

SOUTHEND-ON-SEA LOCAL ECONOMIC ASSESSMENT

Southend-on-Sea Borough Council

November 2010



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EXECUTIVE SUMMARY

This Local Economic Assessment (LEA) aims to outline the economic and social challenges within Southend, demonstrate how its economy functions and provide policy makers with a robust evidence base from which to allocate resources, lobby government, and ensure that all decisions are informed by the economic issues within Southend. This comprehensive evidence base has been developed at a critical point in the local and national economic cycle, with the beginnings of economic recovery being accompanied by a period of austerity within the public sector.

In September 2010, measures were introduced to relax the requirements of an LEA, and as a result, this document has been specifically tailored to meet the needs of Southend. It is intended to inform a refreshed version of the Borough's Economic Development Strategy and related Tourism Strategy, originally set in 2007.

Introduction to Southend

Southend-on-Sea is located on the north side of the Thames Estuary approximately 40 miles east of London and is home to approximately 164,000 people. It is 16.1 square miles in size and its 5,500 businesses generate more than £2.5 billion of economic output.

In addition to being a business and residential hub in its own right, Southend is an integral economic component of the Thames Gateway functional economic area, a strong and diverse sub-region which has close economic links with London. Although government funding for the Thames Gateway has been removed, the sub-region will inevitably grow,

and Southend's role as the major employment hub on the Northern shore of the Thames estuary remains strategically important.

Southend appeals to many groups for a variety of reasons. It offers London workers lower costs of living and better performing schools than most places within an hour of the capital, while its geographical location and 7 miles of seafront are also major factors supporting its tourism industry.

The Borough is not simply a commuting and tourist town. New investment at London Southend Airport, the established university campus in the town centre and key sectors including the creative and cultural industries and medical technologies make for a dynamic place with varied and substantial economic strengths.

Southend's economy is changing. The employment base has become increasingly diverse, while back-office financial services jobs and public sector employment have replaced jobs lost in manufacturing and traditional tourism sectors. The creative and cultural sectors, aviation and medical technologies are all growing and offer further potential for the future.

Southend has a diverse population, with areas of great wealth and high quality of life sitting side by side with areas of severe deprivation. It therefore has great inequalities. The difference in life expectancy at birth between the affluent St Lawrence, where life expectancy is above 80 years, and Kursaal, Milton and Victoria, with high and persistent levels of unemployment and worklessness, is 7 years. Overall unemployment in Southend was 4.5% in July 2010, compared to the national unemployment rate of 3.6%.

Southend is changing in other ways too, with the Olympics and Paralympics, further development at Southend Airport and other

investment in regeneration offering exciting opportunities for Southend to generate a strong recovery and a prosperous economic future.

Economic Geography

The Southend economy is primarily a function of its location and physical attributes. As the largest urban area in the Thames Gateway South Essex (TGSE) sub region it has significant influence within the whole of the East of England. Southend's popularity grew in the 19th Century as railway connections were established and it became London's favourite and most accessible seaside town. This level of popularity continued well into the 1950s, when the trend towards overseas holidays changed the nature of holidaymaking.

Unlike many other historic seaside destinations, Southend was quick to respond to the threat of overseas tourism by supplementing its major industry with other sectors. The redevelopment of the town and the diversification of its economy throughout the third quarter of the twentieth century demonstrated the commerciality of the town, and its efforts to become less reliant on the visitor economy were successful. During this period, major public and private sector organisations viewed Southend as a good location for their subsidiary or 'back-office' functions, and today it is home to the customer contact centres of Lloyds TSB, Royal Bank of Scotland, Aviva and many more. The public sector also plays a major role in the town, and aside from the Borough Council, both HM Revenue and Customs (HMRC) and the Department for Work and Pensions (DWP) have administrative centres in Southend.

Southend's proximity to London and growth potential, as recognised by the region, has allowed the town to develop a multifunctional character that is comparable to Brighton, Canterbury and Cambridge. Southend has a variety of roles depending on which aspects of its economy are examined:

Southend: a sub-regional employment hub: Southend is the largest urban area in Essex, acting as an employment centre for people living within and outside the town, and it has the potential to perform this role to an even greater level. The employment catchment area extends throughout the county with the greatest proportion of commuters travelling into Southend from neighbouring Rochford and Castle Point. It houses a number of key large employers (over 250 employees) that have chosen to locate central operations in Southend such as Olympus Keymed and IPECO. The University Hospital is also a very large employer in Southend and serves a large area beyond the Southend-on-Sea administrative boundary.

Southend: A commuter town: Southend also exhibits some characteristics of a dormitory or commuter town. In 2008 over 57% of Southend residents worked within the Borough, while over 12% of residents worked in London, 6.5% in neighbouring Rochford and 5.4% in Basildon. Residents of Southend who work outside of the Borough earn, on average, just under £100 per week more than people who are employed locally. Whilst the extra spending power of out-commuters generates local wealth, it has also led to high levels of inequality and made it difficult for local workers to own their own home.

Southend: A seaside town: With 5.5 million visitors in 2009 spending £330 million within the local economy¹, tourism is still important to Southend. Traditional seaside day trippers from London have been supplemented by a younger visitor profile linked to watersports such as kite surfing. All the beaches have won Quality Coastal Awards, and two have been awarded International Blue Flag accreditation.

Southend: An education and entrepreneurial hub: Education and entrepreneurship are great assets within Southend. It has a wide and

¹ Economic Impact of Tourism: Southend - 2009, East of England Tourism 2010

attractive choice of primary and secondary level education institutions and attracts students from outside of the Borough. The University of Essex's Southend Campus and South Essex College have a strong presence in the area allowing Southend to assume the role of an education centre in the sub-region. With the assistance of the university campus, Southend has significant potential to become a knowledge-based employment centre. The town already boasts a high level of business start-ups in comparison to the rest of the country. To date, the problem has been business survival and growth – where indicators suggest local businesses struggle.

Southend: A cultural centre: Southend is establishing itself as a cultural hub at the centre of the TGSE sub-region. Southend's Cultural Strategy, Regeneration Framework and other key strategic documents highlight the aspiration to be the Cultural Capital of the East of England by 2017. The town has a significant concentration of creative and cultural businesses located in the Borough, particularly in the town centre, and the centres of Leigh and Westcliff. Whilst the creative and cultural industries have significant employment and wealth generating capacity, experience from elsewhere suggests that they also have the ability to create a step change in the economy, attracting new, ambitious people to Southend and helping the town retain some of the spending power of residents that work in London. A flourishing cultural and creative sector could shift wider perceptions of the town, to the benefit of the tourism and leisure industry and inward investment prospects.

Business & Enterprise

The LEA has examined the overall scale and structure of the economy, identified seven key sectors and studied the demography of the business base.

In 2007, Gross Value Added (GVA) per head was £15,728 in Southend which is 17.5% lower than the regional average and 23% lower than the national average. These gaps have been growing since 2003/04. At the turn of the millennium, Southend's economy was being largely fuelled by an increase in employment in business services. As the 'off shoring' of back office services really took off, Southend, along with the UK as a whole, became a less appealing environment for back office functions, and the recent, slower economic growth has been principally generated by increased public sector employment. Following the latest Comprehensive Spending Review in 2010, which outlined the shape of public spending cuts over the next four years, Southend, along with much of the UK, is exploring new avenues for growth to sustain its next phase of economic and social development.

Sectoral Breakdown and Trends

Southend is now an overwhelmingly service-driven economy, and one that is considerably reliant on public sector employment (Table A).

Table A: Long-term employment trends

	1990	2000	2010
Agriculture, Forestry and Fishing	190	10	250
Production	9,850	9,060	3,980
Construction	4,560	3,300	3,980
Distribution, Transport and Communication	22,630	23,550	18,530
Business Services and Finance	15,950	17,100	17,190
Public Admin, Education, Health, Other Services	19,340	21,440	28,710

Source: Experian 2010

Over the last 20 years, the industrial makeup of employment in Southend has shifted in very significant ways:

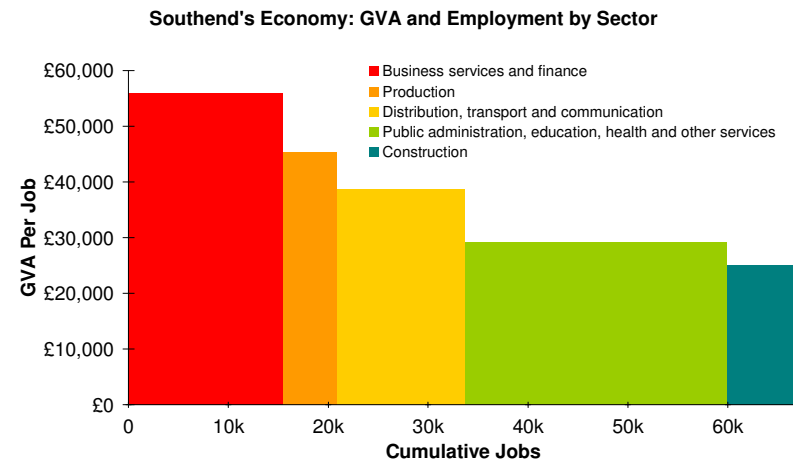
- **Between 1990 and 2000:** the economy witnessed trends very similar to the national pattern of declining employment in manufacturing and production industries, and a slow increase in employment in the service sectors; and
- **Between 2000 and 2010:** a more substantial change took place, with rapid decline in the relative importance of manufacturing, a decrease in employment in distribution, transport, retail and communications, and a very large swing towards the public sectors: education, health and public administration

The relationship between this sector mix and GVA in Southend is interesting because the productivity of Southend's sectors varies considerably in comparison to the national average. Jobs in the construction sector are less productive than the national average, reflecting limited demand for local construction employment and the localised nature of the Borough's construction companies. Jobs in distribution, transport and communications (including retail and hospitality sectors) are on average significantly more productive than the national benchmark, partly because the Borough is overwhelmingly urban and constitutes a very dense population centre with a large captive local market, and partly because of the annual influx of day-trippers and their associated spending in the area.

Finally, employment in the business services and finance sector, although comprising the most productive jobs on average in the Borough, falls well short of the level of value-added obtained in the sector as a whole. Over three quarters (76%) of all employment in Business and Financial Services in Southend falls into the cluster of sub-sectors we have called 'back-office functions'. These tend to be jobs in supporting and subsidiary roles to the financial industries and other organisations, rather than comprising a mix of occupations at all levels of the value chain.

Figure A, below, draws this narrative into a single diagram, showing GVA per job against the number of jobs, by sector in 2007.

Figure A: The structure of Southend's economy, 2007



Source: ONS, Annual Population Survey, Headline GVA by NUTS3

Sectors

Location Quotients look at how employment in an industry in a local area compare to the national average level of employment in that industry. The full LQ analysis conducted as part of this study concluded that the key sectors for Southend are:

- Tourism: Historically significant, and a key ingredient in public perceptions of the Borough, the tourism sector is a major source of both full- and part-time employment. A modelled estimate of employment in the sector suggested it was directly responsible for nearly 5,600 jobs in 2008, accounting for 8.7% of the Borough's

employment.² Recent hotel developments and renovations, and ongoing improvements to the public realm at the seafront, will help to capture overnight visitors, whose contribution to the local economy is highly significant. Quality beaches, events such as the renowned Air Festival and less-known 'gems' such as Leigh complement and diversify the traditional day-trip, casino and theme park image of the town centre.

- Retail: Southend's retail sector currently employs over 7,150 people, which is 11.8% of the workforce. Employment in the retail sector is focused on the town's busy High Street, which houses several nationally significant retailers and high quality retail accommodation. The recession has constrained consumer spending and trading conditions will take some time to recover; nevertheless, regeneration activity is improving the investment potential of the town centre, and this is expected to partially counter the effects of lost income from public sector employees and the 2011 VAT increase. In the long term, Southend's retail sector is robust, and provides an important sub-regional focus, though its growth potential is constrained by the proximity of Lakeside and Bluewater shopping centres. Persuading the Borough's more affluent residents to stay in Southend for their shopping would unlock huge benefits, and, despite the density of the town centre, new development opportunities may enable this in coming years.
- Public Sector: A quarter of all employment in Southend was in the public sector in 2008, making a total of 16,100 jobs. In Great Britain as a whole the level is around 20%. This over-representation is due in particular to the presence of public sector back-office functions including processing and contact centres for HMRC and DWP. As a result of the 2010 Comprehensive Spending Review, each part of the public sector in Southend is likely to see some loss of jobs over the next four years. The knock-on impacts of public sector budget cuts will affect firms in the supply chain, as well as companies supported by employee spending and business visits. Analysis from its procurement team shows that Southend Borough Council spent £45.5 million in SS postcodes in 2009/10, which constituted 38% of its expenditure – this generates significant economic value within the local area.
- Back Office Services: Since the 1960s, both government departments and businesses have established accounts processing departments and contact centres in the Borough, providing a large amount of flexible employment to the local population. Against the trend in off-shoring of these positions, Southend retains a large part of its employment in back office functions and outsourced contracting, in part due to its combination of comparatively low business accommodation costs, adaptable workforce and proximity to the City of London. Although the sector is unlikely to see the same levels of inward investment in back-office services as in the past, with over 18% of all jobs located in the sector, it remains vital to the town's prosperity. In March 2009, HSBC announced that their Southend contact centre would begin to close in 2011. In 2010 520 jobs have been lost or relocated away from Southend, and it is expected that a further 180 will leave the Borough in 2011. Alongside subsidiary facilities supporting (and owned by) global financial institutions, this sector accommodates Southend-owned and operated firms providing subcontracted services in logistics, corporate and industrial cleaning, security and general maintenance, as well as other roles.
- Creative and Cultural Industries: The aspiration for Southend's cultural and creative industries is for them to lie at the heart of a

² This figure includes jobs supported in the retail and other sectors.

distinctive identity for the town, meshing together the University, a renewed tourism and events programme, and local creative businesses. Leigh and Southend centres show a high concentration of creative and cultural firms in comparison with the rest of the Thames Gateway South Essex area, and although levels of employment in the sector are low when compared nationally, they are growing strongly. In addition, the 'creative ecology' – the interconnected cluster of creative and cultural organisations that feed off one another and generate new initiatives – has been growing rapidly, with notable cluster development activity based around the arts centre Metal, TAP (Temporary Arts Project) and the Coexist gallery, among other hubs. As a result of the extensive public sector support for cultural regeneration and development, there is a danger that with Arts Council England's budget facing 30% cuts and the Council's grant receipts under pressure, momentum towards Southend's cultural and creative ambitions could be lost.

- Aviation: Having seen active service during two World Wars, London Southend Airport was for a long time the capital's third airport. Accordingly, the aviation industry has been important to Southend for nearly a century. The airport houses a number of important aerospace businesses, including IPECO and ATC Lasham, and a variety of smaller niche firms operating in aviation-related sectors. These firms have strengths in maintenance, repair and overhaul work – extending the lifetimes, functionality and performance of aircraft from across the world. Opportunities to further expand the MRO cluster in Rochford and Southend are addressed in the Joint Area Action Plan (JAAP) which governs the development of the airport and the proposed extension of the runway. The JAAP has identified that additional employment space could be unlocked during the airport expansion, potentially

accommodating a further 1,180 on-site employees in aviation-related industries.

- Medical Technologies: The Medical Technologies sector accounted for over one thousand jobs in Southend in 2010, equivalent to approximately 1.5% of all employment in the Borough. Employment in the sector is dominated by Olympus Keymed, a highly successful subsidiary of Japanese precision technology manufacturer Olympus. Essex is a strong performer in medical technologies: nearly one third (32%) of all patent applications from the county were for medical or veterinary science and hygiene innovations in 2007. Within Southend, the University Hospital and the School of Health and Human Sciences at the University of Essex, Southend, are both actively involved in medical research, including through the Essex and Hertfordshire Comprehensive Local Research Network. While there are clear risks inherent in relying on a single large employer to drive progress in a key sector, Keymed is not alone in the sector in Southend, and medical technology manufacturing is a niche with good prospects for future expansion and exporting.

Enterprise

The 5,585 VAT and/or PAYE registered enterprises in Southend in 2009 made up the largest concentration of businesses in Thames Gateway South Essex, at 27% of the subregion's total.

The key features of enterprise health in Southend are:

- **Southend is an entrepreneurial place** - business density is higher than the regional and national averages, and there is very high level of business formation. Business start-up rates have increased since the onset of the recession, with anecdotal

evidence suggesting that some of those made redundant in the City of London have founded their own companies using redundancy pay as upfront capital;

- **Business survival is weak but improving** - in conjunction with high start-up rates, this creates a constant churn of businesses starting and failing. In some respects, a low survival rate is a function of experimental entrepreneurship and demonstrates an element of creative destruction that weeds out weaker firms; and
- **Overall business death rates are still higher than in is the case nationally** - Statistics suggest that the recession has had a strong negative impact on businesses over the past two years, up until that point the death rate was moving closer to the national average, but more recently, the trend has reversed.

Whilst business start-ups are important, high-growth enterprises are a major engine of employment creation. Between 2 and 4% of businesses are thought to be responsible for the majority of new jobs in the UK.³ Across those firms engaged in the 2010 Southend Business Survey, the majority expected to remain the same size, but more expected to grow (22% overall) than to shrink (9% overall). Whilst this is encouraging, latest statistics from BIS reveal a lower proportion of small businesses showing growth than most comparator areas. This suggests that between 1 and 2% fewer small businesses grow in Southend compared to the national average – the inverse of the enterprise growth rates.

The emerging picture is, therefore, one where more businesses start in Southend, but more fail and more also stagnate. This leads to high

³ 'High growth firms in the UK: Lessons from an analysis of comparative UK performance' BERR 2008

business turnover rates and the potential for a high number of stagnated or 'lifestyle' businesses, around or well below the VAT threshold.

People & Communities

The LEA includes detailed analysis on the demography of Southend including its population profile and population projections. It also examines the labour market, worklessness, skills, and measures of deprivation and inequality.

Demography

The total population of Southend in 2009 was 164,200, an increase of 1,100 since 2008⁴. Southend experienced a decline in population each year between 1998 and 2004 but since 2005 it has maintained positive year-on-year population growth, possibly influenced by in-migration from Eastern Europe, and by and influx of students to the university campus.

The major characteristics of Southend's population are:

- **A high population density** - A population density per sq km of 3,910, higher than the respective figures for Essex, the East of England and England and ranking the Borough as the 20th most densely populated Local Authority in the country;
- **A demographic structure moving towards the norm** - An old and aging population, but one which is aging slower than the national average and moving toward that level;
- **A growing population** - By 2015 Southend's population is expected to grow by nearly 5% to 170,700. Geographical constraints around housing and the presence of key growth sites

⁴ 2009 Annual Population Survey

elsewhere in the East would seem the most viable explanation for this.

- **The likelihood of increased migration** - Net migration in Southend is lower than in Essex or the region but continued economic polarisation between North and South, and housing pressure in London, means that further in-migration to the greater South East region is inevitable.

Labour Market

Labour market performance in Southend is moderate compared to the rest of the Eastern region but stronger than national performance. Key trends include:

- **Moderate employment levels** - Employment levels within Southend are low compared to Essex and the Eastern region, but higher than Great Britain in general. As would be expected over the years surrounding the recent recession, Southend's employment rate has declined from a peak of 74.5% of working age population in 2007 to 71.9% in 2010;
- **Increased unemployment** - Unemployment in Southend has increased from 5.1% in 2006 to 7.4% in 2010. This remains higher than East of England and Essex levels;
- **Moderate economic inactivity** - Southend's unemployment and economically inactivity rate constitutes 28.1% of the working age population in 2010; a higher rate than Essex (27.7%) and the East (26.5%) but less than the Great Britain figure (29.7%);
- **High levels of self employment** - In line with the relatively high business start-up rates, Southend also has a high self-employment rate compared to other geographies, reflecting long

standing anecdotal evidence that it is an enterprising place where people are ready and willing to start their own business. Its self employment rate is around 1% higher than Essex, the region and Great Britain;

- **High levels of part-time employment** - Southend also has a greater proportion of part-time workers compared to other geographies. This can be explained by the large proportion of jobs in the care industry and tourism industry, and some seasonal or irregular shift work. It is male part-time employment that drives this: 22% of all male employment is part time, considerably higher than elsewhere, which could be down to 'double jobbing' in the tourism and the visitor economy, and the relatively higher proportion of part time jobs in the service and back office sectors that have replaced traditionally male dominated manufacturing jobs.

Occupations and wages

Southend's population has a slightly lower skilled occupation profile than comparator areas. Associate professional, technical occupations and administrative and secretarial occupations are over represented, whilst fewer employees work as managers and senior officials. Commuting data suggests that Borough residents working outside Southend are most likely to be managers and senior officials, professionals, associate and technical professionals, skilled trades people and process, plant and machine operatives – in summary, those professions which are highest paid and require the best skills and educational qualifications.

In terms of wages, Southend has some pronounced characteristics:

- **There is a gap of almost £100 between residence- and workplace-based earnings** – Southend residents earn higher

wages than the averages for the East of England and Great Britain, with median weekly pay of £515;

- **Southend's relatively affluent resident profile is reversed when workplace earnings are analysed.** The median workplace based weekly pay for full time workers is £420, considerably lower than the equivalent figure for Essex, East of England and England.
- **The gap between residence- and workplace-based earnings is lower than some full commuter towns.** At £95, this gap does not display the same scale of difference between the wages of local and out-commuting jobs as, for example, Tunbridge Wells (£111) or St. Albans (£188). Other towns with a high number of commuters such as Maidstone and Croydon see less of a disparity, however, with gaps of £72 and £31 respectively.

This relationship between high residence based, but low workplace based, earnings re-enforces the fact that a significant proportion of residents commute to work out of Southend to London and other areas of Essex where a greater variety of higher skilled, and highly paid, employment opportunities can be found.

Worklessness

Southend faces a number of social and economic challenges in relation to its workless population. The most recent DWP statistics (Q1 2010) and the Council's own Worklessness Assessment⁵ reveal that:

- **Worklessness is relatively high** – the total out of work benefit rate is 14.9% of the working age population. This is greater than

⁵ Detailed analysis can be found in the 2010 Worklessness Assessment: Southend –on-sea Borough council.

both figures for the East of England (9%) and Great Britain (12.9%);

- **Long term benefits dependency is an issue** - The overwhelming majority of claimants in Southend are receiving Employment and Support Allowance (ESA) and Incapacity Benefit (IB). Claimants tend to be male, and aged over 35;
- The most common condition in Southend for IB benefit claimant is **mental and behavioural disorders**. They account for 47.4% of claims in Southend. This figure is 4.5% above the regional figure and 4% above the figure for England.
- Job Seekers Allowance (JSA) has increased significantly over the period of the recession to a peak of **5,118 claimants** in February 2010: the greatest proportion of claimants have elementary, sales and administrative and secretarial occupations, and men are more likely to claim than women; and
- The impact of the recession has affected the **20-29 age group disproportionately** compared to other age groups. In July 2010, JSA claimants from this age group comprised 31% of all claimants.

The distribution of unemployment and long term worklessness is not uniform. Kursaal (30.2%), Victoria (25.8%) and Milton (22.1) have the highest percentages of working age population claiming benefits. By comparison, West Leigh has the lowest proportion of claimants with only 4.8% of working age residents claiming any work benefits.

There remains a mismatch between the jobs that are available in the Borough and the aspirations of the long-term workless. Whilst most (c60%) of the jobs available in Southend in Summer 2010 were in the

business services areas (likely to be administration and customer services), a survey of all those out of work, including NEET young people, found that the most desirable occupations were in skilled trades.

Skills

The proximity of London's highly skilled employment opportunities and Southend's traditionally low skilled employment sectors, such as retail and tourism, combine to encourage higher skilled residents to relocate, and create a challenge for the local economy. Whilst GCSE and A-Level attainment is generally strong and schools perform well, Southend's residents hold lower skills levels in comparison to the region and Great Britain with: a smaller proportion of residents with NVQ 2+, 3+ and 4+ qualifications compared to all comparator regions; and a higher proportion of residents with no qualifications, at around 13.1%.

Whilst Southend's relatively old population, who may be less likely to hold formal qualifications, might partially explain these trends, this position is changing. Southend has made significant improvements since 2006 in terms of post GCSE qualifications and there has been significant improvement in the number of people acquiring level NVQ4+ qualifications. A significant reason for this improvement is the investment in HE and FE education providers in the area. South Essex College and the University of Essex both have new flagship buildings located in the centre of town. Southend also has the only beacon status local authority run adult college in Southend Adult Community College.

Deprivation, Health and Crime

Southend has its share of inequality and economic polarisation. Five Lower Super Output Areas (SOAs) in Southend fall within the 10% most deprived areas in England according to the Index of Multiple Deprivation. These are situated within Kursaal, Milton, Southchurch, and Victoria

wards, and are consistently the poorest performers across the Borough in terms of NEETs, employment rates and worklessness. In comparison, SOAs within West Leigh rank among the 20% least deprived in the whole of England.

The Association of Public Health Observatories (APHO) produces health profiles for local authorities across the country which compare the health of residents compared to the rest of England. The profile for Southend is mixed: in summary terms it has less deprivation, homelessness and early death through lifestyle choice, but more child poverty and mental illness.

Life expectancy is a key indicator associated with the level of deprivation experienced by a population. Many factors affect average life expectancy including income, lifestyle choices such as alcohol consumption and smoking, nutrition and education. Southend's life expectancy at birth for males and females is lower than the equivalent statistics for Essex, the East of England and England, and there are dramatic variations across its wards.

Southend has an impressive profile around crime and disorder, with fewer incidences of crime per 1000 population for all types of crime apart from violence against the person.

Sustainable Economic Growth

The LEA considered a range of factors relating to physical movement, housing, infrastructure, and the environment which have the potential to provide the building blocks to positively shape Southend's economic future.

Movement and access

In its role as an employment hub, Southend's primary area of influence covers Southend Borough, Rochford District (excluding Rayleigh) and Hadleigh (in Castle Point). Its secondary catchment area includes Rayleigh and the remainder of Castle Point. As discussed above, the majority of jobs undertaken by those commuting in from outside of the Borough are towards the bottom end of the pay and skills scale, and hence it is to be expected that there is very little commuting from places outside of South Essex.

London exerts a significant influence on out commuting travel to work patterns with 15% of all working residents travelling to the capital to work. In relation to the rest of the TGSE sub-region Southend has a relatively lower level of out-commuting to London - Thurrock (where 28% commute to London) and in Basildon (24%) both exceed Southend.

In terms of movement:

- **Rail access to and from Southend is particularly strong** - Southend is well connected with trains running to Fenchurch Street and London Liverpool Street along two separate lines. Connections to London are excellent with 35 trains per hour in morning peak hours.
- **Other public transport options are limited** - In comparison to other urban centres of its size, bus travel from Southend to other regional transport nodes is poor.
- **Connections to the national motorway network are good and improving** – the A13 and A127 link Southend with the M25, and improvement works along the A127 are gradually increasing the capacity of the route.

- **Links to other Essex hubs are restricted to the road** - key regional centres such as Chelmsford, Basildon and Thurrock are more accessible by road than by public transport. While drive times are shorter this does not take into consideration the congestion issues within the Borough which elongate journey times particularly during peak hours.
- **Congestion remains a challenge** - Consultation highlighted congestion on the A127, particularly around the town centre, as a key barrier to accessing employment.
- **Southend is better than many places in terms of getting to work** - Access to major employment sites is good, with the majority of residents within 10 minutes by foot or public transport of an employment site, while a good network of cycle routes enable commuting by bicycle.

As well as established road and rail connections to Central London (and its major airports), Southend also has its own airport, London Southend Airport. There are plans to expand the airport to cater for up to 2 million passengers by the year 2020, an average of four departures an hour. This expansion has the potential to enhance Southend's profile as a tourist and business destination and is one of the major future catalysts for growth. The aspiration is for airport expansion to support around 6,700 jobs both in direct aviation and associated employment.

Land & Buildings

Southend has traditionally been more affordable, in residential and commercial terms, than many other parts of the sub-region. The residential property market is characterised by:

- **Lower average house prices** than the TGSE sub-region making it a comparatively more affordable place to live – although not one where disposable income is high. At present the average house price within Southend-on-sea is £211,365;
- **Stronger house price growth** than the housing market area – the gap is narrowing. House prices have risen by around 20 percentage points more than the Thames Gateway housing market area;
- **A recent recovery in house price levels** in Southend in the last six months following a significant decline during 2008 up to summer 2009. However average house prices are still significantly below their peak between June 2007 and December 2008, and those houses aimed at first time buyers have not dropped as fast as higher end properties; and
- **Ongoing challenges** - when taking housing costs into consideration, Gross Disposable Household Income (GDHI) is relatively poor in Southend, being outstripped by all comparator areas. In 2007, this indicator dipped below the England for the first time.

While the increase in affordability overall improves the chances of TGSE residents accessing the local housing market, price to earning ratios are still higher in the sub-region than the England average at eight times annual wage levels, far higher than most mortgage providers will allow.

From a commercial perspective, analysis suggests that:

- The **major regeneration projects** planned for the Borough provide strong opportunities for the uplift of commercial stock but

this will depend on the successful implementation of the overall schemes in line with viability measures.

- There is a significant concentration of employment land within the Borough but that much of it is **not considered to be “prime” stock**;
- There is **limited space for new developments** and any improvement in the stock profile will have to be achieved through redevelopment as opposed to new stock. This presents challenges for potential employers as at present there is a dearth of quality stock available within the Borough;

The office market is more attractive in commercial terms for investors than neighbouring Rochford, for example, but is significantly below larger office centres in Essex such as Chelmsford. Industrial rental levels are generally consistent throughout the Essex area.

Retail

Current market conditions are challenging in terms of Southend’s retail offer, and whilst the Borough is well served by mid-range multiple outlets and independents, attracting the very top retailers is difficult.

The demand for retail space within the Borough is still strong and it ranks 192 out of 711 UK retail centres, though its position has fallen from a high of 102 in 2009. This demonstrates that Southend is a comparatively less attractive centre than Chelmsford (77) and is of a similar level to that of Basildon (178).

Regeneration

There are a number of major regeneration projects that will impact on future growth within the Borough. These have three main focuses:

- The Central Area, including the town centre;
- Improving the A127 Corridor and its industrial estates; and
- Regenerating Shoeburyness.

Under each area there are a number of projects designed to deliver physical regeneration and create jobs within the Borough. As well as these central area projects there are also a number of other associated schemes linked to the A127 corridor: the ongoing development of a the Airport, the associated Business Park, and the improvement and rationalisation of existing industrial estates

Together these major projects in the Central Area and the A127 corridor have the potential to create around 8,000 jobs as well as safeguarding around 4,000. Monitoring the progress of these projects will be vital when assessing the extent of regeneration within the Borough.

Economic Competitiveness

Southend plays a number of different roles in relation to business, people and place:

- It attracts more non-resident workers than Chelmsford, but exports more to London than the likes of Tunbridge Wells and Maidstone;
- It has a strong visitor economy, but not the cyclical seasonal unemployment witnessed in Scarborough or Blackpool, or the old and aging population seen in Torbay and Bournemouth;

- It is starting to become a strong education hub, but not yet retaining as many graduates as Reading or Brighton; and
- It is increasingly being described by partners as a cultural hub in the region – with the highest levels of museum visits and engagement with the arts in Essex.

To a certain degree, this multi-functional role protects Southend from economic uncertainty, but risks remain. Exposure to the public sector budget cuts announced in the CSR present a major issue for Southend. The Borough's employment base includes a large amount of public sector employment – based in both Central and Local Government. The anticipated 490,000+ job losses as a direct result of CSR2010, plus the potential for another 500,000 in the supply chain will undoubtedly have an impact on Southend.

There may also be increased pressure from some of the Borough's main employers to further off-shore back office functions. Given that a large proportion of Southend's higher earners work in the City of London, in financial services and related industries, the prosperity of the town is also linked directly to the macroeconomic position. Should the UK experience a double-dip recession this may have a more than proportional impact on spending power in Southend and, therefore, the town's wealth in general.

Key findings

Southend's strengths

- It has a **mixed economy** not wholly dependent on a small number of big employers or core sectors: a number of significant public and private sector employers have supplemented traditional offer and opportunities exist to grow new sectors around the creative and

cultural industries and in advanced manufacturing linked to aerospace and medical technologies.

- Its **proximity and good transport links to London** means that it is able to supplement local employment with highly paid and highly skilled out-commuters.
- It is an **entrepreneurial place** with high levels of self-employment, high rates of new business formation and improving survival rates.
- The **population is getting younger** relative to the rest of the country and moving away from the traditional demographic of a seaside town. The University and emerging creative and cultural sector is contributing to a vibrant and fashionable town.
- **Schools** in Southend continue to perform well and people leave with good qualifications. NVQ4+ skills levels are increasing and the range and quality of HE provision delivered by the University of Essex Southend campus and South Essex College is improving.
- **Quality of life** in Southend is, in general, high, with relatively low levels of NEETs, low levels of crime, low levels of deprivation and significantly lower levels of homelessness and early death rates attributable to lifestyle.
- **House prices** in Southend are competitive within the Thames Gateway and the greater South East, though affordability is a challenge, especially to first-time buyers.
- For those living and working in Southend, it is **easy to get to work**, and that will get even better following further plan road improvements.

Southend's weaknesses

- Southend has a **90 degree economy** – without a major port, Southend is wholly reliant on commerce and trade to the West. This

removes the possibility of developing many sectors, such as distribution. The expansion of the airport, however, could contribute to addressing this issue.

- **GVA remains lower** than the regional and national averages and Southend is an exporter of skills to London and other locations.
- The Borough has **low business survival rates** – evidence suggests that more business start up in Southend, but more also fail early.
- **Lower than average levels of small business growth** – suggesting a high number of 'lifestyle' businesses which are not willing, or not able to take the risk that goes with, growth.
- The tourism industry still survives on **low levels of overnight stay**, and the short supply of high quality hotels and restaurants in the central area may not attract those with money to spend.
- Superior GCSE and A-level attainment in Southend, coupled with the underperforming wider population skills levels compared to England, indicates that **graduate retention rate is poor**, as many leave Southend for university or a job and do not return.
- There is a significant gap between **workplace based wages and residence-based wages**. Highly skilled occupations are more likely to work out of Southend – limiting the range of industries that may be attracted by the remaining labour pool.
- There remains a **high number of long term unemployed** with a mismatch between their occupation choices and the vacancies that exist.
- Deep rooted and **long standing inequalities** are present within the Borough: Kursaal, Victoria and Milton wards are repeatedly highlighted as the wards in Southend that are the most deprived.

- High levels of car usage, together with poor train links around the sub-region, mean **congestion** on major trunk roads.
- House **affordability is still poor** at eight time income.
- There exists a large concentration of **poor quality commercial stock** in the centre of town, particularly around Victoria Avenue.

Opportunities for the future

- Exciting **regeneration plans** are in place to further develop Southend's offer and improve its image. These will support the creation and attraction of new businesses, the enhancement of the quality of the tourism offer and number of overnight stays, and continue to make Southend an attractive option for London workers and their families.
- There are sectors showing the clear **potential for growth** including creative and cultural industries, aerospace and medical technologies.
- Huge **direct and indirect business potential related to the airport expansion**, with links to a number of Southend's business sectors.
- The potential remains to **harness the spending power** of out commuting residents within the town, whilst at the same time improving and diversifying the tourism offer to increase overnight stays and add value.
- There is an opportunity to **shape the skills sets of those people entering or re-entering the job market** to ensure that they align with employment opportunities including those related to the airport, ongoing growth of back office functions, social care and growing cultural and creative sectors. The university campus and in-migration is producing a new generation of young people, and the opportunity exists to create the jobs to keep them in Southend.

- The **Olympics and Paralympics** combined with the airport expansion and other physical infrastructure has the potential to create a step change in the image of the town and its people.

Threats to growth and prosperity

- Southend has a **high level of public sector employment** – placing the economy at risk following the recent CSR and the inevitable redundancies that will follow. Funding constraints could also impact the important health and social care sector.
- The risk of **further off-shoring of back office** financial services and other customer contact centres, which provide high volumes of employment, and could leave Southend exposed.
- Southend's future progress is focused on a number of regeneration projects, many of which may be under **further scrutiny following the recent CSR**.
- Southend's **image** as the 'end of the line' and the perception of limited connectivity could continue to reduce investment location decisions.

Recommendations for a revised economic strategy

1. **Delivering plans** – existing regeneration and development plans, relating to the airport, transportation infrastructure and business facilities are crucial to the growth of new sectors. With limited public sector finance – how can these be delivered as planned?
2. **Protecting key employment** – In uncertain economic times and different fiscal conditions, how does Southend ensure that major private sector employers stay in the town?

3. **Supporting small businesses** – Southend has healthy business start-up levels demonstrating an entrepreneurial population. But how does Southend provide the support and infrastructure to help more businesses survive and grow?
4. **Matching skills and jobs** – how does Southend ensure that schools, FE and HE produce the people that will drive the economy?
5. **Engaging disadvantaged communities** – Southend is not alone in experiencing polarisation of communities, but how can it end a cycle of deprivation in parts of the Borough?

1. INTRODUCTION

1.1 Overview

The need for an in-depth understanding of the local economy is more important now than in any point in recent memory. The onset of the economic downturn has increased the importance of supporting business and enterprise to drive recovery, enhancing the need for comprehensive and robust knowledge of local economic conditions, barriers and opportunities. In addition, increasing pressure on the public purse, culminating in the October 2010 Comprehensive Spending Review, means that decisions around the allocation of scarce resources are under maximum scrutiny and must be evidence based to demonstrate value for money for Southend's businesses and residents alike.

1.2 This Local Economic Assessment

This document has been produced in response to the Local Economic Assessment Duty contained within the Local Democracy, Economic Development and Construction Bill, which became law in April 2010. It is intended to outline the issues which face Southend's economy, demonstrate how the economy functions and provide policy makers within the Council and public and private sector partners with a robust evidence base from which to allocate resources, lobby regional and central government, and ensure that all decisions are informed by the economic issues within Southend.

