SOUTHEND-ON-SEA
LOCAL ECONOMIC ASSESSMENT

Southend-on-Sea Borough Council

DOCUMENT REFRESH – FINAL REPORT v4.00

December 2013

Contents

EXECUTIVE SUMMARY

Overview

This document is a refreshed version of the original Local Economic Assessment (LEA) produced in 2010. It provides:

- an update on development milestones achieved in Southend-on-Sea and changes to the economic development policy and associated architecture in England.
- a detailed comparative review of the Southend-on-Sea economy – covering a variety of themes – against neighbouring authorities, SELEP partners and regional / national indicators.
- public and private sector partners with a robust and up-to-date evidence base to support future allocation of resources and wide ranging funding applications.

Whilst the statutory requirement for LEA's no longer exists, the structure of this document broadly aligns with the original statutory guidelines and seeks to reflect the specific needs of Southend-on-Sea.

Context update

There have been a number of key contextual changes that have occurred since the original LEA document was published.

Important development milestones achieved have included:

- The emergence of a project to create the world's largest health innovation space at the Anglia Ruskin MedTech Campus in Chelmsford, Harlow and Southend-on-Sea. MedTech. Southend-on-Sea will be part of the Airport Business Park, which is projected to deliver a total of 7,200 net additional jobs by 2021.
- A new £27m state-of-the-art library and learning facility ("The Forum Southend") located in a new public square in the heart of Southend-on-Sea Town Centre (opened in September 2013).
- A new £3m Cultural Centre opened in July 2012 and renamed the Royal Pavilion in July 2013. Located on Southend Pier, the Royal Pavilion hosts a variety of events, concerts and exhibitions including music, theatre, art and photography.
- The Local Government Chronicle (LGC) Council of the Year Award in 2012 which recognised the Council's performance in providing high quality services which meet the changing needs of Southend-on-Sea residents.
- The creation of Southend-on-Sea Business Improvement District (BID) in November 2012 covering the Town Centre and the Seafront part-funding and unlocking significant investment for the town.
- The Purple Flag accreditation award for Southend-on-Sea's High Street and sea front in recognition of excellence in the town and city centres at night-time management and its contribution to the town's expanding post 6pm economy.

Key public policy changes that have occurred since 2010 include:

- The abolition of the Regional Development Agencies (RDAs) and their replacement by a series of Local Enterprise Partnerships (LEPs) operating across newly defined functional economic geographies.

- The establishment of the South East Local Enterprise Partnership (SELEP) which covers 35 local authorities across Essex, Southend-on-Sea, Thurrock, Kent, Medway and East Sussex. SELEP is the second largest of the LEPs behind London.

- The creation of additional funds for LEP areas through a Single Local Growth fund and the creation of a 'Structural and Investment Fund Growth Programme '.

- The introduction of a series of tailored 'city deals' to empower local public and private partners to drive real and sustainable change. Southend-on-Sea has been selected for the second wave of the City Deal scheme and is developing a negotiation document.

- The selection of the Whole Essex Community Budget as one of four pilot areas chosen by the Government in December 2011. The Milton ward in Southend-on-Sea has received £53k from the Whole Essex Community Budget to develop stronger communities.

Southend-on-Sea's position within the SELEP

A key element of this refreshed LEA document was a new comparative analysis of Southend-on-Sea in the context of the newly established SELEP. Highlights of this analysis are set out below:

- Southend-on-Sea is the second smallest of the six upper tier local authorities in SELEP, with 174,800 residents. However, it is the fourth largest of the 32 lower tier authorities behind Medway (264,900) and the Essex districts of Basildon (176,500) and Colchester (176,000). Southend-on-Sea is more than twice the size of Rochford, Harlow, Uttlesford and Brentwood and almost three times bigger than Maldon.

- SELEP's total employment (1,506,300) includes Southend-on-Sea's employment of 63,400 which makes it the six largest of the 32 SELEP districts, representing 4.3 per cent of SELEP's total employment.

- Southend-on-Sea has one of the country's highest proportion of employees working part-time and is ranked 3rd among the 32 lower tier authorities in SELEP. SELEP has the 5th highest proportion of part-time workers of all 39 LEPS.

- Among the 32 districts in SELEP, Southend-on-Sea ranks 4th for both claimant count rate and share of residents in receipt of out of work benefits. Since the start of the recession, the claimant count in Southend-on-Sea has increased by 68.5 per cent. This is the 56th highest increase in England. However, SELEP has seen an increase of 72.1 per cent, well above the 59.3 per cent seen across England.

- Southend-on-Sea has low educational attainment. Across SELEP, only Thurrock has a higher share of residents with no qualifications and a lower share of graduates.

- SELEP generated £64.04 billion gross value added in 2011, including £2.64 billion from Southend-on-Sea. Of the six NUTS 3 regions[1] that comprise SELEP, Southend-on-Sea is the second smallest, ahead of Thurrock but well behind Kent and Essex where GVA is respectively £25.86 billion and £24.89 billion.

- Southend-on-Sea's GVA per capita of £15,818 is the lowest in SELEP and the 92nd highest among the UK's NUTS 3 regions while SELEP ranks only 27th among the 39 LEPs at £16,810, well below the national figure of £21,368.

- Public administration makes the largest contribution to Southend-on-Sea's GVA, accounting for 27.0 per cent, the highest share of any upper tier authority in SELEP.

- At the 2-digit level, 'other manufacturing'[2] and 'gambling and betting activities' achieve the highest location quotients in Southend-on-Sea at 3.1 and 2.8, employing 700 and 600 respectively. Across SELEP, the highest location quotient, 2.2, is recorded by water transport, which scores only 0.5 in Southend-on-Sea.

- Southend-on-Sea is a small firm economy with 84.7 per cent of VAT / PAYE registered businesses having fewer than 10 employees and only 3.0 per cent employing 100 or more. However, Southend-on-Sea has only the third highest proportion of small firms in SELEP behind East Sussex (85.8%) and Essex (84.8%).

- Southend-on-Sea has the 11th most self-contained labour market in SELEP, with 62.4 per cent of employed residents also working in the borough. This ranks Southend-on-Sea 130th among the 326 lower tier authorities in England. However, high levels of self-containment are associated with weaker and more deprived economies, with the highest levels of self-containment in SELEP being recorded in Thanet, Shepway and Hastings.

- Southend-on-Sea is the 7th most deprived of the 32 SELEP lower tier authorities, ranking 79th of all 326 local authority districts in England.

[1] The NUTS classification (Nomenclature of territorial units for statistics) is a hierarchical system for dividing up the economic territory of the EU. NUTS level 3 covers small regions for specific diagnoses.
[2] 'Other manufacturing includes the manufacture of medical and dental instruments, as well as sports good and jewellery and imitation jewellery.

Review of the Southend-on-Sea economy

This revised LEA provides a detailed comparative review of numerous aspects of the Southend-on-Sea economy. Below we present key strengths and challenges for each theme under review.

Business and Enterprise

Key strengths:

- Southend-on-Sea functions as a mixed economy which is not overly reliant on a small number of sectors or major employees.
- A strong track record of development (for example, The Forum Southend-on-Sea; the Royal Pavilion; and the London Southport Airport expansion and associated hotel development) demonstrates the town's ability to attract investment and deliver on the ground.
- Location Quotient (LQ) analysis indicates clusters of private sector specialisation: 'business and other management consultancy activities' and 'financial services'.
- Southend-on-Sea has the third highest proportion of employment in life sciences at 1.5 per cent compared to any English upper authority. This reflects the town's interest in medical technologies, the MedTech development and the expansion of the Airport Business Park,
- Enterprise levels are high in Southend-on-Sea, where 14.4 per cent (10,700) of residents are self-employed. This is the 50th highest proportion of any of the 152 upper tier authorities in England.

Key challenges:

- On-going over-reliance on the public sector (particularly health and education) represents a significant risk for the town given the government's on-going commitment to deficit reduction and private sector employment creation,
- GVA performance remains lower than sub-regional, regional and national averages. GVA per head (£15,818) is the lowest in SELEP and is lower than the regional and national averages.
- A low business survival rate in Southend-on-Sea indicates that whilst individuals start businesses in the borough many fail within the first two years of trading.

People and Communities

Key strengths:

- Strong investment in Higher Education (HE) and Further Education (FE) in Southend-on-Sea. For example, both South Essex College and the University of Essex, Southend Campus have new flagship buildings located in the centre of town. This has contributed to a 0.5 per cent reduction in the borough's NEET figures (to 5.1%) since 2009.
- Whilst comparatively low, skill levels are improving in Southend-on-Sea. For example, there has been a 29 per

cent increase in those acquiring level NVQ4+ qualifications since 2006.

Key challenges:

- Skills levels (i.e. residents with NVQ 2+, 3+ and 4+ qualifications) remain lower than sub-regional, regional and national comparator geographies. The proportion of Southend-on-Sea residents with no qualifications (10.7%) is more than Essex, East of England and Great Britain.

- The majority of residents with high skills and higher salaries are employed outside the town; mostly in the banking, finance and insurance sectors. Southend-on-Sea attracts a lower skilled workforce employed in administrative or secretarial roles, caring, leisure and sales/customer services. This is a reflection of the structure of the Southend-on-Sea economy.

- DWP figures show that Southend-on-Sea has a total out of work benefit rate of 11 per cent of the working age population. This is greater than both the East of England (7.9%) and Great Britain (9.5%).

- Pockets of deprivation remain in Southend-on-Sea. For example, the town has nine Lower Super Output Areas (LSOAs) ranked among the 10 per cent most deprived in England. One LSOA in Kursaal and one in Milton are in the one per cent most deprived.

Land and Property

Key strengths:

- Southend-on-Sea's housing market has shown signs of recovery but has not fully recovered to pre-recession levels. From a low in 2009 (1,667), total transactions in 2012 have risen by 48 per cent, however, remain significantly below 2007 levels.

- The Southend-on-Sea housing market could still be attractive to individuals and families considering leaving nearby London. For example, semi-detached properties – a third of the market - are approximately 35 per cent less in price than previous pre-recession levels.

Key challenges:

- At the lower quartile end of the market (the least 25% expensive residential properties) there has been less of a decline since 2008 compared to other parts of the market, thereby meaning that housing remains expensive for those at the bottom of the market.

1. INTRODUCTION

1.1 Overview

The Coalition Government's growth agenda focuses on supporting local partners from the public and private sector to tackle barriers to enterprise and exploit local growth opportunities. In addition, on-going reductions in public expenditure, most recently articulated in the June 2013 Spending Review means that allocation of resources must demonstrate value for money and remain under scrutiny.

1.2 Local Economic Assessment

This document is a refreshed version of the original Local Economic Assessment (LEA) produced in 2010. It is intended to provide:

- a summary update on the various developments that have occurred since its original publication in terms of milestones achieved and changes to the economic development policy and landscape in England;
- a detailed review of the Southend-on-Sea economy in comparison to its nearest neighbours and its wider South East Local Enterprise Partnerships (SELEP) partners.
- policy makers and public and private sector partners with a robust and up-to-date evidence base to support the allocation of resources and any subsequent funding applications to central government.

The Department for Communities and Local Government's (DCLG) original objectives for Economic Assessments included:

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

In September 2010 the requirement for an LEA 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 refreshed assessment broadly aligns with the original statutory guidelines but also reflects the specific needs of Southend-on-Sea.

1.3 Analytical framework

The aim of this LEA is to provide a 'story of place'. Policy makers within Southend-on-Sea 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 Annex I) has been developed to act as a guide to assessing the economic character of Southend-on-Sea. 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.

1.4 Structure of the Southend-on-Sea LEA

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

- Section 2 reviews and summarises a number of key development milestones and contextual policy changes that have occurred since the LEA's original publication.
- Section 3 presents Southend-on-Sea within the context of SELEP and in turn considers SELEP against the other 38 Local Enterprise Partnerships (LEPs).
- Section 4 explores the economic linkages between Southend-on-Sea and the surrounding geography and outlines the different economic roles that the borough plays.
- Section 5 focuses on Business and Enterprise issues within Southend-on-Sea, considering its composition, identifying key sectors and assessing performance in relation to enterprise innovation and growth;
- Section 6 covers People and Communities, describing demography, employment, skills and deprivation;
- Section 7 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 8 considers Economic Competitiveness, benchmarking Southend-on-Sea's performance; and
- Section 9 provides some Conclusions, Key Priorities and Recommendations.

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

2. UPDATED CONTEXT TO REFRESHED LEA

Since the original LEA document was published in 2010 a number of key development milestones have been achieved across the city. In addition, the election of the Coalition Government in May 2010 has resulted in important structural changes to the policy context within which the Southend-on-Sea Council and the Southend-on-Sea economy operates.

This section will briefly review and summarise these important contextual changes.

Key Development Milestones

A number of key development milestones have been achieved since the original publication of the LEA document.

Anglia Ruskin MedTech Campus

The importance of the Medical Technologies sector to the Southend-on-Sea economy is reflected in a pan-Essex project to create the world's largest health innovation space at the Anglia Ruskin MedTech Campus ("MedTech"). A partnership between Anglia Ruskin University (including the Postgraduate Medical Institute), Chelmsford City Council, Harlow District Council, and Southend-on-Sea Borough Council, this new venture aims to drive the growth of the medical technology business sector and to transform the innovation process, gaining health system-wide adoption of the latest advances in technology and patient care.

This unique development builds on the presence of key employers such as Olympus Keymed and seeks to provide a platform for innovation in this sector, driving the development of a specialist cluster, while providing combined enterprise space of over 1.7million square feet. Medtech will eventually be made up of three distinct campuses under the MedTech umbrella in Chelmsford, Harlow and Southend-on-Sea.

The Southend-on-Sea campus will commence in 2014 on land that is owned by Southend-on-Sea Council and located within Rochford. MedTech will be part of the Airport Business Park, which is projected to deliver a total of 7,200 net additional jobs by 2021. The MedTech Campus in Southend-on-Sea/Rochford will deliver a business network service providing a dedicated range of services to companies in the medical and assisted living technologies sectors.

The MedTech development is supported by the London Southend and Environs Joint Area Action Plan which has been jointly prepared by Southend-on-Sea Borough Council and Rochford District Council. This document responds to the challenges and opportunities offered by London Southend Airport and its surrounding area by setting out development and design principles and directing investment and regeneration in the area. The London Southend and Environs Joint Area Action Plan is currently scheduled to be adopted in December 2013.

Purple Flag Award

In April 2012, Southend-on-Sea's High Street and sea front were awarded Purple Flag status for night life. The Purple Flag accreditation award has been developed by the Association of Town and City Management (ATCM) to recognise excellence in the management of town and city centres at night.

The award reflected several developments in the city including the City Beach development which involved a new public space with innovative lighting, attractive landscaping and a popular water fountain and a new cultural centre which opened July 2012 (see below). Southend-on-Sea was judged on five criteria, including crime, hygiene standards and the range of visitor attractions and was said to be "above standard" in two of them. The award reflects the importance of the night-time economy to Southend-on-Sea's growth prospects.

The Southend Pier Royal Pavilion (formerly the Cultural Centre)

The new £3m 350sq m Cultural Centre opened in July 2012. The Centre was renamed the Royal Pavilion in July 2013. Located on Southend Pier, the Royal Pavilion's facilities include a main hall (capacity 185 people), an artists' studio, a café and outdoor terrace. The Pavilion is open all year round and hosts a variety of events, concerts and exhibitions including music, theatre, art and photography. In June 2013, the Pavilion was awarded a prestigious East Regional Award from the Royal Institute of British Architects (RIBA).

Council of the Year Award 2012

Southend-on-Sea Borough Council was awarded the Local Government Chronicle (LGC) Council of the Year Award for 2012. This high profile award recognised the Council's performance in providing high quality services which meet the changing needs of Southend-on-Sea residents. The title was awarded in recognition of the Council's efforts to streamline back-office functions and drive efficiencies to prevent service closure. The awarding body also made reference to Southend-on-Sea's efforts to be the cultural capital of the East of England and to have first-class services and flourishing, active communities.

The Forum Southend-on-Sea

A new state-of-the-art library and learning facility ("The Forum Southend-on-Sea") was formally opened in September 2013. Located within a new public square in the heart of Southend-on-Sea Town Centre, the £27m project has been delivered jointly by Southend-on-Sea Borough Council, the University of Essex and South Essex College.

The Forum Southend-on-Sea will provide the town and its residents with a state-of-the-art integrated municipal and academic public library. The four-storey building will create a modern new teaching facility for the College and a stimulating new research and learning environment for the University.

It will enable the University of Essex to provide the best possible learning facilities to accommodate its growing number of students in Southend-on-Sea. It will also give the College more dedicated teaching space for its higher education provision in partnership with the University. In addition, The Forum Southend-on-Sea will also house the Focal Point Gallery as well as a new café and lecture theatre. The facility will also act as a major forum for community-based activities and become an integral part of the town centre, assisting in its re-generation.

Strategic Policy Changes

A number of key contextual and public policy changes have occurred since the original publication of the LEA document.

Growth agenda and Local Enterprise Partnerships (LEPs)

The Coalition Government's economic policy objective is to achieve strong, sustainable and balanced growth that is more evenly shared across the country. Its 'Plan for Growth' document, published in March 2011, provided a call for action on economic growth. Part of this growth agenda involved a new architecture for the promotion of economic growth and prosperity involving locally sourced public-private enterprise partnerships. The Regional Development Agencies (RDAs) were abolished in 2010 and replaced by a series of Local Enterprise Partnerships (LEPs) operating across functional economic geographies. A government White Paper published in October 2010 outlined its vision for LEPs:

Local Enterprise Partnerships (LEPs) will provide the clear vision and strategic leadership to drive sustainable private sector-led growth and job creation in their area. The government particularly encourages partnership working in respect to transport, housing and planning as part of an integrated approach to growth and infrastructure delivery.

Lord Heseltine published a review of wealth creation policies in the UK in October 2012. This report reinforced the importance of the LEPs to economic growth and urged the government to devolve significant funding from central government to allow economic development interventions to be tailored directly to the individual challenges and opportunities at a local level. In response to this Review, the 2013 Budget further strengthened (and incentivised) the LEPs' role as the primary facilitators of local growth by creating a Single Local Growth fund. This new funding is to be allocated to LEPs on the basis of strategic multi-year plans for local growth. In creating the Single Local Growth Fund, the government has challenged the LEPs to embrace a something-for-something approach, leverage private and local funding, and create real value through governance reform and associated efficiencies.

South East Local Enterprise Partnership (LEP)

Southend-on-Sea is one of the 35 local authorities that make up the South East Local Enterprise Partnership (SELEP). SELEP was established in October 2010 and covers East Sussex, Kent, Essex, Medway, Southend-on-Sea and Thurrock. It is important to understand Southend-on-Sea's LEP-wide comparative economic position to enable the authority to clarify its economic function at a SELEP level.

It is critically important that the refreshed LEA reflects this new economic development structural architecture. Section 3 (below) provides a complete revised economic analysis of

Southend-on-Sea in the context of the LEP area and against the other LEPs across England.

City Deal

The Coalition Government's 'Unlocking Growth in Cities' document announced the intention to work with different cities to agree a series of tailored 'city deals'. These deals should:

- Empower local leaders to drive change in their city by looking outwards to the private sector, instead of upwards to central government.
- Lead to businesses benefiting from dynamic new partnerships with civic leaders.
- Lead to local people having access to new job opportunities, better local transport and a housing market that is more responsive to local needs.

Southend-on-Sea was one of 20 local authorities chosen for the City Deal scheme and was the only location selected across the entire SELEP area. Southend-on-Sea submitted its draft Expression of Interest (EoI) on the 15 January 2013. All 20 city deal applications were invited to the next stage; developing a negotiation document. This will be based on the initial EoI but will include more in-depth details on project outcomes within the context of the LEP.

Business Improvement District

A Business Improvement District (BID) is led by local businesses and aims to improve the local economy by improving the area. Businesses within the BID area pay an additional levy on top of their normal business rate in order to fund projects in the area. Importantly, the businesses themselves can choose what projects should be funded.

In November 2012, Southend BID Ltd – covering Southend-on-Sea Town Centre and the Seafront - was formed and the organisation started trading in April 2013. The forming of the BID has unlocked up to £2.7m of investment for the town centre and seafront over the next five years.

The BID's business plan outlined the areas it planned to focus on:

- Cleaning: removing graffiti, removing chewing gum and preventing fly posting.
- Vacant shops: improve the appearance of empty shops and work to encourage new businesses to move to the area.
- Streetscape: replacing and repairing street furniture.
- Planting: review of floral displays.
- Christmas lighting: plans to improve the current festive lighting and add additional displays.

Community Budgets

Community Budgets allow local public service providers to work together to meet local needs. Community budgets can help organisations that provide local public services to:

- make better use of their resources by establishing joint budgets and sharing local knowledge, community assets and voluntary effort.
- remove central rules and regulations so local professionals can provide better services that suit their area.
- give people greater control over their local public services.
- establish local partnership and governance arrangements to create a unified approach for a given area.

Sixteen first-phase Community Budgets for families with multiple problems were announced in April 2011. Following consultation, two further types of budget pilots were announced on 21 December 2011:

- whole-place Community Budgets - test how to bring together all funding for local public services in an area.
- neighbourhood Community Budgets - will give communities more power and control over local services.

Whole Essex Community Budget was one of four pilot areas chosen by the government in December 2011. It is anticipated that the Whole Essex Community Budget will accelerate the delivery of 60,000 new jobs, 25,500 new homes and up to £1 billion in investment in physical and service infrastructure.

The Milton ward in Southend-on-Sea has received £53k from the Whole Essex Community Budget to develop stronger communities. A large proportion of the funding will be used to set up a network of 'Community Connectors' to improve people's lives through linking and co-ordinating the efforts of residents, volunteers, groups and other agencies across the ward. The project also aims to increase the number of volunteers, reduce demand on public services, develop sustainable community led initiatives and improve health and wellbeing.

Planning and Regeneration

Southend-on-Sea's planning and regeneration context is provided in its Core Strategy and other relevant Southend-on-Sea Local Development Framework documents.

Southend Core Strategy Development Plan Document (DPD)

The Southend Core Strategy Development Plan Document (DPD) (2007) – plan period: 2001 to 2021 – sets out the overall vision, objectives and strategy for spatial development in Southend-on-Sea. This document covers a number of specific development areas, including:

- Design and Townscape – The Core Strategy sets a clear design and development agenda - through policy KP2 and CP4 - to deliver a high standard of design and townscape.

- The Seafront – The Core Strategy details the spatial vision for development along the Seafront to ensure that residents/visitors, businesses and the built environment benefit from a close relationship with the River Thames whilst safeguarding and enhancing the significant green space and other environmental resources of the area.

- Housing – the Core Strategy sets the strategic level of market and affordable housing to be provided in the borough for the period 2001 to 2021.

- Economic Development – The Core Strategy sets the spatial economic growth strategy for the borough including a focus on the following key drivers:

    - The renaissance of the Town Centre.
    - The development of the London Southend Airport and associated business park.
    - The advancement of Southend-on-Sea's role as a cultural/intellectual hub and centre of excellence.
    - The growth of the leisure and visitor economy.

- Environmental Management – The Core Strategy seeks to ensure that due consideration is given to adopting environmental best practice measures in all cases.

- Sustainable Transport Management – The aim is to reduce the need to travel by car and ensure the community can safely and easily access jobs and key services.

Southend Central Area Action Plan (SCAAP)

In accordance with the adopted Local Development Scheme and the strategic objectives within its DPD, the Borough Council has prepared an Area Action Plan (AAP) for the central area of the town known as the Southend Central Area Action Plan (SCAAP). The SCAAP provides more detailed consideration to how and where employment-led regeneration can sustainably be accommodated in the Town Centre, Central Seafront Area and surrounding gateway neighbourhoods.

The document's stated ambition for Southend Central Area is for it to be a prosperous and thriving regional centre that is vibrant, safe and hospitable and rich in commerce, learning and culture. The aim of the SCAAP is to: *'…transform the image of Southend through sustainable economic growth, development and social provision, and for it to be independently recognised as a popular location for businesses, residents, students and visitors.'*

The SCAAP seeks to establish urban Quarters which, to a varying extent take on a new mixed sustainable character in line with principles set out in the hierarchy of national, regional and local planning policies. The themes of the new Quarters are appropriate to their context, either seeking to strengthen the competitive advantage of current uses, or defining new roles contributing to the regeneration of the key sites and the Central Area as a whole.

3. SOUTHEND-ON-SEA WITHIN SOUTH EAST LEP

3.1 Introduction

Southend-on-Sea is one of the 35 local authorities that make up the South East Local Enterprise Partnership (SELEP). This section sets Southend-on-Sea within the context of SELEP and in turn considers SELEP against the other 38 Local Enterprise Partnerships (LEPs).

SELEP is the second largest of the LEPs behind London. With a population of 4,020,500 in 2012, it is less than half the size of London but eight times the size of Cumbria, the smallest LEP.

Southend-on-Sea is the second smallest of the six upper tier local authorities in SELEP, with 174,800 residents. However, it is the fourth largest of the 32 lower tier authorities behind Medway (264,900) and the Essex districts of Basildon (176,500) and Colchester (176,000). Southend-on-Sea is more than twice the size of Rochford, Harlow, Uttlesford and Brentwood and almost three times bigger than Maldon.

Total workplace based employment in the SELEP stands at 1,506,300, again the second highest among LEPs and 7.3 times as many as in Cornwall and the Isles of Scilly. SELEP's total (1,506,300) includes Southend-on-Sea's employment of 63,400 which makes it the sixth largest of the 32 SELEP districts, representing 4.3 per cent of SELEP's total employment.

The fifth round of the Regional Growth Fund was announced in September 2013. Using the metrics implemented to assess the fourth round[3,] SELEP ranked as the 16th best placed LEP to receive funding across the measures of public sector dependence, out of work benefit claimants, private sector employment growth and active enterprises per head of population. Southend-on-Sea ranks as 43rd best placed to receive funding in the country and is the third best placed in SELEP behind Hastings and Medway. As the guidance states, Regional Growth Funding "is all about helping companies in the right sectors to grow and diversify", Southend-on-Sea's presence in the sectors covered by the government's industrial strategy is presented later in Section 3.

[3] See https://www.gov.uk/government/publications/location-metrics-to-assess-applications-for-regional-growth-fund-round-4

3.2 Output and Productivity

SELEP generated £64.04 billion gross value added in 2011, including £2.64 billion from Southend-on-Sea. Of the six NUTS 3 regions that comprise SELEP, Southend-on-Sea is the second smallest, ahead of Thurrock but well behind Kent and Essex where GVA is respectively £25.86 billion and £24.89 billion.

From 2010 to 2011, SELEP's GVA growth of 2.8 per cent bettered the national rate of 2.4 per cent, while Southend-on-Sea saw growth of 1.7 per cent, the 48th weakest of all 139 NUTS 3 regions in the UK. However, from 2001 to 2011, while SELEP's GVA grew 49.3 per cent, to just better the national rate of growth, Southend-on-Sea experienced growth of only 31.0 per cent, lower than any other part of SELEP and the 12th weakest performance of anywhere in the UK. Among LEPs, SELEP had the 12th strongest performance over this period.

Southend-on-Sea's GVA per capita of £15,818 is the lowest in SELEP and the 92nd highest among the UK's NUTS 3 regions while SELEP ranks only 27th among the 39 LEPs at £16,810, well below the national figure of £21,368. From 2001 to 2011, SELEP's GVA per capita grew by 38.1 per cent, while Southend-on-Sea saw growth of only 26.0 per cent, neither matching the 39.5 per cent recorded for the UK as a whole.

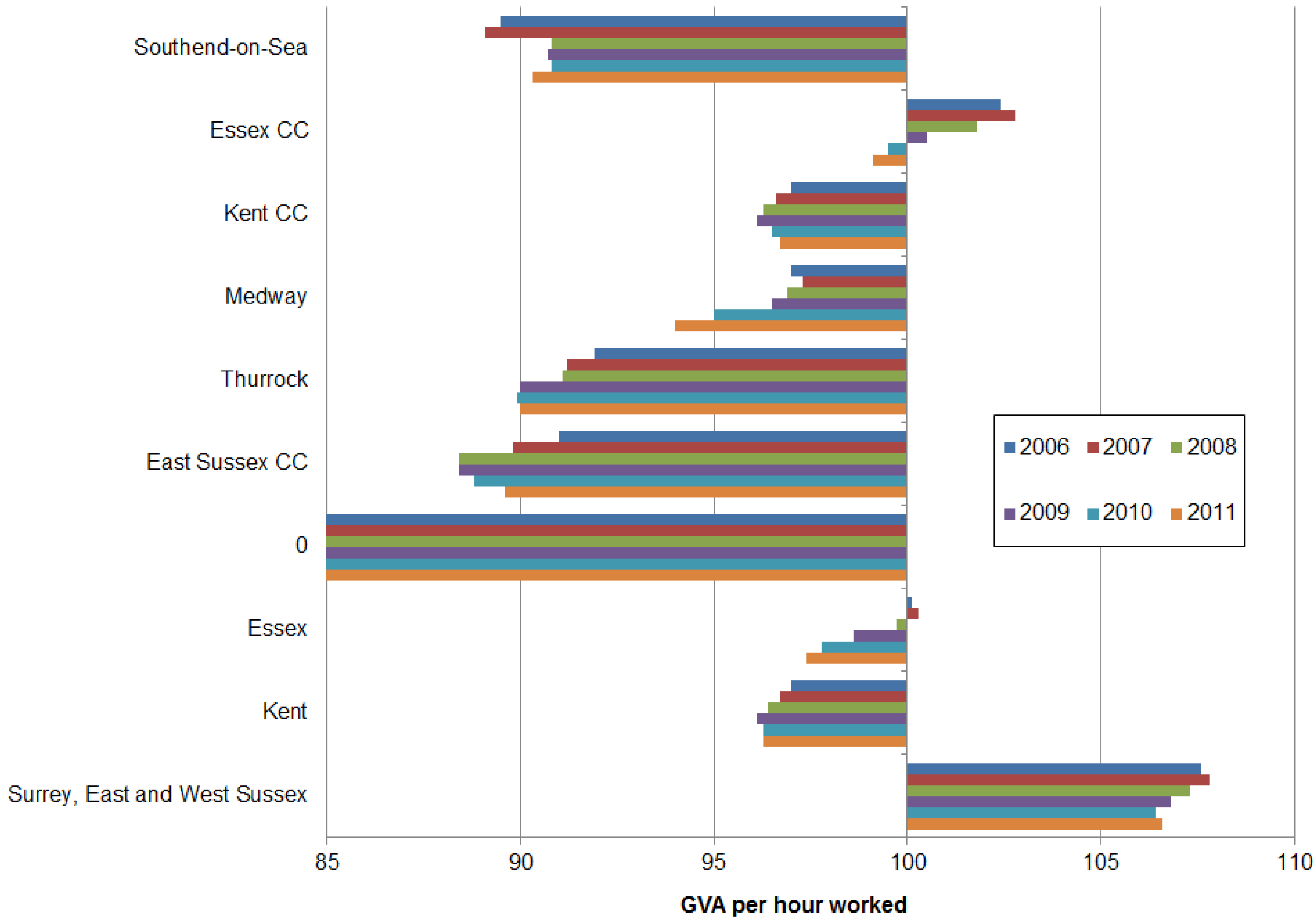
Southend-on-Sea's productivity is 9.7 per cent below the national level, ranking 72nd of the 139 UK NUTS 3 regions. No part of SELEP was more productive than the UK overall in 2011, following Essex's failure to match the national rate of increase in recent years. Southend-on-Sea has higher productivity, measured by GVA per hour worked[4], than both Thurrock and East Sussex (as shown in Figure 3.1 below).

On the alternative measure of GVA per filled job, Southend-on-Sea performs slightly worse, 13.6 per cent below the national level and ahead of only East Sussex in SELEP.

