	2001	2004
Total employment	60,100	62,170	75,750	76,140	72,420	70,360
Financial & Business services	5,400	5,760	15,940	13,900	17,880	17,940
Financial & Business services - % total employment	9.0	9.3	21.0	18.3	24.7	25.5

Source: ABI/Experian Business Services Note: Includes self-employed.

2.2 Business Floorspace Trends

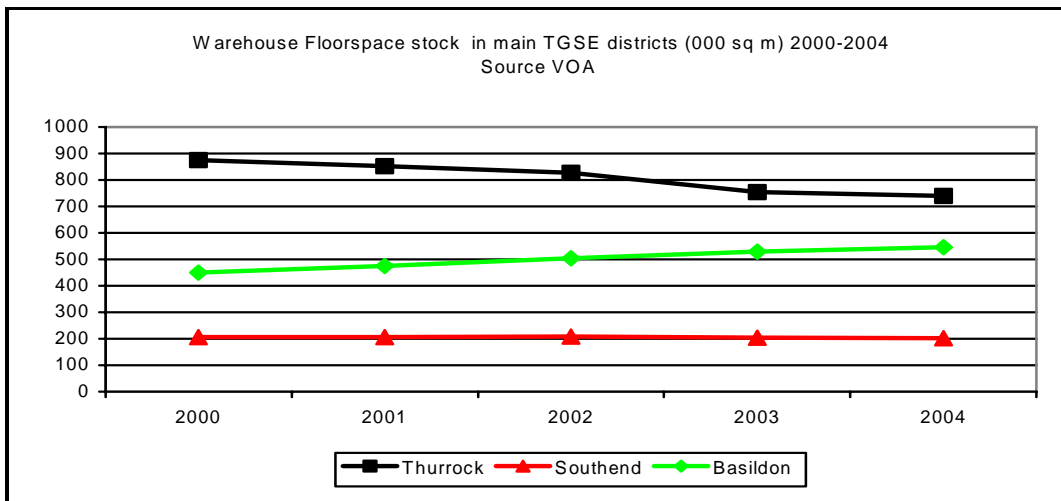
Floorspace stock

The distribution of employment floorspace among the three main employment towns reflects their relative specialisation, described above. Taking data from the Valuation Office Agency (VOA) for the years 2000-2004,² Figures 2.1-2.3 show the respective stock of floorspace of warehouses, factories and offices in Thurrock, Basildon and Southend, illustrating the dominance of each type of business floorspace in each district. The figures also show trends in each.

¹ In 2004, total employment was estimated as Thurrock 62,000, Southend 69,000, Basildon 75,000 (source: Experian).

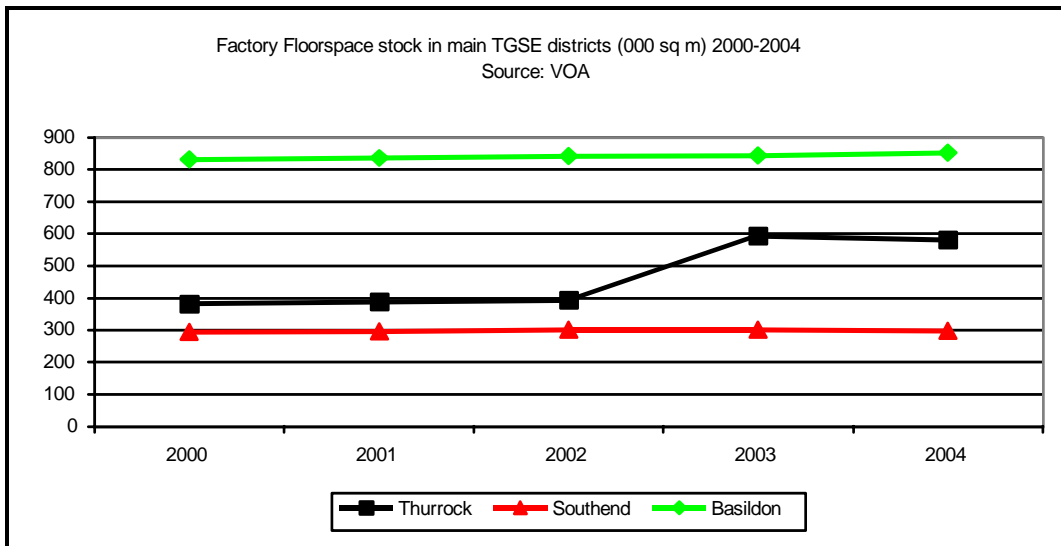
² N.B. 2001 figures interpolated from 2000 and 2002 data.

Figure 2.1 Warehouse floorspace stock and trends, 2000-2004



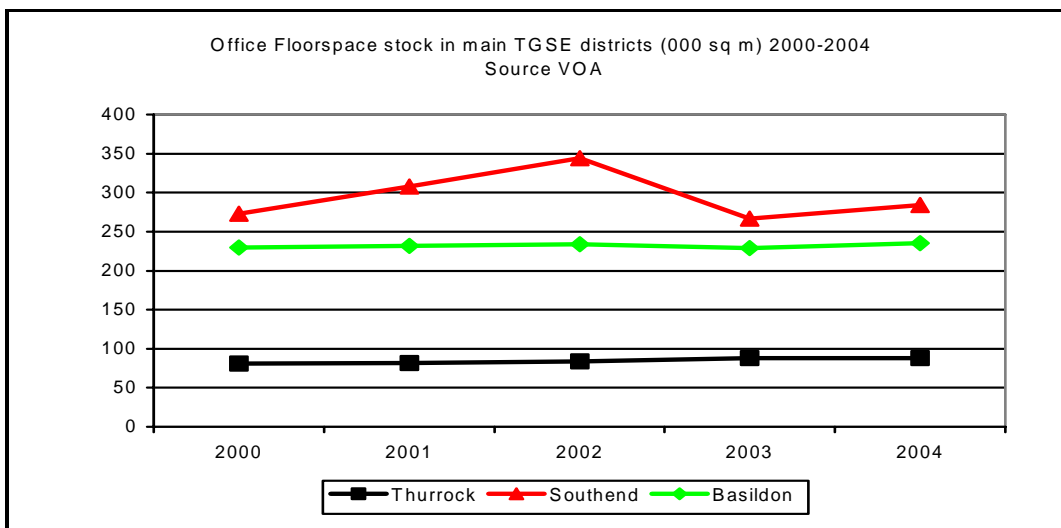
Source: Commercial and Industrial Floorspace and Rateable Value Statistics, VOA.

Figure 2.2 Factories floorspace stock and trends, 2000-2004



Source: as Figure 2.1.

Figure 2.3 Office floorspace stock and trends, 2000-2004



Source: as Figure 2.1.

The data are stock figures so care needs exercising on interpretation – significant new activity can be masked by older floorspace being taken out of commission. This may have occurred in Thurrock for example over 2000-2004, when there was a major downturn in transport employment, very likely in the docks rather than the logistics sector. Nevertheless the recent increase in warehousing space in Basildon is interesting, suggesting that it may be a competitive location to Thurrock for distribution. There was a notable jump in recorded factories floorspace in Thurrock from 2002 to 2003, but the consultants do not know whether this is a statistical change – VOA reclassification³ – or the result of a major new investment. It is understood following inquiries with Southend that that the dip in office floorspace there over the same period was the consequence of conversion to residential use of large back offices vacated by the banking sector.

Further charts showing the level of floorspace per '000 population, confirming the respective economic roles of Thurrock, Basildon and Southend in the TGSE sub-region, are given in Appendix 2.

Floorspace availability

While the concentration of warehousing space in Thurrock is to be expected, there should be for all types of floorspace a level of vacancy or availability providing a margin of supply for new users. There is no single level for this but a vacancy margin of 10-12% of space is commonly regarded as a healthy level (5-7% would be widely regarded as tight and 15-20% as probably an excess supply).

Data obtained for office and industrial (manufacturing and warehousing) floorspace availability for recent years⁴ is generally consistent with this – with one exception, an extraordinary low level, of availability for offices in Thurrock (Table 2.3). In absolute terms this was only 1,500 m² according to local agents Kemsley, Whiteley and Ferris. Naturally, given the much more limited supply of office floorspace, comparatively modest changes in demand can lead to strong fluctuations in availability and lead easily to a marked shortage such as that recorded at the end of 2003.

Table 2.3 Vacancy rate for different types of space in December 2003/April 2004

	Basildon	Southend	Thurrock
Industrial	10.4%	9.1%	13.3
Office	9.6%	10.9%	1.7%

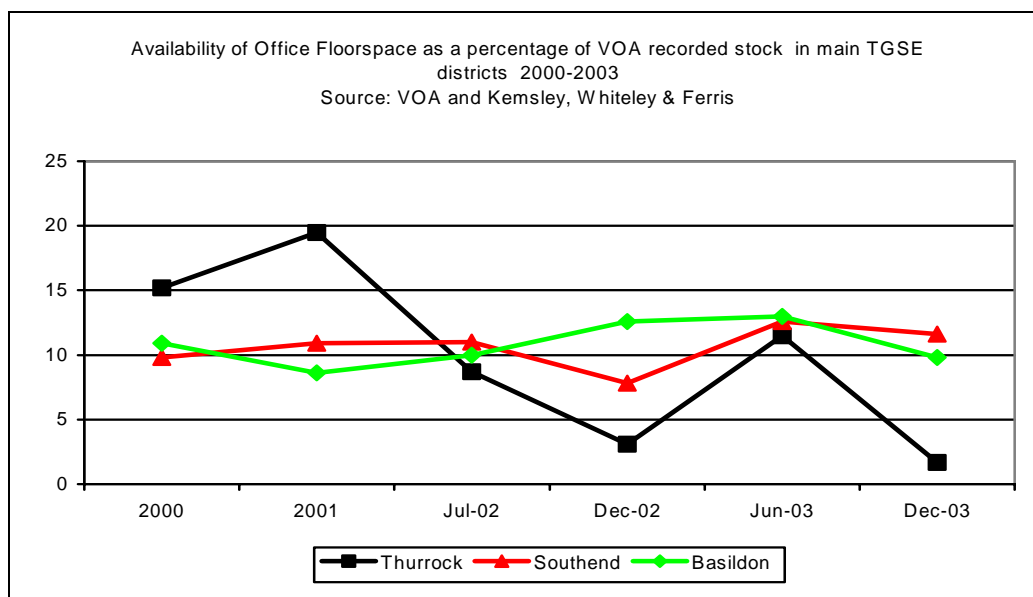
Source: VOA and DHR Economics/Kemsley, Whiteley & Ferris.

Further, although office availability in Thurrock has fluctuated, it has been on a downward trend in comparison with the picture for Basildon and Southend – see Figure 2.4.

³ Historic VOA records have not always been reliable.

⁴ DHR Economics, 8 Bazile Road, London N21 1HR.

Figure 2.4 Office floorspace availability



2.3 Commuting Balance

Thurrock has historically experienced a net outflow of commuters due to the imbalance of jobs and resident workforce. As Table 2.4 below shows, in 1991 more than 23,000 commuted out of the district. Large though this was, by 2001 the number of out-commuters had increased substantially to more than 30,000. The reduced ‘self sufficiency’ in employment for Thurrock is consistent with the trend of national commuting patterns throughout the country over this period, associated with increased mobility. However, from a sustainability perspective regional policy seeks to reduce commuting flows, especially by car, as this has implications for additional road infrastructure.

Table 2.4 Balance of commuting to and from Thurrock, 1991-2001

	Census 1991	Census 2001	Change 91-01
Resident and working in Thurrock	34,840	39,435	+4,605
In commuting	14,650	17,935	+3,285
Out commuting	23,380	30,555	+7,175
Net	-8,730	-12,620	-3,890

Source: Census Customer Services, Dec 2004. Note that census employment figures estimated from the table (in commuters + resident and working in the area) are not directly compatible with ABI derived figures shown in Table 2.1, largely because of double jobbing and differences in treatment of over 74s.

This is not simply one of scale but of type of job – the borough has lacked service employment, especially for women, many of whom have commuted to work in London and elsewhere in the TGSE area. It may also be noted that despite the increase of 10,000 jobs in the borough over 1991-2001, in 2001 there were still fewer jobs per person in Thurrock (0.42) than in Southend (0.45) or Basildon (0.46). Given that there has been significant residential development since 2001 in Thurrock (2,340 net dwellings increase according to the 2004 Annual Housing Land Monitor) which may have accommodated 5,500 additional population, the gross and net out commuting levels may have increased.

2.4 Thurrock's Employment Aspirations

The deposit Thurrock Unitary Development Plan (2003) says little about employment structure, other than noting the lack of white collar jobs in the borough. Some further comments were made in the Council's Economic Development Strategy (2000)⁵, which states that a key economic development policy was to attract inward investment:

"which diversifies the Thurrock economy, particularly in key sectors such as manufacturing and information and communications technologies (ICT)."

However, the remainder of the document is very much about more general, non-sectoral matters, e.g. promoting partnership development, supporting training providers, developing local purchasing etc. Similarly the Community Strategy ASPIRE⁶ outlines three general goals:

- encouraging inward investment
- supporting businesses
- diversifying the economy

but focuses on performance enhancement rather than an economic vision. A paper from Council's Economic Development Department is more specific. It reviews the recent developments in the borough, noting the large expansion of the retail sector with the development of Lakeside, the expansion of distribution logistics attracted by land and M25 access, and the continuing resilience of manufacturing despite some high profile closures. But although welcoming the consequent broadening of the economy it questions the skill levels associated with these jobs, and notes the lack of diversification through inward investment or indigenous development. Initial discussions on an emerging economic development strategy "have centred upon the central issue of diversification". The aspirations are stated as:

"to direct the economy towards higher value added sectors. Sectors identified include:

- green technologies
- advanced manufacturing
- creative industries
- professional services
- [growth in the] generic office sector"

It is understood that with the exception of creative industries⁷ (see Section 4.2) there has been limited investigation of the feasibility of attracting these sectors, which are targeted by very many other districts, both in south east England and elsewhere. Neither, with the exception of the creative industries study, have the interventions necessary to attract such activities been researched.

Although diversification is an acknowledged objective the TGSE strategy emphasises the district's core role of developing a "world leading logistics hub"⁸. In part this relates to general development of established activity, and in part to prospective and geographically specific development at Shell Haven. This may be viewed as offering limited diversification but can hardly be ignored. Chapter 4 reviews the potential of Shell Haven and other more sectoral proposals to contribute to employment strategies and targets.

⁵ Economic Development Strategy 2000/2001, Economic Regeneration Unit, Thurrock Council, April 2000.

⁶ ASPIRE, Thurrock Community Strategy, Thurrock Borough Council 2002.

⁷ A study was commissioned by Thurrock Council on developing a creative sector, "The Space for Artists: Recommendations for Developing a 'Creative Thurrock'", Tom Fleming Creative Consultancy, undated.

⁸ Thames Gateway South Essex, A Vision for the Future, TGSE Partnership, undated.

3. EMPLOYMENT STRATEGIES

3.1 Job/Worker Forecasts, Methodologies and Assumptions

Forecasts for Thurrock

As detailed in Appendix 1, different employment projections and targets for Thurrock, including inferred estimates, have been prepared for future years, summarised in Table 3.1.

Table 3.1 Thurrock employment projections/targets

Projection	Year		Change 2001-21
	2001	2021	
UDP	60,100	64,170 ¹	+ 4,370
EBS baseline	60,100	66,900	+ 6,800
EBS 'top 20'	60,100	68,200	+ 8,100
draft RSS	60,100	86,100	+ 26,000

Source: UDP, EEDA, consultants. (1) UDP 2021 figure derived from projected 2016 economically active (74,200), extrapolated to 2021.

Projections methods and assumptions

Appendix 1 describes the origins of the DEEP (RSS14) employment target. Essentially there were two stages to the process: an initial set of projections for the region, with sub-regional breakdowns, prepared by Experian Business Strategies (EBS) based on output and employment implications of the region achieving "Top 20" European Region status by 2021; followed by work done by a regional Task Group identifying aspirational employment achievement above this level.

The policy target numbers determined in the RSS process reflected government targets to achieve 50% more jobs than more houses in Thames Gateway during 2001-21. Originally, using a TGSE dwelling potential of 40,000, a figure of 60,000 additional jobs was thus proposed. Local audit resulted in a revised figure of 55,000 being adopted, and 26,000 in Thurrock. In summary form, the procedure used to determine these was as follows:

1. Government target to achieve 120,000 homes and 180,000 jobs in the whole of the Thames Gateway was translated in TGSE as meaning that however many houses were identified for TGSE then the number of jobs had to be 50% greater.
2. Joint work by ODPM, TGSEP and the local authorities identified a potential supply of 40,000 dwellings between 2001 and 2021. Thus, on the above formula an indicative planning figure of 60,000 jobs was taken for assessment.

