Welcome to Colchester’s first Annual Economic Report, a ‘state of the Borough’ digest to help businesses plan for the future.

This Annual Economic Report is one of a number of publications aimed at helping existing local businesses with their growth plans. We also hope that it offers a high-level snapshot of Colchester to potential inward investors.

The www.colchesterultraready.com website has more information for business which will be useful in planning business finance, managing costs, sourcing the right skills and seeking properties/locations for growth.

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The employment sectors featured in this report have been identified, along with others, in Colchester’s Economic Growth Strategy 2015-21 (September 2015) as key to Colchester’s future economic prosperity.

www.colchesterultraready.com
www.colchester.gov.uk/economicstrategy
The Colchester Annual Economic Report 2015/6

- A dashboard of key economic indicators featuring the latest data available on business demography, population headlines, employment, earnings, skills and house price trends.
- Snapshots of some employment sectors identified as key drivers of economic growth.
- More about the new Ultrafast Broadband service in the town centre and the benefits it will bring to business.
- Locations for growth: The Colchester Northern Gateway emerging sport and leisure destination and the University of Essex.
- Skills development: growing our own.
**Business Demography**

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**Commentary**

There has been a 7% increase in the number of businesses in Colchester from 2010 to 2015. 83% of businesses in 2015 were Micro businesses, 14% were small and only 6% were considered medium or large.

<table>
<thead>
<tr>
<th>Micro [0 to 9]</th>
<th>Small [10 to 49]</th>
<th>Medium [50 to 249]</th>
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**YEARLY TOTALS**

<table>
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<th>Total</th>
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</tr>
<tr>
<td>2011</td>
<td>7200</td>
</tr>
<tr>
<td>2012</td>
<td>7280</td>
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</tr>
<tr>
<td>2015</td>
<td>7905</td>
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Figures may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology.

**GVA and Productivity**

Gross Value Added (GVA) is the measure of goods and services produced in an area and an increase in GVA indicates economic growth.

**Commentary**

Labour productivity has been increasing and the predicted trend indicates that the number of businesses and employment opportunities will continue to grow.

- Colchester
- Essex
- East

Source: GVA series from East of England forecasting model.
GVA per Capita (000s, £s, 2010 prices)

Commentary
There was a slight decline in GVA per capita in 2013 for Colchester although this is gradually increasing every year since and this is expected to continue.

Colchester
Essex
East

Colchester
Essex
East

Total GVA (Millions)

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<td>133,388</td>
<td>136,876</td>
<td>140,426</td>
<td>144,057</td>
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Source: GVA series from East of England forecasting model.

Mid 2015 Population Estimates
Since the 2011 Census, there has been an estimated increase of 6% in the Colchester population. In mid 2015 the population of Colchester was estimated at 183,959.

<table>
<thead>
<tr>
<th></th>
<th>UNDER 16s</th>
<th>16 – 64</th>
<th>65+</th>
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<td>Colchester</td>
<td>34,354</td>
<td>118,031</td>
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</table>

Source: ONS 2016
Employment and Unemployment Data

Commentary
Employment levels have risen in Colchester and have remained constant in the East of England and Great Britain. In 2015 Colchester has the highest rates of employment and the lowest rates of unemployment in comparison.

Colchester

East

Great Britain

Comparison Chart

Source: ONS Annual Population Survey 2016
Earnings by Residence

No. of households by household income (£000), Colchester Borough, 2015

Commentary

The average pay for both men and women has increased since 2010 except for females in Colchester which has dropped by £1.70 per week.

All hourly pay rates have increased by a minimum of £0.70 with the exception of men in Colchester where the average hourly rate has dropped by £0.21 possibly due to more men doing part-time work.

