



Haverhill Area Working Party 10 December 2009

Economic Action Plan

1. Recommendation

- 1.1 The Working Party is requested to put forward ideas for a new economic action plan.

2. Background

- 2.1 On 18 November 2009, the Overview and Scrutiny Committee endorsed a draft economic assessment for St Edmundsbury. The next stage is to produce an economic action plan which will build upon the information in the assessment to put forward proposals for what the Council can do to promote the economic prosperity of St Edmundsbury. The first draft action plan will be produced for the Policy Development Committee meeting on 13 January 2010. There will then be a period of consultation until the end of February 2010. The final assessment and action plan will go to Policy Development Committee and Cabinet in March 2010, ready for the actions to be implemented from the start of the new financial year.
- 2.2 In producing the economic assessment, the Council followed Government guidance which said that assessments should be strongly place-based. The assessment therefore had different sections for the two towns and the rural areas of the borough and it is proposed that the action plan should follow the same format. The section of the assessment dealing with Haverhill is attached as Appendix A to the report. Using this information as a basis, Members of the Haverhill Area Working Party are asked to put forward ideas for a new economic action plan for Haverhill.

For further information, please contact:-

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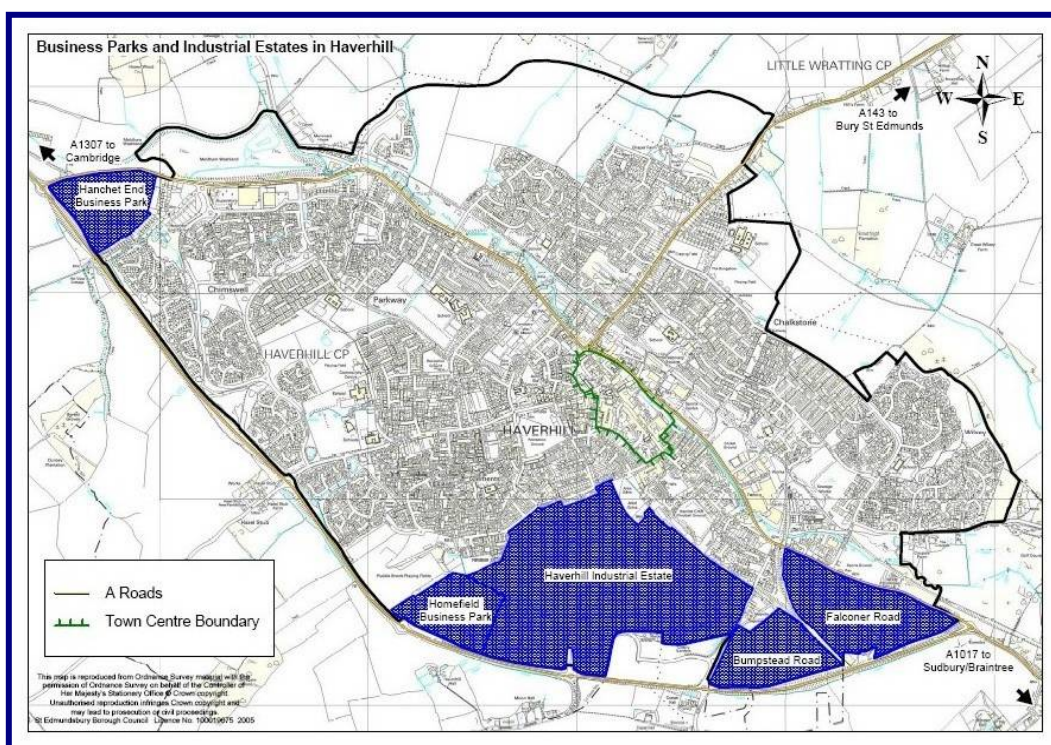
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Draft Haverhill Economic Assessment 2009

Extract from the draft St Edmundsbury Economic Assessment, November 2009

Key Findings

- ◆ Haverhill is in a key location on the A1307, close to Cambridge, the M11 and Stansted.
- ◆ It is the fifth largest town in Suffolk.
- ◆ Economically, Haverhill is part of the Cambridge market.
- ◆ The town is dominated by manufacturing.
- ◆ In the past ten years, it has performed more strongly economically than Bury St Edmunds.
- ◆ Haverhill is weathering the recession reasonably well, but there have been some large-scale redundancies and an increase in unemployment.
- ◆ The appearance of the town centre has changed dramatically over the past two years.
- ◆ Haverhill adjoins 'bio-country' in South Cambs and has important life-sciences firms.
- ◆ There is a wide range of businesses.
- ◆ There are five business parks in the town, one completely undeveloped.
- ◆ Haverhill has a strong business culture with two business organisations.
- ◆ Haverhill businesses want the council to help with business rates, improve the A1307, improve the town centre and improve planning and procurement.
- ◆ Haverhill's population structure is much younger than the rest of the borough.
- ◆ The 'NEET' (not in employment, education or training) rate is higher than elsewhere in the borough.
- ◆ Hanchet End is the most prosperous part of the town whilst Haverhill South scores highly on indicators for deprivation.
- ◆ Road links to Cambridge and Bury St Edmunds are not good and there is no railway.

