

Mid-Term Data Dashboard
Baseline Data compared with Latest

COLCHESTER

ECONOMIC GROWTH STRATEGY



2015-21

Introduction..... 4

Overview 5

Colchester GVA..... 6

GVA per Worker 7

Population 8

Working Age Population..... 9

‘Economically Active’ in the working age population 10

Stock of Business Space 11

Number of Businesses 12

Housing Supply 13

Wage Levels 14

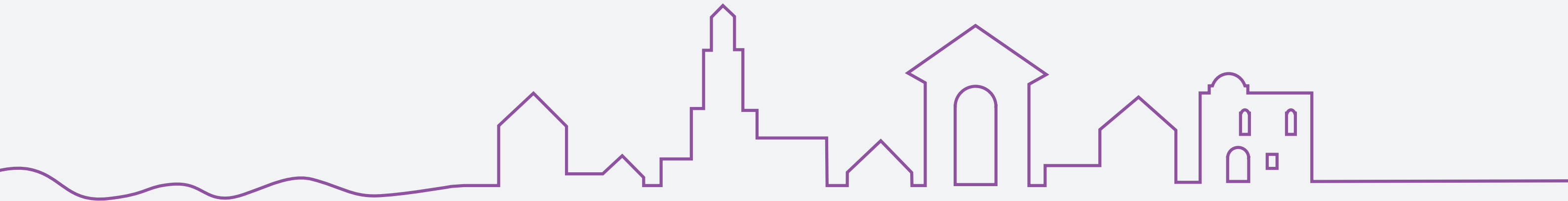
Indices of Multiple Deprivation..... 15

Skills..... 16

UK Vitality Index Ranking 17

Rightmove ‘Happy at Home Index’..... 18

How Colchester Compares with other Fast-Growing Places 20



Colchester's Economic Growth Strategy 2015-21

was launched in 2015 and is the basis for the Council's approach to developing the Borough's economy in terms of priority and core business sectors.

The evidence base which underpins the Strategy has been updated from its original base which broadly used data from 2014. This infographic is a mid-term review broadly comparing data from 2014 with 2018. The data is produced from a variety of official sources with a variety of publication dates.

This document is published on the Council's website with links to the official business website: www.colchesterultraready.co.uk so that local companies and those seeking to invest here can use the data to help with business planning.

The Headlines:

- Total Value of Identifiable Investment in Colchester = **£273.7m**
- The public sector has a major **leadership** role
- In excess of **140** new jobs created
- In excess of **242** jobs retained
- **78,000** sq ft of new office space
- Space created for **94** start-up businesses
- Improved quality of place / experience and more choice for local people and visitors alike

The major investors in Colchester in recent years have been the University of Essex, Colchester Borough Council (often with grant aiding partners) and various private investors who have driven economic growth delivering significant numbers of new jobs, raised the ceiling value commercial rents, improved the image and reputation of Colchester and have made it a better place to live, work, study, visit and do business.

This assessment also demonstrates the role and vital importance of the public sector in leadership terms, being ambitious and competitive and how that interplays with, and often levers, private sector investment. It can also be seen how such projects support other sectors such as construction and allied trades and local colleges which train young people for these industries.

The forward pipeline is positive too with 2020 promising to deliver more multi-million pound projects including: the expansion of Ultrafast Broadband, a new educational Centre for Care at Colchester Institute, the redevelopment of The George Hotel, the major refurbishment and extension of the Mercury Theatre as well as the completion of the first phase of the new Colchester Northern Gateway sport, leisure, commercial and residential development.

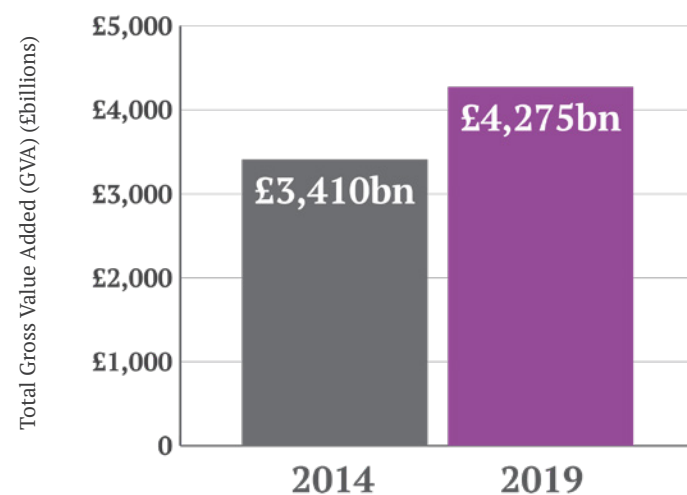


Colchester GVA

A measure of the Borough's total productivity

From 2014 to 2019 the Borough's GVA or productivity rose by 25.4%.