The average hourly wage now in Colchester is lower than both the East of England and Great Britain, however, the weekly pay for males is higher than both the East and Great Britain and also higher in 2015 than 2010 which indicates that men are working longer hours.
Skills – qualifications and apprenticeships

2015 vs 2010

Commentary

The number of employed people in Colchester, Essex and Great Britain that have an NVQ has increased between 2010 and 2015 showing that Colchester now has a higher skilled workforce than in 2010. Great Britain has almost 1% more of its working age population without any qualifications compared to Colchester and Essex. Colchester has 3.3% more of its population with a level 4 NVQ or equivalent than Essex.

Source: ONS annual population survey.
Property prices have steadily increased since 2010 in Colchester. House prices have increased in the East of England and England as a whole, although prices temporarily dropped in 2012.

The number of new builds in Colchester has dropped for both houses and flats although in the East of England and England overall, the number of new houses built has increased.
Colchester: A Creative & Digital Hub

Colchester is poised to take advantage of its geographical and economic position in relation to the Creative and Digital Industries. One of the fastest growing towns in the country, it is increasingly attracting highly qualified professionals from London as the shift East of London intensifies, as a reaction to the capital’s housing price boom. Conveniently located for London, Colchester is a great location to do business and the quality of life is high. Evidence shows that key elements of Colchester’s creative economy are thriving, in particular digital media, advertising and architecture.

At-a-glance sector profile

- The recent NESTA/ Creative England report puts Colchester on the national map for its creative cluster ranking the town 20th out of 47 places in the UK, beating Brighton and Newcastle for concentration and growth of creative industries.
- Around 6,587 people are employed within Colchester’s creative industries representing 5.7% of all employment.
- With an average of 7 people in each firm in more than 865 business units, Colchester is the largest creative economy in Essex and the wider Haven Gateway area.
- The sector spans advertising, architecture, art, antiques, computer games, crafts, dance, design, fashion, film, music, museums, theatre, publishing, software, television & radio. The GVA of the creative and digital industries in Colchester was £332.5m in 2016, 7.5% of the total GVA.

Research for the Creative Colchester Strategy has highlighted a major skills challenge for the sector as well as a need for professional workspace.

Colchester’s fast links to London and particularly creative and digital hubs in East London such as Tech City are increasingly attractive to the Creative sector.

The area has a large thriving community of skilled creative businesses, yet at the same time it holds a wealth of cultural and creative heritage influenced by a historic association with print and design which has long appealed to creatives.

As well as being known as an historic town with features such as the Norman Castle, Roman Wall and quirky historic areas such as the Dutch Quarter, it has close proximity to the Stour Valley and ‘Constable Country’ as well as adjacent coastal communities of Wivenhoe, Rowhedge and Mersea Island, all home to practising artists.

The Mercury Theatre, Arts Centre and Firstsite gallery, as well as the new workspaces at the Creative Business Centre at the Old Police Station, present a contemporary cultural offer and provide hubs for creativity and innovation.

The opening of the £28m Firstsite contemporary visual art gallery in 2011 spearheaded the development of the eastern edge of the town centre as a burgeoning creative hub.

Work is progressing to convert the old Police Station in Queen Street into a state-of-the-art £2.6m creative and digital business centre. The Creative Business Centre at the old Police Station is a key project to provide workspace, networking and showcasing facilities for the creative and digital industries and will be an important addition to the regeneration of the eastern end of town.

The Creative Business Centre will offer flexible working space for around 250 people alongside meeting and networking areas and a large courtyard. It will offer around 20,000 sq. ft. (around 40 units) of lettable business incubation spaces. There will be a restaurant and café on the ground floor. Importantly for digital and software businesses the Centre will have state-of-the-art connectivity with ultrafast Broadband 10x faster than what is currently considered to be ‘ultrafast’ – a first for a town in East Anglia.

The Centre opens in Autumn 2016 and will offer gigabit connections to each workspace; a first for Colchester.