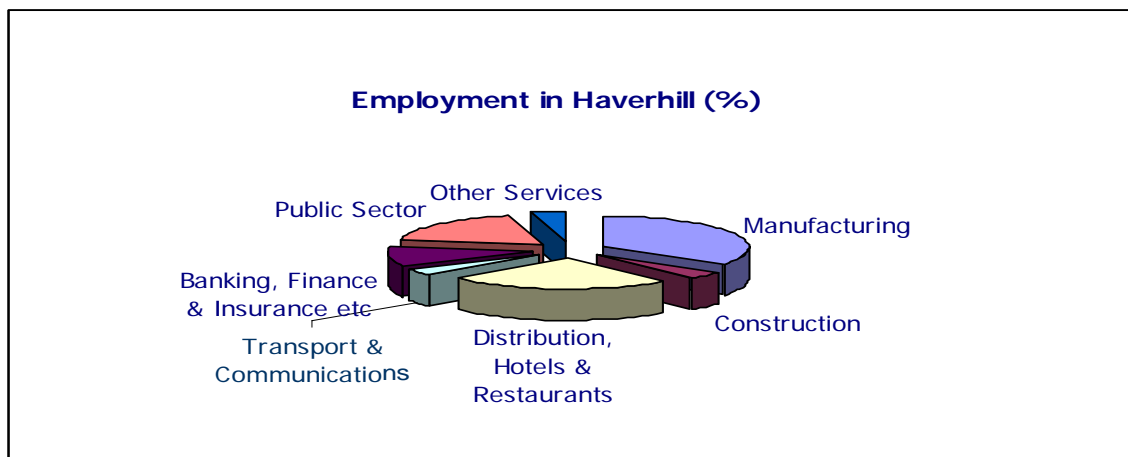


3.1 Economic Context

Haverhill's biggest selling point is its position. It lies on the A1307, less than 20 miles from Cambridge. It is close to the 'M11 Corridor', near Stansted Airport and on the cusp of three counties: Suffolk, Cambridgeshire and Essex. It is a town that has changed a great deal – and is still changing. It was originally a Suffolk market town, then in the Victorian period it became a manufacturing centre, principally for textiles. After the war, it participated in the Greater London Council's expansion scheme and grew rapidly. In the past ten years, it has experienced an economic renaissance, helped by its proximity to Cambridge. There has been much private house-building, and its population increased by 17.8% between 1991 and 2001, at a faster rate than in Bury St Edmunds. As a result, the town's social and economic profile has changed significantly and it has become more prosperous. Now its population is estimated to be 22,880 and it is the fifth largest town in Suffolk, after Ipswich, Lowestoft, Bury St Edmunds and Felixstowe. Economically, Haverhill, like Newmarket, is part of the Cambridge market, rather than being part of the Bury St Edmunds market.

3.1 Structure of Local Economy

The largest employment sectors in Haverhill are manufacturing (34.5%), distribution, hotels and restaurants (24.6%), the public sector (18.3%) and financial services (10.2%). Manufacturing accounts for over a third of all employment, in sharp contrast to the situation in Bury St Edmunds (*ABI*). Haverhill has a higher proportion of manufacturing jobs than most, possibly all, other towns and cities in the eastern region. Apart from Suffolk County Council, the largest employers are all commercial firms, such as Genzyme, the Herbert Group, Axa Insurance and International Flavours and Fragrances (see appendix 3).



Overall Economic Competitiveness of Area

Haverhill appears to be weathering the recession reasonably well. In 2004 the borough council drew up a masterplan document to guide its development. A new 'cb9' branding was developed for the town, reflecting its Cambridge postcode. The borough council started a ten year regeneration programme and has invested significant capital in delivering facilities and enhancing the appearance of the town. The most impressive new

development is the multiplex cinema on Ehringshausen Way, built in a partnership between the borough council and Citigrove Securities. This opened in October 2008 and includes a five-screen cinema and four retail and restaurant units. Other regeneration projects have included extending the Town Hall car park and enhancing Jubilee Walk and the bus station. In summer 2009, the leisure centre reopened after a £5 million refurbishment.