This represents some degree of recovery from the 2007/8 recession and is demonstrable on the ground. Five **new hotels**, the opening of **37 Queen Street** business space, the investment in **Gigabit fibre broadband**, the opening of a **new road network** opening up the **Northern Gateway**, the multi-million investments at the **University of Essex** and growth in student numbers are all evidence of an economic hotspot realising the Borough's considerable potential.



Source: EEFM

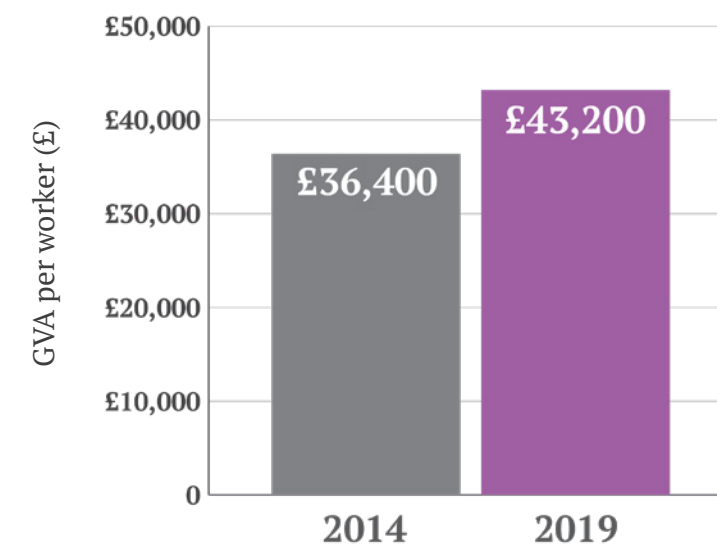


GVA per Worker

Value of each working person's productivity

Productivity in the workforce has also risen considerably by some 18.7%.

Productivity growth is key to the Government's Industrial Strategy and depends on investment by business in new processes and capital equipment. In a period of unprecedented uncertainty businesses are increasingly reticent to borrow to invest in productivity growth when return on that investment is riskier. It is therefore reasonable to assume that there is further growth potential in the economy in general, all things being equal.



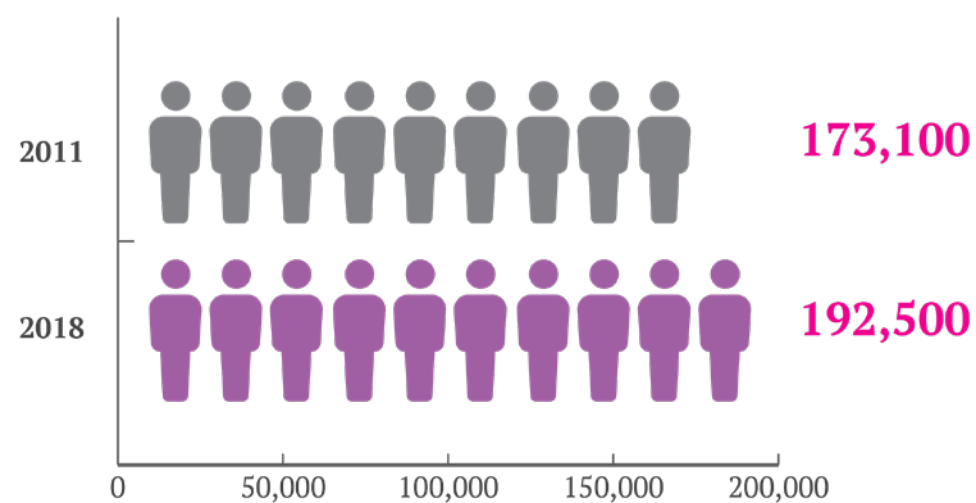
Source: EEFM



Population

Over this period Colchester's population has been estimated to have grown by 11.2%.

The longer-term projection is for further considerable growth driven from key growth sectors and also from significant drivers such as the proposed North Essex Garden Communities. Population growth will require growth in a variety of sectors, such as health and care, which could present an opportunity for new company formation, company relocation to Colchester and expansion of existing companies here.

