

Southend-on-Sea

—

ECONOMIC GROWTH STRATEGY

2017 —

22

Executive Summary

The Southend-on-Sea Economic Growth Strategy 2017-22 has been created to steer the activities undertaken by the Council in maximising the economic benefit to residents.

ECONOMIC GROWTH STRATEGY 2017-22

It proposes a revised approach to developing the local economy, ensuring that the power of economic growth is harnessed to improve every aspect of life in Southend; from healthcare to educational attainment.

The Strategy sets the vision for the Southend Economy as:

“By 2022, the Southend economy will have addressed all areas of economic under-performance to emerge as the leading economy in South Essex. The benefits of our efforts will be reaped by businesses and residents as they thrive in the new economy. Key characteristics of this success will include:

- Job growth in key sectors and strengthened local supply chains
- Increased average income and productivity
- Improvement in educational attainment
- High business start-up and survival rates
- A resilient and diverse economy”

The Strategy then features four key principles which seek to underpin the vision:

Principle 1 – The approach to growth.

Acknowledging the importance of the Council's economic development activity in tackling wider social problems, the strategy proposes a shift in the nature of the Council's economic development work, from the sole pursuit of one or two teams within the Department of Place to a situation where every team within the Council considers its potential impact and contribution to creating economic growth in the borough. This activity is intended to re-enforce the 'cross-wires' across the organisation and focus all Council activity on encouraging economic growth.

Principle 2 – Sectoral focus. To enable the Council to direct its activity and achieve value for money, an analysis of the business sectors has been undertaken. Concluding that, in order to maximise economic benefit, the Council should focus its efforts on supporting the following sectors:

Growth Sectors: Creative and Cultural Industries, Health and Social Care, Specialist Construction, Specialist Manufacturing.

Strategic Sectors: Aviation & Engineering, Financial Services, Medical Technologies, Retail, Tourism.

Principle 3 – Key Priorities. At its core, the strategy defines key priority areas that the Council's economic development work will focus on for the next five years unless faced with a significant economic shift, in which case a decision making framework will shape activity and intervention. The priority areas are:

- **Business and Strategic Partnerships** – Work with partners to bring opportunity and investment to Southend; progress large-scale infrastructure projects; influence regional/national policy; and further Southend's interests.

- **Business Support and Accommodation** – Support growth in small and medium sized businesses, ensuring suitable and sufficient business space is available to enable the physical growth of local businesses.
- **Inward Investment** – Identify and implement targeted activities to attract new business and investment to Southend.
- **Workforce Development** – Identify and close the skills gaps that hinder economic performance and work with education partners to meet future local workforce requirements.
- **Key Infrastructure Improvements** – Work with partners to ensure better housing, transport and community infrastructure is available for residents, workers and visitors.
- **Create Successful Places** – Celebrate the unique community identities in the borough, whilst providing better places to live, work and visit.
- **Support Key Growth Sectors** – Support key Growth and Strategic sectors to develop and grow.

Principle 4 – Resilience. Acknowledging the unprecedented economic changes that have occurred during the last 10 years, the Strategy provides a decision making framework to be utilised when economic circumstance necessitates a diversion from the key objectives designated within the strategy. This framework is premised on the consideration of a decision against three key parameters, including: Sector Focus, the ability to create local opportunities, and Employer and Skills Focus. It enables the prioritisation of actions and adds an element of flexibility to the document, intended to sustain the documents' relevance in the face of economic change.

The Strategy concludes with an invitation to all stakeholders to become engaged in an on-going process of dialogue and action that focuses all our efforts on ensuring that Southend achieves its potential.

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1. Foreword: Southend's Future

Southend-on-Sea Borough Council is striving to create a 'city-by-the-sea' that welcomes visitors, stimulates start-up and growing businesses and above all, supports residents to fulfil their potential.

We want to build a growing, resilient and balanced economy that provides benefits and opportunities for all our residents. In doing so, we wish to attract visitors from around the world to enjoy all the borough has to offer – from award winning beaches to internationally renowned galleries.

Recent investment in the borough speaks volumes of the entrepreneurial passion that makes Southend an exciting place to be. Our international airport will continue to bring increased visitor numbers from across Europe; 1 million sqft of new commercial space will be developed at the Airport Business Park Southend, new housing developments such as Better Queensway, will provide beautiful, high-quality housing; the HIVE enterprise centre and the Business Essex, Southend & Thurrock (BEST) Growth Hub will continue to support budding entrepreneurs and business people across the borough; and the Education Quarter will provide an expanding range of life-changing skills to residents and visitors, helping them to access new opportunities.

We want to continue to work with our partners to make Southend a great place to live, work and visit. Together with private, public, and third sector partners, the Council is making new employment opportunities available for local people. Our work with the Southend Business Improvement District (BID), the Southend Business Partnership (SBP) and with individual businesses across the borough, continues to ensure that 'Southend is open for business', despite the often adverse economic conditions that the global markets can create.

Southend's position within the Thames Estuary is central to driving growth and investment in our communities. Our work with other authorities and partners outside our own boundaries, including Opportunity South Essex (OSE) and the South East Local Enterprise Partnership (SELEP), is vital to maximise economic growth opportunities across the South East for the benefit of Southend.

However, we are ambitious to achieve more. There is more we can do to develop and grow the economy, making Southend an even better place.

“ **Economic growth will be central to Southend’s future success and is a key building block to enable: delivery of new housing, enhanced infrastructure, creation of new jobs, diversification of our business base and the solution of wider social problems.**”



Economic growth will be central to Southend’s future success and is a key building block to enable: delivery of new housing, enhanced infrastructure, creation of new jobs, diversification of our business base and the solution of wider social problems. To do this successfully, we need to recognise some important factors:

- Southend’s future success depends on creating a truly dynamic economy;
- A successful economy must be both agile and resilient; constantly able to adapt and achieve growth, even when market conditions are hostile;
- Economic growth is an integral tool for us to tackle wider social problems such as child poverty, health inequality, housing gaps and social exclusion;
- A strong economy cannot be built in isolation; it is a responsibility shared by local residents, the Council, businesses, the voluntary sector, education providers and central government;
- In addressing the needs of the whole borough, we must inspire, up-skill and increase opportunities for all our residents and workforce.