The retail sector has also grown significantly recently, with Tesco opening a large town centre store in September 2009, and Iceland, W.H.Smiths, Costa Coffee and Holland and Barrett opening shops on the High Street in 2008 and 2009. Tesco brought approximately 250 new jobs to the town and Iceland about 20. The new Tesco necessitated the rearrangement of the road system around the supermarket and pedestrian links to the town have been developed to encourage Tesco shoppers to go into the town centre, whilst the borough council has improved Queens Street to make it more attractive. The appearance of the town centre has changed radically over the past two years, therefore, and the addition of the cinema and Tesco have greatly increased footfall. In November 2009, there were about 188 shops and commercial premises in the town centre and there were 13 vacancies: a vacancy rate of 6.9%, within the range considered healthy by the ATCM.

Haverhill is close to 'bio-country' in South Cambridgeshire and has some important life-sciences businesses, such as Genzyme, Sigma-Aldrich and Intas Pharmaceuticals. Suffolk County Council is currently investigating Haverhill's potential for becoming a life sciences enterprise hub. Financial services are represented by firms such as Axa Insurance. Apart from these, the businesses in Haverhill are notable mainly for their diversity. A wide variety of new businesses have come to the town in recent years, such as Percy Dalton's Peanut Factory and Fingleaves Lingerie in the early 2000s. The new 80-bed Days Inn Hotel opened in 2007. In 2008, HID Corporation opened a new building producing security systems, and Culina opened a distribution centre for refrigerated products. Most development of employment land in the borough in recent years has been in Haverhill and the *Employment Land Review* comments that Haverhill has performed more strongly in economic terms than Bury St Edmunds in the past five to ten years.

Despite these encouraging signs, large scale redundancies have been reported in Haverhill in the past year, including Becker Acroma (55 in October 2009) and Sperling Retail Solutions (24 in April 2009), both manufacturing firms. The large number of redundancies at Vion has also hit Haverhill badly as many of its employees live in the town. Haverhill, with Sudbury, is therefore identified as suffering a disproportionately high number of job losses by Suffolk County Council (*Suffolk Recession Tracker*, September 2009).

Most of the businesses that have moved into Haverhill in recent years have come from London and no businesses have yet come from Cambridge. Nonetheless, the Employment Land Review identifies the strong commuting and employment links between Haverhill and Cambridge. A report by GVA Grimley and Roger Tymms called *Economic Interventions for the Greater Cambridge Sub-region* (2006) outlines the key role that high-value manufacturing will play in the future of the Cambridge sub-region. It says that Haverhill is one of three locations with the potential to be a high-technology product development and manufacturing campus and it could also provide non-university related R&D.

Enterprise and Innovation

There are five business parks and industrial estates in the town shown on the map above. Most of the new businesses that have come to Haverhill in recent years have been located on the Homefield Business Park. The Hanchet End Business Park is completely undeveloped. It lies at the entrance to the town on the road from Cambridge, a site chosen to make it attractive to businesses from London or Cambridge.

The *Employment Land Review* found that whilst there is currently an over representation of logistics and distribution in Haverhill, there is evidence that this sector is already starting to spin-off into other sectors, such as finance and other business services and driving a demand for new office space, a demand which is being well met. MENTA (Mid-Anglia Enterprise Agency) leases the Hollands Business Centre in Hollands Road from the Borough Council, from which it offers advice and support to small and medium sized enterprises and people wanting to start new businesses. It also has 28 units available for new and small businesses to rent, but these are not all occupied. MENTA is refurbishing the building and developing a training centre with support from the council.

Haverhill has a strong business culture. It has two business organisations, the Chamber of Commerce and Haverhill Enterprise, a grouping of local industrialists, which both work hard to attract new businesses and are very involved in the local community. Haverhill Enterprise was responsible for erecting a huge sculpture called 'The Spirit of Enterprise' on the roundabout at the road entrance to Haverhill from Cambridge. In 2008, they produced a promotional brochure called 'A Focus on Haverhill' and they currently maintain a website for the town, with support from the Borough Council.