Public administration makes the largest contribution to Southend-on-Sea's GVA, accounting for 27.0 per cent, the highest share of any upper tier authority in SELEP. In contrast, the second largest contribution comes from distribution, transport, accommodation and food where the recorded 16.5 per cent in Southend-on-Sea is the lowest in SELEP and well below the 42.5 per cent seen in Thurrock. The share of total GVA derived from each of real estate activities, business service activities and financial and insurance services is larger in Southend-on-Sea than in any other part of SELEP, although the borough has the smallest production and construction sectors. The results for all upper tier authorities in SELEP are presented in Figure 3.2 below.

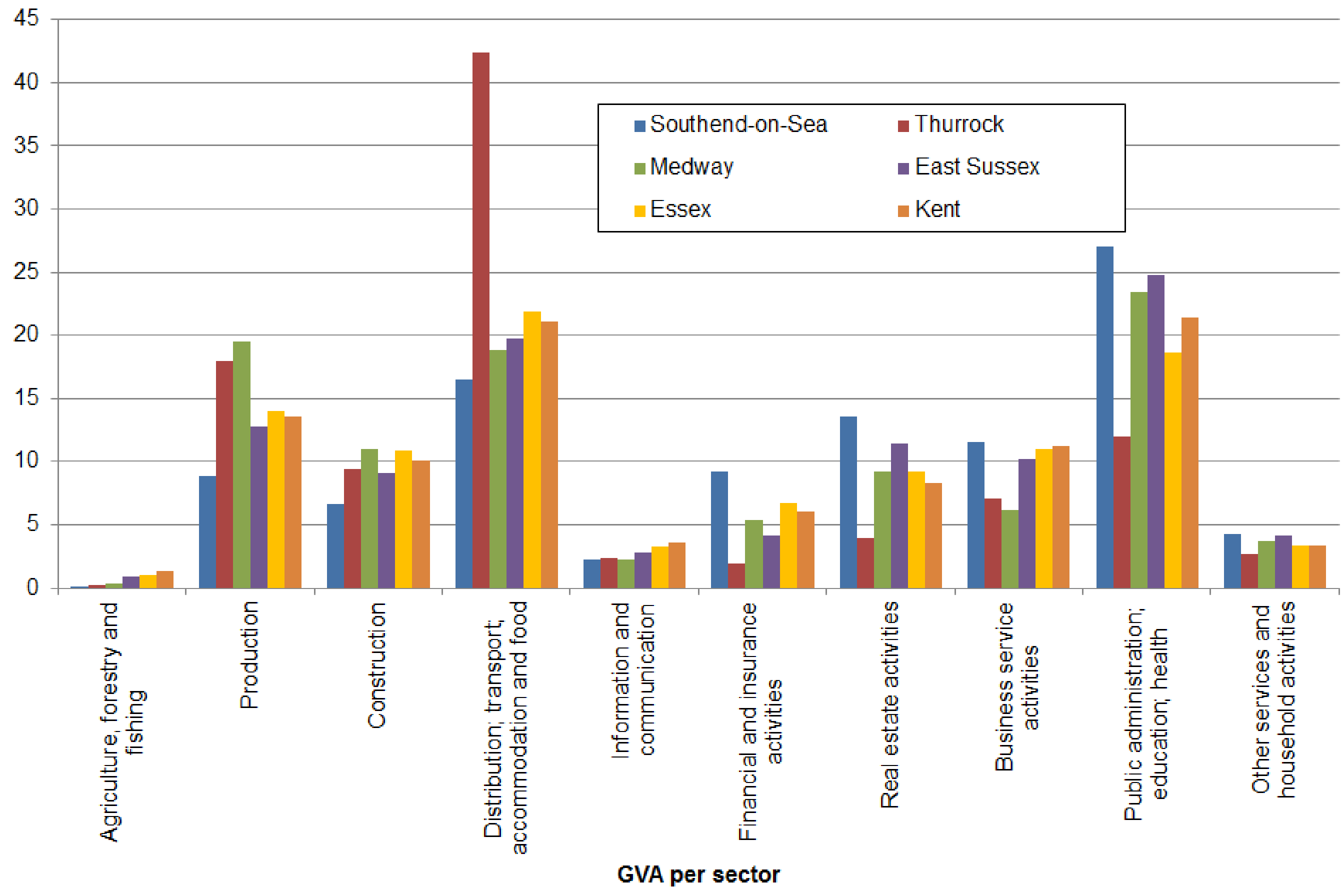
[4] GVA per hour worked is the ONS's "preferred productivity measure" for sub-national economies (ONS, 2007, 148)

Figure 3.1: GVA per hour worked over time (UK=100)



Source: ONS, 2013

Figure 3.2: Proportion of total GVA by sector



Source: BRES, ONS, 2012

3.3 Industrial Structure

In Southend-on-Sea, as in most local authority areas, retail is the largest employment sector[5], employing 8,400 in the borough. Retail is also the largest sector in SELEP, employing 187,400, and in 19 of the 32 lower tier authorities. It is the second largest sector in the other 13 local authorities, usually behind public sector dominated sectors such as human health activities and education.

Larger differences can be discerned when intensity is measured. At the 2-digit level, 'other manufacturing'[6] and 'gambling and betting activities' achieve the highest location quotients in Southend-on-Sea at 3.1 and 2.8, employing 700 and 600 respectively. Across SELEP, the highest location quotient, 2.2, is recorded by water transport, which scores only 0.5 in Southend-on-Sea.

By Standard Industrial Classification of Economic Activities (SIC) section, Southend-on-Sea records its highest location quotient for arts, entertainment and recreation activities. The sector employs 2,800 people in the borough, 4.3 per cent of the total. Although no other SELEP upper tier authority matches 1.8 for that section, among the lower tier authorities it is surpassed by Castle Point (3.1), Uttlesford (2.4) and Tonbridge and Malling (1.9). Headline results are presented in Figure 3.3 below.

This sector analysis is driven by SIC codes. These SIC codes divide the economy into sections and numerous sub-sections. Whilst these usefully identify employment and output in different sectors, they do not always naturally fit the economic realities of specific location. For example, the tourism sector is not discretely identified within the SIC codes. Rather it is comprised of a multitude of different SIC codes across manufacturing, retail, professional services, construction, food services and accommodation.

[5] By 2-digit SIC code
[6] 'Other manufacturing includes the manufacture of medical and dental instruments, as well as sports good and jewellery and imitation jewellery.

Figure 3.3: Location quotients by SIC section, 2011

	C: Manufacturing	E: Water supply; sewerage, waste management and remediation activities	F: Construction	G: Wholesale and retail trade; repair of motor vehicles and motorcycles	H: Transportation and storage	I: Accommodation and food service activities	J: Information and communication	K: Financial and insurance activities	L: Real estate activities	M: Professional, scientific and technical activities	N: Administrative and support service activities	O: Public administration and defence; compulsory social security	P: Education	Q: Human health and social work activities	R: Arts, entertainment and recreation	S: Other service activities
Southend-on-Sea	0.7	0.7	0.8	1.1	0.5	0.9	0.4	1.1	1.0	1.1	0.9	1.2	1.2	1.3	1.8	1.0
Thurrock	0.8	1.6	1.0	2.0	2.8	0.9	0.3	0.2	0.3	0.3	1.1	0.6	0.9	0.5	0.5	1.1
Medway	1.1	1.7	1.2	1.1	1.0	1.0	0.4	0.7	0.8	0.5	0.8	1.1	1.2	1.3	1.3	0.9
Essex	1.1	1.3	1.4	1.1	1.1	0.9	0.7	0.7	1.0	0.8	0.9	0.8	1.3	1.0	1.1	1.1
East Sussex	0.8	1.4	1.2	1.1	0.5	1.5	0.5	0.6	1.0	0.8	0.6	0.9	1.1	1.5	1.2	1.0
Kent	0.8	1.6	1.3	1.2	1.1	1.1	0.6	0.7	0.8	0.8	0.9	1.0	1.2	1.1	0.9	0.9
South East	0.7	1.5	1.2	1.1	0.5	1.2	1.0	1.5	1.2	0.9	0.6	0.5	1.1	1.2	1.2	1.3

Source: BRES, ONS, 2012

Apart from arts, entertainment and recreation, Southend-on-Sea is only over-represented in the public sector dominated sections of public administration (1.2), education (1.2) and human health (1.3).

The other five upper tier authorities more closely match the industrial structure of SELEP, with Southend-on-Sea only matching SELEP's strengths in public sector sectors.

The high location quotients in those sectors is not surprising given that 31.4 per cent of Southend-on-Sea's employment was in the public sector in 2011, the highest proportion among SELEP's upper tier authorities and the 4th highest of all 152 in England. By lower tier authority, Southend-on-Sea ranks 11th among the 326 in England and is second in SELEP behind the 31.7 per cent in the Essex's County town, Chelmsford.

When the industrial strategy sectors are considered, Southend-on-Sea has a greater share of employment in only one of the six defined in the Witty Review's preliminary findings[7] as shown in Figure 3.4. However, in life sciences, Southend-on-Sea has the third highest proportion of employment at 1.5 per cent of any English upper tier authority, with Kent ranking 26th with 0.5 per cent, although employing more than three times as many people. By district, Southend-on-Sea ranks 18th of the 326 English local authorities, with Brentwood ranking 14th. Elsewhere in SELEP, Sevenoaks ranks 6th and Swale 46th. Overall, SELEP ranks only 14th of the 39 LEPs despite this strength and Essex is mid-table, ranking 14th of 27 County Council areas. The challenge will be for Southend-on-Sea to use its strength in this sector to derive benefit from national support for this sector despite the comparative weakness across the LEP overall, particularly as the LEP ranks 5th for construction which is not a strength for Southend-on-Sea on these measures.

By business population, Southend-on-Sea's strength in life sciences is confirmed, ranking 16th of the 152 lower tier authorities in England. The full results are presented in Figure 3.5 below.

[7] Definitions are offered for the aerospace, automotive, life science, information economy, professional and business services and construction sectors within the preliminary findings of the Witty Review: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/225442/bis-13-1048-independent-review-universities-and-growth.pdf:

Figure 3.4: Total employment in industrial strategy sectors, 2011[8]

	Aerospace			Automotive			Life Sciences			Information Economy			Professional and Business Services			Construction		
	No.	**%**	**Rank**	**No.**	**%**	**Rank**	**No.**	**%**	**Rank**	**No.**	**%**	**Rank**	**No.**	**%**	**Rank**	**No.**	**%**	**Rank**
Southend-on-Sea	-	0.0	79	-	0.0	114	1,000	1.5	3	800	1.3	127	7,500	11.7	56	2,500	3.9	110
Thurrock	-	0.0	120	-	0.1	97	-	0.0	133	500	0.9	142	5,000	8.3	117	3,000	4.9	76
Medway	-	0.0	120	100	0.1	92	200	0.2	69	1,300	1.5	115	5,300	6.3	146	4,700	5.6	48
Essex	2,700	0.5	24	4,200	0.8	24	1,600	0.3	48	10,400	1.9	97	53,300	9.9	91	36,400	6.7	14
East Sussex	100	0.0	78	200	0.1	83	300	0.2	78	2,600	1.5	118	15,400	8.7	109	10,100	5.7	42
Kent	200	0.0	75	1,500	0.3	55	3,000	0.5	26	11,400	2.0	95	64,300	11.0	67	34,600	5.9	37
SELEP	3,000	0.2	23	6,100	0.4	20	6,000	0.4	14	27,000	1.8	30	150,800	10.0	24	91,200	6.1	5
New Anglia	700	0.1	30	2,400	0.4	22	2,000	0.3	22	10,300	1.6	32	53,800	8.3	34	37,100	5.7	8
East	9,800	0.4	5	9,300	0.4	8	12,100	0.5	2	61,200	2.4	4	298,500	11.9	3	142,900	5.7	2
Great Britain	101,100	0.4		124,300	0.4		91,800	0.3		806,000	2.9		3,327,900	12.0		1,339,600	4.8	

Source: BRES, ONS, 2012

Figure 3.5: Companies in industrial strategy sectors, 2011

	Aerospace			Automotive			Life Sciences			Information Economy			Professional and Business Services			Construction		
	No.	**%**	**Rank**	**No.**	**%**	**Rank**	**No.**	**%**	**Rank**	**No.**	**%**	**Rank**	**No.**	**%**	**Rank**	**No.**	**%**	**Rank**
Southend-on-Sea	-	0.0	52	-	0.0	78	10	0.2	16	395	6.3	46	1,085	17.2	73	810	12.9	22
Thurrock	-	0.0	52	-	0.0	78	-	0.0	115	240	4.9	74	640	13.1	122	760	15.6	6
Medway	-	0.0	52	-	0.0	78	10	0.1	37	370	4.8	76	1,170	15.1	97	1,290	16.7	3
Essex	45	0.1	20	80	0.1	29	75	0.1	41	3,045	5.0	71	10,525	17.4	70	9,535	15.8	5
East Sussex	5	0.0	45	10	0.0	70	35	0.2	21	1,005	4.4	85	4,015	17.7	67	2,945	13.0	17
Kent	10	0.0	48	60	0.1	41	70	0.1	44	2,645	4.5	84	10,550	17.8	66	7,925	13.4	13
SELEP	70	0.0	21	180	0.1	24	210	0.1	14	7,725	4.8	17	27,995	17.4	21	23,260	14.4	1
New Anglia	70	0.1	3	100	0.2	14	65	0.1	25	2,270	3.4	28	9,720	14.7	27	7,820	11.8	10
East	180	0.1	3	330	0.1	4	355	0.1	1	14,125	5.7	3	44,950	18.0	3	32,690	13.1	1
Great Britain	1,160	0.0		2,840	0.1		2,950	0.1		127,050	5.2		445,830	18.1		260,825	10.6	

Source: IDBR, ONS, 2012

[8] Using definitions set out in the preliminary findings of the Witty Review (August 2013). For example: the life sciences sector includes pharmaceuticals, medical technologies, diagnostics and medical biotechnologies.

Southend-on-Sea is a small firm economy with 84.7 per cent of VAT / PAYE registered businesses having fewer than ten employees and only 3.0 per cent employing 100 or more. However, Southend-on-Sea has only the third highest proportion of small firms in SELEP behind East Sussex (85.8%) and Essex (84.8%). SELEP has the 10th highest share of small businesses among the 39 LEPs and while it does not match the national rates for small, medium or large companies, it has particularly few small firms (10-49 employees) at 12.8 per cent of all business to rank 33rd among LEPs as shown in Figure 3.6.

3.4 Enterprise and home working

Southend-on-Sea is an enterprising location, with 10,700 residents in self-employment. This represents 14.4 per cent of residents and is the 50th highest proportion of any of the 152 upper tier authorities in England. However, across SELEP, 15.6 per cent of residents aged over 16 are self-employed, the 7th highest proportion among LEPs, with rural LEPs Cornwall, Cumbria and Dorset ranking first, second and third ahead of London in 4th. By lower tier authority, Southend-on-Sea ranks 151st of 326 in England and only 25th in SELEP, where five districts have more than a fifth of residents in self -employment, led by Wealden (27.1%) and Rochford (23.8%). The full results are presented in Figure 3.7.

Despite the high incidence of self-employment, homeworking is comparatively uncommon in Southend-on-Sea, where rates do not match those seen across SELEP or England as shown in Figure 3.8 below.

Southend-on-Sea formed 58.5 businesses for every 10,000 residents in 2011. This was above the SELEP and national rates to rank 45th of the 152 upper tier authorities in England and the highest in SELEP. Business “deaths” remain high in Southend-on-Sea despite a 16 per cent year on year fall, with the closure rate of 56.0 ranking 26th in England, again above national and LEP levels as shown in Figure 3.9.

By district, Southend-on-Sea ranks 9th in SELEP and 92nd of the 326 lower tier authorities in England, well behind Sevenoaks, the strongest performer in SELEP with a new firm formation rate of 78.0 per cent, the 30th highest in the country and the 13th highest outside London.

Southend-on-Sea’s new businesses in 2011 represented 12.2 per cent of total stock to rank 51st of the 152 upper tier authorities in England, the second highest in SELEP, behind Thurrock.

Figure 3.6: Firm population by number of employees, 2011

	Micro Firms (0-9)			Small (10-49)			Medium (50-249)			Large (250+)		
	No.	%	Rank	No.	%	Rank	No.	%	Rank	No.	%	Rank
Southend-on-Sea	5,335	84.7	44	780	12.4	110	165	2.6	105	25	0.4	93
Thurrock	3,880	79.7	108	770	15.8	45	195	4.0	36	30	0.6	49
Medway	6,350	82.1	83	1,070	13.8	76	280	3.6	52	30	0.4	99
Essex	51,170	84.8	42	7,410	12.3	112	1,560	2.6	109	190	0.3	124
East Sussex	19,465	85.8	27	2,715	12.0	117	485	2.1	139	35	0.2	151
Kent	49,555	83.6	63	7,840	13.2	93	1,675	2.8	93	220	0.4	108
South East	135,760	84.2	10	20,580	12.8	32	4,360	2.7	24	525	0.3	33
New Anglia	55,050	83.0	22	9,260	14.0	15	1,785	2.7	27	235	0.4	30
East	210,180	84.1	3	31,925	12.8	7	6,905	2.8	7	980	0.4	7
England	1,794,475	83.0	-	292,650	13.5	-	64,180	3.0	-	9,885	0.5	-

Source: IDBR, ONS, 2012

Figure 3.7: Self-employment (year to March 2013)

	Working age (16-64)			Residents (aged 16+)		
	No.	%	Rank	No.	%	Rank
Southend-on-Sea	10,700	14.4	50	11,300	14.8	57
Thurrock	10,400	13.2	75	10,500	13.3	78
Medway	16,700	14.4	50	17,900	15.0	53
Essex	100,700	15.4	36	114,300	16.6	30
East Sussex	42,200	19.9	8	49,700	22.1	6
Kent	95,000	14.9	42	106,900	16.1	37
South East	275,700	15.6	7	310,600	16.8	7
New Anglia	108,800	14.9	9	121,600	15.9	9
East	393,500	14.2	4	437,900	15.2	4
England	3,274,500	13.6		3,580,000	14.4	

Source: APS, ONS, 2013

Figure 3.8: Usual residents aged 16-74 who mainly work at or from home

	No.	%	Rank
Southend-on-Sea	3,742	4.6	76
Thurrock	2,258	2.9	136
Medway	4,615	3.6	106
Essex	18,796	7.9	17
East Sussex	36,346	5.4	60
Kent	41,072	6.0	46
SELEP	106,829	5.7	19
New Anglia	45,197	6.0	18
East	161,428	5.7	3
England	1,349,568	5.4	-

Source: Census, ONS, 2011

Figure 3.9: New firm formation and closure, 2011

	Business Births			Business Deaths			Annual Change (%)	
	No.	Rate	Rank	No.	Rate	Rank	Births	Deaths
Southend-on-Sea	825	58.5	45	790	56.0	26	21.3	-16.0
Thurrock	715	57.7	46	410	33.1	128	31.2	-24.8
Medway	875	41.4	100	705	33.4	126	17.4	-10.8
Essex	1,995	45.7	84	2,170	49.8	40	1.3	-2.3
East Sussex	6,280	55.2	51	5,535	48.7	48	6.9	-10.0
Kent	6,190	52.3	60	5,600	47.3	55	15.1	-4.5
SELEP	16,880	52.2	10	15,210	47.1	11	11.1	-7.9
New Anglia	5,215	39.8	28	5,505	42.0	25	15.0	0.9
East	24,930	52.5	3	22,640	47.6	3	10.4	-5.9
England	232,460	54.0	-	202,365	47.0	-	12.0	-8.0

Source: Business Demography, ONS, 2012; MYPE, ONS, 2012

3.5 Employment, unemployment and inactivity

SELEP's employment rate at 71.9 per cent is above England's national rate but only 23rd highest amongst the other LEP areas. SELEP's employment rate is also markedly below the rates seen in other LEPs across the Greater South East, most notably in Oxfordshire and Hertfordshire where rates of 77.9 per cent and 77.4 per cent respectively rank them first and second. Southend-on-Sea's rate of 72.2 per cent is the 58th highest in the country and 3rd highest in SELEP behind Thurrock and Essex. By lower tier authority Southend-on-Sea ranks 18th in SELEP.

At 7.6 per cent of working age residents, Southend-on-Sea's unemployment rate is below the national level but above the SELEP and East of England levels to rank 83rd among the 152 upper tier authorities. Although Southend-on-Sea has the third lowest unemployment rate in SELEP it has the highest claimant count rate at 4.0 per cent, well above the 3.4 per cent recorded across the country as whole and the 60th highest in England. Where all out-of-work benefits are considered, Southend-on-Sea ranks 52nd in England, again the highest in SELEP and at 13.4 per cent of working age residents well above the national rate of 11.3 per cent. On all these measures, SELEP ranks in the middle of all LEPs at 14th, 18th and 17th respectively among the 39 LEPs. Further research will be required to understand why such a high proportion of the unemployed are claiming Job Seekers' Allowance. This may be a reflection of the low number of full time students living in the borough[9].

Southend-on-Sea's comparatively low unemployment may mask high under-employment, as the borough has one of the country's highest proportion of employees working part-time, ranking 4th among the 152 English upper tier authorities and 11th among the 326 lower tier, 9.1 percentage points above the national level. In SELEP, Southend-on-Sea ranks third among the 32 lower tier authorities behind Castle Point (42.7%) and Colchester (42.0%). SELEP has the 5th highest proportion of part-time workers of all 39 LEPs behind four of the South West's LEPs: Cornwall, Dorset, Heart of the South West and Gloucestershire.

In the year to March 2013, 27.6 per cent of working age employed residents worked part-time, the second highest share among SELEP's upper tier authorities behind East Sussex. SELEP again has more part-time workers than the country as a whole but on this measure ranks as having only the 25th highest share. The full results are presented in Figure 3.11 below.

Among the 32 districts in SELEP, Southend-on-Sea ranks 4th for both claimant count rate and share of residents in receipt of out of work benefits behind Hastings and Thanet on both scores, and Harlow for JSA claimants and Tendring for out of work benefits as shown in the table below (Figure 3.12).

[9] Of the 973,000 unemployed 16-24 years olds in Q2 2013, 297,000 were full-time students. Only 2.7 per cent of Southend-on-Sea residents were economically active full-time students at the 2011 Census, compared to 3.4 per cent across England.

Figure 3.10: Employment rates (year ending March 2013 and 2011)

	16-64 Employment Rate (year to March 2013)			16-64 Employment Rate (April 2011)		
	No.	**%**	**Rank**	**No.**	**%**	**Rank**
Southend-on-Sea	74,200	72.2	58	88,324	70.7	64
Thurrock	78,300	73.1	47	84,464	74.0	18
Medway	115,900	69.4	89	137,954	71.1	56
Essex	654,000	72.9	49	719,430	71.1	54
East Sussex	212,700	70.9	73	254,952	68.1	112
Kent	637,300	71.4	67	737,908	69.9	76
South East	1,772,400	71.9	23	1,823,815	63.4	18
New Anglia	732,100	75.3	12	724,619	63.1	19
East	2,773,600	74.5	1	3,038,090	71.6	3
England	24,017,000	71.1	-	27,183,134	69.9	-

Sources: APS, ONS, 2013; Census 2011, ONS, 2013

Figure 3.11: Workplace and residence based part-time employment

	Workplace, 2011			Residence, year to Q1 2013		
	No.	**%**	**Rank**	**No.**	**%**	**Rank**
Southend-on-Sea	25,698	41.5	4	20,500	27.6	39
Thurrock	20,467	34.5	63	18,700	23.9	109
Medway	30,077	37.5	19	29,100	25.1	81
Essex	196,669	37.9	17	166,800	25.5	78
East Sussex	64,178	38.4	16	64,700	30.4	8
Kent	201,752	36.2	38	164,600	25.8	70
South East	538,842	37.3	5	464,400	26.2	25
New Anglia	226,389	36.7	7	198,900	27.2	16
East	844,493	35.2	2	694,000	25.0	7
England	7,463,323	32.4	-	6,137,600	25.6	-

Source: BRES, ONS, 2012; APS, ONS, 2013

Figure 3.12: Unemployment rate, claimant count and out of work benefits

	16-64 Unemployment Rate (year to March 2013)			16-64 Claimant count rate (July 2013)			16-64 Out of Work Benefits (February 2013)		
	No.	**%**	**Rank**	**No.**	**%**	**Rank**	**No.**	**%**	**Rank**
Southend-on-Sea	6,300	7.6	83	2,602	3.5	106	14,710	13.4	52
Thurrock	6,600	7.7	80	2,136	2.9	127	11,950	11.5	77
Medway	12,600	9.5	50	3,733	5.0	72	20,540	11.8	73
Essex	54,100	7.3	91	13,332	18.0	3	82,700	9.4	109
East Sussex	18,700	7.7	80	5,563	7.5	51	33,580	10.6	91
Kent	51,300	7.2	93	13,728	18.5	2	93,130	10.1	97
South East	147,000	7.4	14	41,094	2.3	4	256,620	10.3	17
New Anglia	48,000	5.9	27	17,794	2.4	15	98,140	10.0	21
East	202,600	6.6	7	59,794	2.2	6	348,310	9.4	8
England	2,095,200	7.8	-	722,897	3.0	-	3,892,950	11.3	-

Sources: Model-based estimates, ONS, 2013; DWP, 2013

Since the start of the recession, the claimant count in Southend-on-Sea has increased by 68.5 per cent. This is the 56th highest increase in England. However, SELEP has seen an increase of 72.1 per cent, well above the 59.3 per cent seen across England and the 8th highest among LEPs. Over the last year, Southend-on-Sea's claimant count has fallen 15.6 per cent, the 30th strongest improvement in the country and the second strongest in SELEP after Medway (where the number of claimants fell 17.1%). Over a quarter (26.1%) of claimants in Southend-on-Sea are now looking for work as sales and retail assistants, the 56th highest proportion among upper tier authorities and the third highest proportion in SELEP. By district Southend-on-Sea ranks 13th in SELEP on this measure, well behind the 31.8 per cent and 30.2 per cent recorded in Epping Forest and Canterbury respectively.

Economic inactivity is more common in Southend-on-Sea than across the whole of SELEP and England as a whole.

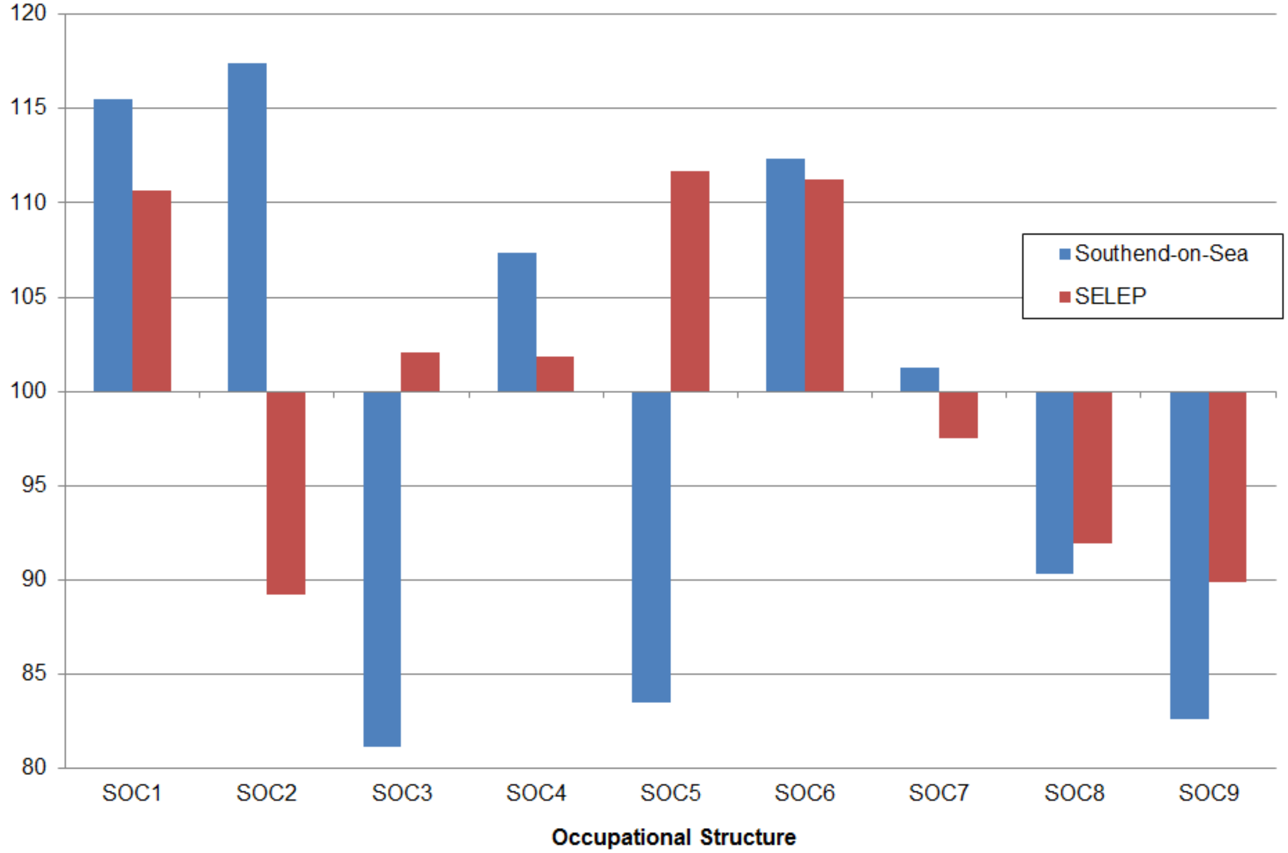
3.6 Occupational Structure

Southend-on-Sea's working age residents are most commonly employed in professional occupations. This is the case across SELEP, the country as a whole and most local authority districts. However, while SELEP is home to comparatively few professionals compared to England, at 22.9 per cent of employed residents, Southend-on-Sea has the highest proportion of professional residents in SELEP and the 35th highest of any upper tier authority in England. By lower tier authority, Southend-on-Sea is ranked 76th of England's 326 and third in SELEP behind Epping Forest (25.4%) and Tonbridge & Malling (23.9%).

Southend-on-Sea also has an over-representation of managers, directors and senior officials (SOC1), caring, leisure and other service occupations and administrative occupations and sales occupations as shown in Figure 3.13. The borough has comparatively few residents employed in associate professional and technical occupations, elementary occupations, skilled trades and plant and process operatives. This occupational structure reflects the public sector orientation of the local economy shown in section 3 and the comparatively small manufacturing and construction sectors as well as reflecting commuting patterns by occupation[10] and the comparatively low earnings available in Southend-on-Sea.

[10] Expected to be released from the 2011 Census later this year

Figure 3.13: Occupational structure[11], year ending March 2013 (England=100)



Source: APS, ONS, 2013

[11] For an explanation of the Standard Industrial Classification see http://www.ons.gov.uk/ons/guide-method/classifications/current-standard-classifications/soc2010/index.html

3.7 Commuting

Southend-on-Sea has the 11th most self-contained labour market in SELEP, with 62.4 per cent of employed residents also working in the borough. This ranks Southend-on-Sea 130th among the 326 lower tier authorities in England. However, high levels of self-containment are associated with weaker and more deprived economies, with the highest levels of self-containment in SELEP being recorded in Thanet, Shepway and Hastings, while the most porous economies are Epping Forest, Sevenoaks and Rochford where between 36 and 42 per cent of residents work in the same district as they live. The next most common places for Southend-on-Sea residents to work are Rochford, Basildon, City of London and Castle Point. In total, 7,200 Southend-on-Sea residents work in central London. The full results are presented in the appendix at table A5.

3.8 Educational attainment

Educational attainment is low in Southend-on-Sea, with 10.7 per cent of residents holding no qualifications and only 23.9 per cent qualified to degree level or above. Across SELEP, only Thurrock has a higher share of residents with no qualifications and a lower share of graduates. Although educational attainment is comparatively low across SELEP, having only the 29th highest share of graduates among working age residents at 28.1 per cent and failing to meet national or regional levels, Southend-on-Sea has lower educational attainment at all cumulative levels. Results by upper tier authority are shown in Figure 3.14 below.