SPACE Studios have been appointed as the operators of the centre. SPACE is a leading visual arts organisation based in East London. It runs 18 artist studio buildings across seven London boroughs, providing affordable creative workspace and support programmes. This is SPACE’s first expansion outside the capital and it is a key part of its long-term strategy to develop a creative industries production corridor linking East London with Essex.
Colchester: A Creative & Digital Hub

Hot on the heels of the Creative Business Centre will be a new Curzon Cinema anticipated to open in 2018. Curzon is an expanding art house cinema brand with 10 venues around the UK. This development comprises a 3 screen Curzon cinema and the opportunity to rent two ground floor restaurants with high quality external seating to the rear overlooking Firstsite.

These new developments join the existing Minories Art Gallery, the 15 Queen Street community creative workspace, The Waiting Room and the improvement of Priory Street car park which together are revitalising the eastern end of town.

Ultrafast Broadband – enabling the growth of creative and digital

Some 900 businesses in Colchester Town Centre will shortly benefit from the Council’s work with the private sector as one of the leading smaller, independent fibre network operators, County Broadband, takes on the management of Colchester’s town centre network. The network will be available to all service providers to roll out ultrafast broadband connectivity offering speeds unavailable until now. The network will be based on pure fibre technology and will propel Colchester Town Centre forward to one of the very best connected places in the UK. Subscribing businesses will enjoy speeds higher than 99% of those available across the UK, and 89% across the EU. The new service will be available at the Creative Business Centre from its opening, and will become a cornerstone of future business investment in the Town Centre.

The Council aspires to expand the ultrafast network to other key regeneration and economic growth zones during 2016/17, particularly the key Northern Gateway development zone adjacent to the A12.
Colchester:  
A cluster for Advanced Manufacturing and Engineering

Colchester has a strong presence of advanced manufacturing businesses, building on its engineering and industrial heritage.

Identified as a Priority Sector for growth, Advanced Manufacturing is the integration of technology based systems and processes in the production of products to the highest level of quality and in compliance with industry specific standards.

Using the OECD classification of manufacturing based on technology, Colchester’s cluster contains 65 firms (1.0% of all businesses) employing 1,200 people (1.5% of all employees) but is estimated to contribute as much as 10% of the local economy’s GVA.

Most enterprises are micro and small (up to 49 employees) and in specialised sub-sectors such as acoustic engineering, process control equipment, special purpose machinery and much else.

However, there are some big names in the Borough, notably Flakt Woods – fans for industrial cooling and ventilation, Marel – industrial food processing equipment, and 600 UK – producing bearings, gears, gearing and driving systems.
Tourism: New Hotels Realising Colchester’s Tourism Potential

Colchester is fast becoming the place to visit in the East of England. Over the past five years new hotels have added more than 180 rooms the town’s hotel base which equates to more than 65,700 additional room nights a year. These new developments have also brought an additional 100 full time equivalent jobs to the town and with further projects in the pipeline such as the new Curzon Cinema and blockbuster exhibitions at Firstsite, the future for Colchester tourism looks bright.

But it’s not just hotels. A new development of serviced apartments in Museum Street are also coming forward as part of Surya’s plans to refurbish The George Hotel and will also showcase Roman archaeological remains under glass in the restaurant on the ground floor.

With the recent £4.2m investment in redisplaying the Castle • investments in the two major shopping centres • the £40m refurbishment of Williams & Griffin by Fenwicks • the discovery of the Fenwick Hoard of jewellery hidden from the Boudican rebellion in AD60 • The Mercury Theatre’s recent announcement of its £9m redevelopment plans • a host of new places to eat and drink such as The Cells, The Church Street Tavern and the Three Wise Monkeys. Colchester’s visitor offering is even more compelling.
The value of pure visitor spend to Colchester borough has risen by 288% from £63.1 million in 1993 (base year) to £245 million in 2014.

There was an additional £76.4m generated by tourism in local businesses supplying tourism businesses with goods and services (the multiplier effect).

Making a total value of tourism to Colchester Borough in 2014 £321.6m, a 3.6% rise year on year.

Colchester attracted over 6 million trips from visitors in 2014 (up 114% on the 1993 figure of 2.8 million).