Work is already well underway to make Southend a prosperous, vibrant and bustling town that fulfils its potential. Our track record for successfully delivering large-scale projects continues to attract new investment to the area. We are working with local communities, such as the Coastal Community Teams in Leigh-on-Sea, Central Southend, and Shoeburyness, to deliver cultural-led regeneration at a local level, ensuring that our communities flourish.

This strategy sets out the blueprint for how we can build a stronger economy in Southend that brings opportunity to all our residents. Our goal in publishing this document is to enable stakeholders across the borough to collectively make decisions that will result in a strong, dynamic and resilient economy for Southend. It will help us to harness entrepreneurship and deliver growth, creating conditions for new sectors to emerge while unlocking investment to deliver local job opportunities and maximising the economic benefits for all.

A E Holland

Councillor Ann Holland

2. A Vision for the Southend Economy

Vision for 2022

2.1 By 2022, the Southend economy will have addressed all areas of economic under-performance to emerge as the leading economy in South Essex. The benefits of our efforts will be reaped by businesses and residents as they thrive in the new economy. Key characteristics of this success will include:



Job growth in key sectors and strengthened local supply chains which develop and diversify the business base;



Increased GVA per capita, average worker income and productivity – leading to wealth creation for Southend residents;



Improvement in educational attainment – increasing the number of residents qualified to deliver the jobs needed by local business;



High business start-up and survival rates – creating even more successful business leaders in the future;



A resilient economy, diverse enough to weather global economic trends and market cycles, recover at pace from economic downturns, adapt to changing technologies and provide benefit to all Southend residents.

3. The Council's Approach to Growth

Introduction

3.1 Enabling economic growth is integral to the work of Southend-on-Sea Borough Council. Sustaining a productive economy will contribute to making Southend a prosperous, healthy, safe and clean place.

3.2 The Southend Economic Growth Strategy 2017-22 is a key document for the Council that will shape the future of Southend's economy, enable the safeguarding and creation of local jobs and stimulate wealth creation for residents.

3.3 To inform the recommendations within this strategy, two specific actions have been undertaken:

- An economic baseline analysing trends and progress made over the last five years has been developed (see Appendix 1);
- Valuable consultation with, and input from, a wide range of stakeholders has been sought and recorded.

This method has ensured a 'top-down and bottom-up' approach to creating a plan that is both co-produced and co-owned by the Council and our partners.

Our Approach

3.4 The Council is determined to harness the power of economic growth to improve every aspect of life in Southend.

3.5 Traditionally, UK Local Authorities have addressed economic growth through one or two specific teams working in isolation that focus on 'Economic Development'. This approach may bring some results, but it fails to maximise the potential for 'Economic Growth' to positively influence outcomes in other areas of Council activity.

3.6 For example, increasing the proportion of adults with access to employment opportunities has the potential to reduce the number of 0-3 year-olds living in poverty and reduce expenditure on social care. Similarly, good planning policy has the ability to create employment space, decrease unemployment and improve public health.

3.7 Therefore, in order to maximise benefit from the 'cross-wires' that exist between the work of the various Council teams, Southend-on-

Sea Borough Council will work differently, by adopting an approach where 'Economic Growth' is a key consideration within the plans and activities across the organisation.

3.8 Accordingly, this strategy is being produced as part of a 'suite' of new documents produced by the Council, in order to steer the development of Southend as a place. The documents within this suite include:

- Southend-on-Sea Borough Council Digital Strategy 2017-20
- Southend-on-Sea Borough Council Economic Growth Strategy 2017-22
- Southend-on-Sea Borough Council Tourism Strategy and Destination Plan 2017-27
- Southend-on-Sea Borough Council Skills Strategy 2017-22

3.9 Each of these strategies addresses a specific theme, critical to the effective development of the borough during the next ten years. The strategies are designed to be specific and separate, but to be cognisant of each other and to support progress towards the goals identified within.

Collectively, these documents aspire to create a Southend that:

- Utilises the best of all available technology
- Is the leading economy in South Essex
- Is England's number one tourism destination
- Proactively develops the borough's best talents

3.10 The strategies are designed to influence Council activity at a both a theoretical and practical level. For example:

- In developing a robust inward investment offer for businesses looking to locate in Southend, strong: digital, skills, economic growth and tourism offers must be considered.
- In developing new projects such as the 'Thames Estuary Experience'; digital apps, skills facilities, visitor number and market forecasts must be incorporated to create a sustainable and effective attraction.

As the implementation of activities associated with these documents progresses, more and more of the 'cross-wires' between the strategies will be identified and exploited to ensure a comprehensive approach.

4. Our Economy

4.1 In determining our priorities for the next five years, key evidence was gathered to understand Southend's local economy. The facts and figures illustrated in this section highlight some of the most significant current characteristics of the local economy.



4. Our Economy

Population, migration and welfare at a glance

178,700

total population

16,100

increase in total population since 2005

110,400

working age population

9.3%

increase in the working age population since 2005

34,000

population over the age of 65

1 in 4

children live in poverty in the borough

325

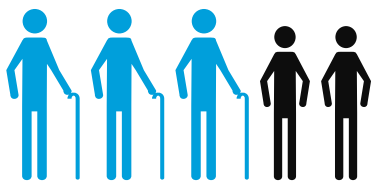
new dwellings need to be built each year

319

new homes built every year (current rate of housing growth)

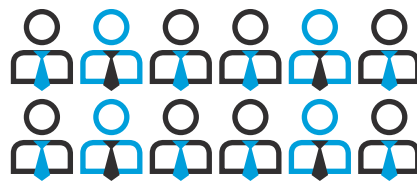
4.2 Southend has an ageing population with the number of people entering the labour market steadily decreasing. However, during the last 10 years, international and domestic migration has supported an increase in the local labour market. This migration has delivered new business formation, growth in the labour market pool and increased local spend. Continuing to promote

and improve the borough's image as a place to live is key to attracting new businesses and investment to the area. In addition, it is vital that Southend's principal transport connections to London are maintained and enhanced as these links play an important part in maintaining high average resident wage levels and supporting local economic growth.