When educational attainment is considered by highest level achieved a clearer picture emerges. Of the 152 upper tier authorities in England, Southend-on-Sea has the 3rd highest proportion of residents with NVQ level 1 as their highest educational attainment at 17.8 per cent and ranks 25th for the share of residents qualified to NVQ level 2 at 19.9 per cent. The low skilled nature of the SELEP economy, which ranks 1st among LEPs for qualifications at NVQ level 1, is demonstrated by Southend-on-Sea ranking 5th not 6th in the LEP ahead of Medway for NVQ level 1 and 4th behind Essex and Thurrock at NVQ level 2. Southend-on-Sea's national rankings fall to 90th and 130th of 152 among upper tier authorities for NVQ levels 3 and 4+, showing weakness compared to the country as a whole in higher and technical skills level prioritised in the government's Plan for Growth, particularly given the proximity of the highly qualified populations of other LEPs in the Greater South East such as Coast to Capital, Greater Cambridge Greater Peterborough, Buckinghamshire Thames Valley and Hertfordshire. The full results are presented in Figure 3.15 below.

District levels results for SELEP are shown at table A6 in the appendix, these show that of the 32 lower tier authorities that make up the LEP, only Tunbridge Wells ranks among the 100 lower tier local authorities with the highest share of graduates, ranking 69th at 41.1 per cent, while only four better the national rate including only Colchester (37.5%) from north of the Thames in SELEP. Of Southend-on-Sea's neighbouring authorities, Castle Point has the lowest proportion of graduates of any local authority in England at 12.8 per cent, while at 20.8 per cent Rochford has the 18th lowest share.

Figure 3.14: Cumulative educational attainment, 2012

	NVA4			NVA3			NVA2			NVA1			No qualifications		
	No.	%	Rank	No.	%	Rank	No.	%	Rank	No.	%	Rank	No.	%	Rank
Southend-on-Sea	24,600	23.9	130	46,100	44.8	131	66,600	64.7	123	84,900	82.5	96	11,000	10.7	52
Thurrock	23,300	21.9	141	44,300	41.7	146	65,900	62.0	142	82,700	77.8	129	14,600	13.7	21
Medway	39,300	23.5	131	76,200	45.7	126	108,300	64.9	121	140,100	84.0	83	16,200	9.7	64
Essex	250,900	28.1	100	445,200	49.8	109	628,700	70.3	93	766,000	85.7	59	75,900	8.5	95
East Sussex	90,100	30.1	85	153,900	51.4	94	210,700	70.3	93	253,500	84.6	74	25,900	8.6	89
Kent	263,700	29.6	91	473,600	53.2	82	632,500	71.1	85	755,400	84.9	68	73,000	8.2	97
South East	691,800	28.1	29	1,239,200	50.4	29	1,712,700	69.6	26	2,082,500	84.7	20	216,600	8.8	20
New Anglia	289,900	29.8	26	501,800	51.7	27	685,700	70.6	22	827,900	85.3	15	81,200	8.4	23
East	1,219,800	32.9	4	1,989,000	53.7	4	2,667,200	72.0	4	3,167,800	85.5	3	314,700	8.5	6
Great Britain	11,502,000	34.2	-	18,476,600	54.9	-	24,164,700	71.8	-	28,324,100	84.2	-	3,187,600	9.5	-

Source: APS, ONS, 2012

Figure 3.15: Highest educational attainment, 2012

	NVA4			NVA3			NVA2			NVA1			No qualifications		
	No.	%	Rank	No.	%	Rank	No.	%	Rank	No.	%	Rank	No.	%	Rank
Southend-on-Sea	24,600	23.9	130	21,500	20.9	90	20,500	19.9	25	18,300	17.8	3	11,000	10.7	52
Thurrock	23,300	21.9	141	21,000	19.8	105	21,600	20.3	19	16,800	15.8	16	14,600	13.7	21
Medway	39,300	23.5	131	36,900	22.2	50	32,100	19.2	35	31,800	19.1	1	16,200	9.7	64
Essex	250,900	28.1	100	194,300	21.7	68	183,500	20.5	14	137,300	15.4	19	75,900	8.5	95
East Sussex	90,100	30.1	85	63,800	21.3	79	56,800	18.9	43	42,800	14.3	37	25,900	8.6	89
Kent	263,700	29.6	91	209,900	23.6	24	158,900	17.9	73	122,900	13.8	51	73,000	8.2	97
South East	691,800	28.1	29	547,400	22.3	13	473,500	19.2	10	369,800	15.1	1	216,600	8.8	20
New Anglia	289,900	29.8	26	211,900	21.9	19	183,900	18.9	13	142,200	14.7	4	81,200	8.4	23
East	1,219,800	32.9	4	769,200	20.8	7	678,200	18.3	2	500,600	13.5	3	314,700	8.5	6
Great Britain	11,502,000	34.2	-	6,974,600	20.7	-	5,688,100	16.9	-	4,159,400	12.4	-	3,187,600	9.5	-

Source: APS, ONS, 2013

3.9 Earnings

Residents of Southend-on-Sea have gross median hourly earnings of £11.77, rising to £13.49 for those employed full-time. This rate of pay ranks Southend-on-Sea's residents 59th and 52nd respectively among the 152 upper tier authorities in England and above both the national and East of England medians. However, those working in Southend-on-Sea earn less than those working across the East of England and in the country as a whole at £10.53 and £11.61 respectively for all and full-time workers, these are the third and second lowest hourly rates seen among SELEP's six upper tier authorities. Full results are presented in Figure 3.16 below.

3.10 Economic Deprivation

Across SELEP, 44.0 per cent of lower level super output areas (LSOAs) are among the most deprived half of all England's LSOAs, in Southend-on-Sea this rises to 64.5 per cent. SELEP ranks 17th among the 39 LEPs on this measure, some way behind the 76.8 per cent recorded in the Black Country or 73.2 per cent across the Liverpool City Region. However, Southend-on-Sea is the 7th most deprived of the 32 SELEP lower tier authorities on this measure, ranking 79th of all 326 local authority districts in England. Southend-on-Sea's economic deprivation is compared to SELEP's in Figure 3.18 below.

Similarly, Southend-on-Sea has a higher proportion of households in fuel poverty than SELEP, the East of England region and the country as a whole. At 16.9 per cent of households, Southend-on-Sea has the highest share of households where heating accounts for more than 10 per cent of income of the six upper tier authorities in SELEP and third highest among the 32 lower tier authorities, behind Tendring and Rother as shown in Figure 3.17.

Figure 3.16: Workplace and residence based gross median hourly pay, 2011

	Residence				Workplace			
	All	**Rank**	**Full-time**	**Rank**	**All**	**Rank**	**Full-time**	**Rank**
Southend-on-Sea	£11.77	59	£13.49	52	£10.53	89	£11.61	96
Thurrock	£11.82	56	£13.5	51	£9.79	127	£11.43	105
Medway	£11.64	65	£12.88	65	£10.78	76	£12.26	78
Essex	£12.07	49	£14.23	40	£10.74	80	£12.57	66
East Sussex	£11.22	71	£12.72	69	£10.11	105	£11.82	92
Kent	£12.12	47	£13.68	50	£10.78	76	£12.47	70
South East	Not available for LEPs				Not available for LEPs			
New Anglia								
East	£11.63	3	£13.43	3	£10.85	3	£12.38	3
England	£11.44	-	£12.99	-	£11.43	-	£12.98	-

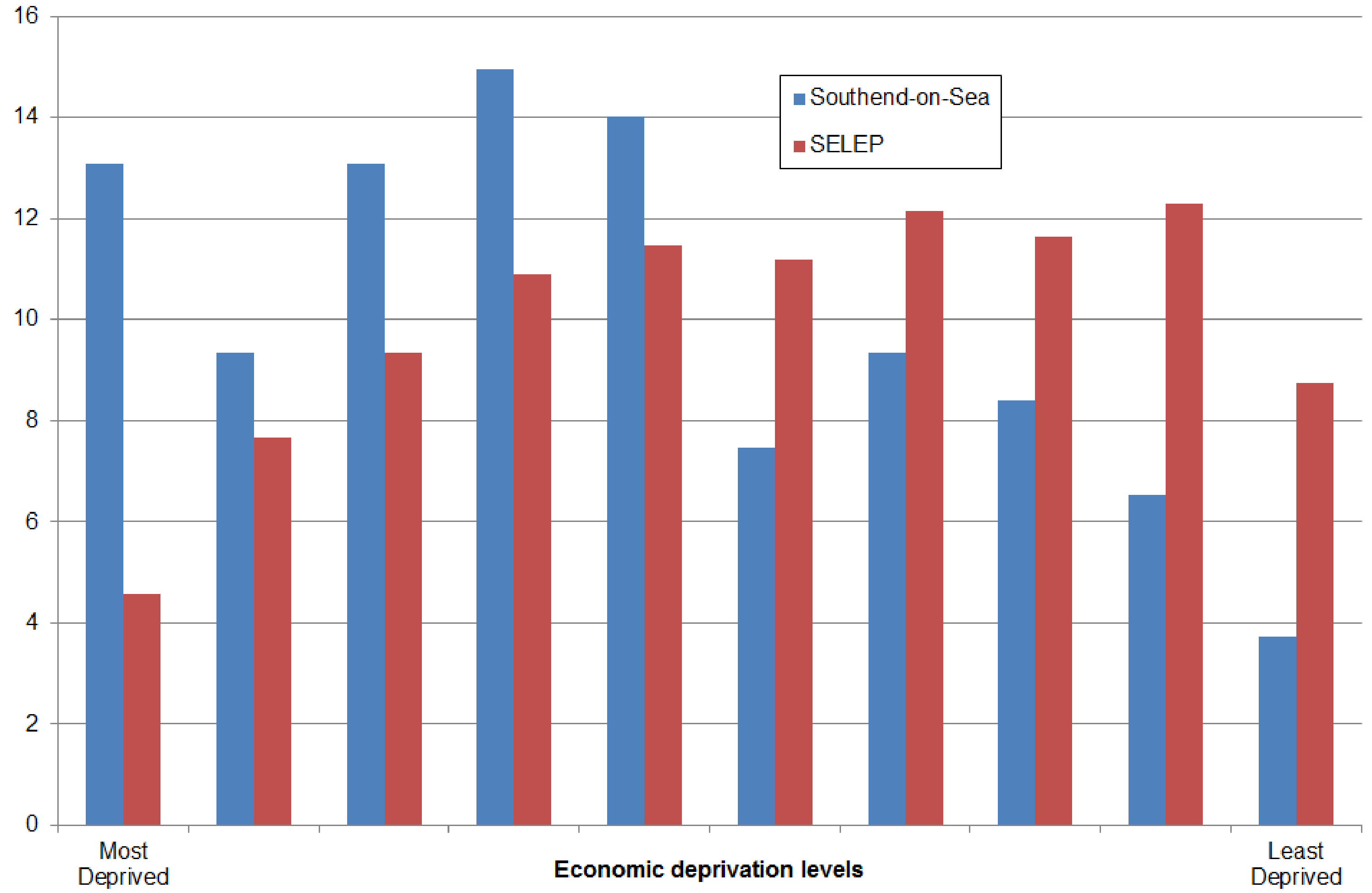
Source: ASHE, ONS, 2013

Figure 3.17: Fuel Poor Households, 2011

	Households	**Households in fuel poverty**	**%**	**Rank**
Southend-on-Sea	74,529	12,602	16.9	106
Medway	105,749	10,510	9.9	34
Thurrock	64,362	6,818	10.6	49
Kent	592,591	68,796	11.6	54
Essex	588,634	78,112	13.3	63
East Sussex	226,703	31,126	13.7	68
SELEP	1,652,568	207,964	12.6	12
New Anglia	686,646	116,817	17.0	25
East	2,442,643	339,341	13.9	3
England	21,918,363	3,201,948	14.6	-

Source: DECC, 2013

Figure 3.18: Economic deprivation, LSOAs by national decile, 2009



Source: DCLG, 2012

4. ECONOMIC GEOGRAPHY

4.1 Introduction

The location and physical attributes of Southend-on-Sea 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-on-Sea, it is important to consider the roles that it plays at sub-regional, regional and national levels. This section explores the economic linkages between Southend-on-Sea and the surrounding geography and outlines the different economic roles that the borough plays.

4.2 A Changing Place

Southend-on-Sea 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.

Southend-on-Sea's popularity grew in the Nineteenth Century as railway connections were established and it became London's most accessible seaside town. The popularity of Southend-on-Sea 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 led to a decline in the tourism industry in the 1960s and 1970s, and in 2011 annual visitors are estimated at around 5.6 million people per year. Unlike many other traditional seaside locations, Southend-on-Sea was quick to supplement its major industry with other sectors. This signified the beginning of the commercialisation of the town and the move to become less reliant on tourism.

During this period Southend-on-Sea 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. Figure 4.1 below illustrates the top ten employers of full time staff.

Figure 4.1: Top 10 employers of full time employees in Southend-on-Sea

Organisation name	Full Time Employees
Southend University Hospital NHS	2,627
Royal Bank of Scotland Group PLC	2,024
HM Revenue & Customs	1,226
Southend-on-Sea Borough Council*	749
KEYMED (Medical and Industrial)	627
South Essex College	548
Post Office LTD	386
Essex Police	385
HSBC Bank PLC	328
Lloyds Banking Group PLC	300

Source: IDBR, 2012
*Notes: *Regarding the Council's FTE numbers, IDBR only covers individuals employed at actual Council offices (i.e. as administrative units). This is important when comparing this number with the higher Council employee figure from the Quarterly Public Sector Employment Survey 2012 (see Figure 5.15).*

Southend-on-Sea is home to the customer contact centre of Royal Bank of Scotland. 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-on-Sea.

Southend-on-Sea 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. London Southend Airport has been being transformed 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-on-Sea'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-on-Sea, however the evidence in this assessment clearly highlights the distance travelled from the seaside town of the 1950s.

4.3 Roles and relationships

The economic geography of Southend-on-Sea can be defined by its roles as a place and the associated functional economic areas. As highlighted throughout this report, Southend-on-Sea cannot 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-on-Sea has a variety of roles depending on what evidence is used. This section outlines the five main roles that Southend-on-Sea 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-on-Sea are as follows:

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

Southend-on-Sea: a sub-regional employment hub

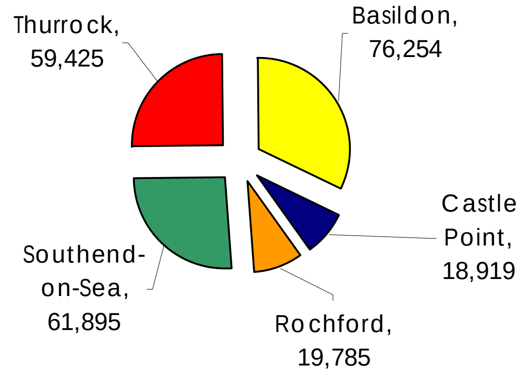
Southend-on-Sea is the largest urban area in Essex acting as a major employment centre for people living in and outside of the town. The employment catchment area extends throughout the county with the greatest proportion of commuters travelling into Southend-on-Sea from neighbouring Rochford and Castle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

Within TGSE, the main sub-regional employment hubs are Southend-on-Sea, Basildon and Thurrock.

Figure 4.2, below, shows that Basildon provides the greatest number of jobs given that 32 per cent (76,254 employees) of all employees within the TGSE sub region work in Basildon. Southend-on-Sea is close behind with 26 per cent (61,895) 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-on-Sea. The 2012 Southend-on-Sea Business survey reveals that more than three-fifths of businesses in Southend-on-Sea (61%) have a market reach (i.e. the area in which most of their customers are based) of the local area only. One in seven has a regional (21%) or UK market reach (14%). Fewer than one in twenty export to Europe (1%) or the World (3%).

Figure 4.2: All employees within the TGSE sub region



Source: Business Register and Employment Survey (BRES), 2013

Southend-on-Sea is a significant employment hub and is further away from London than Basildon and Thurrock, areas that are more likely to benefit from commercial employment opportunities from the capital. Southend-on-Sea 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-on-Sea such as Olympus Keymed and IPECO. The University Hospital is also a very large employer in the town and serves a much wider area than just Southend-on-Sea.

Southend-on-Sea: A commuter town

In contrast to the previous section which outlined the borough's characteristics as a stand-alone employment hub, Southend-on-Sea does also exhibit some characteristics of a dormitory or commuter town. This can be expected given that Southend-on-Sea benefits from two direct train lines in to the City of London which makes it an attractive residence for commuters. In 2011, 62 per cent of Southend-on-Sea residents worked within the borough. Over ten per cent of residents work in London, whilst nearby Rochford (6.6%) and Basildon (5.3%) 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-on-Sea, 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.

Southend-on-Sea: 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 5.6 million visitors in 2011 with an associated spend of £357 million within the local economy.[12]

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. This offer is supported by a fully resourced watersports centre. Adventure Island and the Sea Life Adventure are also very popular attractions adding to the visitor offer.

The analysis conducted as part of this LEA suggests that, whilst Southend-on-Sea might look and feel like a seaside town, its economic characteristics lack seasonal unemployment and intense (and 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 continuing to move closer to the regional and national averages.

Southend-on-Sea: An education/entrepreneurial hub

Two of Southend-on-Sea's assets are education and entrepreneurship. At Primary and Secondary level education, Southend-on-Sea 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-on-Sea to assume the role of an education centre in the sub-region. The university campus in Southend-on-Sea 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's Southend campus 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 while business survival and growth rates are improving – where indicators suggest it has struggled in the past. 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.

Southend-on-Sea: A cultural centre

Southend-on-Sea has a significant concentration of creative and cultural businesses located in the borough, particularly in Leigh, Westcliff and Southend-on-Sea 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-on-Sea and helping the town retain some of the spending power of residents that work in London.

Southend-on-Sea 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. 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-on-Sea.

[12] Tourism South East Volume and Value Report, October 2011

5. BUSINESS AND ENTERPRISE

5.1 Introduction

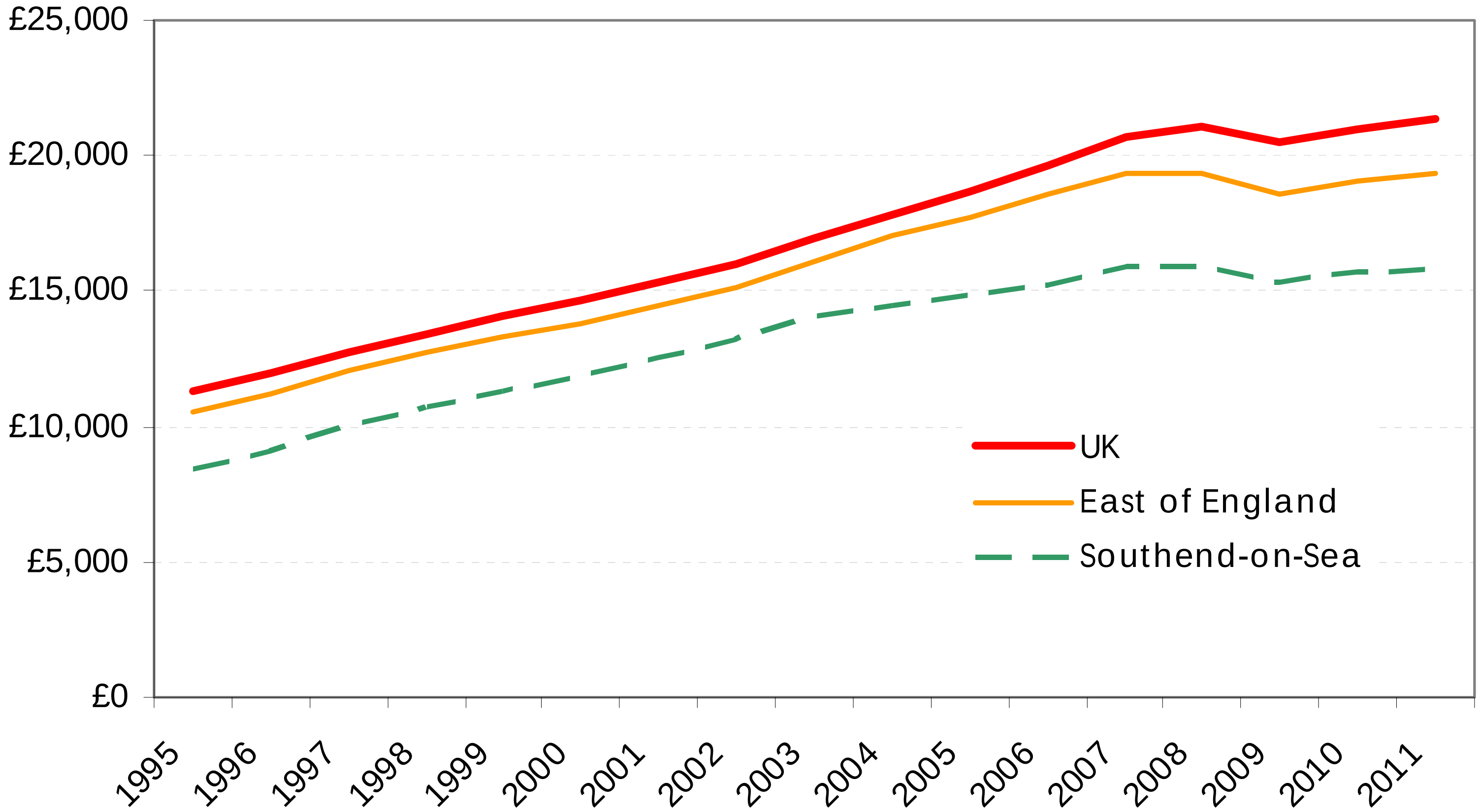
This section builds on SELEP comparator analysis to provide an in-depth examination of the business makeup of the Southend-on-Sea economy. In particular it focuses on what kinds of firms are operating in Southend-on-Sea, the special concentrations of firms in particular industries, and their overall contribution to the life and prosperity of the borough.

5.2 Southend-on-Sea's Economic Contribution

In 2011, Southend-on-Sea's economy generated £2.6 billion in Gross Value Added (GVA). However, GVA per head in Southend-on-Sea is lower than the regional and national averages, and the gap has grown in recent years. Figure 5.1, below, displays this path, showing steady increases in line with the national trend from 1995 to 2011, followed by a slowdown and slight recovery in GVA growth.

This figure represents the contribution made by businesses located within the borough; as will be discussed in later sections, people who live in Southend-on-Sea 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.

Figure 5.1: GVA per head in context (1995 to 2011)



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

5.3 Sectoral Breakdown and Trends

In order to understand this economic contribution in more depth, this section examines the sector mix within the Southend-on-Sea 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-on-Sea 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 1997 and 2012, 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 5.2, below, illustrates these structural changes, and Figure 5.3 contains the data as modelled by Experian.

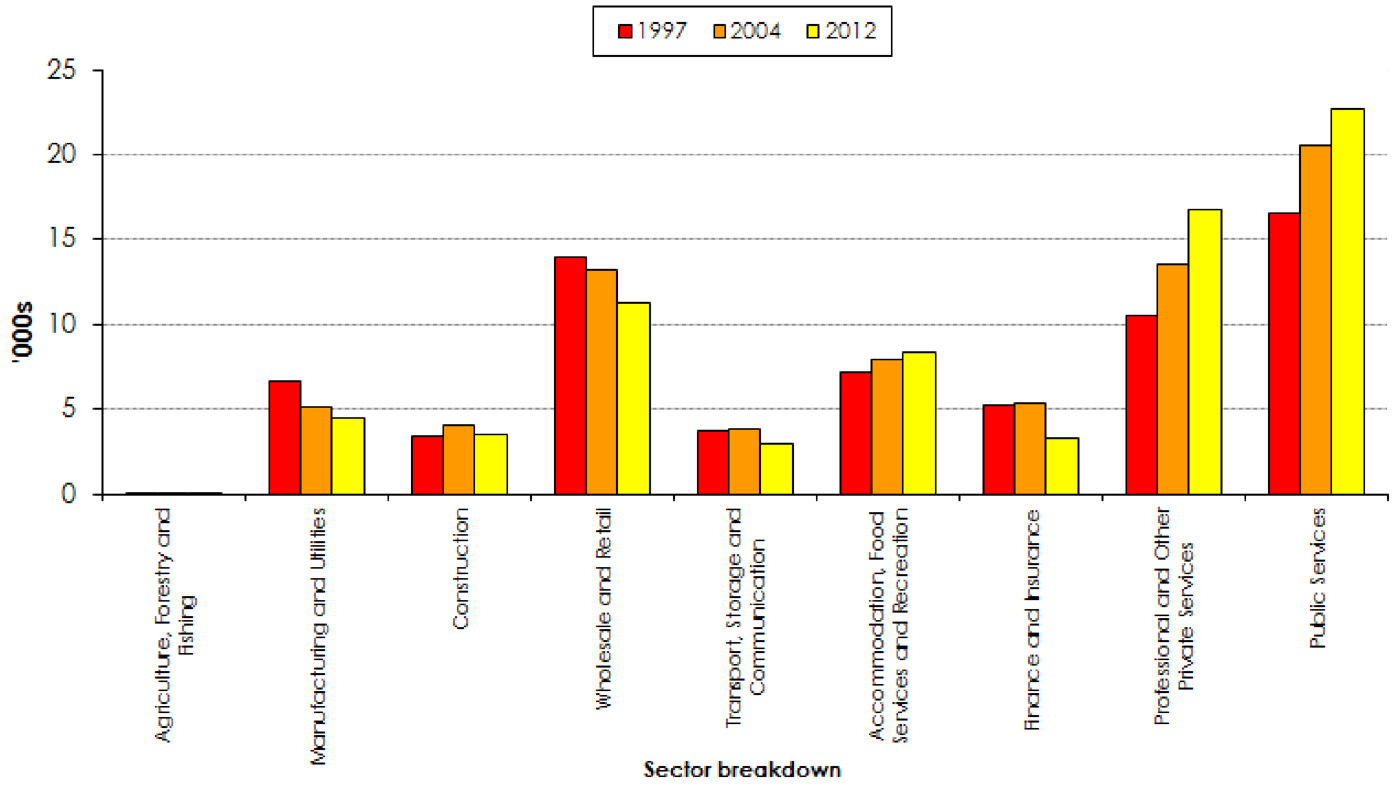
Later analyses will display more precise figures from publicly available sources, while these are provided as an indication of broader long-term trends. Today, this sectoral mix in employment makes Southend-on-Sea an overwhelmingly service-driven economy, heavily reliant on public sector employment.

Figure 5.3: Long-term employment trends

	1997	**2004**	**2012**
Agriculture, Forestry and Fishing	10	6	10
Manufacturing and Utilities	6,670	5,170	4,470
Construction	3,380	4,080	3,510
Wholesale and Retail	13,910	13,230	11,220
Transport, Storage and Communication	3,730	3,840	2,980
Accommodation, Food Services and Recreation	7,190	7,910	8,300
Finance and Insurance	5,230	5,380	3,320
Professional and Other Private Services	10,520	13,570	16,750
Public Services	16,500	20,500	22,660

Source: Experian 2013

Figure 5.2: Long-term employment trends



Source: Experian 2013

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-on-Sea is home to 651 Local Units in the construction sector, 90 per cent of which employ fewer than five staff (IDBR 2012).[13] The same figure for the United Kingdom was 81 per cent in 2009 (UK Business). The small size of construction firms and the lower productivity are likely to be attributable to a combination of two factors: first, Southend-on-Sea's urban density and small supply of developable land mean that demand for significant local construction employment has been limited; second, Southend-on-Sea's local and sub-regional market for construction services is physically limited by its coastal location.

Jobs in distribution, transport and communications (including retail and hospitality sectors) are also less productive than the national benchmark. This is a reverse on the position in 2010 and shows that productivity has declined in this sector, possibly as a result of the recession, falling visitor numbers and lack of investment.

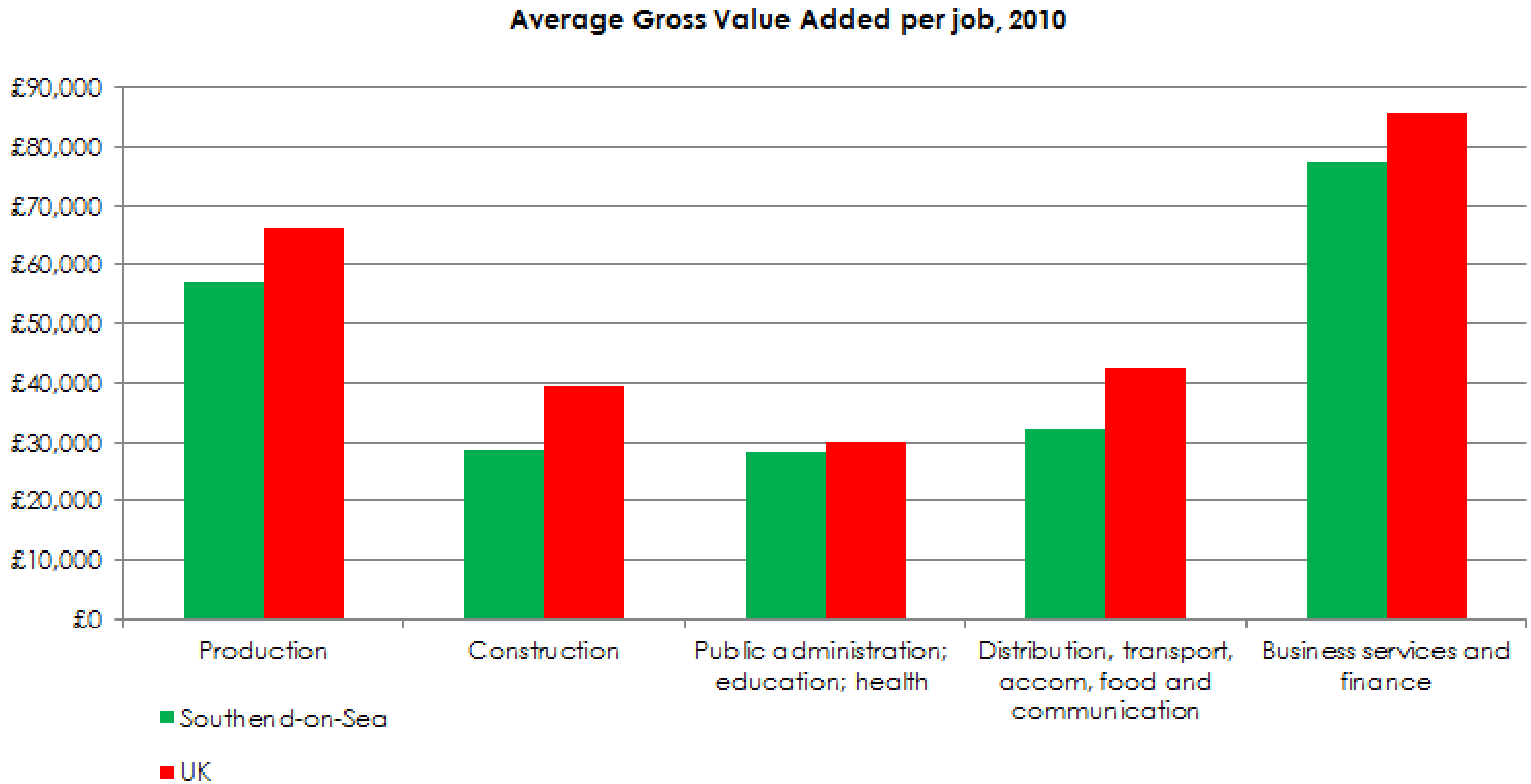
[13] Local Unit: a statistical term referring to an employment site, rather than an enterprise. One enterprise may have more than one local unit within the same area. While an enterprise based in Southend will be registered in Southend, a local unit in the borough may be part of an enterprise based anywhere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

Finally, employment in the business services and finance sector, although comprising the most productive jobs on average in the borough, falls 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-on-Sea falls into the cluster of sub-sectors we have called 'back-office functions'. These jobs are largely in supporting 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 5.4, (below). Agriculture, Forestry and Fishing has been excluded due to the very low number of companies in the category in Southend-on-Sea – very small sample sizes lead to highly variable and anomalous results for GVA, turnover and employment. We believe that there are 87 jobs in the Agriculture, Forestry and Fishing sectors in the borough (IDBR, 2012). 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.