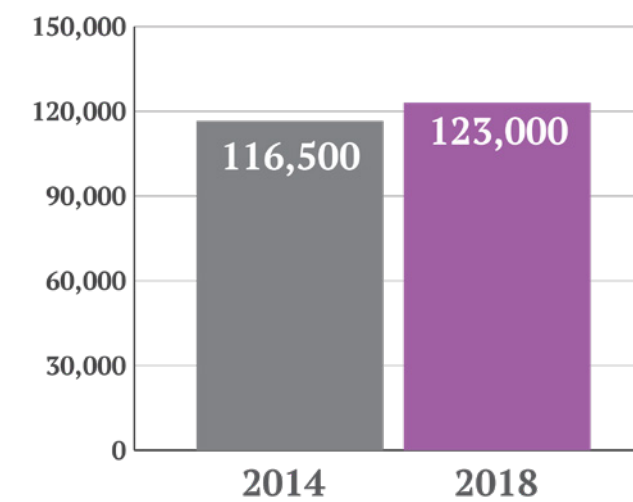


Source: Nomis ONS

Working Age Population

The working age population has grown by 5.6% over this time.

It's also clear that considerable growth is taking place beyond the working age population band, particularly in the older age groups.



Source: Nomis ONS

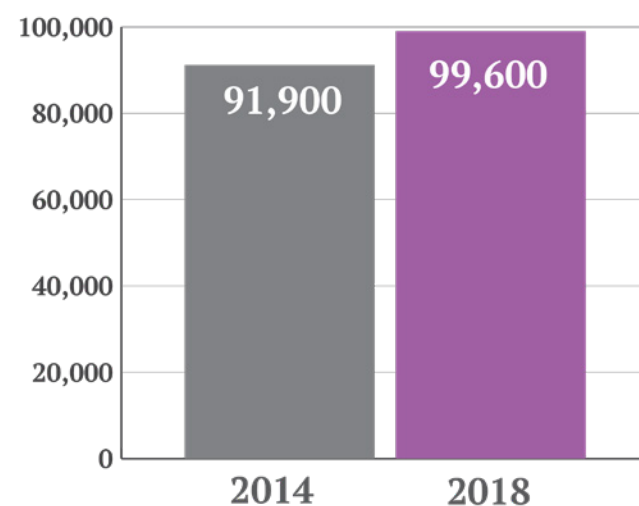


‘Economically Active’ in the working age population

There are many reasons why people might not be economically active.

For instance, students are officially assumed to be ‘inactive’, as are retired people among others. Between 2014 and 2018 the economically inactive group grew by 5.3% which probably reflects growing numbers of people of retirement age.

As a proportion of the total working age population there were proportionately more inactive in 2014 than in 2018 (22% in 2014 v 18.2% in 2018) but this could be due to changes in benefit criteria leading to fewer claimants.



Source: Nomis ONS

Stock of Business Space

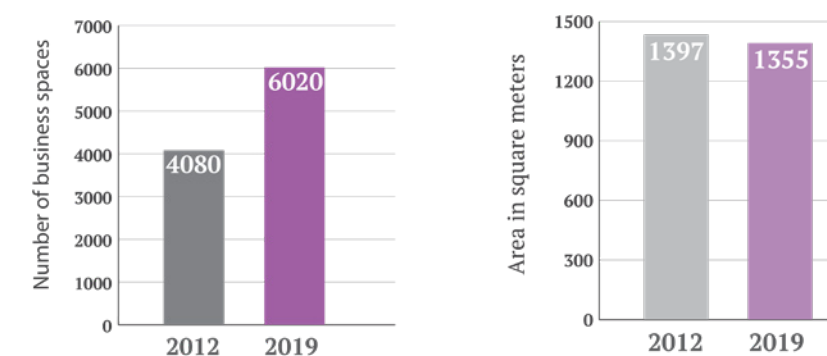
Number of business spaces

Area in square metres

47.5% increase in the number of business spaces
-3% fall in square meterage available for business.

The fall in **floorspace** probably reflects the impact of the **Permitted Development Rights** policy as included in the **National Planning Policy Framework** 2012 which enabled business space to be converted to residential space without the need for planning permission for the change of use. The national policy was revised in February 2019 but without change to this particular aspect.