3. The assessment noted that the Experian Baseline and Top 20 projections, of 8,000 and 15,400 respectively for the 5 districts of TGSE, indicated a substantial shortfall on the indicative planning figure established above.
4. Local partners undertook an audit of prospective schemes and projects to assess the extent to which existing availability and ideas/proposals would generate jobs to meet the indicative planning target.
5. The audit exercise produced the prospects of 50,000 jobs on named sites. This was augmented by a further 5,000 jobs (distributed simply as 1,000 per district) that would be 'non-site based'. In this context 'non-site based' means that the job would have no land use implication in that they would be taken by people either working at home or from home. These are the 55,000 jobs set out in RSS.
6. In the case of Thurrock a contribution of 26,000 jobs was identified – 16,500 at Shell Haven; 8,500 in Thurrock Riverside and 1,000 non-site based. The jobs identified for Thurrock Riverside (the built up area between Purfleet and Tilbury) represented jobs in all sectors (not just those requiring B1-B8 land) and therefore would include a local service element.

In preparing the sub-regional strategy the TGSEP working group agreed that an improved balance between homes and jobs would be sought at the sub-regional level rather than for each individual district. However, analysis consistent with the EERA Alignment Study shows that the RSS housing and employment provisions would result in an improvement in the net employment balance of Thurrock from -12,600 at 2001 to -6,400 at 2021. The employment target, from an economic standpoint, is very ambitious. Numerically, it is equivalent to starting with a trend projection, then adding an increment above the trend to reflect increased Thames Gateway activity (+6,800 jobs, the "Baseline"); third, making a further increase to reach (in Thurrock) a "Top 20" regional target growth of 8,100 jobs, and finally increased again – significantly – to the RSS target of a growth of 26,000 jobs.

The second point to note about the TGSE/Thurrock DEEP (RSS14) employment targets is that they were developed independently from the housing target, hence population and employment are not linked, other than through an inferred commuting balance. To relate the two, base year figures need to be identified, and variables linked by demographic and other assumptions, as described in the next section

Hence assuming the same base year employment level, the RSS employment policy target clearly envisages a much larger increment of employment to be generated by 2021 than other 'economic' projections. As described above, some 16,500 of the additional 26,000 jobs have been attributed to the Shell Haven development, 8,500 from Thurrock Riverside, and 1,000 from non-site based employment.⁹ It may also be noted that the DEEP (RSS14) policy target work generated uneven increments of jobs in the various East of England sub-regions additional to the "Top 20" EBS projections (see Appendix 1).

⁹ It may be noted the 1,000 non-site specific jobs include persons working from home and not creating a requirement for new employment land. This is not conceptually related to the population related service employment which is estimated in Chapter 4. That employment may include an element of this but also sites to accommodate A, B1, C, D and sui generis land uses.

3.2 Proposed Job and Housing Balances

RPG14 job and housing balance

The primary balance assessment to be made is the RPG14/RSS14 proposals for employment and housing, which for Thurrock are increases of 26,000 jobs and 18,500 dwellings over the period 2001-21 – Policies E2 and H1. There are several aspects to this:

- How does the balance (technically) work out?
- What are the main implications of these scenarios?
- How realistic is the DEEP (RSS14) employment target?
- Similarly, how realistic are the various housing targets?
- If not considered realistic, what target/scenario combinations are achievable?

This chapter sets out the arithmetic of the employment and housing targets balances as they would change from 2001 to 2021. Chapter 4 considers the realism of the various targets, and what combination of housing and jobs targets the consultants believe could reasonably be delivered by 2021.

With regard to estimation of how housing, employment and commuting are balanced, the main documents relied on are the RTP Alignment study¹⁰ and demographic projections generated by the PHRG at APU, the ‘Chelmer’ projections. Also relevant is an internal EERA technical paper describing the derivation of RPG14 employment and housing targets.¹¹

The essence of the RTP study is relating housing to jobs at sub-regional scale, this being reasonably defined as the appropriate level at which to compare the two.¹² Hence Thames Gateway/South Essex is one sub-region. Housing is linked to jobs through the derivation, from housing, of households, population, economically active, and resident labour force on one side, and employment located within the area on the other.

The baseline or base case is defined by the nature of the relationship in 2001. Unless fortuitously equal, the labour force and jobs in an area are balanced through net commuting into/out of each sub-region. Through the mechanism of commuting every sub-region’s labour force balances with the number of jobs in the area, and hence, through commuting, is aligned, or balanced with it. The RTP exercise then goes on to relate the same variables – but reflecting RPG/RSS targets – for 2021. This exercise automatically balances the housing and jobs in the same way, again with a net commuting balance securing the ‘alignment’ between different levels of workplace and residence employment.

The RTP study goes further in giving the word ‘alignment’ a literal definition of being equal in number, i.e. same number of jobs and labour force in a defined area. Thus the East of England as a whole is, strictly, ‘misaligned’ – there being a surplus (in 2001) of 130,000 resident workers over jobs.¹³ The justification for adopting this terminology is DEEP (RSS14) sustainability policy which supports reduced commuting, and proximity of housing, jobs, and services, but these policies are rather vaguely expressed. Moreover, alignment and

¹⁰ RPG14 Housing and Employment Alignment, Roger Tym & Partners, EERA, August 2004.

¹¹ RPG14 Economic Development Task Group – Working Paper: RES and RPG14 – Employment, Labour, Population and Housing to 2021.

¹² A typical sub-region would approximate to a travel to work area, have settlements with functional inter-relationships, a major centre or centres serving the population of the sub-region., etc.

¹³ RTP study, Table 6.2. However, in relation to the overall scale of regional employment (2,600,000 before double jobbing correction) this degree of misalignment is considered minor – in fact RTP state that there is **broad alignment** between policies H1 and E2 under the regional base case.

misalignment so defined is a rather crude measure, neglecting the scale of gross commuting flows in favour of net balance.

The calculated balancing of resident workers and jobs in 2021 provides an alternative or additional indicator of alignment, which is whether ‘alignment’ has improved or deteriorated over the period. Considering Thurrock (Table 2.4), it is clear that over 1991 to 2001 the degree of ‘misalignment’ (excess of out commuting over in-commuting) increased, net out-commuting growing over the decade.

Alignment of housing and jobs in the TGSE sub-region is examined in the RTP study through the use of Chelmer (APU) demographic variables. Table 3.2 shows the calculations made for the sub-region and the equivalent application to Thurrock, using specific Thurrock ratios (such as economically active population, of which a mid point is taken). In Thurrock the gap (or ‘imbalance’) between workforce and local jobs is broadly consistent with the net 2001 commuting outflow of 12,620 jobs earlier identified in the Census (Table 2.4). According to the RPG14 scenario, this would shrink to some 6,900 net outflow by 2021. It is approximately a halving of net out commuting, similar to the baseline projection for the sub-region.

Table 3.2 Base case housing and jobs alignment in TGSE sub-region and Thurrock

Parameters	TGSE		Thurrock	
	2001	2021	2001	2021
Dwellings	272,565	¹ 316,365	59,402	³ 77,902
Occupied dwellings (2.59% vacant etc)	265,504	308,336	57,863	75,884
Households (incl.sharing)	265,901	308,773	58,289	76,603
Average hh size	2.37	2.17	2.46	2.24
Household population	629,026	670,076	142,431	170,370
Non-hh population	4,774	6,183	569	777
Population	633,800	676,259	143,000	171,147
Economically active (TGSE 49%-50%)	311,026	337,021	73,185	92,884
Unemployed (4.5%)	14,022	15,316	3,293	4,180
Resident workers	297,004	321,705	69,892	88,704
Balance	51,417	23,869	12,797	6,909
Jobs less double jobbers	245,587	297,837	57,095	81,795
Jobs	258,512	² 313,512	60,100	⁴ 86,100

Source: RTP Alignment Study, Appendix D; Chelmer east2002RPG14dwl projection, east2002rpg14 dwl mid point of high and low activity rate assumptions, 2004.

Note: Single digit numbers do not connote accuracy to this level.

¹ +43,800 target ² +55,000 target. ³ +18,500 target ⁴ +26,000 target.

Other ‘balance’ scenarios

Further combinations of projections to 2021 are examined, and compared with the base case RPG/RSS14 target figures for Thurrock set out in Table 3.2, again using Chelmer demographic ratios:

- Trend scenario of Business as Usual job growth with trend (ONS) population growth (+6,800 jobs, +23,700 population)
- Enhanced Growth job projection combined with DEEP (RSS14) dwellings target and ONS trend population.

Table 3.3 sets out the dwellings-households-economically active-employment balances for the lower (trend) jobs scenario combined with ONS trend population projections, For comparison the “base case” RSS housing and job target scenario is repeated from Table 3.2. Further columns show the Enhanced Growth job projection combined with DEEP (RSS14) dwellings target and ONS trend population. The estimates – no attention should be paid to the single digit figures – use the same assumptions as in Table 3.3. These include Thurrock-specific household size and private household population assumptions, based on latest available Chelmer demography, occupied dwelling, unemployment and double jobbing assumptions based on the TGSE average, and activity rates set at the midpoint of Chelmer high and low estimates for Thurrock. Clearly there could be some further variations affecting Thurrock but not in the consultants’ view such as to materially impact on the figures.

Table 3.3 Thurrock base case and alternative housing and jobs scenarios (alignment)

Parameters/Year	Base year	RSS	Trend	Altern.	Altern.
	(all scenarios)	RSS jobs/RSS dwellings	BAU jobs /ONS population	EG jobs /RSS dwellings	EG jobs /ONS population
	2001	2021	2021	2021	2021
Dwellings	59,402	77,902	75,878	77,902	75,878
Occupied dwellings (2.59% vacant)	57,863	75,884	73,913	75,884	73,913
Households (incl.sharing)	58,289	76,603	74,613	76,603	74,613
Average hh size	2.46	2.24	2.24	2.24	2.24
Household population	142,431	170,370	165,640	170,370	165,640
Non-hh population	569	777	755	777	755
Population	143,000	171,147	166,395	171,147	166,395
Economically active	73,185	92,884	90,305	92,884	90,305
Unemployed (4.5%)	3,293	4,180	4,064	4,180	4,064
Resident workers	69,892	88,704	86,241	88,704	86,241
Balance (net commuting)	12,797	6,909	22,686	23,914	21,451
Jobs less double jobbers	57,095	81,795	63,555	64,790	64,790
Jobs	60,100	86,100	66,900	68,200	68,200

Source: Tables 3.1, 3.2, RTP Alignment Study, Appendix D; Chelmer east2002RPG14dwl projection, east2002rpg14 dwl, mid point of high and low activity rate assumptions, 2004. Note that small changes to the assumptions directly impact on the final balance estimate, which should probably be considered as accurate to the nearest 1000 or so.

Implications of the scenarios

The different levels of net commuting effectively constitute the implications of the different dwelling and job scenarios. As noted from the historic trend (Table 2.4) there was a net outflow of 12,600 commuters in 2001, a 40% rise on the 1991 figure. This is only reversed under the RSS jobs target. Lesser employment increases result in enlarged commuter outflow. Also, in the short run since 2001, gross out commuting from Thurrock has probably risen as new Chafford Hundred households commute to London jobs.

Although much commuting to and from Thurrock will be short distance cross-boundary movement, the scale of gross commuting flows is important in view of the shortcomings in existing transport infrastructure and doubts about future investment in it. The more that housing is expanded in Thames Gateway/South Essex without commensurate expansion in employment, the heavier will be the pressure on the transport system to accommodate outward commuting. There is a crude trade off for government here – if it wishes to minimise or cannot deliver additional transport investment it is incumbent on government to stimulate employment growth.

4. EMPLOYMENT AND HOUSING TARGETS

4.1 National Overview

The RTP Alignment study examined the share of East of England region jobs of total national jobs under different assumptions and forecasts. Extracts from these calculations (Table 4.1 in RTP study) given in Table 4.1 show the proportionate share of the national Experian forecasts in 2001 and 2021, according to BAU, EG and E2 assumptions.

Table 4.1 Comparison of E2 regional projection with national projections

Growth path	E of E. share of national jobs %		% share of national change
	2001 ¹	2021 ¹	
E2	8.86	9.46	16.2
EG21 ²	8.86	9.18	12.7
BAU ²	8.86	8.83	8.5
EG21 ³	8.90	9.23	13.0
BAU ³	8.90	8.97	9.8

(1) 2,585,000 and 3,007,000. (2) EBS 02 projections. (3) EBS 03 projections.

Nationally, the Experian 2002 set projections (29,171,000 jobs 2001 to 31,778,000 jobs in 2021) forecast a growth in employment of 2,606,000. The 421,500 additional regional jobs under the E2 policy assumption would account for 16.2% of these – a very large proportion given that its base share was barely half of that. In comparison the 331,000 additional jobs associated with the EG21 projection would account for a more modest 12.7%. This is still a very significant improvement in regional performance. It is noted that the revised 2003 set Experian projections do assume a rather more plausible BAU growth than the 2002 projections.

4.2 Types and Sectors of Business Contributing to Proposed Employment Total

The Shell Haven development

The Shell Haven project is so large that without it the realism of the RSS employment projections for Thurrock must be cast into doubt, even perhaps the employment aspirations for the whole TGSE Gateway. It is therefore worth reviewing briefly the most critical assumptions underpinning the development, of which five are particularly relevant to this study:

- i. employment estimates
- ii. market demand
- iii. labour supply and housing

- iv. infrastructure, principally road access
- v. development timetable

Employment estimates

At the time of this report the called in Shell Haven planning application was not yet determined but employment strategies such as set out in RSS 14 assume that the development will proceed. A summary of the employment projections made at the time of the public inquiry is shown in Table 4.2, together with floorspace. The estimate of total employment in Thurrock, including indirect and induced employment, is 17,500 jobs.

Table 4.2 Projected Shell Haven employment by type

	R&D B1b	Light industry B1c	Manu- facturing B2	Distribution /ware- housing B8	Other/ ancillary	Port	Total
Direct employment	750	6,823		6,832	130	1,915	16,450
Floorspace (m ²)	19,500 ¹	100,650	97,860	718,520	10,580	NA	947,110
Indirect/induced employment						NA	1,020 ²

Source: London Gateway Overarching Environmental Statement, King Sturge 2002; London Gateway Logistic and Commercial Centre, Outline Planning Application 2002, APP/1/A, P&O (Richard Flack Proof of Evidence), consultants. (1) Inferred from employment and floorspace density assumption of 26 m2/job. (2) Total indirect/induced jobs within 30 minute drive time calculated as 3,298. District population in 2021 estimated to account for 31% of 30 minute drive time population catchment – estimated to be 464,900 in 1998 and 520,000 in 2021, applied to 3,298 total.

Direct employment has been calculated on the base of employee: floorspace density assumptions for the different types of space. These have been prepared following consideration of the form of development expected, e.g. very large distribution depots, on the basis of comparative and well documented studies. Typically, very large warehouses demonstrate densities of 1000 sq ft per employee. The density assumptions look realistic and for distribution are fully supported by the experience on the ground in the country’s largest distribution centre, Magna Park (discussed further below).

Indirect and induced employment have been projected according to standard approaches and the consultants consider this to be reasonable. The main criticism to be made of the analysis is that no explicit allowance is made for displacement, especially labour displacement. The authors (King Sturge) contend that reductions of other employment, e.g. local Ford operations, plus take up of existing unemployed labour will diminish the impact of this. It is also the case that Tilbury port is operating principally in different markets and, from our inquiries, little appears likely to transfer from there to Shell Haven. Further, in a rapidly expanding area, with growing immigrant population and labour force, displacement would be expected to be lower than in a more mature area. However, the main reason why displacement in Thurrock may be low, both in respect of direct and indirect/induced employment, is because of the wide spread of the labour force catchment – most workers originating outside the Borough. For these reasons it is concluded that the employment estimates are slightly too high for not allowing for some local displacement but otherwise sound so long as the development takes place as described, subject to the strength of demand and the timescale of job build up discussed below.

Market demand

Employment will be generated by both the port and landside development, of which the former makes much the smaller contribution (about 12%). Container traffic demand is buoyant and a strong case for Shell Haven was made by at the Inquiry by Drewry Shipping Consultants Ltd.¹⁴ Since then the major rival development Dibden Bay, has been rejected and a senior Port of London manager interviewed by the consultants confirmed the strength of demand for Shell Haven. It appears indeed that this is probably sufficiently large to require both current container port proposals (Shell Haven and Felixstowe) to be needed.