2030

The year the number of residents reaching the age of 64 (2,608) will exceed the number of residents aged 16 (2,189)



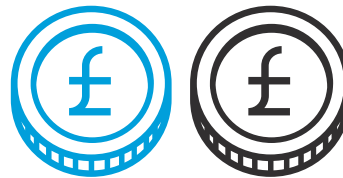
7,740

Approximate increase in working age population due to inward migration since 2005



497

Projected growth in working age population (2016-2025) without further inward migration



+ -

Southend is the only **high wage, high welfare** region in the country

4.3 According to a recent Centre for Cities report¹, Southend has been identified as the 'only large urban centre in the UK with a high wage and high welfare profile'. The high welfare profile is principally due to a higher than

average spend on benefit entitlements for those seeking or unable to work. Therefore, reducing unemployment and increasing skill attainment levels will support Southend's movement towards a high wage, low welfare economy.

1 <http://www.centreforcities.org/reader/cities-outlook-2016/mapping-the-low-wage-high-welfare-economy/>

4. Our Economy

Jobs and skills at a glance

76,000

total jobs in 2014

64,700

employees in 2014

39,800

full time employee jobs

25,000

part time employee jobs

21,700

jobs in public admin, education and health

13,700

jobs in finance and other business services

4.5 There are important geographical interdependencies between Southend's residents and the wider regional economy. In 2011, 36.4% of Southend's residents commuted to another local authority, with 76.8% of those who did commute, travelling to another part of South Essex for work. Approximately 5,400 commuted to London, 5,000 to Rochford, 4,500 to Basildon and 2,500 to Castle Point. Work and investment in projects like London Southend Airport and the Airport Business Park Southend are important creators of job opportunities for residents of the borough, even when those jobs exist within other local authority areas. This highlights the importance of the Council's work to develop partnerships with key strategic stakeholders, in order to deliver critical cross-boundary projects that are integral to the well-being of our residents.

4.6 The number of residents qualified to Level 4+ in Southend is approximately 10% lower than the current average for England. Continuing to close

this skills gap is necessary to support business growth and innovation as well as reduce welfare reliance amongst working age population (which is 1% higher than the England average), and attract new employers to the area. Partnerships with South Essex College, the University of Essex and other skills providers are essential to ensure provision meets employer requirements. Utilising these relationships to attract new businesses to the area and create a growing pool of skilled workers will provide more work opportunities for residents and help further raise aspiration and attainment levels.

Strong growth in the number of apprenticeships taking place in Southend demonstrates that the work being done to reduce the skills gap is having an impact; however, further promotion of apprenticeships amongst the SME community will continue to be a key objective of the Council's economic development activity going forward.



300²

net increase in jobs in Southend since 2009

36.4%

of Southend's working age population commuted to jobs outside the borough in 2011

26%

of residents have a qualification equivalent to NVQ4+

12,000+

Southend residents commute to neighbouring boroughs in South Essex for work

7%

increase in residents with NVQ4+ qualifications

5,400

Southend residents commute to London for work



The number of residents aged 0-15 and 16-64 has fallen by 0.4% and 0.3% respectively, placing pressure on the current and future workforce



The percentage of residents with NVQ Level 4+ increased from 19.1% in 2005 to 26% in 2015, however remain below the Essex and England averages (29.1% and 36.8% respectively)

² The ONS statistical release has been revised since the first publication of this figure. Accordingly, there may be a discrepancy between this figure and similar figures quoted in other Council documents.

4. Our Economy

Business at a glance

7,445

total number of businesses in Southend in 2015

20

employers with 250+ employees

1,080

new businesses started in Southend in 2014

870

businesses closed in Southend in 2014

4.9 Growth in Gross Value Added (GVA) to the economy has occurred in Southend over the last decade, albeit at a slower rate than the rest of England. Southend's below average performance can largely be attributed to the £400 million decrease in GVA caused by the contraction of the finance sector in Southend. If this gap continues to grow, so will the economic inequality between residents of Southend and those residents in other parts of England. In light of the reduction in the value of the finance sector, it is important to continue to attract high wage workers from London to live in Southend to maintain and increase the productivity of employees in the borough in order to increase the GVA level. Similarly, it is also imperative to attract and grow new businesses locally in both high growth and high wage sectors. This activity will focus on those industries that are recognised as having above average productivity

levels, including: creative and cultural industries, knowledge intensive business services, and medical technologies.

4.10 Southend's business demography is proportionally consistent with the Essex average. However, Southend has more micro businesses with fewer than 10 employees when compared to Essex and fewer small businesses with between 10-49 employees. Focusing support on established businesses that have between 5 and 49 employees is likely to yield higher job growth and GVA than solely focusing support on start-ups. The results of current work to ensure higher survival rates amongst start-up businesses show that our existing business support methods are effective. Building on that strength, the Council will focus business support resources on working entrepreneurs and established small businesses to help facilitate growth.

£3.017

billion total GVA

£16,955

GVA per head in 2014

£659

million growth in total GVA
since 2004

86%

of businesses have fewer than 10
employees



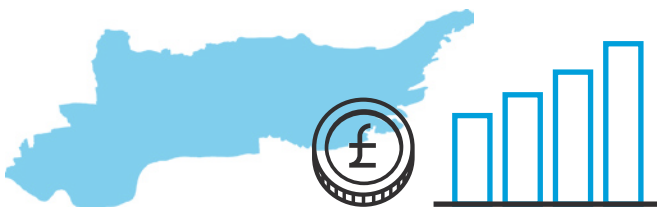
845

Number of businesses employing
10 to 49 people



525

Number of new businesses in the
Creative Industries and private sector
knowledge related business



5. Growth and strategic sectors

5.1 Work to further diversify Southend's business base is necessary to ensure the future resilience of the local economy in the face of global market challenges.

Sector Analysis

5.2 In addressing the sector dynamic across Southend, sectors have been analysed (see Appendix 1) and subsequently categorised as 'Growth Sectors' and 'Strategic Sectors'.

5.2.1. **Growth Sectors** are characterised by an increase in employment and the number of businesses formed or relocated to Southend during the last five-years. Growth sectors, by definition, are strategically important to the borough and will be supported accordingly.