The increase in the number of businesses reflects Colchester’s SME base and the flexibility with which some business centres operate; adapting spaces according to their tenants’ needs among other things. It would also reflect examples such as the Creative Business Centre at 37 Queen Street which was one business when it was a nightclub but now hosts 40+ as a Centre for creative SMEs. The challenge now is to create ‘grow-on’ space for those maturing start-ups.



Source: VOA



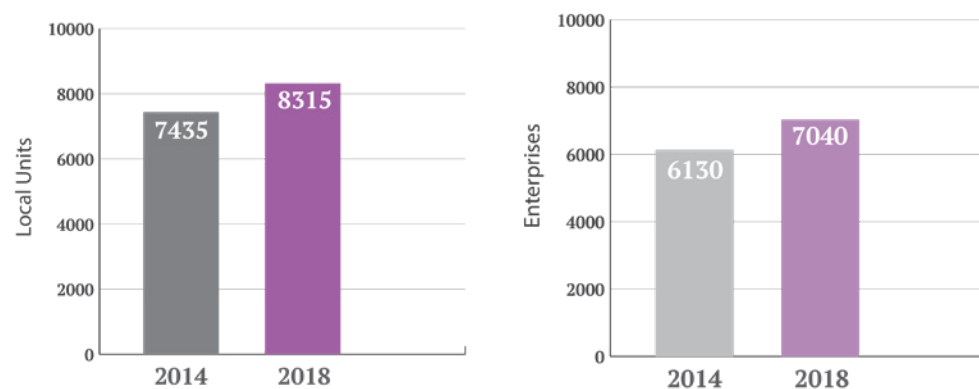
Number of Businesses

Local Units, Enterprises

The difference between local units and enterprises can be explained by chain businesses.

Tesco for instance is one business (enterprise) but has multiple units in Colchester (local units).

There was an 11.8% increase in the number of **local units** over this period compared with an increase of 14.8% in the number of **enterprises**.



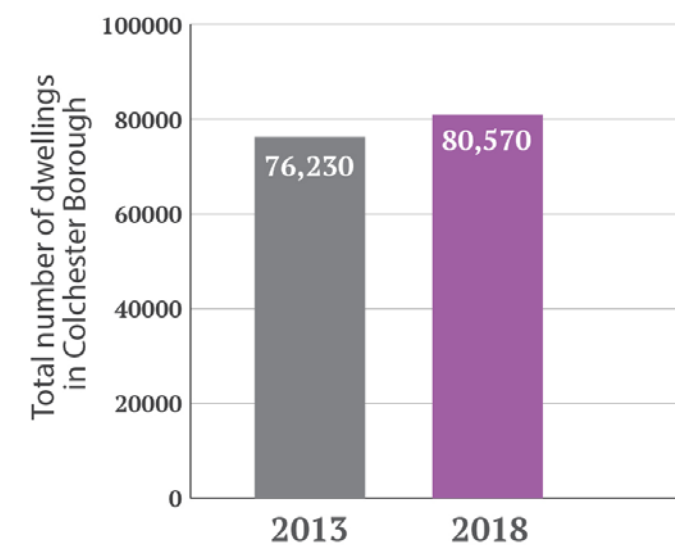
Source: ONS



Housing Supply

Colchester's Housing Strategy 2015-20 states the Council's commitment to maximising the supply of housing to meet the needs of local people.

Given the rise in population set out earlier in this dashboard, Colchester is therefore increasing and adapting its housing capacity too as this is critical for the effective function of the local economy. The total growth in housing between 2013 and 2018 was 5.7%.



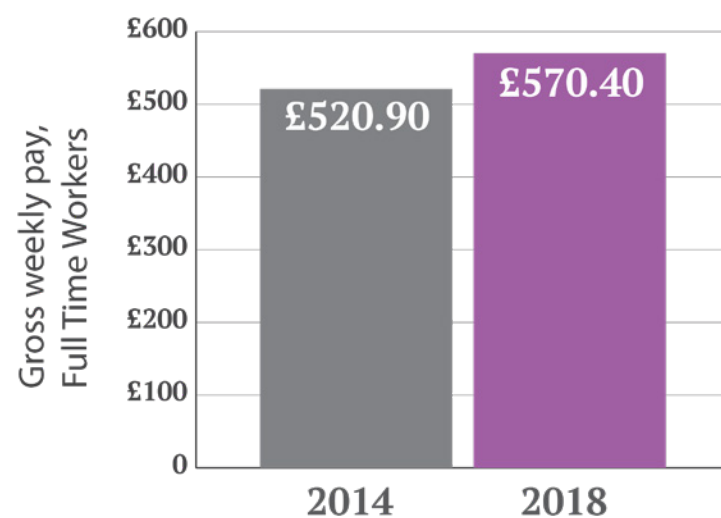
Source: Ministry of Housing, Communities & Local Government. Live Tables. Table 100