With respect to the much larger land side development there are both negative and positive factors affecting demand. On the minus side, the site is some distance from the M25 motorway, imposing relatively larger transport costs on companies located there, while the large labour requirement has to be met within an area of relatively low population density. On the plus side is the size of the site and capacity for very large warehouses: current demand seems to be in the 50,000-100,000 m² range, which few sites can accommodate, and at the top end of this just 7 occupiers would use up all the distribution land allocation. Further, the EU drivers hours Directive is reducing the attraction of the single large midlands warehouse, which was able to serve much if not all of England. For national coverage the “2½ warehouses” model¹⁵ is reported to be more appropriate for the future. The project also may benefit from new port-landside linkages. In the UK, there is little integration of the kind seen in Rotterdam where manufacturing and processing industries receive raw materials and foodstuffs for direct manufacture, and this could attract significant manufacturing to the area.

The employment mix calculated presumes that substantial manufacturing activity will be attracted to Shell Haven. Some of this would be typical operations like food processing, but most of the ‘manufacturing’ is of the light industry B1 type. This may include port linked equipment customisation, including assembly of imported kits, and of port and airport imported products and materials, particularly as Stansted’s freight traffic expands. Some of this may be higher value added activity of the kind sought by Thurrock Council.

The promoters have undertaken substantial, and ongoing, market research, which basically underpins the programme. This is confidential but the consultants have no grounds for second guessing this and, given their intention to mount a vigorous marketing programme, do not challenge the developer’s conclusions. The main caveat, perhaps, concerns the mix of development. Casual inspection of any industrial estate shows the large number of premises serving the auto and building trades, wholesaling, storage, and general equipment repair and servicing, little of which is literally manufacturing, and much of it serving the local population. It may prove difficult to resist the opportunity to accommodate such uses, especially in quiet periods of site take up by more strategic uses.

Labour supply and housing

In contrast to the extensive coverage of policy and environmental impact in Shell Haven Inquiry documents, the consultants have found little documentation about the labour market impact of the project. Quite detailed information was provided by the promoters, as shown above, about the types of employment and occupation expected for both port and landside park, but not it appears on the employment-urbanisation impact. The main assumption made was that 60% of

¹⁴ Drewry Shipping Consultants Ltd, Container Forecasting Study 2001.

¹⁵ This refers to number of warehouses needed for national distribution coverage for many suppliers, typically being one for the the midlands and south, one for the north and Scotland, and a smaller warehouse for Wales and the west.

the labour force would commute from beyond Thurrock,¹⁶ hence 40% of the employment projected would need to be met by the Thurrock resident labour force.

The housing implications were raised by Essex County Council in their Statement of Case for the Inquiry.¹⁷ They referred to the applicants' proposal that land east of the Sorrells Roundabout be allocated to housing but noted that this was in the Green Belt, and subject to inclusion in the Thurrock Unitary Development Plan. Essex County Council posed the question: "How much housing is needed for the additional employment generated by the development?"

Given the information available about labour demand, it is reasonable for a project of this magnitude to expect an analysis of labour supply and related housing implications to be prepared. What is the labour supply within local catchments? What is the existing Thurrock skills base in relation to projected demand? The Council's Strategic Planning and Regeneration Manager criticised the developers' lack of analysis of these issues at the time of the Inquiry. At the very minimum a question mark over labour supply arises from the considerable distance of much of the proposed new housing in Thurrock from the site.

The employment analysis prepared by P & O's consultants would have had as a guide to future housing and population the 2003 Thurrock UDP, but (Inquiry finished summer 2003) would not have taken account of the RPG/RSS housing targets for Thurrock as these were not published until draft RPG in February 2004. It is not possible to make a definitive comparison between the implied population (and labour force) in 2021 from the perspective of the two (pre and post RPG) dates since the Thurrock UDP plan extended only to 2016. An approximation may be attempted by calculating the housing implied by the ONS population projection for Thurrock (166,900, Appendix 1), a growth of 23,900 from 2001. Dividing by an average household size of 2.4 gives a total of an implied 10,000 additional dwellings, 8,500 less than the RSS target. It may be considered therefore that the available Thurrock labour force by 2021 may be larger than presumed at the Inquiry by a rough equivalent of that generated by 8,500 dwellings.

This increased local labour supply would potentially allow for a higher proportion of Shell Haven employment to be accommodated from within Thurrock (than the 40% assumed), but the impact might not be very significant if the employment requirements of the new development were distinctive. In any case employment growth at Shell Haven is anticipated to be slower than projected by the developers (see below) so that the original assumptions on the origins of supply may not be applicable.

Infrastructure

The Shell Haven developers have carried out a detailed traffic assessment of the scheme which they believe show that the road network will be able to accommodate the traffic generated. This would take into account significant improvements proposed in local infrastructure including a new dual carriageway link road from the site to the Sorrells roundabout, which itself would be enlarged and relocated. The development is not considered to depend on the existing railway connection although these could be utilised.

The consultants are not qualified to review this work. It is understood, however, that improvements to the key Junction 30 on M25 would take seven years to complete. The motorway could serve as a bottleneck if this was not implemented or was delayed, possibly deterring some investors/occupiers in developing at Shell Haven.

¹⁶ Inquiry document CD/339/0 Appendix 3

¹⁷ London Gateway (Shell Haven), Statement of Case, Essex County Council, 2002.

Development timetable

Together with the labour supply question, this is the most problematic question for Thurrock if employment targets for specific dates such as 2021 are important.

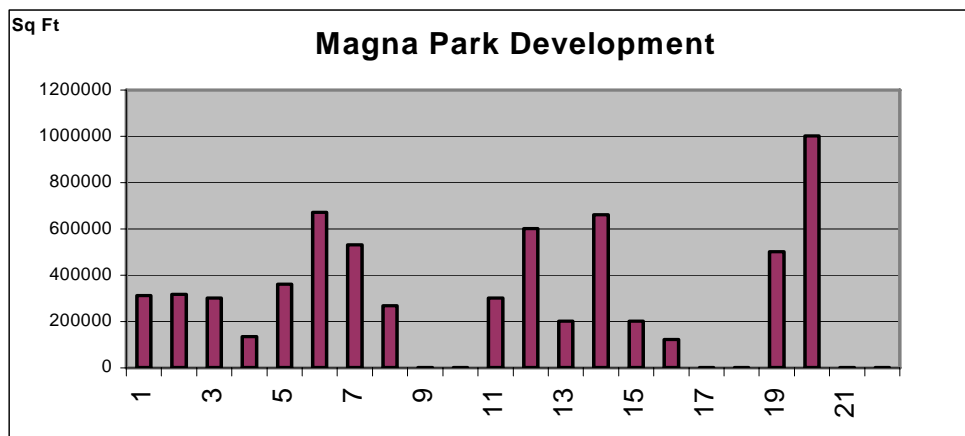
According to the original development schedule, the projected jobs would be realised by the end of 2015, when the port and landside employment area achieved effective full capacity. The timescale for development was 13 years, commencing in 2003. Naturally that schedule has slipped and a view needs to be taken on both the likely start date and the rate of development thereafter, i.e. would a project of this magnitude reach its capacity within 13 years, or longer (or indeed shorter).

The port and distribution/manufacturing schemes are in principle independent, but the scale of off site investment required, paid for by the developers, suggests that a re-think of the land side development would be quite likely if approval for the port was not forthcoming. The consultants have assumed that the two would proceed in tandem, following planning permission for the port. Supposing this to be given early in 2005, and the commercial demand assumptions for the project were valid, then the developer’s building schedule might be completed in 2017/18 – a delay but still achieving the jobs estimate before 2021.

The developers have made it clear that the speed of development will be demand driven, floorspace not being constructed until it is likely to be taken up. The timetable is accordingly indicative. But could the development be complete by 2021?

The consultants reviewed briefly the development of the nearest comparative development (in terms of scale, modernity and occupiers) in the UK which is Magna Park, at Lutterworth, Leicestershire, developed by Gazeley Properties Ltd. This development for distribution activities has so far built 6.5 million sq ft of warehousing (and 6,500 jobs) with about 1.5 million sq ft capacity remaining – very similar to the proposed B8 accommodation at Shell Haven, and also with similar large units planned. According to the developers, the growth of Magna Park has been lumpy, with periods of heavy development, but some years with none at all. An indicative profile of the build up of floorspace on the estate, prepared by the consultants on the basis of information provided by the developers, is shown in Figure 4.1.

Figure 4.1 Magna Park, Lutterworth, Leicestershire – Indicative Growth



Source: Consultants estimate based on partial data supplied by Gazeley Ltd.

The development of 6.5 million sq ft of distribution floorspace at Magna Park has taken 20 years, an average of 325,000 ft per year. The average build rate indicated by P & O at Shell Haven is 775,000 sq ft per year, for all space (except ancillary) and 595,000 sq ft per year for B8 alone. If Shell Haven was developed at the same rate as Magna Park, it would take 31 years to complete (10,080,000/325). At a substantially higher rate, say 500,000 sq ft per year, it would still take 21.6 years to complete. This could be a more realistic schedule, especially given the

other problems of labour supply etc. Even so, an average of 500,000 sq ft per year is certainly fast development, probably unprecedented in the UK.

The start date of development is uncertain at the time of this report. It could be anything from 2006 to 2010 if it was considered that the land side development should await construction of transport infrastructure and a start to the port, which might involve up to 5 years preparatory work on dredging etc. A 2008 start followed by an average development of 500,000 sq ft per year would see completion in 2029. On this scenario therefore, the implied employment level reached at 2021 for all Shell Haven generated employment in Thurrock (allowing for the port itself to be fully developed) is estimated to be some 11,560 jobs.¹⁸ This is 5,900 jobs less than the completed scheme figure.

Thames Riverside

The main source of employment growth identified outside London Gateway/Shell Haven is Thames Riverside. Most of this would presumably be employment taking up identified industrial and commercial sites.

According to Thurrock’s industrial land availability register¹⁹ there were 52.2 has of immediately available land for industrial and commercial development and (excluding Shell Haven) 127.6 has of constrained land. It may be assumed that all the constrained land could be made available for employment use over the long term period to 2021, especially given the presence of the Urban Development Corporation, where such improvement is a priority. Geographically this breaks down approximately as shown in Table 4.3. Employment potential obviously depends on the assumed site mix, density ratio and site take up. At a broad standard of 100 workers per ha.²⁰, the sites which are classified to Thames Riverside (and other site definitions are possible) would support 6,440 jobs if filled, about 35% of the Thurrock total.

Table 4.3 Distribution of industrial and commercial sites in Thurrock, excluding Shell Haven

Area (AMR site number)	Hectares	Employment potential @ 100 jobs/ha
Thames Riverside (1-15; 27-29)	64.4	6,440
Rest of Thurrock (16-26;30-35)	115.2	11,520
Total	179.6	17,960

Source: Thurrock Annual Monitoring Report 2003, consultants’ estimates.

Allowing for an elastic definition of “Riverside” sites, given that many of the ‘Rest of Thurrock’ sites above are close to the river, the assumed 8,500 jobs capacity of Thurrock Riverside identified in Section 3.1 is plausible. How much may be needed is discussed later.

¹⁸ Assuming all port development is complete (1,915 jobs), 2021 marks 62% at steady state development of the 21.6 years timescale for completion of the non-port facilities (14,535 jobs) and induced/indirect employment in Thurrock (1,020 jobs), so 62% x (14,535 + 1,020) + 1,915 = 11,559.

¹⁹ Annual Monitoring Report 2003, Thurrock Borough Council.

²⁰ Assuming a space distribution of 10% B1 office, 60% B8 warehousing, 30% B2 general industry, 40% plot ratios, and m2 /worker densities of 19, 50 and 34 respectively – averaging 104 workers per ha.

Creative industries

This section briefly reviews the creative industries sector, as it has been examined by Thurrock in more detail. The principal investigation of this subject has been the report “The Space for Artists: Recommendations for Developing a ‘Creative Thurrock’ “, op cit. The report does not paint a very bright picture of the existing arts and cultural base, typical references being:

“...The Creative Industries sector (and all its sub-sectors) has a very low presence in Thurrock, with...networks weak and fragmented, the skills base narrow and low...cultural connectivity with London and stronger clusters in the East of England underdeveloped.”

“...there is very little current ‘local demand’ for Creative studio space in Thurrock.”

“A negative ‘self-image’ exists of Thurrock and it is not regarded as a ‘Creative Place’”

“The lack of ‘out of office’ facilities in Thurrock – such as good cafes, bars, a diverse retail offer, gallery /showcase space etc is seen as problematic for Creative practitioners of any age group or career stage.”

The ‘creative industries’ sector has been fairly well defined in occupations terms by the Department of Culture, Media and Sport (DCMS), but no factual data is provided in the report as to existing employment in the sector in Thurrock, although information is available from the census and other sources. But setting this aside, a number of the assertions made appear rather dubious, e.g. Thurrock’s proximity to creative communities in east London, facilitating leapfrogging of artists and creative people to Thurrock. Why should this be so? The attractions of east London to artists surely revolve around that area’s dense, urban, cosmopolitan ambience, quite different to Thurrock.

The study considers candidates for housing creative activity, such as the Bata building and Coalhouse Fort. All are rejected, a purpose built studio considered necessary to accommodate the report’s principal recommendation for a creative initiative, a sculpture centre (“Sculpture Engine”). But it all appears rather desperate: *“It is clear that Sculpture Engine is not presently a viable development option for Thurrock....it will only be achievable after several years (even up to 20) of intensive, innovative, ground breaking approaches to cultural programming....”*

The reality is that other areas of Thames Gateway, notably Southend, have already been identified as areas for cultural development, which overlaps to a large extent with creative activity. If additional public resources are committed to such endeavour that area might have a superior claim. But in any case, there will be many other locations with art colleges and other advantages which might more easily attract creative people. Moreover, the most solidly grounded creative activity is that arising from individual, private effort, not spun out of public sector dominated partnerships (and funding) which the study envisages.

Signs of local creative activity should obviously be encouraged but that natural development needs to come first. It would be pleasing if it develops, but the consultants are not convinced that it could make a meaningful contribution to employment growth.

Other sources of employment/ inward investment

Other proposed sources of employment (Chapter 2.4 above) included green technologies, advanced manufacturing, creative industries, professional services, and generic office growth. Most of these were included in the exploratory mail shot to companies located outside the TGSE area, but that generated too few responses to be statistically valid (see Chapter 4.4). The only other document identified which addresses inward investment issues is the baseline study carried out for the Urban Development Corporation,²¹ which is reviewed briefly.

²¹ Thurrock UDC Baseline Study, MCA Regeneration, Cluttons Planning, Ernst & Young, March 2004.

The MCA/Ernst & Young study identified a number of mobile sectors including some selected by Thurrock ('finance and banking' could be a generic office or professional services sector) but most do not match Thurrock's target sectors. Moreover the potential fit to Thurrock for all of them is judged 'weak', with the exception of the food sector, rated as 'mid'.

However, the inward investment conclusions of the MCA/Ernst and Young analysis are supportive of other findings reported in this study with respect to expanding the potential of Lakeside and providing more office space. They can be summarised as:

- Adding *major leisure development* and/or creating *conference/training facility* at Lakeside
- Development of '*touch-down space*' – *new office space* (which could also be in Lakeside)
- Gap funding of *office* development
- Targeting *food processing* sector
- Attract *foreign university*

These are consistent with Thurrock Council's interest in enhancing the role of Lakeside for investment led growth, some of which would probably take the form of major office uses. There are physical development opportunities for such development, and given the limited and restricted opportunities at Grays, Lakeside is a promising location. In particular it is potentially attractive to developers.

These potential new inward investment initiatives, while welcome for the purposes of diversification, should not obscure the continuing role of the *logistics sector*, where Thurrock enjoys a natural strategic advantage and as the MCA study confirms, can be further developed. The appraisal undertaken by the Thurrock Business Forum²² has underpinned the establishment of the Academy of Logistics and Transport, an important addition to the borough's training infrastructure, and is proposed to be accommodated in Shell Haven. It also demonstrates that there will be an increase in the demand for management and supervisory skills as well as for HGV drivers.

Professional services and generic office employment would increase in part with the growth of local service employment, discussed below.

Contribution of local service jobs to local employment growth

A large proportion of employment in all areas is local-population serving, most obviously public sector jobs such as postmen, teachers, doctors and local authority staff, but also including local shops, cafes and personal services. Housing development automatically generates additional service employment even in the absence of any explicit planning for jobs, but the size of this population related, local employment is difficult to measure, and dependent on the nature of planning for new residential development. In the Chafford Hundred development provision was made for some local offices as well as traditional facilities such as primary schools, local retailing and clinics, but many developments elsewhere would not have such uses. Incremental housing development may generate less local service employment than larger scale development, since local services would not normally form part of it.

Technically, the starting point is the EBS employment forecasts, which formed a baseline for preparation of RSS targets. They are linked to a particular population level, which coincidentally happens to be almost the same in 2021 as the RSS population.

²² The Transport and Logistics Sector of Thurrock, Research Study 2002/3, Thurrock Business Forum.