The Department for Communities and Local Government believes Economic Assessments should address the following core objectives:

- Provide a sound understanding of the economic conditions in the area and how they affect the well-being of residents and businesses.
- Identify the economic linkages between the area assessed and the wider economy.
- Identify the comparative strengths and weaknesses of the local economy and the nature and form of local economic challenges and opportunities.
- Identify the constraints to local economic growth and employment and the risks to delivering sustainable growth.

The change of Government in May 2010 has brought a review of whether or not the LEAs add value to existing research and analysis, and in September 2010 the requirement was formally relaxed. Since the revocation of the statutory guidance, individual areas have been given the freedom to produce assessments in the way they see fit. The structure of this assessment broadly aligns with the original statutory guidelines but also reflects the specific needs of Southend. Regardless of whether the LEA remains a requirement in the long term, public sector partners within Southend have agreed that it should be the tool that drives the revision of the Borough's Economic Development Strategy and related Tourism Strategy. It will help measure how Southend

is performing against targets set in 2007 and determine priorities for the future.

Every effort has been made to ensure that the analysis contained here is comparable to documents produced by Essex County Council and other neighbouring areas. This is not intended to be a one off snapshot of evidence but rather a living document which will be updated in future years.

1.3 Southend and its economy

Southend-on-Sea is a Unitary Authority area located on the north side of the Thames Estuary, approximately 40 miles east of central London. The Borough is 16.1 square miles in size and made up of 17 wards, with a total population of 164,200 in 2009. Alongside Thurrock, it is one of only 2 unitary authorities within the Greater Essex Area. Southend is an important economic and residential part of the Thames Gateway sub-region, a functional economic area with high growth prospects.

Southend's economic links with areas beyond its boundaries are strong, particularly with London. The capital is accessible via two railway lines, with journey times of around 1 hour, and the A127 and A13 roads, which also link to the national motorway network via the M25. Southend offers London workers an attractive option that combines lower costs of living and well performing schools, and evidence described later in this document outlines that many of Southend's higher earners work in the capital. Southend's geographical location is also a major factor supporting its tourism industry. With 7 miles of seafront, Southend acts as a seaside resort serving the Thames Gateway, the southern part of the

East of England, and is a particularly popular destination for east London residents.

The Borough's status as a seaside town within commuting distance of London does not tell the whole story of Southend. Whilst it has a higher proportion of older people than the national average, the gap is narrowing, and new investment at the Airport, the established university campus in the centre of town and key sectors around the creative and cultural industries and medical technologies make for a dynamic place.

Figure 1: Southend's location



Southend is one of the major economies of the Thames Gateway, with total Gross Value Added exceeding £2.5billion

annually. Over the past 30 years, Southend's employment base has become increasingly diverse with a total of 5,585 businesses at the end of 2009. Over time, service sector jobs in financial services and public sector employment have replaced jobs lost in manufacturing and traditional tourism sectors, but the overall scale and value of the latter remain important. The breadth of the economy is evidenced by the Borough's key employment sectors: tourism, retail, the public sector, back office services, creative and cultural sectors, aviation and medical technologies.

Southend has areas of great wealth and high quality of life such as Thorpe Bay, West Leigh and St Laurence, where average wages are amongst the highest in the country and life expectancy is above 80 years. It also has areas of severe deprivation, with parts of the Borough such as Kursaal, Milton and Victoria facing high rates and persistent levels of unemployment and worklessness, and life expectancy of only 73 years. Unemployment in Southend was 4.5% in July 2010, compared to the national unemployment rate of 3.6%. This rate in the Borough is nearly double the claimant count prior to the recession. Before the downturn, the Southend claimant count regularly remained between 2.5% and 3% which roughly equates to between 2,500 and 3,000 claimants. In addition to those 'unemployed' claiming job seekers allowance, Southend has over 6,000 people who have been on long term benefits for over a year.

Southend is changing. The Olympics and Paralympics, coupled with the development at Southend Airport and other investment in regeneration offer excellent opportunities for Southend to

create a further step change in the economy. The macro-economic situation, however, poses immediate threats to the Borough with its high level of exposure to inevitable public sector job cuts and the associated supply chain impact throughout the local economy. Retaining financial and other service jobs and delivering investment at the airport within a tough financial climate to further enhance employment prospects will be key to mitigating risk.

1.4 Governance and leadership

This LEA has been commissioned by Southend-on-Sea Borough Council in partnership with the Southend Business Partnership and the Enterprise and Community Environment Partnership: a group of public and private sector partners that have been brought together to drive economic and social development across Southend, as a sub-board of the Southend Together Local Strategic Partnership. It has been developed in parallel with a joint submission by Southend, working alongside colleagues in Essex, Thurrock, Medway and Kent, to create a Local Enterprise Partnership.

1.5 Analytical framework

The aim of this LEA is to provide a 'story of place'. Policy makers within Southend believe that it is not sufficient to simply outline relevant data to create an economic and social profile; it is also necessary to consider the area's history, linkages, infrastructure and economic dependencies. A framework (shown in Figure 2) has been developed to act as a guide to assessing the economic

character of Southend. This focuses not just on the key factors of the economy; people, businesses and places; but also the interplay between them and what this means in terms of economic competitiveness and geography. The intention of this document is not to duplicate past research but rather to combine that and new analysis to inform and challenge local policy and decision making. The method employed has combined extensive contextual analysis, data interrogation and public, private and third sector consultation to generate a rounded and robust view of the economy.

1.6 Structure of the Southend LEA

Based on the framework outlined above, this document is structured as follows:

- Section 2 describes **Business and Enterprise** within Southend, considering its composition, identifying key sectors and assessing performance in relation to enterprise innovation and growth;
- Section 3 covers **People and Communities**, describing demography, employment, skills and deprivation;
- Section 4 considers **Sustainable Economic Growth** including a range of factors relating to the movement, infrastructure, and environment which will shape the future of the economy;

- Section 5 summarises the **Economic Geography** of Southend, the various roles it plays and how this is evolving;
- Section 6 considers **Economic Competitiveness**, benchmarking Southend's performance; and
- Section 7 provides some **Conclusions, Key Priorities and Recommendations**.

A series of appendices provide supporting material including a comprehensive list of consultees, definition of terms and full list of source materials.

Figure 2: LEA Analytical Framework

	People and Communities	Sustainable Economic Growth	Business and Enterprise	Economic Competitiveness	Economic Geography
People and Communities	<ul style="list-style-type: none"> • Demography • Third Sector activity • Social and economic participation • Deprivation • Barriers to work • Inequality • 'Worklessness' • Equal Opportunities • Educational institutions and outcomes 	<ul style="list-style-type: none"> • Housing supply and quality • Fuel poverty and efficiency • Transport and communications infrastructure • Access to services 	<ul style="list-style-type: none"> • Demographics of the workforce • Occupations • Matching skills to business needs • Social Enterprise • Access to employment opportunities • Enterprise culture 	<ul style="list-style-type: none"> • High level skills • Productivity • Aspirations • Innovation • 'Quality of life' 	<ul style="list-style-type: none"> • Commuting flows • Hierarchy of retail centres • Distribution of quality housing • Access and transportation
Sustainable Economic Growth		<ul style="list-style-type: none"> • Environmental constraints and quality • Local Development Plans • Viability of development pipeline • Natural and built heritage 	<ul style="list-style-type: none"> • Transport and communications infrastructure • Quality, location and supply of employment land • Low carbon assets • Resource efficiency 	<ul style="list-style-type: none"> • Developable land • Strategic sites • Key sub-regional infrastructure assets 	<ul style="list-style-type: none"> • Neighbouring industrial, retail, commercial and residential developments
Business and Enterprise			<ul style="list-style-type: none"> • Makeup of the business base • Key economic assets • New start-ups • Key sectors • Public and private sectors • Quality and availability of business support • Visitor Economy 	<ul style="list-style-type: none"> • Sector and cluster specialisms • Innovation, workforce skills and R&D • High growth start-ups • New products • Growth ambitions and 'lifestyle businesses' 	<ul style="list-style-type: none"> • Proximity to markets • Supply chain dependencies (including international links) • Ownership of firms • Inward investment • Destination promotion
Economic Competitiveness				<ul style="list-style-type: none"> • Emerging trends • Political and macroeconomic variables 	<ul style="list-style-type: none"> • Image and perceptions • Import and Export markets
Economic Geography					<ul style="list-style-type: none"> • Administrative boundaries, • Retail catchments, • Travel-to-work areas, • Spatial dependencies • Cultural linkages and attitudes

2. ECONOMIC GEOGRAPHY

2.1 Introduction

The location and physical attributes of Southend has determined its development and the characteristics that define its economy. Whilst the spatial scope of this LEA document is Southend-on-Sea Borough and its primary readership will be those that live and work within Southend, it is important to consider the roles that it plays at a sub-regional, regional and national levels. Given the recent announcement of the new Local Economic Partnerships (LEPs) it is also important to consider the role that Southend plays within the Kent, Greater Essex and East Sussex Local Economic Partnership (LEP).

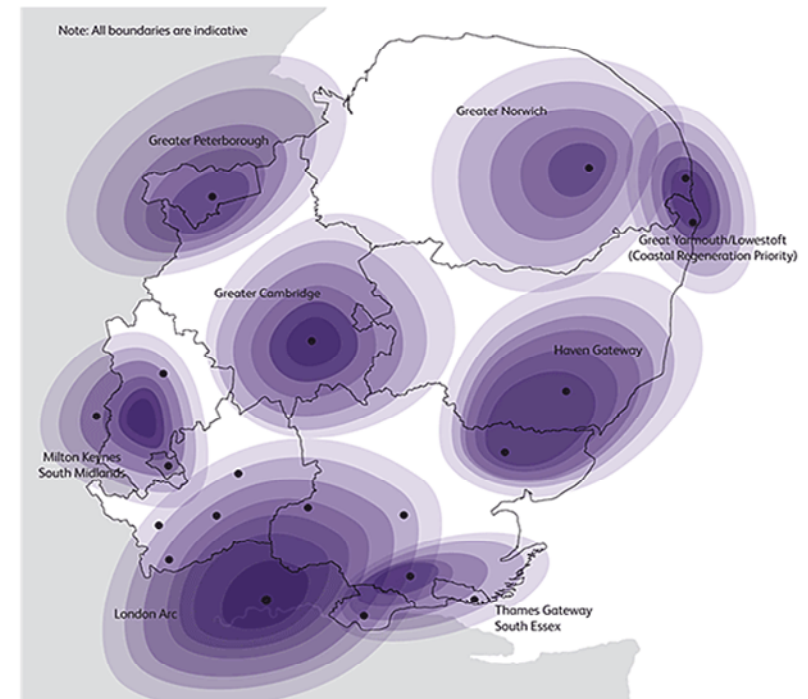
This section explores the economic linkages between Southend and the surrounding geography and outlines the different economic roles that the Borough plays.

2.2 A Changing Place

Southend today is the largest urban area in the Thames Gateway South Essex (TGSE) sub region and has significant influence within the whole of the East of England. Figure 3 displays the key engines of growth as defined by EEDA's Spatial Response

where TGSE is clearly identified in the south of the region adjacent to London.

Figure 3: Engines of Growth in the East of England



Source: EEDA, *The Spatial Response* (2000)

Southend's popularity grew in the Nineteenth Century as railway connections were established and it became London's favourite and most accessible seaside town. The popularity of Southend as a tourist destination continued into its heyday in the 1950s. The emergence of rival UK holiday locations and the increased accessibility of overseas travel, however, led to a decline in the tourism industry in the 1960s and 1970s, and today annual visitors are estimated at around 5.5 million people per year. Unlike many other traditional seaside locations, Southend was quick to supplement its major industry with other sectors, and the redevelopment throughout the third quarter of the twentieth century signified the beginning of the commercialisation of the town and the move to become less reliant on tourism.

During this period Southend was successful in attracting investment from outside of the Borough – major public and private sector organisations acknowledged it as a good location for back-office functions. Today it is home to the customer contact centres of HSBC, Lloyds TSB, Royal Bank of Scotland and many more. HSBC, however, has undergone a phased redundancies and relocation programme in 2010, with 520 leaving Southend to date and a further 180 expected to leave in 2011. The public sector now plays a major role in the town, and aside from the Borough Council, HMRC and DWP have administrative centres in Southend.

Southend has continued to evolve and adapt to economic conditions in recent times. Acknowledging a gap in its education offer, it has attracted a major campus of the University of Essex. There are also exciting plans to transform London Southend

Airport into a major passenger hub, opening up a number of new markets, creating new employment opportunities and supporting the Borough's existing aerospace industry.

Southend's proximity to London and growth potential, as recognised by the region, has allowed the town to develop a multifunctional character that is comparable to Brighton, Canterbury and Cambridge. This is unlike many towns in the UK that are obviously shaped by one or two key functions. For example, Blackpool can be labelled as a seaside town given its reliance on the tourism trade, Tunbridge Wells is defined as a dormitory town given its commuter population and Oxford is characterised by its University-town label.

The economic challenges of today complicates predicting the future role of Southend, however the evidence in this assessment clearly highlights the distance travelled from the seaside town of the 1950s.

2.3 Roles and relationships

The economic geography of Southend can be defined by its roles as a place and the associated functional economic areas. As highlighted throughout this report, Southend can not be characterised by one label such as a market town or a seaside town in isolation. As is the case with many diverse urban areas, Southend has a variety of roles depending on what evidence is used. This section outlines the five main roles that Southend fulfils and explores the associated relationships with other areas

such as Thames Gateway South Essex (TGSE), Essex and London. The five key roles that define Southend are as follows:

- Sub regional employment hub;
- Commuter town;
- Seaside town;
- A hub for education and entrepreneurialism; and
- Cultural centre.

Southend: a sub-regional employment hub

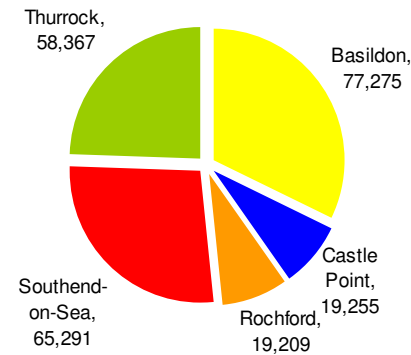
Southend is the largest urban area in Essex acting as a major employment centre for people living in and outside of the town. The employment catchment area extends throughout the county with the greatest proportion of commuters travelling into Southend from neighbouring Rochford and Castle Point.

Within TGSE, the main sub-regional employment hubs are Southend, Basildon and Thurrock. Figure 4 shows that Basildon provides the greatest number of jobs given that 32% (77,300 employees) of all employees within the TGSE sub region work in Basildon. Southend is close behind with 27% (65,300) of all employees within TGSE working in the town.

Market reach of businesses also provides a useful indication of the functional economic area of Southend. The 2010 Southend Business survey reveals that more than three-fifths of businesses

in Southend (63%) have a market reach (i.e. the area in which most of their customers are based) of the local area only. One in six has a regional or UK market reach (17% each). Fewer than one in twenty export to Europe (1%) or the World (3%).

Figure 4: All employees within the TGSE sub region



Source: ABI, 2008

Southend is a significant employment hub and is further away from London than Basildon and Thurrock, areas that are more likely to benefit from commercial spillover employment opportunities from the capital. Southend does, however, host a number of back office functions of London operations where there remain close functional ties. It also houses a number of key large employers (over 250 employees) that have chosen to locate central operations in Southend such as Olympus Keymed and IPECO. The University Hospital is also a very large employer

in Southend and serves a much wider area than just Southend. If Southend can continue to attract head offices of larger employers in the future it will confirm its position as a stand alone employment hub rather than a town commercially dependent on the Capital.

Section 3 outlines business and enterprise in Southend and profiles its most important growth and employment sectors.

Southend: A commuter town

In contrast to the previous section which outlined the Borough's characteristics as a stand-alone employment hub, Southend does also exhibit some characteristics of a dormitory or commuter town. This can be expected given that Southend benefits from two direct train lines in to the City of London which makes it an attractive residence for commuters. In 2008 over 57% of Southend residents worked within the Borough. Over 12% of residents work in London, whilst nearby Rochford (6.5%) and Basildon (5.4%) are the major employment locations.

Dormitory towns often benefit from high resident wages as commuters are likely to travel for higher paid employment than is available at home. This is certainly the case in Southend, where those that work outside of the Borough earn, on average, just under £100 per week more than those that are employed locally. High resident incomes are beneficial for the local economy as residents spend their earnings. However, dormitory towns are often hampered by high levels of inequality as the income earned

by those that live and work in a commuter town is significantly less than those residents who work elsewhere.

Further details on where Southend's population live and work are described in Section 4, and the spatial implications of this are covered in Section 5.

Southend: A seaside town

With over seven miles of coastline and the world's longest pleasure pier it is easy to see why the town has gained a reputation as a seaside town. It is one of the closest seaside resorts to London and it has a well established day-trip visitor economy. The sector attracted 5.5 million visitors in 2009 with an associated spend of £330 million within the local economy.⁶

Aside from traditional seaside day trippers, the area is becoming known as a destination for watersports such as kite surfing which is developing a much younger visitor profile. There is a fully resourced watersports centre and all the beaches have won Quality Coastal Awards, two having been awarded International Blue Flag accreditation. Adventure Island, Sea Life Adventure and the events programme including the annual Air Festival are also very popular attractions adding to the visitor offer.

The analysis conducted as part of this LEA suggests that, whilst Southend might look and feel like a seaside town, its economic characteristics lack seasonal unemployment and intense (and

⁶ Economic Impact of Tourism: Southend on Sea - 2009, Headline figures, East of England Tourism 2010

widespread) deprivation one would normally associate with these places. A sign of this is the Borough's demographic structure: although it has an older and aging population, the profile is moving closer to the regional and national averages.

More analysis on Southend's tourism industry is shown in Section 3, and its demographic characteristics are considered in section 4.

Southend: An education and entrepreneurial hub

Two of Southend's assets are education and entrepreneurship. At Primary and Secondary level education, Southend has a wide choice of education institutions and attracts students from outside of the Borough. The University of Essex's Southend Campus and South Essex College have a strong presence in the area allowing Southend to assume the role of an education centre in the sub-region. The university campus in Southend has addressed the lack of HE provision in the area and has significantly improved access to HE for the town. The campus will be instrumental in improving the graduate retention rate for the town ultimately raising the skills levels of the labour pool and providing productivity boost to the local business base.

With the assistance of the university campus, Southend has significant potential to become a knowledge-based employment centre. The town already boasts a high level of business start-up in comparison to the rest of the country. To date, the problem has been business survival and growth – where indicators suggest it struggles. Retaining high quality students, and

providing the support and infrastructure required to sustain and grow local businesses will be a crucial component in addressing this.

Education is considered in more detail in Section 4. Its entrepreneurial spirit is discussed in Section 3.

Southend: A cultural centre

Southend is establishing itself as a cultural hub at the centre of the TGSE sub-region. Southend's Cultural Strategy, Regeneration Framework and other key strategic documents highlight the aspiration to be the Cultural Capital of the East of England by 2017. Specifically Southend's Local Area Agreement places culture as one of its nine key priorities. The town has a significant concentration of creative and cultural businesses located in the Borough, particularly in Leigh, Westcliff and Southend centres. Whilst this sector has significant employment and wealth generating capacity, experience from elsewhere suggests that it also has the ability to create a step change in the economy, attracting new, ambitious people to Southend and helping the town retain some of the spending power of residents that work in London.

Southend has a number of projects supporting this role, including a wide range of art galleries and projects such as the renowned artistic laboratory Metal, Focal Point Gallery and the Beecroft Art gallery. In terms of theatres, the Arts Council has ranked Southend at 9th in the country, bringing £18million into the local economy each year. The Cliffs Pavilion is one of the largest

venues of its kind in the UK and of regional importance and there are a number of other facilities within Southend.

Southend's cultural and creative industries are considered further in Section 3.

3. BUSINESS AND ENTERPRISE

3.1 Introduction

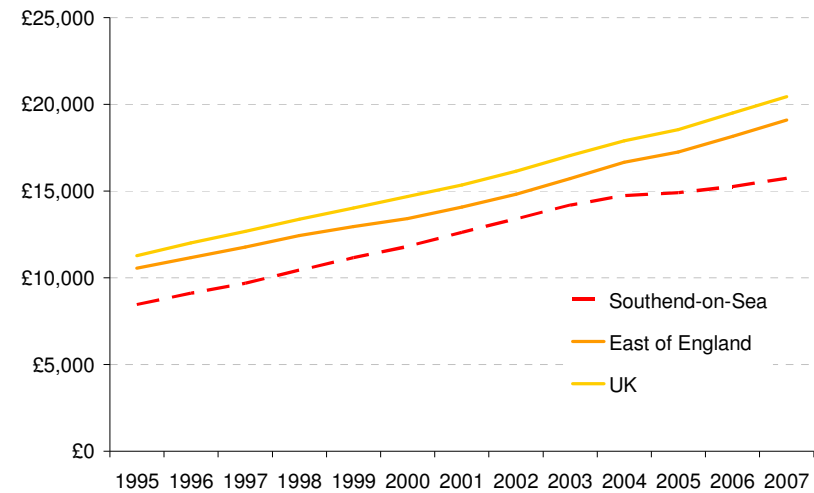
This section examines the business makeup of the economy, looking at what kinds of firms are operating in Southend-on-Sea, the special concentrations of firms in particular industries, and their overall contribution to the life and prosperity of the Borough.

The section looks first at the overall scale and structure of the economy, analysing historical trends which have shaped its present industrial structure. It then identifies seven key sectors, which are discussed individually, before moving on to study the demography of the business base, including the patterns in business creation and failure. Finally the section brings together the key messages concerning assets, constraints and opportunities facing the Borough’s businesses and economy.

3.2 Southend’s Economic Contribution

In 2007, Southend-on-Sea’s economy generated £2.5 billion in Gross Value Added (GVA). However, GVA per head in Southend is lower than the regional and national averages, and the gap has grown in recent years. Figure 5 displays this path, showing steady increases in line with the national trend from 1995 to 2004, followed by a slowdown in GVA growth.

Figure 5: GVA per head in context



Source: *Headline GVA per head by NUTS3 area at current basic prices by region (ONS)*

This figure represents the contribution made by businesses located within the Borough; as will be discussed in later sections, people who live in Southend often work outside the town, including many who work in London. As a result of the differential between the wages of those who live in the Borough, and the wages of those who work here, it is important to recognise these two distinct populations and the businesses by whom they are employed.

3.3 Sectoral Breakdown and Trends

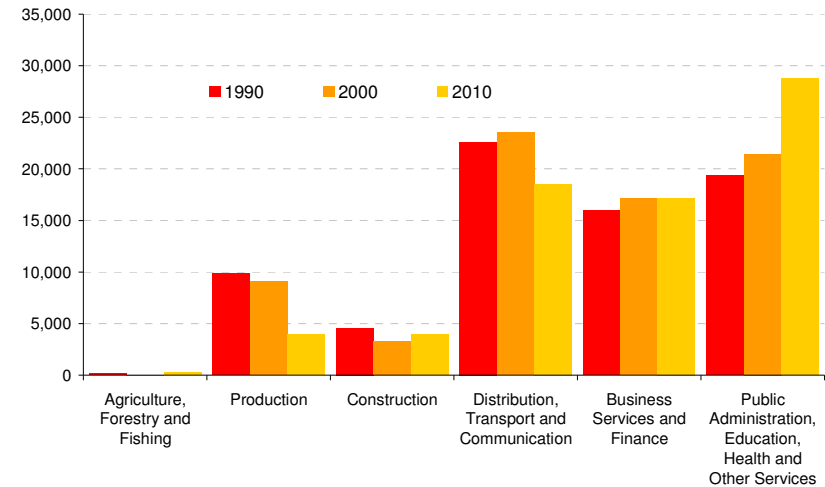
In order to understand this economic contribution in more depth, this section examines the sectoral mix within the Southend economy, and identifies the Borough’s key sectors – defined as the sectors which contribute most to employment and wealth, as well as those with strategic significance due to their role in defining the town.

Over the last 20 years, the industrial makeup of employment in Southend has shifted in very significant ways. Between 1990 and 2000, the economy witnessed trends very similar to the national pattern of declining employment in manufacturing and production industries, and a slow increase in employment in the service sectors – retail, business services and the public sector. Between 2000 and 2010, a more substantial change took place, with rapid decline in the relative importance of manufacturing, a decrease in employment in distribution, transport, retail and communications, and a very large swing towards the public sectors: education, health and public administration. Figure 6, below, illustrates these structural changes, and Table 1 contains the data as modelled by Experian.

Later analyses will display more precise figures from publicly available sources, while these are provided as an indication of broader long-term trends.

Today, this sectoral mix in employment makes Southend-on-Sea an overwhelmingly service-driven economy, heavily reliant on public sector employment.

Figure 6: Long-term employment trends



Source: Experian 2010

Table 1: Long-term employment trends

	1990	2000	2010
Agriculture, Forestry and Fishing	190	10	250
Production	9,850	9,060	3,980
Construction	4,560	3,300	3,980
Distribution, Transport and Communication	22,630	23,550	18,530
Business Services and Finance	15,950	17,100	17,190
Public Admin, Education, Health and Other Services	19,340	21,440	28,710

Source: Experian 2010

Looking at the productivity of jobs within these industries adds further detail to the sectoral picture. Three disparities are evident when comparing local with national levels of sector productivity.

Jobs in the construction sector are less productive, on average, than nationally. Southend is home to 670 Local Units in the construction sector, 87% of which employ fewer than 5 staff (IDBR 2010).⁷ The same figure for the United Kingdom is 81% (UK Business 2009). The small size of construction firms and the lower productivity are likely to be attributable to a combination of two factors: first, Southend's urban density and small supply of developable land mean that demand for significant local construction employment has been limited; second, Southend's local and sub regional market for construction services is physically limited by its coastal location. Southend's 2010 Business Survey, conducted to inform this LEA, details this second point. When asked to define the extent of their business markets, 69% of construction sector firms said they mainly serve a local area of within 20 miles, compared to 62% of non-construction sector firms. Over 80% of construction firms classed themselves as family-run businesses, the highest figure for any group interviewed.

⁷ Local Unit: a statistical term referring to an employment site, rather than an enterprise. One enterprise may have more than one local unit within the same area. While an enterprise based in Southend will be registered in Southend, a local unit in the Borough may be part of an enterprise based anywhere in the world. IDBR: Inter-Departmental Business Register, a cross-government database of known businesses.

Jobs in distribution, transport and communications (including retail and hospitality sectors) are on average significantly more productive than the national benchmark. In part this is because the Borough is overwhelmingly urban and constitutes a very dense population centre with a large captive local market, but productivity is also raised by the annual influx of visitors (5.5 million in 2009), and their associated spending in the area (£330 million in 2009).⁸ In addition, some employment in services associated with the airport is included in this category (see page 49 for more analysis of aviation industries).

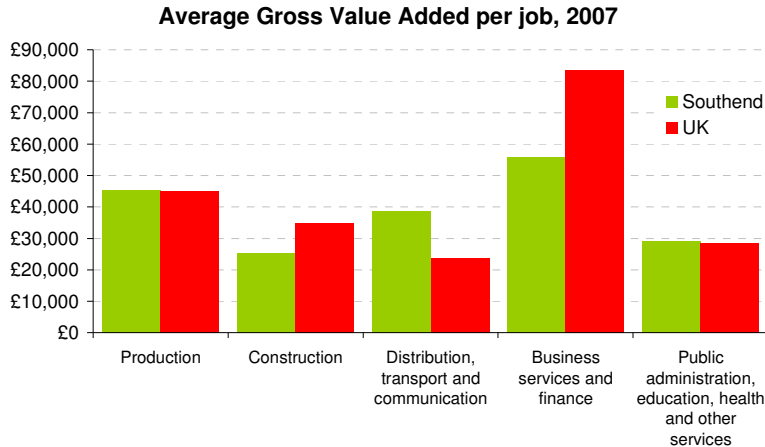
Finally, employment in the business services and finance sector, although comprising the most productive jobs on average in the Borough, falls well short of the level of value-added obtained in the sector as a whole. We estimate that over three quarters (76%) of all employment in Business and Financial Services in Southend falls into the cluster of sub-sectors we have called 'back-office functions' (see page 44). These jobs are largely in supporting and subsidiary roles to the financial industries and other organisations, rather than comprising a mix of occupations at all levels of the value chain.

These three disparities can be seen very clearly in Figure 7, below, which displays the productivity of jobs in 5 broad industry groups. Agriculture, Forestry and Fishing has been excluded due to the very low number of companies in the category in Southend – very small sample sizes lead to highly variable and anomalous results for GVA, turnover and employment. We believe that there

⁸ 'Economic Impact of Tourism: Southend on Sea – 2009, Headline figures', East of England Tourism 2010, p.2

are between 15 and 20 businesses in Agriculture, Forestry and Fishing sectors in the Borough (IDBR 2010). The fishing industry, although small, contributes significantly to Leigh-on-Sea, both in terms of its heritage and identity, and as a key visitor attraction. An annual Fishing Festival, supported by the Council, introduces visitors to the historic Leigh Port, as well as marketing local produce.

Figure 7: Productivity by industry

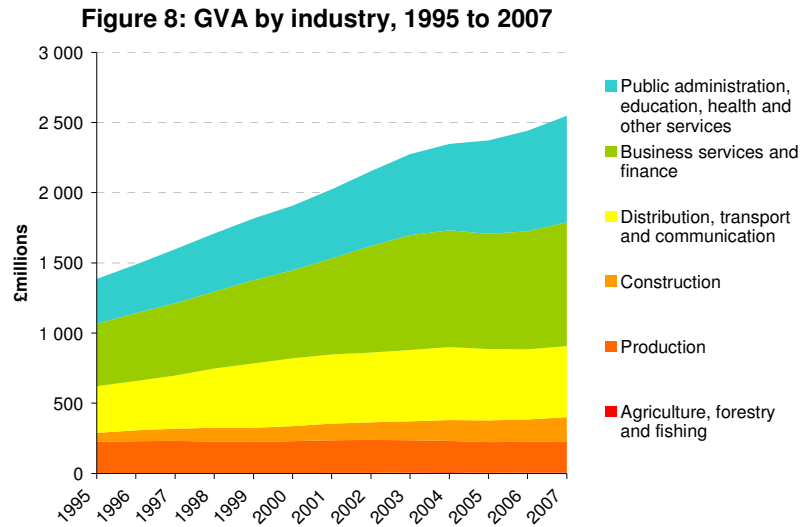


Source: ONS, Annual Population Survey, Headline GVA by NUTS3

The reasons for the slowdown in per-person GVA growth seen from 2004 onwards in Figure 5 now become clearer. Since 2003, the growth in GVA that had been largely fuelled by an increase in

employment in business services flattened, and was succeeded by a slower rise in GVA, generated by increasing public sector employment. Figure 8, below, displays the total GVA produced in Southend by industry, while Table 2 presents the same data as percentages of total GVA. Dividing the period into two phases, it is clear that between 1997 and 2004, business services and finance increased its share in the economy by 3 percentage points as production declined, but in the second phase the share contributed by the business sector actually fell (by 1 percentage point). The implication of this analysis is that Southend's competitiveness as a location for the business services and finance sector reached something of a limit in 2003/04 following a prolonged period of inward investment and relocation. This coincides with a substantial increase in off-shoring of UK financial services activities (see below), which suggests that the country as a whole became a less attractive location for investment in back-office functions than other countries, notably India.

An additional factor in the slowdown of per-capita GVA growth since 2002 is a decrease in the net creation of businesses. This factor is examined later in this section.



Source: ONS, Headline GVA by NUTS3

Table 2: % total GVA and percentage point change 1997 to 2007

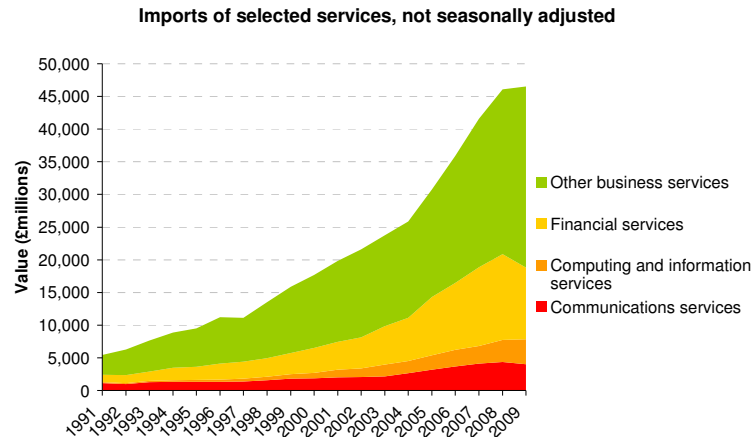
	1997	2002	2007	pp Change 1997 to 2002	pp Change 2002 to 2007
Agriculture, forestry and fishing	0%	0%	0%	0%	0%
Production	14%	11%	9%	-4%	-2%
Construction	5%	6%	7%	0%	1%

Distribution, transport and communication	24%	23%	20%	-1%	-3%
Business services and finance	32%	35%	35%	3%	-1%
Public admin, education, health and other services	24%	25%	30%	1%	5%

Source: ONS, Headline GVA by NUTS3

2003/04 was the start of an acceleration in the off-shoring of business services, as is revealed in the Pink Book, the UK accounts of international trade. As Figure 9, below, illustrates, a significant amount of international outsourcing took place from 2004 onwards as firms sought much lower costs and technology enabled an unprecedented level of reliable international communication. Companies that might otherwise have followed HMRC, Lloyds, HSBC and others in investing in Southend found more competitive environments overseas, and job growth in the financial and business services sector consequently slowed.

Figure 9: The UK trend towards off-shore outsourced services



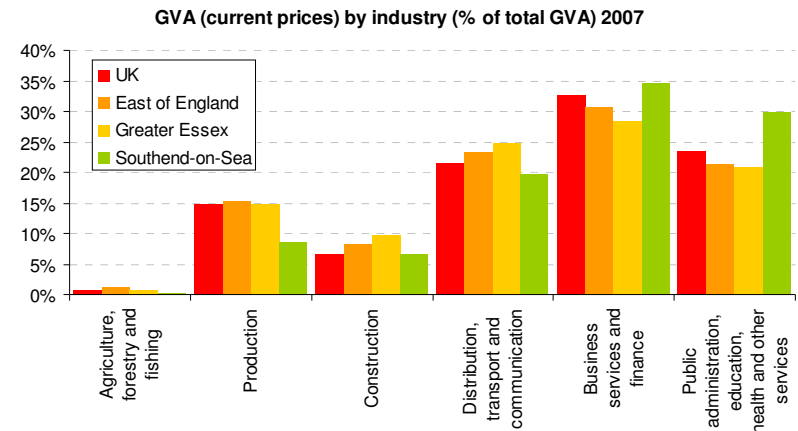
Source: Pink Book: Time Series data, ONS⁹

As discussed on page 44, there has been a steady erosion in the number of people employed in back office, and there are challenges in addressing the condition of business accommodation for potential inward investors seeking to locate further large contact centre operations in the Borough. As can be seen in Figure 9, UK purchase of business support services tailed off from its expansion with the onset of the recession, but this is more likely due to the banking crisis than due to a change of preferences towards UK-based contact centres and back-office employment.

⁹ Balance of Payments: Trade in Services (Imports)

All these various trends have created an industrial structure which differs from national and regional trends, forming a distinctive sectoral makeup. Today, Southend-on-Sea is both a business services and public administration centre, with niche strengths in the production industries and the prospect of an emerging cultural and creative sector. Figure 10 illustrates how this structure compares to other areas – Southend’s largest sectors are more significant than the largest sectors elsewhere, showing both the local specialisms, and the local vulnerabilities that result.

Figure 10: Benchmarking Southend’s industrial structure



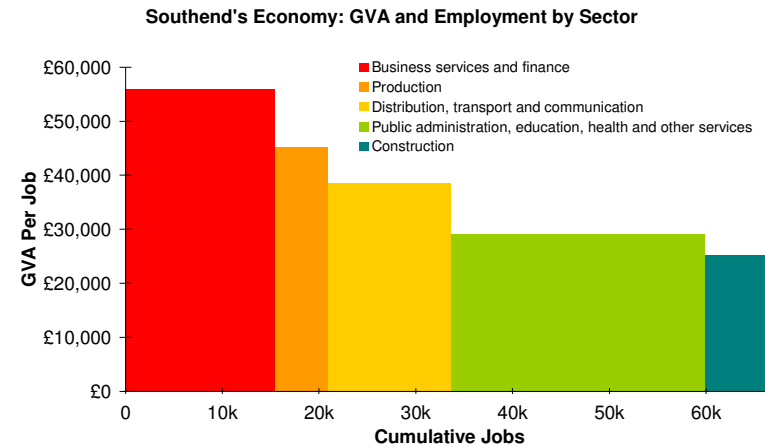
Source: ONS, Headline GVA by NUTS3

Bringing this together provides an overview of the general structure of Southend's economy, and points towards some of the challenges facing the Borough as it pursues continued prosperity and plans for the recovery:

- The most productive jobs in Southend are not as productive as the most productive jobs elsewhere, due to the high levels of employment in supporting occupations.
- The majority of jobs in the Borough are relatively low productivity, especially the very high number of jobs in the public and other sectors.
- The average level of GVA per head is boosted by the financial and business services sector, but growth in the sector stalled in 2002 and levels of employment are likely to see further decline.
- The Borough's location makes it a suitable employment location for some industries, such as large contact centres, claims checking and accounts processing functions; meanwhile, the limited local markets reduce the potential of certain industries, such as construction, and the scale of others, such as the retail sector.

Figure 11 draws this narrative into a single diagram, showing GVA per job against the number of jobs, by sector in 2007.