Wage Levels

Reflects a 9.5% increase in the gross weekly pay for full time workers by residence (as opposed to place of work which would be distorted by commuting for instance) over this time period. However, this doesn't reflect how many jobs people have nor self-employment, nor the difference between pay for men and pay for women which is significantly different.



Source: ONS



Indices of Multiple Deprivation

(national ranking out of 317 local authorities)

The Indices provide a set of relative measures of deprivation for small local areas with an average of approximately 1,500 residents or 650 households across England, based on seven different facets of deprivation:

- Income Deprivation
- Employment Deprivation
- Education, Skills and Training Deprivation
- Health Deprivation and Disability
- Crime
- Barriers to Housing and Services
- Living Environment Deprivation

Colchester is characterised as having relatively low levels of deprivation. The least deprived is the 317th place in England so the rise in the 2019 ranking for Colchester means that deprivation in Colchester has worsened slightly since 2015. However, some of the individual indicators have seen improvement.



Source: Department of Housing Communities and Local Government



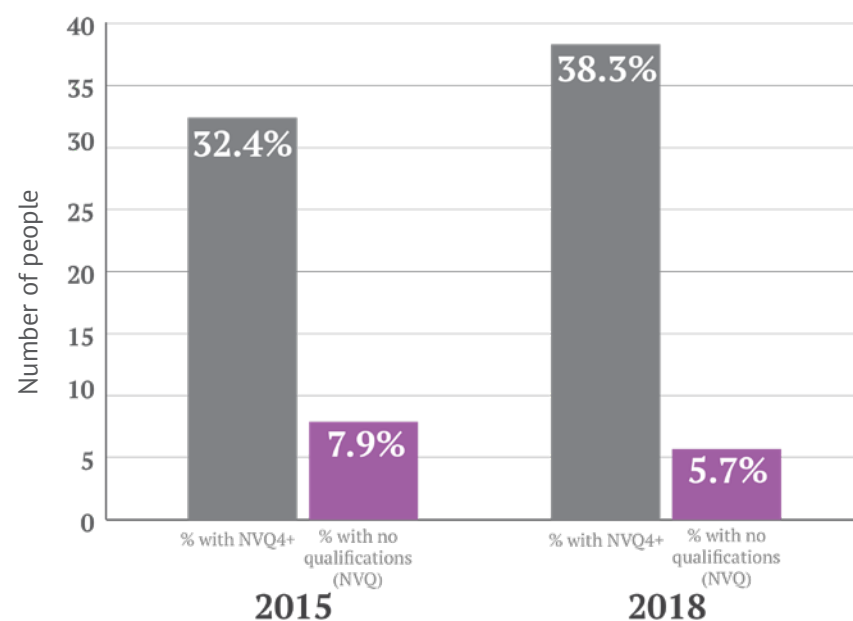
UK 2019 VITALITY INDEX

Skills

NVQ level 4 and above,
No qualification

Colchester is becoming more qualified and has fewer people now with no qualifications.

This figure is **better** than both the **regional** and **national figures**. Similarly, the number of people with Level 4 qualifications is higher than the regional figure but just 1% below the national figure. At a superficial level this means that the labour supply here is improving in terms of qualifications.

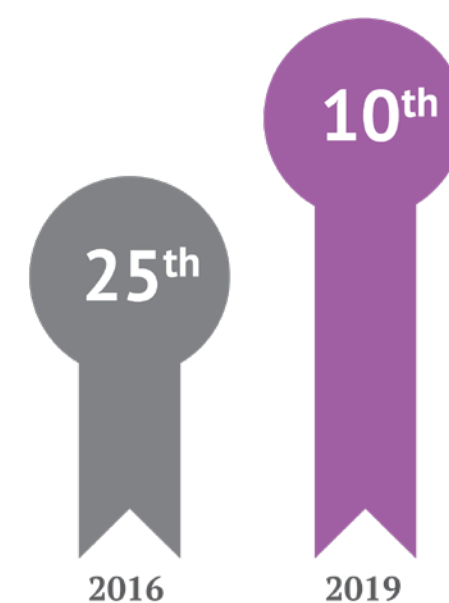


Source: ESB Colchester Profile 2019

UK Vitality Index Ranking

Lambert Smith Hampton publishes an annual UK Vitality Index Rating for **66 places** around the UK (Outside of London).