Tourism supports 5967 actual jobs (up 127% on the 1993 figure of 2,685) and supports more than 700 businesses locally.

Source: Economic Impact of Tourism, Colchester Borough 2014.

There are few destinations, especially in the East of England Region, which have had such tourism growth over recent years. The investments taking place and the annual tourism statistics demonstrate the ambition and intention to sustain and grow visitor activity, to retain our current visitor base and capitalise on the Colchester area’s considerable tourism potential.
Colchester is a fast growing place and it’s important that local people have all they need to enjoy and get the most from their lives here.

Multi-million pound investments have already been spent in North Colchester on the new Junction 28 off the A12 and more has been invested in the Park & Ride and new link road into the town centre.

There are more plans in North Colchester for a completely new fun and adventure space for local people and visitors alike. From walking and cycling to extreme sports, the area around the Weston Homes Community Stadium will fast become a ‘must go’ place.

North Colchester is all about healthy active lifestyles and leisure time, spending it with friends and family, having a go at new things, doing business meeting new people and creating great memories together.

Colchester’s Northern Gateway will be a great social place; the kind of place you can proudly post on Facebook, the kind of place where you can have an excellent time with friends and family. It will be somewhere that you can have a go at new sports or play old favourites, make new friends and eat and drink together and keep going back.

The surroundings will be attractive too. With a tree-lined central boulevard with restaurants and cafes in beautifully designed modern buildings using the latest technology to be as green and sustainable as possible, the new Northern Gateway will have an Olympic Park-type atmosphere and a strong sense of place – especially when our teams are playing at home.

All this will be set sensitively in the surrounding landscape with a swathe of green parkland running through the site.
Colchester’s new Northern Gateway: a new regional Sport & Leisure Destination

The Weston Homes Community Stadium was completed in 2008 and is home to Colchester United FC. It also plays host to large-scale events and has recently provided a venue for gigs by Sir Elton John and Lionel Richie.

Opposite the stadium a David Lloyd Leisure Club, which specialises in racquet sports as well as other types of sport and fitness, is being built and will open in Autumn 2016. There will be a new sports centre including a ‘Cyclogym’, badminton courts and a high quality café. Outdoor uses will include rugby, archery and a dog training club and two new 3G artificial pitches plus a new centre with a cycling race track, learn to ride area and BMX course to provide a sub-regional focus for cycling. There will be public access to informal walking, cycling and horse-riding routes set in high quality landscaped parkland with connections to the wider area and across the A12 to south side leisure attractions. It is anticipated that this development will be open from Summer 2019. There are also plans for an IMAX Cinema.
January 2016 saw the official opening of a new Business School at the University of Essex. The new venture is located in a £21m building which features sustainable elements including a ‘living’ roof, has its own micro-climate and has been designed to lower its carbon dioxide emissions to a level where it is completely carbon neutral.

The business school is part of the University’s largest expansion in its 50 year history and follows the opening of the £26m Silberrad Student Centre last year; the Royal Institute of British Architects (RIBA) Eastern Region Building of the Year 2016. The new business school, has a 250 seat lecture theatre and a new library, and also provides the University’s 13,000 students with experience of a real trading floor via terminals offering data, information and analytics direct from worldwide business company Bloomberg.

The school creates a collaborative environment where students, staff and business partners can work together to solve global business challenges and enable students to develop the knowledge, skills and integrity to flourish in a global marketplace.

This project is part of the University’s ambitious growth plans which will see some £250m investment between 2010-20 and a growth of 50% in student numbers to 15,000 by 2019.
The University’s plans include facilities to cater for businesses at all stages of their life cycle from start-ups at the new £10m Innovation Centre opening in 2017 and welcoming some 50 businesses to grow-on space at Parkside. There are even ambitions to build Blue Abyss the world’s deepest dive pool. At some 50m deep it would be the world’s first commercial ‘Space Environment’ simulation facility for aerospace research and development including potential to train humans for spaceflight.