Business Needs

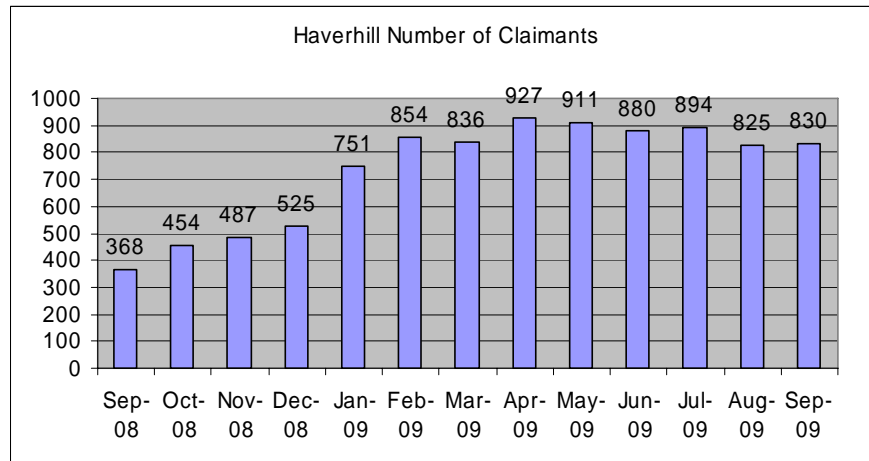
The business survey showed that Haverhill businesses want the council to help with business rates, improve the A1307, improve the town centre and improve planning and procurement. Agents also identify the poor access as a reason why Cambridge businesses do not move to Haverhill, despite the cheaper rents. Haverhill businesses are pleased with recent improvements in the appearance of the town centre and its retail offer, but would like the town centre to be further improved.

3.3 People and Communities

Labour Market

Haverhill's profile differs markedly from that of the rest of the borough. Its population structure is much younger, largely as a result of people coming from London during the expansion scheme, although as that influx of people grows older, the difference between Haverhill and the rest of the borough is less obvious than it used to be.

The unemployment rate in Haverhill was 4.5% in September 2009, above the figure for the district as a whole. Within the town, the unemployment rate is lowest in the Haverhill west ward of the town (3% in March 2009) whilst it is above 5% in the other three wards and reaches 6% in Haverhill East. The incapacity benefit rate is 5.59% in Haverhill, again well above the rate for the district as a whole. The table below shows the number of people receiving job seekers allowance in the town and demonstrates how the rate is now decreasing after reaching a peak in April.



In 2001, over 50% of Haverhill's employed population worked in the town, so it could not be described as a dormitory town, but over 20% commuted to Cambridgeshire (census). 8.2% commuted to Essex, but only a tiny proportion (1.8%) commuted to Bury St Edmunds. It is thought that the town still has very high levels of out-commuting, and that one of the key workplaces attracting Haverhill people is Addenbrookes Hospital. Anecdotal evidence suggests that many people who currently commute would rather work locally.

Skills

Over half of all school leavers at age 16 in Haverhill enter sixth form, but less than 30% go on to some other form of higher education, a lower proportion than in the rest of the borough. In 2008, 7.8% become 'NEET' (not in employment, education or training), above the district and county rate. In 2008, West Suffolk College opened a new Learning Shop on the High Street. MENTA has won EEDA funding for an 'Enterprise Coaching' project in Haverhill, which aims to identify and give intensive coaching to disadvantaged individuals to get them back into work or training or even setting up their own businesses.

Economic Inclusion

Haverhill's new-found prosperity is not uniform across the town. Much of the new house-building is concentrated in Hanchet End, to the west of the town. Part of Haverhill South ranks in the worst 30% of wards in the country in terms of deprivation and suffers from a high rate of teenage pregnancies and crime.

3.4 Sustainable Economic Growth

Environmental Sustainability

The LDF notes that Haverhill has consistently accommodated high levels of growth and can contribute towards accommodating growth in the Cambridge sub-region. Sites are also available in the town centre for future retail, leisure and service development.

Housing and Infrastructure

In 2001, Haverhill had 9,017 households with residents. The strategy for growth provides for at least 2,500 new homes in Haverhill by 2031, over and above those that are already

identified in the Local Plan or are being built at the moment. The LDF anticipates that employment opportunities in Haverhill will continue to grow because of its proximity to Cambridge and the M11. The *Employment Land Review* recommends promoting Haverhill as part of the Cambridge sub-region, encouraging development on existing allocated sites and working with partners to improve and upgrade the A1307 to Cambridge.

The road links to Cambridge and Bury St Edmunds are not good and there is no railway. Many people have asked for the rail link to Cambridge to be re-instated, but the cost of this would be prohibitive. The A1307 is the major access route for Haverhill from the west, including Cambridge and the M11. Most of this road is not only outside the borough but also outside the county. It suffers from congestion at peak times and in 2008 it attracted considerable press attention following a series of fatal accidents.