5.2.2. **Strategic Sectors** are sectors that are: considered to support existing growth sectors; vital to Southend's economy in relation to place-making; or industries likely to bring forth new economic opportunity as they develop.

Growth Sectors

Creative & Cultural Industries

Health and Social Care

Specialist Construction

Specialist Manufacturing

Strategic Sectors

Aviation & Engineering

Financial Services

Medical Technologies

Retail

Tourism

5.3 Our approach to supporting growth and strategic sectors will vary dependent on: the specific needs of the sector, forthcoming opportunities and the rate of return on investment of resources. More specific information on our activities to support growth and strategic sectors can be seen in Section 7 – Key Priorities.

Growth Sectors

5.4 Our growth sectors include:

5.4.1. Creative and Cultural Industries – With significant investment already being made in the sector, the digital, creative and cultural sector has grown significantly during the last 8 years. This has been calculated as a 38.5% growth in the business base since 2009 (+210) and new jobs (+376). It is important to recognise the support that this sector offers the wider economy by contributing to making Southend an attractive and increasingly popular place to live.

5.4.2. Further investment in this sector will help drive regeneration and yield further job growth. The Knowledge Intensive Businesses (KIBS) and digital businesses in this sector represent an important contributor to job growth and are a high-wage contributor to the sector.

5.4.3. Health and Social Care – This sector has seen the most significant growth in firms (+65) and employees (+1024) during the last 5 years. Southend's ageing population, the continuing prominence of Southend University Hospital and an increasing demand for health and social care products and services is driving growth in this area. Given the population forecasts for an increasingly aged Southend population, it is likely that growth in this sector will be sustained.

5.4.4. As several key sub-categories within this sector are characterised by low average wages, growth will be specifically targeted at the higher value added activities and businesses that will create growth in employment and average incomes simultaneously.

5.4.5. The planned cluster of medical technology businesses that will be supported through the Airport Business Park Southend will enable us to capitalise on the growth in jobs and opportunities available. In particular, opportunities for cross-sector product and service development between the Health and Specialist Manufacturing sectors will further maximise the benefits for residents.

5.4.6. Specialist Construction – Overall, the construction sector has also experienced significant growth since 2009, both in relation to the number of businesses in the area which has grown by (+100), and the number of people employed by the sector (+320). However, growth has not been universal across the sector with civil engineering and specialist construction firms experiencing significant growth, whilst other groups such as electrical installation and scaffold construction experiencing some reduction in the number of firms and people employed.

5.4.7. With significant additional infrastructure investment expected in London and South Essex over the next decade, the construction industry will be further supported to grow in order to capitalise on opportunities for employment and apprenticeships.

5.4.8. Specialist Manufacturing – For the period 2009–2015, the manufacturing sector experienced strong growth in employment (+566). However, growth in employment was not universal throughout the sector, with Repair and Maintenance of Equipment, Manufacture of Food Products, Re-production of Recorded Media adding high levels of new jobs (+1241), whilst Manufacture of Computer, Electronic and Optical Products showed a significant reduction in employee numbers (-599).

5.4.9. Whilst growth in this sector is to be strongly welcomed, its apparent conflict with long-term national trends that predict reductions in the UK Manufacturing industry means that this sector must be carefully monitored to establish and react to local trends.

5.4.10. Investment in the Airport Business Park Southend represents a strategic investment that will help this sector to grow by providing space for growing businesses and an opportunity for any larger manufacturers in the areas to consolidate their operations.

5. Growth and strategic sectors

Strategic Sectors

Our strategic sectors include:

5.5 Retail – Since 2009, the Southend retail sector has had a net growth of businesses (+40) but a reduction in overall employee numbers (-332). During this period, there has been a 57% increase in online retailing creating additional local jobs (+250).

5.6 Local planning policies encouraging mixed land-use (incorporating residential and community uses, within areas traditionally associated with retail) will attract a new offer to the high street, driving additional footfall and supporting growth in the night-time economy. By supporting cafes, bars, restaurants and residential accommodation within our town centres, a revitalised and refreshed high street offer will be achieved. This in turn will encourage businesses to remain open longer, increasing the number of jobs in the area and encouraging further spending.

5.7 Tourism – Since 2009, Southend's tourism economy has had a net growth in the number of businesses (+95), but employment in the sector has reduced (-369). Tourism remains an integral part of Southend's identity and recent investments are providing the Southend tourism sector with a competitive advantage over other nearby seaside towns. Significant investment has been made during the last six years to ensure that the tourism sector remains stable and that 'per person spend' has increased. Tourism will continue to remain a strategic sector, and with further investment, has the potential to become a growth sector in the future. A new Southend Tourism Strategy being developed at present, will further seek to enhance Southend's offer and maximise the economic benefits presented by this sector.

5.8 Despite the right conditions and infrastructure to deliver growth, business tourism remains an opportunity yet to flourish. This offer will take time and investment to develop. Current estimates value the annual UK Business Tourism market at £42.3Billion³, indicating a significant opportunity for local growth in the years to come. London Southend Airport is an important enabler of growth in tourism (business and leisure) opening Southend to international tourism markets.

5.8.1. Fisheries – The fishing industry is a small but historically significant industry in Southend. Given its unique history, significant contribution to the national cockling industry and its importance in shaping the community and contributing to the food-tourism offer of Leigh-on-Sea in particular, it remains an important part of the Southend economy. The Thames Estuary area is one of the largest single contributors to the UK cockling industry with the Leigh catch estimated to account for 15-25% of the total UK annual cockle yield⁴. Whilst representing under 1% of the total GVA for the borough, the local industry achieved 'Fisheries Local Action Group' (FLAG) status in 2016 which will continue to promote the area as well as serving to attract funding to sustain and support. Therefore, as a niche industry and important component of the Southend tourism sector, it will continue to be monitored and supported as appropriate.

5.9 Medical Technologies – The number of businesses in this sector has been consistent and stable over the last five years with little fluctuation and change. However, the number of staff employed in this sector (or categorised as working within 'medtech' industries) has significantly reduced (-726).

5.10 Southend still offers a significant competitive advantage in one area of this sector - medical and dental instruments. This is Southend's largest sub-group within medical technologies and hosts one of Southend's largest employers (392 employees). A skilled local workforce has developed over the years, acting as a significant 'attractor' to similar businesses looking to develop or relocate. It represents an important area of strategic investment for the Council, and is a major factor in the development of the Airport Business Park Southend, supported by the Joint Area Action Plan for London Southend Airport and its environs.