Figure 11: The structure of Southend's economy, 2007



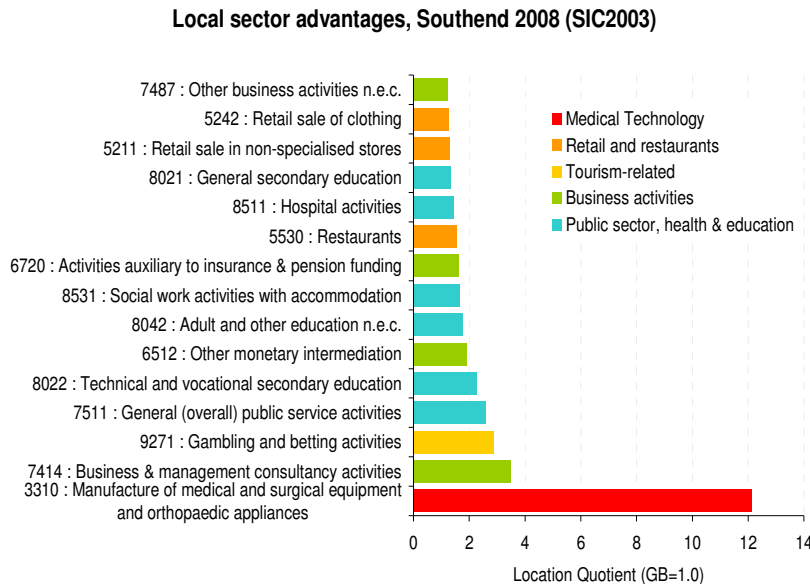
Source: ONS, Annual Population Survey, Headline GVA by NUTS3

Within this broad outline, it is possible to analyse smaller sectoral groups to identify local clusters of business in related activities, and define the Borough's key sectors. One analytical tool used to perform this analysis is known as the Location Quotient (or Simple Location Quotient), which looks at how employment in an industry in a local area compares to the national average level of employment in that industry. A Location Quotient (LQ) of 1.0 indicates that employment in the sector is perfectly in proportion with the national average level of employment. A higher LQ indicates a degree of local specialism. The highest resolution of industrial classification available for this analysis is the 4-digit

Standard Industrial Classification, and **Error! Reference source not found.**, below, shows the 15 narrowly defined sectors which meet two criteria:

1. A location quotient greater than 1.2; and
2. Employment above 1,000 people (1.5% of Southend's total employment).

Figure 12: Sectoral concentrations in Southend



Source: ONS, Annual Business Enquiry 2008

As is immediately obvious from **Error! Reference source not found.**, the most concentrated industrial sector is the 'manufacture of medical and surgical equipment and orthopaedic appliances', which has a location quotient of over 12. In Great Britain the sector accounts for 0.13% of all jobs; in Southend, it accounts for over 1.5% of employment.

Southend is a centre for public sector activities, not solely due to the presence of the Council, but also because it is home to a major sub-regional hospital, Further and Higher Education facilities and schools which serve a catchment area well beyond the Borough boundaries. As a result, and especially in light of the 2010 Comprehensive Spending Review, we consider the public sector as a key sector in this LEA.

Monetary intermediation, business and management consultancy activities, auxiliary functions to insurance and pension funding (including debt recovery) and unclassified business activities are all strongly represented compared to Great Britain, as are retail and restaurant sectors.

Tourism has been a central pillar of Southend's economy for generations, and although the town is not reliant on the visitor economy, the role played by tourism – in publicising Southend, drawing visitor spend and introducing people to the town's varied offers – is nonetheless crucial. The only specific tourism-related sub-sector which meets the two criteria above is 'Gambling and betting activities', but there are numerous other sectors employing fewer than 1,000 people which combine to provide a varied tourist offer and make tourism, overall, a key sector.

Finally, the creative and cultural industries are considered to be a key sector in spite of the low level of employment they provide. An explanation of the strategic importance of the sector can be found in the detailed sector profile which follows.

Previous key sector analysis of Southend has made two groupings which we have avoided in this LEA:

First, there has been a tendency to look at the medical technology industry alongside human health activities such as Southend University Hospital and the residential care sector. We have chosen to treat the medical technologies sector as a defined group in its own right, as we have found few direct links between the instrument manufacturers and local provision of healthcare services. Furthermore, the skills, premises requirements and markets for advanced manufacturing in medical technology are very different to those of the broader healthcare industry.

Second, some assessments have identified 'Aviation and advanced engineering' as a key sector. These sectors do not appear in **Error! Reference source not found.** since the most important employment site for aviation, London Southend Airport, lies beyond the Borough border with Rochford district. We have chosen to take aviation and related industries as our replacement for this previous amalgamation, since this more closely isolates a group of related firms working in the same area.

The next part of this section looks at these key sectors in more depth, in the following order:

1. Tourism
2. Retail
3. Public Sector
4. Back Office
5. Creative and Cultural Industries
6. Aviation
7. Medical Technologies

3.4 Key Sector Profiles

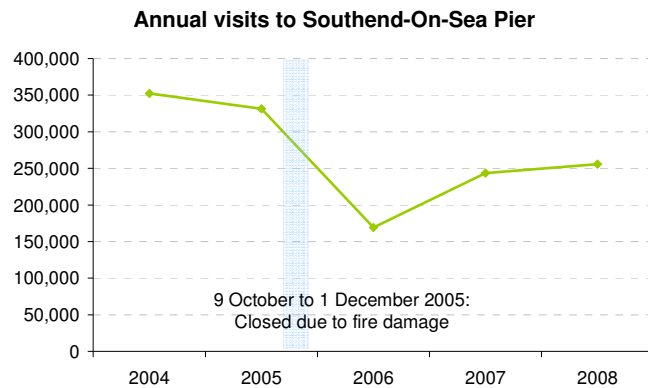
Tourism

Southend has been a tourist destination for two centuries, and the town is estimated to have attracted 5,944,300 visitors in 2009.¹⁰ The majority of these visitors (95.7%) are day visitors, who typically contribute less to the local economy than those who stay overnight. While there has been a national decline in the popularity of short-stay holidays in the UK (notwithstanding a temporary, recessionary boost to the 'staycation' in 2008), Southend's accessibility exacerbates the issue for the local industry. As the nearest seaside to London, Southend is a destination to which tourists can travel easily within a day.

¹⁰ East of England Tourism (2009)

Southend Pier, the longest pleasure pier in the world, is the Borough’s best-known asset, and projects the town’s image to a wide audience. Visits to the pier have bounced back since it was closed in late 2005 due to fire damage, though the pier has not regained its position as one of the top paying tourist attractions in the UK and the East of England. Figure 13, below, shows the visitor numbers to the Pier over the last few years and illustrates the decline and recovery. The role of the pier in shaping public perceptions of the town is not always helpful, as it is associated not only with Victorian seaside aesthetics, but also with very traditional holiday and day-trip patterns. Both of these associations constrain the ability of the Borough’s tourism, leisure and cultural sectors to reinvent Southend as a modern and vibrant cultural destination with a varied offer.

Figure 13: Southend Pier recovering from fire damage



Source: East of England Tourism, Visits to Visitor Attraction 2008

Our analysis suggests that 1,150 people are employed in providing accommodation, guidance, adventure and theme parks and casinos for tourists. This is equivalent to 1.9% of all employment in Southend. However, since most visitors are day trippers, solely focusing on the accommodation sector excludes much of the economic impact of visitor spending in the local economy. Tourists spend money in restaurants, cafes, bars and shops, in cultural attractions and at events. In 2008, East of England Tourism undertook an analysis of Southend’s tourism sector, concluding that it was responsible for 18.3% of all employment in the Borough as illustrated in Table 3.

Table 3: Employment impact of tourism

	Jobs
Accommodation	503
Retail	1,294
Catering	2,411
Attractions/ entertainment	843
Transport	225
Other	321
Supply chain (indirect employment)	933
Supported through spending of tourism sector income (induced employment)	233
Total	6,763

Source: East of England Tourism, Economic Impact of Tourism – Southend 2008

28.4% of these jobs are sustained by overnight visitors, even though they make up only 5% of Southend’s tourists. This demonstrates the value to the local economy of encouraging

more visitors to stay, and poses one of the major challenges for the tourist industry.

Demand for overnight weekend stays currently comes mainly for budget accommodation, from families making weekend breaks, people staying overnight after visiting nightclubs, people visiting relatives or holding events in the town, and those drawn to Southend by one of the major events – especially Southend Air Festival in May. During the summer, and especially over weekends, most if not all visitor accommodation has tended to be occupied.

There are 9 hotels in the Borough, along with 11 guesthouses, providing an overall total of 685 rooms. One of the largest hotels, the Park Inn Palace, opened in March 2010 with 137 rooms.¹¹ This new supply of hotel rooms represents a very large increase in the town's capacity to host staying visitors, and although capacity in itself will not necessarily boost tourism revenue, the fact that the private sector has identified sufficient demand to merit such a significant investment is a strong signal of expected market strength.

Midweek occupancy in the Borough's hotels is driven mainly by local corporate demand, especially in the off-season. As reported in the 2010 Hotel Futures Study, much of this business is government-related on relatively low rates. HMRC is a key generator of demand for hotel accommodation, but there are very few residential conferences hosted in the Borough by private companies. Finally, the Airport generates some business stays,

especially from aircrew, engineers and those taking flying courses at one of the three flying schools based at Southend Airport.

Alongside the low level of staying visitors (in particular in low season), there is a perception that the town's retail and leisure offer does not capture a high level of visitor spending. The esplanade and shoreside end of the High Street are seen to cater particularly for day-trippers, and consultees have questioned the extent to which visitors explore higher-end shopping facilities further away from the waterfront. Improvements to the physical fabric of the esplanade are currently being completed (as at October 2010) under the City Beach development project, and these are expected to enable a smoother transition between the High Street and the esplanade. These public realm improvements will enhance both the visible appearance and accessibility of the seafront end of the High Street, providing a more comfortable area where visitors can stay longer and encouraging private sector investment.

The recession has been extremely difficult for the tourism sector as a whole. The forecasts for the tourism industry in 2010 and 2011 from PricewaterhouseCoopers predict a comeback in demand, differentiated between a strong recovery in London and a slower, rougher path for the provinces.¹² Southend falls between these two categories, and its ability to position the town as a location for Olympic-related visitors could be a decisive

¹¹ Southend Hotel Futures Study 2009

¹² UK Hotels Forecast 2010 and 2011: On the comeback trail, PricewaterhouseCoopers, March 2010.

factor in generating a new, higher profile among visitors to the capital. With direct access to the Olympic sites in East London via Stratford station, and expanded passenger capacity at London Southend Airport, 2012 presents a major opportunity. Hadleigh Farm, in nearby Benfleet in Castle Point Borough, is to host the 2012 mountain biking competition, and will have facilities for 3,000 spectators. In addition, Southend's new swimming pool at Garon Park to the north of the town will contain an Olympic-quality diving pool which has attracted the interest of the Team GB diving squad as a potential training facility.

Retail

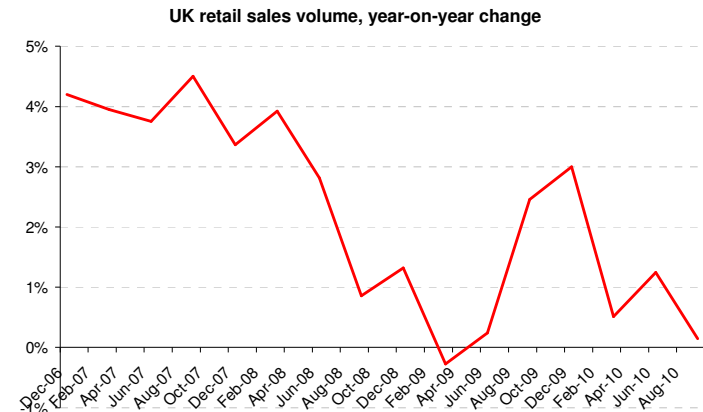
Southend is a very dense urban area, and the retail catchment for the town's shops is estimated to cover over 300,000 people in the South Essex sub-region. As a retail centre, Southend faces competition from the town centres of Basildon and Chelmsford, and the two shopping centres at Thurrock Lakeside and Bluewater in Greenhithe. The proximity of these two nationally significant shopping centres is a major constraint on the ability of the town to capture greater sub-regional market share, especially in higher-end retail provision. For further analysis of patterns in retail floorspace, demand and development plans, please see the Sustainable Economic Growth section of this LEA, and the 2010 Southend Retail and Town Centre Study.

Southend's retail sector currently employs over 7,150 people (IDBR 2010¹³), which is 11.8% of the workforce. It accounts for

631 units (some companies have multiple units) ranging from major national chains such as BHS, Debenhams, Marks and Spencer and Primark, to independent market traders.

Employment in the sector has fallen significantly over the course of the recession both in Southend and the UK as a whole, and consumer spending trends have not recovered. Efforts to encourage retail spending, such as the reduction in VAT at the end of 2009, have helped to avoid a prolonged decline in sales, but growth is sluggish, with forecasters expecting consumers to manage credit with restraint and increase their savings against an uncertain future. Figure 14, below, shows the current UK situation. On January 4, 2011, the VAT rate will rise to 20%, which will further dampen any recovery in consumer spending.

Figure 14: UK retail trends 2007 to 2010



Source: Experian 2010

¹³ We use SIC(2003) Division 52 throughout this analysis.

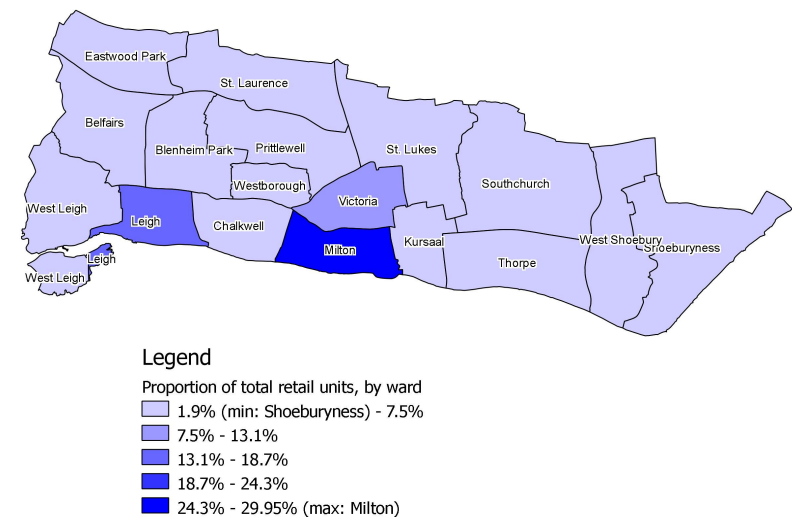
53% of retailers responding to the Southend 2010 Business Survey reported that the recession had reduced their turnover, indicating the scale of the problem. Analysis of the IDBR for 2008 and 2010 shows the closure of 60 retail units over the period, most of them employing fewer than 10 staff, with the loss of over 350 jobs.¹⁴ Statistics on the number of businesses registering and deregistering for VAT (making a turnover above the VAT threshold, set currently at £70,000), reveal a steady decline in the number of retail units in the town since at least 1994 (see page 58). New retail developments have led to some existing retailers expanding into new accommodation, and improvements to the fabric of both ends of the High Street – around the Victoria shopping centre and at the seafront – will enable much more retail development in the town centre when retail prospects improve.

Among the residents of Southend there are very different levels of spending power, and accordingly different retail needs. In consultation, stakeholders identified the town’s more affluent residents as an under-served group, with the lack of high quality fashion outlets in the town centre an acknowledged weakness. The Thorpe Bay area, home to some of the town’s most affluent residents and most desirable houses, does not have any significant retail offer, and in consultation it has been suggested that the Borough’s higher spenders can travel to neighbouring towns for their shopping needs. However, the retail offer in Southend is varied across different geographical centres, with a

¹⁴ Analysis of the Inter Departmental Business Register undertaken by GVA Grimley. This is subject to possible error due to the exclusion of some very small VAT-registered businesses from the 2010 data set.

higher concentration of independent traders in Leigh-on-Sea than in the town centre. Figure 14 illustrates the spatial concentration of shops within Southend – the town centre and Leigh clearly predominate.

Figure 15: Southend’s retail centres



Source: IDBR 2010, GVA Grimley analysis

It is recognised that independent retailers generate a greater return for the local area per pound of turnover than national chains, in an effect known as a local multiplier effect. Small local businesses tend to purchase a greater proportion of their goods and services from nearby firms than larger national and

international businesses, and the profit generated locally is more likely to be spent locally. The 2010 Southend Business Survey reported that 77% of Southend retailers were single site businesses, and 75% were family-run. Independent retailers, cafes, bars and restaurants are most concentrated on side streets off the High Street in the town centre, in Westcliff district centre and particularly in Leigh, where they provide a distinctive character and quality to the neighbourhood.

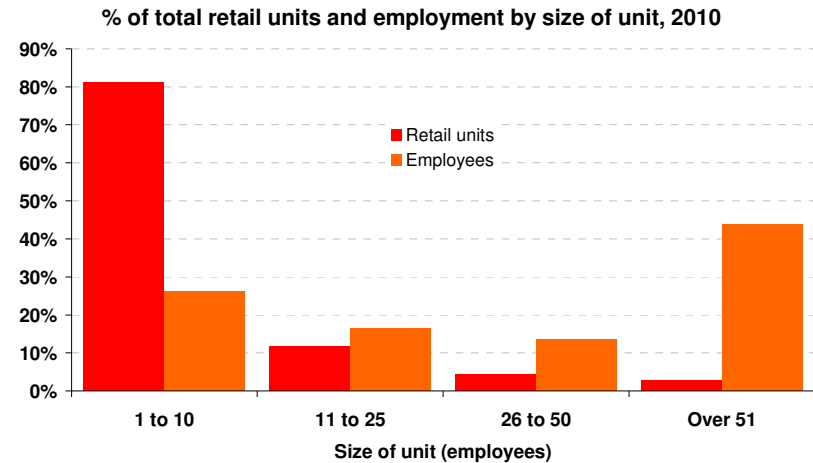
At the same time, large retail units (over 50 employees) in Southend sustain 43.9% of all employment in the sector, amounting in 2010 to 3,140 people, although they make up only 2.7% of all retail units. Figure 16, below, shows this distribution of units and jobs, showing the significance of large firms to both the sector's strength and the Borough's economic prosperity.

Pubs, bars and restaurants also constitute a major employment sector, with 2,430 employees (4% of the workforce) in 285 units in 2010.¹⁵ In a town with such a significant visitor economy, the vitality of this sector is crucial. As mentioned above, one of the attractions of Southend to visitors is the night-time economy, with a number of large clubs located at the southern end of the town centre drawing visitors. Leigh has a thriving café culture of which locals are proud, and early evenings, especially late in the week, can be particularly busy.

There are very few statistics on the night-time economy available, but the Council, as a licensing authority, intends to

publish a register of all licensed premises in the Borough in due course which will indicate the geographical focus of bars and pubs. Headline figures from the Department for Culture, Media and Sports indicate that Southend has 603 licensed premises and 42 licensed clubs as of 31 March 2010. This equates to 37 licensed premises per 10,000 residents, the highest density of pubs and bars in the Thames Gateway South Essex sub-region. The rate is not high nationally, however, especially compared to rates of 47 for Bournemouth, 54 for Brighton and Hove, and 119 for Blackpool.

Figure 16: Retail units and retail employment



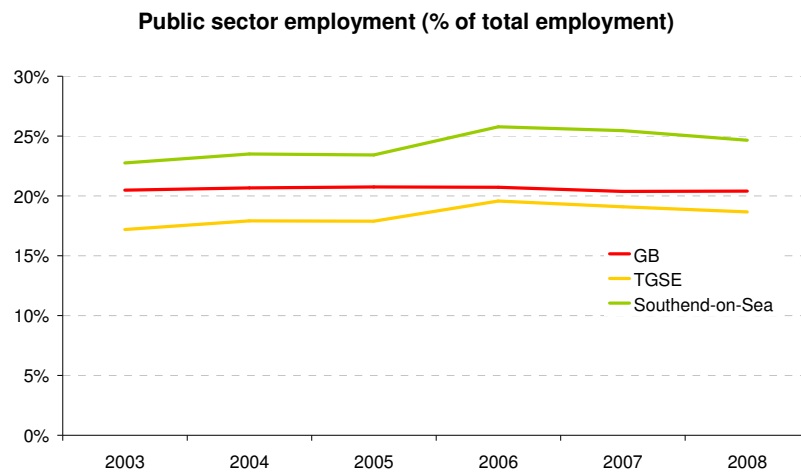
Source: IDBR 2010

¹⁵ IDBR analysis of SIC (2003) codes: 55301-55304; and 55402-55404.

Public Sector

A quarter of all employment in Southend was in the public sector in 2008, making a total of 16,100 jobs. Figure 17 shows this level of employment against the sub-regional and national averages, highlighting the scale of the town's reliance on public service jobs. Two factors account for much of the over-representation: the status of Southend Unitary Authority as an administrative hub with services catering for populations stretching into Castle Point and Rochford districts; and the presence of public sector back-office functions including processing and contact centres for HMRC and DWP.

Figure 17: Southend as a public service centre



Southend University Hospital is the Borough's largest single employment site, accounting for over 4,700 jobs. Nevertheless, employment in the health and social care sector in Southend is not significantly out of proportion with the rest of the country; indeed, the healthcare industry is expected to continue to grow in the long run, although budgetary pressures will mean inevitable redundancies in the short term. The planned real-terms increase in NHS funding announced in the 2010 Comprehensive Spending Review is to be accompanied by a major internal reform programme, since without some improvements in efficiency the growing demand for healthcare services will soon outstrip the small increase in funding allowed.

We examine demographic trends in the Borough in the next section (see page 62), and note that Southend's population is older, on average, than the UK's, but that the age gap is closing. In summary, the challenges facing Southend in terms of increased pressure on healthcare services are being seen across the country. It is hoped that the extra funding announced in the CSR for adult social care services will support some of the early intervention and diversionary work which has been piloted in recent years and reduce calls on primary care services for non-urgent health problems.

In October 2010, the Board of Governors of Southend University Hospital NHS Foundation Trust outlined the hospital's strategic direction for the next three years, including the closure of six wards, the reduction of the workforce by 400 Full Time

Equivalent positions and planned expenditure cuts of £33.8 million over three years.¹⁶

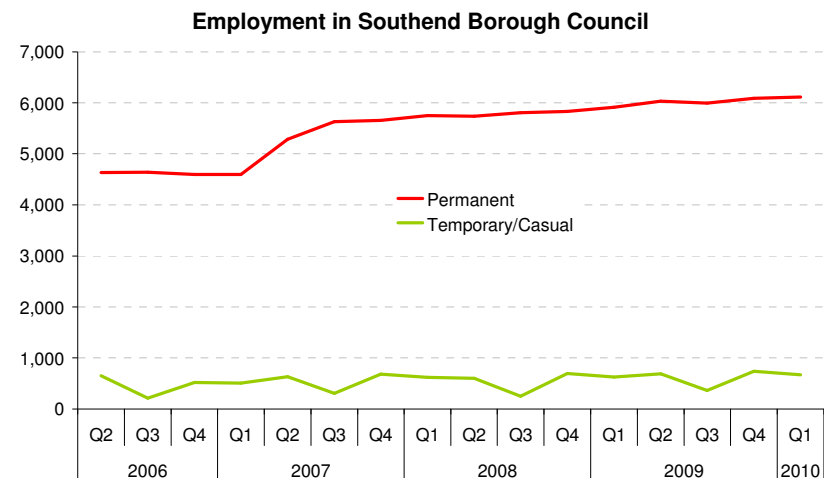
In 2009 there were 3,790 teachers and support staff in the Borough's local authority-maintained nursery, primary, special and secondary schools (DCSF School Staff 2009), and 2,148 staff in the care sector, predominantly in the private sector (64%).¹⁷ Again, the Location Quotients for these sectors are very close to 1, indicating that Southend's significant employment levels in social care and education are not vulnerabilities specific to the Borough (the entire country is exposed to this trend). Much of the funding for adult social care has typically come from Local Authorities, but some of this spending is discretionary; with councils facing a 7.1% annual decrease in their budgets each year, the social care sector is likely to come under pressure. The personalisation agenda, whereby services are purchased directly by users through 'individual health budgets' has the potential to open up opportunities for new private and third sector providers, but will remain in its pilot phase until 2012.

Employment in Southend Borough Council is extremely significant to the area, with 6,783 members of staff including those in education institutions in the first quarter of 2010.¹⁸ Figure

18 shows the slight seasonality of Council total employment (including jobs in maintained schools), with the part-time workforce contracting every summer.

The major cause of the high level of public sector employment is the longstanding presence of a large HM Revenue and Customs enquiry centre in the town. This centre is addressed in the next section.

Figure 18: The Unitary Authority



Source: LGA, Quarterly Public Sector Employment Survey

¹⁶ 'A view of the Strategic Drivers that will shape the Trust's Direction from 2011/12 onwards', Southend University Hospital NHS Foundation Trust, 21 October 2010

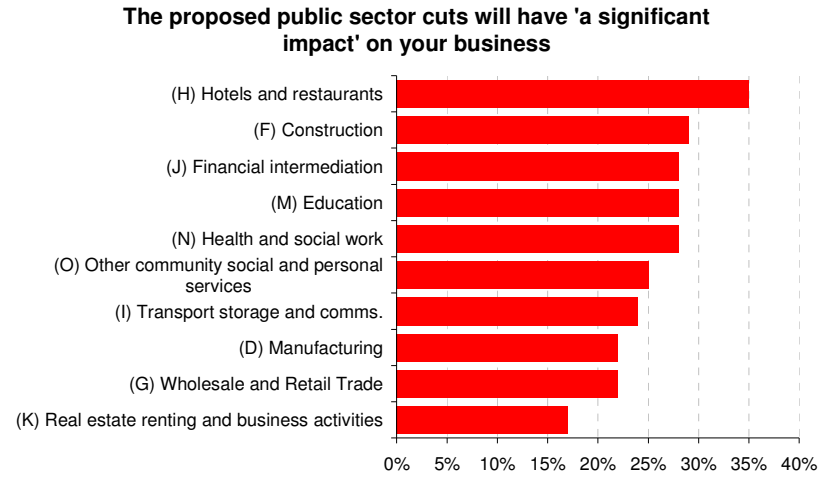
¹⁷ Skills for Care, National Minimum Data Set for Social Care (NMDS-SC); available online at <http://www.nmds-sc-online.org.uk/>

¹⁸ LGA, Quarterly Public Sector Employment Survey 2010; available online at <http://www.lga.gov.uk/payandworkforce>

Budget cuts in the public sector will have a knock-on impact on companies in the supply chain, as well as further afield due to the decrease in local cash-flow caused by public sector redundancies. Analysis from its procurement team shows that Southend Council spent £45.5 million in SS postcodes in 2009/10, which constituted 38% of its expenditure. Support for local firms wishing to understand the public sector procurement process is currently available through the Federation of Small Businesses, Business Link and Essex Chamber of Commerce.

At the time the 2010 Southend Business Survey was conducted, the Coalition Government's spending plans had not been formalised, but respondents were asked how concerned they were about the impending public sector cuts and potential impacts on their trading. The hotel and restaurant sector was the most concerned at that time, with 35% responding that they thought the cuts would have 'a significant impact' on their business. This reflects the importance of the spending patterns of the Borough's large volumes of public sector workers, and the potential reduction in the significant spend on destination promotion activity currently made by public sector partners. Figure 19, below, shows the level of concern among other sectors.

Figure 19: Perceived impact of fiscal austerity



Source: 2010 Southend Business Survey

Back office functions

Since the arrival of HM Customs and Excise in the 1960s, Southend's economy has been shaped by the trend towards outsourcing and relocation of back-office services. Both government departments and businesses have established accounts processing departments and contact centres in the Borough, providing a large amount of flexible employment to the local population. Through the development of technology from punch-cards to room-sized supercomputers to the present day, these offices and jobs have influenced the character and physical fabric of the town. Against the trend in off-shoring of these

positions, Southend retains a large part of its employment in back office functions and outsourced contracting, in part due to its combination of comparatively low business accommodation costs, adaptable workforce and proximity to the City of London.

Royal Bank of Scotland, Lloyds Banking Services and Aviva are among the internationally significant companies to have kept their facilities in Southend, even during programmes of consolidation and cost-reduction. Although the sector is unlikely to see the same levels of inward investment in back-office services as in the past, with over 18% of all jobs located in the sector, it remains vital to the town's prosperity. Anecdotal evidence suggests that when pay-days of more than one large back-office coincide, the impact on the town's pubs, restaurants, bars and shops is very significant. In this respect, the sector not only supports employment in other industries, but also gives a monthly rhythm to consumption patterns.

Alongside subsidiary facilities supporting (and owned by) global financial institutions, this sector accommodates Southend-owned and operated firms providing subcontracted services in logistics, corporate and industrial cleaning, security and general maintenance, as well as other roles. Although it is not possible to disaggregate these two groups statistically, they present distinct challenges and opportunities to the Borough. Externally-owned employment sites employ large numbers of people, but are vulnerable to remote commercial decision-making, while indigenous firms are smaller but tend to be more embedded in local communities, labour markets and supply chains.

Due to the credit crunch, recession and nationalisation of UK banks, some of Southend's largest back-office employers face major financial difficulty and are undergoing significant restructuring. In March 2009, HSBC announced that their Southend credit card and debt collection centre would begin to close. 520 jobs have been lost or relocated to date, with 180 more expected in 2011. The function is to be consolidated in Birmingham, in a move which highlights the nature of competitive pressure on costs in the back-office sector.

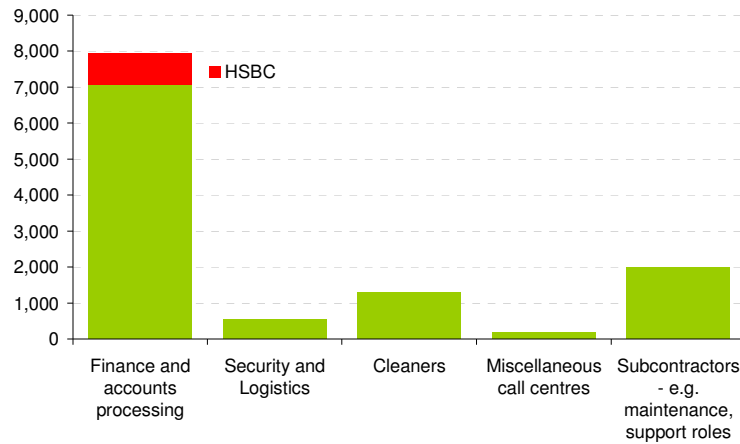
Within this sector, we have included the back office functions of public sector bodies such as DWP and HMRC. HMRC has consolidated its Southend presence and confirmed in 2010 that the largest centre, Alexander House on Victoria Avenue, will not be among those closed during Phase 2 of its Change Programme in 2010/11.¹⁹ However, 550 jobs are being relocated from Southend, and at least 224 employees will move with their business unit to Birmingham.²⁰

Figure 20, below, shows employment in Southend's back office services sector by sub-group. The jobs due to be shed at HSBC have been highlighted.

¹⁹ <http://www.hmrc.gov.uk/local/change-programme.htm>

²⁰ <http://www.hmrc.gov.uk/local/East.pdf>

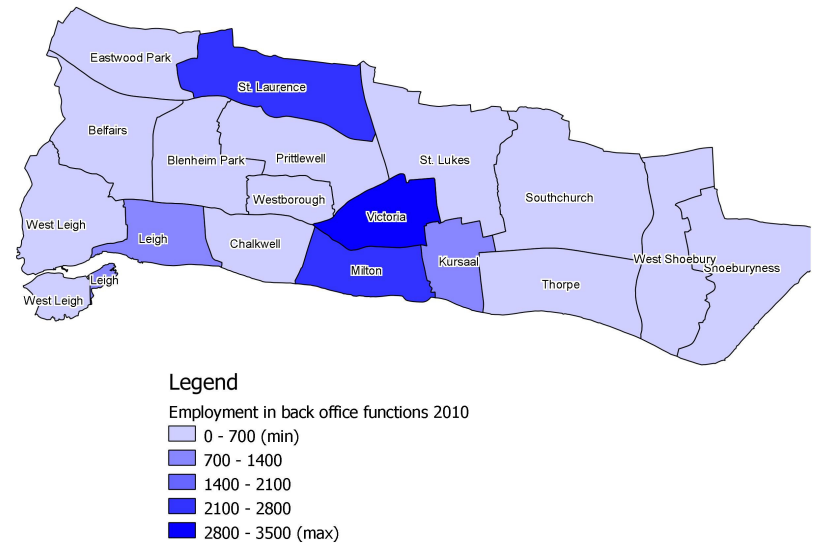
Figure 20: Employment in Back Office Services, 2010



Source: IDBR 2010 / GVA

Figure 21 displays the geographical distribution of these jobs within Southend, showing a cluster in the centre of town. These wards, Milton, Victoria and Kursaal, are also the most deprived parts of the Borough with high levels of worklessness and young people Not in Employment, Education or Training. These socioeconomic and labour market issues are addressed in the next section of this document, but it should be noted that physical proximity alone is not enough to engage workless local residents in the employment opportunities available in contact centres and other back office services.

Figure 21: Location of Southend's back office services jobs



Source: IDBR 2010 / GVA

Cultural and Creative Industries

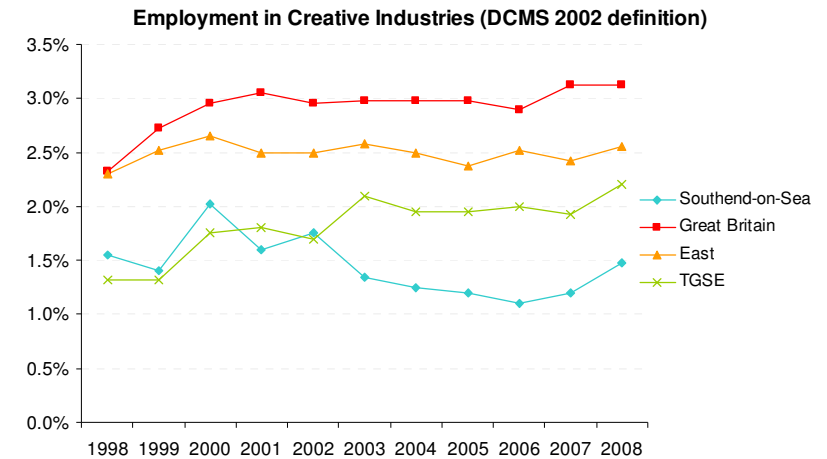
The aspiration for Southend's cultural and creative industries is for them to lie at the heart of a distinctive identity for the town, meshing together the University, a renewed tourism and events programme, and local creative businesses. This aspiration has been articulated in regional and subregional plans, in which Southend is envisaged as a cultural and educational hub for the Thames Gateway sub-region.

Close partnerships between the University, public bodies and the creative centre Metal have placed the creative industries in a central role in local regeneration activities, encouraging firms to start, locate, grow or make connections within Southend, and involving local communities in cultural projects.

Scoping studies for the development of a dedicated Cultural Hub in the town centre were undertaken in 2007, and were led by the University of Essex. Creative consultancy Tom Fleming highlighted the distance still to travel in 2007, warning that Southend “lacks medium-sized enterprises, does not have any significant sector specialism (bar emergent activity in digital media), and has weak supply chain relationships within the town and across the sub-region. The Cultural Hub must therefore develop in a location for which there is little track record of sector development.”²¹

The creative and cultural sector is notoriously challenging to delineate using standard industrial classifications. Figure 22, below, uses a definition from the Department for Culture, Media and Sport to show the level of employment in the creative industries in Southend as compared to the sub-region, region and country. While it is clear that these businesses do not constitute a major employment sector in the Borough, their role in Southend has been expanding recently with a number of significant initiatives.

Figure 22: Southend’s growing creative offer

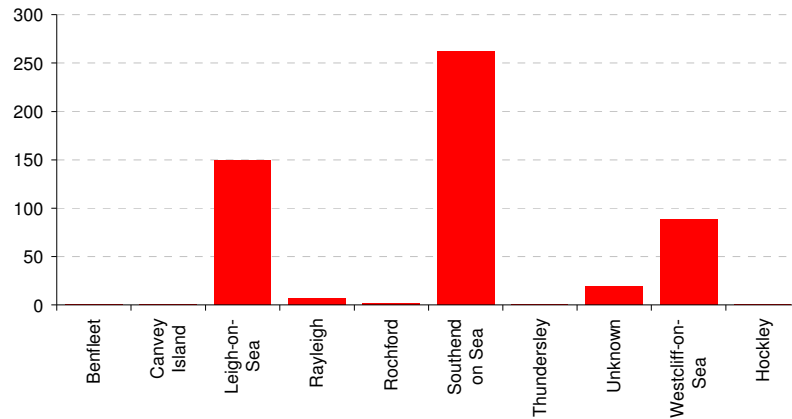


Source: ONS, Annual Business Enquiry 2010

In 2010 the Healthy Living Centre in St Lukes ward, with support from the Department for Health’s Social Enterprise Partnership Programme, undertook a mapping exercise of businesses in the cultural and creative sectors across South Essex. This identified 532 firms across 23 sub-sectors ranging from live music to digital media. Of the local centres examined by the mapping exercise, Southend town centre, Leigh and Westcliff stood out as homes to clusters of cultural, creative and digital activities. Figure 23 shows the scale of the difference between the number of firms found in these three areas and those found in other localities.