3.5 SWOT Analysis

Strengths	Weaknesses
Proximity to Cambridge, Stansted and M11	Contains areas of relative deprivation
Diverse industry base	Not a tourist destination
Strong business culture	Some poor quality townscape
Attractive countryside around	No railway
Improved leisure and retail offer	Poor road links to Cambridge and Bury St Edmunds
Growing, relatively young population	
Large area of employment land available	
Opportunities	Threats
Attracting jobs from Cambridge sub-region	Revitalised image not yet recognised.
New technologies	
Key position at junction of three counties	

Appendix 1: Business Opinion in St Edmundsbury

St Edmundsbury's Economic Development Services undertook a survey of 62 businesses and held a focus group meeting with Haverhill Enterprise in Autumn 2009. The key findings were:

About the Recession

- ◆ The majority of businesses are clearly finding the current economic conditions very hard.
- ◆ Certain sectors, such as manufacturing, construction, property and retail and anything connected to housing, have been hit particularly badly.
- ◆ The main problems are obtaining finance and customers buying less and paying later.
- ◆ Some firms are unaffected, and some have identified new opportunities.
- ◆ The main advantages are the opportunities for export offered by the low pound and the fact that it is easier to recruit and keep good staff.
- ◆ A third have reduced employee numbers, though most have only lost a few staff.
- ◆ Nearly half have changed their way of working. Most are working longer hours or being more cost-conscious or more pro-active or generally trying to do things better.
- ◆ Over half have changed their suppliers or markets mainly because suppliers or clients have gone into administration or are economising.
- ◆ The recession has made companies look much more closely at what they are doing and tighten up their operations.
- ◆ The main effects of the recession on the local area are the rise in unemployment, business closures and redundancies, lack of business confidence, job insecurity, less disposable income and an increase in vacant shops and business premises.
- ◆ This area has fared better than many and there has been a recent improvement in business confidence.

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About the Local Area

- ◆ Haverhill businesses saw the main advantages of the town as proximity to the M11, Stansted and Cambridge, also the pleasant environment, friendly people and low costs.
- ◆ Haverhill businesses saw the main disadvantage of the town as the absence of a railway and poor road links.
- ◆ Two thirds of respondents were able to get employees with the right skills locally.
- ◆ In general, businesses thought the services provided by the borough council were good. They want the council to listen to business and work with the private sector.
- ◆ Haverhill businesses want the council to help with business rates, improve the A1307, improve the town centre and improve planning and procurement.

About the Future

- ◆ To ensure that they are well placed to come out of the recession, businesses are trying to cut costs, improve the service they offer and market themselves better. Other priorities are cash flow, cost control, increasing profit and market share, finding new customers and generating new sales and orders.
- ◆ Many businesses are focussed on the need to survive but some are being more pro-active and are trying to grow, develop new products and invest in new facilities.
- ◆ Most businesses are trying to make their businesses more low-carbon, with a wide variety of initiatives including recycling, reducing energy use and travel initiatives.

Haverhill Enterprise Focus Group: Main Points

- a. The Recession: Experience of the recession was very mixed. For some of those present, especially those engaged in manufacturing, last year was one of most difficult ever. Others were doing well and had found new opportunities. Getting finance is often difficult. The low value of the pound helps those exporting, but is difficult for those buying from abroad. Middle-East and overseas markets have declined. Staff turnover has fallen. The recession has made companies look much more closely at what they are doing and tighten up their operations. They have taken some decisions they should have taken years ago
- b. The Advantages and Disadvantages of the Area: The biggest advantage of Haverhill is the closeness to Cambridge and Stansted. The town centre is ugly and the retail offer poor but they have improved tremendously in recent years. The biggest disadvantages are that it is an expensive place to distribute from and it is difficult to recruit high-quality staff.
- c. The Services of the Council: The Cinema and Tesco are very good. The cinema has made a huge difference and means that people are much more likely to come into Haverhill. Haverhill businesses have done well, and the leisure offer is now very good but the town is let down by the retail offer. The council should have two priorities: planning and the town centre. It should have a new plan for the town centre.
- d. The Future: Haverhill's biggest sell is its position with its proximity to Cambridge and the technology park, also some firms use Felixstowe. In trying to sell Haverhill to outsiders, the biggest drawback is the social side. It might be helpful to concentrate on particular sectors such as manufacturing, bio-tech and engineering.

Appendix 2: Largest Employers in Haverhill

Company Name	No. employees
Suffolk County Council	1006
Sainsbury's	365
Genzyme Ltd, pharmaceuticals	350
International Flavours and Fragrances	290
Herbert Group, weighing and labelling	250
Tesco, retail	250
Axa UK PLC, insurance	200
Marchant Manufacturing Co Ltd, plastic packaging	185
Culina, distribution	175
Percy Daltons Famous Peanut Co Ltd	170
Figleaves Global Trading Ltd	110
Burtons Coaches Limited	105