³ UK Tourism Alliance – UK Tourism Statistics 2016 –http://www.tourismalliance.com/downloads/TA_390_415.pdf

⁴ Kent & Essex Inshore Fisheries and Conservation Authority – Thames Estuary Cockle Survey Report 2015



5.11 Aviation & Engineering – Growth in the numbers of newly formed businesses in this sector (+5) indicates a potential for growth. An important cluster of aviation ‘maintenance, repair and overhaul’ (MRO) businesses has developed surrounding London Southend airport that is an important driver within the sector. It is important to note that a number of these businesses operate outside of the borough boundary or classify themselves as working in an alternate sector, and are therefore not captured within the figures presented above.

5.12 Development of the Airport Business Park Southend will create further growth and employment opportunity within the sector. With key employers in this sector located in and around Southend and continued private sector investment expected (London Southend Airport delivers annual passenger counts close to one million with aspirations to reach two million by 2020); this remains an important strategic sector for the Council to support.

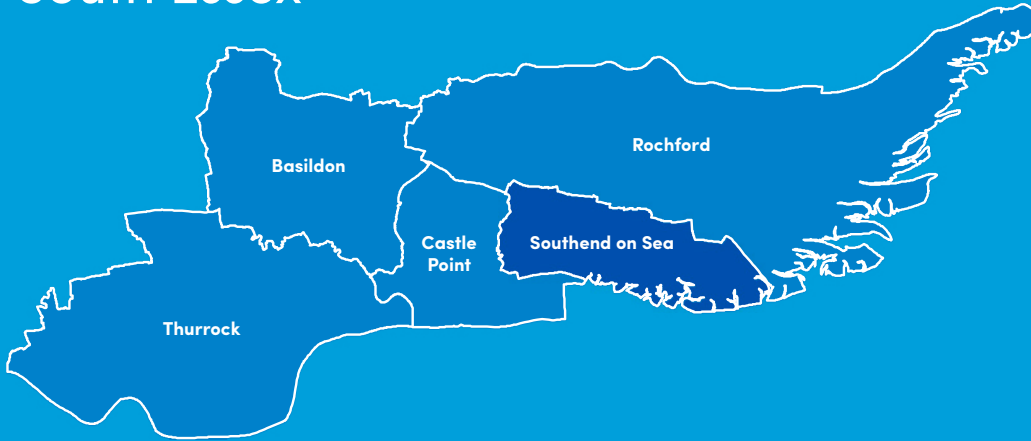
5.13 Development of this sector and key supporting infrastructure is also key to the development of the tourism sector as well as Southend’s ability to attract commercial inward investment.

5.14 Financial Services – Locally, this sector has been dominated by the decline in back-office functions resulting in a significant reduction in the number of employees (-1806). However, excluding the banks, the finance sector has grown in terms of the number of firms (+25) and employees (+85). A number of Southend’s largest employers operate within this sector and therefore Financial Services will remain an important part of Southend’s economy.

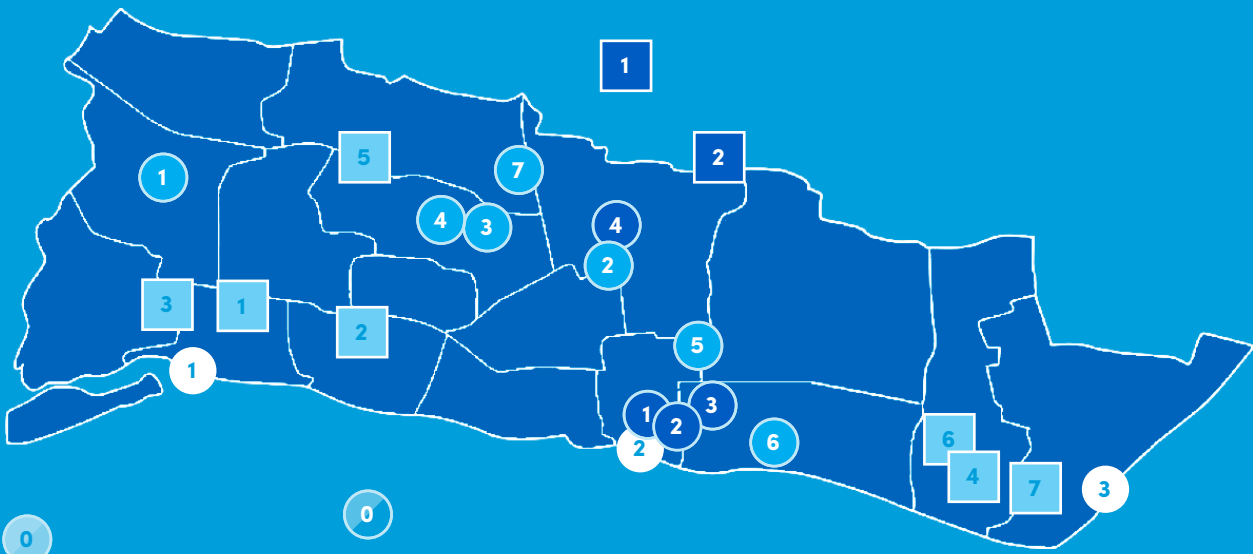
5.15 KIBS within the sector (business support) have grown, but not at a fast enough rate to make up for the larger number of job losses experienced in earlier years, due to a long-term trend in outsourcing back office functions. Accordingly, the Council will retain its supportive approach, whilst carefully monitoring the sector’s health and trend forecasts.