²¹ http://www.tfconsultancy.co.uk/reports/Southend_hub.pdf

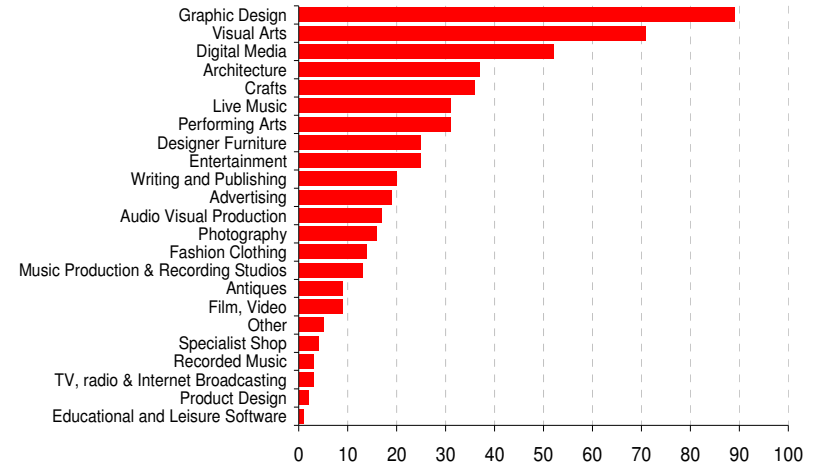
Figure 23: Cultural and creative firms in South Essex (2010)



Source: SEPP, Creative and Cultural Sector Mapping, 2010

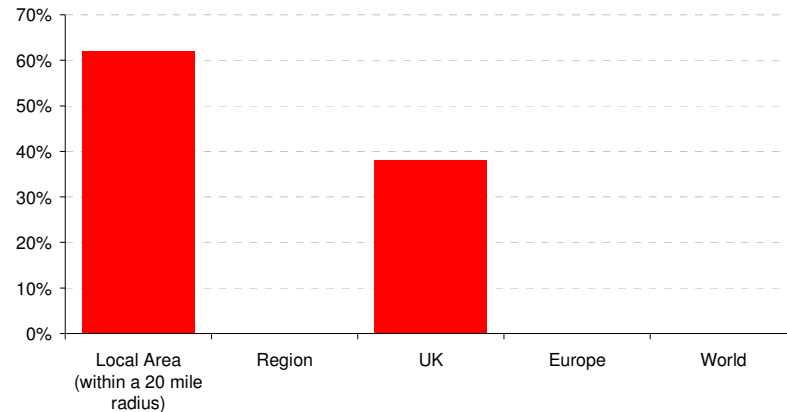
The variety within the 23 sub-sectors used in this mapping exercise illustrates how diverse the creative and cultural industries are. Some organisations have more in common with local voluntary and community groups, providing, for example, local chamber music concerts, than with an exporting new media design firm. In broad terms, there are two groups of cultural and creative businesses: those catering primarily for an interested local audience, and those producing goods or offering services to businesses or to markets beyond the Borough.

Figure 24: Cultural and creative firms by sub-sector (2010)



Source: SEPP, Creative and Cultural Sector Mapping, 2010

Responses from creative and cultural firms to the 2010 Southend Business Survey reveal the distinction between these groups. Figure 25, below, shows the market reach of these firms, separating those catering for local audience from those with national markets. Supporting the development of both of these groups is important to the formation of a ‘creative ecology’ – the interconnected cluster of creative and cultural organisations that feed off one another and generate new initiatives.

Figure 25: Market Reach of Creative and Cultural Firms

Source: *Southend Business Survey 2010*

There is anecdotal evidence, from the Federation of Small Businesses, that individuals who have left jobs in London have established new companies using new communication technology to offer services in national markets. A sound broadband infrastructure is key to enabling such enterprise, and the Digital Exploration Centre, an initiative modelled on Austria's Ars Electronica, was launched in 2010 to scope potential opportunities in creative and digital sectors.²²

The Digital Exploration Centre is only one example of several public sector-led investments in the creative and cultural

industries. Southend's bid for the 2013 UK City of Culture lists some others: 'The Arts Generate project, Being Here, 'Landlines' (a major work of public sculpture by international artist Vong Phaophanit), Design Front 2006 alongside continued investment in Focal Point Gallery, support for national arts organisation Metal creating a centre for artistic ideas in Southend and most recently support for the new artist-led studio and gallery space, TAP.²³

As a result of the extensive public sector support for cultural regeneration and development, there is a danger that momentum towards Southend's cultural and creative ambitions could be lost. The coming years will be a testing period for the arts, with Southend-on-Sea Borough Council's grant receipts under pressure, Arts Council England facing 29.6% budget cuts and the DCMS reducing spending by 15%.

Aviation

London Southend Airport is officially situated within Rochford District, although it is on land owned by Southend Borough Council. It constitutes a strategic employment site for both authorities, and its presence supports jobs in both towns.

Having seen active service during two World Wars, Southend Airport was for a long time London's third airport. Accordingly, the aviation industry has been important to Southend for nearly a century.

²² <http://www.metalculture.com/southend-on-sea/digital-exploration-centre.html>

²³ Southend-on-Sea UK City of Culture 2013, Initial Bid 2009

The Airport is currently the focus of significant development activity, with a new train station completed, and further stages underway. Subject to judicial review, the extended runway is expected to increase the capacity of the airport to 2 million passengers per year in time for the summer 2012 Olympic Games. Some of the most substantial next steps in the development of the airport are shown in Table 4.

Table 4: Airport development stages and deadlines

Control Tower	February 2011
Runway extension	September 2011
New terminal building	August 2011
New hotel onsite	February 2012

Source: London Southend Airport (consultation)

The airport houses a number of important aerospace businesses, including IPECO and ATC Lasham, and a variety of smaller niche firms operating in aviation-related sectors.²⁴ These firms have a particular strength in maintenance, repair and overhaul work – extending the lifetimes, functionality and performance of aircraft from across the world.

In addition, some businesses manufacture parts and others both manufacture and install them at the airport. This manufacturing activity represents some of the most technically advanced

engineering and manufacturing activity currently located in the Borough.

The skills that are required in MRO and related activities are specialist and technical, and London Southend Airport is now home to an apprentice academy run by Prospects College.²⁵ Courses involve direct experience with aviation companies, and combine hands-on experience on the airfield with accredited NVQ training up to level 3. Funding for an expansion of the academy from 40 to 120 apprentices was provided by the Homes and Communities Agency via Renaissance Southend in March 2010.²⁶

Opportunities to further expand the MRO cluster in Rochford and Southend are addressed in the Joint Area Action Plan which governs the development of the site and the extension of the runway. The JAAP has identified that additional employment space could be unlocked during the airport expansion, potentially accommodating a further 1,180 on-site employees in aviation-related industries.

Since the absolute number of firms in each sub sector is small, it is not possible to detail the makeup of the aviation cluster without breaking non-disclosure principles. Consequently, Figure 26, below, shows the number of jobs in the cluster across both Local Authorities, split into three sub-classes. Unfortunately, due to sampling errors involved in the production of national statistics,

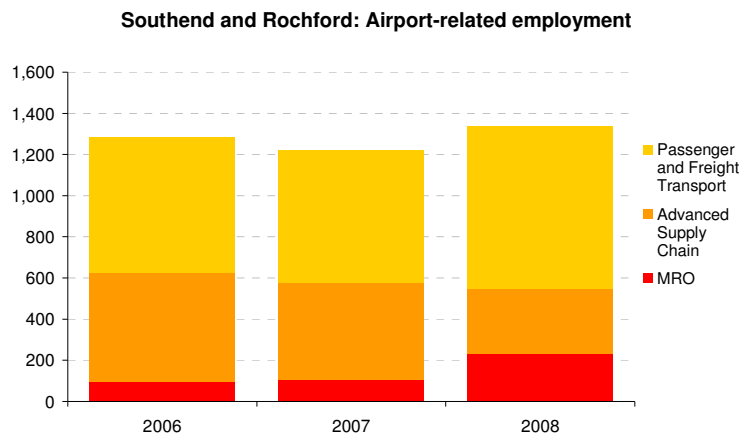
²⁴ <http://www.ipeco.co.uk/> ; <http://www.atclasham.co.uk/>

²⁵ <http://www.prospectscollege.com/>

²⁶ <http://www.homesandcommunities.co.uk/300-workers-building-healey-24m-affordable-housing>

these data exclude IPECO, which is understood to employ over 400 staff at its premises adjacent to London Southend Airport in Rochford District. IPECO would fall into the category of MRO firm - those primarily engaged in the maintenance and repair of aircraft; companies in the Advanced Supply Chain are involved in the manufacture of specialist materials and parts required by the MRO sector; while those grouped together as Passenger and Freight Transport companies offer a range of services from non-scheduled air transport, to cargo handling and storage.

Figure 26: Southend and Rochford – Airport related employment (excluding IPECO)



Medical Technologies

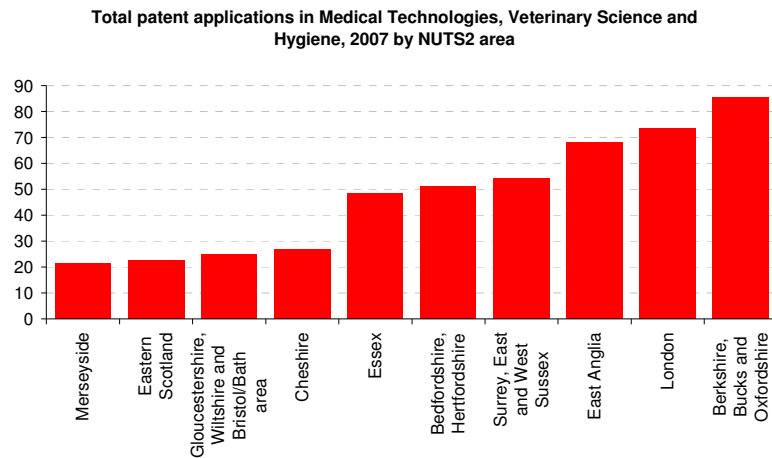
The small medical technologies cluster in Southend is gathered around a single large employer, Olympus Keymed, a subsidiary

of Japanese precision technology manufacturer Olympus. Keymed Southend manufactures workstations for the company’s endoscopic instruments, as well as developing and producing advanced optical imaging equipment for a range of industries. After successful internal process innovation, the Southend facility was awarded the 2009 Best Factory Award for the most improved plant, an indication of continuing commitment to both technical and workforce development.²⁷

Essex is a strong performer in medical technologies: nearly one third (32%) of all patent applications from the county were for medical or veterinary science and hygiene innovations. Figure 27, below, shows the ten geographical areas applying for most patents in these fields; companies and institutions in Greater Essex are heavily involved in research and design as well as manufacture and use. Within Southend, the University Hospital and the School of Health and Human Sciences at the University of Essex, Southend, are both actively involved in medical research, including through the Essex and Hertfordshire Comprehensive Local Research Network.

²⁷ <http://www.som.cranfield.ac.uk/som/p2463/Research/Research-Centres/The-Centre-for-Innovative-Products-and-Services/bfa/Cranfield-Management-Research-Institute-Cranfield-School-of-Management>

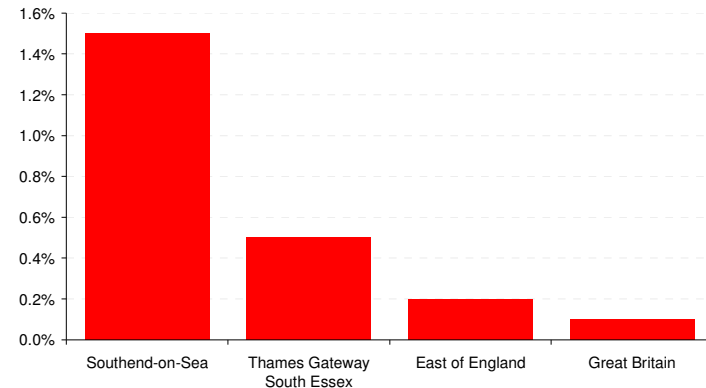
Figure 27: Essex’s strength in Medical Technologies



Source: Eurostat, Patent applications to the EPO 2010

The sector accounted for over one thousand jobs in Southend in 2010 (IDBR – 2003 SIC class 33100), equivalent to approximately 1.5% of all employment in the Borough. Figure 28, below, places this proportion in context, revealing the significance (noted above) of this specialist sector.

Figure 28: Employment in Medical Technologies, 2008



Source: ONS, Annual Business Enquiry 2008

Keymed is not alone in the sector, but it dominates the employment figures by an overwhelming margin (not given due to non-disclosure principles). Again, there are clear risks inherent in relying on a single large employer to drive progress in a key sector. At the same time, Keymed has demonstrated its commitment to both its staff and to Southend as a whole. The company has invested in road safety schemes and community projects, signalling deep roots within the local community.²⁸ A question remains, however, over whether the medical technologies sector can sustain any significant job growth without

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http://www.southendstandard.co.uk/news/8193763.Olympus_KeyMed_s_50k_donation_for_A127_speed_signs/

a better established supply chain and a larger number of related firms.

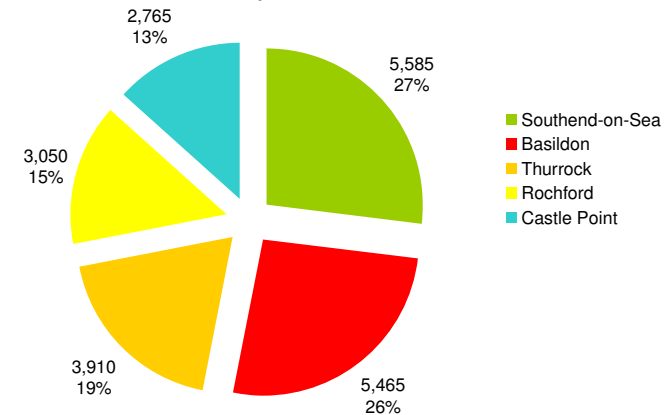
3.5 Enterprise

This section examines the dynamics of business formation, survival and failure within the Borough, looking exclusively at firms owned and headquartered within Southend, and at the nature of the enterprise culture – the combination of business acumen, commercialisation skills, administrative capabilities and aspiration that leads to a vibrant and thriving young business landscape.

Business Demography

There were 5,585 VAT and/or PAYE registered enterprises in Southend in 2009. These, as Figure 29, below illustrates, make up the largest group in Thames Gateway South Essex, at 27% of the subregion's enterprises.

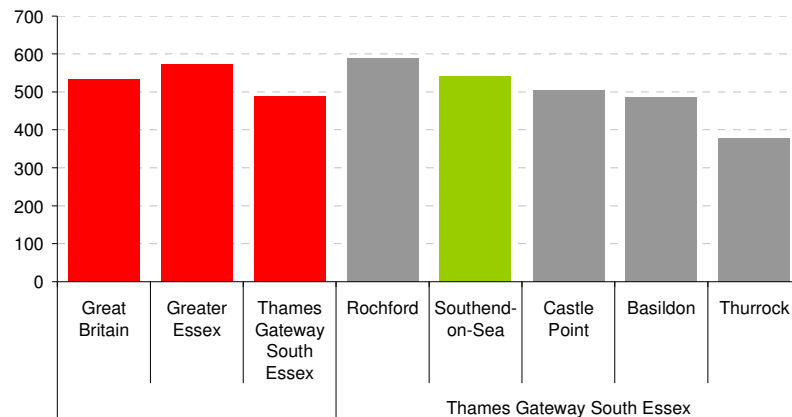
Figure 29: VAT and/or PAYE based enterprises in TGSE



Source: ONS, UK Business 2009

Business density is a measure of the number of enterprises in relation to the number of working age residents in an area, and is an indicator of levels of entrepreneurship in local populations. Southend's business density in 2009 was just over 542 local enterprises for every 10,000 residents aged between 16 and 64. This compares to a Great Britain average business density of just below 534. Greater Essex is one of the most entrepreneurial parts of the United Kingdom, with an average of 574 enterprises per 10,000 working age residents, but the Thames Gateway South Essex sub-region underperforms the Greater Essex level substantially (the comparable figure for TGSE is only 488 enterprises per 10,000 working age residents). Figure 30, below, shows Southend's place within this underperforming subregion.

Figure 30: Business Density in Southend
Enterprises per 10,000 working age residents (16-64), 2009



Source: ONS, UK Business 2009, Mid-year Population Estimates

Southend therefore finds itself in the position of outperforming both the UK and some of its neighbours, while slightly trailing behind Greater Essex. In terms of new business formation, the Borough has also shown very high levels of entrepreneurship. The level of business formation is higher, relative to Southend's population, than the country, region and Essex County in three out of five of the latest years for which we have data (see Figure 31). In itself, this is a very positive indicator, suggesting that residents of the town have the initiative to pursue a business idea and see it put into action. With a planned decrease in public sector employment and spending over the coming years, this measure gives some grounds for believing that there are

business and commercial skills within Southend that could give rise to new private sector job growth.

New businesses

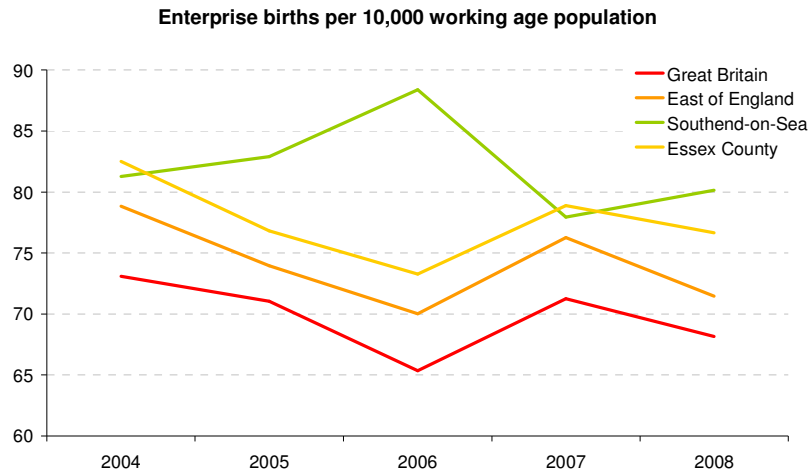
Start-up rates have increased in Southend since the onset of the recession, and there is anecdotal evidence that some of those made redundant from private sector jobs in the City of London have founded their own companies using redundancy pay as upfront capital. Overall, the reasons lying behind the Borough's high rate of business births are thought to be a combination of the following factors:

- The 'entrepreneurial spirit' evident across Essex – a culture of successful business experimentation;
- Established entrepreneurs opening new ventures beside their existing firms;
- Early retirees founding 'lifestyle businesses' as projects to occupy them;
- People becoming self-employed when they cannot access other employment opportunities;
- People exploiting opportunities to access funding and support from public sector providers and business groups without necessarily having a sound business plan; and/or

- ‘Serial’ entrepreneurs starting numerous firms in trial and error.

Nevertheless, the majority of job creation does not occur in very new businesses, coming instead as a result of business growth and investment.

Figure 31: New business start up rates

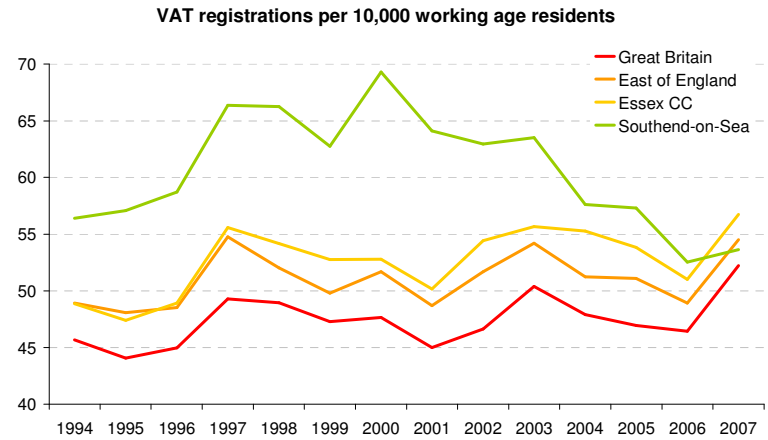


Source: ONS, *Business Demography 2008, Mid-year Population Estimates*

These statistics, which cover enterprises in the Borough as they register to pay VAT or PAYE contributions, differ noticeably from the shape of data relating to VAT-registrations alone. These latter figures do not show the same peak in 2006 levels in Southend, as can be seen in Figure 32. Disparities between these two data

sets may be attributed to the proportion of the business base which does not reach the VAT threshold of £70,000 in 12 months, but which does still employ staff.

Figure 32: Businesses reaching VAT threshold

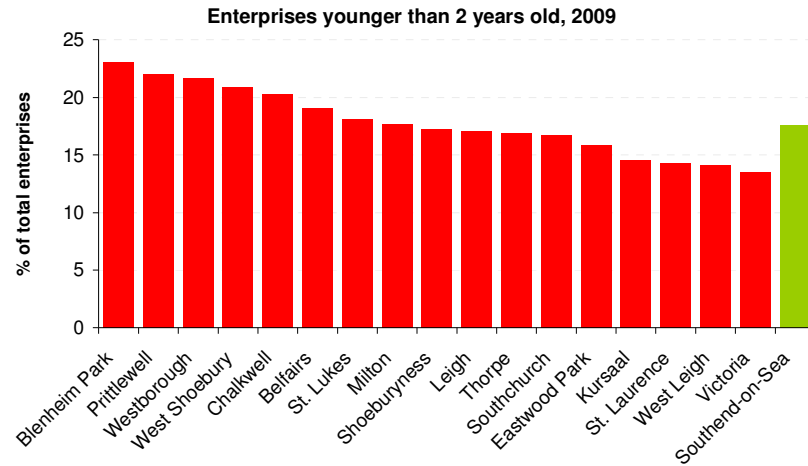


Source: BERR, *Guide to Business Start-ups and Closures, Mid-year Population Estimates*

Although full business start-up and registration figures are not available below Local Authority level, it is possible to get a view of the age of businesses at ward level, and to reveal some of the patterns within the Borough’s young enterprises. Figure 33 and Figure 34, below displays the proportion of all VAT and/or PAYE registered enterprises younger than 2 years old for each of Southend’s wards. Central areas, including the deprived wards of Kursaal and Victoria, have a greater concentration of established

firms as a proportion of locally owned enterprises. Meanwhile the area surrounding Blenheim Park shows a higher level of young businesses.

Figure 33: Young enterprise

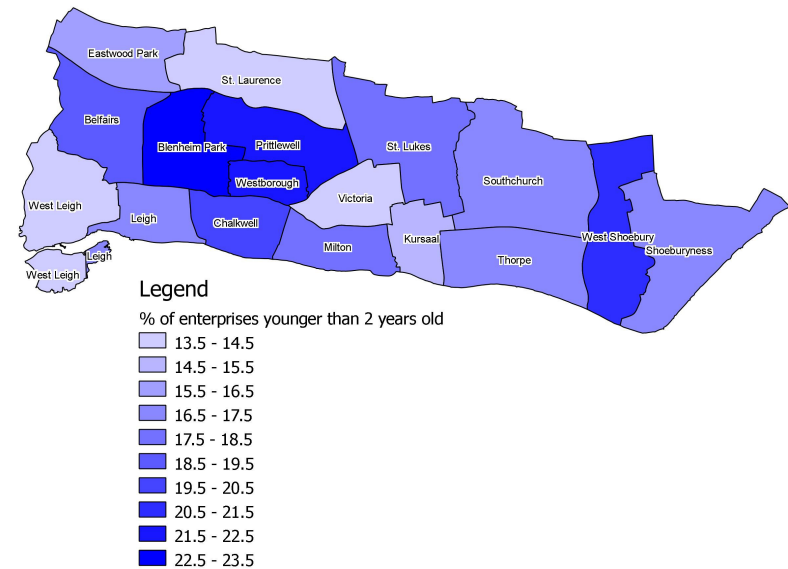


Source: ONS, *Enterprises by Age of Business 2008*

The benefits of increasing levels of enterprise in deprived areas are manifold, reaching beyond simple job creation to include the provision of services, the development of local supply chains, community relationships, local economic multiplier effects and higher skills. Southend's deprived neighbourhoods include some of the Borough's employment centres, indicating that there is a separation between the very local labour force and the

employment opportunities present. Specific analyses of the nature of deprivation and economic exclusion within Southend can be found in Section 4.3 of this document, which looks at the labour market, and in further detail in the Worklessness Assessment which accompanies this LEA.

Figure 34: Concentrations of young enterprises, 2009

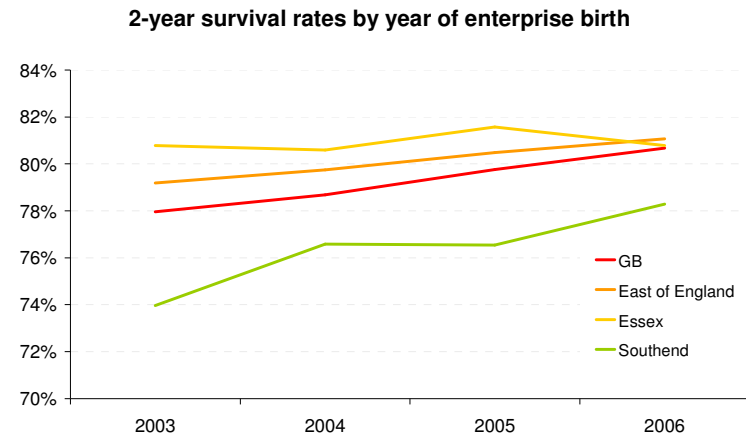


Source: ONS, *UK Business 2009/ GVA Grimley 2010*

Business survival

Not all businesses make it past their first 2 years; in many cases, this is the threshold for determining whether a business is sustainable. Survival rates in Southend are comparatively low, which, in conjunction with high start-up rates, creates a constant churn of businesses starting and failing. In some respects, a low survival rate is a natural extension of experimental entrepreneurship and demonstrates an element of creative destruction that weeds out weaker firms. A key ingredient in the 'entrepreneurial spirit' is an ability to learn from failure. Nevertheless, closing the gap between Southend's two year survival rate and the average level for Great Britain would see an extra 25 businesses survive past the two year threshold (based on the 2008 level of 820 new enterprises in total). Figure 35, below, displays the improving 2-year survival rates of Southend's new enterprises. In spite of the recession, firms which started trading in 2006 appear more robust than their predecessors, during a period in which survival rates in Essex County declined. 26% of all business formed in Southend in 2003 failed within their first two years, as compared to 21.7% of those formed in 2006.

Figure 35: Business survival in Southend



Source: ONS, *Business Demography 2008, Mid-year Population Estimates*

Survival rates have been increasing as part of a broader trend. Southend has high de-registration or business failure rates for both VAT and PAYE registered businesses. This 'enterprise death' rate has been falling, closing the gap with national and regional averages. The charts above show the distance still to travel, and the strain placed on Southend's businesses by the economic downturn. The impact of this has been to increase the number of failures, although Southend's businesses appear to have been sheltered for a year from the recession's impact on business sustainability. Essex County has a higher level of enterprise deaths than the national and regional averages,

confirming that areas with high entrepreneurship inevitably see more business failures and deregistrations.

Figure 36: Business death rates
Enterprise deaths per 10,000 working age population

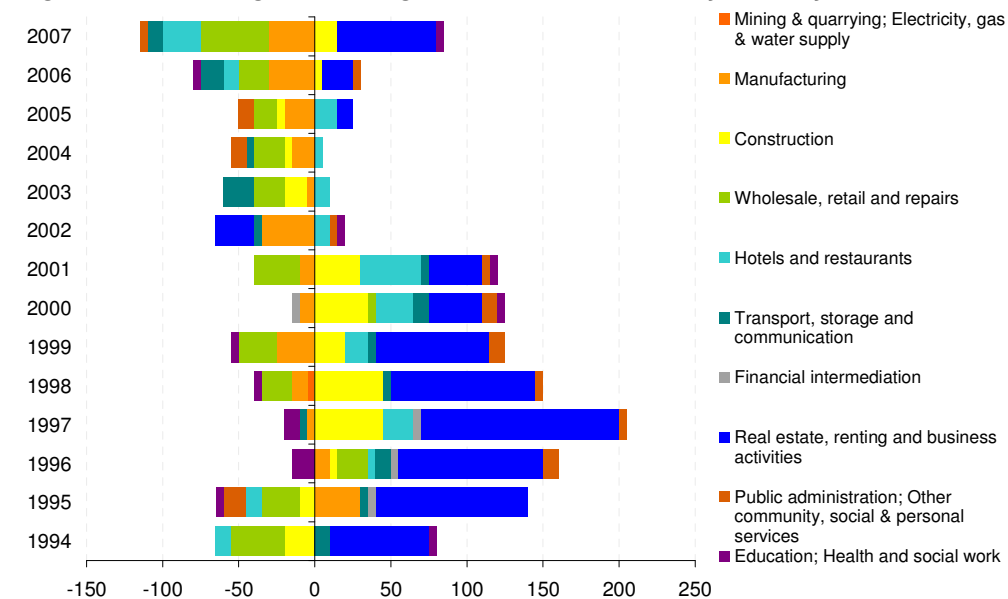


Source: ONS, *Business Demography 2008, Mid-year Population Estimates*

By looking again at VAT-registration statistics, it is possible to examine the broad sectors in which companies have been failing or created. With a higher business failure rate than the start-up rate for the last few years, the stock of active enterprises in Southend has been shrinking. This was not the case prior to 2002, when large annual expansions in the number of businesses in the Borough were fuelled by new enterprise formation in the real estate, renting and business activities

sector. Figure 37 illustrates this trend, and the sudden fall-off in 2002. The figures displayed are net change in businesses, i.e. new business registrations minus business de-registrations. The chart also shows that the general shift towards the service sectors and away from production has continued in recent years – manufacturing companies have seen an overall fall in numbers in 11 of the 15 years for which we have evidence.

Figure 37: Net change in VAT-registered business stock by industry



Source: BERR, *Guide to Business Start-ups and Closures 2008*

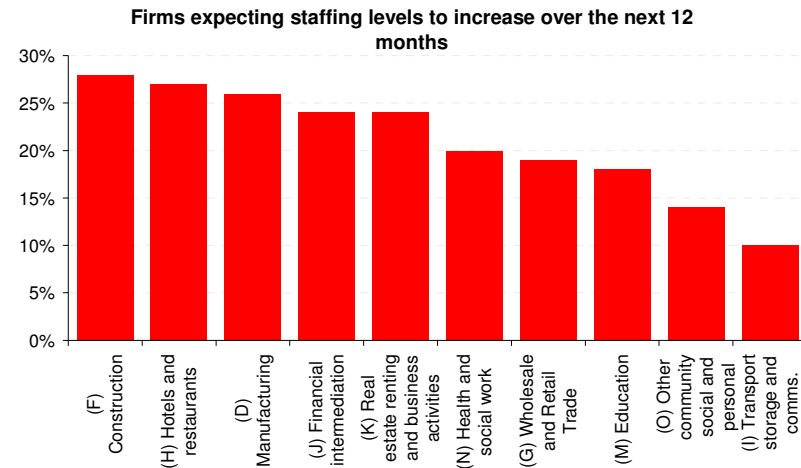
In addition, there has been a continuing decline in the number of firms in wholesale, retail and repairs sector. Although not exclusively accountable, the opening of Lakeside in Thurrock in 1990 and of Bluewater in Kent in 1999 may go some way towards explaining this steady erosion.

Business Growth

High-growth enterprises are a major engine of employment creation. Between 2 and 4% of businesses are thought to be responsible for the majority of new jobs in the UK.²⁹ Speculating as to which firms have the best prospects for rapid growth requires very close company contact, and generic indicators are not perfect. It is possible to look at companies' subjective impressions of their prospects for expansion, and also look retrospectively at how many companies have achieved growth.

The 2010 Southend Business Survey asked respondents if they were expecting to grow in staff numbers over the next 12 months. The majority of firms expected to remain the same size, but more expected to grow (22% overall) than to shrink (9% overall). Figure 38, below, shows how responses varied across industry sectors, with construction firms the most optimistic, while firms in transport, storage and communications had the fewest firms expecting to grow in staff numbers.

Figure 38: Expected business growth by sector

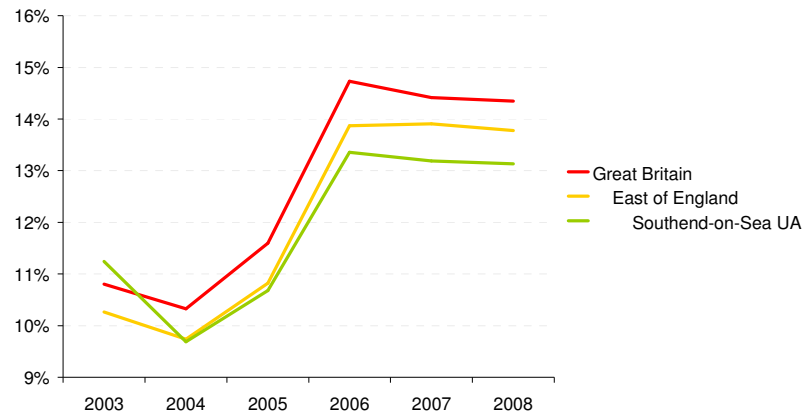


Source: Southend Business Survey 2010

To put these figures into context, National Indicator 172 looks at small businesses in an area (enterprises with fewer than 50 employees) which have grown in size by the following year, as a proportion of those which have survived. Unfortunately the earliest available data is for 2002/03, so it is impossible to see what Southend's trend was like during the years before growth levelled off. Figure 39 below, displays the performance of small enterprises in the Borough compared to the regional and national averages, revealing a lower proportion of small growing businesses than either comparator area.

²⁹ 'High growth firms in the UK: Lessons from an analysis of comparative UK performance' BERR 2008

Figure 39: National Indicator 172 – small business growth
Percentage of small businesses showing growth



Source: BERR Enterprise Directorate 2009

This suggests that between 1 and 2% fewer small businesses grow in Southend compared to the national average – the inverse of the enterprise growth rates. The emerging picture is, therefore, one where more businesses start in Southend, but more fail and more also stagnate. This leads to high business turnover rates and the potential for a high number of stagnated or 'lifestyle' businesses, around or well below the VAT threshold.

3.6 Assets, Constraints and Opportunities

This concluding section summarises the key assets, constraints and emerging opportunities in relation to business and enterprise in Southend.

Assets

- **A truly mixed economy:** As explored later in section 5, Southend plays a number of roles and is not overly reliant on a small number of sectors or employees. Key employment sectors include tourism, retail, the public sector and the back office functions of financial services organisations. Growth sectors including the creative and cultural Industries, aviation linked to the airport and medical technologies.
- **Entrepreneurship:** In line with the entrepreneurial spirit for which Essex is renowned, Southend has high levels of self-employment (see the next section), high rates of new business formation and improving survival rates.
- **Committed, socially aware employers:** Some of the Borough's largest employers are not merely interested in looking after their staff, but also in playing an active role in the local community.
- **Improving public realm and business environment:** Ongoing regeneration schemes are making difference in Southend, revitalising significant areas of the town to attract further developers (see section 5).

- Continuing private sector investment: Despite the economic downturn, several significant investment projects have taken place, including substantial investment in the Park Inn Palace hotel, and extensive redevelopment of London Southend Airport. These large projects indicate the continuing vitality and viability of the Borough.

Constraints

- GVA remains lower than the regional and national averages.
- A predominantly 90 degree economy – without a major port, Southend is wholly reliant on commerce and trade to the West. This removes the possibility of developing strengths in sectors such as distribution, which rely on local markets.
- High levels of public sector employment – placing the economy at risk following the recent CSR and the inevitable redundancies that will follow. Funding constraints could also impact the important health and social care sector.
- Low business survival rates – evidence suggests that more business start up in Southend, but more also fail early.
- Lower than average levels of small business growth – suggesting a high number of ‘lifestyle’ businesses which are unwilling or unable to take the risk that goes with growth.
- The risk of further off-shoring of back office financial services and other customer contact centres, which provide high volumes of employment.

- Short supply of high quality hotels and restaurants in the central area that could potentially increase visitor spend and overnight stays.

Opportunities

- Several sectors showing the potential for growth including creative and cultural technology, aerospace and medical technologies.
- Huge direct and indirect business potential related to the airport expansion, including opportunities to attract international businesses and enable exporting from Southend. This could begin to break the town’s heavy reliance on trade to the West.
- Retention of University students to boost business start-up and survival rates.
- Harnessing the spending power of out commuting residents within the town.
- Improving and diversifying the tourism offer to increase overnight stays and add value.
- The expansion of the University offers increased potential to develop and support spin-off companies, and attract firms seeking highly skilled graduates.

4. PEOPLE AND COMMUNITIES

4.1 Introduction

People and communities shape the economic characteristics of the place where they live and work. Relevant indicators about the population reveal key evidence about the strength and resilience of an economy. The profile, skills levels, worklessness and deprivation levels of the population all have significant implications for the success of the local economy and its exposure to external shocks, such as the late 2000s recession and the recently announced UK public spending cuts.

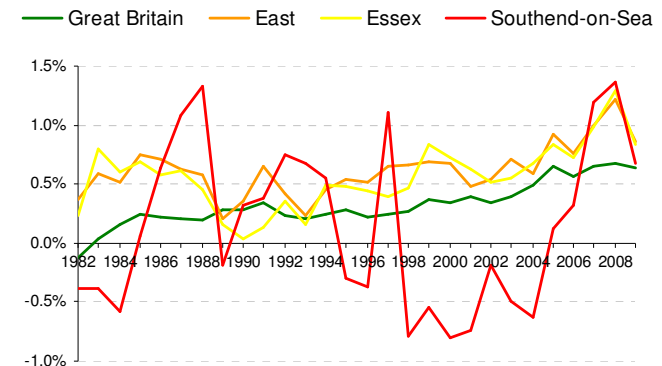
This chapter begins by exploring the demography of Southend including the population profile and population projections. Following from this, the Labour market section outlines the workforce profile and commuting patterns before exploring the levels of worklessness within Southend. The third section of this report analyses skills within Southend including skills levels, skills gaps and training provision. The chapter concludes by exploring the levels of deprivation in Southend including the health outcomes for the Borough and crime levels from the British Crime Survey.

It should be noted that it is believed that the population figures stated in the 2001 Census significantly understate the true population figure at the time. Therefore statistics presented within this document from the 2001 Census should be considered with this in mind.

4.2 Demography

The total population of Southend in 2009 was estimated at 164,200, an increase of 1,100 since 2008³⁰. Compared to Essex, East of England and England, Southend has had a rather erratic year-on-year population growth pattern as depicted by Figure 40, although this is typical when comparing relatively small populations to larger areas (as it takes relatively less real terms change to cause a large percentage shift). Southend experienced a decline in population each year between 1998 and 2004. Since 2005 it has maintained positive year-on-year population growth, possibly influenced by in-migration from Eastern Europe, and by and influx of students to the university campus.

Figure 40: Year on year population growth



Source: Mid year population estimate, ONS

³⁰ 2009 Annual Population Survey

Using 2009 population figures, the number of people per sq km is 3,910. This is characteristic of urban areas and considerably higher than the respective figures for Essex, the East of England and England which are 404, 302 and 398 per sq km. Even in terms of urban locations, Southend is densely populated: it currently ranks as the 20th most densely populated Local Authority in the country.