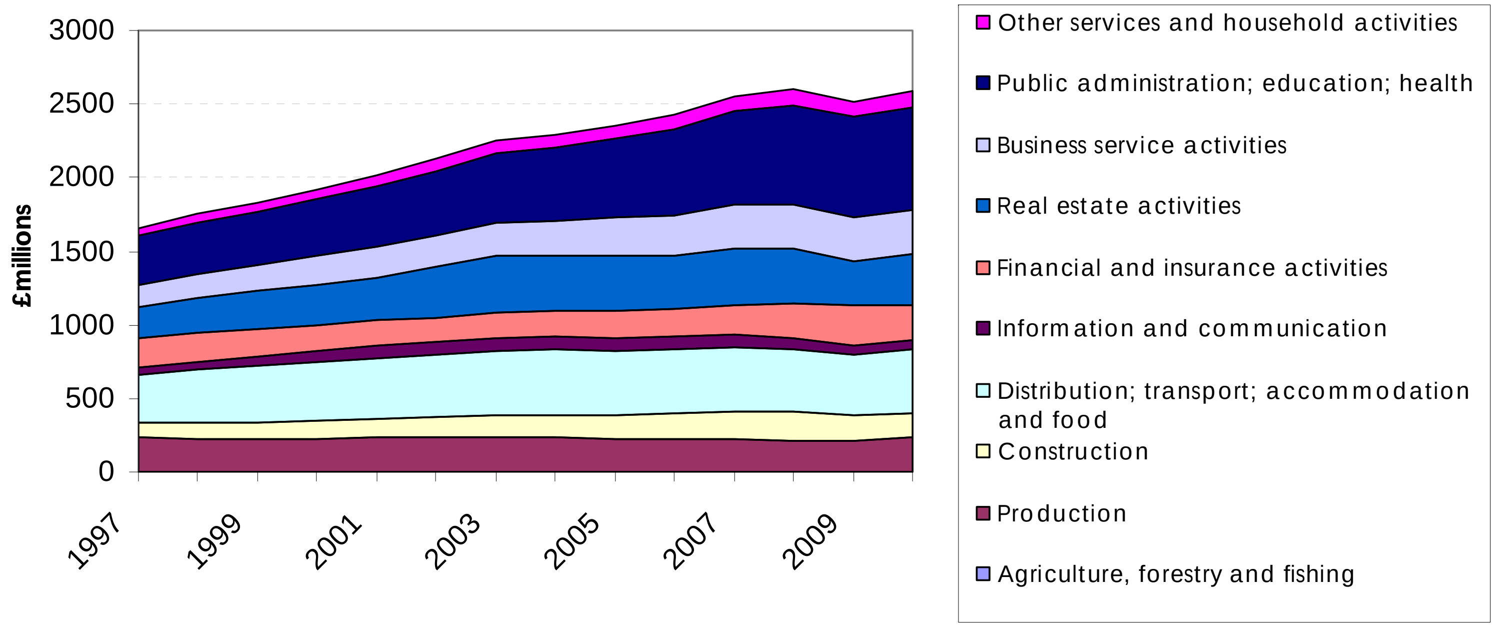
Figure 5.5, below, displays the total GVA produced in Southend-on-Sea by industry. Southend-on-Sea's competitiveness as a location for the business services and finance sector reached something of a limit in 2003/04 following a prolonged period of inward investment and relocation. This coincides with 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.

Figure 5.4: Productivity by industry



Source: ONS, Annual Population Survey, Headline GVA by UTS3

Figure 5.5: GVA by industry, 1995 to 2007



Source: ONS, Headline GVA by NUTS3

Figure 5.6, , presents total GVA produced in Southend-on-Sea 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). There have been significant rises in the GVA generated by public services by five percentage points and this is a key weakness of the economy in terms of its reliance on public sector employment and the risks associated with this.

2003/04 was the start of acceleration in the off-shoring of business services, as is revealed in the Pink Book, the UK accounts of international trade. As Figure 5.7, below, illustrates, a significant amount of international outsourcing took place from 2004 onwards. Companies that might otherwise have followed HMRC, RBS and others in investing in Southend-on-Sea found more competitive environments overseas, and job growth in the financial and business services sector consequently slowed.

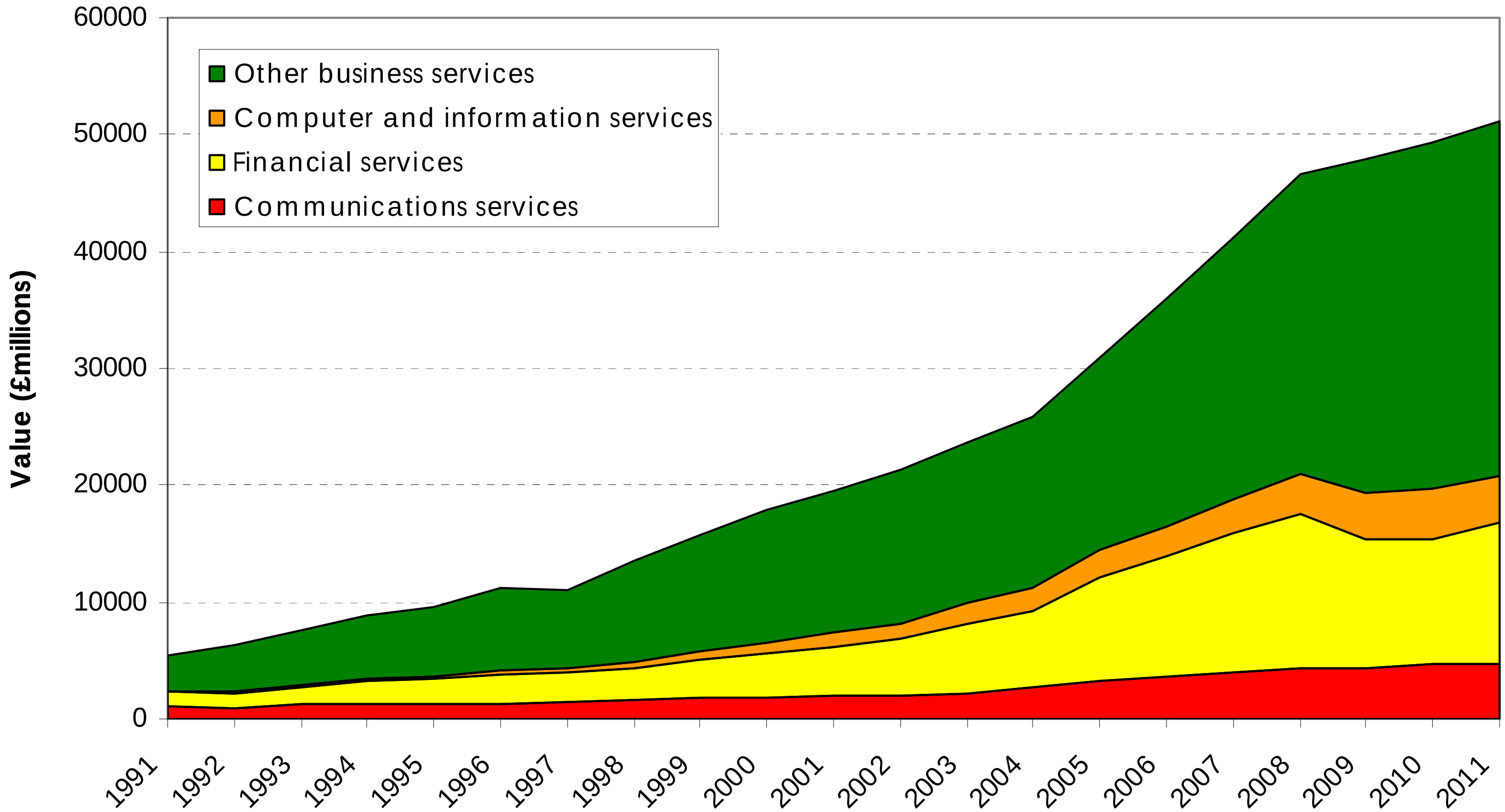
These various trends have created an industrial structure which differs from national and regional trends, forming a distinctive sectoral makeup. Today, Southend-on-Sea is both a business services and public administration centre, with niche strengths in the production industries and the prospect of an emerging cultural and creative sector. Figure 5.8 illustrates how this structure compares to other areas. Southend-on-Sea's largest sectors are more significant than the largest sectors elsewhere, showing both the local specialisms, and the local vulnerabilities that result.

Figure 5.6: Percentage total GVA and percentage point change 1997 to 2010

	1997	2004	2010	pp change 1997 to 2004	pp change 2004 to 2010
Agriculture, forestry and fishing	0.1	0.2	0.1	0.1	-0.1
Production	13.9	9.9	8.8	-4.0	-1.1
Construction	6.1	6.8	6.6	0.7	-0.2
Distribution; transport; accommodation and food	19.8	19.3	16.5	-0.5	-2.8
Information and communication	2.7	3.7	2.3	1.0	-1.4
Financial and insurance activities	12.0	7.7	9.2	-4.3	1.5
Real estate activities	13.0	16.4	13.6	3.4	-2.9
Business service activities	8.7	10.2	11.6	1.5	1.4
Public administration; education; health	20.2	21.9	27.0	1.6	5.1
Other services and household activities	3.3	3.8	4.3	0.5	0.5

Source: ONS, Headline GVA by NUTS3

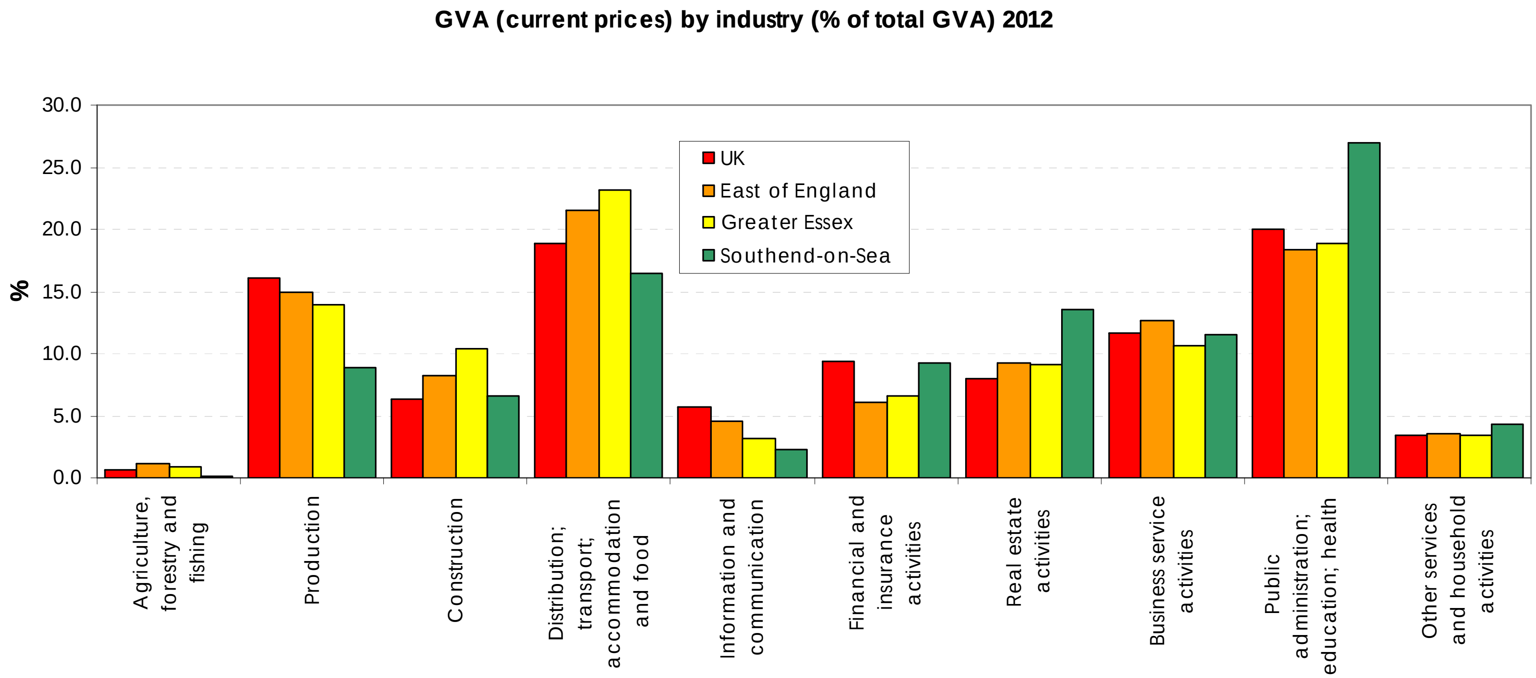
Figure 5.7: The UK trend towards off-shore outsourced services



Source: Pink Book: Time Series data, ONS[14]

[14] Balance of Payments: Trade in Services (Imports)

Figure 5.8: Benchmarking Southend-on-Sea's industrial structure



Source: ONS, Headline GVA by NUTS3

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

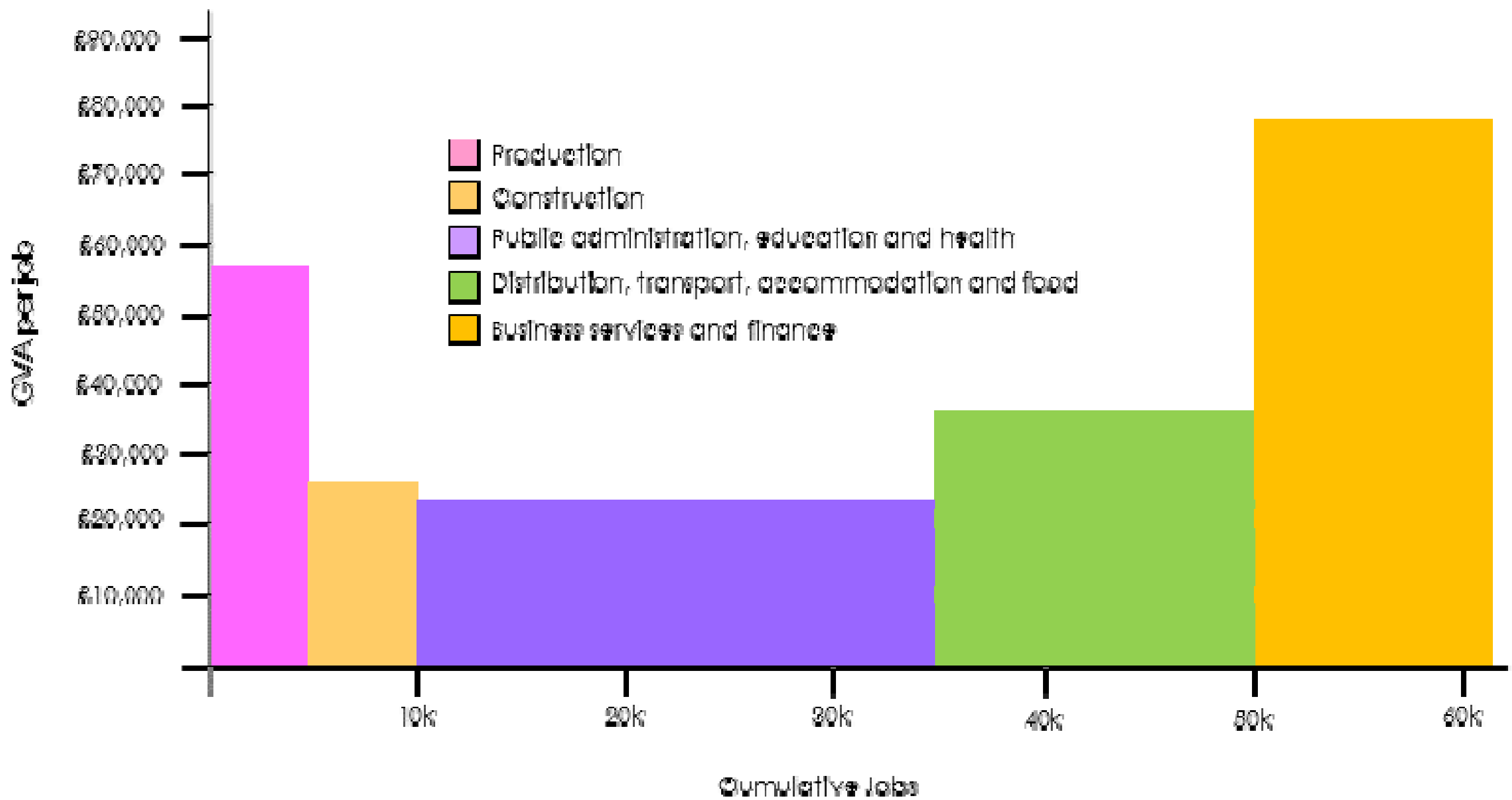
- The majority of jobs in the borough are relatively low productivity, especially the very high number of jobs in the public and other sectors.
- The average level of GVA per head is boosted by the financial and business services sector, but growth in the sector have stalled since 2002.
- The borough's 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 5.9, below, shows GVA per job against the number of jobs, by sector in 2010.

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 Figure 5.10, below, shows the 10 narrowly defined sectors which meet two criteria:

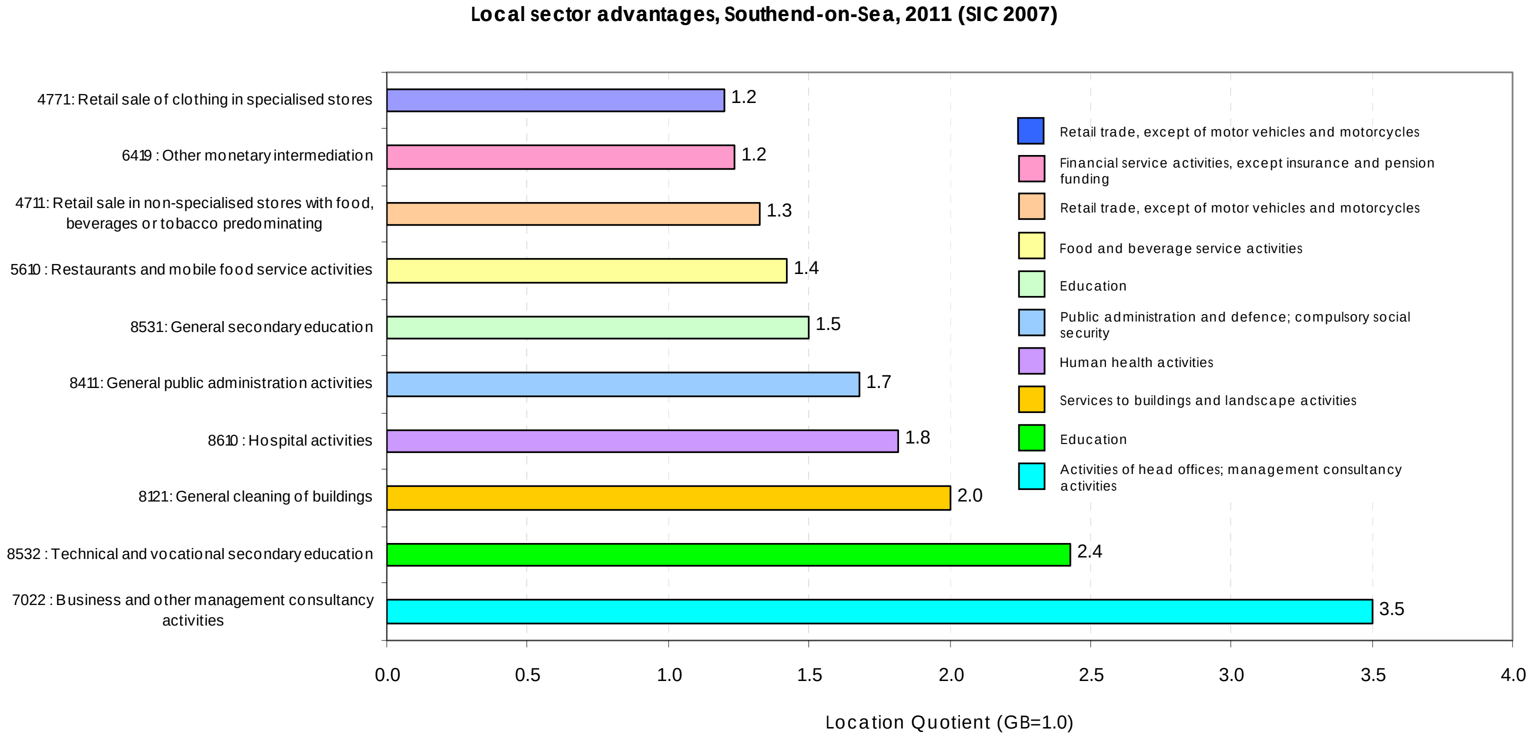
1. A location quotient greater than 1.2; and
2. Employment above 928 people (1.5% of Southend-on-Sea's total employment number 61,895).

Figure 5.9: Structure of Southend-on-Sea's economy, 2010



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

Figure 5.10: Sectoral concentrations in Southend-on-Sea



Source: Business Register and Employment Survey (BRES), 2013

Activities of head offices, management consultancy activities, financial services, other monetary intermediation 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-on-Sea's economy for generations, and although the town is not reliant on the visitor economy, the role played by tourism – in publicising Southend-on-Sea, 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.

Southend-on-Sea 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, the public sector is a key sector in this LEA.

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.

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

5.4 Key Sector Profiles

Tourism

Southend-on-Sea has been a tourist destination for two centuries, and the town is estimated to have attracted 5,998,300 visitors in 2011.[15] The majority of these visitors (95.8%) 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, Southend-on-Sea's accessibility exacerbates the issue for the local industry. As the nearest seaside option to London, tourists can travel easily to Southend-on-Sea (within a day).

Day trips to Southend-on-Sea have declined by 5.7 per cent between 2010 and 2011 while 'staying trips' (overnight stays) have witnessed a more pronounced decline of 7 per cent. Declines in spending are not so pronounced which suggests that the town is attracting higher spending visitors. Total visitor spend has increased by 3.9 per cent between 2010 and 2011 to £357.9m. Despite the decline in day visitor numbers, spend has increased by 3.9 per cent, while staying spend has decreased by only 3.9 per cent, significantly less than the decline in staying visitor numbers[16].

Tourists spend money in restaurants, cafes, bars and shops, in cultural attractions and at events. Tourism accounts for 7,646 jobs in Southend-on-Sea and is therefore responsible for 12.3 per cent of all employment in the borough[17]. This compares to a 2008 study which showed that tourism was responsible for 6,763 jobs and 18.3 per cent of total employment (Figure 5.111). While not directly comparable, this shows that while there has been employment growth on the sector, local dependence on tourism has potentially reduced.

The 2008 study showed that 28.4 per cent of these jobs are sustained by overnight visitors, even though they make up only 5 per cent of Southend-on-Sea'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. The 2011 data supports this and shows that the average day spend is £41.28 compared to £170.01 for overnight visitors.

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-on-Sea by one of the major events. During the summer, and especially over weekends, most if not all visitor accommodation has tended to be occupied.

[15] Tourism South East Volume and Value Report, October 2011
[16] Tourism South East Volume and Value Report October 2011
[17] Tourism South East Volume and Value Report October 2011

Figure 5.11: 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

Data from 2009 showed that there are nine hotels in the borough, along with 11 guesthouses, providing an overall total of 685 rooms. The most recent IDBR data shows that this total number of accommodation businesses has not increased. One of the largest hotels, the Park Inn Palace, opened in March 2010 with 137 rooms.[18] 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, London Southend Airport generates some business stays, especially from aircrew, engineers and those taking flying courses at one of the three flying schools based at London Southend Airport and this is likely to increase as the airport expands and with the completion of the new Airport Hotel.

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 in 2010 questioned the extent to which visitors explore higher-end shopping facilities further away from the waterfront. Improvements to the physical fabric of the esplanade have been completed under the City Beach development project, and have enabled a smoother transition between the High Street and the esplanade. These public realm improvements have enhanced 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 in the longer-term.

Retail

Southend-on-Sea 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-on-Sea faces competition from the town centres of Basildon and Chelmsford, and the two shopping

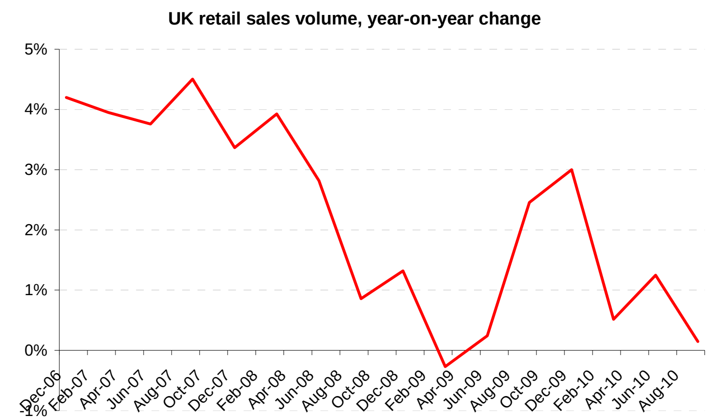
[18] Southend Hotel Futures Study 2009

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-on-Sea's retail sector currently employs over 7,130 people (IDBR 2012[19]), which is 11.5 per cent of the workforce. It accounts for 597 units (some companies have multiple units), a reduction from 631 in 2010. This ranges from major national chains such as BHS, Debenhams, Marks and Spencer and Primark, to independent traders.

The UK retail trends are illustrated in Figure 5.12.

Figure 5.12: UK retail trends 2007 to 2010



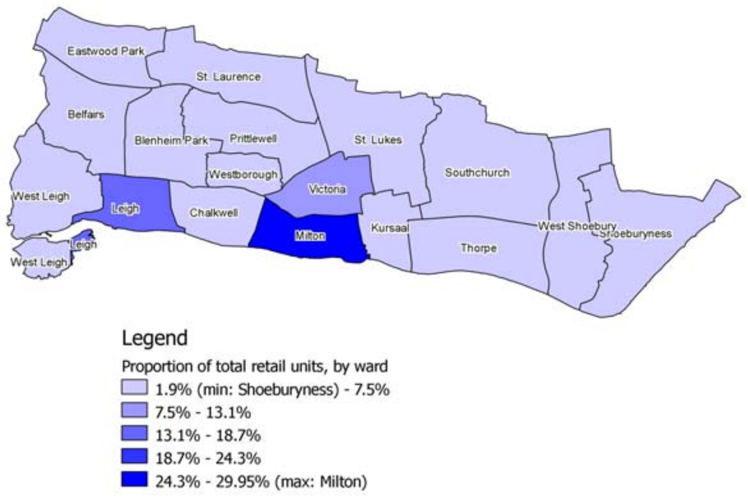
Source: Experian 2010

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.

Among the residents of Southend-on-Sea there are very different levels of spending power, and accordingly different retail needs. The retail offer in Southend-on-Sea is varied across different geographical centres, with a higher concentration of independent traders in Leigh-on-Sea than in the town centre. Figure 5.13 illustrates the spatial concentration of shops within Southend-on-Sea – the town centre and Leigh are clearly predominant.

[19] We use SIC(2003) definitions throughout this analysis.

Figure 5.13: Southend-on-Sea's retail centres



Source: IDBR 2010, GVA 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 2012 Southend Business Survey reported that 66 per cent of Southend-on-Sea retailers 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-on-Sea sustain 45 per cent of all employment in the sector, amounting in 2012 to 3,209 people, although they make up only 3 per cent of all retail units. Figure 5.14, 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 2,280 employees (3.7% of the workforce). In a town with such a significant visitor economy, the vitality of this sector is crucial. As highlighted in Section 2, Southend-on-Sea's High Street and sea front were awarded Purple Flag status for night life in 2012. The Purple Flag accreditation award recognises excellence in the management of town and city centres at night.

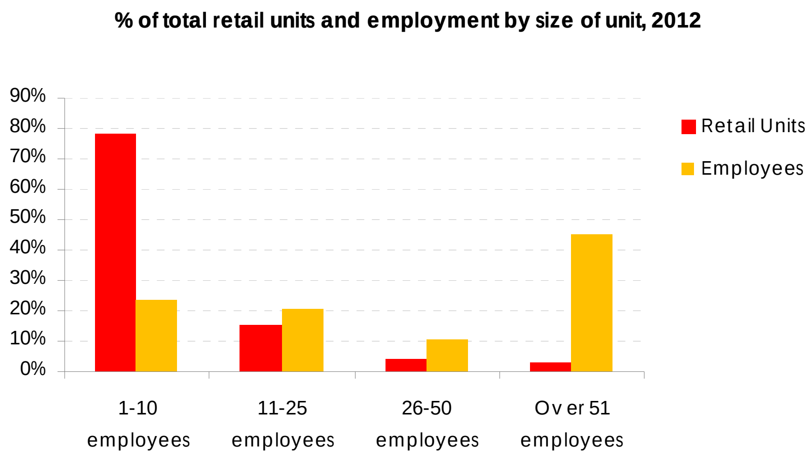
The award reflected several developments in the city including the City Beach development which involved a new public space with innovative lighting, attractive landscaping and a popular water fountain and a new cultural centre which opened July 2012.

In 2010, headline figures from the Department for Culture, Media and Sports indicated that Southend-on-Sea has 603 licensed premises and 42 licensed clubs as of 31 March 2010[20]. This equates to 37 licensed premises per 10,000 residents, the highest density of pubs and bars in the Thames Gateway South

[20] These figures have not been updated since 2010.

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 5.14: Retail units and retail employment



Source: IDBR 2012

Public Sector

Almost one-quarter of all employment in Southend-on-Sea was in the public sector in 2012, making a total of 22,660 jobs. Two factors account for much of the over-representation: the status of Southend-on-Sea Unitary Authority as an administrative hub with services 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.

Southend University Hospital is the borough's largest single employment site, accounting for over 4,785 jobs.

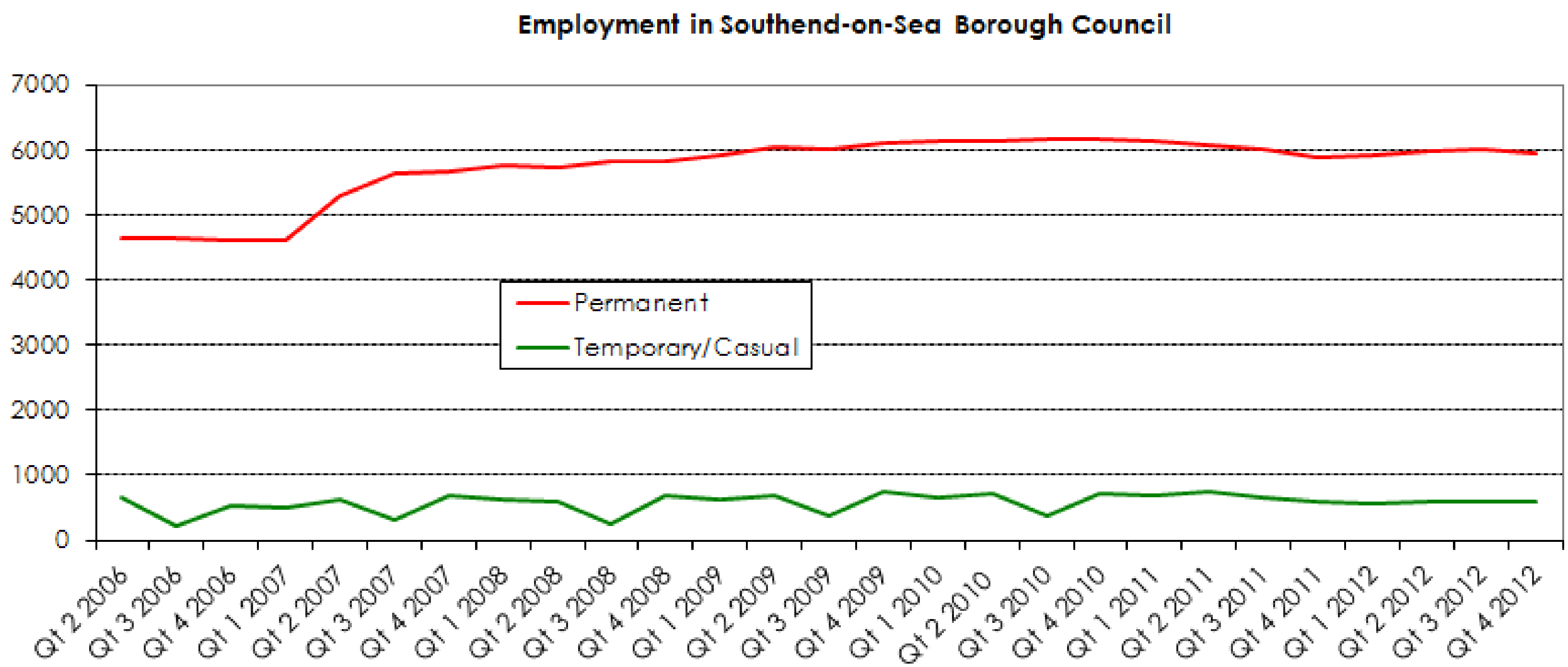
The planned real-terms increase in NHS funding announced in the 2013 Spending Review is being accompanied by a major internal reform programme, since without some improvements in efficiency the growing demand for healthcare services will soon outstrip the small increase in funding allowed. Much of the funding for adult social care has typically come from Local Authorities, but some of this spending is discretionary; with councils facing a 7.1 per cent annual decrease in their budgets each year, the social care sector is likely to come under pressure.