The scale of additional housing planned in Thurrock is such that population serving jobs will inevitably account for a major proportion of all future jobs, so an estimate of their approximate number is essential. The method adopted was to define local employment activity by SIC grouping in TGSE sub-region local authorities, identify employment levels in these sectors, calculate numbers of jobs per 1,000 population, and make a judgement on the “local” (population-serving) element. Thus taking for example financial services, except insurance, Southend has a significantly higher employment ratio than the other districts as follows:

- Southend 32.80
- Basildon 5.45
- Castle Point 2.28
- Rochford 3.42
- Thurrock 2.95

“Local” population-serving shopping employment is deemed to be the average of relatively similar ratios for Basildon, Castle Point, Rochford and Thurrock – 3.53. Applying similar tests for other sectors, removing high ratios implying a non-local function, the resulting average, local element is assumed to apply to Thurrock.²³ It is appreciated that certain local services (and associated employment) used by Thurrock residents, e.g. health, will be located outside the borough, but the application of a consistent methodology should ensure that, statistically, the local component is identified.

Table A3.1 in Appendix 3 presents employment:population ratios for selected local population serving sectors in the 5 TGSE districts, including all service sectors, the bakeries and printing sectors of manufacturing, and agriculture and forestry. Total jobs per ‘000 population in Thurrock was 324 in 2001 (employees). Average jobs per ‘000 population was checked for each sector, districts with noticeably high scores removed (usually 1 or 2) and an average calculated for the 3-4 low average jobs per ‘000 population districts.²⁴ The net result applied to Thurrock’s population is an estimate of 196 jobs per ‘000 population which were population serving. This number has to be adjusted to take account of self-employed, which can be estimated from Experian’s analysis to number an additional 17% (average) in TGSE districts, in 2001.²⁵ This raises the local population related employment in Thurrock to 229 per ‘000 population. Hence in 2001 it is estimated that Thurrock’s local population serving employment numbered 32,750, 53.7% of total employment.

This is a significant number – for every 1000 population housed in Thurrock 229 jobs will be created to serve the local population, with no inward investment. In fact the number will be rather higher by 2021 - estimated at 245 jobs/1000 population - given the steady expansion of service employment. It can be seen that a significant proportion of the RSS target jobs will simply be delivered in this manner, hence the required additional employment, such as provided by the likes of Shell Haven, is only the difference between the target and these automatically generated jobs.

This basis can be used to make a very rough estimate of the additional jobs required to service additional population, that are not already allowed for in the EG21 jobs projections by Experian Business Strategies (the starting point for the RSS14 E2 policy jobs targets). This calculation indicates that the Experian projections have already allowed for virtually all the population

²³ This may be considered a conservative definition of ‘local’, but it is more readily defensible.

²⁴ Assuming that Castle Point and Rochford have a dormitory function, with low overall employment per ‘000 population, scores for these two were considered to be local-population related. Where any of the other three districts appeared to have fairly similar scores for a sector, these were deemed to be also effectively local population serving and included in the calculation of the “local jobs” overall average.

²⁵ 2001 BSL total employment being 17% higher than ABI 2001 total in series used for these estimates.

growth implied by the RSS 14 dwellings target (+18,500 dwellings), by 2021²⁶, with a difference in the projected population of only 230 and service jobs of only 60²⁷.

Table 4.4 provides a broad indication of the sectoral changes in jobs, and hence some indication of job new job opportunities that can be expected in the borough between 2001 and 2021. It should be emphasised that this is indicative only, as it is not possible to make accurate predictions of change over this long period, especially, for example, as to the relative balance between different manufacturing sectors.

Table 4.4 Jobs change by sector 2001-2021 for DEEP (RSS14) jobs target

Sector	2001		2021		Change 2001 to 2021		
	Jobs	Shares (%)	Jobs	Shares (%)	All jobs	Growing sector jobs	Declining sector jobs
Agric. Forestry & Fishing	87	0.1%	0	0.0%	-87		-87
Oil & Gas Extraction	125	0.2%	0	0.0%	-125		-125
Other Mining	70	0.1%	40	0.0%	-30		-30
Gas, Electricity & Water	158	0.3%	0	0.0%	-158		-158
Fuel Refining	882	1.5%	60	0.1%	-822		-822
Chemicals	949	1.6%	848	1.0%	-101		-101
Minerals	596	1.0%	494	0.6%	-101		-101
Metals	701	1.2%	505	0.6%	-196		-196
Machinery & Equipment	299	0.5%	766	0.9%	467	467	
Elect & Optical Equipment	627	1.0%	1,088	1.3%	461	461	
Transport Equipment	587	1.0%	0	0.0%	-587		-587
Food, Drink & Tobacco	901	1.5%	1,168	1.4%	267	267	
Textiles & Clothing	238	0.4%	0	0.0%	-238		-238
Wood & Wood Products	902	1.5%	1,816	2.1%	914	914	
Paper, Printing & Publish.	605	1.0%	0	0.0%	-605		-605
Rubber & Plastics	405	0.7%	1,067	1.2%	662	662	
Other Manufacturing	452	0.8%	934	1.1%	482	482	
Construction	5,345	8.9%	7,431	8.6%	2,086	2,086	
Retailing	11,942	19.9%	15,615	18.1%	3,673	3,673	
Wholesaling	4,770	7.9%	6,932	8.1%	2,162	2,162	
Hotels & Catering	4,122	6.9%	6,690	7.8%	2,569	2,569	
Transport	8,271	13.8%	11,820	13.7%	3,549	3,549	
Communications	396	0.7%	1,284	1.5%	888	888	
Banking & Insurance	595	1.0%	1,166	1.4%	570	570	
Business Services	3,506	5.8%	6,273	7.3%	2,767	2,767	
Other Fin and Bus Services	1,286	2.1%	2,335	2.7%	1,049	1,049	
Public Admin. & Defence	1,405	2.3%	2,007	2.3%	601	601	
Education	3,878	6.5%	5,986	7.0%	2,107	2,107	
Health	3,422	5.7%	5,584	6.5%	2,163	2,163	
Other Services	2,581	4.3%	4,194	4.9%	1,613	1,613	
Total Employment	60,103	100.0%	86,103	100.0%	26,000	29,050	-3,050

Source: consultants estimates based on Experian Business Strategies and other sources.

²⁶ Additional population calculated at the rate of 2.2 per additional dwelling.

²⁷ The number of jobs per 1,000 population assumed to start at 229 in 2001 rising to 245 by 2021, the increase based on maintaining the ratio jobs in these sectors to the Essex average. The additional population and service job estimates may be slightly underestimated because the additional population has been estimated at the average population per dwelling ratio, whereas the extra migrants are likely to have a higher household size, generating more population.

Note: apparent precision of numbers has no significance. The numbers are intended only as a rough indication. Where employment is shown to be zero in a sector, this is derived from the EG21 projections, and indicates that jobs would decline to very low levels, but not necessarily to zero.

The table shows how the RSS target job growth of 26,000, assuming this level of growth can be achieved, might be made up. This has been built up from four components. The *first component* is the EBS EG21 projection of jobs by 30 sectors for the borough.²⁸ This component accounts for growth of about 8,100 jobs. The *second component*, in principle, is the extra jobs needed to service the additional population implied by the RSS dwellings target, above the population growth projection already allowed for within the EG21 scenario. However, this is negligible for the RSS target housing and accounts for under 100 jobs. The jobs are distributed to sectors according to the average regional shares of estimated population related jobs. The *third component* is the jobs generated at Shell Haven, or jobs of a similar kind generated on other sites, estimated at about 11,600, i.e. the number that Shell Haven might achieve by 2021. These are assumed to be distributed to the sectors expected to be attracted to Shell Haven (see Section 3.3) in the proportions expected²⁹. The *fourth component* is the residual of about 6,300 jobs to make up to the 26,000 targeted in the RSS. Realistically these would have to come from inward investment, probably in a range of office-based activities and regional or sub-regional services, such as office decentralisations from London. These have been distributed equally to five office intensive sectors including communications, financial services, professional services. This analysis shows that the overall job growth comprises growth in a majority of sectors, summing to 29,000 jobs, and decline in a minority of mainly primary and heavy industry sectors, summing to 3,000 jobs (some of which change has probably already occurred). The highest growth is in retail (although its share of total jobs declines), with high growth also in construction, transport, wholesale distribution, hotels and catering, business services, health, education and other services (which include leisure and personal services).

In other words, the new job opportunities are likely to be very largely in a wide variety of services. These eight high growth sectors account for about 78% of the gross job growth and 87% of the net job growth expected. The changes in sectoral shares are not particularly large and none more than 1.7 percentage points (the decline in retail's share), while the only sector showing a relatively high increase in share is Business Services (+1.5% percentage points).

These sectoral increases may understate the growth in construction jobs needed to sustain the accelerated rate of development implied by the RSS employment and dwellings targets.

4.3 Conclusions on Employment Growth Feasibility

RSS employment target

The starting point of this assessment is the optimism incorporated in the 'Top 20' EBS forecasts. Given that the DEEP (RSS14) target represents a step change or quantum leap of employment increase above this already optimistic projection, a degree of scepticism about its achievement is prudent.

²⁸ This projection was the initial platform for the RSS policy E2 jobs targets, to which additional jobs were added scaled to dwelling aspirations.

²⁹ i.e. approximately to R&D 4%, light industry 37%, distribution 37%, services 6%, port 17%, and within these categories, allocated equally to the relevant sectors.

To exceed the 'Top 20' employment target, which is to say better it, not necessarily reach the DEEP (RSS14) target, a very favourable development trajectory has to be assumed for the Thurrock economy. This has to include the Shell Haven development (assumed to gain approval) even if that does not proceed at the speed suggested by the developers. It is quite likely to include employment associated with and enhanced role for Lakeside. It also will include the special boost from the activity of the UDC.³⁰

The achievability of the DEEP (RSS14) employment target is a judgement, but an objective or realistic view has to be sceptical. Taking Shell Haven for example, there is no motivation for P & O to reach any Thurrock target employment, the company have made it clear that the development will proceed just as fast as the market allows it. The UDC can be expected to make some impact, but not for several years. Higher inward investment is also probably contingent on substantial transport improvements. And the survey of potential inward investors undertaken by the consultants (discussed below) provided no particular evidence of business interest in moving to Thurrock.

The inward investment that has been taking place in Thurrock – also discussed below – would seem to be, at best, entirely accounted for by additional inward investment built in to the EBS 'Top 20' projection, of another 8,000 jobs by 2021. In that case, counting the whole of the consultants' projection of Shell Haven to 2021 – about 11,000 jobs – as additional to other inward investment would mean that about 19,000 more jobs might arise. The efforts of the UDC would logically help to underpin this, e.g. helping to sustain inward investment through making employment sites more attractive, rather than add to it.

The consultants' view is that this sort of level (+19,000 more jobs) is possible rather than likely. It follows that the target 26,000 additional jobs is chimerical. There is simply no convincing evidence where they would come from.

³⁰ Some additional local population serving employment would be created should more housing be developed than considered here but shortfall jobs would have to come mainly from higher inward investment.

5. LAND SUPPLY AND BUSINESS NEEDS

5.1 Adequacy of Land Supply in the Borough to Meet Requirements

An indicative assessment of land demand to meet the RSS job target has been built up from:

- projections of sectoral distribution of employment to 2021, as described above.
- allocation of employment totals to B1, B2, B8 land use categories (accounting only for a proportion of total employment)
- assumptions of m2 floorspace per worker, plot ratio to determine net land requirements and a net:gross factor to estimate gross land requirements (including estate roads etc).

Table 5.1 show the results of these assumptions, derived from consultants’ calculations. Land demand represents net occupied land area. It indicates a year 2001 base line stock of industrial land of about 222 ha net and 296 ha, gross, and a net requirement of 114 ha. over 2001-2021. The main caveat to the estimates is the very low density which needs to be allowed for large warehouses, and for Shell Haven as a development, not reflected in the assumptions. However, it is difficult to envisage that none of this demand would find its way to Shell Haven, so some account should be taken of this very large land supply.

Table 5.1 Indicative estimate of total employment land requirement 2001-2021

Summary Table	Total			B1			B2			B8		
Year	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand	Employment in employment land	Net land demand	Gross land demand
2001	31460	222	296	15365	51	68	7609	65	86	8487	106	141
2006	32504	223	297	16948	56	75	7085	60	80	8471	106	141
2011	35448	242	322	18725	62	83	7453	63	84	9271	116	156
2016	39465	271	361	20657	69	92	8336	71	94	10473	131	175
2021	44836	307	410	23491	78	104	9427	80	107	11918	149	199
Annual absolute change												
2001-2006	1043	1	1	1583	5	7	-524	-4	-6	-16	0	0
2006-2011	2945	19	25	1777	6	8	368	3	4	800	10	13
2011-2016	4016	29	39	1932	6	9	883	8	10	1202	15	20
2016-2021	5371	37	49	2834	9	13	1091	9	12	1446	18	24
	13376	85	114	8126	27	36	1818	15	21	3431	43	57

Source: consultants’ estimates. Note that no particular accuracy should be attached to 5-year changes, but to facilitate tracing the calculations, numbers are not rounded.

The base year stock estimate for 2001 is consistent with known floorspace stock figures when these are converted to land equivalents. The VOA floorspace stock (Appendix 2) shows 2001 factories, warehousing and offices floorspace in Thurrock to total 1,350,000 m². Allowing for an average plot ratio of 0.5, total occupied land would be 270 ha. – falling broadly between the net and gross figures shown in Table 5.1.³¹ This provides some confidence in a projection of need of around 100 more has of employment land by 2021 (i.e. of net space taken up, not gross land provision), trimming the 114 has. to take account of the Shell Haven supply.

The TC Annual Monitoring report, (op cit), has recorded an average development rate of 9.4 ha./year in the decade 1993/4-2002/3. It is uncertain whether this is gross or net. But in any case the 9.4 ha. average is only that level because of an atypical 43.2 being developed in one year. The average rate of development for all other years has been just 5.7 has., perhaps a better guide to future needs, especially if Shell Haven development is considered as not being allowed for within this lower average. In this case, 17 years of net additions to occupied land would absorb 97 has by 2021 and, (ignoring the single atypical year) 114 has. over the whole period 2001-2021. By coincidence this is the same 114 has. number arrived at in Table 5.1.

The statistical basis of Thurrock employment land supply for these calculations was 380 has., comprising the Shell Haven area of 200 ha. and another 180 has. around the borough, mostly on or near the riverside. If the 100 has approximate requirement is correct, it is clear that Thurrock has available considerably more employment land than it needs, perhaps 80 has. However, much depends on the turnover and change of use on existing sites, e.g. whether industrial land is being taken out of use and/or densities are declining. In practice some existing employment sites and allocations have recently been lost to other uses, including residential, indicating that excess land supply is somewhat less than this figure.

5.2 Survey Assessment of Sectors of Business which Require Land for Expansion/New Sites

Evidence from surveys and stakeholders

To investigate business's requirements for expansion the consultants undertook several surveys:

- i postal questionnaire to companies in Thurrock;
- ii survey of recent inward investors to Thurrock;
- iii postal questionnaire to potential relocators to Thurrock;
- iv interviews with business stakeholders (business organisations; developers/land owners; port operators; UDC);
- v interviews with estate agents.

This was complemented by a simple analysis of recent planning applications, to see the range of businesses requiring planning permission.

³¹ 270 has is gross occupied plots land area (at this plot ratio) without an allowance for estate roads etc, which at 10% would raise overall gross to a nominal 297 has. These are approximations.

Postal survey of businesses in Thurrock

The major survey carried out was of existing businesses in Thurrock, inquiring about their existing and future floorspace needs, condition of their properties, locational requirements, etc. A list of firms sized 5 employees and over was obtained from a commercial database company, supplemented by companies listed in the Thurrock Business Directory, and a companies list held by the Council. The sample excluded public sector employers, retailers, hotels, restaurants and other services. The sample identified nearly 1,000 companies, and with a letter requesting co-operation from the respondent, 150 responses were obtained, of which 148 were valid for processing. The response rate of 15% was considered to be good.

The questionnaire and aggregate counts are shown in Appendix 4. These provide details of company size, business activity (head office, sales, professional office, processing, storage etc), location type, property type, premises size, satisfaction with accommodation, intentions to move and views of existing property availability. A good variety of businesses replied, including 21% whose main activity at the address was manufacturing, 21% distribution, 24% professional and other offices, 18% sales and marketing, and the balance miscellaneous and mixed functions. With respect to site location, 42% were on industrial estates, 8% on a business park, 20% in a town centre or high street/shopping frontage, and the balance in a range of locations including free standing sites.