6. Driving our Priorities

South Essex



Southend on Sea



0 Transport Junction Improvements

1. A127 Progress Road
2. A127 Cuckoo Corner
3. A127 Kent Elms Junction
4. A127 The Bell Junction
5. A127/A13 Victoria Gateway Improvement
6. City Beach Phase 1
7. A127 Tesco's Junction Roundabout Improvement

0 Major Industrial Sites

1. Airport Business Park Southend
2. London Southend Airport

0 Community/Education Sites

1. The Forum
2. South Essex College
3. University of Essex
4. Southend University Hospital

0 Retail/Commercial Areas

1. Leigh on Sea (Broadway)
2. Westcliff on Sea (Hamlet Court Road)
3. West Leigh (London Road)
4. Thorpe Bay (The Broadway)
5. Eastwood (Western Approaches)
6. North Shoebury
7. Shoeburyness (West Road)

0 Coastal Communities Team

1. Leigh-on-Sea
2. Southend Central
3. Shoeburyness

6.1 The factors that influence Southend's economy are numerous. The following represents some of the key: characteristics, assets and 'influencing factors' for the borough. Collectively, they provide an important context for the consideration objectives and actions to affect change within the local economy.

The National Economy

6.2 The UK economy experienced 1.8 per cent growth in 2016, which was above expectation. However, this does indicate a trend of gradual decline, from 2.2 per cent in 2015 and 3.1 per cent in 2014.

6.3 The EU Membership Referendum and subsequent negotiations represents one of the most significant changes to the UK economic system in recent times. The UK's new position in international markets will present both opportunities and challenges for the Southend economy. The Council will continue to monitor the health of the local economy and undertake activity to maximise benefits for Southend's residents.

Position

6.4 Southend's location has a significant effect on its economy and communities. To the south and east, the town is bordered by a sea that has brought commerce, sustenance, opportunity and tourists to the area for centuries. With Rochford and greenbelt to the north and Castle Point to the west, Southend has developed as one of the densest urban areas outside of London, creating a metropolitan feel that is quite distinct from the more rural landscape that characterises the rest of Essex.

Communities

6.5 The resident and business communities that exist within and around Southend each have their own unique characteristics and assets. The Council is adamant that the benefits of economic growth must be felt by all of our residents, not just a selected few. Therefore, the Council will continue to work with all of our communities to strengthen their local economies and develop important new business clusters such as the medical technologies cluster within the planned Airport Business Park, and coastal communities in Shoeburyness, Leigh-on-Sea and Southend Central.

5 Southend Local Transport Plan 3 http://www.southend.gov.uk/downloads/file/3491/local_transport_plan_3_-_strategy_document_2012-2026_-_revised_january_2015

Space and Connections

6.6 Southend is a compact unitary authority with a town centre that benefits from two rail lines connecting the borough with the City of London. The borough benefits from London Southend Airport, flying to 27 European destinations with additional new routes planned. Southend is also an important player within South Essex and the Thames Estuary, working closely with partners to ensure new investment opportunities are seized and any potential growth can be harnessed effectively to shape the wider area.

6.7 In terms of transport infrastructure, Southend is easily accessible by rail and bus. Southend is also served by the strategic highway corridor (A127/ A1159) and the more localised A13, which provide west/east access between Southend and London (M25). The distributor routes, particularly the A13 and A127, can suffer from severe congestion, especially during peak times⁵. The Council will work to develop and improve both the transport connections and strategic partnerships that will be crucial factors in ensuring the continued economic success of the area.

6.8 Working with private partners to make Southend one of the first 'Gigabit Cities' in the UK, through the installation of an ultra-fast pure broadband fibre network, sends an important message to stakeholders – Southend is open for business. Future improvements to our digital infrastructure, including a SMART street-lighting project and the creation of a 'digital intelligence hub' will reinforce this message, improving the conditions for businesses to work productively and giving employees a better work/life balance as jobs become more flexible.

Investment

6.9 Southend continues to attract public and private investment to enable the future economic growth of the area. The Airport Business Park Southend, London Southend Airport, Better Queensway, Southend: Smart City, the Forum Southend, the BEST Growth Hub, the Roslin Hotel, the HIVE Enterprise Centre, Southend Schools, City Beach, Park Inn Palace and the Coastal Communities projects represent several key, recent investments in the town.

6.10 Successful delivery of these projects and enhancing our ability to attract additional future investment are both critical factors to sustain future economic growth. A strong track record of delivering projects on time and within budget distinguishes Southend, and maintaining this track record secures Southend's position as a great investment prospect for the future.

7. Key Priorities

7.1 In order to continue Southend's journey of growth and deliver against the Council's vision of a prosperous and excellent Southend, economic growth will be considered within all key policy decisions. In order to achieve the Council's aims, seven priorities have been identified. These form the basis of this strategy and have been chosen in order to realise the growth ambitions for Southend. The priorities are:

- **Business and Strategic Partnerships** – Work with partners to bring opportunity and investment to Southend; progress large-scale infrastructure projects; influence regional/national policy; and further Southend's interests.
- **Business Support and Accommodation** – Support growth in small and medium sized businesses, ensuring suitable and sufficient business space is available to enable the physical growth of local businesses.
- **Inward Investment** – Identify and implement targeted activities to attract new business and investment to Southend.
- **Workforce Development** – Identify and close the skills gaps that hinder economic performance and work with education partners to meet future local workforce requirements.
- **Key Infrastructure Improvements** – Work with partners to ensure better housing, transport and community infrastructure is available for residents, workers and visitors.
- **Create Successful Places** – Celebrate the unique community identities in the borough, whilst providing better places to live, work and visit.
- **Support Key Growth Sectors** – Support key Growth and Strategic sectors to develop and grow.

7.2 These priorities have been identified as essential to drive economic growth in Southend to 2022 and were determined through the consultation process with businesses and stakeholders. They cut across multiple Council services and teams and aim to focus efforts on delivering projects which will have the greatest positive impact on the local area.

7.3 It is not anticipated that all of the objectives listed under each priority below will be progressed to completion within the lifetime of this document. However, inactivity on any single priority area risks deterring economic growth and failing to maximise the potential of the area.

7.4 The individual activities that the Council pursues within each of these priorities will be documented within an implementation plan. The activities will be selected according to the best perceived return on investment/value for money available.

7.5 The Council will establish comprehensive monitoring practices on all of its economic growth activities, to ensure that desired progress is achieved and economic benefits are maximised for residents. As such, an assessment framework will be established that monitors key metrics and measures related to activities. These metrics will then be monitored by the Council to inform and direct the decision making process.