Total employment in Southend-on-Sea is extremely significant to the area, with 6,520 Council workers including those in education institutions in the final quarter of 2012.[21] Figure 5.15, see below, 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.

Figure 5.16, below, shows the impacts on business performance according to the 2012 Southend Business Survey and shows that parking and energy costs are key constraints. Congestion, profitability and increasing competition are also cited as key issues by businesses.

[21] LGA, Quarterly Public Sector Employment Survey 2012; available online at http://www.lga.gov.uk/payandworkforce

Figure 5.15: The Unitary Authority*



Source: LGA, Quarterly Public Sector Employment Survey
*Notes: *The Quarterly Public Sector Employment Survey covers all staff held on the local authority payroll system. For example, this includes teachers (where the school is not an academy and where they choose to utilise the LA payroll), school support staff, and all directly employed LA staff (which will include cleaners and maintenance staff where they are directly employed). This is important when comparing this number with the lower Council employee figure from the IDBR data (see Figure 4.01).*

Figure 5.16: Top impacts on business performance

Source: 2012 Southend Business Survey

Back office functions

Since the arrival of HM Customs and Excise in the 1960s, Southend-on-Sea'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-on-Sea 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, Insure and Go and Aviva are among the significant companies to have kept their facilities in Southend-on-Sea, 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 per cent of all jobs located in the sector, it remains vital to the town's prosperity.

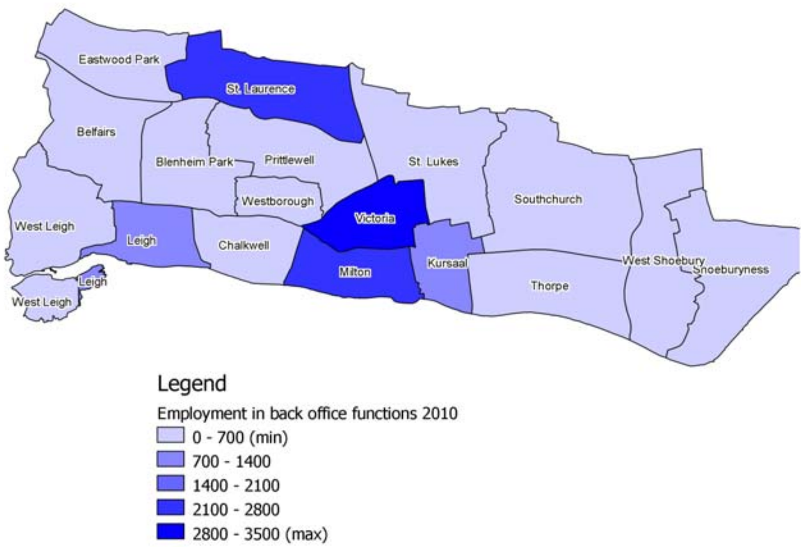
Alongside subsidiary facilities supporting (and owned by) global financial institutions, this sector accommodates Southend-on-Sea -owned and operated firms providing subcontracted services in logistics, corporate and industrial cleaning, security and general maintenance, as well as other roles. Although 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-on-Sea's largest back-office employers face major financial difficulty and are undergoing significant restructuring. Within this sector, we have included the back office functions of public sector bodies such as DWP and HMRC. HMRC has consolidated its Southend-on-Sea 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.[22] However, 550 jobs are being relocated from Southend-on-Sea, and at least 224 employees will move with their business unit to Birmingham.[23]

Figure 5.17, below, displays the geographical distribution of back office service jobs within Southend-on-Sea, showing a cluster in the centre of town.

[22] http://www.hmrc.gov.uk/local/change-programme.htm
[23] http://www.hmrc.gov.uk/local/East.pdf

Figure 5.17: Location of Southend-on-Sea's back office services jobs



Source: IDBR 2010 / GVA

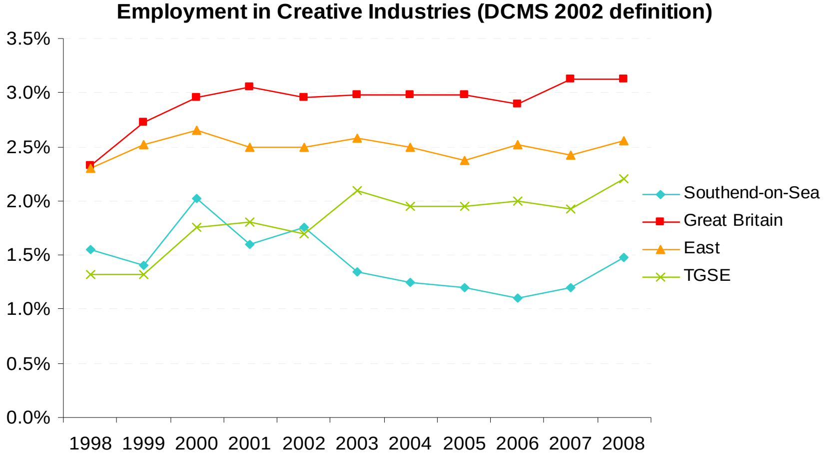
Cultural and Creative Industries

The aspiration for Southend-on-Sea'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 sub-regional plans, in which Southend-on-Sea 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-on-Sea, and involving local communities in cultural projects.

The creative and cultural sector is notoriously challenging to delineate using standard industrial classifications. Figure 5.18, below, uses a definition from the Department for Culture, Media and Sport to show the level of employment in the creative industries in Southend-on-Sea 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-on-Sea has been expanding recently with a number of significant initiatives.

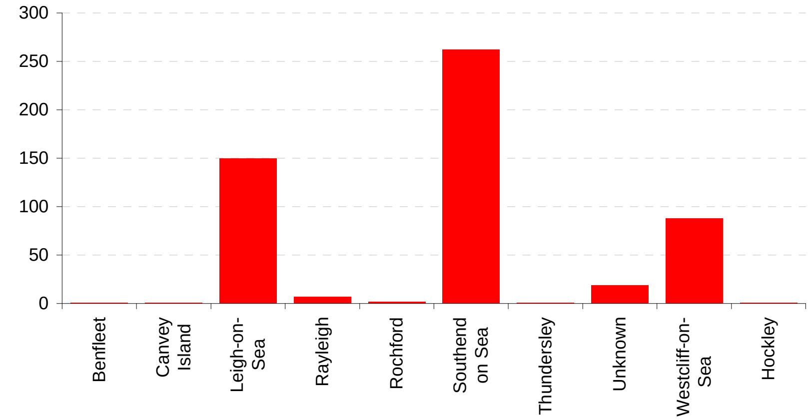
Figure 5.18: Southend-on-Sea's growing creative offer



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-on-Sea town centre, Leigh and Westcliff stood out as homes to clusters of cultural, creative and digital activities. Figure 5.19 shows the scale of the difference between the number of firms found in these three areas and those found in other localities.

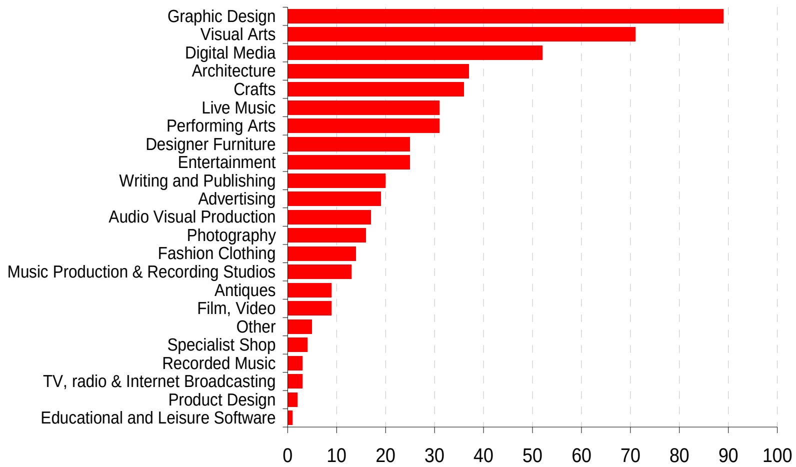
Figure 5.19: Cultural and creative firms in South Essex (2010)



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 (Figure 5.20). 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 5.20: Cultural and creative firms by sub-sector (2010)



Source: SEPP, Creative and Cultural Sector Mapping, 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.[24]

Aviation

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

The airport has enjoyed significant investment in recent years. Recent developments have included a new air traffic control tower (July 2011), a new Airport railway station (September 2011); a runway extension and new passenger terminal (March 2012); a new executive handling lounge (July 2012); and a Holiday Inn hotel development (October 2012).

This investment has been recognised by numerous industry awards including easyJet's highest Customer Satisfaction Survey across European airports in 2013 and the *Which?* best in Britain award in August 2013 scoring a maximum five star rating in five of the ten categories assessed.

The airport also houses a number of important aerospace businesses, including IPECO and ATC Lasham, and a variety of smaller niche firms operating in aviation-related sectors.[25] 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

[24] http://www.metalculture.com/southend-on-sea/digital-exploration-centre.html
[25] http://www.ipeco.co.uk/ ; http://www.atclasham.co.uk/

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 which offers an Aircraft Maintenance Apprenticeship. Courses involve direct experience with aviation companies, and combine hands-on experience on the airfield with accredited NVQ training up to level 3.

Opportunities to further expand the MRO cluster in Rochford and Southend-on-Sea are addressed in the London Southend and Environs Joint Area Action Plan which governs the development of the site and the extension of the runway. The London Southend and Environs Joint Area Action Plan 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

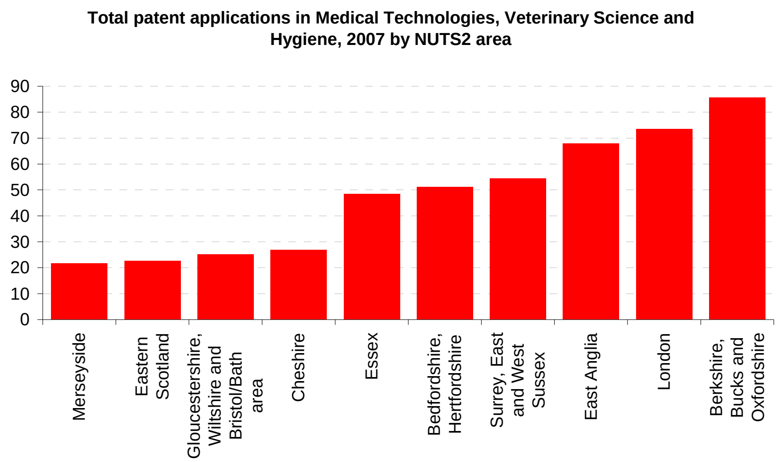
As highlighted in Section 2, the growing importance of the Medical Technologies sector to the Southend-on-Sea economy is reflected in the proposal to create the world's largest health innovation space at the Anglia Ruskin MedTech Campus ("MedTech"). A partnership between Anglia Ruskin University (including the Postgraduate Medical Institute), Chelmsford City Council, Harlow District Council, and Southend-on-Sea Borough Council, this new venture will drive the growth of the medical technology business sector and transform the innovation process, gaining health system-wide adoption of the latest advances in technology and patient care.

This unique development builds on the presence (in Southend-on-Sea) of key employers such as Olympus Keymed - a subsidiary of Japanese precision technology manufacturer Olympus - and seeks to provide a platform for innovation in this sector, driving the development of a specialist cluster, while providing combined enterprise space of over 1.7million square feet. Southend-on-Sea will eventually host one of three distinct campuses under the MedTech umbrella. The others will be located in Chelmsford and Harlow.

The sector accounted for over one thousand jobs in Southend-on-Sea in 2012 (IDBR – 2003 SIC class 33100), equivalent to approximately 1.7 per cent of all employment in the borough. This compares to less than 0.5 per cent for the TGSE area, 0.2 per cent for the East of England and 0.1 per cent for Great Britain overall.

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 5.21, 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-on-Sea, the University Hospital and the School of Health and Human Sciences at the University of Essex, Southend-on-Sea, are both actively involved in medical research, including through the Essex and Hertfordshire Comprehensive Local Research Network.

Figure 5.21: Essex's strength in Medical Technologies



Source: Eurostat, Patent applications to the EPO 2010

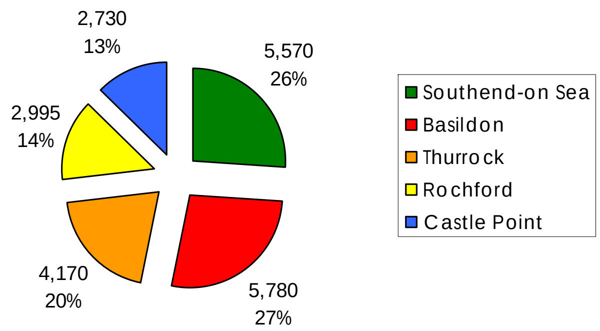
5.5 Enterprise

This section examines the dynamics of business formation, survival and failure within the borough, looking exclusively at firms owned and headquartered within Southend-on-Sea, 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 5,570 VAT and/or PAYE registered enterprises in -on-Sea in 2013. These, as Figure 5.22, below illustrates, make up the largest group in Thames Gateway South Essex, at 27 per cent of the sub region's enterprises

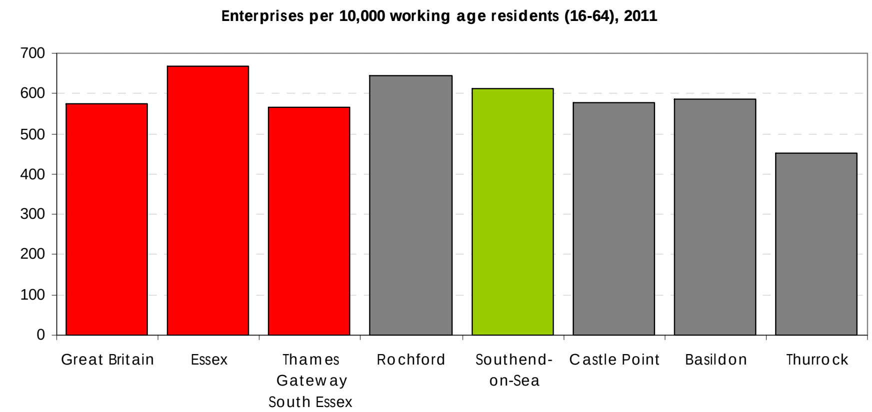
Figure 5.22: VAT and/or PAYE based enterprises in TGSE (2012)



Source: Business Register and Employment Survey (BRES), 2013

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-on-Sea's business density in 2012 was just over 614 local enterprises for every 10,000 residents aged between 16 and 64. This compares to a Great Britain average business density of just below 575. Greater Essex is one of the most entrepreneurial parts of the United Kingdom, with an average of 669 enterprises per 10,000 working age residents, but the Thames Gateway South Essex sub-region underperforms the Greater Essex level (the comparable figure for TGSE is only 567 enterprises per 10,000 working age residents). Figure 5.23, below, shows Southend-on-Sea's place within this relatively underperforming sub region.

Figure 5.23: Business Density in Southend-on-Sea



Source: ONS, UK Business Demography 2012, Mid-year Population Estimates

Southend-on-Sea outperforms both the UK and some of its neighbours, while slightly trailing behind Greater Essex. In terms of new business formation, the borough also shows good levels of entrepreneurship. The level of business formation is higher, relative to Southend-on-Sea's population, than the country, region and Essex County in five out of eight of the latest years for which we have data (see Figure 5.24). 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.

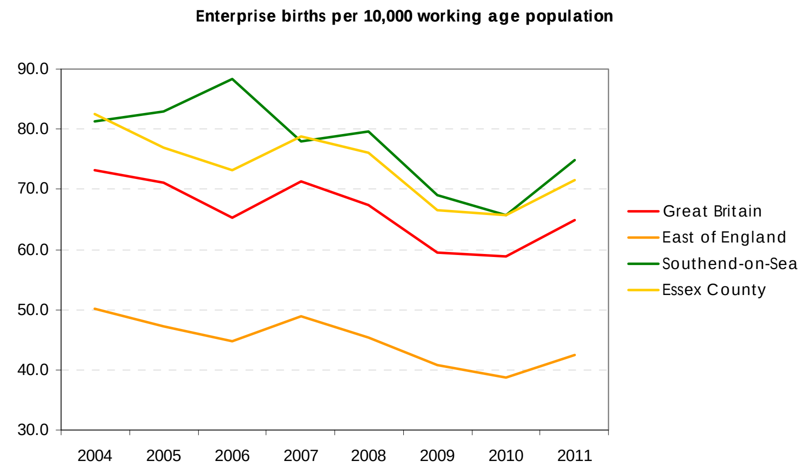
New businesses

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.

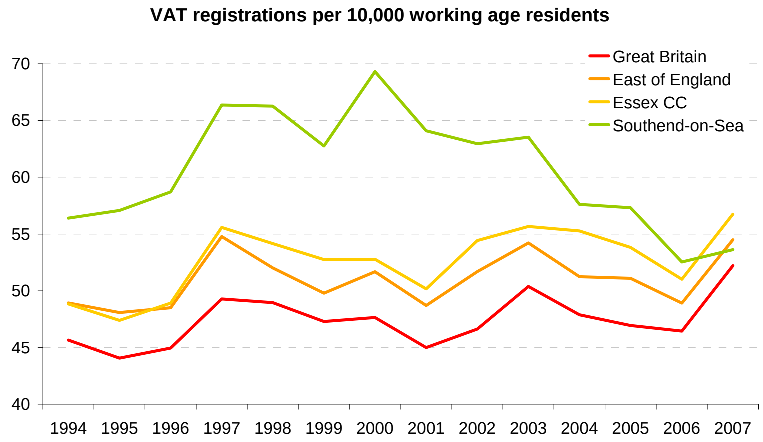
Figure 5.24: New business start-up rates



Source: ONS, UK Business Demography 2012, 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-on-Sea, as can be seen in Figure 5.25. 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.

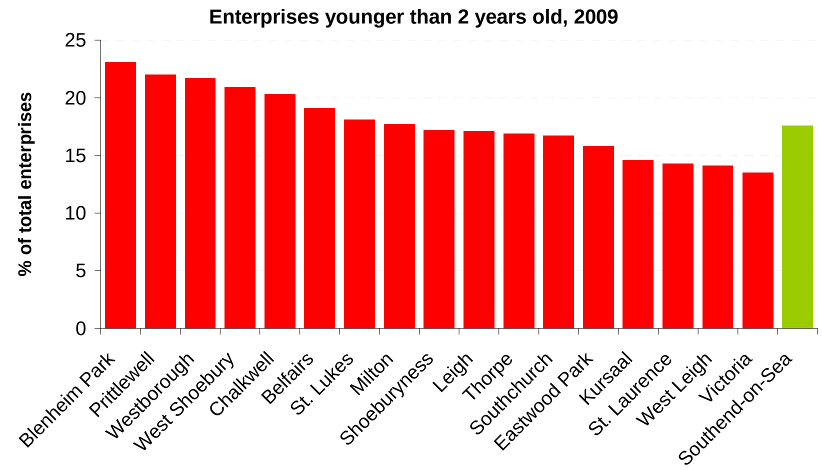
Figure 5.25: Businesses reaching VAT threshold



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 5.26 and Figure 5.27, below displays the proportion of all VAT and/or PAYE registered enterprises younger than 2 years old for each of Southend-on-Sea's wards in 2008. 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.

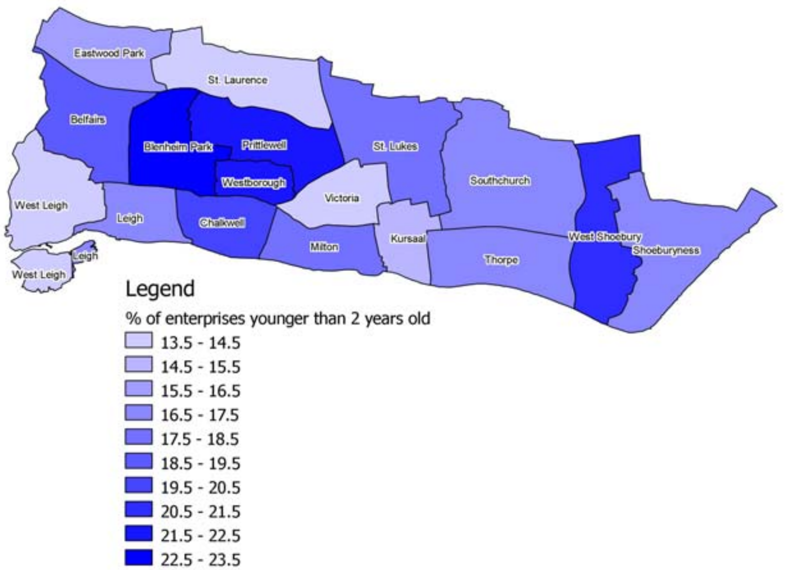
Figure 5.26: Young enterprise



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-on-Sea'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.

Figure 5.27: Concentrations of young enterprises, 2009

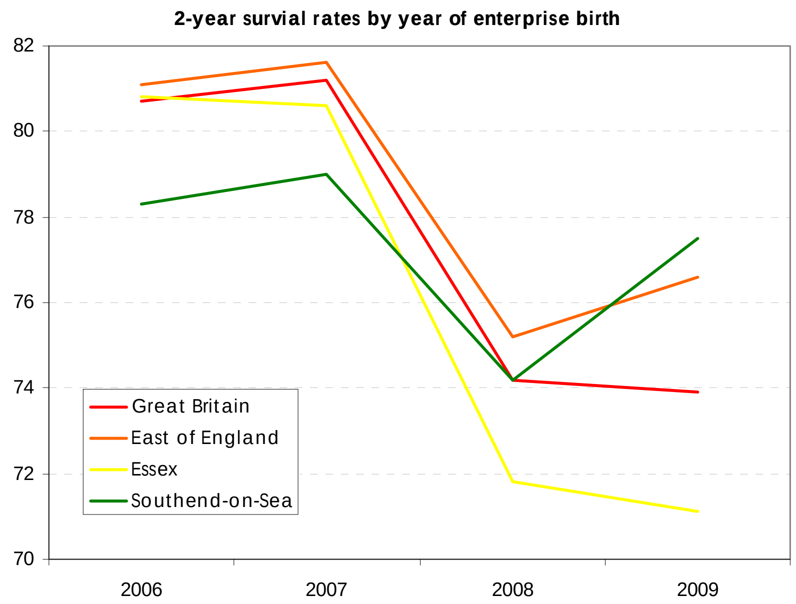


Source: ONS, UK Business 2009/ GVA Grimley 2010

Business survival

Not all businesses make it past their first two years; in many cases, this is the threshold for determining whether a business is sustainable. Survival rates in Southend-on-Sea 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. Figure 5.28, below, illustrates the improving 2-year survival rates of Southend-on-Sea's (above the sub-regional, regional and national averages).

Figure 5.28: Business survival in Southend-on-Sea

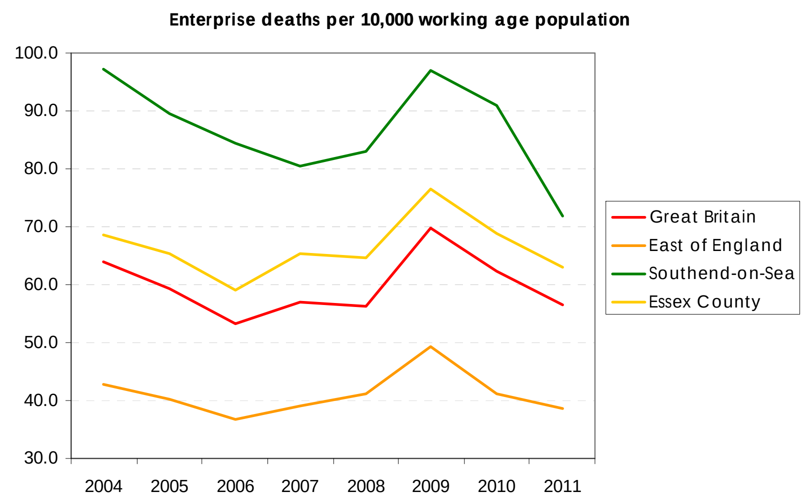


Source: ONS, Business Demography 2012, Mid-year Population Estimates

Survival rates have been increasing as part of a broader trend. Southend-on-Sea 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-on-Sea’s businesses by the economic downturn between 2006 and 2009. The impact of this was to increase the number of failures.

However, this trend is now falling, with death rate gap now narrowing (Figure 5.29). 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 5.29: Business death rates



Source: ONS, Business Demography 2011, Mid-year Population Estimates

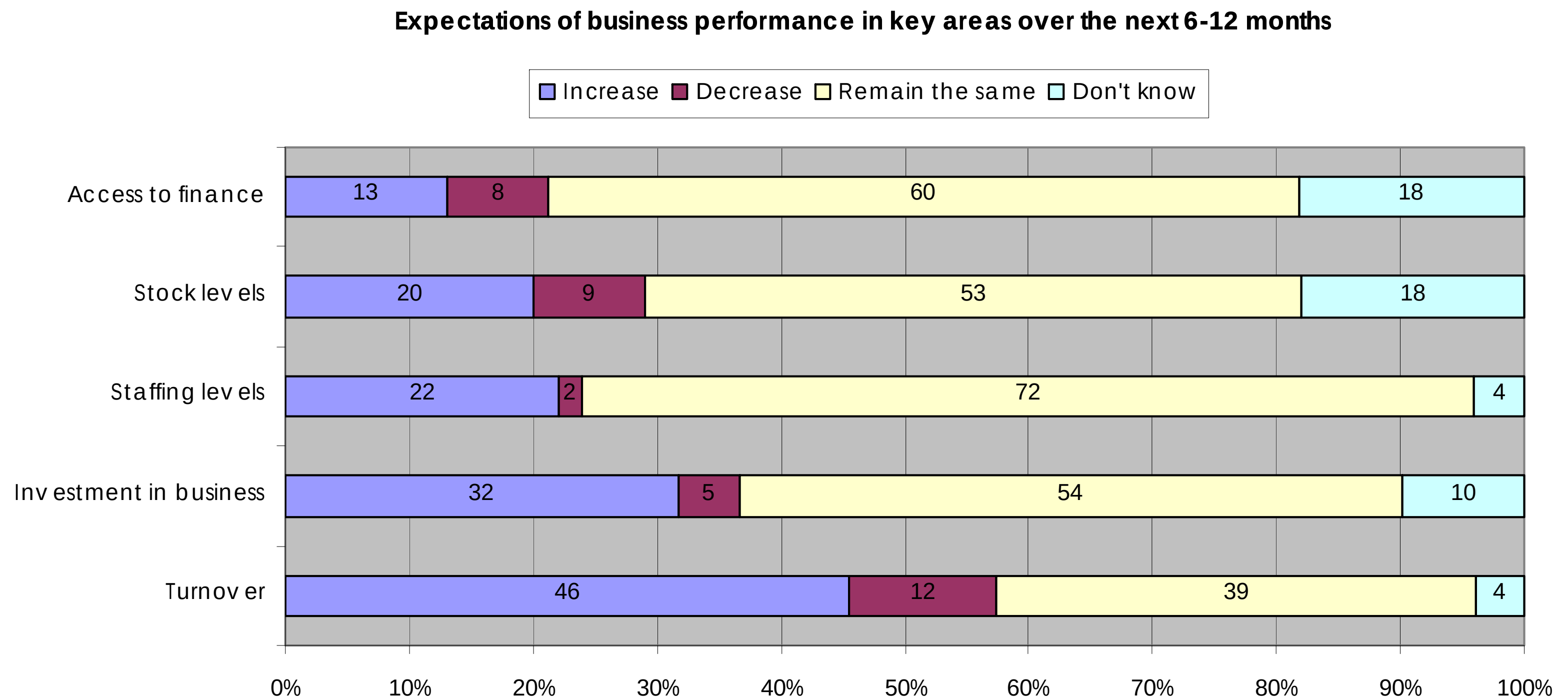
Business Growth

High-growth enterprises are a major engine of employment creation. Between 2 and 4 per cent of businesses are thought to be responsible for the majority of new jobs in the UK.[26] Speculating as to which firms have the best prospects for rapid growth requires very close company contact, and generic indicators are not perfect.

The 2012 Southend Business Survey asked respondents if they were expecting to grow, defined by a number of variables, over the next 6 - 12 months (Figure 5.30). Almost half of firms expected that turnover would increase but this is not expected to have a corresponding effect on staffing levels, with only 22 per cent of firms expecting to increase employment levels. Access to finance and investment in the business are a key barrier for more than half of firms according to these responses, which is very much in line with the national context.

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

Figure 5.30: Expected business growth by sector



Source: Southend Business Survey 2012

5.6 Assets, Constraints and Opportunities

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

Assets

- A truly mixed economy: As explored later in section 5, Southend-on-Sea 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 include the creative and cultural Industries and aviation activity linked to London Southend Airport and medical technologies.
- Entrepreneurship: In line with the entrepreneurial spirit for which Essex is renowned, Southend-on-Sea 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: On-going regeneration schemes are making difference in Southend-on-Sea; revitalising significant areas of the town to attract further developers.
- 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-on-Sea 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-on-Sea, 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-on-Sea. 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.

6. PEOPLE AND COMMUNITIES

6.1 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 on-going UK public spending cuts.

This chapter begins by exploring the demography of Southend-on-Sea including the town's population profile and projections.