The main survey findings were as follows:

- **Sectors:** principal industrial sectors (by responding unit, not employment) were manufacturing and wholesale distribution. This was followed by real estate, sales, repair, freight transport by road, and speciality design activities.
- **Employment:** Total employment from 138 responding companies was 6,896 persons. This represents 21.5% of an estimated 32,060 jobs in the sampled sectors in 2004³². Most companies were small in size: 45% having less than 10 employees each and 30% between 11-50 employees. Only one company had more than 1,000 employees.
- **Premises:** office space is the most common premise type (24%), which is largely free standing (35%)
- **Building age:** The majority of the buildings occupied by the respondents are 10 years old or more.
- **Relocation:** A minority of respondent firms (14%) have relocated in the last 3 years from either within or outside Thurrock. The latter came mostly from London.
- **Expansion and relocation intentions:** companies were asked whether they expected to expand or relocate over the next 3 years. While 53% said they were unlikely to expand, 12% said possibly and 10% probably. This is encouraging and a comparable number, 11% and 11% respectively said they would probably or possibly relocate.

Good news for Thurrock is that the great majority of those likely to move expected to remain in Thurrock. 38% would stay within the borough, with only 5% likely to move to other Thames Gateway/South Essex districts and 2% elsewhere. (Non response from the majority is assumed to denote absence of intention to move).

- **Quality and location of premises:** in general firms were satisfied with their accommodation – 59% of respondents considering their premises quality and location as good or very good. Interestingly, however, there was less enthusiasm about location than premises quality. While only 15 responses were received to the follow up question probing reasons, it is noticeable that almost all related to traffic and transport. With dissatisfaction on this score expressed from other sources (see below), it is clear that this issue needs to be taken seriously by the borough. For the smaller number of companies

³² Source Experian.

dissatisfied with the quality of their premises, the most common complaint was age and obsolescence of the building.

- **Floorspace size:** companies were asked whether the size of their premises was about right for the number of employees, both at present and as they anticipated in the future. 75% stated that their floorspace was about right for their needs, 8% that their existing space was too small. However, an increasing number of firms expect to space shortages in the future (16%). The majority of firms (70%) have had the same amount of floorspace over the past 3 years, for a sizeable minority (18%), their take up has increased. For those likely to expand, additional floorspace required is largely in the 21% to 40% range.
- **Type of premises sought:** businesses were asked what kinds of premises they would need if they move. It is difficult to frame a question applicable to a wide range of business activities but the responses - see Appendix 4 – indicate a preference for free standing properties, with more expecting to have lower parking provision per worker (1 space per 2 workers) than a high 1 space per worker standard.
- **Type of location sought:** the most popular locations sought were industrial estates and business parks (42%). Relatively few respondents favoured a town centre or high street location (8%) but this needs to be put in context of the variety of businesses responding.
- **Companies' views of business floorspace availability in Thurrock:** this question specifically asked about the availability of *good quality* premises in Thurrock. Only a small percentage felt there was an over supply (3%) 33% said “about right” but the largest proportion – 47% - felt there was an under supply of good quality space.
- **Obstacles to employment expansion:** a general question was put to companies on obstacles to expansion. Of the factors listed, by far the highest number of companies mentioned ‘specific skills availability’ as the main problem (56%), followed by ‘general skills availability’ (33%). ‘Land and premises availability’ (27%) was the third most frequently mentioned with ‘finance’ fourth at 20% and ‘limited market size’ fifth.

Many companies expected to expand and some to relocate (22% of responding firms). The consultants looked in more detail at those companies who said they were probably or possibly relocating. Of these (33) 28 companies employing 630 people would move to other Thurrock locations and 5 companies employing 211 people would move outside Thurrock. Table 5.2 extracted from Appendix 4 provides an indicative estimate of land need in Thurrock and elsewhere, if they all relocated, and at assumed land: employee ratios.³³

Table 5.2 Possible land demand (Has) from potential relocating companies (1)

	Moving within Thurrock			Moving outside Thurrock			All relocating firms		
	No.	Empl.	Land	No.	Empl.	Land	No.	Empl.	Land
B1 companies	14	107	0.47	2	7	0.02	16	114	0.49
B2 companies	3	265	2.25	1	123	1.05	4	388	3.30
B8 companies	11	258	3.23	2	81	1.01	13	339	4.24
TOTAL	28	630	5.95	5	211	2.08	33	841	8.03

Source: Business survey, consultants' estimates. (1) B1 includes 3 mixed office/retail businesses.

³³ For B1, B2 and B8 uses, taking English Partnerships floorspace/worker density estimates, and assumed plot ratios for each use.

Taking a more realistic view of who would actually move, say 80% of those who said ‘probably’ and 20% of those who said ‘possibly’, the 6 ha. within Thurrock figure should be halved to 3 ha. Grossed up to Thurrock as a whole (survey sample estimated to account for 21.5% of Thurrock employment in the business space using sectors) this 3 ha. would imply about 14 ha. total new land required. But this begs the question of what would happen to the space vacated and, given the short timespan for the business respondents (3 years), how many times should that 14 ha. land addition be multiplied for the 17 years 2005-2021.

Some of the land occupied by potential relocators is unsuitable and would logically change to residential or community use. More would probably be absorbed by the many other companies planning expansion but (at the time of the survey) not proposing to relocate. To that extent additional land need is not simply gross but net. Suppose the 14 ha. translated to a demand, every three years, say 5 times up to 2021, a maximum of 70 has gross would be occupied. But if half of the land vacated was re-occupied by other business the net additional demand from relocating companies (by 2021) would not exceed 35 ha. This, it should be emphasised, is only an indicative figure.

With regard to employment, the EBS Baseline projections probably provide the most meaningful estimates of growth of existing jobs. These indicate a net growth of 6,900 employment over 2001-21, but 4,400 jobs disappear in declining sectors. A better indication may be the sum of expanding sectors, amounting to 11,300 jobs.

Recent inward investors to Thurrock

A number of recent inward investors was identified and interviewed to determine why they moved to or established operations in the district, and to collect information about their operations, premises and experience. The companies included small, medium and large businesses in a range of sectors including service, manufacturing and distribution, and by size from less than 10 to over 1,000. They were asked how they rated Thurrock according to a range of criteria, whether they expected to expand, and how they thought the Council could improve conditions for their business. Key points to emerge from the discussion include:

The addresses of the businesses varied, including industrial estate, (small) business park, town centre periphery and on the BP refinery site. The reasons they established operations in Thurrock by business type are summarised in Table 5.3.

Table 5.3 Reasons for Establishing Operations in Thurrock

Type of business	Why established in Thurrock
Professional service firm	Strategic market, both district and Thames G/way
Training & diagnosis	To serve oil company based in Thurrock
Building services contractor	Low costs and access to central London/M25
Security manufacturers & installers	Availability of new premises near to old base (Barking)
Regional distribution	Land availability & fit with regional network

Source: Interviews with recent investors.

Some of the companies had explored alternative locations, including Brentwood and around the M25, but most had direct ties to Thurrock or required to be there.

Space occupied ranged from 1,500 to 500,000 sq. ft. and types of location and premises ranged from industrial estate to small business park to freestanding sites, some purpose built, some conversions/adaptations of existing buildings.

Each company was asked whether it expected to expand employment in the next 3 years or so. All expected to do so, as indicated in Table 5.4.

Table 5.4 Expansion expectations of recent investors

Existing employment	Anticipated expansion
1,300	+ 200
120	+12-13
40	+ 10-25
31	+ 5
6	+ 6

Respondents were asked to comment on how they would rate Thurrock with respect to different criteria like labour availability, transport, image etc, as shown in Table 5.5. The sample is too small to draw sound conclusions, and in any case many of the criteria appeared irrelevant to firms or they could not answer them. With this caveat the responses as far as could be interpreted are shown in the table. Notable was the dire absence of public transport for a number of the companies, which appears to be satisfactory only if in or close to a main centre.

Table 5.5 How is Thurrock viewed on a scale of 1-5?

Criteria	Comments
General labour availability	Generally OK – no worse than other places
Specific skills availability	as above
Availability of good quality premises	Variable, from good to average/limited
Rents/costs of premises	Several DK; for others generally reasonable
Close access to suppliers and contractors	Not applicable
Proximity to markets	Good
Travel & accessibility within Thurrock	Fair if located in west
Travel & accessibility to/from Thurrock	as above
Public transport	Several responded “very poor”
Availability of training	Don’t know or considered average
Availability of services	Very mixed response – good if happen to be near town centre; Lakeside perceived to be a benefit
Affordable housing for staff	Not very good according to several
Area’s image	Average

What were the main disadvantages of Thurrock as a business location?

Given that three out of five singled out very poor public transport, even from this very small sample, this seems likely to be a major problem of locating in Thurrock. This included lack of public transport from Stanford le Hope station. Other problems cited were:

- complete absence of modern office space (only conversions seem available)
- no bank within easy reach
- nowhere to park near the station (Chafford Hundred)
- basic literacy and numeracy skills
- advantage of proximity of technical college (provided trained staff)

Postal survey of potential relocators to Thurrock

A questionnaire was sent to some 440 companies in selected locations outside Thurrock and Thames Gateway/South Essex districts, falling within sectors identified by the Council's economic development department as targets to attract to Thurrock, and suggested by the Thurrock District Council of Industries. These were engineering, high technology, green technology, creative industries, leisure, recreation and hospitality, and office employment. The database of companies was the same as that used for the Thurrock-based businesses, restricted to companies of 25 employees or over. Postcodes were identified for east London, Essex outside TGSE, and other districts close to M25 in Herts and Kent.

Through a standard SIC it is difficult to distinguish sub-sectors which accurately define these target areas, and although care was taken to include illustrative material about Thurrock in the mailshot it was recognised that there was limited incentive for companies not contemplating moving to complete a questionnaire on this topic. Thus the low response elicited of just over 3% was not unexpected, but also suggests low interest in moving to Thurrock.

Of the 10 completed or partially completed replies, 5 companies were unlikely to move, 4 quite likely and 1 very likely. The responses were too few provide more than some pointers to inform an inward investment initiative, but the following is not without interest:

- ***Type of location sought:*** Four out of five companies said that a high quality, landscaped site would be essential if they were to move.
- ***Perceptions of Thurrock:*** The majority of responses to the majority of criteria came out as "the same" in terms of comparing Thurrock to their existing location, which is perhaps reassuring. There were 8 scores of 'better than existing location' and 9 scored of 'worse than existing location', again fairly neutral. Most often cited as better was 'availability of good quality premises' – perhaps just a perception but important to bear in mind. Those scoring 'regional access' were equally divided as to whether Thurrock was better or worse.
- ***Labour transfer and recruitment:*** Most companies make short moves and many if they moved would expect to retain a large number of their existing workforce. For the record the responses to this question are set out in the table below. While not a statistically valid sample, if setting up in Thurrock is likely to involve large staff transfers for many companies, the availability of a good range of housing would be an important incentive.

	Transferred	Recruit locally
Company A	135	5
Company B	108	43
Company C	28	170
Company D	200	0
Company E	1-2	6
Total	472	224

Interviews with business stakeholders

Face to face interviews were held with key business stakeholders in the borough, including representatives of business organisations, the Urban Development Corporation and London Gateway developers P & O, complemented by telephone interviews with developers and land owners, Tilbury Port. Interviews were also held with seven estate agents doing business in the district, reported separately. Discussions were of necessity fairly wide ranging and it is not possible to tabulate responses simplistically by theme. Points made in the discussions by interviewees are noted as follows:

- i Comments made by business organisations (District Association of Industries, Chamber of Commerce, Local Enterprise Agency)
- **Offices:** Thurrock needs an office business park. Grays town centre is suitable for smaller offices, Lakeside should go for larger companies/office premises. There is a nothing available in the 8-10,000 range, nor nearly enough very small offices (100-700 sq ft).
 - **Unhelpful planning policy:** There is a perception that the Council has focused too much on trying to attract new companies at the expense of looking after existing business. An example given was refusal of planning permission for a banqueting suite for an existing hotel, which was turning away additional business.
 - **Diversification:** Attempts to attract high technology industry will not be successful, mainly because there are many better competitor locations, but in any case the requisite IT skills availability in Thurrock is poor.
 - **Experiences of new companies in Thurrock:** Incoming companies are disappointed with the level of skills available.
 - **Transport:** Regarded as Thurrock's greatest problem for existing firms and in attracting new business, more serious than lack of types of floorspace. The reason why BT decided recently not to locate in Thurrock and went to Brentwood instead. Access to Lakeside is very bad and time consuming because of the one directional access ramps, and the recent fire at Dolphin Estate which closed the M25 for 30 hours has highlighted the vulnerability of the congested Junction 30 area. It was felt that there would have been a very bad impact on the big Tesco and M&S distribution operations. There is a need for more road capacity, and public transport provision is very poor – requires more subsidy.
 - **Grays town centre:** Although it may be difficult to expand the centre it needs smartening up, including provision of modern offices and better quality retailing. There is a lack of leisure facilities in the centre (cinema empty) and the multi-storey car park is poor, putting women off. Access to Grays is poor and successive alterations to the road circulation system have not improved it.
 - **Executive homes:** there is insufficient provision, more are needed to attract inward investment. Village locations preferred.
 - **Commuting to London:** Believed to be very significant increase from Chafford Hundred – Network Rail have had to lengthen Grays Station platform. This could be regarded as completely natural – its very quick to get into London, in many ways makes more sense to commute from Thurrock than from Southend, a considerably longer journey.
 - **Main challenge for Thurrock – improving quality of life:** Relates to a range of things, e.g. giving an uplift to Tilbury and Purfleet. Tilbury has an image problem, many thefts in the area, vandalism and high insurance costs, schools need an upgrade. “A need to lift its spirit”. Reflected in business space rentals which are a fraction of what they are closer to M25. Could something be done to provide an A&E service in Thurrock? – half an hour journey to hospital in Basildon rather unfortunate, accept that concentrations of A&E facilities have been national policy, but with the big influx of population to Thurrock could this be reviewed? Problems of riverside settlements being surrounded by, or built right up to, industry, with insufficient separation, not making for a very residential community ambience.
 - **Opportunities for Thurrock:** Perhaps could link some things together. For example, it has been proposed to engage HGV drivers from Poland because of a shortage here, but there was a problem with housing. However, there are understood to be many vacancies in the Council stock. Could these not be put together to help boost business in Thurrock? With

regard to road access the A1089 route from A13 to Tilbury was uncongested and could be utilised more.

- ii Discussions with land owners and developers: (Lakeside Property Development Company, Buchanan Land Limited, Thamesgate Regeneration)
- The consultants talked to land owners and developers with significant land holdings (hundreds of acres). There is strong interest in residential and selected commercial development. However there was considerable caution about undertaking any speculative development, e.g. for offices, without a tenant lined up, but one land owner believed office development could work if part of a mixed use development. The same developer believed that Thurrock needed a good conference centre linked to a hotel.
 - Companies are keen to develop areas in and around villages like Aveley and East Tilbury, land having been bought which virtually encircles these settlements, and the Arena site on the A13, suitable for commercial use. The main difficulty for developers is that most of these areas are in the Green Belt.
 - The developers believe that the Council should have more involvement with land owners. Proposals have been drawn up to expand a number of settlements and provide new centre facilities. The impression gained is that development could proceed quickly on a number of these sites, although many others have contamination problems. Partly because of the problem over the green belt it was believed that there was scope for imaginative measures like land swaps.
- iii Comments by port operators: (Port of London/Tilbury, P & O)
- **Employment at Tilbury:** Port employed 650 directly and was stable. A further 1,800-2,000 were based in the port, which is thus one of Thurrock's largest employment areas. 70 new jobs will be created this year to serve a new port import facility.
 - **Location of workforce:** A large proportion lived locally – e.g. in Grays, Chadwell, Tilbury, Fobbing, Stifford. Management may live a long distance, e.g. Suffolk, Kent, north of Chelmsford.
 - **Is Shell Haven a competitor with Tilbury?** No, it will only have competition in two areas, out of a dozen port activities – Tilbury is very diversified. Further Tilbury Container Services is actually part owned by P&O and they want to stay. Third, if you look at port traffic it is clear that there is plenty of growth in containers, and limited potential to bring in new capacity. Probably enough growth for both Haven Gateway and London Gateway. Tilbury has 40 cruise ships a year.
 - **Logistics linkages with the port:** Difficult to give a figure but the 2,500-3,000 HGV movements a day give some idea. Companies like Tesco, Van den Berg have logistics input; there are four mill sites milling grain, timber treatment of imported timber, general engineering and fabrication for ship repairs, some repacking, although most goods leave the port as they come in, then general handling and storage. Some of these activities are sited within the port, some outside.
 - **Can Tilbury expand further?** No more land for future expansion, after current final development of Fortress Distribution Park. Have already filled in tidal basin to create 15 acres of land.
 - **Shell Haven advantages and disadvantages::** Plus factors include ability to accommodate warehouses over ½ million sq ft, but infrastructure is a constraint with less good north-south links. Development time table may be affected by construction manpower and resources, e.g. may tie up a significant amount of national piling capacity. Development is providing a ha of land for the new logistics training college. There is concern about the

uncertainty for processing a planning application – whether it should be Thurrock or the UDC.