Ethnicity

The Census provides the only reliable estimation of ethnic diversity; the 2011 census will provide valuable intelligence but until then, although nearly 10 years out of date, the 2001 Census remains the best source. According to this source, Southend has limited ethnic diversity compared to the rest of Great Britain although the population ethnicity profile is similar to the East of England. Table 5 compares the population breakdown.

Table 5: Population breakdown by ethnicity

	GB	East	Southend-on-Sea
White - British	87.0%	91.4%	92.9%
White Other	3.9%	3.7%	2.9%
Mixed - White and Black Caribbean	0.5%	0.4%	0.3%
Mixed - White and Black African	0.2%	0.1%	0.1%
Mixed - White and Asian	0.4%	0.3%	0.4%
Mixed – Other	0.3%	0.3%	0.3%
Asian or Asian British	4.6%	2.3%	1.7%
Black or Black British	2.3%	0.9%	0.7%
Chinese or other ethnic group	0.9%	0.6%	0.7%

Source: Census, 2001

Since 2001 the Southend Community Cohesion team have worked with ethnic minorities and have discovered established Polish and Zimbabwean communities. It is believed that there are approximately 2,000 Polish Romanies in Southend³¹. It is likely that these communities have contributed to the Boroughs recent population increase. Figure 42 shows the residences of black, asian and minority ethnic (BAME) school age children. The highest proportion of BAME children live in the central wards of Milton, Victoria and Kursaal.

The ageing population

Changes in the median age of residents are examined to assess whether the population is aging. Table 6 reveals that 16% of Southend's population are in the 0-14 age bracket while 21% are over 65. Looking at these statistics in isolation suggests that Southend retains an older population (with more pensioners and fewer children) than the national, region and sub-region – as might be expected from a coastal location.

³¹ 2010, Southend-on-Sea Mini Economic Assessment

Table 6: Proportion of population in the youngest and oldest age groups

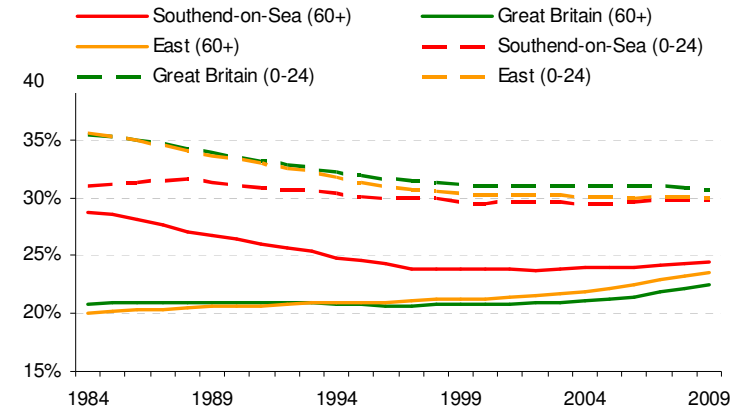
	0-14	65+
GB	17%	16%
East	18.8%	15.5%
Essex	16.4%	20.7%
Southend-on-Sea	16.0%	20.9%

Source: 2009, Mid year population estimates

An ageing population is a typical population profile for a seaside resort. However, as shown in Figure 41, the proportion of population in the youngest (up to age 24) and oldest age group (over 60) has moved closer towards to the regional and national average since 1984. This indicates that although the whole country’s population is ageing, Southend is aging at a slower rate and actually moving closer to the national average. Since the mid 1980s the proportion of the population that are aged 60 or over has actually declined, although recently the proportion is increasing slightly. Another factor in this may be the in-migration of resident students at the university campus, and additional young people seeing Southend as a viable option to buy a first home and commute to London.

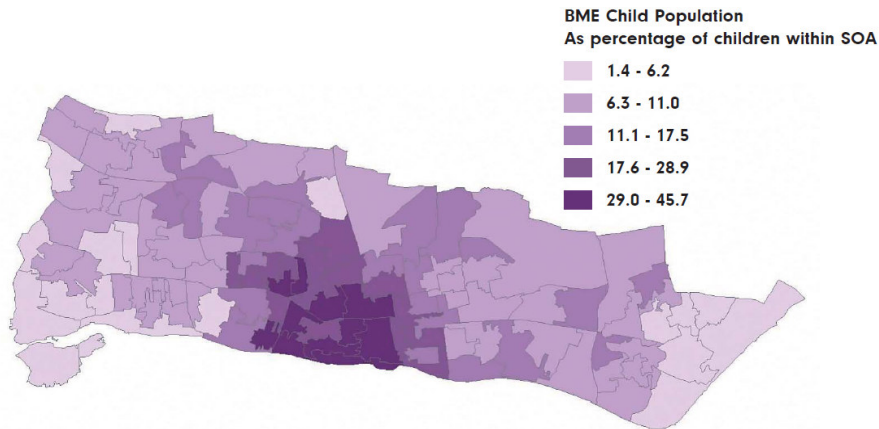
Figure 43 highlights the percentage of people in each ward of Southend who are over 65 using 2008 population figures. Thorpe and Belfairs wards have a highest proportion of ward population who are over 65.

Figure 41: Younger and older population 1984-2009



Source: Mid year population estimate, ONS

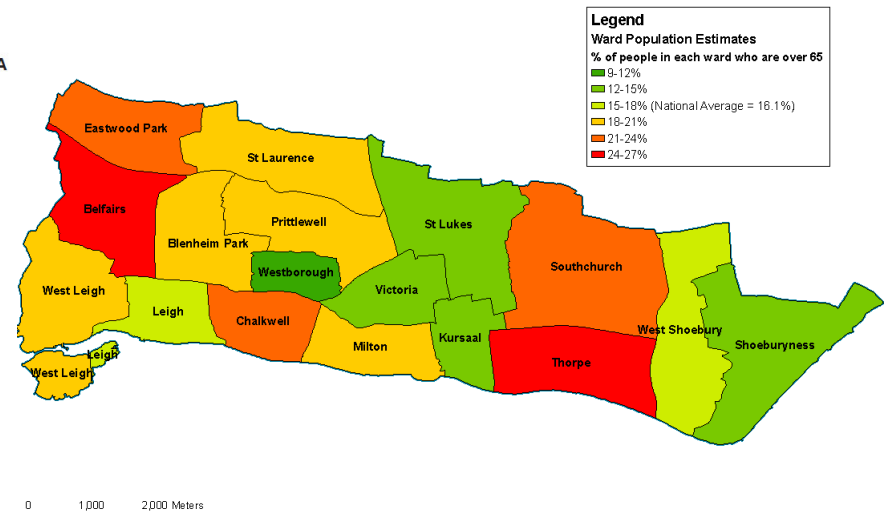
Figure 42: Black, Asian and Minority Ethnic Population Density for School Age Children in Southend



Child Census Data, Children and Learning, Southend Borough Council, 2008

Source: *Child Census Data, Children and Learning, Southend Borough Council, 2008 Cited in Southend Together Partnership 2009-2011 Community Cohesion Strategy*

Figure 43: Proportion of ward populations who are over 65

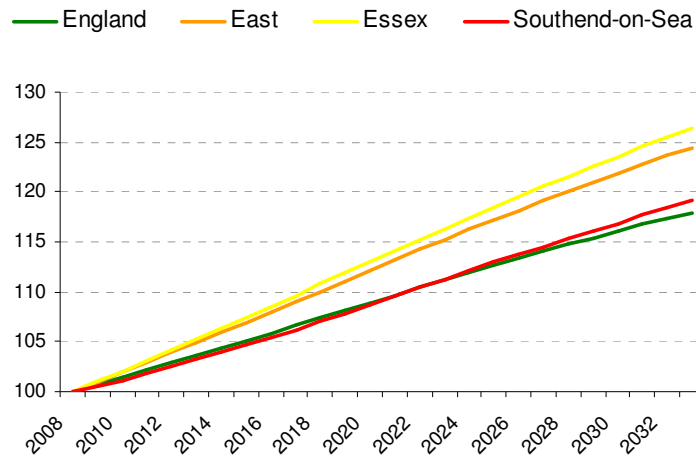


Source: 2010, Southend-on-Sea Borough Council

Population Projections

By 2015 the ONS Sub-national Population Projections for England indicate that Southend’s population is expected to grow by nearly 5% to 170,700. Figure 44 indicates the extended growth projections as an index (2008=100) compared to projected population growth for Essex, East of England and England. As the chart shows Southend-on-sea is expected to grow at a similar rate to England but not at as great a rate as Essex and the East of England. Geographical constraints around housing and the presence of key growth sites elsewhere in the East would seem the most viable explanation for this.

Figure 44: Population projection index



Source: ONS 2008-based sub national population projections

Net migration in Southend is lower than in Essex or the region. As Table 7 shows, in 2010 net migration for Southend is expected to be 0.36%, a lower figure than comparable figures for Essex and the East. However Southend’s net migration figure is expected to increase by 2015 and 2020 indicating an increase of people migrating to live in Southend. The opposite is true for Essex and the East of England.

Continued economic polarisation between North and South means that this in-migration to the greater South East region is inevitable. Added to this, housing pressure in London, with demand outstripping supply and prices rising in the long term at a faster rate than income, means that overspill to Southend is likely.

Table 7: 2008 migration summary projections (thousands)

		2010		2015		2020	
East	Population	5,827.4		6,114.8		6,410.2	
	All Migration Net	38.8	0.67%	37.5	0.61%	38.4	0.60%
	Internal Migration In	153.4	2.63%	159.0	2.60%	161.5	2.52%
	Internal Migration Out	137.1	2.35%	142.0	2.32%	143.6	2.24%
	International Migration and Cross Border Migration In	71.9	1.23%	71.9	1.18%	71.9	1.12%
	International Migration and Cross Border Migration Out	49.4	0.85%	51.5	0.84%	51.5	0.80%
Essex	Population	1,416.3		1,491.1		1,568.0	
	All Migration Net	11.6	0.82%	11.3	0.76%	11.4	0.73%
	Internal Migration In	49.8	3.52%	51.8	3.47%	53.0	3.38%
	Internal Migration Out	42.7	3.01%	44.6	2.99%	45.7	2.91%
	International Migration and Cross Border Migration In	14.2	1.00%	14.1	0.95%	14.1	0.90%
	International Migration and Cross Border Migration Out	9.7	0.68%	10.1	0.68%	10.1	0.64%
Southend-on-Sea	Population	164.9		170.7		177.3	
	All Migration Net	0.6	0.36%	0.7	0.41%	0.8	0.45%
	Internal Migration In	7.6	4.61%	7.9	4.63%	8.1	4.57%
	Internal Migration Out	7.2	4.37%	7.4	4.34%	7.5	4.23%
	International Migration and Cross Border Migration In	2.0	1.21%	2.0	1.17%	2.0	1.13%
	International Migration and Cross Border Migration Out	1.7	1.03%	1.8	1.05%	1.8	1.02%

Source: ONS 2008-based sub national population projections

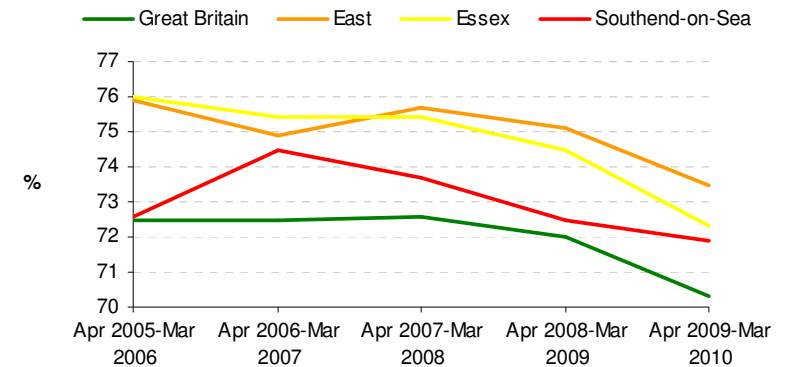
4.3 Labour Market

The Workforce

Employment, Unemployment and Economic Inactivity

The employment rate in Southend is lower than the East of England and Essex's figures but higher than Great Britain. As would be expected over the years surrounding the recent recession, Southend's employment rate has declined from a peak of 74.5% of working age population in 2007 to 71.9% in 2010. Figure 45 compares the employment rate of the last 5 years for Southend and comparator regions.

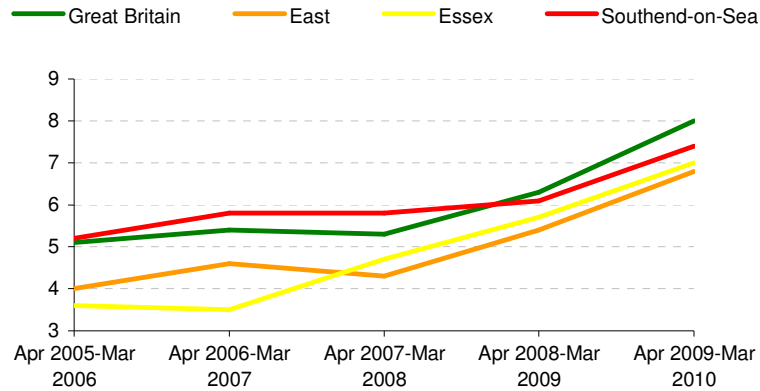
Figure 45: Employment rate – aged 16-64



Source: 2009, Annual population Survey

The unemployment rate in Southend has increased from 5.1% in 2006 to 7.4% in 2010. This is an increase of 2.2%, the smallest increase over the years of economic instability compared to other comparators. This can be explained by the relatively high starting point in 2006. The unemployment rate in 2010 remains greater than East of England and Essex's figures but lower than Great Britain. These figures are displayed below in Figure 46.

Figure 46: Unemployment rate – aged 16-64



Source: 2009, Annual population Survey

Measures announced within the 2010 Comprehensive Spending Review will have significant direct impacts on Southend's major public sector employers over the next few years, including DWP and HMRC, as well as the Council and partner organisations. These will subsequently impact on private sector jobs through

supply chain effects. Some of the jobs lost within Southend over the past five years have been in back office functions that have located in the Borough. This appears likely to continue given recent redundancies and relocations at HSBC. All of these will have a direct impact on the Borough's rates of employment and unemployment.

The remaining proportion of the working age population that are not included in the employment rate (i.e. 1 minus the employment rate) provides an indication of the number of people who do not contribute to the economy. This group is classed as:

- the unemployed (Figure 46); and
- the economically inactive which include: students; the long-term sick; unpaid carers; and those who retire early (considered later in this section).

Southend's unemployment and economically inactivity rate constitutes 28.1% of the working age population in 2010; a higher rate than Essex (27.7%) and the East (26.5%) but less than the Great Britain figure (29.7%).

Employment and Self-employment

Complimenting the relatively high figure of business start-up rates, Southend also has a relatively high self-employment rate compared to other geographies, reflecting long standing anecdotal evidence that it is an enterprising place where people are ready and willing to start their own business. As Table 8

displays, Southend's self employment rate (as a proportion of total employment) is around 1% higher than Essex, the East of England and Great Britain.

Table 8: Employees and self-employment

	GB	East	Essex	Southend-on-Sea
% in employment who are employees - aged 16-64	86.0	85.9	86.0	85.0
% in employment who are self employed - aged 16-64	13.3	13.6	13.5	14.5

Source: 2009, Annual population Survey

Southend also has a greater proportion of part-time workers compared to other geographies. This can be explained by the large proportion of jobs in the care industry and tourism industry that are typically part-time, seasonal or involve irregular shift patterns. It is male part-time employment that drives this: 22% of all male employment is part time, considerably higher than Essex, the East of England and Great Britain. Whilst no detailed evidence exists to explain why this is the case, possible reasons include a number of males undertaking two jobs, especially related to tourism and the visitor economy, and the relatively higher proportion of part time jobs in the service and back office sectors that have replaced traditionally male dominated manufacturing jobs.

Part-time and full-time employment structure for female workers is typical when compared to other geographies. Table 9 displays the division between full time and part time of all employees in Southend workplaces in total and by gender.

Table 9: Full and Part time employees

	GB	East	Essex	Southend-on-Sea
Full Time Workers	69%	67%	66%	64%
Part Time Workers	31%	33%	34%	36%
% Male workers who work full time	84%	82%	82%	78%
% Male workers who work part time	16%	18%	18%	22%
% Female workers who work full time	54%	52%	51%	52%
% Female workers who work part time	46%	48%	49%	48%

Source: 2008, Annual Business Inquiry

Occupations

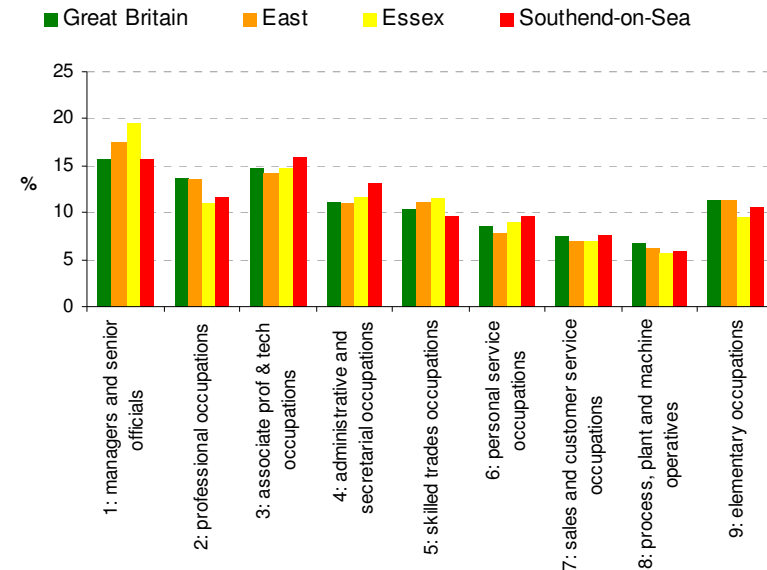
Southend's population has a slightly lower skilled occupation profile than comparator areas in terms of quality. Associate professional and technical occupations comprise the greatest proportion of employment in Southend at 15.8%, a greater proportion than all comparator areas in the chart. Southend also has a greater proportion of residents working in administrative and secretarial occupations compared to other geographies. Crucially it has fewer employees employed as managers and

senior officials than all other geographies at 15.7% of employment by occupation, this is notably less than Essex which has a high proportion of employers in this occupation group at 19.5%. As described in section 4, many of the higher end employment undertaken by Southend residents will be based in London, so this figure would be considerably higher should workplace based data be available. Figure 47 shows the breakdown of employment by occupation or residents in Southend, Essex, the East of England and Great Britain.

Wages, Income and hours

Southend's residents earn higher wages than the East of England and Great Britain but lower than the figure for Essex. Southend's median residence based weekly pay for full time workers is £515; in the East of England and Great Britain's equivalent medians are £509 and £491 respectively. By comparison in Essex this figure rises to £535³².

Figure 47: Employment by Occupation (residence based)



Source: 2009 Annual Population Survey

Southend's relatively affluent resident profile is reversed when workplace earnings are analysed. The median workplace based weekly pay for full time workers is £420, considerably lower than the equivalent figure for Essex, East of England and England which are £492, £479 and £490 respectively, and lower than figures for other commuter towns such as Maidstone and Croydon. This relationship between high residence based, but low workplace based earnings suggests that a significant

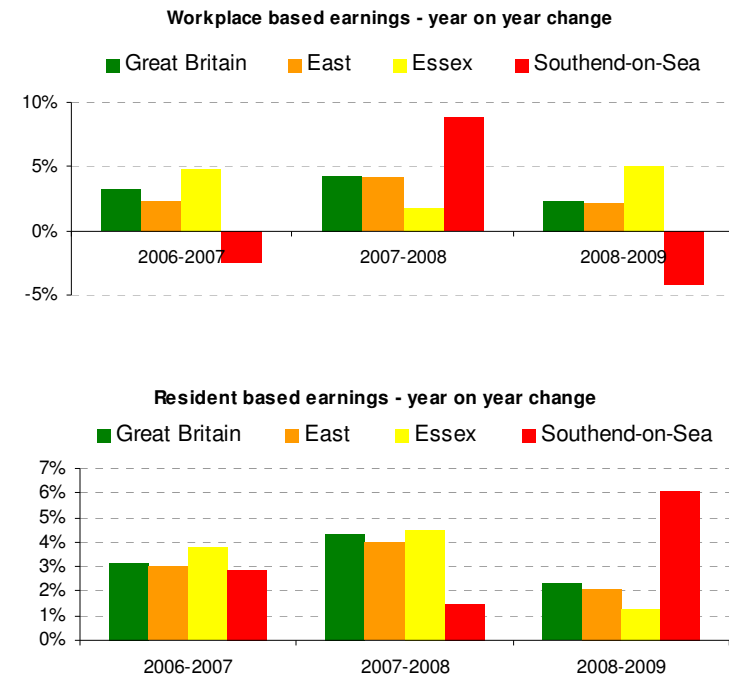
³² 2009, Annual Survey of Hours and Earnings

proportion of residents commute to work out of Southend in areas with higher paying jobs such as London and other areas of Essex.

However, the gap between residence- and workplace-based earnings is lower than in some full commuter towns. At £95, this gap does not display the same scale of difference between the wages of local and out-commuting jobs as, for example, Tunbridge Wells (£111) or St. Albans (£188). Towns with a high number of commuters such as Maidstone and Croydon see less of a disparity, with gaps of £72 and £31 respectively, because workplace jobs in these towns are comparatively better paid than in Southend,

Figure 48 displays the year on year change in residence and workplace based weekly full time earnings between 2006 and 2009. Southend displays interesting results compared to comparator geographies. For example, with respect to workplace based earnings, Southend experienced an 8.8% increase in earnings between 2007 and 2008 yet also experienced 4.3% decline between 2008 and 2009. This is the opposite to the magnitude of effects experienced elsewhere. Also, with respect to residence base earnings, Southend residents experienced a 6.1% increase in earnings between 2008 and 2009, compared to slower growth rates experienced in Essex, East of England and Great Britain. This pattern, which seems to be unique to Southend, may be explained by the industrial structure of the economy and how this was affected by the recession.

Figure 48: Annual change in workplace/resident based earnings

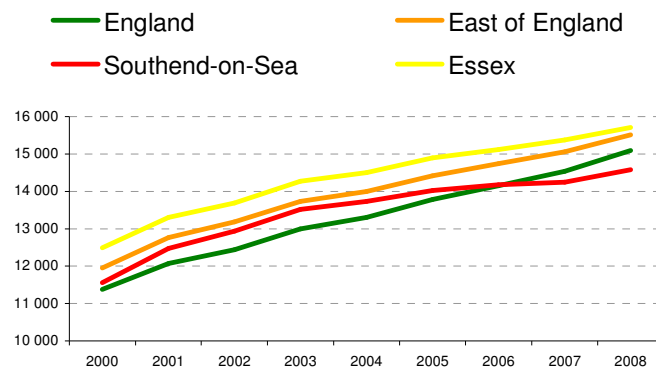


Source: Annual Survey of Hours and Earnings, 2009

Gross Disposable Household Income (GDHI) is a residence based indicator that signifies the amount of money available to households after taxes, National Insurance contributions and property costs have been deducted. As shown in Figure 49,

GDHI is relatively poor in Southend, being outstripped by all comparator areas. Up to 2006 GDHI per head in Southend remained above the England average but below Essex and the East. In 2007, however, this indicator dipped below the England average for the first time – and disposable income is now significantly lower than elsewhere. This finding is aligned with the slow growth in residence based earnings between 2007 and 2008 displayed in Figure 48 and the cost of housing discussed in Section 4.

Figure 49: Gross Disposable Household income (GDHI) per head



Source: ONS, Gross Disposable Household income

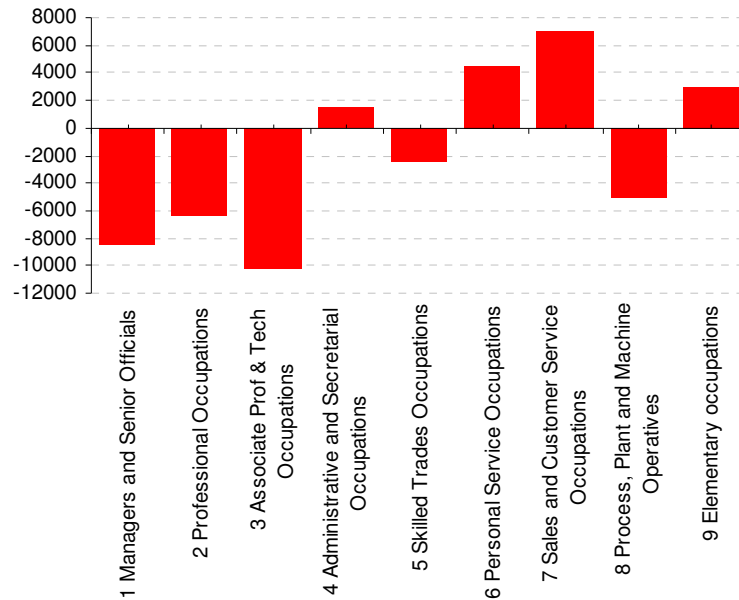
Commuting

Commuting data suggests that Borough residents that work outside of Southend are most likely to be managers and senior officials, professionals, associate and technical professionals, skilled trades people and process, and plant and machine operatives. In summary, those professions who are highest paid and required the best skills and educational qualifications. Southend is most likely to attract residents from elsewhere to work in Southend in administrative and secretarial roles, personal service occupations, sales and customer service occupations and elementary occupations. This aligns with the bulk of Southend’s job opportunities in largely middle and elementary skilled occupations.

Figure 50 indicates the net number of employees that work in each occupation type in Southend. A positive number indicates that non-residents of Southend come to work in the profession. Conversely a negative number indicates the number of employees who are residents of Southend that travel to work outside of the town.

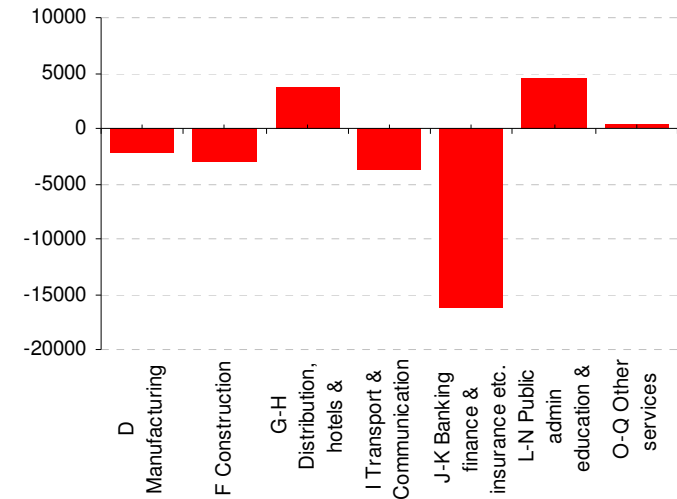
Figure 51 confirms this finding by providing similar analysis with respect to industry as opposed to occupation. Residents of Southend who are most likely to work outside of the town work in the banking, finance and insurance industry. Southend is likely to attract residents from elsewhere to work in Southend to work in the distribution, hotels and restaurants industry and public administration, education and health sectors.

Figure 50: Net Export of labour by occupation, 2009



Source: 2009, Annual Population Survey

Figure 51: Net export of labour by industry, 2009



Source: 2009, Annual Population Survey

The ONS has compared 2001 commuting flows with 2008 commuter flows from the APS and Labour Force Survey data. The following table (Table 10) highlights the top ten outward commuter flows for residents who live in Southend. The proportion of residents living and working in Southend has decreased from 63.2% to 57.4%. Nearby Rochford and the significant draw of the City of London remain the most common destinations for Southend residents to commute to work. Since 2001 there have been significant rises in commuter outflows to

Southwark (likely to be City spill over to the London Bridge area), Chelmsford (with the growth of Anglia Ruskin) and Tower Hamlets (as Canary Wharf continues to grow).

Table 10: Place of work for Southend-on-Sea residents: Change over time

	2001 flow	2008 flow	Is change significant at 5% level?
Southend-on-Sea	63.2%	57.4%	No
Rochford	7.1%	6.5%	No
City of London	5.7%	5.8%	No
Basildon	6.9%	5.4%	No
Southwark	1.1%	2.9%	Yes
Castle Point	1.7%	2.7%	No
Chelmsford	1.0%	2.7%	Yes
Thurrock	1.4%	1.9%	No
Tower Hamlets	0.5%	1.9%	Yes
Westminster	2.1%	1.3%	No

Source: Local Labour Force Survey, 2001. Annual Population Survey, 2008.

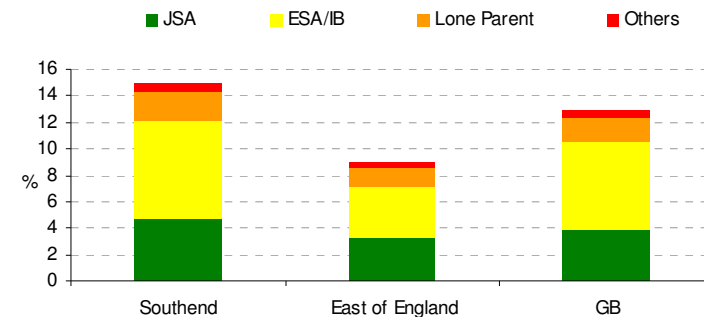
Worklessness

Worklessness by type

In conjunction with the production of an LEA, it is a statutory requirement for upper tier Local Authorities to complete a Worklessness Assessment. Southend-on-Sea Borough Council has produced the assessment and this subsection draws on the key findings of this analysis.³³

The most recent DWP statistics (Q1 2010) reveal that Southend has a total out of work benefit rate of 14.9% of the working age population. This is greater than both figures for the East of England (9%) and Great Britain (12.9%). As Figure 52 reveals the majority of claimants in Southend are receiving Employment and Support Allowance (ESA) and Incapacity Benefit (IB).

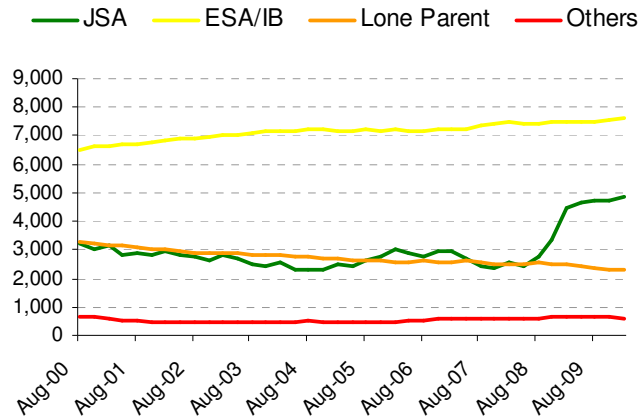
Figure 52: Worklessness rates by benefit type



Source: DWP, 2010

Time series analysis of benefit claimants by type reveals that, as highlighted in Figure 53, Job Seekers Allowance (JSA) has increased significantly over the period of the recession to a peak of 4,840 claimants in February 2010. Lone Parent claimants have decreased over the recession period but this can be explained by the changes in the benefit system. Lone parent benefits have now been incorporated in JSA to encourage parents to look for work. This is another factor that has led to increased JSA claimants since 2008.

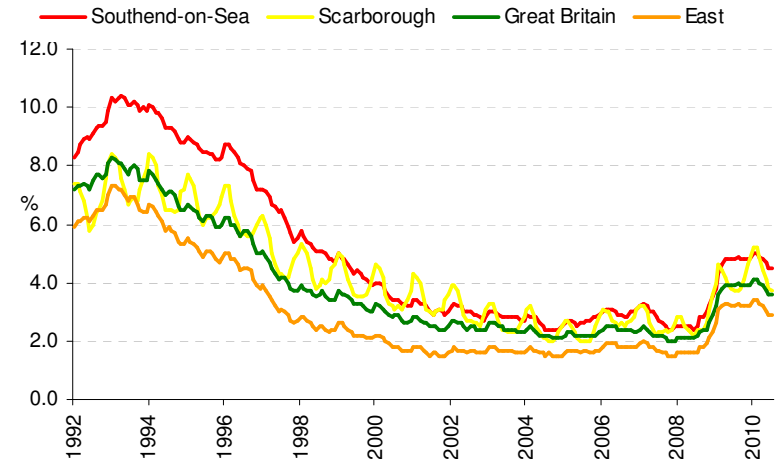
Figure 53: Historical benefit trends



Source: DWP, cited in Southend-on -Sea Worklessness Assessment 2010

The pattern of claimants provides interesting insights into the cyclical nature of employment. It is a useful indicator to analyse if there are any seasonal employment impacts in an economy. Figure 54 compares Southend with the region, nation and Scarborough (as a typical seaside town). The pattern for Scarborough indicates clear seasonality of employment, with low levels of claimants in the summer months. In comparison Southend has no clear pattern indicating limited seasonality in employment. This is one of a number of indications that Southend does not necessarily have the economic characteristics of a seaside town in the traditional sense.

Figure 54: Seasonal employment impacts on JSA claimants

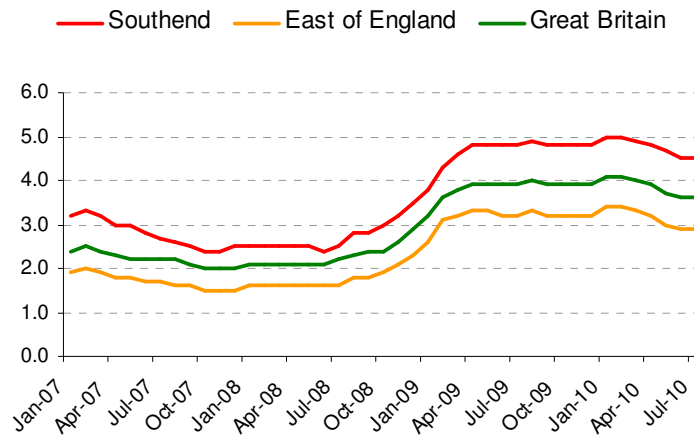


Source: DWP

³³ Southend on sea Borough Council, *Worklessness Assessment*, 2010

Figure 55 displays the historic trend for JSA claimants compared to the East of England and Great Britain. The pattern follows a very similar trend although the % of working age population who are claimants in Southend is at a higher rate.

Figure 55: Proportion of working age population claiming JSA



Source: DWP, cited in *Southend-on -Sea Worklessness Assessment 2010*

The following summarises key points from the Worklessness Assessment regarding characteristics of JSA claimants³⁴:

³⁴ Detailed analysis can be found in the 2010 Worklessness assessment: Southend –on-sea Borough council.

- Men are more likely to claim JSA than women. In July 2010, 71% of JSA claimants were male – reflecting the broader employment profile and the fact women are more likely to choose not to work.
- The impact of the recession has affected the 20-29 age group disproportionately compared to other age groups. In July 2010, JSA claimants from this age group comprised 31% of all claimants. Those with the least work experience are typically easiest and cheaper to release, and have the most transferable and disposable skills.
- With respect to duration of claimants, the recession has increased those out of work for 8-26 weeks more than any other cohort. This suggests that those made unemployed are most likely to be out of work for this duration of time than any other.
- JSA by usual occupation reveals that the greatest proportion of claimants have Elementary occupations, Sales and Customer Service occupations, Administrative and Secretarial occupations. Unsurprisingly, those with the lowest skills and with a history in the poorest paid jobs are most likely to be seeking work.

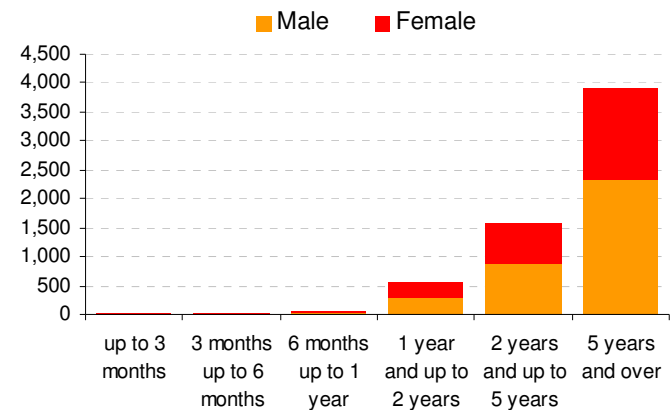
Incapacity benefits make up the largest part of the claimant group in Southend as well as the East of England and England. The following summarised the key findings from the Worklessness Assessment with respect to this benefit:

- The majority of claimants in Southend are male with 3,590 claimants in February 2010 compared to 2,680 female claimants.
- IB and SDA claimants tend to be aged 35 and older, reflecting a higher chance of being unable to work as people age. However compared to the region and England, the demographic of IB claimants is slightly younger in Southend, perhaps reflecting the high rate of resident people with physical and mental health issues of all ages.
- The most common condition in Southend for IB benefit claimant is mental and behavioural disorders. They account for 47.4% of claims in Southend. This figure is 4.5% above the regional figure and 4% above the figure for England. This follows the profile of a coastal resort: it is a good place to live and get around, low crime rates and a high standard of adult social care. These factors, added to the placement of vulnerable adults, means a more than proportional quantity of this demographic group reside in Southend.
- Lone parent benefits in Southend are consistent with regional and national figures. 65% of claimants are aged 34 or below and 96.5% of claimants are female.

Figure 56 indicates the duration that benefit recipients have been claiming, as at February 2010. The graph clearly shows that the majority of claimants have been in the system for a significant

amount of time. Nearly 4,000 claimants, 63% of all claimants, have been receiving benefits for five years or more. Of this group 60% of long term claimants are male.