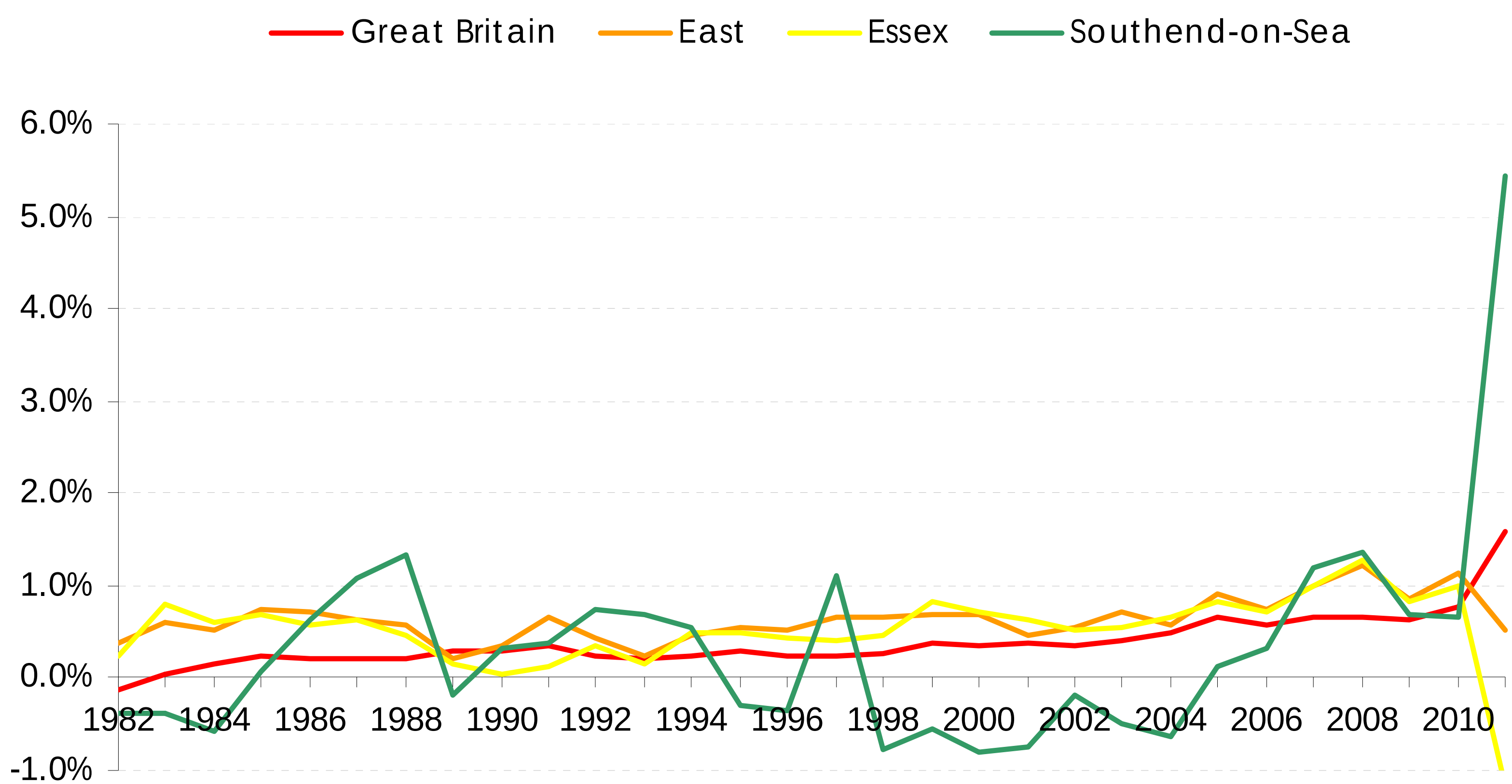
Figure 6, although this is typical when comparing relatively small populations to larger areas (as it takes relatively less real terms change to cause a large percentage shift). Southend-on-Sea experienced a fall in population from 1997 onwards but has recovered gradually since that point. This recovery may have been influence by in-migration from Eastern Europe and by the on-going influx of students to the university campus during this period. 2010 to 2011 has seen a dramatic rise in Southend-on-Sea's year on year population growth of 5.4 per cent (Figure 6.1). This increase may have been caused by 2011 census data impacting positively on the city's population statistics. Southend-on-Sea's comparative population growth has been more variable than Essex, East of England and Great Britain comparator areas.

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

6.2 Demography

Southend-on-Sea's total population for 2012 was estimated at 174,838 an increase of 564 since 2011. Compared to Essex, East of England and England, Southend-on-Sea has had a rather erratic year-on-year population growth pattern as depicted by

Figure 6.1: Year on year population growth



Source: Mid-year population estimate, ONS

Using ONS Mid-2012 Population Estimates, the number of people per sq. km in Southend-on-Sea is 4,187. This population density is significantly higher than Essex (406 per sq. km), the East of England (309) and England (411). Southend-on-Sea is the 35th most densely populated Local Authority in the country and the 9th most densely populated outside of London.

Ethnicity

The 2011 Census provides the only reliable estimation of ethnic diversity. According to this source, Southend-on-Sea has limited ethnic diversity compared to the rest of Great Britain although the population ethnicity profile is similar to the East of England compares the population breakdown.

Figure 6.2: Population breakdown by ethnicity

Ethnicity	England	East	Southend-on Sea
White - British	79.8%	85.3%	87.0%
White Other	5.7%	5.6%	4.6%
Mixed/Multiple - White and Black Caribbean	0.8%	0.6%	0.6%
Mixed/Multiple - White and Black African	0.3%	0.3%	0.4%
Mixed/Multiple - White and Asian	0.6%	0.6%	0.6%
Mixed/Multiple - Other	0.5%	0.5%	0.5%
Asian or Asian British	7.7%	4.8%	3.6%
Black/African/Caribbean/Black British	3.4%	2.0%	2.1%
Other Ethnic Group	1.0%	0.5%	0.5%

Source: Census, 2011

Southend-on-Sea's ethnicity profile is predominantly White (91.6%). The city has similar proportions of mixed/multiple (White and Black Caribbean; White and Black African; White and Asian; and Other) residents as the East of England and the rest of England. Table 5 also indicates that Southend-on-Sea has proportionally less Asian or Asian British and Black / African / Caribbean / Black British population compared to its comparator locations.

The ageing population

Changes in the median age of residents are examined to assess whether the population is aging. Figure 6.3 reveals that 11.9 per cent of Southend-on-Sea's population are in the 0-9 age bracket while 17.8 per cent are over 65. The figures show that the 0-9 population percentage is in line with regional and national averages but that proportionally Southend-on-Sea has an older population as might be expected from a coastal location.

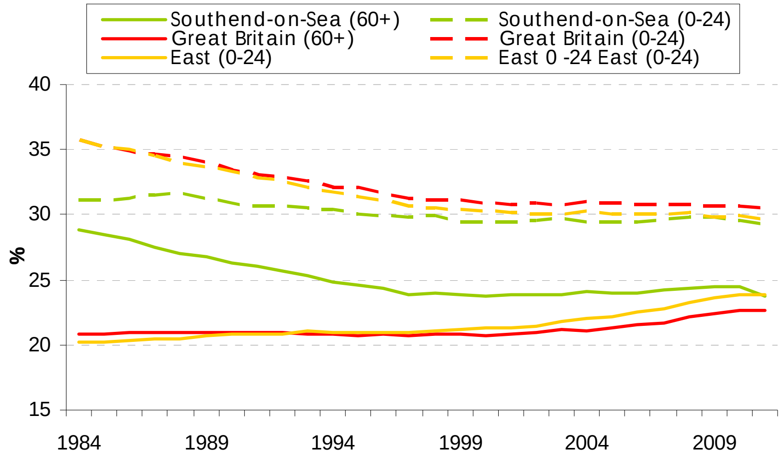
Figure 6.3: Percentage of population in youngest/oldest age groups

Population Breakdown	0-9	65+
England	11.9%	16.4%
East	11.8%	17.5%
Southend-on-Sea	11.9%	17.8%

Source: Census, 2011

An ageing population is a typical profile for a seaside resort. However, as shown in Figure 6.4, the proportion of population in the youngest (up to age 24) and oldest age group (over 60) has moved closer towards the regional and national average since 1984. This indicates that although the whole country's population is ageing, Southend-on-Sea 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 and continues to do so. Another factor in this may be the in-migration of resident students at the university campus, and/or young people viewing Southend-on-Sea as a viable option to buy a first home and commute to London.

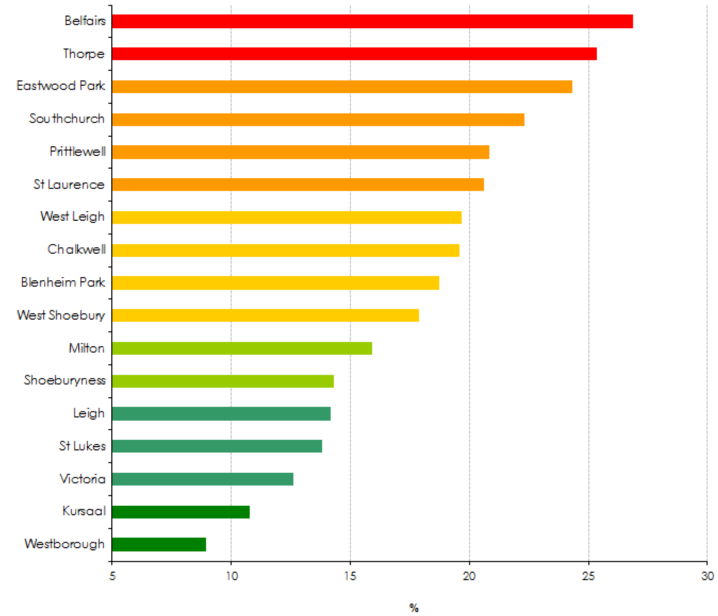
Figure 6.4: Younger and older population 1984-2009



Source: Mid-year population estimate, ONS

Figure 6.5, below, highlights the percentage of people in each ward of Southend-on-Sea who are over 65 using 2011 population figures. Thorpe and Belfairs wards have a highest proportion of ward population who are over 65.

Figure 6.5: Proportion of ward populations who are over 65

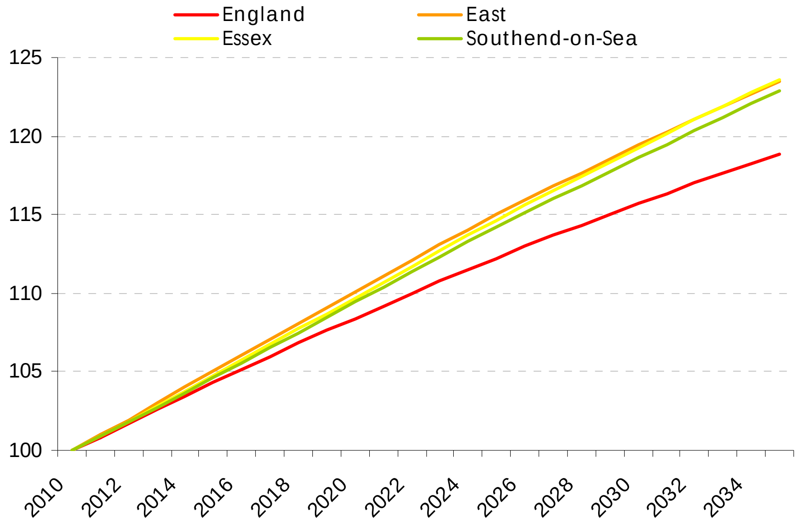


Source: 2011 Census

Population Projections

By 2020 the ONS Sub-national Population Projections for England indicate that Southend-on-Sea's population is expected to grow by nearly 2.5 per cent to 177,600. Figure 6.6, below, indicates the extended growth projections as an index (2010=100) compared to projected population growth for Essex, East of England and England. Southend-on-Sea is expected to grow at a similar rate to Essex and the East of England. These three areas are expected to grow at a faster rate than England.

Figure 6.6: Population projection index



Source: ONS 2010-based sub national population projections (released March 2012)

Net migration in Southend-on-Sea is lower than in Essex and East of England. As Figure 6.7 shows, in 2012 net migration for Southend-on-Sea was 0.11 per cent as internal migration in (4.45%) and internal migration out (4.28%). This is a considerably lower figure than for Essex (0.66%) and East of England (0.53%). However, Southend-on-Sea's net migration figure is expected to rise by 2020 (to 0.27%) indicating an increase of people migrating to live in the town. This trend is expected to be repeated for Essex (0.71%) and to a lesser extent in the East of England (0.56%).

Figure 6.7: 2012 migration summary actual (2012) and projections (2016 and 2020) (thousands)

		2012		2016		2020	
East	Population	5,920		6,160		6,398	
		No	%	No	%	No	%
	All Migration Net	31	0.53	33	0.54	36	0.56
	Internal Migration In	304	5.13	316	5.13	324	5.06
	Internal Migration Out	287	4.84	295	4.78	299	4.67
	International Migration and Cross Border Migration In	58	0.99	59	0.95	59	0.91
	International Migration and Cross Border Migration Out	44	0.75	47	0.76	47	0.74
Essex	Population	1,410		1,468		1,527	
		No	%	No	%	No	%
	All Migration Net	9	0.66	10	0.69	11	0.71
	Internal Migration In	70	4.97	73	5.00	76	4.96
	Internal Migration Out	62	4.40	64	4.37	66	4.29
	International Migration and Cross Border Migration In	9	0.65	9	0.63	9	0.60
	International Migration and Cross Border Migration Out	8	0.56	8	0.57	8	0.55
Southend-on-Sea	Population	175		180		185	
		No	%	No	%	No	%
	All Migration Net	0	0.11	0	0.22	1	0.27
	Internal Migration In	8	4.45	8	4.56	8	4.54
	Internal Migration Out	8	4.28	8	4.28	8	4.16
	International Migration and Cross Border Migration In	1	0.80	1	0.78	1	0.76
	International Migration and Cross Border Migration Out	1	0.80	2	0.83	2	0.81

Source: ONS 2012-based sub national population projections

6.3 Labour Market

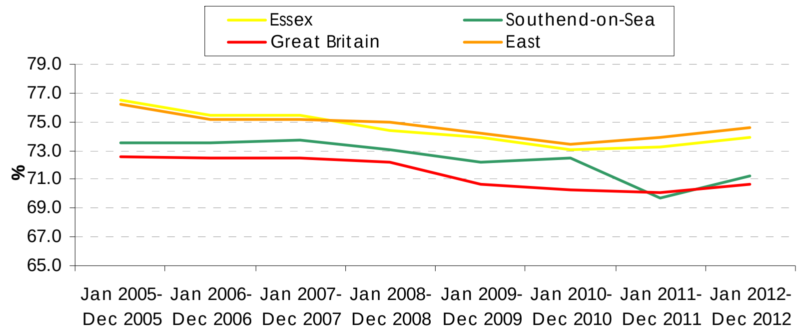
The Workforce

Employment, unemployment and economic inactivity

The employment rate in Southend-on-Sea is now higher than Great Britain but lower than Essex and East of England. Southend-on-Sea's employment rate has declined since 2007 (73.7%) but recovered to 71.2 per cent in 2012 following a dip in 2011 (69.7%). Despite showing signs of recovery, Southend-on-Sea's employment rate is yet to match its pre-2007 levels.

Figure 6.8, below, compares the working age employment rates for Southend-on-Sea and comparator regions over the last five years.

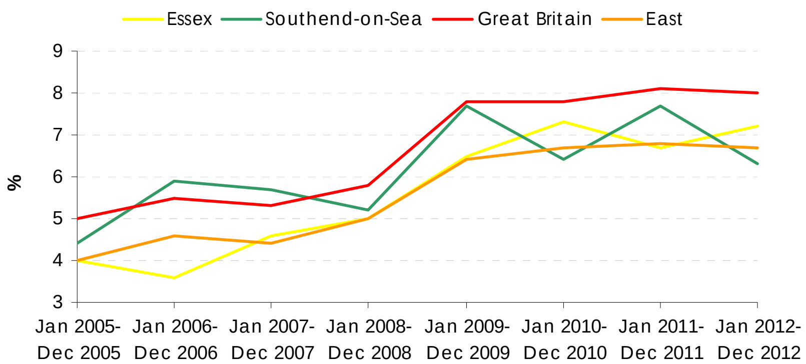
Figure 6.8: Employment rate – aged 16-64



Source: 2013, Annual population Survey

The unemployment rate in Southend-on-Sea reached a high of 7.7 per cent in 2009 but has subsequently fallen to 6.3 per cent in 2012. This figure is just 0.4 per cent less than the 2006 unemployment rate and, despite a mini-dip in 2011, represents a strong recovery from the 2008 recession. The unemployment rate in 2012 is lower than Great Britain, East of England and Essex (see Figure 6.9).

Figure 6.9: Unemployment rate – aged 16-64



Source: 2013, Annual population Survey

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. Southend-on-Sea's unemployment and economically inactivity rate constitutes 29.1 per cent of the working age population between April 2012 and March 2013; a higher rate than Essex (28.7%) and the East (26.8%) but less than the Great Britain figure (30.9%).

Employment and Self-employment

Figure 6.10, below, show that Southend-on-Sea's self-employment rate is 0.3 per cent higher than the Great Britain average but lower than both the East of England (10.8%) and Essex (11.9%). These figures are surprising given the perception of Southend-on-Sea as an entrepreneurial location; however, Southend-on-Sea still scores highly in terms of business start-up rates (see Enterprise section below).

Figure 6.10: Employees and self-employment

	GB	East	Essex	Southend-on-Sea
% in employment who are employees - aged 16-64	60.6	63.2	61.2	60.6
% in employment who are self-employed - aged 16-64	9.6	10.8	11.9	9.9

Source: 2012, Annual population Survey

Southend-on-Sea also has a slightly higher proportion of part-time workers compared to other geographies. This may be explained by the proportion of jobs in the care industry and tourism industry that are typically part-time, seasonal or involve irregular shift patterns.

Part-time and full-time employment structure for female workers is typical when compared to other geographies. Figure 6.11, below, displays the division between full time and part time of all employees in Southend-on-Sea workplaces in total and by gender.

Figure 6.11: Full and Part time employees

	GB	East	Essex	Southend-on-Sea
Full Time Workers	74	75	74	73
Part Time Workers	26	25	26	27
% Male workers who work full time	89	90	89	89
% Male workers who work part time	11	10	11	11
% Female workers who work full time	57	57	55	53
% Female workers who work full time	43	43	45	47

Source: 2012, Annual Business Inquiry

Occupations

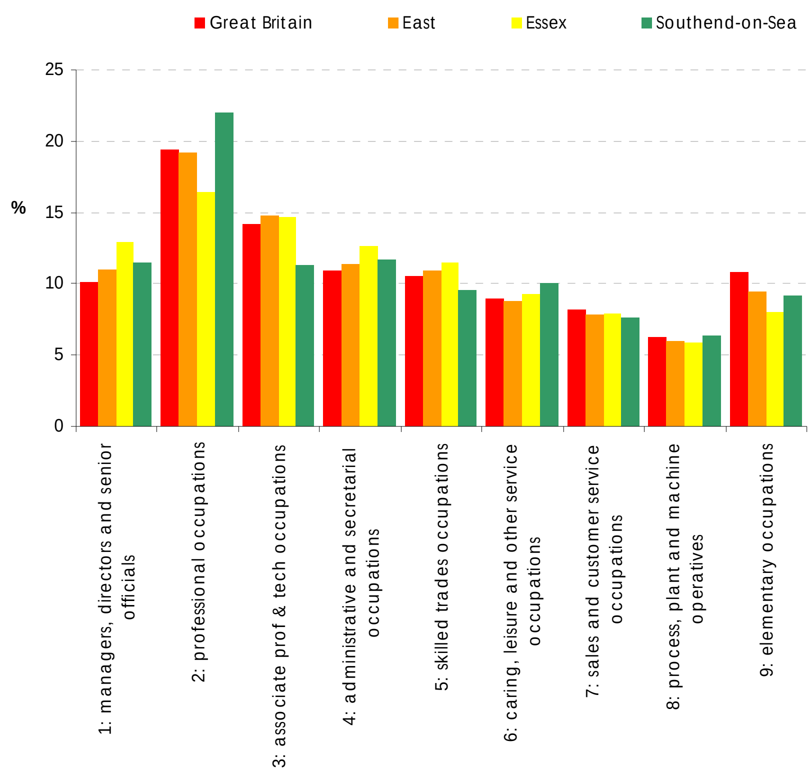
Southend-on-Sea's population has a slightly lower skilled occupation profile than comparator areas. Associate professional and technical occupations comprise the greatest proportion of employment in Southend-on-Sea at 15.8 per cent, a greater proportion than all comparator areas in the chart. Southend-on-Sea also has a higher proportion of residents working in administrative and secretarial occupations compared to other geographies. Importantly, it has fewer employees employed as managers and senior officials than the other comparator areas at 15.7 per cent; this is notably less than Essex (19.5%). As described in section 4, many of the higher end employment undertaken by Southend-on-Sea residents will be based in London, so this figure would be considerably higher should workplace based data be available.

Figure 6.12, below, shows the breakdown of employment by occupation or residents in Southend-on-Sea, Essex, the East of England and Great Britain.

Wages, Income and hours

Southend-on-Sea's residents earn higher wages than the East of England and Great Britain. Southend-on-Sea's median residence based weekly pay for full time workers is £532; the East of England and Great Britain's equivalent medians are £531 and £508 respectively. By comparison, this figure rises to £560 in Essex.

Figure 6.12: Employment by Occupation (residence based)



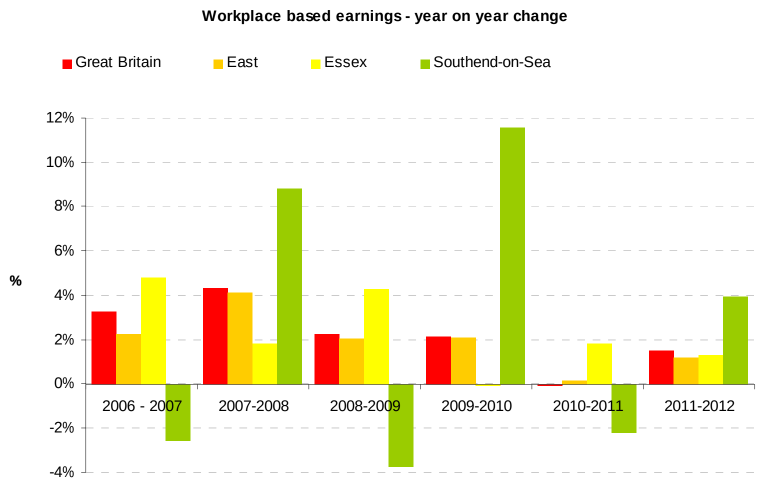
Source: 2012 Annual Population Survey

Southend-on-Sea's relatively affluent resident profile is reversed when workplace earnings are analysed. The median workplace based weekly pay for full time workers is £479. This is considerably lower than the equivalent figure for Essex (£504), East of England (£495) and Great Britain (£508), 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 proportion of residents commute to work out of Southend-on-Sea 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 £53, 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-on-Sea.

Figure 6.13, below, shows year on year change in residence and workplace based weekly full time earnings between 2006 and 2012. Southend-on-Sea displays interesting results compared to comparator geographies. For example, with respect to workplace based earnings, Southend-on-Sea experienced an 11.6 per cent increase in earnings between 2009 and 2010 yet also experienced 2.2 per cent decline between 2010 and 2011. This is the opposite to the magnitude of effects experienced elsewhere. Also, with respect to residence base earnings, Southend-on-Sea residents experienced a 6.6 per cent 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-on-Sea, may be explained by the industrial structure of the economy and how this was affected by the recession.

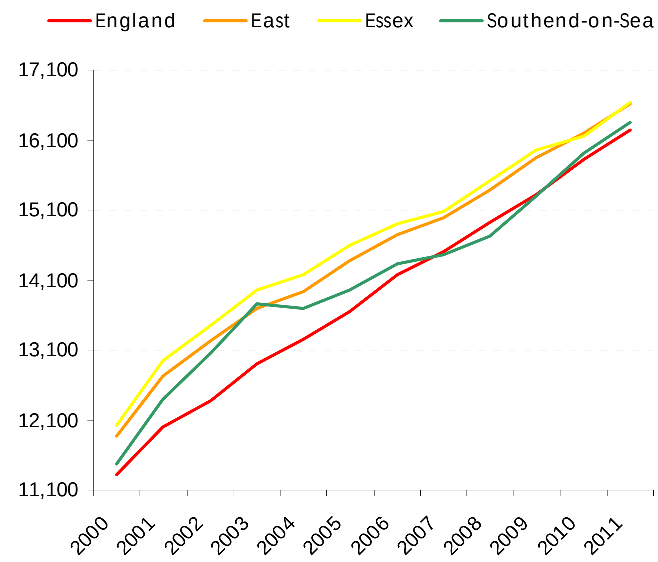
Figure 6.13: Annual change in workplace/resident based earnings



Source: Annual Survey of Hours and Earnings, 2012

Figure 6.14, below, illustrates that Gross Disposable Household Income (GDHI)[27] performance has improved slightly in recent years resulting in Southend-on-Sea outperforming England by 0.6 per cent in 2011.

Figure 6.14: GDHI per head



Source: ONS, Gross Disposable Household income

[27] a residence based indicator that signifies the amount of money available to households after taxes, National Insurance contributions and property costs have been deducted.

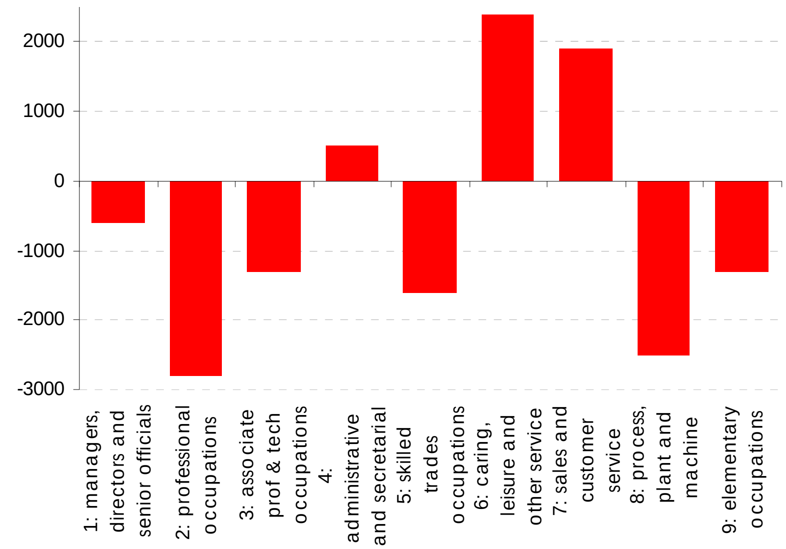
Commuting

Commuting data suggests that Southend-on-Sea residents working outside the town are most likely to be employed in professions that are the highest paid and require higher skills and educational qualifications; for example, managers, directors and senior officials, professionals, associate, professional and technical occupations, skilled trades people and process, and plant and machine operatives. Southend-on-Sea is most likely to attract residents from elsewhere to work in the town in administrative and secretarial roles, caring, leisure and other services and sales and customer service occupations. This aligns with the bulk of Southend-on-Sea's job opportunities in largely middle and elementary skilled occupations.

Figure 6.15, below, indicates the net number of employees that work in each occupation type in Southend-on-Sea. A positive number indicates that non-residents of Southend-on-Sea come to work in the profession. Conversely a negative number indicates the number of employees who are residents of Southend-on-Sea that travel to work outside of the town.

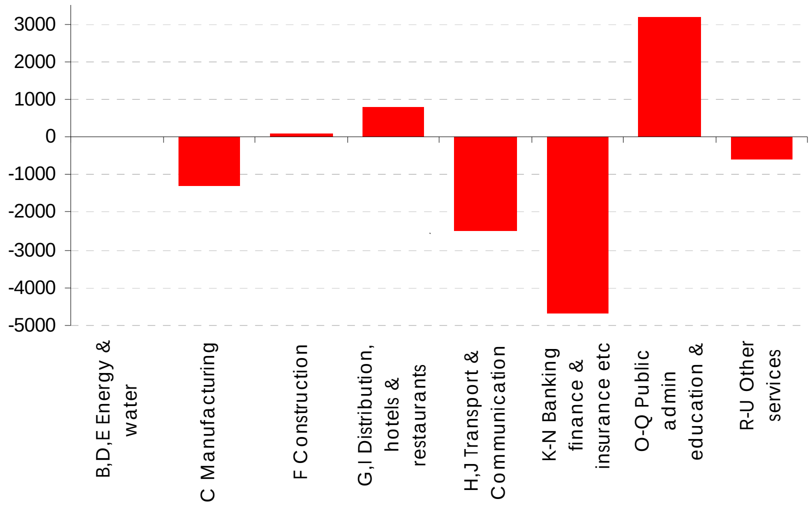
Figure6.16, below, confirms this finding by providing similar analysis with respect to industry as opposed to occupation. Southend-on-Sea residents working outside the town are most likely to be employed in the banking, finance and insurance industry. Southend-on-Sea is likely to attract residents from elsewhere to work in Southend-on-Sea to work in the distribution, hotels and restaurants industry and public administration, education and health sectors.

Figure 6.15: Net Export of labour by occupation, 2012



Source: 2012, Annual Population Survey

Figure 6.16: Net export of labour by industry, 2012



Source: 2012, Annual Population Survey

The ONS has compared 2001 and 2011 commuter flows from the APS and Labour Force Survey data. Figure 6.17, below, highlights the top eight outward commuter flows for residents who live in Southend-on-Sea. The proportion of residents living and working in Southend-on-Sea has decreased from 63.2 per cent to 62.4 per cent. Nearby Rochford and the significant draw of the City of London remain the most common destinations for Southend-on-Sea residents. Since 2001 there have been significant rises in commuter outflows to the London Borough of 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).

Figure 6.17: Place of work for Southend-on-Sea residents: Change over time

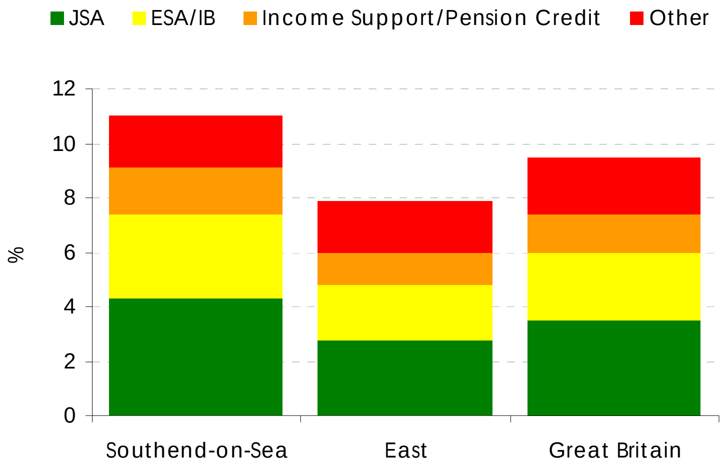
	2001 flow	2011 flow
Southend-on-Sea	63.2%	62.4%
Rochford	7.1%	6.6%
City of London	5.7%	4.8%
Basildon	6.9%	5.3%
Southwark	1.1%	2.6%
Castle Point	1.7%	4.6%
Chelmsford	1.0%	1.2%
Tower Hamlets	0.5%	1.1%

Source: Local Labour Force Survey, 2012. Annual Population Survey, 2012

Worklessness

The most recent DWP statistics (November 2012) reveal that Southend-on-Sea has a total out of work benefit rate of 11 per cent of the working age population. This is greater than both the East of England (7.9%) and Great Britain (9.5%). Figure 6.18, below, shows that the majority of claimants in Southend-on-Sea are receiving Jobseeker's Allowance (JSA), Employment and Support Allowance (ESA) and Incapacity Benefit (IB). Initiate

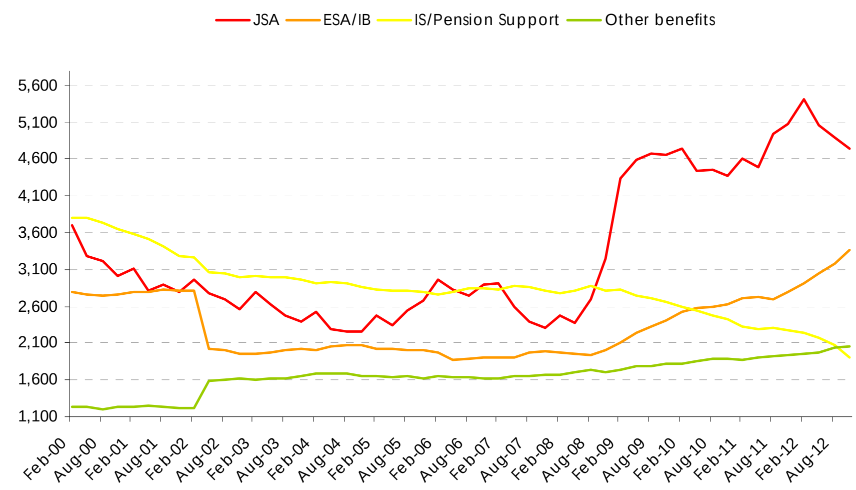
Figure 6.18: Workslessness rates by benefit type



Source: DWP, 2012

Figure 6.19, below, shows time series analysis of benefit claimants by type. Job Seekers Allowance (JSA) has increased significantly over the period of the recession to a peak of 5,410 claimants in February 2012. This number has since dropped to 4,740 in November 2012. Employment and Support Allowance (ESA) and Incapacity Benefit (IB) claimants have risen steadily from May 2006 (1,880) to November 2012 (3,360).