Business and Strategic Partnerships

7.6 Southend-on-Sea Borough Council's ability to develop and maintain key relationships remains crucial to enabling further economic growth in the borough. Relationships with public sector bodies, large private firms and smaller employers are all integral to achieving economic growth.

7.7 Continued participation in the SELEP and the Opportunity South Essex federated business board is essential to maximise profile and ensure access to government investment. We will also maintain strong relationships with central government departments in Whitehall, in order to shape emerging policy and lobby on behalf of our communities.

7.8 Working with representative bodies such as the Southend Business Partnership, Southend Business Improvement District and Southend Tourism Partnership remain important touch points with employers. These representative bodies enable effective liaison between the Council and the private sector and as such, will continue to be supported and enhanced to further develop productive relationships. Additionally, the Council will further utilise the Business, Essex, Southend and Thurrock (BEST) Growth Hub and HIVE projects, among other resources, to facilitate productive dialogue with the business community.

7.9 Several multi-national corporations house significant operations in Southend. Loss of any of these employers has proven to dramatically set back overall job growth in the area. Whilst the Council's ability to influence the decision making process of these businesses is limited, where possible, we will use our resources to prevent future migration of large businesses from the area. Active relationship management will ensure that business leaders feel connected to Southend and assist in demonstrating the benefits of locating in Southend.

Objectives:

- Continually liaise with representative lobbying groups such as the SELEP Strategic Board to progress specific areas of concern for larger businesses, i.e. infrastructure investment, Lower Thames Crossing, etc.

- Conduct dedicated relationship management for the 10 largest employers in the borough through Cabinet Member engagement to understand their businesses and potential for growth.
 - Build links with the SME community through business support services and partnerships to understand and provide for their growth requirements.
 - Continue to identify and pursue external funding opportunities to attract local investment.

Business Support and Accommodation

7.10 The BEST Growth Hub is already supporting large numbers of start-up businesses and increasing numbers of self-employed workers. Similarly, the HIVE enterprise centre is successfully incubating and growing new start-up businesses. As a result, Southend has a growing reputation for home-grown businesses with an international reach. Both projects deliver business support, and are currently implementing plans to increase the scale and scope of the support that they can offer. Continuing to develop innovative support services for local businesses and further capitalising on this reputation will drive further growth in Gross Value Added (GVA) and jobs.

7.11 Current support for business has focused largely on start-ups and micro businesses. This follows an established trend, reflective of the business base, that micro businesses and start-ups are more likely to seek support and benefit from it, than more established small and medium sized businesses. Maintaining a focus on micro businesses and start-ups is important to ensure a growing business base. In addition, tailored support for more established businesses will yield further economic benefits and drive the development of the local skills, employment and infrastructure base.

7.12 The completion of the Airport Business Park Southend is integral for business growth and retention in the area. Providing a quality range of modern business accommodation will be important for encouraging future business growth, whilst supporting those businesses already established in the area.

7. Key Priorities

Objectives:

- Continually improve the business support outreach programme, to drive improvements that are suitable for businesses and start-ups.
- Coordinate the existing business support offer for local companies and make sure it is easily accessible to businesses across the borough.
- Support geographic clusters of businesses across the borough by supporting the upgrade of business accommodation and delivering support programmes.
- Continually review opportunities for supporting the physical requirements (accommodation, digital and transport infrastructure) of businesses alongside more broad enterprise support (start-up survival, small business growth support etc.).

Inward Investment

7.13 Investment in the area will continue to be identified, sought and secured. Successful delivery of previous investment projects, on time and to budget, will help ensure additional future investment. Southend is well positioned to lead on projects that cover the whole of South Essex.

7.14 A continued focus on accessing new investment will be maintained, utilising the many successful examples of previous projects and the positive impact these have had on the location. In a competitive environment, developing strong business cases that realise real benefits for residents and unlock key sources of investment will be an integral focus for the Council's activity going forward.

7.15 Investments should contribute to the attraction of new business to the area, improve business conditions, attract new residents, improve life for existing residents and enhance the existing tourism offer.

Objectives:

- Actively promote Southend as a location to new and existing businesses.
- Deliver an inward investment programme to target businesses, potential residents, and potential visitors.
- Develop Southend's position as an emerging business conference market.
- Grow Southend's tourism marketing for day and overnight tourists as well as those passing through London Southend Airport.
- Highlight the many different activities on offer in the town and continue to deliver high quality investment projects.

Workforce Development

7.16 Improving our local skills base whilst retaining and attracting new talent is vital to enable existing businesses to grow and attracting new employment to the town. It is also a key facet of improving the access to opportunities for residents, particularly those furthest from the labour market. Specifically, working with our schools colleges and universities to address the barriers that exist for young people to enter the local workforce, will be a key focus for Council activity.

7.17 Further investment in school facilities and education provision is an important element in addressing the various skills gaps in the area and remains a key priority for the Council. Strengthening our relationships with South Essex College and University of Essex will improve resident's access to opportunities and financially rewarding careers.

7.18 The forthcoming Southend-on-Sea Borough Council Skills Strategy, to be published in 2017/18, will outline in detail the Council's approach and commitment to developing the local workforce and providing opportunities to residents in Southend.

7.19 Further to skills, activity to enhance the health, wellbeing and productivity of Southend's existing local workforce will be a key priority going forward.

Objectives:

- Focus on talent and future workforce development by shifting to an employer-led system that informs curriculum design and commissioning.
- Work with education partners to improve attainment and the skills of residents to close the existing skills gaps in the area.
- Work with private sector partners to encourage and unlock investment into our existing local workforce.
- Promote and support the uptake of apprenticeships amongst local industry.
- Work with Public Health partners to encourage health and wellbeing among residents and workers, thereby reducing the number of people of working age claiming benefits.



7. Key Priorities

Key Infrastructure Improvement

7.20 With an international airport, two train lines to London and a compact town centre with multiple secondary shopping areas, the potential for Southend to become a bright, successful and bustling city centre is clear.

7.21 Recent investment in Gigabit and Smart City Technologies, such as digitally enabled streetlights and installation of a new 'dark-fibre' broadband network, are good examples of Southend's approach to embracing technological advancements. It will continue to be at the forefront of smart city evolution and become one of most advanced digitally connected cities in the Europe, working alongside the private sector to bring forward investment and shape the next generation of 'connected places'.