But it’s not all about buildings. As one of the top 2% of universities in the world and in the top 20 in the UK for research excellence, the university is also rightly proud of its recent ranking of 2nd in the country for student satisfaction and its cosmopolitan student community. With some 130 countries represented, it is indeed the world in one place. Its key specialisms are social science, data analysis, creative and digital and computer science.
Growing Our Own

Colchester has a working age population of 91,800 people of whom 81% are employees and 19% are self-employed. As a sub-regional centre, the Borough also attracts its workforce from neighbouring authorities in North Essex and South Suffolk. However, Colchester’s proximity to London also means that the Borough has significant out-commuting, an issue which the Council is keen to balance through attracting greater inward investment activity.

Colchester is well positioned to retain more talent local and ‘grow its own’, with a range of high quality education options which generate an abundance of talent to help local businesses grow and prosper. The Borough has 63 primary schools, 10 secondary schools, the Colchester Institute as the Further Education College, the Colchester 6th Form College and the University of Essex. Two of Colchester’s secondary schools, The Colchester County High School for Girls and the Colchester Royal Grammar School, are both in the top 10 nationally for GCSE results.
Beyond the formal education route Colchester continues its skills development on a range of fronts. The Edge Hotel School at the Wivenhoe House Hotel is the country’s only hotel school set in a 4* operational hotel. The school offers a fast-track Hotel Management Degree designed to provide the best possible preparation for the realities of a job – and ultimately a successful career – in the hospitality industry. Together with Colchester Institute which offers 24 courses in catering and hospitality, Colchester’s tourism sector has a ready supply of highly trained people.

The Eastern Enterprise Hub is the leading provider of entrepreneurial support in the East of England. Supportive of would-be entrepreneurs across the piece, the EEH also runs the Games Hub in association with Shark Infested Custard and the University of Essex. On completion of the Games Hub training programme, which is fully funded and therefore free to applicants, the development teams are able to show their game to invited media, investors and publishers with the aim of getting investment to take their game to market. The programme has strong support from the gaming industry including Microsoft, Dlala Studios, Square Enix and Tower Studios.
STEM Strength Coming Through

A new £10 million teaching centre for science, technology, engineering and mathematics (STEM) students is to be built at the University of Essex creating a ‘science square’ at the Colchester Campus.

The new teaching centre will enhance provision of high quality laboratory and IT learning spaces, and will also support developments in interdisciplinary teaching, for example the University’s new degree programme in Data Science and Analytics. This Degree is based on Essex’s internationally-recognised research expertise in this area and engagement with employers and industry.

Work is due to start in 2016 and the new centre will open in 2017.

Responsive Relationships

Relationships are the key word in Colchester. There are strong links between Further Education, secondary schools, the University and industry. Currently The Mercury Theatre is working with the Colchester Institute to offer a Degree in Technical Theatre, including lighting, sound, stage management and scenic construction to address a skills gap caused by the increasing popularity of Festivals. In addition a playwriting competition and festival is being developed jointly with the University of Essex. A funding bid has been submitted to test the feasibility of completing on the job NVQs.
The University of Essex’s Knowledge Transfer Partnerships (KTPs) are supporting businesses to improve their competitiveness, productivity and performance by accessing knowledge and expertise available on campus.

KTPs provide solutions to a specific strategic issue such as product R&D or developing new management processes.

KTPs offer routes to competitive advantage – and ultimately to improve profitability. And with the University of Essex’s strength in hosting international students Colchester’s diverse labour pool continues to grow, offering many multilingual capabilities that add global value to businesses at a realistic cost.

Providing excellent standards of living, affordable housing and first-rate facilities in and outside of the working environment, Colchester is a great base for people to invest their lives.

**Join us on the Colchester Journey**

Colchester has been on a 2000 year journey. This Colchester Annual Economic Report 2015/6 gives a snapshot of the Borough economy in 2015. There is more information about doing business in Colchester [www.colchesterultraready.com](http://www.colchesterultraready.com)

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