Colchester has dramatically risen mostly due to the Borough's rapid growth rate. The UK Vitality Index scores each location against 20 data sets. High scoring towns and cities have healthy and robust local economies, are best placed to support growth and will provide opportunities for business to expand.





Rightmove 'Happy at Home Index'

The UK's largest property portal, Rightmove.go.uk, publishes an annual 'Happy at Home Index'.

In 2019 more than 22,000 people completed the survey which asks residents about how happy they are where they live as well as asking them to rank 12 happiness factors. The 12 factors range from how safe residents feel, to how good local services are, the level of community spirit and the quality of cultural activities in the area. In 2019 194 places featured in the survey.



National rank



Eastern regional rank





% Change 2013 compared with 2018								
Place	Local Enterprise Partnership (LEP)	ONS Fastest Growing	% Population Growth 2013-18 %change	Working Age Population	Economically Active	Wage Levels gross weekly pay, FT workers, by place of residence	Number of Businesses (Local Units)	Stock of Business Space (Stock of properties)
Coventry	Coventry & Warwickshire LEP	1st	11.6%	14%	18.3%	7.3%	26%	11%
Corby	SE Midlands LEP	2nd	10.2%	7.9%	11%	2.5%	49.9%	15%
Dartford	South East LEP	5th	9.2%	7.9%	12.4%	18%	30.1%	11.3%
Colchester	South East LEP	8th	8.1%	7%	4.5%	12%	14.8%	11.5%
Exeter	Heart of SW LEP	13th	7.7%	8.4%	13.2%	10%	12.6%	6.5%
Bath & NE Somerset	West of England LEP	19th	7%	7.3%	13.4%	15.2%	13.4%	14.6%
Thurrock	South of East LEP	20th	6.9%	4.5%	3.2%	4.4%	37.9%	18.9%

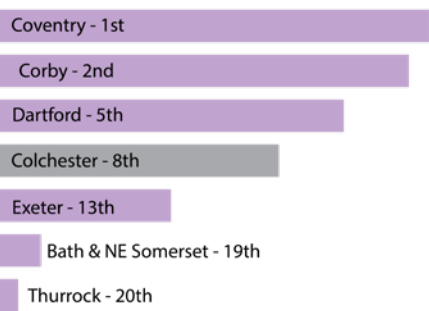
How Colchester Compares with other Fast-Growing Places

2013-18 based on ONS Population Statistics, January 2020.

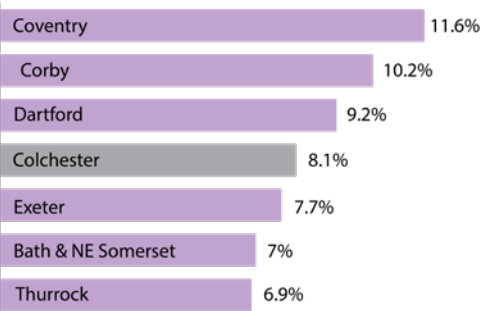
A comparison of data from the Office for National Statistics (ONS) in January 2020 highlighted the **fastest growing council districts** in the country in terms of population growth.

Colchester is ranked **8th** in the country with an **8.1%** population growth between 2013-18. A further comparison of key data reveals that, in this list, three of the top 20 fastest growing places are in the South East LEP area, reinforcing the south

east as the UK's key economic driver. Change in population size has four components: **births, deaths, immigration and emigration**. In 2018 the ONS stated that migration remained the main driver to population growth. However, the structure of the UK's population is changing: **people are living longer and having fewer children which means that the age structure overall is shifting towards later ages**.