7.22 With regards to highways infrastructure, congestion in and around Southend means that movement around the town can sometimes be difficult. Continued focus on improved sustainable travel choices and a focus on public transport including more frequent train services; better bus services and bus priority measures; to enhance the A127 and A13 passenger transport connections to London Southend Airport; improving opportunities for walking and cycling; and reducing reliance on car usage for short journeys remain a priority to create better quality of life for residents and improve business connectivity. Strategic junction improvements to improve vehicle circulation and to accommodate inward investment and growth will also be a focus. It is important to note however, that this is starting from a strong base following significant investment and award-winning behaviour change programmes. Improved journey times will make Southend more appealing to businesses and improve the lives of residents.

7.23 The Council aspires to facilitate a supply of housing that will provide a range of homes for residents and enable the local economy to fulfil its potential. Similarly, it is important to recognise the collective roles and responsibility amongst local authorities and partners in addressing housing need and enabling the wider area to flourish. Accordingly, the Council will continue to pursue projects, in isolation and with others, that seek to provide new, high-quality housing that will meet the needs of the borough's current and future inhabitants.

Objectives:

- Use key regeneration schemes to improve housing stock; attract new residents and a skilled labour force to Southend.
- Work with stakeholders to support and deliver strong business cases for investment. Priority will be given to schemes which improve traffic flows such as the A127 and A13 to better serve key strategic locations in the borough.
- Support an improved rail offer between London and Southend which will reduce journey times, encourage early/late flights, extend visitor stays and grow the night-time economy.
- Continue to support the further expansion of London Southend Airport with an increase in the number of carriers flying in and out.
- Encourage businesses in Southend to adopt sustainable modes of transport, thus helping to reduce traffic within central Southend.
- Promote and enable 'smart city technologies' that will maximise benefits for residents, workers and visitors.
- Support new place-shaping infrastructure to drive visitor numbers such as the new Thames Estuary Experience.

Create Successful Places

7.24 The culture-led regeneration of Southend's unique communities is a key component of attracting new residents and businesses to the area. Projects such as: Better Queensway and the Coastal Community Teams in Shoebury and Leigh will create housing and transform spaces for residents, visitors and those moving to the area. Ensuring the optimum utilisation of cultural and geographic assets, together with a more flexible approach to retail uses in the town centre as promoted by the emerging Southend Central Area Action Plan, will continue to drive growth and development across the borough.

Objectives:

- Ensure unique community identities are incorporated and enhanced within project development.
- Support the business base to build on strengths and exploit competitive advantages.
- Drive footfall and tourism to our town centre by supporting an attractive mix of land uses.



Support Key Growth Sectors

7.25 Our Strategic and Growth sectors are well positioned to provide future growth in productivity and jobs. Additional support and focus from the Council could help catalyse and quicken growth within these industries.

7.26 Continual support at all business lifecycle stages and additional work to determine how best to support each of these sectors is required. This will contribute to a higher level of job creation and career progression while improving overall levels of GVA.

Objectives:

- Support growth sectors (e.g. healthcare and specialist construction) by ensuring a focus on enhancing business practices.
- Support strategic sectors (e.g. tourism and medical technologies) by removing key barriers to growth.
- Support the growth of sector clusters and enhance supply chains, for example, by working with the construction sector to break down supply chain opportunities.
- Support growth and strategic sectors by facilitating innovation and attracting investment.
- Facilitate partnerships and networks for relevant sectors, for example, support sector based network growth for creative & cultural businesses.

8. A decision making framework

Future Decision Making

8.1 This strategy must remain dynamic and resilient in the face of change. During the last ten years, the UK economy has experienced many unprecedented changes. As a result, it is important to consider how the priorities developed in this strategy can adapt to future market conditions and currently unforeseen changes.

8.2 The diagram below identifies the three key considerations integral to future decisions regarding the allocation of resources. Each circle represents a different consideration and its relative role in driving forward future growth for the area.



8.3 The three areas for consideration in future decision-making are:

- **Dynamic and Strategic Sector Focus** – having identified several sectors which are of great importance to the growth and sustainability of Southend, investments to support these sectors will be a priority. This focus will help create a mixed economy, and will require marketing and positioning (regionally, nationally, and internationally) to support growth. Creation of specific projects and interventions to support key aspects of these sectors will be pursued.
- **Local Opportunity Focus** – geographical considerations to drive maximum benefits for local businesses and communities with regards to skills, jobs, investment, housing and health are essential. Investment in coastal communities, town centre development and economic hubs will be central to success.
- **Employer and Skills Focus** – supporting small and medium sized employers to add jobs to the local economy; increasing economic resilience, whilst ensuring local residents are supported with development, will be a key feature of this focus.

8.4 The framework will be used to consider potential actions in the future. Each course of action will be assessed against each of the considerations set out above. Actions can then be prioritised according to their relative contribution to the local area, and thus the most beneficial course of action can be identified.

8.5 The framework will be used when unforeseen events require diversion from the key priorities identified within this strategy. Examples may include: unanticipated investment opportunities; development of new national planning policies; external funding opportunity announcements; future budget and funding constraints; dramatic shifts in the economy [including but not limited to workforce development, loss of large employment bases; the collapse of a sector(s)]. In these instances the Council and its officers will utilise the framework to assess the impact of opportunities/ constraints and steer activity, ensuring the greatest net benefit is realised for the local area.

9. Next Steps

9.1 This strategy seeks to firmly embed economic growth within Council decision making. Over the coming five years, we will continue to work to maximise the benefits available to the people of Southend. With this goal in mind, we will work in partnership with others to: create jobs, build homes, improve infrastructure, support businesses, improve skills and create a Southend that is attractive to residents, employers and visitors alike.

9.2 The Southend economy will be diverse and resilient and as we seek continued growth We will monitor the economy to ensure that each

decision we make maximises the benefit to our communities.

9.3 The Council will continue to measure the economic performance of the borough during the lifetime of the strategy, to ensure that changes can be responded to appropriately and interventions can be adapted to maximise economic benefit effectively.

9.4 Our invitation is for you to be a part of this process and to work with us to: develop ideas, assess progress, make decisions and ensure that Southend achieves its full potential.



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