- ***Thurrock's general advantages and disadvantages:*** The district is good for business, but lacks quality housing, needs serious attention.
- ***M25:*** J30/31 needs improving.

iv UDC

A short meeting was held with the Chief Executive of the UDC. The agency was only beginning to establish its operation but early priorities include rehabilitation of derelict land and improvement of housing quality, working closely with English Partnerships. The UDC had not been able to find suitable office premises in Thurrock and was based in Canary Wharf.

Estate agents

Estate agents with local experience were interviewed to complement the surveys of existing companies and investors. The main objectives were to probe supply and demand, to assess qualitative aspects of available stock, and invite views on the realism of an accelerated rate of employment growth in Thurrock, in general, and of the Shell Haven project specifically. The findings are summarised in Appendix 5. Some key points were:

- Continuing strong demand by logistics companies for warehouse space, this now polarising into demand for very large sheds (300-400,000 sq ft and over), and much smaller properties under 20,000 sq ft.
- Correspondingly, relative stagnation in the middle size warehouse market.
- Recent demand (in the last 12 months) for offices, including larger premises up to 100,000 sq ft.
- Severe shortage of modern office space in Thurrock at all levels.
- There was a need for modern, quality, office floorspace; conversions of old premises (like a former Co-op building in Grays) were inadequate.
- Sites suggested for new office development include the former Aveley plant at North Ockendon, with good rail access, an office village adjacent to Grays town centre (for smaller professional offices), one of the existing industrial estates partially re-designated for B1 use, and Grays town centre.
- There was felt to be an unmet demand for B1 light industrial space.

With regard to Shell Haven, agents were optimistic about its development, as they were about the achievement of a faster rate of employment growth in Thurrock. Most were aware of the capacity of the site to accommodate mega-warehouse developments (500,000 sq ft and upwards) the opportunities for which in southern England were very few.

Analysis of recent planning applications

An analysis of planning applications to Thurrock supplied by the planning department was made for the period July 2003-September 2004 (15 months). 28 developments were identified of new building (22) and change of use (6) for commercial purposes. These are summarised in Table 5.6 below.

Table 5.6 Commercial planning applications by type, July 2003-September 2004

Land use	New	Change of use	All
B1/Office	5	1	6
Warehouse	8	1	9
Factory/processing	4	1	5
Hotel/leisure	1	1	2
Ind/warehouse/workshop (mixed)	4	1	5
Retail warehouse	0	1	1
TOTAL	22	6	28

Source: Thurrock planning department.

The extract shows nothing of the scale of these developments, but confirms the preponderance of industrial and warehousing applications, even if many of the mixed industrial/warehouse ones were B1. B1 applications, including these, are nonetheless a fairly substantial proportion.

5.3 Sizes of Company and Type of Sector not well Provided for in Terms of Existing Site Provision

Evidence from estate agents and the business surveys points to clear differences in the pattern of demand versus availability, although it is difficult to quantify this in m² or has. space terms. Table 5.7 summarises our judgement of need in relation to supply.

Table 5.7 Qualitative assessment of business premises supply and demand in Thurrock

Land use	Size group	Requirement in relation to supply
B8 Warehousing	Very large >300,000 sq ft	Growing demand – but Shell Haven should meet most need
B8 Warehousing	Medium	Adequate supply, no current need
B2 Manufacturing	Large/medium	Ad hoc requirements, but Shell Haven provides space
B1 Offices	Small (300-1000 sq ft)	Space required now
B1 Offices	Medium (5,000-8,000 sq ft)	Some modern space required now, especially Grays town centre
B1 Offices	Large (> 30,000 sq ft)	Potential demand at Lakeside; site provision recommended
B1 Light industry/storage	Small (< 5,000 sq ft)	Possibly more space required
B1 High tech	Small (< 5,000 sq ft)	No demand identified, but Shell Haven will provide opportunities

Source: business surveys.

The main shortage is clearly of office space, and with the rapid expansion of middle income population in the borough, the labour supply for local services office employment of Thurrock should underpin additional provision. The existing stock (Appendix 2) is some 615m²/ 1000 population, compared with 1,406m²/1000 population in Basildon and 981m² /1000 for Essex as a whole. As a major employment area, even if not an office area, Thurrock's natural office requirement might be expected to approximate to the county average, which includes many rural and dormitory districts with limited office development. To reach the county average implies construction of about 60% addition to current stock (88,000 m²) or another 53,000 m². In employment terms this is relatively modest - about 2,800 jobs at 19 m² per job.

5.4 Qualitative Issues

Survey findings

Most companies surveyed (see Section 5.2) were satisfied with the quality of their buildings 59% reporting them to be good or very good. Only seven firms stated that premises were poor – less than 0.5%. Of these almost all mentioned the age of their building. Rather more, although still a minority (11%) were dissatisfied with their location, but as noted in Section 5.2 most cited transport problems.

5.5 Non-Planning Constraints to Employment Growth

Survey findings

The main obstacles reported to employment growth (see Section 5.2) were specific skills availability , followed by general labour availability.

6. CONCLUSIONS

6.1 Major Influences on Development

The main physical constraints to rapid development in Thurrock are the legacy of difficult brownfield sites, the extensive green belt, and perhaps the risk of flooding, although this is probably not a significant threat away from the coast.

The physical factors most likely accelerate development, apart from any changes made to the green belt, are transport improvements. These range from the local West Thurrock Regeneration Ring Road, to A13 improvements, Cross Rail, and the growth of Stansted. Improved links in east London including East Thames River Crossing, Stratford development and possibly a lower Thames estuary crossing will further improve accessibility and thus add to Thurrock's relative economic advantage. Hence even without a Shell Haven, rapid growth seems set to continue.

6.2 Main Findings

Validity of existing and emerging employment strategies

The DEEP proposes a policy target of 26,000 additional jobs for Thurrock between 2001 and 2021. The target is not constructed from any of the main forecasts/projections prepared in the region by, for example, Cambridge Econometrics (CE) or Experian Business Strategies (EBS). It is derived from a Communities Plan statement indicating that 50% more jobs than dwellings should be achieved in Thames Gateway. The number was then being built up or related to prospective employment at specific sites, such as Shell Haven, and an assumed take up of land along the Thurrock Riverside. Based on the analysis of this study it is not considered achievable by 2021, and even a lower figure discussed of 19,000 is believed to be unlikely by that date.

The DEEP (RSS14) employment target has been prepared independently of the housing target. If both were to be achieved, the net outward commuting level would be reduced from about 12,500 in 2001 to about 6,500 in 2021. If future employment and housing/population both followed trend projections that would deteriorate to about 22,500 – roughly a continuation of 1991-2001.

Although not directly part of the consultant's brief to review, it is worth pointing out that the Thurrock population inferred from the DEEP (RSS14) housing target is close to that projected by EBS in their current forecast, and only some 4,000 in excess of the ONS trend demographic projection. Given the recent rate of house building in Thurrock, the achievement of the DEEP (RSS14) 2021 housing target is not without risk but manageable. The employment target might be reached some years after 2021.

Achievable employment and types of sector and business contributing to proposed employment total

Looking forward to 2021 the basic elements of potential employment growth in Thurrock fall into three categories. First there is the trend growth itself (baseline). This is projected to be +6,800 jobs and may be regarded as fairly secure. Second there is Shell Haven, with a potential +11,560 jobs by 2021 (including indirect employment). However, some of this is effectively included in the trend growth, perhaps around 1,600 jobs, leaving about 10,000 net additional jobs – if Shell Haven was to develop at fast speed of 500,000 sq ft per year. If it develops closer to Magna Park speeds, which is not unreasonable, achievement of +8,000 net additional jobs is more likely. Third there are possible impacts of additional inward investment, particularly through the efforts of the UDC. This might be regarded as the difference between baseline and enhanced growth (+1,300 jobs), if the UDC was particularly successful. Taking all of these together, i.e. 6,800 trend growth, 8,000 net Shell Haven increment at fast development, and 1,300 from impact of the UDC, this amounts to 16,100 potentially achievable jobs, which may be rounded to 16,000.

Likely contribution of existing Thurrock business to proposed job total

It is not easy to estimate this because net change is the balance of expanding and declining sectors. Supposing 8,000 jobs in Shell Haven were treated as incoming, the remaining 8,000 increase would be accounted for by existing business.

Adequacy of land supply in borough to meet requirements

The borough may have about double the land it needs to meet requirements. The best estimate is about 110-115 has demand while about 180 has supply (excluding Shell Haven) is available, although much is constrained. Because Shell Haven's 200 has would probably absorb in practice some locally generated employment activity, say 10-15 has of the 110-115 has, leaving a requirement of 100 has. Thurrock may be able to transfer about half of the designated employment land to other uses. However, because some of the gross supply (figures available to the consultants for this study) has been transferred to residential use the surplus will have been reduced. Some updating of this assessment is therefore recommended.

Types and sectors of business which require land for expansion/new sites

The survey pointed to existing B2 and B8 occupiers as the main sources of land demand by quantity in the short term, although half the potential firms anticipating a need for new sites were B1 occupiers. This has to be set in the context of trend demand, identified in EBS projections. Much of this will be for non-business land, e.g. sites for schools and health buildings. The balance will mostly be business services type employment, seeking offices.

Particular sizes of company and type of sector not well provided for in terms of existing site provision

At this time businesses are seeking large warehouses, small, medium and – subject to occupier demand – large offices. There appears to be some demand for small B1 industrial premises, for both workshop and storage use.

Qualitative issues in terms of site suitability, location, market demand

Distribution companies continue to favour sites close to the M25, office users both business parks and town centres. The consultants believe that it is important to cater for both types of location, i.e. not try to force all office uses to locate in town centres. Few companies surveyed reported that their premises were of poor quality, more being concerned about their location. This often related to transport issues.

Non planning constraints and overview of priorities

Non planning constraints are probably more critical to Thurrock's long term prosperity, and for achieving employment targets, than land and premises needs, despite the importance of these. In terms of increasing employment, shortages of particular skills was clearly the dominant constraint. More needs to be done along the lines proposed by the consultants in the EEDA RES Sub-Regional study, including better management training.³⁴

No less important to companies is transport, particularly remedying deficiencies in the road infrastructure, although public transport is also seen as dire. For existing businesses, transport improvements are arguably the highest priority for Thurrock Council and the UDC. To attract new businesses and to realise latent demand a high priority should be to increase marketing and promotion of Thurrock as an investment location, and to provide incentives to develop office space at the various locations and different sizes described.

Final reflections on jobs-housing balance and the RSS targets

The consultants conclusions on the basis of the analysis undertaken is that Thurrock can achieve the draft DEEP (RSS14) target housing growth of 18,500 dwellings over 2001-2021 and a growth of 16,000 jobs. Each are regarded as top-end figures, a ballpark of what could be delivered with steady effort including new investment from the UDC. Both could fall short, the probability of this in the consultants' view being greater than exceeding these levels. But probably not far short, and a longer horizon than 2021 would see employment in particular increase as the settlements mature.

The target of 26,000 jobs, in the consultants' view, was never based on any economic rationale, just as the overall RSS target of 425,000 additional jobs is far more than required to meet a successful and balanced regional economy by 2021. Hence falling well short of it does not constitute failure. It is more constructive in any case to look at the balance of population, rather than dwellings, and employment in Thurrock. With the ratios and assumptions referred to in Chapter 3, achieving the RSS housing target and 16,000 more jobs is an outturn population growth of 20% and of jobs growth of 27%, jobs growing faster than population. It is true that economically active would rise by 27%, but this is a function of the youthfulness of the population, and always varies in different parts of the country.

³⁴ East of England Regional Economic Strategy, Sub-Regional Study, Bone Wells Associates, 2002.

Further analysis

There are a number of specific issues which this report has not investigated in depth but might be germane to future policy direction. These include:

- More detailed analysis of employment land requirements, appraising site prioritisation to match the profile of expected employment demand and level of potential disposal, and land quality.
- Updating of assessment of surplus land estimates to take account of reductions in employment land supply through transfer to residential use.
- Analysis of housing provision and estimation of the optimum phasing of dwelling and job expansion over the period
- Examining development feasibility and mechanisms to secure additional office floorspace development.
- Review of possible means of securing step change in inward investment to achieve higher employment target.
- Further appraisal of local labour and potential local urbanisation impact of Shell Haven development.

APPENDIX 1

CURRENT & EMERGING STRATEGIES

Thurrock Unitary Development Plan

The Unitary Development Plan (UDP) projects Thurrock total population to rise from 143,000 in 2001 to 151,800 in 2016³⁵. Economically active residents were projected to increase from 70,500 to 74,200 over the same period. The UDP does not project employment although this can be inferred on the basis of assumptions, e.g. that the same ratio of employment: economically active will exist in 2016 as in 2001, implying a similar balance of commuting. Total employment in 2001 was estimated to be 60,100³⁶. Hence supposing total jobs in the area in 2016 remained in the same ratio to total resident economically active as in 2001 (0.85), employment in 2016 would be 63,070. Extrapolating the trend rate of increase in economically active to 2016 would give a 2021 economically active of 75,500 and an equivalent employment level of 64,170 (Table A.1). For information the latest ONS projection for Thurrock is also shown.

Table A.1 Thurrock UDP Population and Economically Active 2001-16 with 2021 Extrapolation and Employment Estimate, and ONS population projection

	2001	2016	2021
<i>ONS 2003 population projection</i>	<i>(145,300 in 2003)</i>	<i>160,900</i>	<i>166,900</i>
Population	143,000	151,800	
Economically active	70,500	74,200	75,500
Employment *	60,100	63,070	64,170

Source: Thurrock UDP 2003, ONS. * ABI/consultants' estimates. The old 1996 based ONS population trajectory was 140,500 (2001), 157,000 (2016) and 161,400 (2021).

The UDP projections have clearly been overtaken by events, with the development of Thames Gateway and RPG14 (see below) but show the relatively modest expansion foreseen until quite recently.

EDA Regional Economic Strategy

Business Strategies Ltd (subsequently Experian Business Strategies, EBS) prepared 'Business as Usual' (BAU) and 'Enhanced Growth' (EG) output and employment projections for the EEDA Regional Economic Strategy (RES) Sub-Regional Strategy 2002. The Enhanced Growth scenario projected employment consistent with an increase in the rate of growth of GVA per

³⁵ Thurrock Unitary Development Plan, Written Statement, Deposit March 2003, Appendix 1.

³⁶ Source: Experian. Based on Annual Business Inquiry (ABI) with addition of self employed.

head of 0.25% p.a. The policy objective for the enhanced growth projection was to push the region into one of the top 20 highest productivity regions in the European Union. Subsequent work by Experian using updated 2001 census data generated revised 2003 versions of these projections entitled 'Baseline' and 'EEDA top 20' respectively, and this 2003 set was used by EERA, although they were not greatly different.

Table A.2 sets out the projections to 2021 for the region and Thurrock according to these two EEDA scenarios. It may be noted that the population projection for the enhanced/top 20 growth option, in italics, is the same as that for the baseline, since in economic terms the achievement of higher productivity growth does not require a larger population. For the same reason the top 20 employment trajectory generates only a modest increment of employment over the baseline.

Table A.2 RES Sub-Regional Strategy Employment Projections, Thurrock and Region

EEDA RES options	2001	2011	2016	2021	Change 2001-21
<i>Thurrock – population & employment</i>					
Baseline Population 2004	143,300	160,300	165,600	171,100	+27,800
Baseline Employment 2004	60,100	65,000	65,600	66,900	+6,800
'Top 20' Population 2004	143,300	<i>160,300</i>	<i>165,600</i>	<i>171,100</i>	+27,800
'Top 20' Employment 2004	60,100	65,100	65,800	68,200	+8,100
<i>Region – employment</i>					
Business as Usual (2003)	2,585,000			2,805,000	+220,000
EG10 (2003)	2,585,000			3,026,000	+441,000
EG21 (2003)	2,585,000			2,916,000	+331,000

Source: Experian 2004 projections.

BAU was initially a modelled, trend based projection, based on a shift-share procedure, which relies on the past relationships between an industry's performance at local and regional level. The same approach generates projections for smaller areas such as counties and districts within the region. However for the region BSL made an amendment to the BAU projection with respect to Thames Gateway, adding a significant quantum of jobs to their modelled trend.³⁷ The increment was made to recognise the impact of additional infrastructure being provided in the area. Hence in an important respect, the 2,805,000 jobs projection - and the TGSE BAU sub-regional projection and Thurrock district projection drawn from it - are not simple trend estimates but incorporate provision for additional growth.