Fastest growing council districts

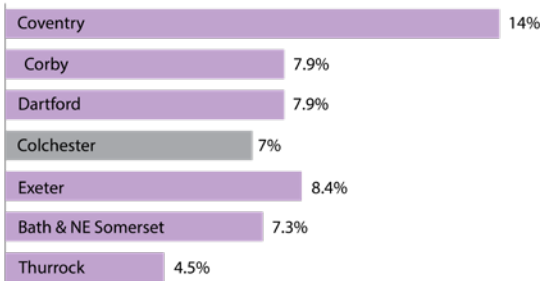


Population Growth

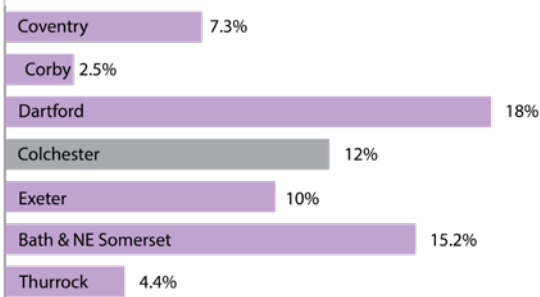
The Working Age Population (WAP)

will therefore be essential to support the increase in the elderly population, particularly if not matched by health improvements. There will be ever-greater pressure on public finances, as a relatively smaller WAP supports growing spending on health, social care and pensions. This plays out in Colchester too. Between 2013-18 there was a **1.1% deficit gap** between population growth and the working age population in Colchester. Only Coventry, Exeter, Bath and North East Somerset showed a growth in WAP greater than the growth in the population as a whole.

The next consideration is how many of the WAP are economically active and whether this is rising or falling. The



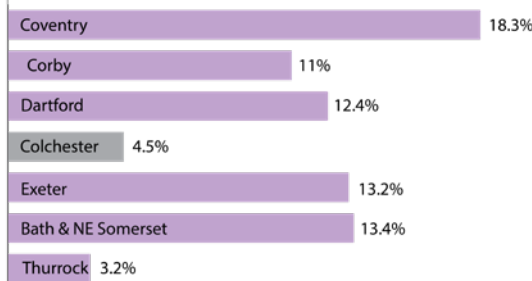
Working age population



Wage Levels

labour supply consists of people who are employed, as well as those people defined as unemployed or economically inactive, but who could potentially be part of the labour supply. **Economically active people** are either in employment or unemployed. At **4.5% growth** between 2013-18 there is an issue for Colchester as it had the second lowest growth of economically active people in this list of fastest growing towns.

Though a 12% rise in **wage levels** seems healthy there is more subtlety here. The figures don't include part-time work nor self-employment and the rise has not been equal for men and women. It should be noted that commuting, especially to London, distorts wage levels masking lower wages in Colchester itself.



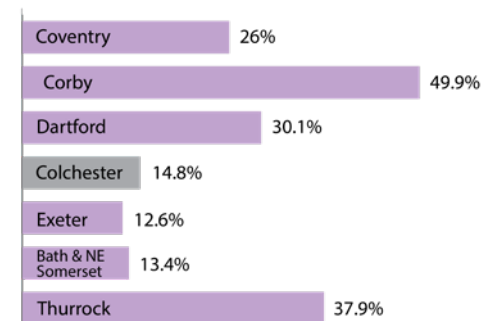
Economically Active



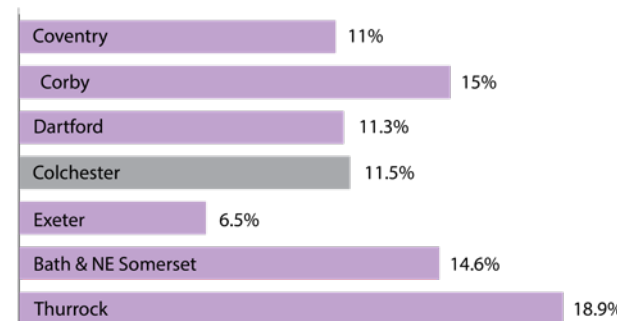
And of course the working age population needs places to work. So, looking at the **number of businesses** in Colchester and, at just under 15% that growth rate is around half of that of Coventry. There are many reasons for this and geography might be key. Coventry is in the heart of the country benefitting from its proximity to Birmingham and the motorway network.

Similarly, **stock of business space** is critical as many businesses need space to

move in to. Colchester performs well here compared to the other fastest growing towns in this list. However, the superficial nature of these figures masks the significant local need for expansion or 'grow-on' space for the start-ups which are being hosted in the Borough's many new business centres such as 37 Queen Street and the Innovation Centre at the University of Essex.



Number of Businesses



Stock of Businesses Space

Mid-Term Data Dashboard
Baseline Data compared with Latest Colchester Economic Growth Strategy 2015-21

If you would like to discuss any aspect further please contact us.
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