

# Case Study

Economic Growth Advisors Programme



## Basildon Borough Council

### Working with the engineering and manufacturing sector in Basildon

#### Key themes covered by the case study

- ✓ An economic growth strategy
- ✓ Business engagement and retention

# Summary

## Objectives of the project

Basildon has a rich heritage of Manufacturing and Engineering the roots of which can be traced to what was formerly the Ford tractor plant (now New Holland Agriculture, part of the Fiat Industrial group) and Ford's Dunton Technical Centre. Over the years the borough has experienced growth in population as well as its economy, to become the largest economy in South Essex and one of the largest in the Thames Gateway region.

Despite this growth, Basildon like many other areas finds itself increasingly susceptible to macro-economic challenges in the global economy, and whilst the economy is showing continual signs of improvement, the economic crisis prompted the council to think more carefully about how it can retain, support and develop the businesses that have sustained the borough over the past 50 years. Which is why Basildon Council's latest corporate plans places a specific priority to support and develop the local economy and recognises that the borough's highest value sectors are the key to a strong and thriving economy.

The basis of our bid for the LGA's Economic Growth Advisor Programme stemmed from a desire to explore the scope and opportunities for the Council to work with engineering and manufacturing sectors in order to facilitate collaboration with a view to developing a cluster of complimentary industries. Our approach was to appoint a consultant who would work with companies in the engineering sector by conducting primary research in order to ascertain the appetite for collaboration with other firms in the borough and taking this forward by means of a pilot project.

## Rationale for project

Basildon's economic story has been one, generally, of success. However, the council recognises that there are threats posed by macro economic challenges faced in the global economic landscape. Despite a wide programme of activity by the authority, it recognises that to ensure resilience in the economy, the council must encourage diversification, particularly in the advanced manufacturing and engineering sector. The base of companies located here operate in niche sectors such as the Aerospace, Automotive, Defence and Medical sectors and whilst there has been interconnectivity between businesses in these supply chains; there is the potential for the development of a cluster of complimentary industries. As the project sought to build resilience into the borough's economy, a lack of delivery would result in a possible stagnation of the economy over a period of time due in part to a lack of coordinated development and support provided by the council.

The project intended to bring together interested parties in the manufacturing and engineering sectors to explore opportunities for them to collaborate and then to broker their involvement into a project that could be launched by the end of the project

# How your project was delivered

## Project Methodology

It became apparent during the project that whilst the original aspirations of facilitating collaboration of companies on a particular task were laudable the ability to do so within the constraints of this project was limited. As such the focus of the project was to ensure that any options and actions developed as a result of this project were demand-led and responded to the concerns and requirements of companies in the Engineering and Manufacturing sectors in Basildon so as to form a realistic action plan that could be taken forward by the council's economic development team.

Our approach comprised three principal components. First, an assessment of the current capabilities and key prospects of local advanced manufacturing and engineering companies was undertaken (January 2014). A survey poll of a third of the companies involved in the Manufacturing and Engineering Cluster Group was also undertaken to understand their motivations and collaboration priorities (20 out of 66 companies responded to the survey in January 2014). Several key stakeholders (including local officers, the chair of Manufacturing Group and also Essex County Council) were also consulted at this stage to get an appreciation of what was happening locally.

Following on from the employer research, dialogue with key firms continued through an employer workshop held in February 2014 at Case New Holland to determine their growth aspirations and appetite for working on growth related activities. The event also received some coverage from a local centre of excellence [which can be found <http://www.hssmi.org/basildon-engineering-and-manufacturing-group-what-will-make-business-better/>]. The survey poll and the workshop helped to identify local collaboration activities and the workshop was a good opportunity to gauge employer views. Following this, further discussions with key players involved in supporting local firms including local authority contacts at Essex and Basildon, the High Speed Sustainable Manufacturing Institute (HSSMI) and national providers supporting the sector including local representatives from the Manufacturing Advisory Service (MAS), UK Trade and Investment (UKTI) and others. The idea was to ensure that any activities that were developed complemented existing activities and that Basildon should be able to capitalise on locally available support and expertise. These consultees helpfully discussed and offered observations on any emerging ideas to ensure they are credible and practicable. The final stage of the study involved the identification of some relevant and realistic activities that could be pursued in light of the above. These very much build on the earlier employer observations and are designed to give the Basildon Council's economic development team some fresh thinking about how the manufacturing and engineering sector can be supported in future growth ambitions.

## Key findings and outputs

The analysis from the project determined that just over 1% of the people employed in England in 3 particular sub-sectors of manufacturing (the manufacturing of machinery & equipment, motor vehicles and fabricated metal products) are located in Basildon. The research also identified that manufacturing in Basildon comprises 10,869 direct jobs and a further 6,630 indirect and induced jobs generating an estimated GVA of £719 million and an estimated total GVA of £1.16 billion. Key findings from the engagement with businesses found that:

- The 3 overarching challenges as a major barrier to growth are; the wider economy, skills and competition from overseas
- The majority of them are exporters and for many of them international business is integral to their growth aspirations
- Half of them identify themselves as market leaders for research and development. There is scope for the other companies to work with these market leaders in order to capitalise and innovate
- There is an appetite for collaboration between Basildon companies
- There was a keen interest to hear about loans, grants and equity funding as well as expertise and advice aimed at manufacturers
- Skills remains a major concern – 80 per cent required more information of local training and recruitment initiatives
- There is a continued need in making local connections and/or networking.

Based on these outcomes a suggested action plan was developed along 4 pillars with actions assigned varying degrees of priority.

The pillars include;

- 1) Information, intelligence, and dialogue
- 2) Enhancement of Skills
- 3) Growing the Sector through investment and trade and
- 4) Manufacturing Futures which explores how leaders in local firms might plan to remain resilient in response to the changing face of manufacturing.

Elements of the suggestions actions from this project are now being incorporated in to the Council's Economic Development Action plan which is in the process of being drafted giving an opportunity for this study to directly impact service and support provision to businesses in the borough. In addition to this there is an opportunity for this study to be expanded to a larger area. Basildon Council are now collaborating with Thurrock, Havering and Barking and Dagenham with regard to pooling of Business Rates and a newly formed working group of officers from these authorities are exploring a number of collaborative projects around Economic Development of this wider area. There is an opportunity to potentially use this study as a template to conduct a similar one in order to see how the dynamics of the engineering and manufacturing sector change across this wider area and what would be required to stimulate and encourage growth of these sectors.

## Economic benefits

This study offers a number of avenues that the council can incorporate into its programme of work to support the local economy. Outputs of the various tranches of work include:

- Raised aspirations and awareness of career opportunities available to young people. Helping young people prepare for the world of work. Positive impact on recruitment and retention. Help the Council raise standards amongst schools and employer/school engagement.
- Raise the profile of the area and image of Basildon amongst investors. More co-ordinated system for handling inward investment. Greater use of the facilities locally securing more business for vehicle, system and component manufacturing and testing

(enhancing utilisation at existing facilities). Ultimate aim: new inward investment and new jobs.

- Business growth and new markets through targeted and effective referral, new job creation/GVA.
- Business growth and new markets through targeted and effective referral. Number of experienced exporters assisted to develop new export markets. Trade mission with 4-5 companies.

The council hopes to adopt some the recommended actions into its overall Economic Development Action Plan to supplement its support the local economy.