EG10 and **EG21 (and "Top 20")** are all arbitrary employment projections, being the employment level required for the region to reach the RES target of becoming a 'top 20' European region. The EG10 projection was the number required to meet the target by 2010, the EG21 projection the number required to reach the target by 2021. In response to doubts about the feasibility of EG10 the EG21 figure (+331,000 jobs by 2021) was adopted.

³⁷ Understood to be 20,000 jobs for 2001-2021

It needs to be made clear that EG21 was not a number built up from industrial and economic analysis in the way that BAU was. It was simply arbitrary – what was required to reach a target. It does not imply likelihood or feasibility.

Experian Projections

Certain caveats concerning the standard Experian projections may be mentioned. The main one is that the shift share ratios reflect historic growth rates and dynamism, and utilise a step down approach from national-regional to local. They do not take account the effect of major plans for investment that depart from past trends, like airport and port expansion, which can influence economic change. Population growth in excess of previous trends may also lead to additional service employment than anticipated. These factors generate a degree of uncertainty about employment at local district level over long time periods.

Regional Planning Guidance/RSS 14

Draft East of England Plan (DEEP), previously Draft Regional Spatial Strategy (RSS) 14, and originally Regional Planning Guidance 14, issued in February 2004, includes proposals for additional housing and employment in Thurrock over the 2001-2021 period. Table A.3 sets out the RSS 2001, 2011 and 2021 levels of dwelling numbers and employment based on EBS and Chelmer 2001 base figures and proposed incremental dwelling and employment numbers.

Table A.3 DEEP (RSS 14) Dwellings and Employment Projections 2001-2021

RSS 14	2001	2011	2021	Change 2001-2021
Dwellings	59,400	67,900	77,900	+18,500
Employment (1)	60,100	76,100	86,100	+26,000

Source: Draft RPG14, Consultants' estimates. (1) Unadjusted for double jobbing.

The RSS14 policy targets in respect of the TGSE sub region were derived through work co-ordinated by the TGSE Partnership. These steps are summarised in the main report. The procedure formed part of a number of EERA additions to the EG21/Top 20 employment platform to arrive at the final RPG/RSS14 employment target. The additions reflected the aspirations of different parts of the region, and was a *very uneven* process. Whole sub-regions, e.g. Norfolk, accepted the EG21 numbers for their areas, so little change was made to them. In some areas, employment was reduced. For other areas, primarily the Thames Gateway part of Essex and Bedfordshire, significant increases in employment were made, as noted in Table A.4.

Table A.4 Changes made to EG21 employment projections by sub-region

Subregion	2001	EG21	EG21>2001	EERA>2001	E2-EG21	EERA 2021
TGSE	265,700	281,200	15,500	55,000	39,500	320,700
Beds	257,000	278,600	21,600	53,400	31,800	310,400
Rest Essex	134,900	150,400	15,500	9,600	-5,900	144,500
Stansted M11	276,500	307,400	30,900	40,000	9,100	316,500
Rest Herts	474,600	556,500	81,900	55,800	-26,100	530,400
Camb/Peterb	384,500	459,300	74,800	92,900	18,100	477,400
Haven GW	277,700	315,900	38,200	49,700	11,500	327,400
Norfolk	309,000	343,500	34,500	41,700	7,200	350,700
Gt Yar/Low	82,600	87,400	4,800	5,600	800	88,200
Rest Suffolk	122,300	142,500	20,200	17,800	-2,400	140,100
REGION	2,584,800	2,922,700	337,900	421,500	83,600	3,006,300

Source: RPG14/RTP Alignment Study. Norfolk excludes Gt Yarmouth.

The rationale for the increases is explicitly planning rather than economics based. Thus for TGSE, the 55,000 additional employment sought was to bring closer together the ‘imbalance’ of 297,000 resident workers and 246,000 local jobs³⁸, i.e. by reducing out-commuting.³⁹ The possible impact on other regions is not discussed. There is no mention of how (in London, where most of the commuter jobs are located) the replacement labour force will be found.

Other Baseline Estimates and Projections

Population projections for Thurrock have been prepared as part of national projections by the Office for National Statistics (ONS), while bespoke projections for counties and districts in the region have been prepared by the Population and Housing Research Group at Anglia Polytechnic University (“Chelmer” projections) according to various assumptions. These have been used in the job-housing balance calculations set out in Chapter 3. The PHRG is in process of updating its projections to reflect revised household formation and demographic assumptions.

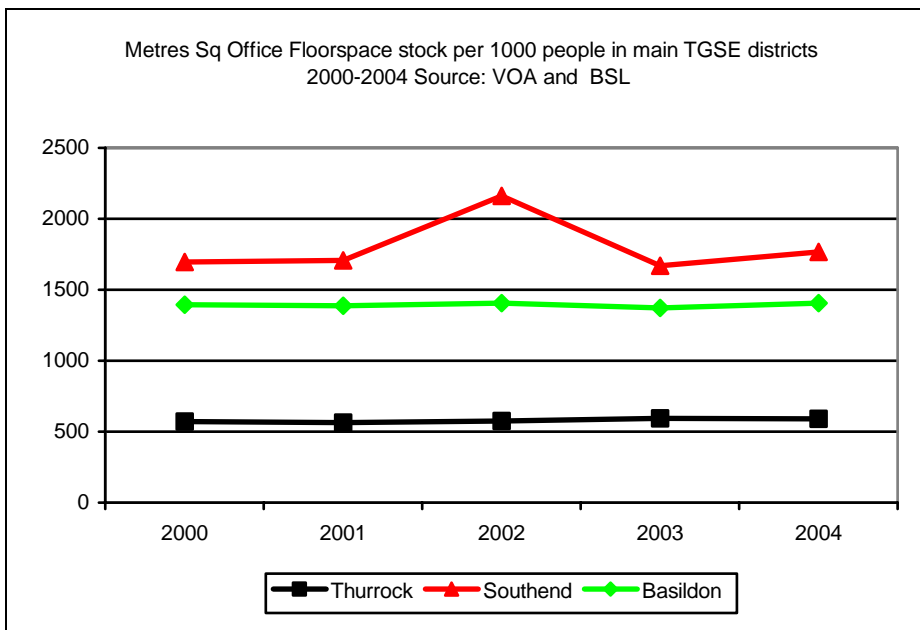
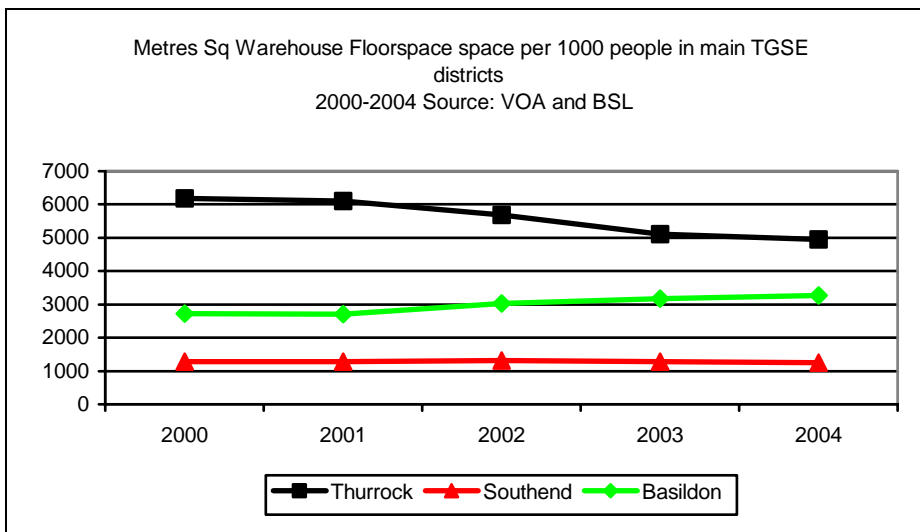
³⁸ Details in RPG14 Alignment study, op cit.

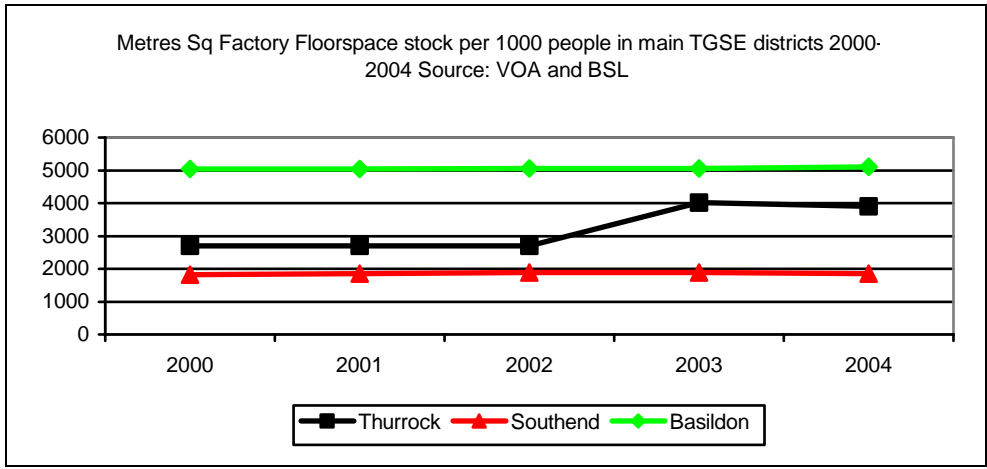
³⁹ RPG14 Economic Development Task Group – Working Paper: RES and RPG14 – Employment, Labour, Population and Housing to 2021. The resident workers/local jobs numbers given in this report are different from those in the Alignment study

APPENDIX 2

FLOORSPACE STOCK

PER '000 POPULATION, THURROCK, BASILDON, SOUTHEND





Floorspace (000 sq m) Floorspace of Offices/Industrial units in Selected Essex towns

	2004					2003			
	Thurrock	Southend	Basildon	Essex		Thurrock	Southend	Basildon	Essex
Factories	582	298	853	4237		594	301	844	4298
Offices	88	284	235	1606		88	267	229	1572
Warehouses	739	202	545	2923		755	205	530	2813
Bulk Classes	1409	784	1633	8766		1437	773	1603	8683
	2002					2001			
	Thurrock	Southend	Basildon	Essex		Thurrock	Southend	Basildon	Essex
Factories	394	301	841	2395		388	297	837	2346
Offices	84	344	234	1537		81	273	230	1507
Warehouses	828	209	504	2696		876	206	449	2580
Bulk Classes	1306	854	1579	6628		1345	776	1516	6530
	2000					1994			
	Thurrock	Southend	Basildon	Essex		Thurrock	Southend	Basildon	Essex
Factories	382	294	833	2298		257	168	583	2933
Offices	81	273	230	1478		38	138	252	1302
Warehouses	876	206	449	2465		613	308	439	4120
Bulk Classes	1339	773	1512	6241		908	614	1274	8355
Source: Commercial and Industrial Rateable Value Statistics, ODPM									
Excluding Retail									

Bulk Classes Offices/Industrial				
	Thurrock	Southend	Basildon	Essex
2004	1409	784	1633	8766
2003	1437	773	1603	8683
2002	1306	854	1579	6628
2001	1345	776	1516	6530
2000	1339	773	1512	6241
1994	908	614	1274	8355
Source: Commercial and Industrial Rateable Value Statistics, ODPM Excluding Retail,				

Population (000s)				
	Thurrock	Southend	Basildon	Essex
2004	149.3	160.7	167.1	1636.9
2003	147.8	159.9	166.9	1630.5
2002	145.8	159.2	166.5	1624.2
2001	143.4	160	165.9	1615.7
2000	141.8	161	165.0	1608.4
1994	132.4	164.1	161.0	1558.4
1986	124.7	156.6	160.3	1514.0
Source: BSL 2004				

Employment (000s)				
	Thurrock	Southend	Basildon	Essex
2004	61.9	69.3	75.4	696.1
2003	61.2	69.2	75.2	692.2
2002	61.0	69.6	75.4	694.6
2001	60.1	72.4	75.7	696.1
2000	59.5	72.2	78.3	691.0
1994	52.6	62.9	69.1	605.9
1986	49.1	69.7	66.4	590.4
Source: BSL 2004				

Floorspace / employment ratio*				
	Thurrock	Southend	Basildon	Essex
2004	22.7	11.3	21.6	12.5
2003	23.4	11.1	21.3	12.5
2002	21.4	12.2	14.7	9.5
2001	22.4	10.7	13.8	9.4
2000	22.5	10.7	13.3	9.0
1994	17.2	9.7	18.4	13.7
1986	38.2	9.4	17.9	18.4

Floorspace / population ratio				
	Thurrock	Southend	Basildon	Essex
2004	9.4	4.9	9.7	5.3
2003	9.7	4.8	9.6	5.3
2002	8.9	5.3	6.6	4
2001	9.4	4.8	6.3	4
2000	9.4	4.8	6.3	3.8
1994	6.8	3.7	7.9	5.4
1986	15.0	4.2	7.4	7.1

Available Business Floorspace 2003 ('000m2)									
	Dec-03			Jun-03			Dec-02		
	Thurrock	Southend	Basildon	Thurrock	Southend	Basildon	Thurrock	Southend	Basildon
Offices	1.5	31	23	10.1	33.6	29.8	2.6	26.8	29.4
Industrial/warehousing	175.5	45.4	145	134	38.9	163	135.1	37.3	194.8
Source: Kemsley,Whitely & Ferris 2004/5									

	Jul-02			Mid 2001			Mid 2000		
	Thurrock	Southend	Basildon	Thurrock	Southend	Basildon	Thurrock	Southend	Basildon
Offices	7.3	37.5	23	15.8	29.9	19.9	12.3	26.8	25
Industrial/warehousing	187	35.2	133	110.5	63.8	83.1	171	77.3	163.1
Source: Kemsley,Whitely & Ferris 2004/5									

Available Business Floorspace 2003 as % of VOA recorded stock 2003	Dec-03			Jun-03		
	Thurrock	Southend	Basildon	Thurrock	Southend	Basildon
Offices	1.7	11.6	9.8	11.5	12.6	13.0
Industrial/warehousing	13.0	8.9	10.6	9.9	7.6	11.9
	Dec-02			Jul-02		
	Thurrock	Southend	Basildon	Thurrock	Southend	Basildon
Offices	3.1	7.8	13	8.7	11	10
Industrial/warehousing	11	7.3	22	15.3	6.9	15.2
	Mid 2001			Mid 2000		
	Thurrock	Southend	Basildon	Thurrock	Southend	Basildon
Offices	19.5	10.9	8.6	15.2	9.8	10.9
Industrial/warehousing	9.1	12.7	9.8	13.6	15.5	18.7

APPENDIX 3

LOCAL POPULATION SERVING JOBS

LOCAL SERVICE JOBS ESTIMATION

JOBS /'000 POPULATION FOR LOCAL DISTRICTS

	Basildon	Castle Point	Rochford	Southend	Thurrock	Estimated average ¹
Industry	ratio	ratio	ratio	ratio	ratio	"local" ratio
01 : Agriculture, hunting and related service activities	0.76	0.05	2.02	0.01	0.06	0.22
02 : Forestry, logging and related service activities	0.00	0.00	0.18	0.01	0.00	0.05
05 : Fishing, operation of fish hatcheries and fish farms;	0.01	0.02	0.01	0.09	0.00	0.03
1581 Bread, pastry goods, cakes	0.64	0.10	0.24	0.29	0.55	0.21
22 : Publishing, printing and reproduction of recorded media	7.00	6.92	7.76	6.42	0.80	4.71
37 : Recycling	0.04	0.01	0.00	0.18	0.80	0.80
40 : Electricity, gas, steam and hot water supply	0.35	0.00	3.52	0.43	1.13	0.48
41 : Collection, purification and distribution of water	0.00	0.00	5.91	0.02	0.01	0.01
45 : Construction	19.81	16.98	16.94	9.22	27.22	15.74
50 : Sale, maintenance and repair of motor vehs & m'cycles etc;	4.71	7.34	4.27	4.89	8.96	5.30
51 : Wholesale trade and comm.trade, except of m'r vehicles etc	24.08	6.47	13.10	11.08	18.22	10.22
52 : Retail trade, except of vehicles; repair of personal and hh gds	66.07	26.47	25.20	58.15	84.68	25.84
55 : Hotels and restaurants	19.69	14.07	17.18	28.60	28.95	16.98
60 : Land transport; transport via pipelines	7.21	6.25	3.78	7.82	19.33	6.27
61 : Water transport	0.05	0.00	0.09	0.08	0.69	0.06
62 : Air transport	0.03	0.01	1.26	0.48	0.00	0.13
63 : Supporting and auxiliary transport activities; activities of travel	6.56	3.00	2.22	3.19	24.87	3.74
64 : Post and telecommunications	5.84	2.88	4.97	7.87	2.48	4.04
65 : Financial intermediation, except insurance and pension funding	5.45	2.28	3.42	32.79	2.95	3.53
66 : Insurance and pension funding, except compulsory social sec.	5.30	0.06	0.11	0.34	0.00	0.13

	Basildon	Castle Point	Rochford	Southend	Thurrock	Estimated average (1)
Industry	ratio	ratio	ratio	ratio	ratio	"local" ratio
67 : Activities auxiliary to financial intermediation	15.84	0.75	2.27	4.36	0.94	1.32
70 : Real estate activities	5.63	5.76	2.95	6.25	2.96	4.33
71 : Renting of machinery and equipment without operator	2.59	1.57	5.14	0.91	3.71	2.20
72 : Computer and related activities	7.52	2.78	3.69	4.93	2.57	3.01
73 : Research and development	0.08	0.32	0.10	1.16	0.00	0.13
74 : Other business activities	33.29	15.93	30.99	44.66	17.85	21.59
75 : Public administration and defence; compulsory social security	7.53	10.59	7.72	25.06	9.79	8.91
80 : Education	22.77	16.30	14.97	31.50	25.30	19.39
85 : Health and social work	34.22	19.19	22.63	56.72	25.05	22.29
90 : Sewage and refuse disposal, sanitation and similar activities	0.59	0.90	1.34	1.12	1.48	0.99
91 : Activities of membership organisations not elsewhere classified	1.16	1.18	1.06	2.41	1.72	1.28
92 : Recreational, cultural and sporting activities	8.12	5.28	7.55	12.47	6.62	6.89
93 : Other service activities	6.35	5.68	4.08	7.55	4.64	5.19
95 : Private households as employers of domestic staff	0.00	0.00	0.00	0.00	0.00	0.00
TOTAL	319.26	179.16	216.67	371.05	324.34	195.97
2001 pop	165800	86400	78400	160200	143000	
BSL 01 emp						
% over ABI	1.15	1.35	1.30	1.13	1.13	1.17
Final ratio						228.76

Source: Derived from ABI employment data, 2001

APPENDIX 4

BUSINESS SURVEY SUMMARY

Thurrock Business Survey

PLEASE SEND BACK THE COMPLETED QUESTIONNAIRE BY 19 NOVEMBER. If you have any questions please contact Constanza Movsichoff on 020 7687 2020.