Figure 56: Benefit claimants in Southend by duration and gender



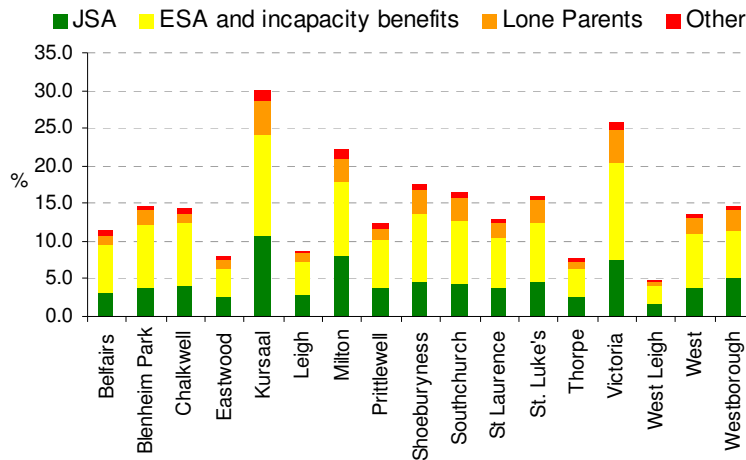
Source: DWP, 2010

Worklessness by Geography

Southend's Worklessness Assessment explores the geography of worklessness by analysing claimants by Southend wards and uncovered large disparities between affluence and deprivation across Southend. Kursaal (30.2%), Victoria (25.8%) and Milton (22.1%) have the highest percentages of working age population claiming benefits. In comparison, West Leigh has the lowest

proportion of claimants with only 4.8% of working age residents claiming any work benefits. Figure 57 displays work benefit claimant rate by type and by ward.

Figure 57: Working age JSA claimant rate by ward

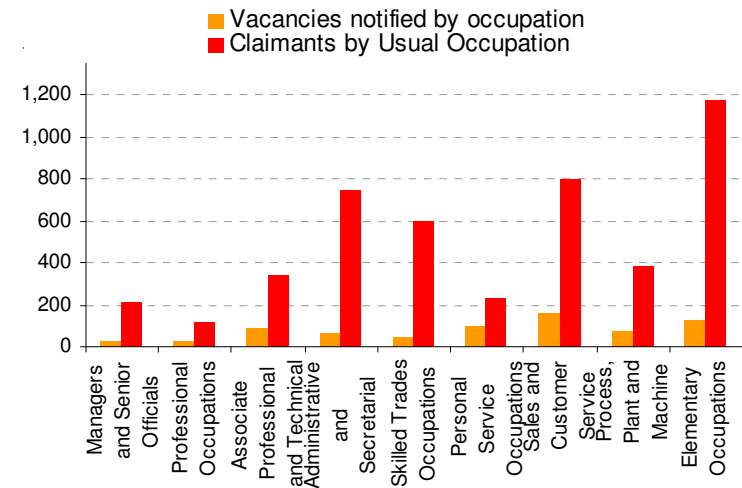


Source: DWP, cited in Southend-on -Sea Worklessness Assessment 2010

Vacancies

Figure 58, from the Worklessness Assessment, presents Job Centre Plus data on vacancies by occupation compared to JSA claimants by usual occupation. For all occupations, claimants exceed vacancies implying a high level of competition for jobs in the Borough.

Figure 58: Number of vacancies and claimants by usual occupation



Source: JCP and JSA, cited in Southend-on -Sea Worklessness Assessment 2010

By far the greatest number of vacancies is within real estate, renting and business activities. Of the 363 in this category, 360 are in 'Other Business Activities'– which covers all jobs in customer contact centres and back office administration. Table 11 reveals a snapshot of the most recent vacancies by industry.

Table 11: Unfilled vacancies in Southend July 2010

	Southend-on-Sea (July 2010) Vacancies	%
Total Vacancies	614	
Real estate, renting and business activities	363	59.12%
Health and social work	71	11.56%
Other community, social and personal service activities	37	6.03%
Hotels and restaurants	32	5.21%
Construction	23	3.75%
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	23	3.75%
Transport, storage and communication	21	3.42%
Financial intermediation	21	3.42%
Education	14	2.28%
Manufacturing	3	0.49%
Electricity, gas and water supply	3	0.49%
Public administration and defence; compulsory social security	2	0.33%
Agriculture, hunting and forestry	1	0.16%
Fishing	0	0.00%
Mining and quarrying	0	0.00%

Source: JCP, 2010

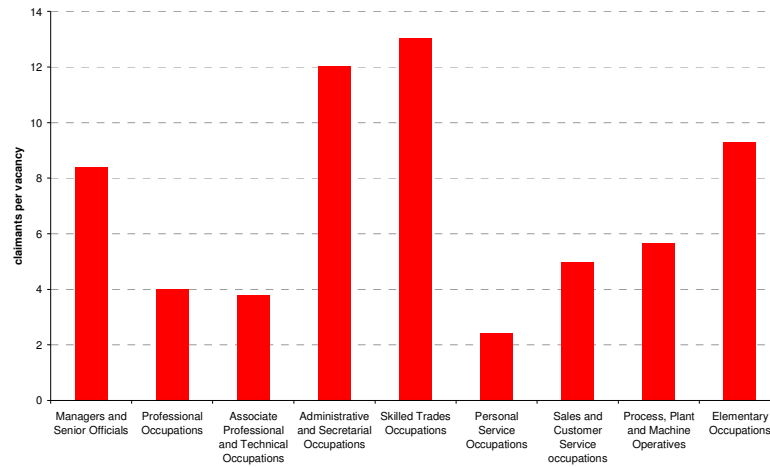
It is possible to compare the supply of jobs in particular occupations with the corresponding demand for these job types, by examining the usual occupations of current JSA claimants and the vacancies listed at Jobcentres. This analysis reveals the types of jobs that are in highest demand, and shows that there is a strong competition for most vacancies.

Figure 59 reveals that skilled trades occupations and administrative occupations are the highest in demand with around 13 JSA claimants per vacancy. Less desirable are personal service occupations. This can be explained by a combination of the number of vacancies by each occupation that are available and the skills sets and aspirations of applicants. For example, as Figure 47 indicates, Southend has a high proportion of its employment in administrative and secretarial occupation compared to wider geographies. Therefore it is likely that this is a relevant occupation for applicants' skills sets and also where the perceived opportunities are likely to be, resulting in a high proportion of applications per vacancy.

Table 12 shows the top five industry classification codes in terms of the proportion of all Job Centre Plus unfilled vacancies data by industry. As the table indicates the majority of vacancies at all geographies are either 'Other Business Activities' (covering a range of activities but typically in general administration and in Southend's case customer contact centres) or Health and Social Work. However Southend has a higher proportion of total vacancies available in these industries compared to the East of England and England. Southend has a greater proportion of vacancies in hotels and restaurants (although the overall volume

is not significant), construction and recreational, cultural and sporting activities compared to the region and whole country; this is a reflection of its industry sectoral make-up.

Figure 59: Claimants per vacancy by occupation



Source: JCP and JSA, cited in Southend-on -Sea Worklessness Assessment 2010

Table 12: Industries with the most of total unfilled vacancies

	Southend	East of England	England
1	Other business activities (58.6%)	Other business activities (50.4%)	Other business activities (53.2%)
2	Health and social work (11.6%)	Health and social work (10.3%)	Health and social work (10%)

3	Hotels and restaurants (5.21%)	Retail (8.86%)	Retail (5.8%)
4	Construction (3.8%)	Hotels and restaurants (4.8%)	Hotels and restaurants (4.8%)
5	Recreational, cultural and sporting activities (3.6%)	Other service activities (4.2%)	Other service activities (2.9%)

Source: JCP, 2010

Not in Employment, Education or Training (NEET)

NEETs refer to 16-18 year olds who are Not in Education, Employment or Training. The NEET figure for Southend averages between 5% and 6% of 16-18 year olds. Table 13 provides the latest data from Connexions regarding the status of 16-18 year olds in Southend. The high figure for September is an annual phenomenon as it is the beginning of the new school year, last minute places in college may have yet to be secured and young people who have finished school become classified as NEET. Since November 2009 the proportion of 16-18 year olds in learning has increased to 88.6%.

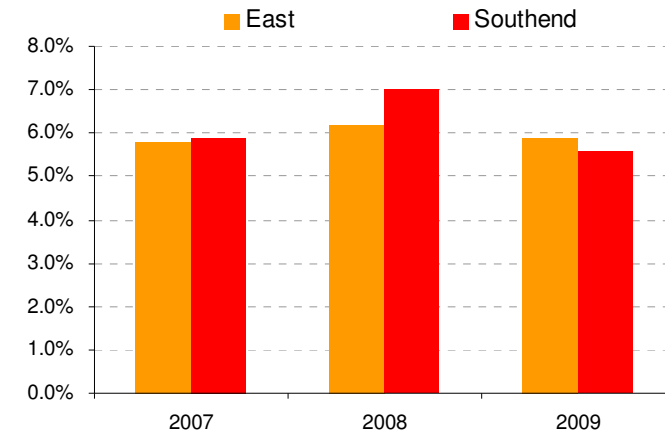
Table 13: Status of 16-18 year olds in Southend

	NEET	Unknowns	In-Learning
September 2009	7.3%	8.2%	80.0%
November 2009	5.8%	5.0%	84.7%
December 2009	5.5%	4.6%	84.9%
January 2010	5.5%	4.3%	85.7%
February 2010	5.5%	4.3%	85.7%
March 2010	5.7%	4.4%	86.0%
April 2010	6.0%	3.3%	87.4%
May 2010	6.0%	3.2%	87.9%
June 2010	5.6%	3.3%	88.5%
July 2010	5.5%	4.1%	88.6%

Source: Southend Connexions

Southend's NEET figure has significantly improved since 2008 and in 2009 it was 5.6%, 0.3% lower than the regional figure. The national figure for 2009 is reported to be 9.2%³⁵. Southend performs particularly well with respect to its low NEET rate. This can be explained by the substantial number of learning and training providers in the relatively geographically compact Borough (there are 14 providers across the borough catering for 16-18 year olds across Southend). Figure 60 provides the most recent comparable figures for the NEET rate in Southend and East of England from 2007 to 2009 – here a reversal in Southend's relative position is clear.

Figure 60: NEET rates between 2007 and 2009



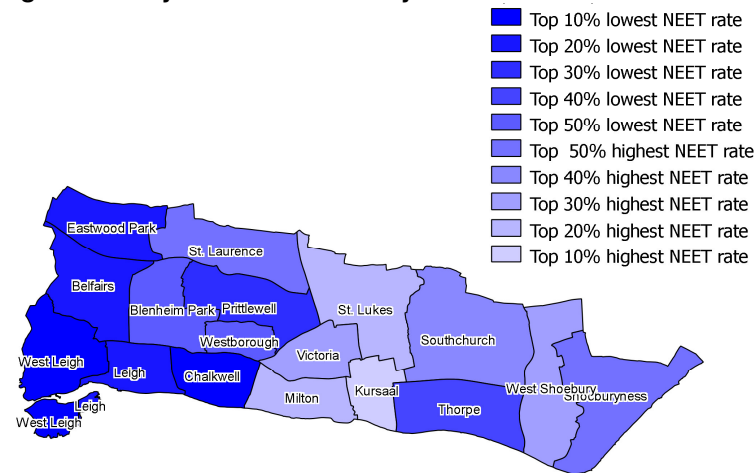
Source: DCSF, 2009

The Worklessness Assessment explores recent NEET statistics at a ward level. This is replicated geographically in Figure 61. The results highlight that the highest NEET rates occur in Kursaal (17.2%), Milton (10.47%), St Lukes (10.23%) and Victoria (10%). These wards are widely regarded as being the most deprived parts of Southend and have the greatest proportion of out-of-work benefit claimants. As the Worklessness Assessment suggests, this may be explained by the impact of high worklessness upon young people's aspirations and expectations³⁶.

³⁵ 2010, DCSF Statistical First Release.

³⁶ 2010 Worklessness assessment: Southend –on-sea Borough council.

Figure 61: July 2010 NEET rates by Ward



Source: Southend Connexions

Table 14 reveals the preferred occupational choices of NEETs in Southend in June 2010. The most popular occupation choice is construction work, followed by administration and retail. If this is compared to vacancy data in Table 11 there is a slight mismatch between the occupation of choice of NEETs and the available vacancies. Theoretically, however, vacancies exist to cater for these individuals and there are undoubtedly other factors influencing the status of these individuals.

Table 14: Preferred occupational choice of NEETs

Occupation Type	No	%
Construction and trades	70	28.3%

Administration	23	9.3%
Retail	22	8.9%
Hair & Beauty	20	8.1%
Motor Vehicles	20	8.1%
Nursing (incl. nursery nurse and care nurses)	18	7.3%
Arts	12	4.9%
Food & Hospitality	10	4.0%
Uniformed Services	10	4.0%
Animals	6	2.4%
Engineering (incl. electrical)	6	
IT	5	
Sports	5	
Warehouse/Factory	5	
Fitters (incl. shop, carpet & glaziers)	4	
Travel	3	
Agriculture	2	
Finance & Business	2	
Social Care	2	

Source: Southend Connexions

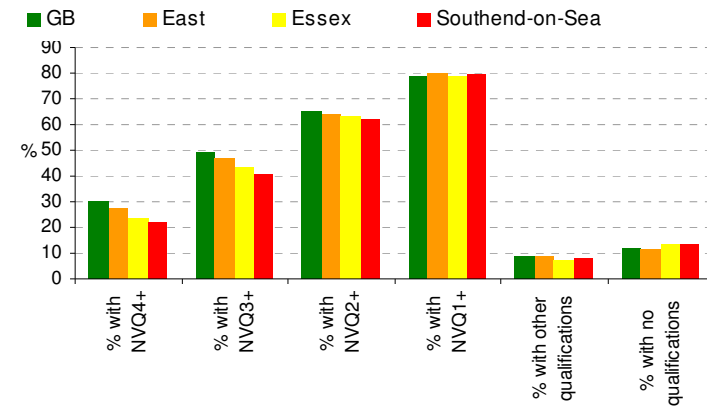
4.4 Skills

Skills Levels

NVQ levels

Southend's residents hold lower skills levels in comparison to Essex, the East of England and Great Britain. As Figure 62 indicates, a smaller proportion of Southend residents have NVQ 2+, 3+ and 4+ qualifications compared to all comparator regions. The proportion of Southend residents with no qualifications, at around 13.1%, is less than the rest of Essex at 13.5% but still greater than the East of England and the rest of Great Britain. The 'brain drain' issue in Southend is a likely contributor to Southend's low skills levels; the proximity of London's highly skilled employment opportunities and Southend's traditionally low skilled employment sectors, such as retail and tourism, combine to encourage higher skilled residents to relocate. Southend's relatively old population, who may be less likely to hold formal qualifications, is another explanation for these trends.

Figure 62: 2009 Skills Levels



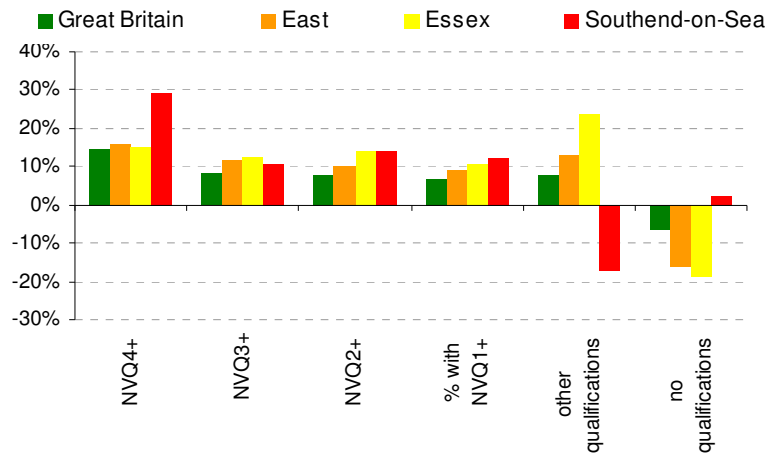
Source: 2009 APS

Although Post GCSE skills levels have been historically low compared to national averages, Southend has made significant improvements since 2006. Figure 63 displays the percentage change in skills levels between 2006 and 2009. There has been significant improvement in the number of people acquiring level NVQ4+ qualifications; this skills level has improved by 29% since 2006. A significant reason for this improvement is likely to be the investment in HE and FE education providers in the area. South Essex College and the University of Essex, Southend Campus, both have new flagship buildings located in the centre of town. Southend also has the only beacon status local authority run adult college in Southend Adult Community College. The increase in providers may also explain the decline in "other qualifications", which are typically professional qualifications, as

the college and university may now provide a replacement qualification that complies with NVQ skills levels.

Borough which are some of the best performing in the country and attract students from outside of the borough. In comparison, the borough's improving schools include Futures Community College with 25% of pupils gaining the GCSE benchmark.

Figure 63: Change in skills levels (2006-2009)



Source: 2009 APS

GCSE and A-level attainment

Southend outperforms England's average in all measures including the number of children gaining 5+ A*-C grades including English and Maths and average total point score per pupil. In 2009 the best performing schools included Westcliff High School for Boys and Westcliff High School for Girls with 100% of pupils gaining 5+ A*-C grades including English and Maths. These are two of four selective grammar schools in the

Table 15 highlights Southend's Borough wide performance and individual schools' performance for GCSE attainment in 2009.

Southend's performance has fluctuated slightly from year to year although it remained constantly above the national average point score per student. As is the case for GCSE attainment Southend High School for Girls school has the highest A-level point score per pupil at 1,085.1 in 2009 compared to the Borough average of 748.5 and the national average of 739.3. On the other end of the scale, Shoeburyness High School has the greatest improvement to make with an average score of 530.5. Table 16 reports the average A-level score per student from 2006 to 2009.

Table 15: 2009 GCSE attainment

School	% of pupils achieving		Average total point score per pupil
	Level 2 (5+ A*-C) including English & Maths GCSEs	Level 2 (5+ A*-C)	
<i>Southend Local Authority Average</i>	58%	70%	431.3
<i>England (all schools)</i>	50%	70%	413.5
Belfairs High School - Leigh-on-Sea	34%	62%	375.9
Cecil Jones College - Southend-on-Sea	37%	40%	327.8
Chase High School - Westcliff-on-Sea	37%	51%	317.9
The Eastwood School (11-18) - Leigh-on-Sea	52%	79%	498.8
Futures College - Southend-on-Sea	25%	45%	319
Shoeburyness High School - Southend-on-Sea	46%	70%	436.2
Southend High School for Boys - Southend-on-Sea	95%	96%	531.7
Southend High School for Girls - Southend-on-Sea	99%	99%	602.1
St Bernard's High School and Arts College - Westcliff-on-Sea	67%	82%	456.4
St Hilda's School - Westcliff-on-Sea	73%	100%	379.2
St Thomas More High School for Boys - Westcliff-on-Sea	60%	75%	408.2
Thorpe Hall School - Southend-on-Sea	87%	89%	369.4
Westcliff High School for Boys - Westcliff-on-Sea	100%	100%	539.1
Westcliff High School for Girls - Westcliff-on-Sea	100%	100%	611.6

Source: 2009, DCSF (6 Special Schools not presented)

Table 16: 2006-2009 A- Level attainment

	Average point score per student			
	2006	2007	2008	2009
<i>Local Authority Average</i>	755.3	744.9	752	748.5
<i>England Average (all schools and FE colleges)</i>	721.5	731.2	740	739.3
Belfairs High School - Leigh-on-Sea	534.7	491.9	523.2	562.4
Cecil Jones College - Southend-on-Sea	534.4	536.6	529.2	553.2
Chase High School - Westcliff-on-Sea	No data			
The Eastwood School (11-18) - Leigh-on-Sea	473.2	528.9	No data	677.1
Futures College - Southend-on-Sea	No data			
St Bernard's High School and Arts College - Westcliff-on-Sea	780.1	704.8	780.8	807.3
St Thomas More High School for Boys - Westcliff-on-Sea	869.3	802.5	827.8	779.8
Shoeburyness High School - Southend-on-Sea	619.1	564.1	588.8	530.5
South East Essex College of Arts and Technology - Southend-on-Sea	587.2	608.7	630.6	641.2
Southend High School for Boys - Southend-on-Sea	1036.5	1073.7	1051.9	1,066.2
Southend High School for Girls - Southend-on-Sea	1094.4	1057.7	1037.4	1,085.1
Westcliff High School for Boys - Westcliff-on-Sea	1061.8	1012.2	1046.6	1,075.2
Westcliff High School for Girls - Westcliff-on-Sea	1012.3	999.2	990.3	983.7

Source: 2009, DCSF

Vocational Qualifications

In 2008/9 there were 2,130 learners in Southend studying for vocational qualifications. The majority of learners undertook a course from either a private training provider (46%) or FE College (39%) such as the newly refurbished Futures College. Qualifications provided by Adult Education centres were obtained by 11% of learners in Southend, a significantly greater proportion than the corresponding figure for England which was 2%. This can be explained by the presence of the popular and successful Southend Adult Community College. In contrast, only 2% of vocational qualifications were provided by employers in Southend compared to the national average figure of 12%.

35% of all vocational qualifications undertaken in 2008/9 in Southend were in the Health, Public Services and Care sector subject area. This is significantly higher than the national benchmark which is 21% and can be explained by the large care sector that is present in Southend.

The number of people starting an apprenticeship in Southend has increased from 400 in 2005/6 to 500 in 2008/09. Progress for 2009/10 looks promising as the provisional results for the first 9 months since August 2009 is 500 with another 3 months still to be confirmed.

Skills Gaps and Demand

The National Employer Skills Survey (NESS), now the responsibility of the UK Commission for Employment and Skills,

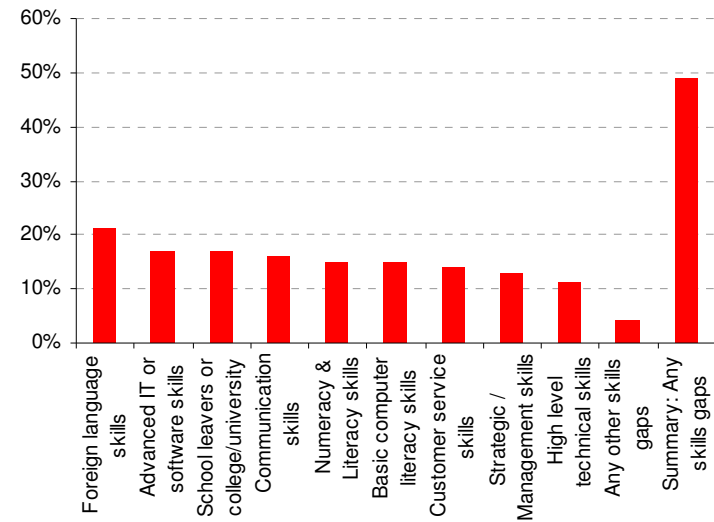
reveals insights into the skills levels of the workforce and employer satisfaction. 4,139 businesses in Southend were engaged and 16% revealed that they were experiencing skills gaps among their workforce. As a comparison, of all businesses surveyed in the East of England, 17% revealed that skills gaps were present.

The NESS survey also undertook analysis on the incidence of skills gaps by occupation. In Southend the greatest skills gaps occur within management roles (38%), sales and customer services staff (33%) and administrative and clerical staff.

Aside from job-specific skills, the most common areas requiring improvement are customer handling skills (56%), management skills (50%), team working skills (47%) and oral communication skills (46%).

Figure 64 highlights the main skills gaps reported by businesses from the 2010 Southend Business Survey undertaken by BMG. The most common issues reported were lack of foreign language skills. Also one in six businesses believed there were gaps in terms of school leavers/university graduates having the appropriate work ready skills and attitude to work. The same number of businesses reported gaps in advanced IT or software skills.

Figure 64: Skills gaps reported by businesses surveyed (% of businesses surveyed)



Source: BMG 2010 Southend Business Survey

Training Provision

The Annual Population Survey provides data on those of working age (16-64) who receive in-work, job related training lasting a minimum of 4 weeks. In Southend 8.5% of employees receive this which is very similar to the whole of the East of England. However it remains lower than the Essex and national average, 9.2% and 9.5% respectively.

The small percentage of employers providing vocational qualification training is supported by findings in the 2010 Southend Business Survey. The survey finds that three fifths of businesses in Southend have neither a training plan nor a training budget and that the propensity to have either increases with organisation size. The survey found that having a training budget and/or plan is significantly more likely within service industries than in production, construction and manufacturing companies.

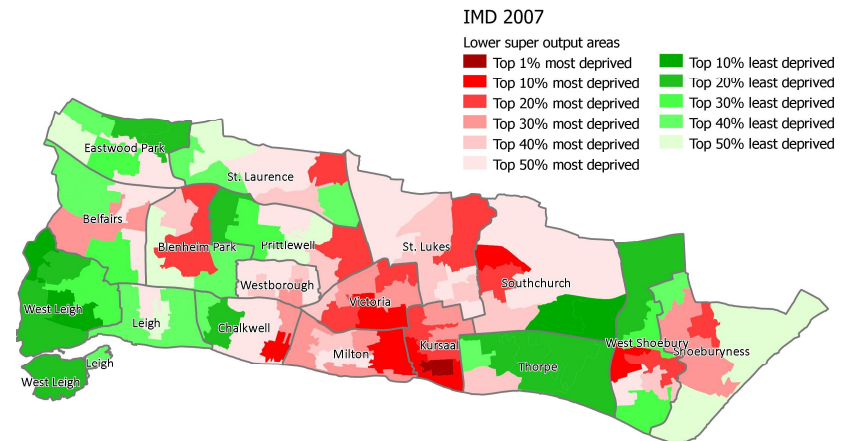
4.5 Deprivation, Health and crime

IMD

The Index of Multiple Deprivation (IMD) measures the composite deprivation levels of all 32,482 Lower Super Output Areas (LSOAs) in England. The composite domains include measures of income, employment, health and disability, education and skills, housing, living environment, and crime. Five LSOAs in Southend fall within the 10% most deprived areas in England; these are situated within Kursaal, Milton, Southchurch, and Victoria wards. In comparison, SOAs within West Leigh rank among the 20% least deprived in the whole of England. One LSOA in Kursaal is in the 1% most deprived in the country.

Figure 65 displays IMD data in relation to rankings within the region only. At a Local Authority level Southend ranks as the 111th most deprived Borough out of the 354 in the country.

Figure 65: 2007 Index of Multiple Deprivation at SOA level in Southend



Source: 2007, IMD

Health

The Association of Public Health Observatories produce health profiles for local authorities across the country which compares the health of people compared to the rest of England. The profiles measure the health indicators that are significantly worse

or better than the national average. Table 17 compares the health of Southend's residents in 2010 against the national average and highlights the indicators where Southend performs significantly better. Similarly Table 18 indicates the indicators where Southend performs significantly worse compared to the rest of England.

Table 17: 2010 Health Profile statistics where Southend performs significantly better than the National average

Indicator	Southend	National Average
Deprivation (% of people in this area living in 20% most deprived areas of England 2007)	17.6	19.9
Statutory Homelessness (Crude rate per 1,000 households 2008/09)	0.93	2.48
GCSE attainment (% pupils attaining 5 A*-C grades)	57.8	50.9
Physically active children (% of year 1-13 pupils who spend at least 3 hours per week on high quality PE and school sport 2008/09)	61.8	49.6
Early deaths: heart disease and strokes (Directly age standardised rate per 100,000 population under 75, 2006-2008)	66.8	74.8
Road injuries and deaths (Rate per 100,000 population 2006-2008)	41.2	51.3

Source: Southend 2010 Health Profile, APHO

Table 18: 2010 Health Profile statistics where Southend performs significantly worse than the National average

Indicator	Southend	National Average
Children in Poverty (% of children living in families receiving means-tested benefits 2007)	25.3	22.4
Incapacity benefits for mental illness (Crude rate per 1,000 working age population 2008)	34.6	27.6
Hospital stays for alcohol related harm (Directly age and sex standardised rate per 100,000 population 2008/09 (rounded))	1,750	1,580

Source: Southend 2010 Health Profile, APHO

With respect to child obesity figures in particular, 2008/09 data reveals that reception and year 6 children are more likely to be of a healthy weight than the national average, less likely to be classed as overweight but more likely to be obese. These statistics can be found in **Error! Reference source not found..**

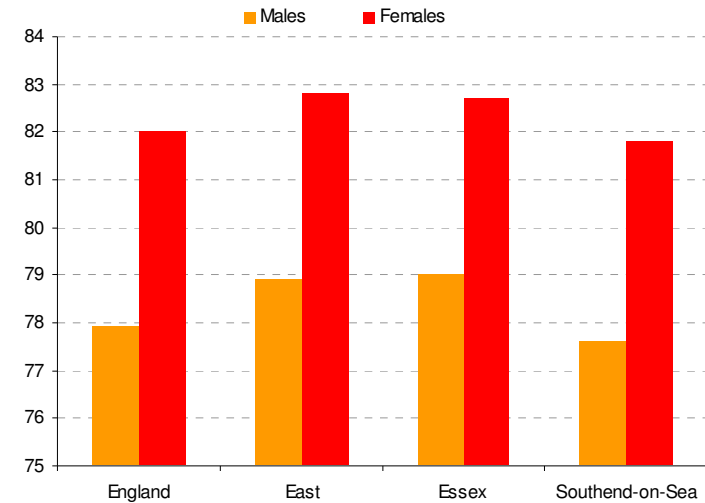
Table 19: Propensity to be a healthy weight, overweight or obese (Reception and Year 6 children)

	Healthy weight		Overweight		Obese	
	Year R	Year 6	Year R	Year 6	Year R	Year 6
England	76.2%	66.1%	13.2%	14.3%	9.6 %	18.3%
Southend-on-Sea	77.2%	66.2%	12.1%	13.6%	10.3%	19.5%

Source: Southend 2010 Health Profile, APHO

Life expectancy is a key indicator associated with the level of deprivation experienced by a population. Many factors affect average life expectancy including income, lifestyle choices such as alcohol consumption and smoking, nutrition and education. As Figure 66 indicates, Southend's life expectancy at birth for males and females is lower than the equivalent statistics for Essex, the East of England and England.

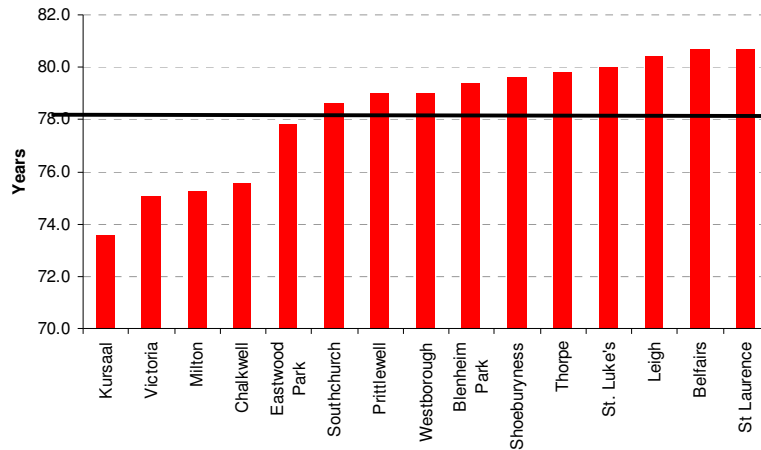
Figure 66: Life expectancy



Source: ONS, 2006

Within Southend there is significant variation in average life expectancy. As Figure 67 shows, Kursaal ward has the lowest life expectancy at birth of 73.6. Average life expectancy in St Laurence is 7 years older at 80.7. The black line denotes Southend's average life expectancy across all wards. As expected there is a clear correlation between deprivation and life expectancy.

Figure 67: Life expectancy by ward



Source: ONS, 2006

Children

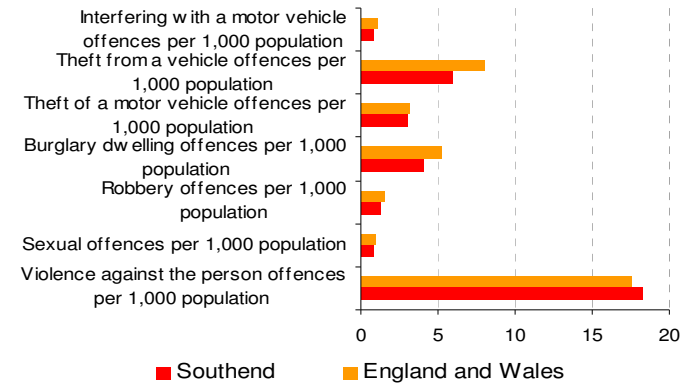
The Child Wellbeing Index (CWI) is a composite index of seven domains in a child's life that have an impact on child well-being. Constructed in similar way to IMD, the index measure LSOAs performance against the following domains: material well-being, health, education, crime, housing, environment, and children in need. The higher the score the lower the level of child wellbeing. At a local authority level, Southend has a CWI score of 191 and has a ranking of the 287th with respect to child well being. To compare, Essex performs much better with a lower index score of 113.

Recent Child Poverty data indicates that 25.3% of all children in Southend live in families receiving means-tested benefits. This rate is high compared to the equivalent national figure which is 22.4%, as seen in Table 18, above.

Crime

Southend has an impressive profile around crime and disorder, with fewer incidences of crime per 1000 population for all types of crime apart from violence against the person. Figure 68 compares incidences of crime per 1000 population in Southend to the national figure.

Figure 68: British Crime Survey comparisons



Source: British Crime Survey, Research and Development statistics, Home Office (2009)

4.6 Assets, Constraints and Opportunities

Using the information presented above, this section outlines Southend's assets, constraints and opportunities for the future in relation to people and communities.

Assets

- A population that is aging but by a lower rate than the rest of the country – Southend's population is getting younger in relative terms.
- High performing state and private schools provide good pre-16 skills and qualifications.
- Improving picture for NVQ4+ standards and the HE provision supplied by the University of Essex Southend campus and South Essex College.
- Relatively low levels of NEETs.
- Generally low levels of crime and road injury.
- Overall low levels of deprivation and significantly lower levels of homelessness and early death rates attributable to lifestyle such as heart disease.
- Young people in Southend are more active than the national average.
- Southend benefits from high earning jobs in London – supporting many areas of affluence and high quality of life.

Constraints

- 16-25 skills levels remain generally low, with a proportionally lower number of residents with levels 2-4 qualifications.
- Superior Southend GCSE and A-level attainment, coupled with the underperforming wider population skills levels compared to England, indicates a low graduate retention rate.
- A skills provision gap at level 1 and 2 qualifications, with the main providers in Southend concentrating on addressing level 3 and 4 qualification gaps.
- Lack of employer provided training.
- Workplace based wages considerably lower than resident labour market statistics - residents with highly skilled occupations are more likely to work out of Southend, and as a result, some industries are unlikely to be attracted by the remaining labour pool.
- Mismatch between occupation choice and vacancies, amongst the long term workless.
- For all occupations claimants exceed vacancies implying a high level of competition for jobs in the Borough.
- Deep rooted and long standing inequalities are present within the Borough. Kursaal, Victoria and Milton wards are repeatedly highlighted as the wards in Southend that are the most deprived.

Opportunities

- Shaping the skills sets of those people entering the job market to ensure that they align with employment opportunities:
 - Maintenance, repair and overhaul at the airport
 - Specialist engineering skills around aviation and medical instrumentation
 - Administration and customer management at financial services back office functions
 - Social care and healthcare to support the increasing demand from the aging population
 - Growing cultural and creative sectors
 - Customer services skills around retail and tourism industries
- University campus and in-migration is producing a new generation of young people, and the opportunity exists to create the jobs to keep them in Southend.
- The expansion of Southend Airport with its direct and indirect employment opportunities, and associated extension to the Apprentice Training Centre.
- Growing culture and creative sector has the potential to engage and inspire local people.
- Olympics and Paralympics, combined with the airport expansion and other physical infrastructure has the potential to create a step change in the image of the town and its people.

5. SUSTAINABLE ECONOMIC GROWTH

5.1 Introduction

This section considers a range of factors relating to physical movement, housing, infrastructure, and the environment which have the potential to provide the building blocks to positively shape Southend's economic future.

Critical to the Borough's economic success in the future is the presence of appropriate infrastructure to allow people and businesses to access employment and markets. There also needs to be appropriate infrastructure to make Southend an attractive place to live and work so that money earned within the economy is also spent within it.

This chapter considers in turn the movement and access, physical infrastructure, regeneration projects, land and buildings and sustainability measures in the Borough to assess future opportunities for the Borough to develop its economy.

5.2 Movement & Access

Movement and access to, from and within the Borough are major considerations when assessing the future economic prospects for Southend. Good access via road and rail attracts employees

to work in the Borough and provides access to well paid jobs that are not available locally, whilst retaining their spending potential. It also allows businesses to reach markets for their goods and services, and supports some of Southend's key employment sectors such as retail and tourism.

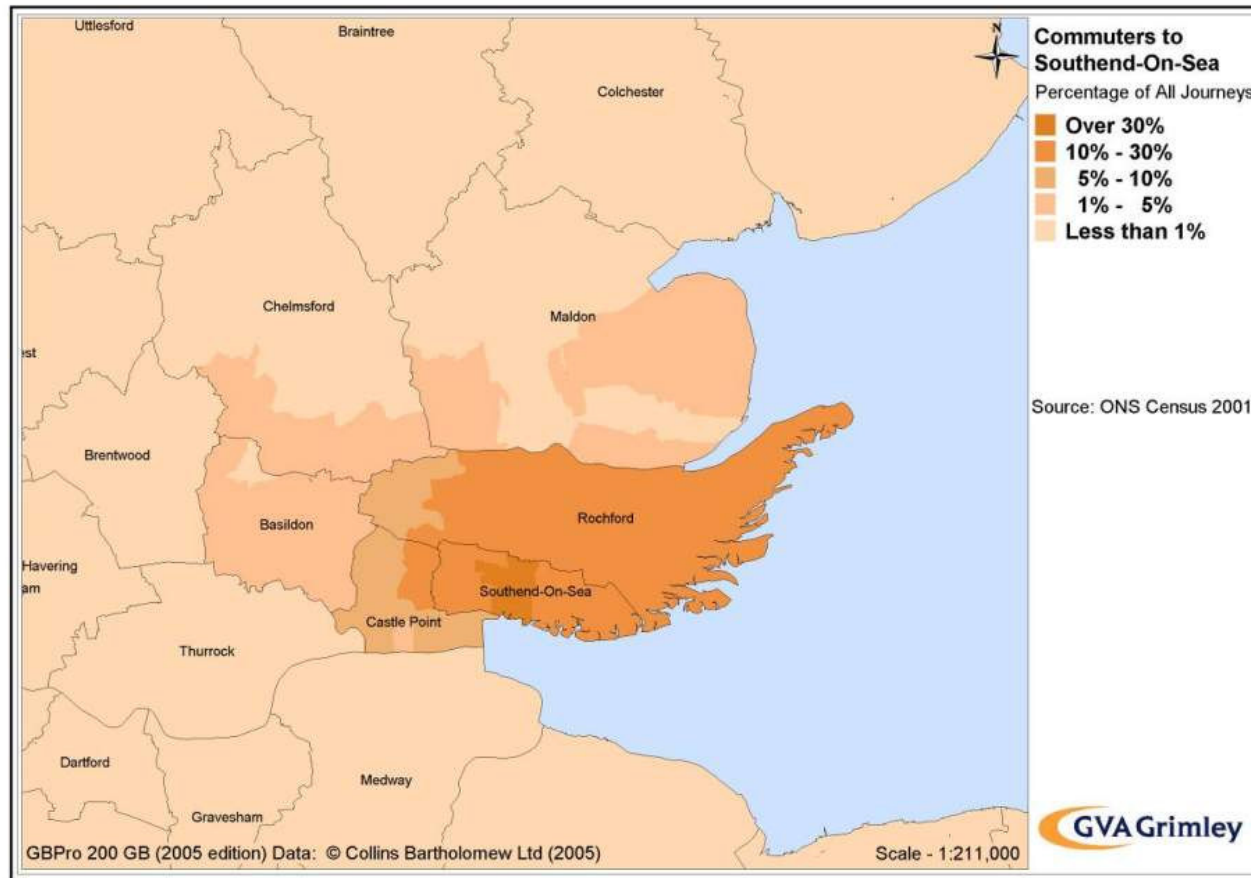
Key measures that outline the movement and access conditions within the Borough are commuting patterns, the frequency of public transport and movement times to key areas of employment.