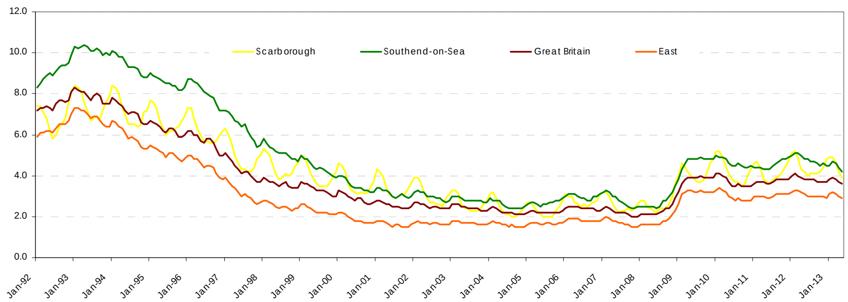
Figure 6.19: Historical benefit trends



Source: DWP, 2012

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 6.20, below, compares Southend-on-Sea 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-on-Sea has no clear pattern indicating limited seasonality in employment. This is one of a number of indications that Southend-on-Sea does not necessarily have the economic characteristics of a seaside town in the traditional sense.

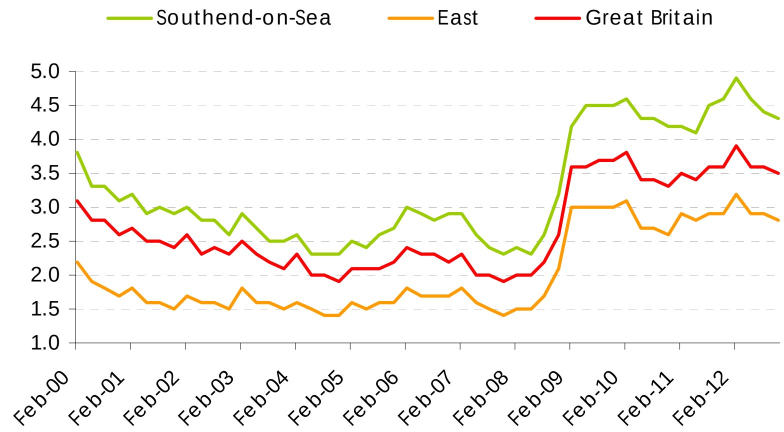
Figure 6.20: Seasonal employment impacts on JSA claimants



Source: Claimant Counts, Nomis 2013

Figure 6.21, below, displays the historic trend for JSA claimants compared to the East of England and Great Britain. Southend-on-Sea's performance follows a similar trend to these comparator geographies although the proportion of working age population who are claimants in Southend-on-Sea is at a higher rate.

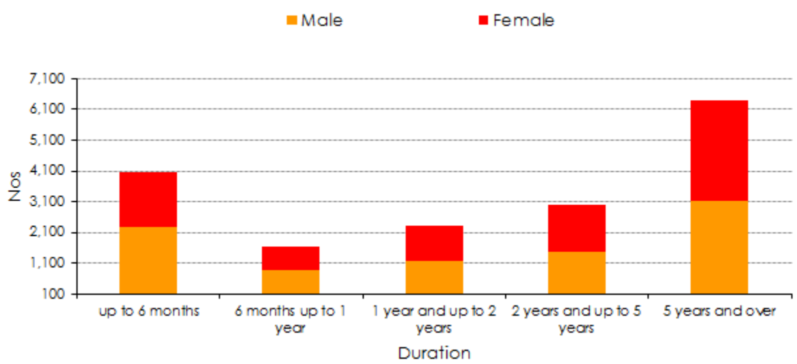
Figure 6.21: Proportion of working age population claiming JSA



Source: DWP, 2012

Figure 6.22, below, shows the length of time benefit recipients have been claiming support, as at February 2012. The graph indicates that the majority of claimants have been in the system for a significant amount of time. Nearly 9,500 claimants, 54 per cent of all claimants, have been receiving benefits for five years or more. Of this group 49 per cent of long term claimants are male.

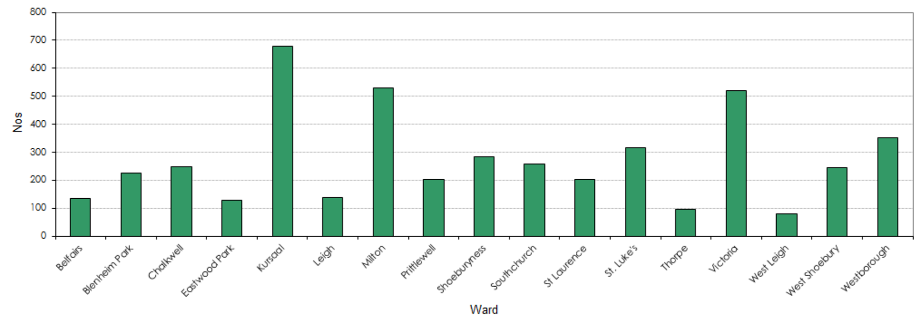
Figure 6.22: Benefit claimants in Southend-on-Sea by duration and gender



Source: DWP, 2012

Figure 6.23, below, shows claimant count by Southend-on-Sea Ward. The highest numbers of claimants are located in Kursaal, Milton and Victoria; whilst the lowest level of claimants were in West Leigh, Thorpe and Eastwood Park.

Figure 6.23: Claimant Count by Ward

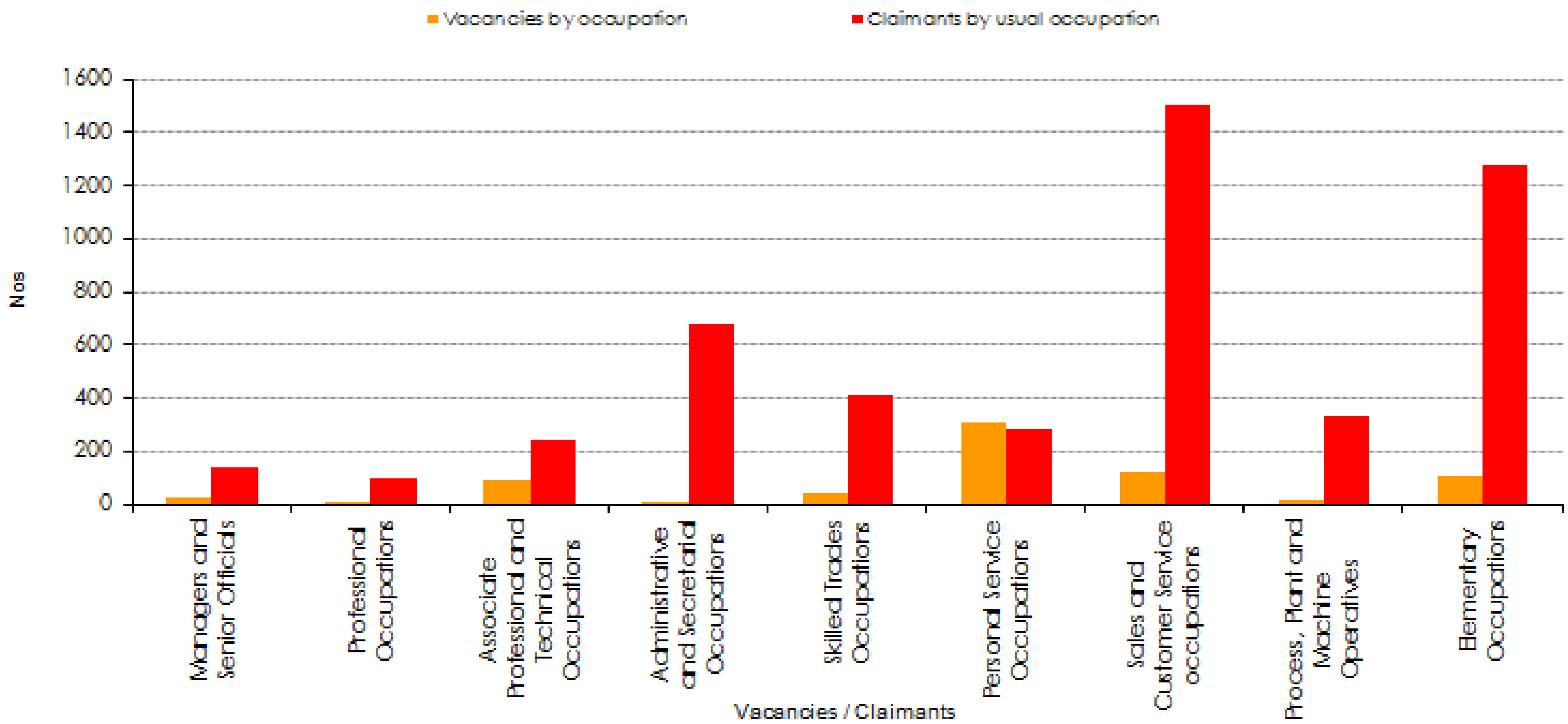


Source: Nomis, 2013

Vacancies

Figure 6.24, below, presents Job Centre Plus data on vacancies by occupation compared to JSA claimants by usual occupation. For all occupations (except Personal Service Occupations), claimants exceed vacancies implying a high level of competition for jobs in the borough. By far the greatest number of vacancies is within Sales and Customer Service occupations and Elementary Occupations.

Figure 6.24: Number of vacancies and claimants by usual occupation



Source: ONS, 2012

Figure 6.25: Unfilled vacancies (November 2012)

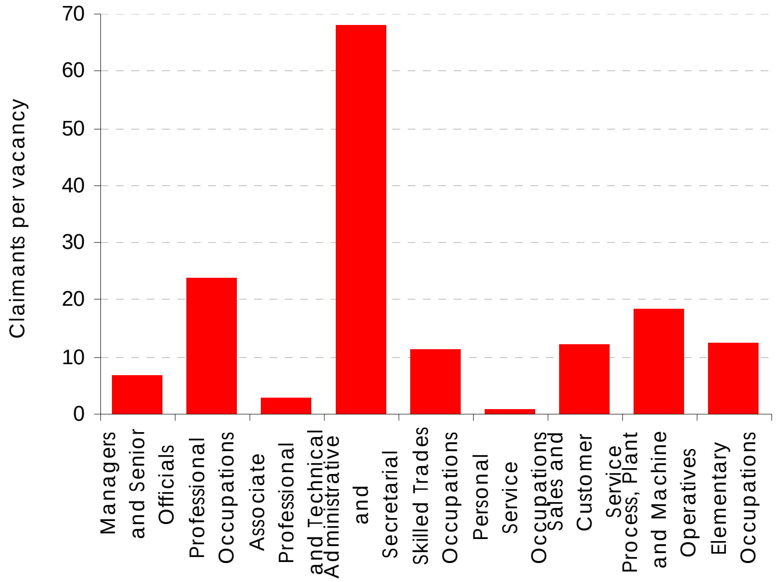
	Southend-on-Sea (Nov 2012) Vacancies	**%**
Real estate, renting and business activities	243	43.3%
Health and social work	143	25.5%
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	50	8.9%
Other community, social and personal service activities	32	5.7%
Financial intermediation	29	5.2%
Construction	19	3.4%
Hotels and restaurants	17	3.0%
Manufacturing	8	1.4%
Education	7	1.2%
Transport, storage and communication	6	1.1%
Public administration and defence; compulsory social security	5	0.9%
Agriculture, hunting and forestry	2	0.4%
Fishing	0	0.0%
Mining and quarrying	0	0.0%
Electricity, gas and water supply	0	0.0%
Private households with employed persons	0	0.0%
Extra-territorial organisation and bodies	0	0.0%
Total Vacancies	**561**	

Source: JCP, 2012

Figure 6.25, above, reveals a snapshot of the most recent vacancies by industry. 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 6.26, below, reveals that Administrative and Secretarial Occupations and Professional Occupations are the highest in demand with around 68 and 24 JSA claimants per vacancy respectfully. Less desirable are personal service occupations. This is due to the number of vacancies by each occupation that are available and the skills sets and aspirations of applicants. For example, Southend-on-Sea has a relatively 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.

Figure 6.26: Claimants per vacancy by occupation



Source: ONS, 2012

Figure 6.27, below, 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 'Real estate, renting and business activities' or Health and Social Work. Across the three geographies the unfilled industries with the most unfilled vacancies are very similar. Southend-on-Sea does have a greater proportion of vacancies in financial intermediation which reflects the cities sector make-up.

Figure 6.27: Industries with the most of total unfilled vacancies

	Southend-on-Sea	East of England	England
1	Real estate, renting and business activities (43.3%)	Real estate, renting and business activities (54.9%)	Real estate, renting and business activities (58.1%)
2	Health and social work (35.5%)	Health and social work (9.8%)	Health and social work (9.4%)
3	Wholesale and retail trade, including repair of motor vehicles (8.9%)	Wholesale and retail trade, including repair of motor vehicles (9.5%)	Wholesale and retail trade, including repair of motor vehicles (9.2%)
4	Other community, social and personal service activities (5.7%)	Other community, social and personal service activities (6.4%)	Other community, social and personal service activities (6.1%)
5	Financial intermediation (5.2%)	Construction (4%) and Hotels and Restaurants (4%)	Hotels and restaurants (3.5%)

Source: JCP, 2012

Not in Employment, Education or Training (NEET)

NEETs refer to 16-18 year olds who are Not in Education, Employment or Training. Figure 6.28, below, compares Southend-on-Sea's NEET figure against the East of England and English average. The town's NEET figure (5.1%) is lower than both the East of England (5.3%) and English average (5.7%). This marks an improvement on previous NEET performance, for example, in 2009 Southend-on-Sea's NEET figure was 5.6 per cent. This improved performance 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-on-Sea).

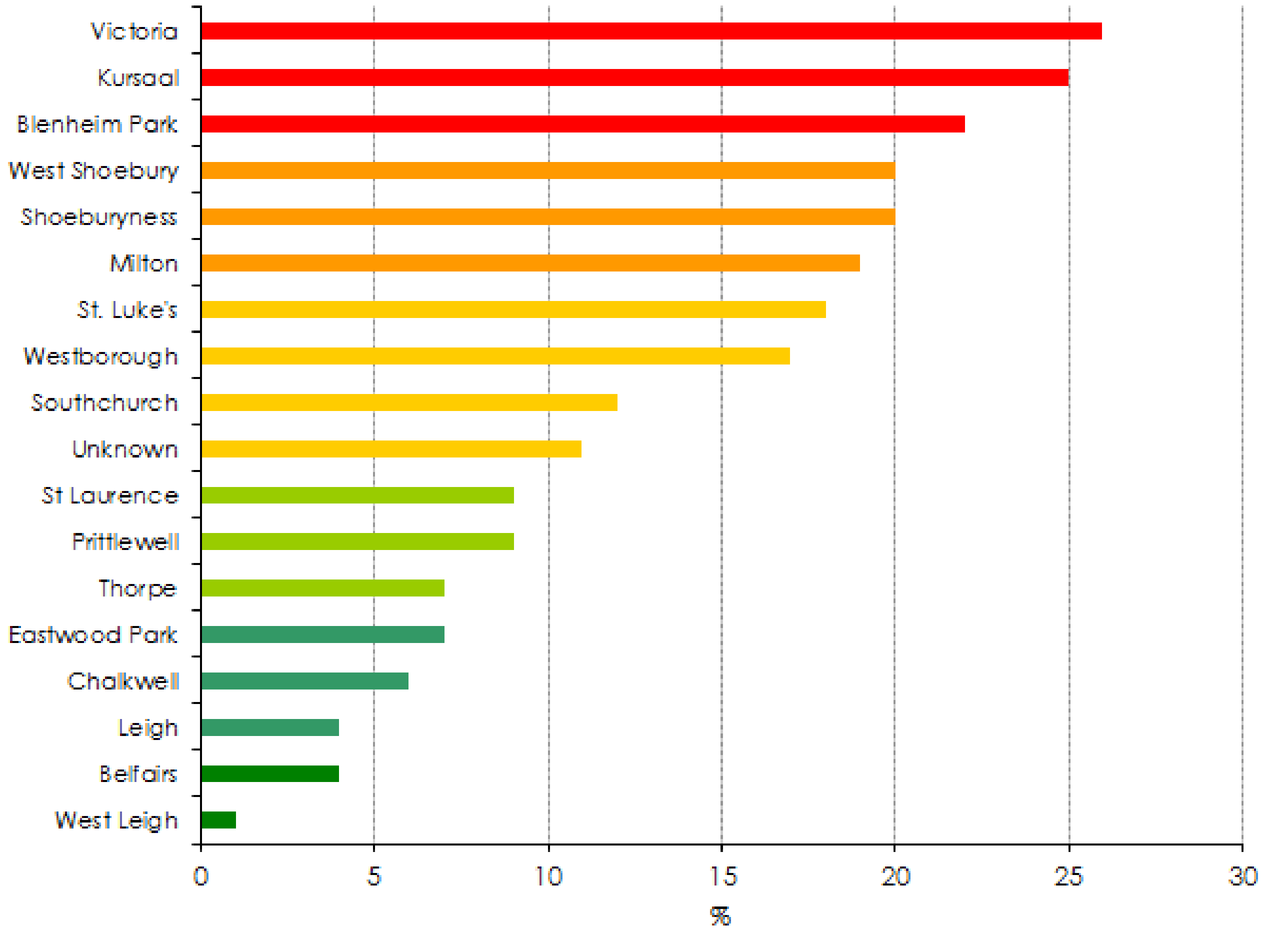
Figure 6.28: Comparative NEET Figures (March 2012)

	16-18 year olds NEET (%)	In learning (%)	Not known (%)
England	5.7	84.3	6.2
East of England	5.3	82.8	6.8
Southend-on-Sea	5.1	85.2	7.4

Source: DCSF, 2012

Figure 6.29, below, shows recent NEET statistics at ward level. The highest recorded number of NEETs by ward occur in Victoria (26), Kursaal (25), Blenhaim Park (22) and West Shoebury (20). These wards are widely regarded as being in the most deprived parts of Southend-on-Sea and have the greatest proportion of out-of-work benefit claimants.

Figure 6.29: May 2013 NEET rates by Ward



Source: Southend-on-Sea Borough Council 2013

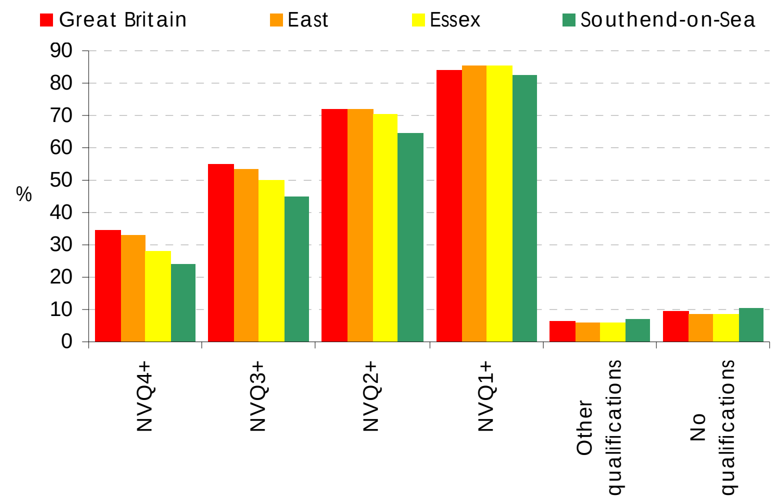
6.4 Skills

Skills Levels

NVQ levels

Southend-on-Sea's residents hold lower skills levels in comparison to Essex, the East of England and Great Britain. As Figure 6.30, below, indicates a smaller proportion of Southend-on-Sea residents have NVQ 2+, 3+ and 4+ qualifications compared to all comparator regions. The proportion of Southend-on-Sea residents with no qualifications, at around 10.7 per cent, is more than both East of England and Essex (both 8.5%) and Great Britain (9.7%). The 'brain drain' issue in Southend-on-Sea is a likely contributor to town's low skills levels; the proximity of London's highly skilled employment opportunities and Southend-on-Sea's traditionally low skilled employment sectors, such as retail and tourism, combine to encourage higher skilled residents to relocate. Southend-on-Sea's relatively old population, who may be less likely to hold formal qualifications, provides another explanation for these trends.

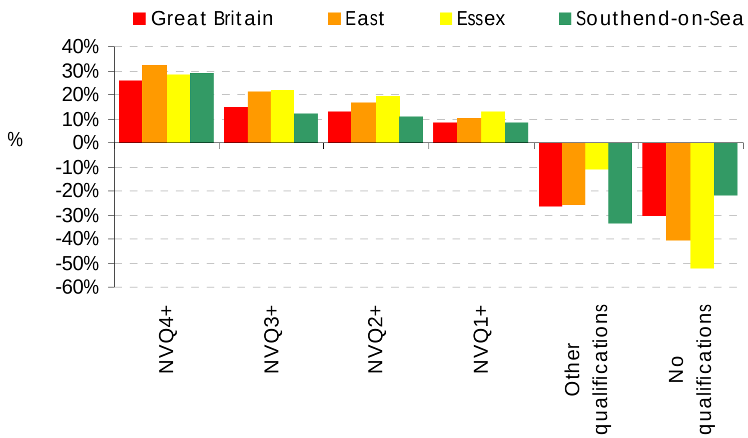
Figure 6.30: 2012 Skills Levels



Source: 2012 APS

Although post-GCSE skills levels have been historically low compared to national averages, Southend-on-Sea has made significant improvements since 2006 (see Figure 6.31 below). There has been a 29 per cent increase in those acquiring level NVQ4+ qualifications since 2006. Significant investment in the town's HE and FE education providers may explain this improved performance. For example, South Essex College and the University of Essex, Southend Campus, both have new flagship buildings located in the centre of town. This increased in provider capacity may also explain the decline in 'other qualifications', typically professional qualifications, as equivalent replacement qualification are now available.

Figure 6.31: Change in skills levels (2006-2012)



Source: 2012 APS

GCSE and A-level attainment

Southend-on-Sea outperforms England's average in the number of children gaining 5+ A*-C grades (including English and Maths) and average total point score per pupil. Figures 6.32 and 6.33, below, compares Southend-on-Sea's GCSE and A-Level performance against the East of England and England averages.

Figure 6.32: 2011/12 (Academic Year) GCSE attainment

	5+ A*-C grades	5+ A*-C grades inc. English and mathematics GCSEs
England	83.2	59.0
East	80.6	58.2
Southend-on-Sea	82.2	61.8

Source: 2012, DCSF (6 Special Schools not presented)

Figure 6.33: 2006-2009 (Academic Year) A- Level attainment

	Average point score per student	% of students achieving passes equivalent to at least 2 A level passes (A* - E)
England	733.0	93.6
East	722.7	93.8
Southend-on-Sea	735.3	97.6

Source: 2009, DCSF

Skills Gaps and Demand

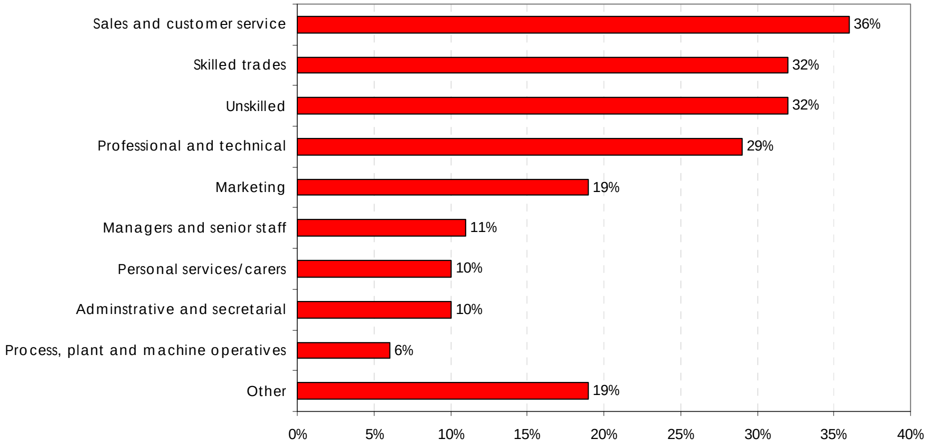
The National Employer Skills Survey (NESS), now the responsibility of the UK Commission for Employment and Skills, reveals insights into the skills levels of the workforce and employer satisfaction. 4,139 businesses in Southend-on-Sea were engaged and 16 per cent revealed that they were experiencing skills gaps among their workforce. As a comparison, of all businesses surveyed in the East of England, 17 per cent revealed that skills gaps were present.

The NESS survey also undertook analysis on the incidence of skills gaps by occupation. In Southend-on-Sea 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%).

The Southend Business Survey (Figure 6.34 below) highlights the types of skills or jobs in which businesses have had recruitment difficulties in the last 12 months. The most common recruitment difficulties reported were Professional and technical (36% of respondents); Unskilled (32%); Skilled trades (32%); and Sales and customer service (29%).

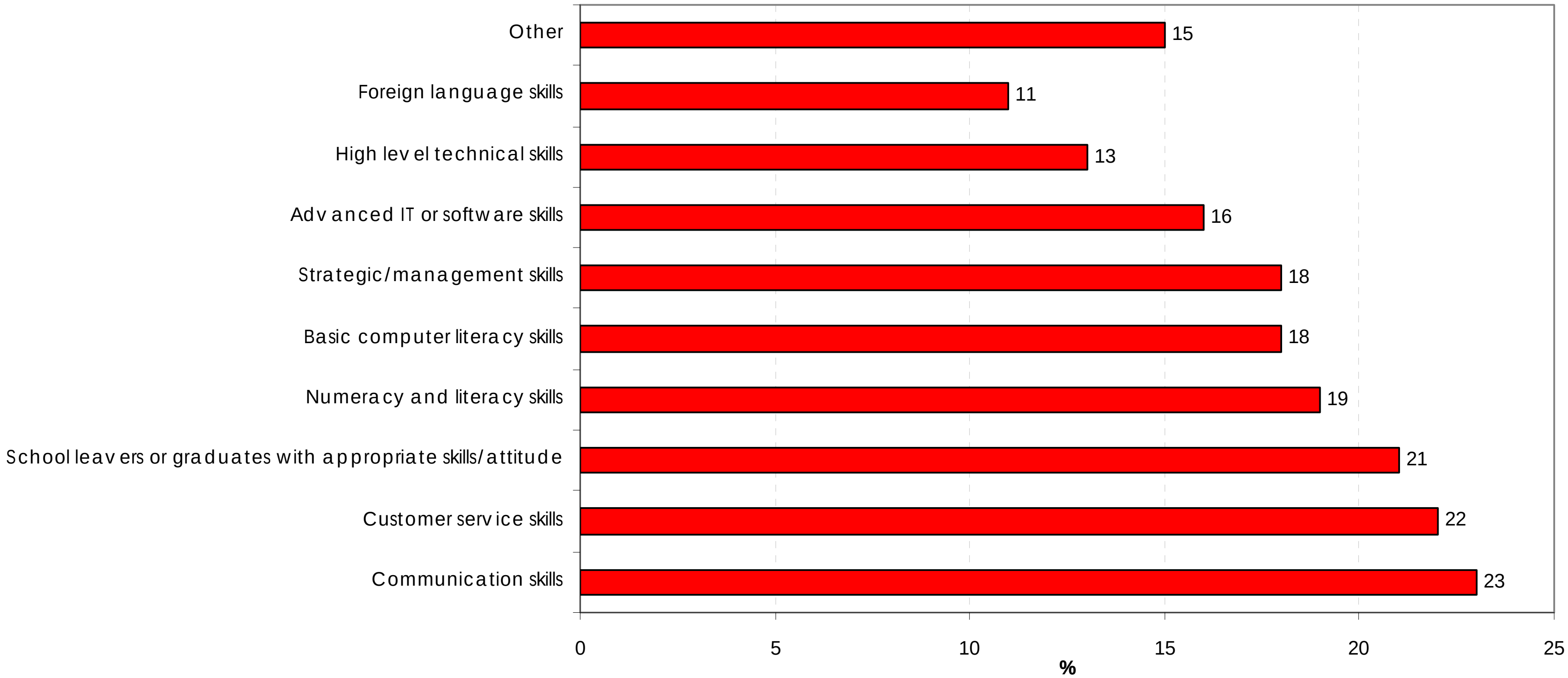
Figure 6.34: Types of skills or jobs in which businesses have had recruitment difficulties in the last 12 months (where have experienced recruitment difficulties) (% of businesses surveyed)



Source: BMG 2012 Southend Business Survey

Figure 6.35, below, illustrates the skills gaps identified in Southend-on-Sea businesses' current workforce. The three top skills gaps highlighted were communication skills (23% of respondents); customer service skills (22%); and school leavers or graduates with appropriate skills/attitude (21%).

Figure 6.35: Skills gaps identified in the current workforce (all respondents)



Source: BMG 2012 Southend Business Survey

Training Provision

The Annual Population Survey provides data on those of working age (16-64) and employed full-time who receive in-work, job related training lasting a minimum of 4 weeks. In Southend-on-Sea, 15.1 per cent of employees receive this level and type of training. This figure is higher than both the East of England (12.5%) and England (13.7%).

The small percentage of employers providing vocational qualification training is supported by findings in the 2012 Southend Business Survey. The survey found that almost a quarter of Southend-on-Sea businesses have a training budget and three in ten have a training plan. Fewer than seven in ten businesses have neither. The survey found that having a training budget and/or plan is significantly more likely within service industries (for example, health, food/accommodation and arts and entertainment) than in production, construction and manufacturing companies.