FOR OFFICE USE ONLY

Q1 Company code
100%

PLEASE COMPLETE QUESTIONNAIRE

Q2 Name of company / organisation
94%

Q3 What is your company's MAIN activity at the current address?

Headquarters	22%
Sales/marketing/purchasing	18%
Design or R&D	1%
Professional/other services	15%
Routine office	9%
Movement/storage/distribution	21%
Manufacturing or processing	21%
Other	15%

Q4 Type of location at the current address: [TICK ONE BOX]

Industrial estate	42%
Business park	8%
Town centre	7%
High street / shopping frontage	13%
Inner urban	5%
Suburban	7%
Other	13%

Q5 Has your company relocated in the last 3 years?

Yes	14%	Go to Q6 & Q7
No	82%	Go to Q8

Q6 If yes, what was the previous address?

An address within Thurrock	10%
An address outside Thurrock	6%
If outside Thurrock, where?	7%

Q7 If your company has moved in the last 3 years, why did you relocate?
15%

Q8 How many people work for your company at the current address? [WRITE IN NUMBER]
94%

Q9 How many of these employees work in these premises for half the week or less?

None	50%
1%-50%	34%
More than 50%	11%

Q10 At the current address, is the space occupied: [TICK AS MANY BOXES AS APPLY]

	Office	Shop	Ware- house/d- epot	Factory	Open yard
Free standing	42%	9%	21%	16%	32%
Semi detached- /terraced	20%	7%	5%	4%	4%
Single storey	21%	5%	9%	10%	5%
Parking (1 space/worker)	16%	1%	3%	4%	4%
Parking (1 space/2+ workers)	21%	4%	7%	5%	10%

Q11 How many storeys does your building have?

One	42%
Two	45%
Three or more	10%

Q12 How old is your building?

1-5 years	11%
5-10 years	6%
10 years or more	78%

Q13 What is the gross external area occupied by your PREMISES (including all floors and the external walls)? [WRITE IN NUMBER]
58%

Q14 What is the gross SITE / PLOT area? [WRITE IN NUMBER]
47%

Q15 How do you assess your existing floorspace? [TICK ONE BOX PER COLUMN]

	At present		In the future	
Too large for the number of employees?	5%	Go to Q17	1%	Go to Q17
About right for the number of employees?	75%	Go to Q17	36%	Go to Q17
Too small for the number of employees?	8%	Go to Q16	16%	Go to Q16

Q16 If too small, approximately by how much would you NEED to increase your floorspace?

1%-20%	3%
21%-40%	10%
41%-60%	3%
More than 60%	3%

Q17 In the last 3 years, has your floorspace.

Increased	18%	Go to Q18
Stayed the same	70%	Go to Q19
Decreased	5%	Go to Q19

Q18 Roughly, by how much?

1%-20%	9%
21%-40%	6%
41%-60%	3%
More than 60%	2%

Q19 How do you assess the QUALITY and LOCATION of your premises in relation to your needs? [TICK ONE BOX PER COLUMN]

	Premises quality	Location
Very good	29%	36%
Good	30%	23%
Adequate	29%	24%
Poor	5%	8%

Q20 If poor quality, please specify problem

7%

Q21 If poor location, please specify problem

11%

Q22 In the next 1-3 years, are you likely to? [TICK ONE BOX PER COLUMN]

	Expand your floorspace	Move to another location
Probable (over 50%)	10%	11%
Possible (10 to 50%)	12%	11%
Unlikely (up to 10%)	53%	41%

Q23 If likely to expand, roughly, by how much?

1%-20%	19%
21%-40%	12%
41%-60%	3%
More than 60%	2%

Q24 If likely to move, what type of premise will you require? [TICK AS MANY BOXES AS APPLY]

	Office	Shop	Warehouse/d-epot	Factory	Open yard
Free standing	21%	3%	11%	8%	17%
Semi detached-/terraced	5%	1%	1%	1%	1%
Single storey	9%	3%	5%	5%	3%
Parking (1 space/worker)	6%	1%	1%	1%	3%
Parking (1 space/2+ workers)	10%	1%	3%	1%	5%

Q25 If you are likely to move, what type of location will you require?

Town centre	4%
High street/shopping frontage	4%
Inner urban	3%
Suburban	3%
Business park	17%
Industrial area	27%
Other	4%

Q26 If you are likely to move, which is the likely area? [TICK ONE BOX]

Within Thurrock	38%
Outside Thurrock within East Essex (Basildon, Benfleet, Southend, Rayleigh/Rochford)	5%
Outside Thurrock within North Essex (Brentwood, Chelmsford, Maldon, etc)	1%
London	0%
Kent	0%
Elsewhere not included above	1%

Q27 Do you find any obstacles to employment expansion? [TICK ONE OR MORE BOXES]

General labour availability	23%
Specific skills availability	38%
Limited market size	10%
Finance	14%
Land / premises availability	18%

Q28 How do you assess the existing availability of good quality premises in Thurrock?

Over supply..	....	3%
About right.....	.....	33%
Under supply.	.....	47%

Thank you.

Thurrock Business Survey

PLEASE SEND BACK THE COMPLETED QUESTIONNAIRE BY 19 NOVEMBER. If you have any questions please contact Constanza Movsichoff on 020 7687 2020.

FOR OFFICE USE ONLY

Q1 Company code
146

Q7 If your company has moved in the last 3 years, why did you relocate?
22

PLEASE COMPLETE QUESTIONNAIRE

Q2 Name of company / organisation
137

Q8 How many people work for your company at the current address? [WRITE IN NUMBER]
136

Q3 What is your company's MAIN activity at the current address?
 Headquarters 32
 Sales/marketing/purchasing 26
 Design or R&D 1
 Professional/other services 22
 Routine office 13
 Movement/storage/distribution... .. 30
 Manufacturing or processing... .. 30
 Other 22

Q9 How many of these employees work in these premises for half the week or less?
 None 73
 1%-50% 50
 More than 50% 16

Q4 Type of location at the current address [TICK ONE BOX]
 Industrial estate 61
 Business park 12
 Town centre 10
 High street / shopping frontage 19
 Inner urban... .. 8
 Suburban 10
 Other 19

Q10 At the current address, is the space occupied? [TICK AS MANY BOXES AS APPLY]

	Office	Shop	Ware- house/d- epot	Factory	Open yard
Free standing	61	13	31	24	46
Semi detached- /terraced	29	10	7	6	6
Single storey	31	8	13	14	8
Parking (1 space/worker)	24	2	4	6	6
Parking (1 space/2+ workers)	30	6	10	8	15

Q5 Has your company relocated in the last 3 years?
 Yes 21 Go to Q6 & Q7
 No 119 Go to Q8

Q11 How many storeys does your building have?
 One 62
 Two 65
 Three or more.. . . . 14

Q6 If yes, what was the previous address?
 An address within Thurrock 14
 An address outside Thurrock 9
 If outside Thurrock, where? 10

Q12 How old is your building?
 1-5 years 16
 5-10 years 9
 10 years or more 114

Q13 What is the gross external area occupied by your PREMISES (including all floors and the external walls)? [WRITE IN NUMBER]
85

Q14 What is the gross SITE / PLOT area? [WRITE IN NUMBER]
68

Q15 How do you assess your existing floorspace? [TICK ONE BOX PER COLUMN]

	At present		In the future	
Too large for the number of employees?	8	Go to Q17	1	Go to Q17
About right for the number of employees?	110	Go to Q17	52	Go to Q17
Too small for the number of employees?	11	Go to Q16	23	Go to Q16

Q16 If too small, approximately by how much would you NEED to increase your floorspace?

1%-20% ...	5
21%-40% ...	15
41%-60% ..	5
More than 60%..	5

Q17 In the last 3 years, has your floorspace.

Increased....	26	Go to Q18
Stayed the same....	102	Go to Q19
Decreased ...	8	Go to Q19

Q18 Roughly, by how much?

1%-20% ...	13
21%-40% ...	9
41%-60% ...	5
More than 60% ..	3

Q19 How do you assess the QUALITY and LOCATION of your premises in relation to your needs? [TICK ONE BOX PER COLUMN]

	Premises quality	Location
Very good	43	53
Good	44	33
Adequate	43	35
Poor	7	11

Q20 If poor quality, please specify problem
10

Q21 If poor location, please specify problem
16

Q22 In the next 1-3 years, are you likely to. [TICK ONE BOX PER COLUMN]

	Expand your floorspace	Move to another location
Probable (over 50%)	14	16
Possible (10 to 50%)	17	16
Unlikely (up to 10%)	76	59

Q23 If likely to expand, roughly, by how much?

1%-20% ...	28
21%-40% ...	18
41%-60% ..	4
More than 60%....	3

Q24 If likely to move, what type of premise will you require? [TICK AS MANY BOXES AS APPLY]

	Office	Shop	Ware-house/d-epot	Factory	Open yard
Free standing	31	5	16	12	25
Semi detached-/terraced	7	2	2	2	2
Single storey	13	4	8	8	5
Parking (1 space/worker)	9	1	2	2	4
Parking (1 space/2+ workers)	14	2	4	2	7

Q25 if you are likely to move, what type of location will you require?

Town centre	6
High street/shopping frontage...	6
Inner urban	5
Suburban	4
Business park	25
Industrial area	40
Other	6

Q26 If you are likely to move, which is the likely area? [TICK ONE BOX]

Within Thurrock	56
Outside Thurrock within East Essex (Basildon, Benfleet, Southend, Rayleigh/Rochford)	8
Outside Thurrock within North Essex (Brentwood, Chelmsford, Maldon, etc)	2
London	0
Kent.....	0
Elsewhere not included above.	2

Q27 Do you find any obstacles to employment expansion? [TICK ONE OR MORE BOXES]

General labour availability...	33
Specific skills availability	56
Limited market size	14
Finance	20
Land / premises availability	27

Q28 How do you assess the existing availability of good quality premises in Thurrock?

Over supply.	.....	.....	.....	.....	4
About right.	.....	.....	.....	.....	48
Under supply	.....	.....	.....	.....	68

Thank you.

APPENDIX 5

ESTATE AGENTS COMMENTS

Premises demand

- 1) *What sort of companies, sectors and business functions have been looking for business premises in Thurrock? (in the last 2 years).*

Unequivocally and we consider reliably, agents stated that inquiries were ‘massively’ concentrated on warehousing and logistics based companies. This was put at 80-90% by several agents and 90-95% by another. The balance of inquiries was not specifically recorded, but thought likely to be mainly small B1 light industry. Pressed to remember specific inquiries for manufacturing or office premises, most agents could not recall any.

- 2) *Source of inquiries: from Thurrock or outside?*

Agents said that the source of inquiries was mixed, perhaps half from inside Thurrock and half from outside. There appears to be a pattern with a considerable number of inquiries from east London, confirming a typical radial relocation/movement pattern. One agent felt that 40-50% of inquiries may have been from inner and east London. In contrast very few inquiries were from south of the river, which was felt to be a barrier in both directions.

- 3) *Size of premises sought*

Caution must be exercised in interpreting responses to this question since demand for types of premises tends to be cyclical. Typically, following demand for a particular type of premises, developers rush to meet demand and give rise to a glut. Hence in Thurrock agents reported demand for warehousing – there being negligible demand for anything else – at the small and large ends of the spectrum, defined broadly as 2-20,000 sq ft and over 250,000 sq ft. Demand for mid sized warehouses, e.g. in the 50-160,000 sq ft range, was reported to be very flat, with a considerable number of premises lying empty for 1-2 years. Agents believed, however, that there was a definite trend towards larger mega-warehouse premises, and confidence was high enough to underpin a speculative development of a 400,000 sq ft shed. A 50,000 sq ft warehouse was more likely to represent a local demand. At the small end of the market the demand was highly concentrated on freehold property. It was considered that the strongest office demand was for small premises, under 5,000 sq ft, but very little for large offices.

- 4) *How successful were inquirers in finding premises in Thurrock?*

This question is difficult to answer unless the agent keeps a close record of inquiries. The one agent who appeared to do so said “Lord no!”, that only 10% or less actually found premises in Thurrock. This is simply a reflection of the casual nature of most initial inquiries and to be expected. In fact the other agents believed unanimously that Thurrock had as good a supply of warehouse premises as any other location and that many investors would be able to find suitable buildings in the district.

4) *Reasons for locating in Thurrock*

One reason for this question was to identify specific port linkages which might be important to incoming firms. Most agents considered that this was a factor for a minority of businesses, recalling some specific inquiries. Another specific requirement reported was for storage space to serve Lakeside retailers. However, much the most important factor reported was access to M25 and national motorway network. Prices of space were considered competitive, in comparison to similar space off the M25 further west, although this was not viewed as the most important factor. To the supplementary question “What appeals to companies looking around Thurrock?” the main response quoted was “Communications/M25”. Lower prices and availability of a good choice of (warehouse) premises was cited as the second and third most important factor by one agent.

Premises supply

5) *Quantity of existing supply in Thurrock*

Respondents were unanimous that provision of warehousing premises was generally good, with enough industrial/factory space (in relation to limited demand). As a number pointed out, with very many manufacturing/warehouse permissions, the distinction between these tends to be blurred anyway. Availability of warehousing was considered to be good across the size ranges.

Warehousing/industrial stock availability contrasted with a very limited supply of office space among all size ranges. While demand was not felt to be high, availability of space was believed to be very constrained. Interestingly, office space was in much better supply south of the river, mainly in the Crossways development, although the area had a similar industrial character as Thurrock. But some small office developments were proceeding. The main gap in the market according to one agent was for B1 light industrial premises. This demand may be met by a 14 unit B1 industrial scheme in Dolphin Way.

6) *Quality of existing supply in Thurrock*

It was felt that there was more older, 1970s manufacturing space in the district, and a dearth of anything modern of office premises. Some poor 1970s stock existed.

7) *Where in Thurrock is there a demand for more business space?*

Agents largely reported existing demand, concentrated on warehousing, and as expected, locations with good access to M25 were favoured, e.g. along the A13. Good locations mentioned for offices included stations and industrial estates with other modern business floorspace. One agent reported that Thurrock Council had refused an application for office development on an out of town site, and wished to steer it to Grays town centre.

8) *Perceptions of Thurrock as a business location*

All the agents interviewed considered Thurrock to be an excellent location, for industrial occupiers. Further take up of logistics companies is expected. Little future demand for manufacturing or services was anticipated.

Shell Haven and faster employment growth in Thurrock

9) *Realism of Shell Haven and acceleration of employment growth in Thurrock*

Agents were asked their views about the realism of the proposed Shell Haven development and potential for accelerated growth in Thurrock. All considered that this was reasonable, so long as the labour supply was adequate and infrastructure was provided. A number of port users would be attracted as would takers for very large plots likely to be available.