Commuting

An analysis of commuter data demonstrates that Southend's area of influence covers Southend Borough, where more than 30% of the population both live and work. It also extends to most of Rochford District (excluding Rayleigh) and Hadleigh (in Castle Point). Its wider 5% catchment area includes Rayleigh and the remainder of Castle Point. This is shown in Figure 70.

As discussed in section 3, the majority of jobs undertaken by those commuting in from outside of the Borough are towards the bottom end of the pay and skills scale, and hence it is to be expected that there is very little commuting from places outside of South Essex.

Figure 69: In-commuting to Southend-On-Sea



Source: Census 2001

An analysis of out commuting from Southend-On-Sea demonstrates that London exerts a significant influence on travel to work patterns. Table 20 shows the volumes of travel to work trips from the Thames Gateway South Essex local authorities to London at the point of the last Census in 2001. It also indicates the split between trips to Central London and East London Boroughs.

Table 20 Travel to Work Trips from TGSE to London

	Total Origins	All London		Central London		East London	
Basildon	77,606	18,292	24%	9,625	12%	7,395	10%
Castle Point	40,947	7,996	20%	4,420	11%	3,033	7%
Rochford	37,691	6,731	18%	4,175	11%	2,177	6%
Southend- on-Sea	69,911	10,441	15%	6,678	10%	3,070	4%
Thurrock	69,331	19,496	28%	8,061	12%	10,040	14%
TGSE Total	295,486	62,956	21%	32,959	11%	25,715	9%

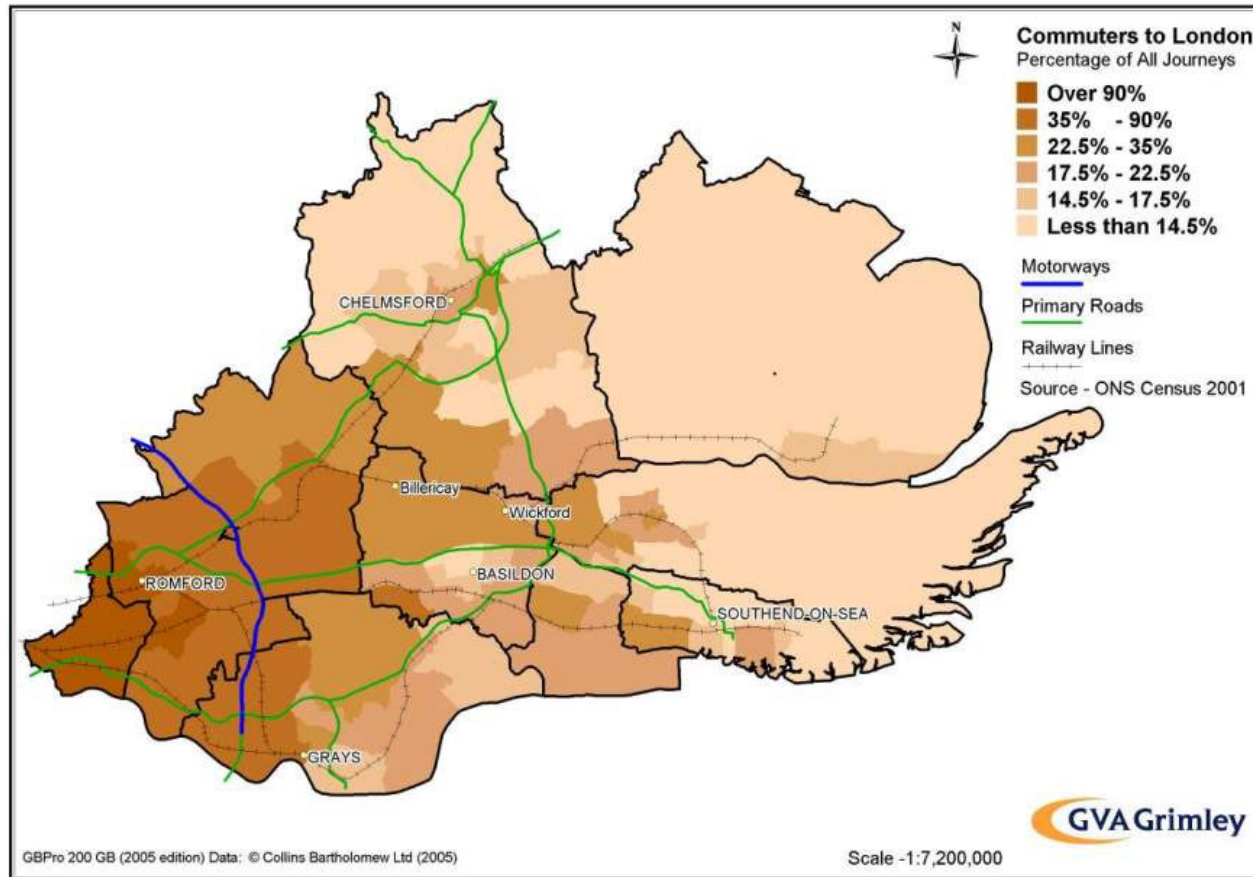
Source: Census 2001

In relation to the rest of the Thames Gateway South Essex sub-region Southend has a relatively lower level of out-commuting to London. The level is 15% in Southend-on-Sea compared to the higher levels in Thurrock (where 28% commute to London) and in Basildon (24%). It decreases further east to 18% in Rochford.

This likely reflects the increased time and cost of commuting further east but could also be explained by the relatively greater number of employment opportunities within the Borough, in comparison to the rural and semi-rural parts of TGSE. The levels of out commuting to London are shown spatially in Figure 71.

As described in section 3, London (the City of London, Tower Hamlets and Southwark which are dominated by financial and professional services; and Westminster which is dominated by the public sector), nearby Rochford, Basildon, Castle Point and Thurrock are the most popular destinations for out commuters. Together these account for over 31% of all jobs held by Southend residents.

Figure 70: London's Sphere of Influence



Source: Census 2001

Transport

Closely related to the patterns of commuting to and from Southend are the levels of public transport accessibility which, along with car usage, is the main determinant of commuting activity. The Local Transport Plan provides details of transport service levels within the Borough and allows an assessment of movement and access to employment to be undertaken.

Rail Access

Rail access to and from Southend is particularly strong and Southend is well connected by train with trains running to Fenchurch Street and London Liverpool Street along two separate lines. There are nine stations within the Borough with one more under construction at London Southend Airport which is due to open in November. Connections to London are excellent with 35 trains in peak rush hour in the morning (7am to 10am). There are opportunities to reduce the commuting time (currently around 58 minutes) by reducing the number of stops that are made between the two nodes.

Southend's location means that rail connections to places other London, and intermediate stops such as Thurrock and Basildon, require connections through the capital which add substantially to journey time. Stansted airport, for example, is less than 50 miles away, but with a change at Liverpool Street this equates to almost two hours by train, although there is a direct bus service. Details of rail transport connections from Southend are shown in Table 21 below.

Table 21: Rail Connections from Southend

Southend to	Train			
	AM Rush Hour (7 am – 10 am)		PM Rush Hour (4pm – 7pm)	
	Frequency	Minimum journey time	Frequency	Minimum journey time
Basildon	9	0:22	6	0:21
Colchester	11	1:03	8	1:15
Chelmsford	11	0:44	7	0:46
Luton	12	2:05	10	2:02
London	35	0:54	30	0:57
Cambridge	12	2:25	13	2:25
Peterborough	9	2:29	10	2:31
Norwich	6	2:06	7	2:21
Ipswich	9	1:22	8	1:41
Stansted	16	1:59	14	1:55
Thurrock	5	0:37	5	0:51

Source: Local Transport Plan

Bus Travel

In comparison to other urban centres of its size, bus travel from Southend to other regional transport nodes is poor, with Basildon the most frequent service but with a journey time of 1:08 minutes. This makes rail the most practical form of public transport for commuting outside of the Borough. This is shown in Table 22 below.

Table 22: Bus Connections from Southend

Destination	Typical Travel Time	Frequency (Number of buses per hour)
Basildon	1:08	5
Colchester	3:03	0
Chelmsford	1:15	1
Luton	4:41	1
London	2:57	1
Cambridge	3:05	1
Peterborough	6:00	1
Ipswich	3:00	0
Stansted	1:37	1
Thurrock	2:12	4

Source: Local Transport Plan

As well as a less regular bus service, the frequency of Southend's bus services varies greatly at different times of day.

According to the Local Transport Plan the services do not seem to correspond with peak hours. An example of this is the number 1 bus which is most frequent between 10am and 3pm during the week. As the Southend Local Transport Plan suggests the infrequency of weekday evening services may be deterring people from using the buses earlier in the day for fear of not being able to get home again. This is shown in Table 23 below.

Table 23: Bus service frequencies in Southend

Bus Service	Frequency (average number of buses per hour)				
	Weekday (7am-10am)	Weekday (10am-3pm)	Weekday Afternoon (4pm-7pm)	Weekday Evening (8pm onwards)	Sunday
1	4	6	4	2	2
7/8	6	6	4	1	2
20	4	4	4	2	2
27	3	3	2	1	1

Source: Local Transport Plan

Road Access

An analysis of drive times in Table 24 shows that key regional centres such as Chelmsford, Basildon and Thurrock become more accessible by road than by public transport.

Table 24: Drive times from Southend-on-sea

Destination	Distance (km)	Driving Time
Basildon	23	24m
Colchester	68	59m
Chelmsford	34	33m
Luton	111	1hr 24m
London	70	1hr 25m
Cambridge	115	1hr 27m
Peterborough	175	2hr 5m
Norwich	162	2hr 14m
Ipswich	95	1hr 18m
Thurrock	41	39m

Source: Local Transport Plan

While drive times are shorter this does not take into consideration the congestion issues within the Borough which elongate journey times particularly during peak hours. Consultation carried out to inform this document highlighted congestion on the A127, particularly around the town centre, as a key barrier to accessing employment.

Access to Employment and Services

As shown in Figure 70 there is a high level of out commuting from Southend to London with residents attracted by higher wages in the capital. While out-commuting to London will always

occur within Southend, the level of access to local employment sites has the potential influence employment choice.

Figure 71 illustrates that access to major employment sites is good with the majority of residents within 10 minutes by foot or public transport to a site.

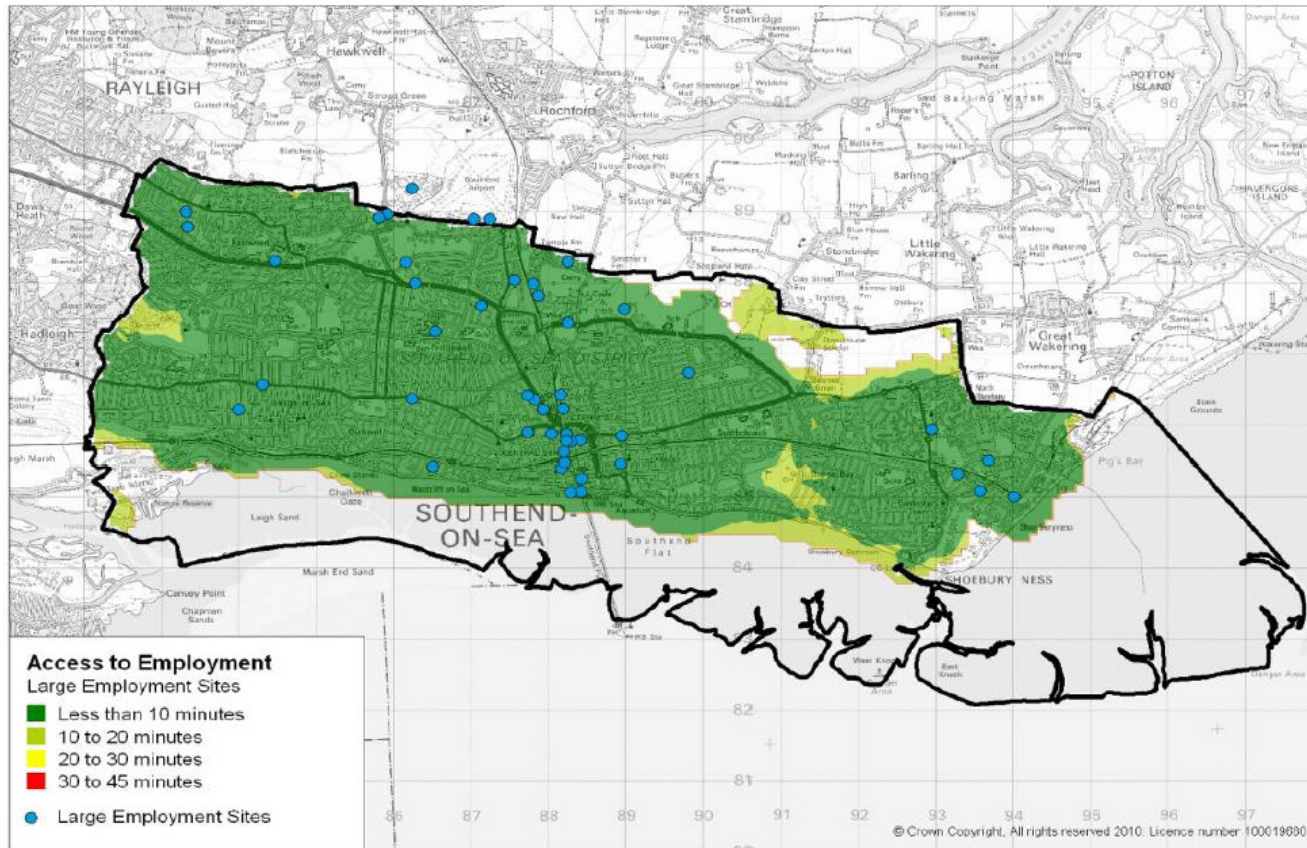
Comparing the accessibility levels with other authorities in the East and South East of England shows that Southend performs favourably. Table 25 shows that Southend has walk / public transport accessibility levels that are similar or better to those in Thurrock and Luton. Southend also has better access to employment by cycle than both of these areas. However, Brighton has superior levels of access than Southend by public transport and by cycle

Table 25: Access to employment sites by mode of transport

% of target population weighted by the access to employment centres by...		Brighton	Luton	Southend	Thurrock
Employment Target population = 16-74 year olds	walk / public transport	87	84	84	82
	cycle	82	78	80	70
	car	98	98	98	97

Source: Local Transport Plan

Figure 71: Access to large employment sites in Southend



Source: Local Transport Plan

Analysing the distance travelled for employment by Southend residents to shows that 57% of Southend's residents commute less than 10km to get to work (as shown in Table 26). This compares to 59% of those in the East of England and 67% in England. This would suggest that there are opportunities for more sustainable modes of transport such as cycling to be introduced to the Borough. As well as being environmentally friendly it also helps to alleviate congestion. In 2008 the Department for Transport awarded Southend status as a Cycling Town. The award means that Southend will receive £3.2 million between 2008/2009 and 2010/2011 to promote cycling as an alternative way to travel to work and school. This will involve improvements to the towns cycling infrastructure and encouraging community involvement through training and education.

Airport

As well as established road and rail connections to Central London (and its major airports), Southend also has its own airport, London Southend Airport. At present it caters for around 48,000 passengers mainly through flights to Jersey and private business flights, averaging three departures an hour. However, there are plans to expand the airport to cater for up to 2 million passengers by the year 2020, an average of four departures an hour. This expansion has the potential to enhance Southend's profile as a tourist and business destination and is one of the major future catalysts for growth. The aspiration is for airport expansion to support around 6,700 jobs both in direct aviation and associated employment. This includes the provision of a new business park as part of the expansion.

Table 26: Distance Travelled for Employment

Group	Southend	%	East of England	%	England	%
All People	70,177	-	2,579,378	-	22,441,497	-
Works mainly from home	5,617	8	243,485	9	2,055,224	9
Less than 2km	16,399	23	517,466	20	4,484,082	20
2km to less than 5km	15,205	22	437,395	17	4,510,259	20
5km to less than 10km	8,132	12	354,182	14	4,094,614	18
10km to less than 20km	5,299	8	379,857	15	3,412,081	15
20km to less than 30km	2,958	4	201,209	8	1,197,605	5
30km to less than 40km	1,586	2	107,616	4	527,840	2
40km to less than 60km	8,634	12	108,875	4	487,683	2
60km and over	2,352	3	90,977	4	607,571	3

Source: Local Transport Plan

5.3 Land & Buildings

In addition to the transport infrastructure and regeneration projects within Southend, the availability and range of land for residents and commercial use is an important consideration of Southend’s overall economic story. Housing stock that offers a range of affordable property through to executive housing forms a major part of the appeal of the Borough as a place to live and work. Similarly a range of commercial stock can allow for small businesses through to large corporations to invest within the Borough.

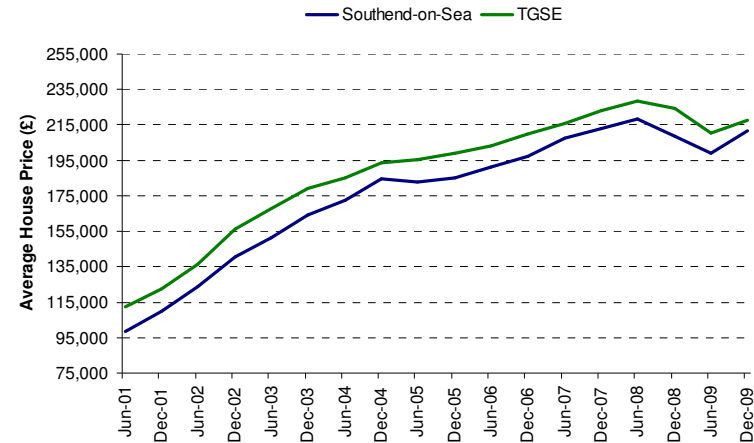
Housing

There are numerous measures of the housing market which demonstrate its current performance and future potential. These are discussed below and focus on affordability, quality and the rate of completions.

Affordability, type and quality

The latest data from Hometrack demonstrates that there has been a recent recovery in house price levels in Southend in the last six months following a significant decline during 2008 up to summer 2009. However average house prices are still significantly below their peak between June 2007 and December 2008 as shown in Figure 72 below.

Figure 72: Average House Prices in Southend (2001-09)



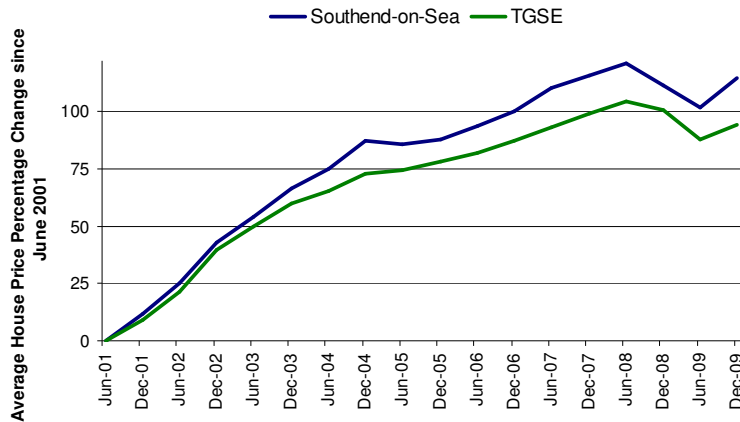
Source: Hometrack 2010

It is noteworthy that Southend has lower average house prices than the Thames Gateway South Essex housing market making it a comparatively more affordable place to live – although not one where disposable income is high (as discussed in section 3). At present the average house price within Southend-on-sea is £211,365.

While average house prices are lower than the wider housing market area, Southend on Sea has experienced stronger house price growth than the housing market area – the gap is narrowing. House prices have risen by around 20 percentage

points more than the Thames Gateway housing market area. This is shown in Figure 73.

Figure 73: Average House Price Percentage Change Since June 2001



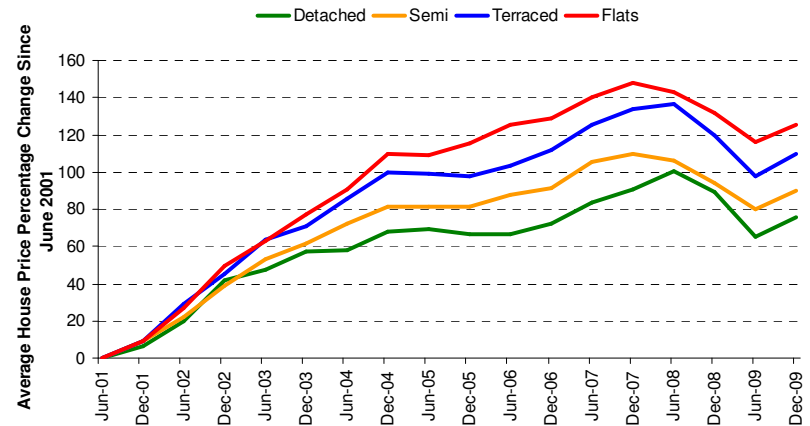
Source: Hometrack 2010

Flats have seen the highest level of growth between 2001 and 2009 of all the housing types as shown below in Figure 74, this is typical of the UK in general. As you would expect in a growing market, housing types which are historically more affordable and attractive to first time buyers (flats and terraced houses) have seen the highest level of growth over this period.

Detached property has seen the slowest rate of growth of all the housing types since 2001. Despite slower growth detached housing is still around 80% more expensive than in 2001.

Up to 2008 house price growth in Southend remained positive, however, from June 2008 to June 2009 prices declined by an average of 20% in Southend.

Figure 74: Growth by Housing Type 2001 - 2009



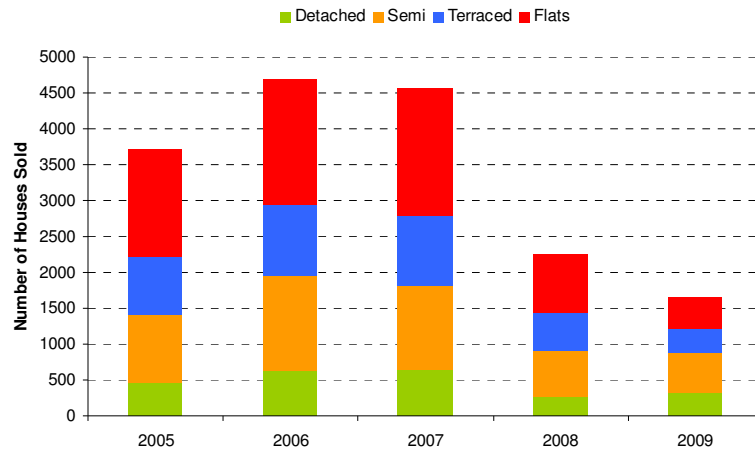
Source: Hometrack 2010

The current economic climate has had a dramatic effect on the number of properties being sold in the Southend area. In 2009 sales activity was one third of the 2007 level. This is despite local agents reporting growing interest in property viewings during 2009.

Figure 75 reveals a dramatic decline in transactions and a higher level of decline in the lower value end of the housing market

amongst flats and terraced properties. This is likely to reflect the inability of first time buyers to access mortgage products due to more stringent lending practices and larger deposit requirements. Sales of flats are now around 75% less than what they were just two years ago, whereas semi-detached properties are around 50% less than their previous levels and now make up around one third of all sales (32.9%) compared to 2007 when just 25.8% of sales were this type of property.

Figure 75: Transactions in Southend (and by type)

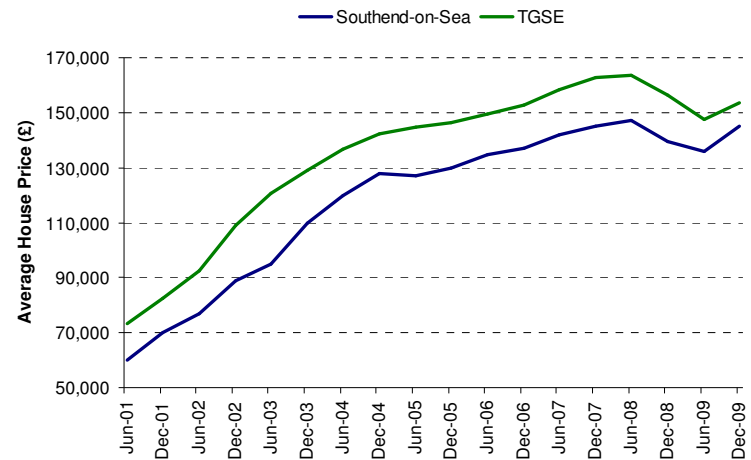


Source: Hometrack 2010

In affordability terms Figure 76 illustrates the cost of housing at the lower quartile end of the housing market (least expensive 25% of house sales) and indicates less of a decline in the last 18 months than in all other housing brackets.

Although there has been drop in average price over the last 18 months it has been less marked in the lower quartile than the overall figures. This may be explained by a slower rate of growth in lower quartile house prices since around 2004 and as such has not seen the more dramatic realignment seen at the upper end of the market.

Figure 76: Lower Quartile House Price Change

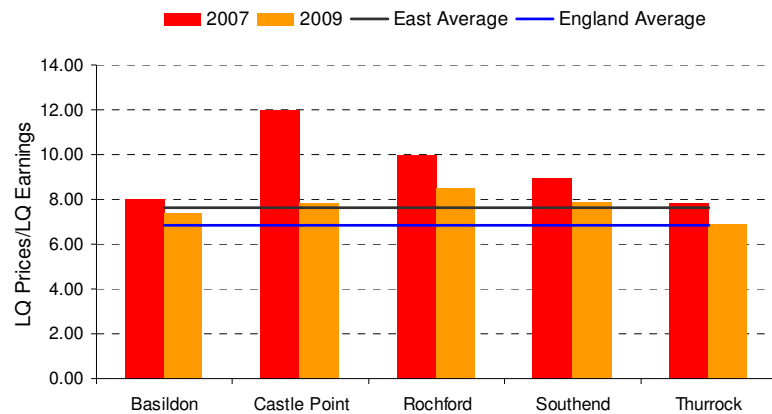


Source: Hometrack & GVA Grimley 2010

There has been an increase in affordability in Southend where the cost of lower quartile housing has decreased from 9 times the annual lowest quartile earnings to just under 8 times. This is mirrored across the TGSE area, suggesting a structural

adjustment to the property market as opposed to factors specific to Southend.

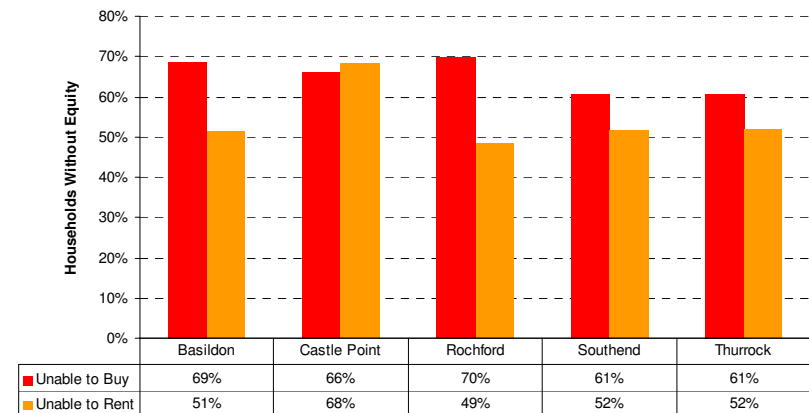
Figure 77: Affordability (Lowest Quartile Earnings to Prices Ratio), TGSE Authorities 2007-2009



Source: Hometrack & GVA Grimley 2010

While the increase in affordability overall improves the chances of TGSE residents accessing the local housing market, price to earning ratios are still higher in the sub-region than the England average at eight times annual wage levels, far higher than most mortgage providers will allow, which coupled with larger deposit requirements suggests that housing is as unaffordable as ever. Figure 78 shows that Southend actually has a lower percentage of residents unable to buy or rent but these levels are still high with 61% of residents unable to buy and 52% unable to rent.

Figure 78: Affordability (Lowest Quartile Earnings to Prices Ratio), TGSE Authorities 2007-2009



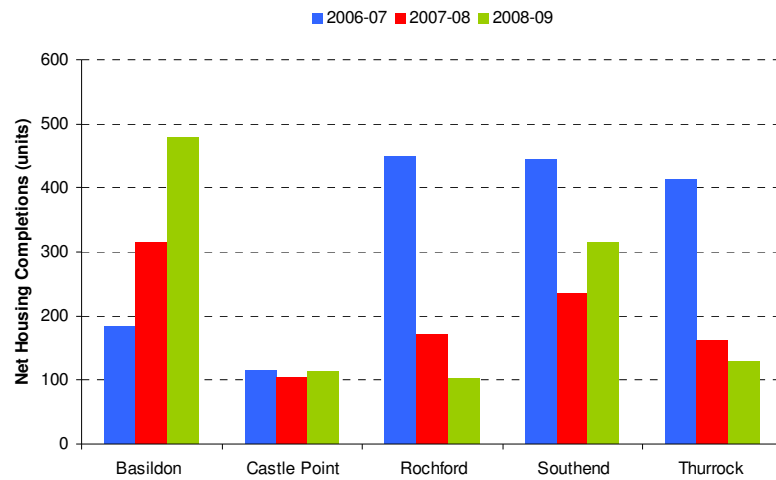
Source: CACI, Hometrack and GVA Grimley

Housing Completions

As well as considering the affordability levels within the Borough the level of housing completions provide an indication of the ability for stock to be replenished and make housing more accessible in the future for residents of Southend.

Southend-on-Sea has had an increase in housing completions between 2007/08 and 2008/09 indicating a comparative improvement in the housing market compared to other local authorities. This is shown in Figure 79.

Figure 79: Housing Completions by Local Authority, 2006/07 – 2008/09



Source: South Essex Local Authority Annual Monitoring Reports, 2009

Commercial Employment Stock

While the housing stock offer provides opportunities for employees within Southend-on-sea to obtain attractive and

affordable housing, the range of commercial stock gives opportunities for employers to obtain the most viable location for their business. An analysis of the Southend-on-sea Employment Land Review shows that the major commercial locations within the Borough are the Milton and Victoria wards. This is shown in Table 27.

Table 27: Major employment locations in Southend-on-sea

Sector	Primary Location	Secondary Locations	Other
Overall	Milton, Victoria	Prittlewell, St Laurence, St Lukes	Shoeburyness, Leigh
Manufacturing	St Lukes	Shoeburyness, Eastwood Park	St Laurence, Victoria
Wholesale and retail trade; repair of motor vehicles,	Milton	St Laurence, St Lukes, Victoria	Shoeburyness, Eastwood Park
Hotels and restaurants	Milton	Leigh	Victoria, Thorpe
Transport, storage and communication	Victoria	Shoeburyness	Milton, Southchurch, St Laurence
Financial intermediation	Victoria, St Laurence	Milton, Kursaal	
Real estate, renting and business activities	Milton, St Laurence	Victoria, Chalkwell	Shoeburyness, West Leigh
Public administration	Victoria	Milton	Leigh, Shoeburyness
Education	Milton	Prittlewell, Blenheim, Southchurch	St Lukes, West Shoebury, Victoria
Health and social work	Prittlewell	Milton, Chalkwell, Victoria	St Lukes, Westborough
Other community, social and personal service activities	Milton	St Lukes, Kursaal	Southchurch, Victoria

Source: Southend-on-Sea Employment Land Review

The Employment Land Review recognises that there is a significant concentration of employment land within the Borough but that much of it is not considered to be “prime” stock. It therefore concludes that there is limited space for new development and any improvement in the stock profile will have to be achieved through redevelopment as opposed to new stock. This presents challenges for potential employers as at present

there is a dearth of quality stock available within the Borough. The major regeneration projects planned for the Borough provide strong opportunities for the uplift of commercial stock but this will depend on the successful implementation of the overall schemes in line with viability measures.

An analysis of the change in commercial stock over recent years in Southend-on-sea shows that, in line with the structural changes in the wider economy outlined in section 2 and the subsequent changes in business activities and key sectors, office and warehousing stock has seen an increase while warehousing has declined. This is shown in Table 28.

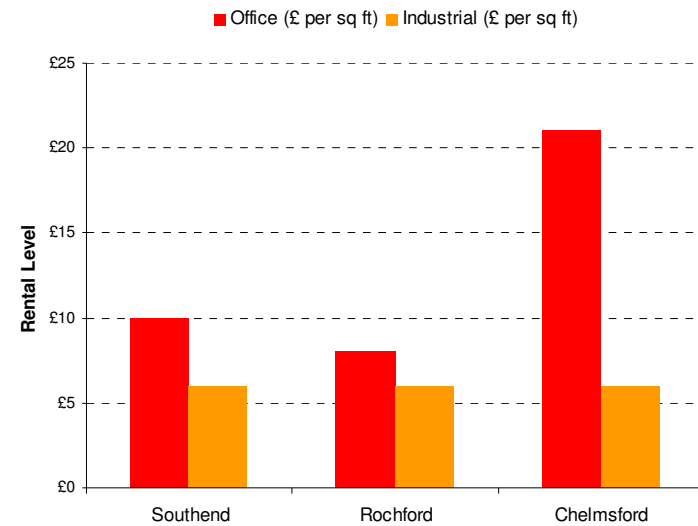
Table 28: Commercial Stock in Southend-on-sea

Stock Type	1998 ('000 sq m)	2008 ('000 sq m)	% Change
Office	197	244	23.9
Factories	301	275	-9.5%
Warehouses	205	227	10.7%

Source: VOA 2009

An analysis of commercial rental levels within Southend-on-sea (Figure 80) shows that the office market is more attractive in commercial terms for investors than neighbouring Rochford, for example, but is significantly below larger office centres in Essex such as Chelmsford. Industrial rental levels are generally consistent throughout the Essex area however. For businesses looking to rent commercial property, Southend-on-sea may be a more financially attractive offer but these rental levels are to some degree a reflection of the comparatively poorer quality stock in the Borough compared to Chelmsford.

Figure 80: Commercial Rental Levels in Southend-on-sea and selected other centres



Source: EGi

Retail

The latest Draft Southend-On-Sea Retail Study outlines the key shopping centres across the Borough and their comparative performance. It defines the town's main High Street as the main shopping area which includes the two shopping centres, The Royals and The Victoria.

There is a proportionally lower number of convenience (food and durable goods) but a higher number of comparison (high street retail) provision stores. While the town centre does contain a number of the 'key attractor' stores such as *Argos*, *Next* and *Topshop* it lacks a number of higher end department and clothes stores. The retail study comments that the attraction of higher end stores such as *House of Fraser*, *John Lewis* and *French Connection* the current economic conditions make the securing of such big names challenging. There are however reported issues with the availability of units for a John Lewis store and there are plans to expand the high street to accommodate such a development.

Away from the town centre there is a range of independent retailers operating from secondary frontages along the side street. There is a similar profile in restaurant and café provision with a number of national operators such as Pizza Express and Nandos but a lack of high end restaurants and coffee shops in the town centre.

The demand for retail space within the Borough is still strong and it ranks 192 out of 711 UK retail centres, though its position has fallen from a high of 102 in 2009. This demonstrates that Southend is a comparatively less attractive centre than Chelmsford (77) and is of a similar level to that of Basildon (178).

To demonstrate Southend's position in retail terms, its rental levels achieved are low compared to other centres in the area such as Basildon, Lakeside and Chelmsford. This is shown in Table 29.

Table 29: Prime Rental Values (£ per sq ft)

Centre	Q4 2005	Q3 2006	Q3 2007	Q3 2008	Q3 2009
Southend	110	120	120	120	115
Basildon	130	137.50	137.50	135	130
Lakeside Shopping Centre	360	360	360	360	360
Chelmsford	170	170	170	170	180

Source: *Southend-On-Sea Retail Study 2010*

While Southend-On-Sea is noted to be performing poorly under these indicators, there is scope for improvement in the quality of retailers within the Borough. In particular a further anchor convenience store in the town centre is suggested to improve the offer and claw back market share from other areas in the Borough, thus increasing the attraction of the town centre. The retail study promotes this even taking into account the plans for new Tesco and Sainsbury's stores within the Borough, arguing that the town centre will have to maintain its share of convenience retail spending.

The peripheral centres of Leigh-on-sea and Westcliff are noted to be performing well. In particular Leigh has a broad use mix of uses increasing its attractiveness as a retail location. The report recommends that any major future development in retail terms should be focused on the town centre to cement its attractiveness for the future, particularly a strong convenience retail centre.

5.4 Regeneration

While transport infrastructure and commuting patterns give an idea of the conditions for future growth, the regeneration projects planned within the Borough demonstrate what the future opportunities are. According to the Southend Regeneration Strategy there are a number of major regeneration projects that will impact on future growth within the Borough. These have three main focuses:

- The Central Area, including the town centre;
- Improving the A127 Corridor and its industrial estates; and
- Regenerating Shoeburyness.

Under each area there are a number of projects designed to deliver physical regeneration and create jobs within the Borough. It is important that the Local Economic Assessment sets out these schemes and that progress is charted through future LEA updates.

Table 30 details the main projects in the Central Area, alongside the desired outputs from each.

Table 30: Main regeneration projects in the Central Area

Project	Aims	Outputs
Elmer Square	Enhanced Campus for University of Essex and South East Essex College	5,750 sq m academic space and 9 jobs; 62 homes
Victoria Avenue Phase 1	Mixed use redevelopment and public realm improvement of key central area	10,000 sq m offices; 120 homes
Clarence Road / Alexandra Street	Mixed use redevelopment of key central area	2,500 sq m retail creating 125 jobs; 2,800 sq m office jobs; 97 homes
St John's Quarter	New retail circuit to south east of the town centre	26,500 sq m retail space; 1 Full Service Hotel; Digital Media Gallery; 500 homes
Warrior Square	Mixed use redevelopment of important central area	25,000 sq m offices / workspace with 1,316 jobs; 160 homes
London Road	Mixed use redevelopment of important central area	25,000 sq m offices and 1,316 jobs; 250 homes

Source: Southend Regeneration Framework

As well as these central area projects there are also a number of other associated with the A127 corridor. These are detailed in Table 31.

Table 31: A127 Industrial Corridor Key Projects

Project	Aims	Outputs
Fully functioning Regional Airport	Extended runway and fully functioning airport serving	Over 3,000 jobs from direct aviation employment
Extension of Business Park at London Southend Airport	New Business Park adjacent to London Southend Airport	2000 jobs
Improvement and Rationalisation of existing industrial estates	To improve industrial estates in the A127 corridor with work ongoing at Progress Road	Creating 267 jobs Safeguarding 4,000 jobs

Source: Southend Regeneration Framework

Together these major projects in the Central Area and the A127 corridor have the potential to create around 8,000 jobs as well as safeguarding around 4,000. Monitoring the progress of these projects will be vital when assessing the extent of regeneration within the Borough.

The Regeneration Framework is seen as a statement of intent for the future and there is a commitment for this to be updated

at regular intervals. The strategic aims for the implementation of these key projects are:

- Developing a strong economy via the establishment of a vibrant town centre and an investment environment that is attractive to potential investors
- Improving Southend as a tourism destination by creating more attractive visitor locations, improving the night time economy and improving the hotel offer.
- Improving Southend as a major retail centre by improving the quality of the retail offer in the town centre.
- By making Southend a location for offices by improving the office provision in the town centre particularly around Victoria Avenue
- By supporting the development of a regional airport and the MRO sector
- By making Southend a centre for manufacturing and distribution by improving the quality of the industrial estates across the Borough.

The implementation of these projects are phased with the majority of key employment generators planned for the period of 2011 – 2016. The phasing of key projects is outlined below:

2007 -2011

- Elmer Square: 5,750 sqm academic space, 62 homes
- Victoria Avenue Phase 1: 10,000 sqm offices, 120 homes
- Clarence Road & Alexandra Street: 2,500 sq m retail space creating 125 jobs, 2,800 sqm offices creating 147 jobs

2011 – 2016

- St John's: 26,500 sqm retail space, 1 full service hotel, digital media gallery, 500 homes
- Warrior Square: 25,000sqm offices, 160 homes
- Elmer Square: 2,190 sqm retail space, 21,250 sqm academic space
- London Road: 25,000 sqm offices and workspace and 250 homes
- Victoria Avenue Phase 2 & 3: further office and mixed use development

While each of these projects is important it is clear that the development framework is entering the “critical phase” in the coming years. While projects such as Progress Road have been implemented the large employment generating developments such as St John's and Victoria Avenue are critical for success. Implementing these in this era of spending

restraint will be critical to meet the aims of the regeneration framework.

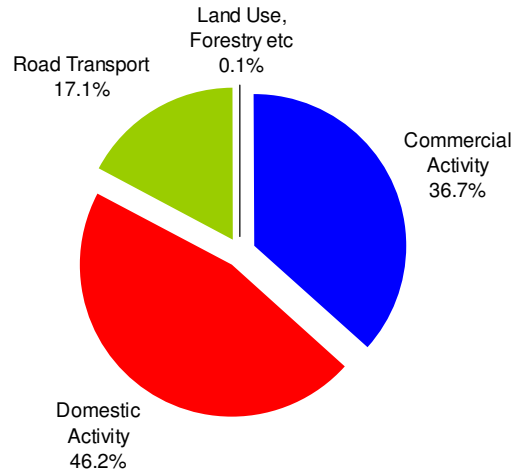
5.5 Sustainability & Consumption

The final consideration for sustainable economic growth is the implication of environmental sustainability. An understanding of Southend's environmental performance is key to understanding the context within which future growth is set.

Sustainable consumption, production and lifestyles

Analysing the nature of Southend's environmental emissions shows that the majority derive from domestic activity: 423 kilo tonnes (46% of the total). The other major emission generator is commercial activity, accounting for 336 kilo tonnes (37% of emissions). Total emissions are broken down by source in Figure 81.

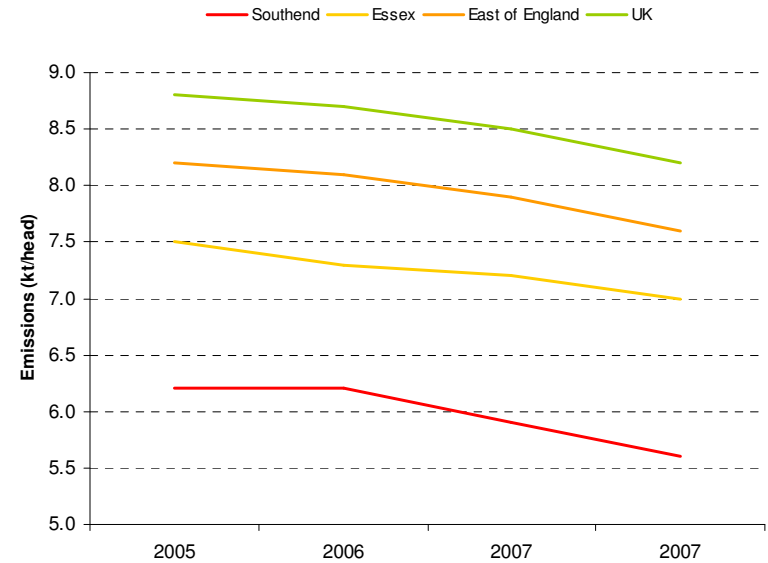
Figure 81: Southend-on-Sea CO2 Emissions 2008



Source: DECC (2009)

Southend’s level of per capita emissions is lower than county, regional and national levels. While emission levels per head of the population are falling the rate of decline is higher within Southend demonstrating its comparatively strong economic performance. This is shown in Figure 82. There is no completely robust evidence as why this is the case, but easy access to employment sites minimises road emissions and Southend’s relatively old demographic profile may further contribute to a low usage.

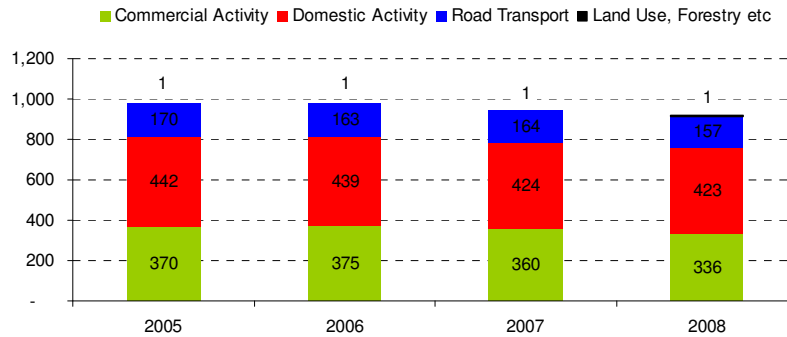
Figure 82: Per Capita Carbon Emission Levels (kt)



Source: DECC

Figure 83 shows the rate of change in emissions based on the different forms of generation. While all forms of generation have decreased emission levels it is commercial activity that has reduced its levels at the fastest rate since 2005.

Figure 83: Change in Emissions by Usage



Source: DECC (2009)

Southend also has demonstrably lower levels of per capita road transport emissions Table 32 shows that at 0.99 tonnes per capita it is 52% lower than regional and 42% lower than national figures. Additionally, between 2005 and 2007 total road emissions in Southend fell by 2.4%. Clearly the lack of a motorway in the Borough, and the fact that Southend’s location generates limited ‘through’ traffic, both contribute to this.

Table 32: Per Capita Road Transport Emissions

Area	Per Capita Road Transport Emissions
Southend	0.99
East of England	2.07
UK	1.72

Source: DECC (2009)

5.6 Assets, Constraints and Opportunities

Drawing together the analysis of sustainable economic growth within Southend-on-sea this section provides a summary of the assets, constraints and opportunities within the economy regarding sustainable economic growth.

Assets

- Excellent rail links to London;
- Relatively lower levels of commuting to London compared to Western Essex;
- Good access to local employment sites for those that live and work in Southend;
- Significant regeneration projects planned, supported by a strong public and private sector partnership;
- Better housing affordability compared to sub-region; and
- Comparatively lower carbon emissions.

Constraints

- Poor public transport links around the sub-region, and the necessity to use London to access the rest of the country;
- High levels of car usage, and congestion of major trunk roads;
- Lack of funding on regeneration projects, many of which may be under further scrutiny following the recent CSR;
- House affordability still poor at eight times income though improving;

- Concentration of poor quality commercial stock, particularly around Victoria Avenue;
- High levels of competition for investment from other parts of the Thames Gateway; and
- Perception of connectivity continues to reduce investment location decisions.

Opportunities

- Improving commercial stock across the Borough;
- Providing opportunities for local residents via regeneration schemes;
- Opportunity to provide more affordable housing;
- Growth of the airport and associated physical infrastructure impacts;
- Scope to involve the expanding university in sustainability projects; and
- Continuing decline in emissions levels.

6. ECONOMIC COMPETITIVENESS

6.1 Introduction

This section seeks to understand the overall economic competitiveness of Southend, taking account of the evidence gathered in relation to the themes discussed in Sections 3, 4 and 5. Rather than undertaking a generic benchmarking exercise where Southend is compared to other towns of similar size or economic structure, this section assesses how the Borough compared to other places performing the five main economic functions outlined in Section 2. This section also considers the level of resilience in the Southend economy in relation to the recent CSR and related macro economic factors.

6.2 Assessing Competitiveness

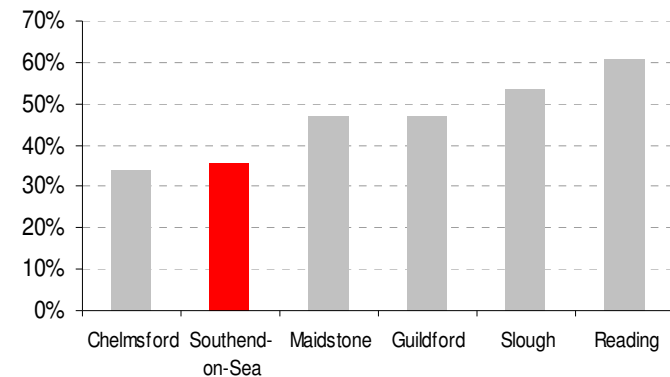
The following subsections explore each of the five key roles of Southend as outlined in the previous chapter. Southend's performance is benchmarked against a variety of towns that typically display each characteristic. For example Blackpool is included as a seaside town comparator, Reading as an employment hub and Tunbridge Wells as a dormitory town. The purpose of this exercise is to assess whether Southend is competitive in each of the five roles and to help pinpoint the unique balance of characteristics of the town.

Sub Regional Employment Hub

An employer town with employment opportunities in a variety of sectors will attract its workforce from a wider catchment area than its administrative boundaries. A useful indicator to measure this characteristic is to assess the number of workers in a town that are non-residents.

In Southend 36% of all people who work in the town are non-residents as shown in Figure 84. In comparison the equivalent figure for Reading is 61%, indicating a much wider catchment area where people commute in to Reading. Chelmsford has a similar rate to Southend but the remaining comparators such as Maidstone, Guildford and Slough have a rate close to or over 50%.

Figure 84: Proportion of non-residents workers in Southend



Source: APS, 2008

Compared to other urban areas of a similar population size, employment in Southend is largely dominated by residents indicating a relatively small catchment area attracting outside labour in to the town. However, as identified in the previous chapter it is still a major employer within the TGSE region, and outstrips Chelmsford, another of Essex’s large towns.

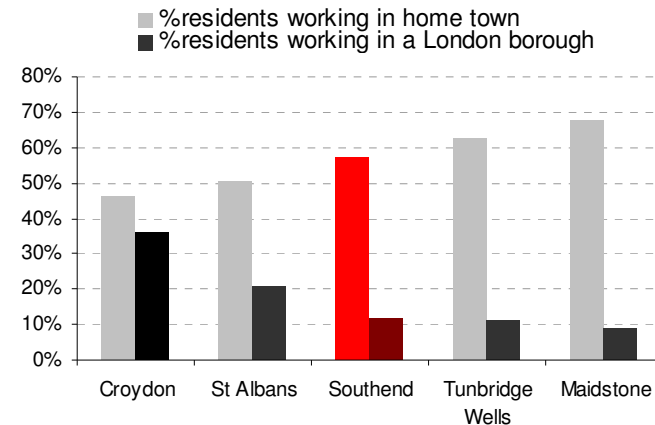
Commuter Town

In many ways Southend could be seen as a classic dormitory/commuter town with two fast rail links to London and close cultural and business ties to the capital. Nearly 60% of working age residents of Southend also work in Southend and 12% commute to London as shown in Figure 86. This is not as high as St Albans and Croydon which is to be expected given their closer proximity and journey times, but more than towns in Kent such as Tunbridge Wells or Maidstone – both sitting firmly in the commuter belt. These towns are of a similar distance from London as Southend.

Seaside Town

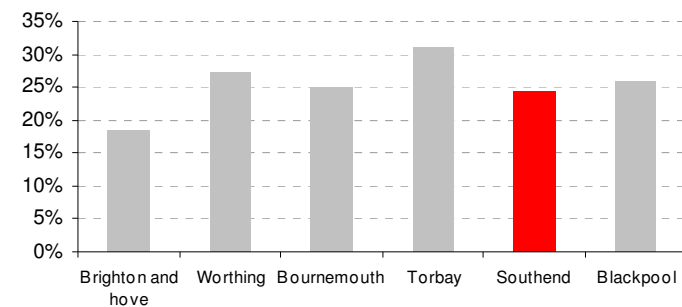
The population of a seaside town is usually skewed to an older population. Relocating to an attractive place to retire, such as the coast, is a common occurrence. Southend has a low over 60 population compared to Torbay, Worthing, Blackpool and Bournemouth (see Figure 87) and is the closest to Brighton amongst our sample. This can be explained by a variety of factors attracting other age ranges to the town such as the influx of students in to the town to take advantage of the colleges and university campus. As described in Section 4, Southend’s population is actually moving closer to the national average profile – and not aging as fast as elsewhere.

Figure 85: Proportion of residents who work in home location compared and those who commute to London



Source: APS, 2008

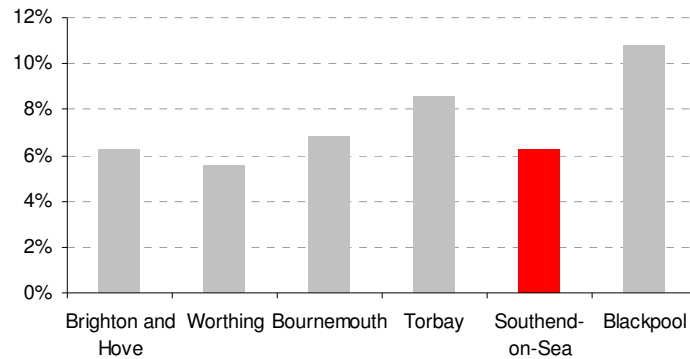
Figure 86: 2009 Over 60 population



Source: Mid-year population estimates, 2009

The proportion of working age population who claim Incapacity Benefit are usually higher in seaside towns for a similar reason that they are popular with retirees. Seaside towns are seen as an attractive and peaceful place to live supporting rest and recuperation from health problems. 6.3% of the working age population in Southend claim Incapacity Benefit. This is a lower rate than Bournemouth, Torbay and Blackpool indicating that perhaps there are more obvious places to reside if claiming IB than Southend.

Figure 87: Proportion of the working age population who claim IB benefits

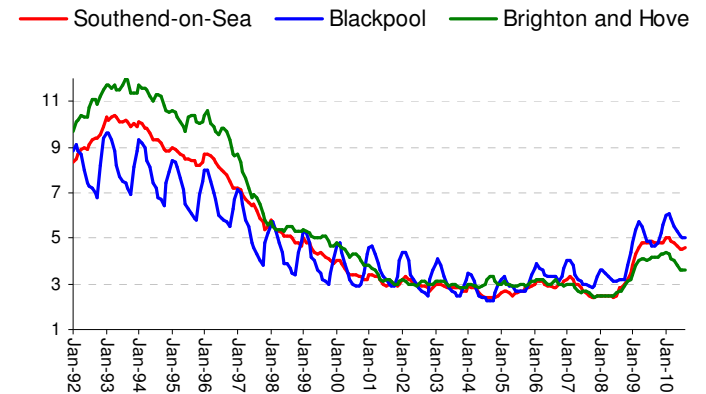


Source: DWP, 2010

Seaside towns rely on tourism as a significant industry and worklessness figures often display a seasonal pattern reflecting the peaks and lows in the season. Retail, leisure and hospitality sectors take on staff to accommodate high demand in the peak seasons and conversely lose staff when demand is low in the winter months. Job Seekers Allowance (JSA) claimant data for

Southend does not display any obvious peaks and troughs that indicates seasonal employment patterns. As Figure 88 shows, Blackpool obviously does display this seasonality whereas there is not an obvious pattern for Southend and Brighton and Hove.

Figure 88: JSA claimants



Source: DWP, 2010

In summary, compared to seaside towns of a similar population size, Southend does not display strong characteristics that define a seaside town. The proportion of population over 60 is lower than most, there is not such a high proportion of the working age population claiming IB nor is there a distinct pattern of employment seasonality. Although Southend is by the sea and has an established visitor economy it has other roles and functions that also influence the demographic. This ensures that Southend's economy is more resilient and less exposed to any specific industry shocks. It also provides

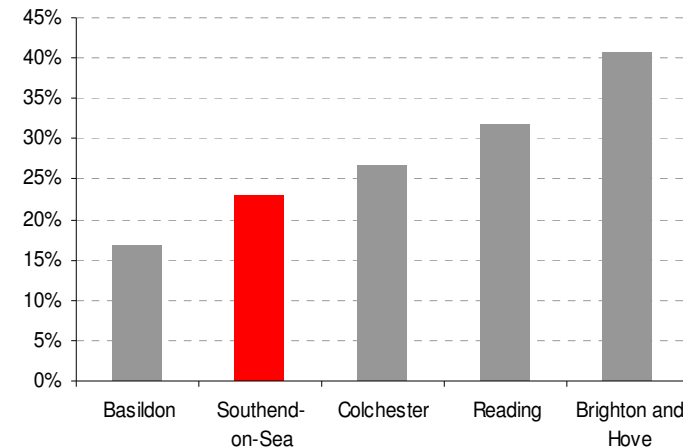
Southend with the opportunity to diversify and create a high-end tourism offer that will appeal to business or culture visitors that are in Southend for different reasons.

Education Hub

The South Essex College and arrival of the University of Essex campus has boosted Southend's FE and HE offer in recent years. However, Southend's University campus is modest in size and therefore comparing straightforward student numbers as a proxy for how much of an education hub a town is not useful measure for this section. The University of Essex Southend campus currently has 295 students whereas the University of Reading has a student population of nearly 16,000. However, it should be noted that greater capacity for new students will be available for the 2011/2012 intake with the addition of the University Square accommodation.

The proportion of highly skilled under 30s acts as a good proxy for an education hub as many students choose to stay on in a university town after graduating. A high graduation retention rate can often be explained by a dynamic education town with associated knowledge intensive industries for graduate employment. Using the proportion of the population aged 20-29 who have level NVQ4+ qualification levels as the graduation rate, Southend has a rate of 23%. Compared to other parts of Essex such as Basildon and Colchester, Southend's score is average. However, compared to classic university towns with a similar population size such as Reading and Brighton, the graduation rate for Southend is much lower.

Figure 89: Graduate retention rate



Source: APS, 2009

In summary Southend cannot, yet, be classed as an educational hub as there are a relatively small proportion of students that come to Southend to study compared to other towns with large Universities. However, the University campus and college is attracting a new demographic to the town as can be seen by the increase in under 24s. To benefit from this and move to becoming an educational hub, the university campus and college should work closely with local businesses and industry to collaborate and provide attractive employment options for graduating students.

Cultural Centre

Southend is increasingly being described by partners as a cultural hub in the subregion. This section explores how

Southend compares to other local authority areas on a number of cultural indicators. Recent data on Local Area Agreement (LAA) cultural indicators have been released, reporting on resident's engagement and participation in cultural activities. This can be used as a proxy for the market for cultural activities in an area.

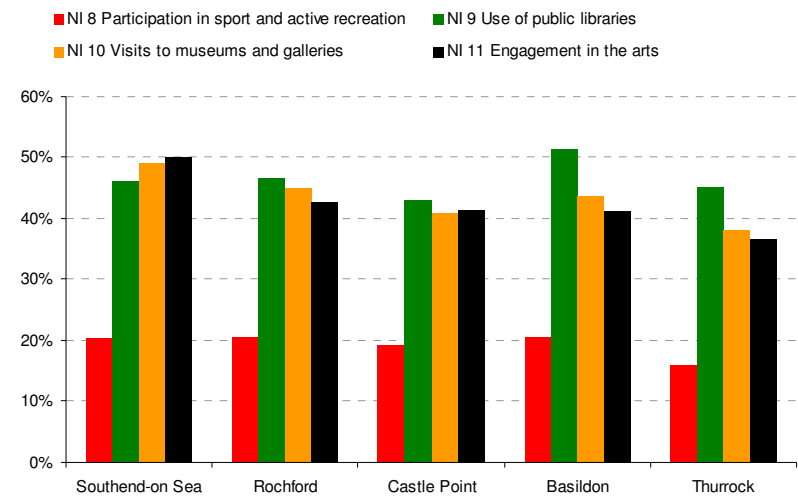
The following points and Figure 90 provide a benchmark summary for cultural participation in Southend in 2009 compared to all other local authorities within Essex:

- Southend performs better than the Essex average with respect to the percentage of adults (16+) who have visited a museum or gallery in the past 12 months. Southend had a visitor rate of 49%, the strongest rate in the Thames Gateway South Essex subregion.
- Southend also performs better than the Essex average with respect to percentage of adults (16+) who have engaged in the arts at least three times in the past 12 months. Southend had an engagement rate of 50%, again, the highest rate within the TGSE subregion.
- Southend is below the Essex average with respect to the adult participation in sports and active recreation at moderate intensity, for the equivalent to 30 minutes on 3 or more days a week (NI8). Southend has a participation rate of 20.5% whereas Colchester has the highest rate at 26.6%. However, more in depth analysis has been undertaken with respect to participation rates. Taking Southend's demographic profile in to account, the rate is 20.95 %, 2% above expected. Sport England has stated that 'Southend is punching above

its weight in terms of participation levels and is ranked 5th in the East Region on this analysis.³⁷

- Southend is below average with respect to the percentage of adults (16+) who have visited a public library in the past 12 months (NI9). Southend had a visitor rate of 46.2% compared to Basildon, which had a rate of 51.3%.

Figure 90: Cultural Participation National Indicators



Source: DCMS. 2009

In summary, whilst Southend's participation in sport or use of libraries is not the highest in Essex, the town performs well in

³⁷ Source: Active People Participation Modelling (2007)

relation to visits to museums and galleries and engagement in the arts, indicating that the label of South Essex's "cultural hub" is appropriate. Given current plans for a new library, art gallery and teaching area in Southend, it is likely that the use of public libraries will increase once this new provision is open for the public. The compact urban geography of Southend allows its residents easy access to cultural institutions, providing a contained and accessible audience for new galleries and museums. They also make up a critical mass of local audience-members which sustain Southend's emerging cultural offer to visitors.

6.3 Resilience and exposure – impact of CSR10

The public sector budget cuts announced in the Comprehensive Spending Review on 20 October 2010 will impact on different parts of the UK in different ways depending on the area's profile with respect to business, people, communities and place. Experian released research commissioned by the BBC that explores the vulnerability of Local Authorities in England to the public sector cuts.

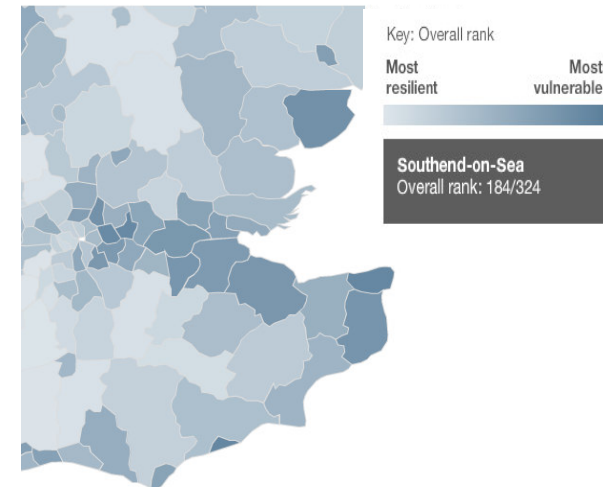
In comparison to all Local Authorities in England (excluding the City of London and the Isles of Scilly) Southend ranks as the 184th most resilient local authority out of the 324 in England. This places Southend in the 50% of Local Authorities that are least resilient or most exposed to public sector cuts. Figure 11 displays the resilience to of all the local authorities surrounding Southend.

With respect to the four themes that comprise this ranking, it is the place theme that indicates Southend as particularly

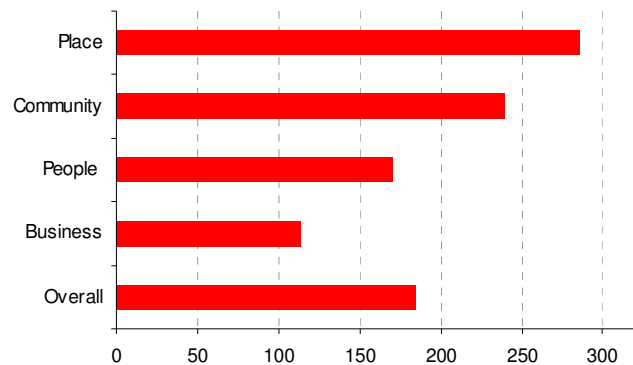
vulnerable to the cuts with a ranking of 286th most resilient local Authority (see Figure 93).

Conversely, Southend does perform well in relation to the business theme and is ranked as the 114th most resilient authority in England with respect to business. This is due to good performance in relation to the proportion of high growth sectors, the number of ABI resilient employees and a high job density.

Figure 91: Local authority resilience to public sector cuts



Source: BBC, Experian, 2010

Figure 92: Theme and overall Southend resilience ranking

Source: Experian, 2010

Analysing the indicators that contribute to these themes, Southend's poor performance in relation to the place theme is attributed to a very low percentage of greenspace as a proportion of total land for people to enjoy, although this measure does not consider the 7 miles of coastline and beaches that the Borough boasts. Southend also has a very low proportion of previously developed land (PDL) compared to other local authorities indicating a shortage of land that could be used for new developments. Although themes are weighted in the calculation of the overall ranking (place constitutes 17%) the reasons why Southend's resilience score is disappointing are perhaps not the most important indicators to consider. This ranking should therefore be considered carefully when judging Southend's resilience to the CSR announcement.

Leaving the BBC commissioned analysis to one side, there are some worrying trends in relation to CSR10 for Southend. As described in Section 3, the Borough's employment base

includes a large amount of public sector employment – based in both Central and Local Government. The anticipated 490,000+ job losses as a direct result of CSR2010, plus the potential for another 500,000 in the supply chain will undoubtedly have an impact on Southend.

In addition to this there may be increased pressure from some of the Borough's main employers to further off-shore back office functions. Given that a large proportion of Southend's higher earners work in the City of London, in financial services and related industries, the prosperity of the town is also linked directly to the macroeconomic position. Should the UK experience a double-dip recession this may have a more than proportional impact on spending power in Southend and, therefore, the town's wealth in general.

7. CONCLUSIONS AND PRIORITIES

7.1 Introduction

This final section draws together the main conclusions from the LEA and makes some suggestions for areas of focus for Southend's refreshed Economic Development Strategy.

7.2 SWOT analysis

Southend's strengths

- Southend has a **mixed economy** not wholly dependent on a small number of big employers or core sectors. It has supplemented its traditional tourism heritage with a number of significant public and private sector employers and is now looking to grow new sectors around the creative and cultural industries and in advanced manufacturing linked to aerospace and medical technologies.
- Southend's **proximity and good transport links to London** means that it is able to supplement local employment with highly paid and highly skilled out-commuters.
- Southend is an **entrepreneurial place** – it has high levels of self-employment, high rates of new business formation and improving survival rates.
- Southend's **population is getting younger** relative to the rest of the country and moving away from the traditional

demographic of a seaside town. The University and emerging creative and cultural sector is contributing to an increasingly vibrant and fashionable town.

- **Schools** in Southend continue to perform well and people leave with good qualifications. NVQ4+ standards and the HE provision supplied by the University of Essex Southend campus and South Essex College are also improving. Southend can now combine school, FE and HE provision.
- **Quality of life** in Southend is, in general, high, with relatively low levels of NEETs, low levels of crime, low levels of deprivation and significantly lower levels of homelessness and early death rates attributable to lifestyle.
- **House prices** in Southend are competitive within the Thames Gateway, but overall affordability remains poor.
- For those living and working in Southend, it is **easy to get to work**, and that will get even better following further plan road improvements.
- Southend has low overall carbon emissions, and residents live comparatively sustainable lifestyles.
- Public and private sector investment has continued even during the recession, showing a confidence in the prospects for the town's ongoing growth and success.

Southend's weaknesses

- Southend has a **90 degree economy** – without a major port, Southend is wholly reliant on commerce and trade to the West. This removes the possibility developing many sectors, such as distribution. The expansion of the airport, however, could contribute to addressing this issue.

- **GVA remains lower** than the regional and national averages and Southend is an exporter of skills to London and other locations.
- The Borough has **low business survival rates** – evidence suggests that more business start up in Southend, but more also fail early.
- **Lower than average levels of small business growth** – suggesting a high number of 'lifestyle' businesses which are not willing, or not able to take the risk that goes with, growth.
- The tourism industry still survives on **low levels of overnight stay**, and the short supply of high quality hotels and restaurants in the central area may not attract those with money to spend.
- Superior Southend GCSE and A-level attainment, coupled with the underperforming wider population skills levels compared to England, indicates that **graduate retention rate is poor**, as many leave Southend for university or a job and do not return.
- There is a huge gap with **workplace based wages considerably lower than resident labour market levels**. Highly skilled occupations are more likely to work out of Southend – meaning that it is possible that industry will be deterred by the remaining labour pool.
- There remains a **high number of long term unemployed** with a mismatch between their occupation choices and the vacancies that exist.
- Deep rooted and **long standing inequalities** are present within the Borough: Kursaal, Victoria and Milton wards are

repeatedly highlighted as the wards in Southend that are the most deprived.

- High levels of car usage, together with poor public transport links around the sub-region, mean **congestion** on major trunk roads
- House **affordability is still poor** at eight time income
- There exists a large concentration of **poor quality commercial stock** in the centre of town, particularly around Victoria Avenue

Opportunities for the future

- Exciting **regeneration plans** are in place to further develop Southend's offer and improve its image. These will support the creation and attraction of new businesses, the enhancement of the quality of the tourism offer and number of overnight stays, and continue to make Southend an attractive option for London workers and their families.
- There are sectors showing the clear **potential for growth** including creative and cultural technology, aerospace and medical technologies.
- Huge **direct and indirect business potential related to the airport expansion**, with links to a number of Southend's business sectors.
- The potential remains to **harness the spending power** of out commuting residents within the town, whilst at the same time improving and diversifying the tourism offer to increase overnight stays and add value.
- There is an opportunity to **shape the skills sets of those people entering or re-entering the job** market to ensure

that they align with employment opportunities including those related to the airport, ongoing growth of back office functions, social care and growing cultural and creative sectors. The university campus and in-migration is producing a new generation of young people, and the opportunity exists to create the jobs to keep them in Southend.

- The **Olympics and Paralympics**, combined with the airport expansion and other physical infrastructure has the potential to create a step change in the image of the town and its people.

Threats to growth and prosperity

- Southend has a **high level of public sector employment** – placing the economy at risk following the recent CSR and the inevitable redundancies that will follow. Funding constraints could also impact the important health and social care sector.
- The risk of **further off-shoring of back office** financial services and other customer contact centres, which provide high volumes of employment, and could leave Southend exposed.
- Southend is reliant on a number of regeneration projects, many of which may be under **further scrutiny following the recent CSR**.
- Southend's **image** as the 'end of the line' and the perception of limited connectivity could continue to reduce investment location decisions.

7.3 Key considerations for ED Strategy

Based on this document, the key considerations to drive the ED Strategy are:

1. **Delivering plans** – existing regeneration and development plans, relating to the airport, transportation infrastructure and business facilities are crucial to the growth of new sectors. With limited public sector finance – how can these be delivered as planned?
2. **Protecting key employment** – In uncertain economic times and different fiscal conditions, how does Southend ensure that major private sector employers stay in the town?
3. **Supporting small businesses** – Southend has healthy business start-up levels demonstrating an entrepreneurial population. But how does Southend provide the support and infrastructure to help more businesses survive and grow?
4. **Matching skills and jobs** – how does Southend ensure that schools, FE and HE produce the people that will drive the economy?
5. **Engaging disadvantaged communities** – Southend is not alone in experiencing polarisation of communities, but how can it end a cycle of deprivation in parts of the Borough?

APPENDIX I: GLOSSARY

The following provides a list of all acronyms used throughout the document:

ABI	Annual Business Inquiry	EPO	European Patent Organisation
APHO	Association of Public Health Authorities	ESA	Employment and Support Allowance
APS	Annual Population Survey	FE	Further Education
BBC	British Broadcasting Corporation	GDHI	Gross Disposable Household Income
BERR	Department for Business, Enterprise and Regulatory Reform	GVA	Gross Value Added
BIS	Department for Business Innovation and Skills	HE	Higher Education
CSR	Comprehensive Spending Review	HMRC	HM Revenue and Customs
CWI	Child Wellbeing Index	IB	Incapacity Benefit
DCMS	Department for Culture, Media and Sport	IDBR	Inter-Departmental Business Register
DCSF	Department for Children, Schools and Families	IMD	Indices of Multiple Deprivation
DECC	Department of Energy and Climate Change	JAAP	Joint Area Action Plan
DWP	Department for Work and Pensions	JCP	Job Centre Plus
EEDA	East of England Development Agency	JSA	Job Seekers Allowance
		LAA	Local Area Agreement
		LEA	Local Economic Assessment

LEP	Local Economic Partnership	VAT	Value Added Tax
LGA	Local Government Association	VOA	Valuation Office Agency
LQ	Location Quotient		
LSOA	Lower Super Output Area		
MRO	Maintenance Repair and Overhaul		
NEET	Not in Education, Employment or Training		
NESS	Neighbourhood Statistics		
NHS	National Health Service		
NVQ	National Vocational Qualification		
ONS	Office of National Statistics		
PAYE	Pay As You Earn		
PDL	Previously Developed Land		
SDA	Severe Disablement Allowance		
SIC	Standard Industrial Classification		
SOA	Super Output Area		
SWOT	Strengths, Weaknesses opportunities and Threats		
TGSE	Thames Gateway South Essex		
UA	Unitary Authority		

APPENDIX II: LIST OF CONSULTEES

The following provides a list of all partners we consulted throughout the development of the LEA:

- Southend-on-Sea Borough Council
 - Procurement
 - 14-19 / skills
 - Tourism
 - Enterprise
 - Planning
 - External Funding
- Connexions Business Manager
- Enterprise, Business and Skills Sub Group
- Enterprise, Community and Environment Partnership
- EEIDB (Business Link East)
- Essex Chamber of Commerce
- Essex FSB
- Jobcentre Plus
- London Southend Airport
- Renaissance Southend
- South Essex College
- Southend Adult Community College
- Southend Business Partnership
- Thriving Communities Forum
- University of Essex

APPENDIX III: LIST OF SOURCE MATERIAL

The following provides a list of all sources used in the development of this LEA:

- VAT registration data, ONS
- Business Demography, BIS/ONS
- International Passenger Survey
- UK Tourism Survey
- GVA data, ONS
- Quarterly Public Sector Employment Survey, LGA
- Output Area Classifications, ONS
- Family Resources Survey and Household Expenditure Survey, ONS
- UK Competitiveness Index, Centre for International Competitiveness
- Southend Hotel Futures, Volume and Value studies
- School Workforce Statistics, DCSF
- National Minimum Data Set for Social Care, Skills for Care
- Annual Population Survey
- Mid-year Population Estimates
- Sub national Population Projections
- 2001 Census
- Annual Business Inquiry
- Annual Survey of Hours and Earnings
- Gross Disposable Household Income
- Job Density, ONS
- Benefit Claimant Data, DWP
- Job Centre Plus
- Statistical First Releases, DCSF
- NEET data, Connexions Southend
- National Employer Skills Survey
- Index of Multiple Deprivation
- British Crime Survey
- APHO Health profiles
- Local Transport Plan
- Census 2001
- Southend Central Area Action Plan
- Southend Regeneration Framework

- Hometrack
- CACI
- South Essex Local Authority Monitoring Reports
- EGI
- Focus
- Valuation Office Agency
- Southend on Sea Joint SHLAA / ELR
- Department for Energy & Climate Change