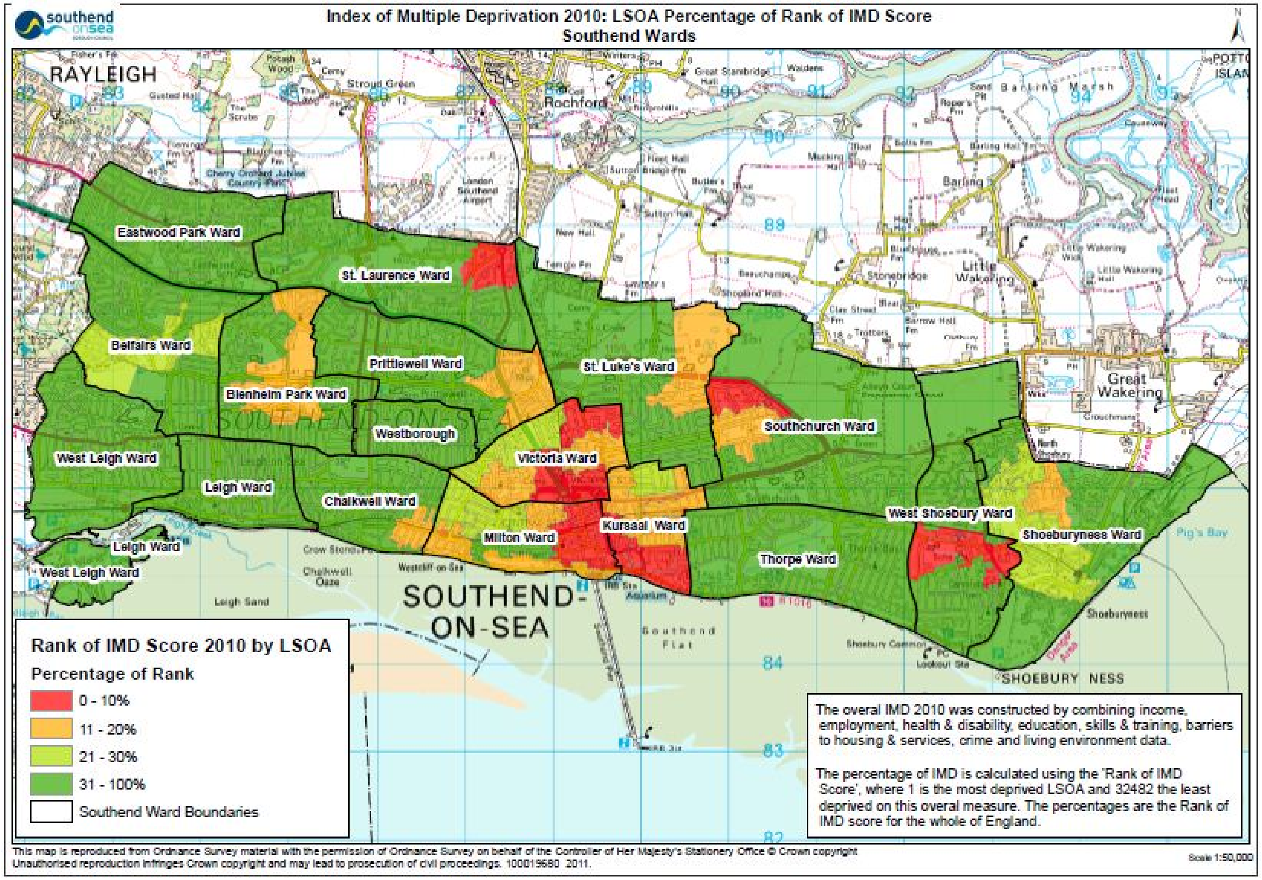
6.5 Deprivation, Health and crime

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. Nine LSOAs in Southend-on-Sea fall within the 10 per cent most deprived areas in England; these are situated within St Laurence, West Shoebury, Kursaal, Milton, Southchurch, and Victoria wards. In comparison, Southend-on-Sea has eight LSOAs ranked among the 10 per cent least deprived in the whole of England. One LSOA in Kursaal and one in Milton are in the 1 per cent most deprived in the country (Figure 6.36).

At a Local Authority level Southend-on-Sea ranks as the 106th most deprived borough out of the 326 in the country.

Figure 6.36: 2010 Index of Multiple Deprivation at SOA level in Southend-on-Sea



Source: 2010, IMD

Health

The Public Health Outcomes Framework presents indicators that help policy makers understand how well public health is being improved. The framework concentrates on two high-level outcomes to be achieved across the public health system, and groups further indicators into four domains that cover the full spectrum of public health. The framework supports statistical comparison between local authorities and the England value. The data is collated by Public Health England. Figure 6.37, below, highlights the measures where Southend-on-Sea achieves a significantly lower value than England.

Figure 6.37: Positive determinants of health – Southend-on-Sea significantly lower/higher score than England

Indicator	Period	Southend-on-Sea Value	Eng. Value
First time entrants to the youth justice system	2011	491	749
Violent crime (including sexual violence) – hospital admissions for violence	2009/10 – 11/12	57.4	67.7
Adults with a learning disability who live in stable and appropriate accommodation	2011/12	87.9	70.0
Reoffending levels – average number of re-offences per offender	2010	0.72	0.77
Statutory homelessness – homelessness acceptances	2011 /12	1.2	2.3
Statutory homelessness – households in temporary accommodation	2011/12	0.5	2.3

Source: Public Health Outcomes Framework, 2012

Figure 3.38, below, provides a summary of negative measures where Southend-on-Sea achieves a significantly lower/higher value than England.

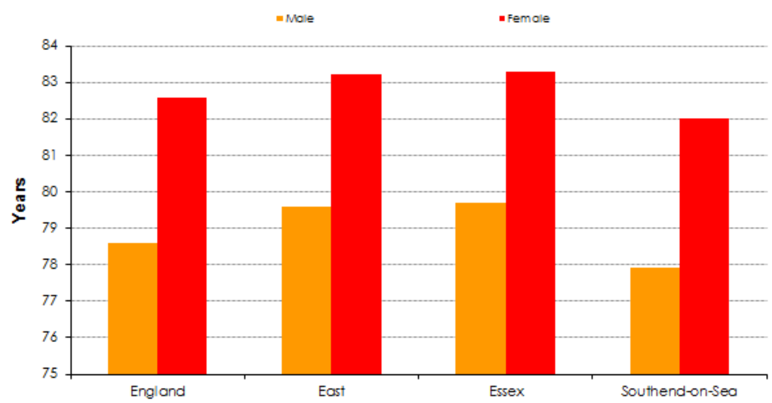
Figure 6.38: Positive determinants of health – Southend-on-Sea significantly lower/higher score than England

Indicator	Period	Southend-on-Sea Value	Eng. Value
Breastfeeding – Breastfeeding prevalence at 6-8 weeks	2011/12	37.0	47.2
Cancer screening coverage – breast cancer	2012	69.2	76.9
Cancer screening coverage – cervical cancer	2012	72.1	75.3
Population vaccination coverage – PPV	2011/12	63.7	68.3
Population vaccination coverage – Flu (aged 65+)	2011/12	71.6	74.0
Population vaccination coverage – Flu (at risk individuals)	2011/12	46.2	51.6

Source: Public Health Outcomes Framework, 2012

Life expectancy is a key indicator linked to deprivation levels. Many factors affect average life expectancy including income, and lifestyle choices such as alcohol consumption and smoking, nutrition and education. Figure 6.39, below, illustrates that Southend-on-Sea's life expectancy at birth for males and females is lower than the equivalent statistics for Essex, the East of England and England.

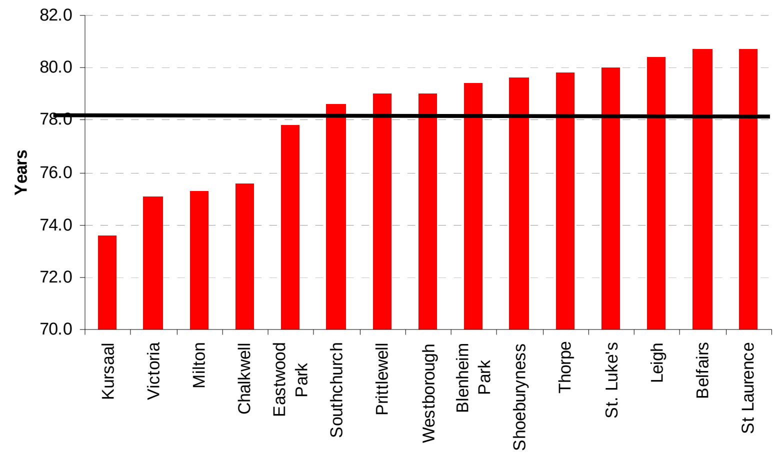
Figure 6.39: Life expectancy (2008-2010)



Source: ONS, 2012

Within Southend-on-Sea there is significant variation in average life expectancy. Figure 6.40, below, 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-on-Sea's average life expectancy across all wards. There is a clear correlation between deprivation and life expectancy.

Figure 6.40: Life expectancy by ward



Source: ONS, 2006

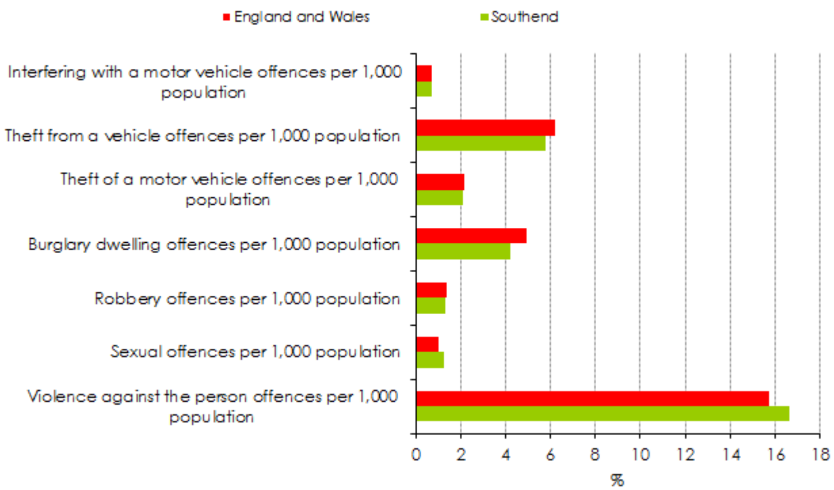
Children

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. The index measure LSOAs performance against material well-being, health, education, crime, housing, environment, and children in need. At a local authority level, Southend-on-Sea has a CWI score of 191 (the higher the score the lower the child wellbeing) and has a ranking of the 287th. To compare, Essex performs much better with a lower index score of 113.

Crime

Southend-on-Sea 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 6.41, below, compares incidences of crime per 1000 population in Southend-on-Sea to the national figure.

Figure 6.41: British Crime Survey comparisons (2008/09 to 2009/10)



Source: British Crime Survey, Research and Development statistics, Home Office (2012)

6.6 Assets, Constraints and Opportunities

Using the information presented above, this section outlines Southend-on-Sea'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-on-Sea'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 are more active than the national average.
- Southend-on-Sea 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-on-Sea 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-on-Sea 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-on-Sea, 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 across the borough. Kursaal, Victoria and Milton wards are repeatedly highlighted as the wards in Southend-on-Sea 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 London Southend Airport
    - Specialist engineering skills around aviation and medical instrumentation
    - Administration and customer management at financial services back off 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-on-Sea.
- The expansion of London 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.
- London Southend Airport expansion and other developments has the potential to create a step change in the image of the town and its people.

7. SUSTAINABLE ECONOMIC GROWTH

7.1 Introduction

This section considers a range of factors relating to physical movement, housing, infrastructure and the environment. These elements, if performing well, can provide the foundations to support Southend-on-Sea's economic future.

Southend-on-Sea needs strong transport infrastructure to enable people and businesses to access employment sites and potential markets. In addition, quality local amenities will make the town an attractive place to live and work. Increasing the proportion of residents who live and work in the town will also improve the proportion of earned money remaining inside the local economy.

7.2 Movement & Access

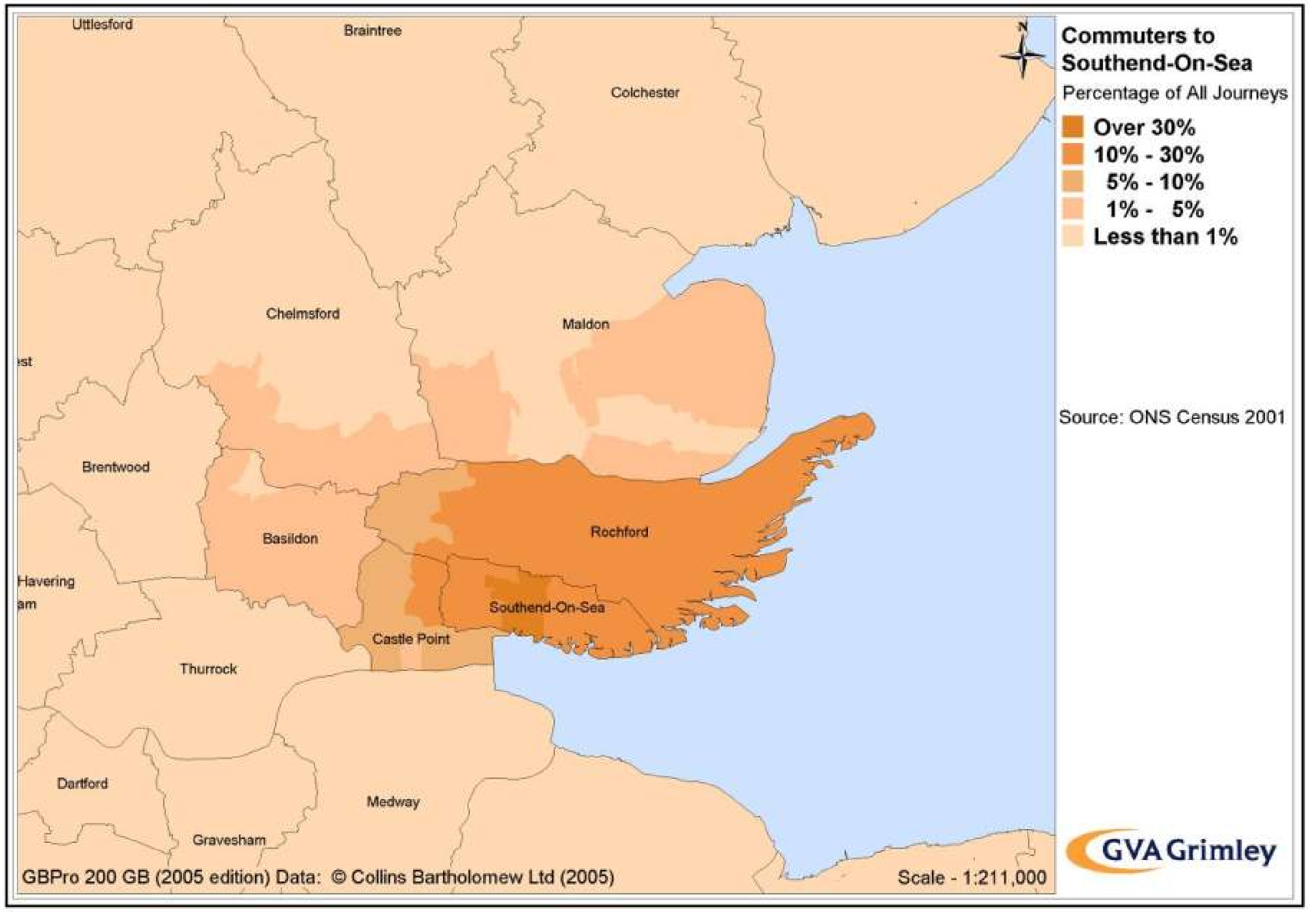
Movement and access to, from and within the borough are major considerations when assessing the future economic prospects for Southend-on-Sea. Strong connectivity via road and rail attracts employees to work in the borough and provides access to well-paid jobs that are not available locally, whilst retaining their spending potential. It also allows businesses to reach markets for their goods and services, and supports some of Southend-on-Sea'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-on-Sea's area of influence covers Southend-on-Sea Borough, where more than 30 per cent 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 per cent catchment area includes Rayleigh and the remainder of Castle Point. This is shown in Figure 7.1. 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 locations outside the South Essex boundary.

Figure 7.1: 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. Figure 7.2, below, shows the volumes of travel to work trips from the Thames Gateway South Essex local authorities to London at the point of the 2001 Census (the relevant update 2011 Census data has yet to be released). It also indicates the split between trips to Central London and East London Boroughs.

Figure 7.2: 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%

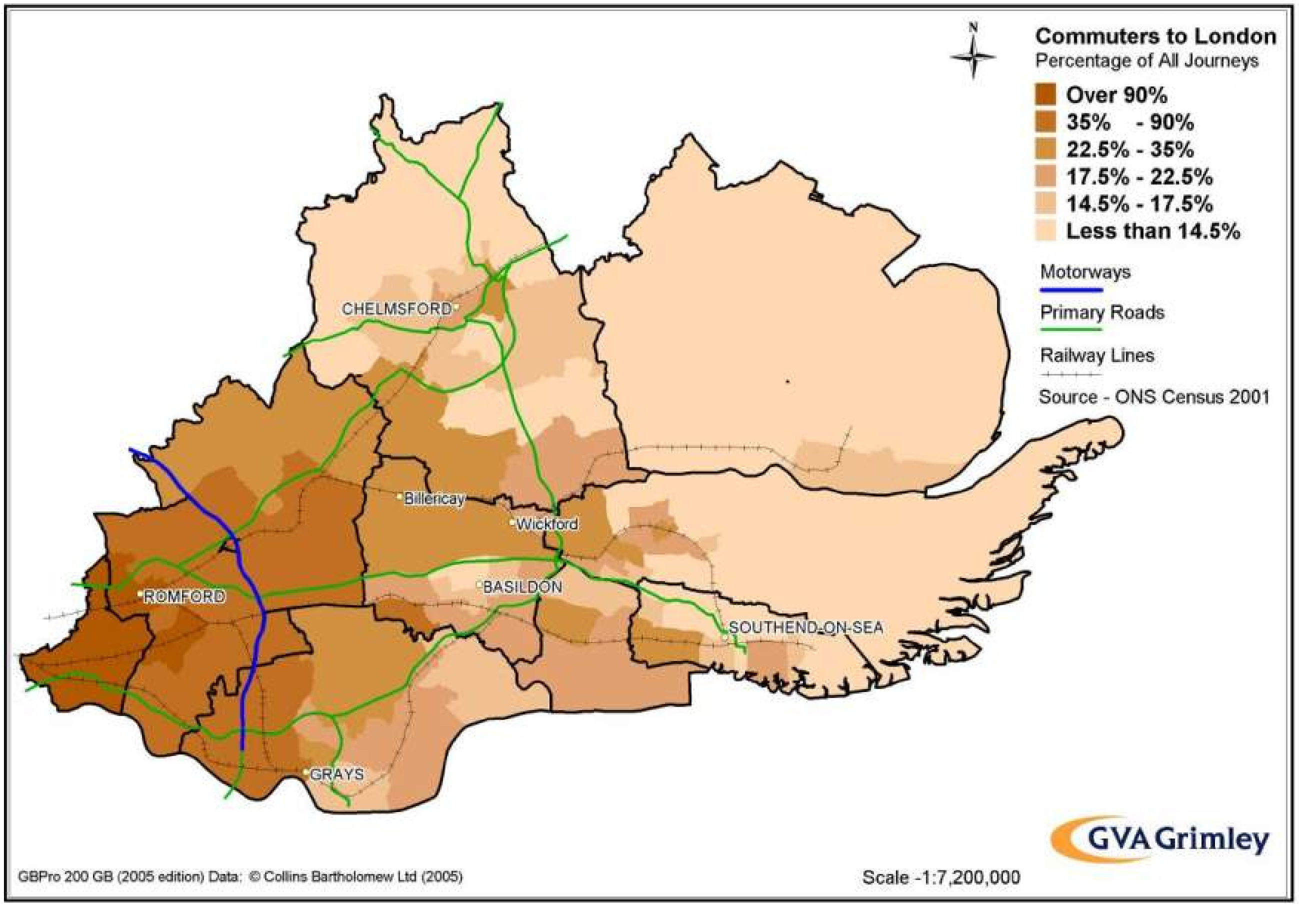
Source: Census 2001

In relation to the rest of the Thames Gateway South Essex sub-region, Southend-on-Sea has a relatively lower level of out-commuting to London. The level is 15 per cent 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 per cent 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. Figure 7.1, below, illustrates the levels of out commuting to London.

As described above, 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 per cent of all jobs held by Southend-on-Sea residents.

Figure 7.3 illustrates London's sphere of influence.

Figure 7.3: London's Sphere of Influence



Source: Census 2001

Transport

Closely related to the patterns of commuting to and from Southend-on-Sea are the levels of public transport accessibility which, along with car usage, is the main determinant of commuting activity. .

Rail Access

Rail access to and from Southend-on-Sea is particularly strong and the town is well connected with trains running to Fenchurch Street and London Liverpool Street along two separate lines. There are ten stations within the borough including a new connection at London Southend Airport. Train services 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-on-Sea'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 rail, although there is a direct bus service. Details of rail transport connections from Southend-on-Sea are shown in Figure 7.4 below.

Figure 7.4: Rail Connections from Southend-on-Sea

Southend-on-Sea 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-on-Sea 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 Figure 7.5 below.

Figure 7.5: Bus Connections from Southend-on-Sea

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-on-Sea'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-on-Sea 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 Figure 7.6 below.

Figure 7.6: Bus service frequencies in Southend-on-Sea

	Frequency (average number of buses per hour)				
Bus Service	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

Figure 7.7, below, shows that a number of locations, such as Chelmsford, Basildon and Thurrock are more accessible by road than by public transport.

Figure 7.7: 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.

Access to Employment and Services

Figure 7.9, below, indicates that access to major employment sites is good with the majority of residents within 10 minutes by foot or public transport to a site.

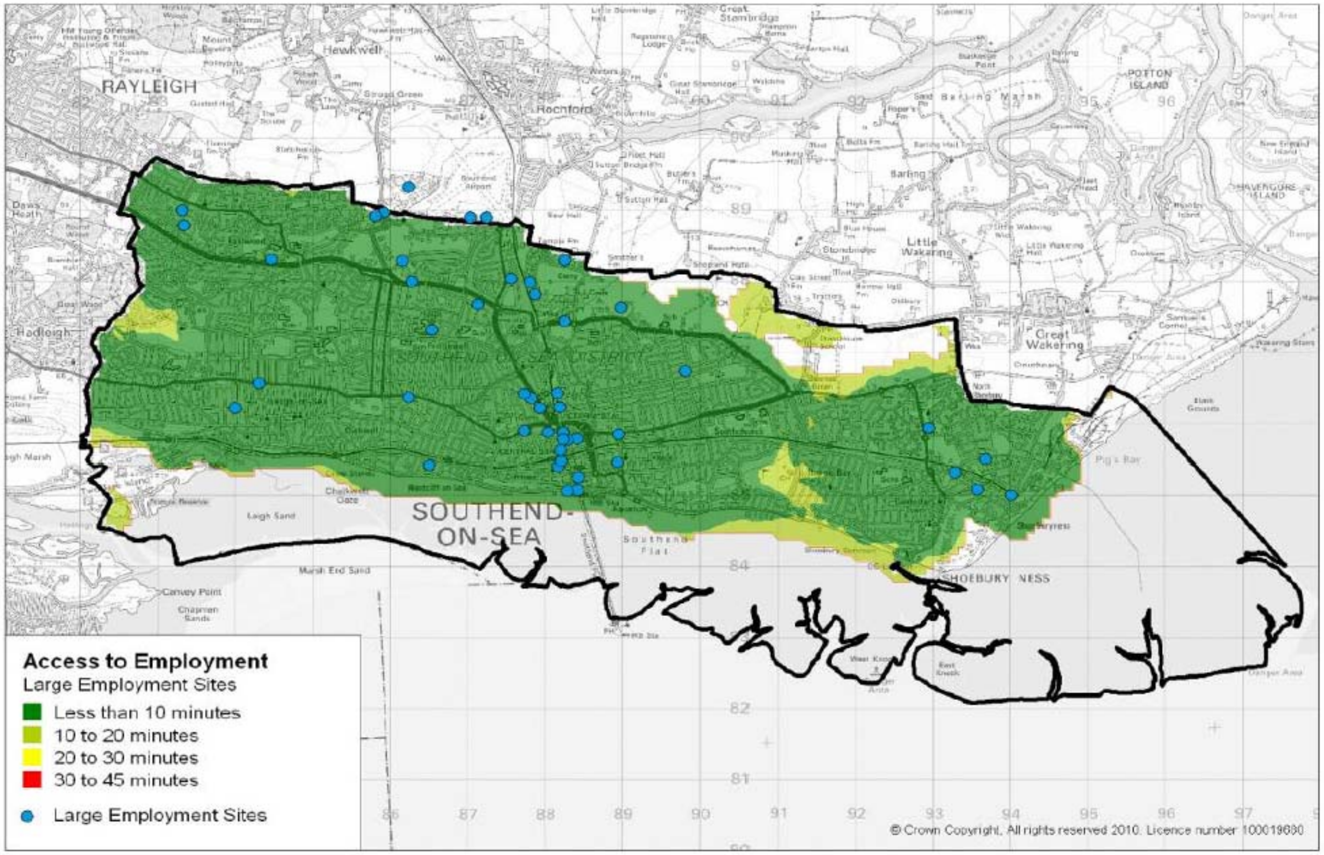
Southend-on-Sea compares favourably with other authorities in the East and South East of England in terms of accessibility to employment sites. Figure 7.8, below, shows, for example, that Southend-on-Sea has walk/public transport accessibility levels that are similar or better to those in Thurrock and Luton. The town also has better access to employment by cycle than both of these areas.

Figure 7.8: Access to employment sites by mode of transport

% of target population weighted by the access to employment centres by…		**Brighton**	**Luton**	**Southend-on-Sea**	**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 7.9: Access to large employment sites in Southend-on-Sea



Airport

As well as established road and rail connections to Central London (and its major airports), Southend-on-Sea also has its own airport, London Southend Airport. Recent landmark achievements made at the airport have included:

- July 2011 – A new Air Traffic Control Tower opened
- March 2012 - 300m Runway extension opened
- March 2012 – New Passenger Terminal opened to passengers. In June 2013 the airport celebrated its one millionth passenger to use this new terminal.
- July 2012 – Stobart Executive Handling Lounge opened
- October 2012 – Holiday Inn Southend-on-Sea (adjacent to the airport) opened
- August 2013 – London Southend Airport is named the best airport in Britain in the latest *Which?* airport passenger survey, with an overall customer score of 84 per cent.

In addition, a new Arrivals area and five additional stands are planned as part of £10 million extension to the terminal building to support the airport's continued expansion. This project will be completed in December 2013.

Currently, Aer Lingus Regional and easyJet operate from London Southend Airport. Figure 7.10, below, shows the latest summer and winter timetable for the airport.

Figure 7.10: London Southend Airport Summer/Winter Schedule 2013/14

Destination	2013 Summer schedule	2013/14 Winter schedule
Dublin	Up to 3 flights daily	Up to 3 flights daily
Alicante	Up to 10 flights daily	Up to 7 flights daily
Amsterdam	Up to 2 flights daily	Up to 2 flights daily
Barcelona	Up to 10 flights daily	Up to 10 flights daily
Belfast	Up to 7 flights daily	Up to 7 flights daily
Berlin	Up to 6 flights daily	Up to 6 flights daily
Edinburgh	Up to 6 flights daily	Up to 6 flights daily
Faro	Up to 8 flights daily	Up to 5 flights daily
Geneva	N/A	Up to 3 flights daily
Ibiza	Up to 3 flights daily	N/A
Jersey	Up to 7 flights daily	Up to 4 flights daily
Krakow	Up to 4 flights daily	Up to 4 flights daily
Malaga	Up to 7 flights daily	Up to 5 flights daily
Majorca (Palma)	Up to 5 flights daily	Up to 2 flights daily
Newquay	Up to 3 flights daily	N/A
Venice	Up to 4 flights daily	Up to 4 flights daily

Source: Southend Airport, 2013

This expansion has the potential to enhance Southend-on-Sea's profile as a tourist and business destination and is one of the major future catalysts for growth.

7.3 Land & Buildings

In addition to the transport infrastructure and regeneration projects within Southend-on-Sea, the availability and range of land for residents and commercial use is an important consideration of Southend-on-Sea'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.

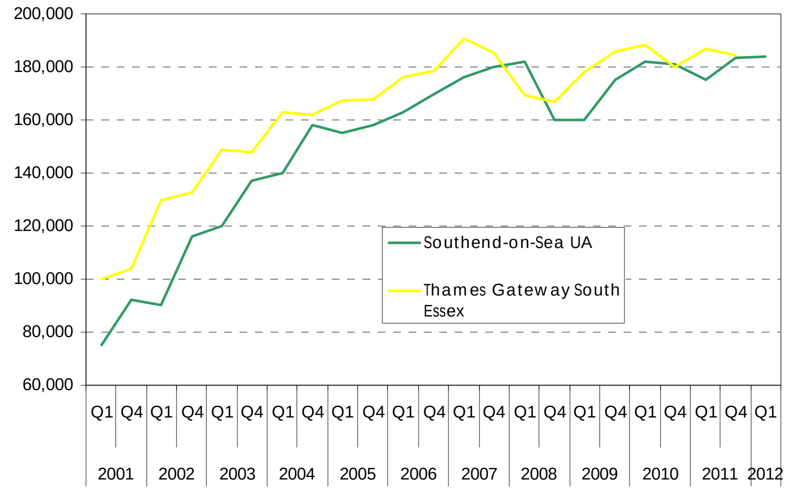
Housing

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 the Land Registry demonstrates that there has been a gradual recovery (despite a dip in early 2011) in house price levels in Southend-on-Sea since Quarter 4 2008. Figure 7.11, below, shows that average prices are now higher than pre-recession 2007 levels.

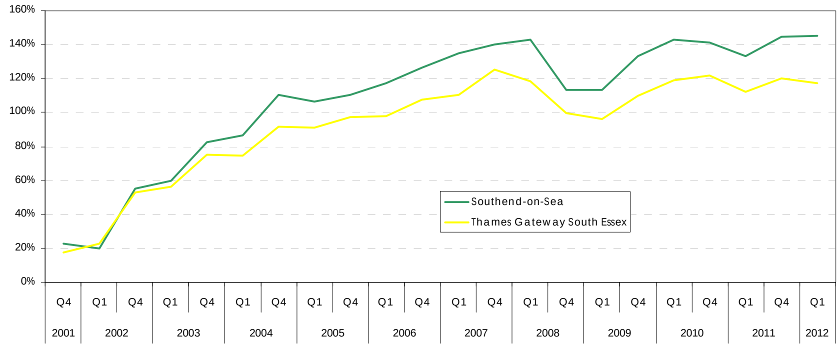
Figure 7.11: Average House Prices in Southend-on-Sea (2001-12)



Source: Land Registry, 2012

Figure 7.12, below, demonstrates that Southend-on-Sea's average house price percentage has broadly followed the trend of Thames Gateway South Essex as a whole. However, the gap between the two trends continues to broaden. House prices in Southend-on-Sea have risen by circa 28 per cent in Quarter 1 in 2012.

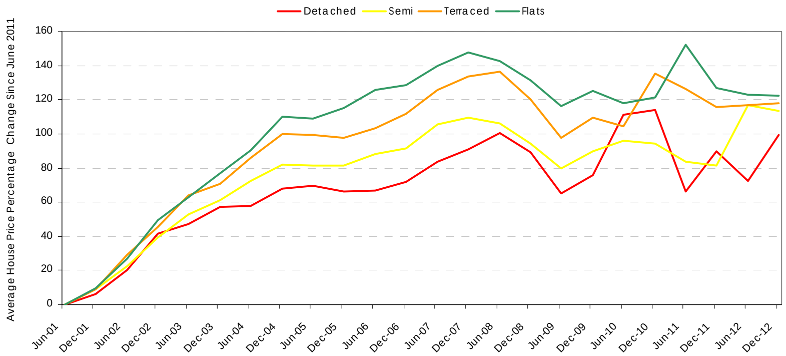
Figure 7.12: Average House Price Percentage Change Since Qtr 4 2001



Source: Land Registry, 2012

Figure 7.13, below, demonstrates that despite a significant fall in growth rate from a high in June 2011, Flats remain the highest performing type of residential property in Southend-on-Sea. However, the gap in growth performance has narrowed between all types of residential property with detached houses in particular showing a strong rise in growth between June 2012 and December 2012.

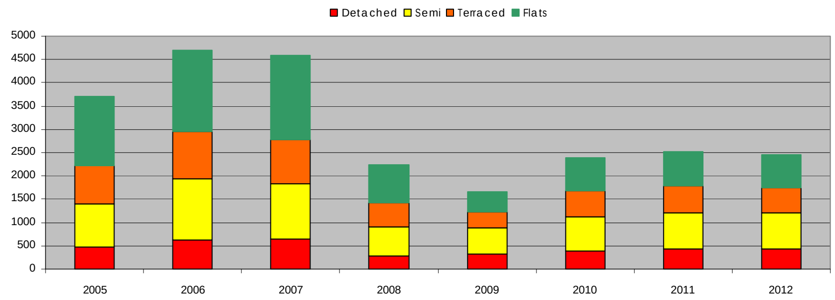
Figure 7.13: Growth by Housing Type 2001 - 2012



Source: The Property Database Ltd, 2013

Figure 7.14, below, shows the gradual rate of recovery in housing transaction since the 2008 recession. Since a low in 2009 (1,667 transactions), total transactions in 2012 have risen by 48 per cent, however, remain significantly below 2007 levels.

Figure 7.14: Transactions in Southend-on-Sea (and by type)

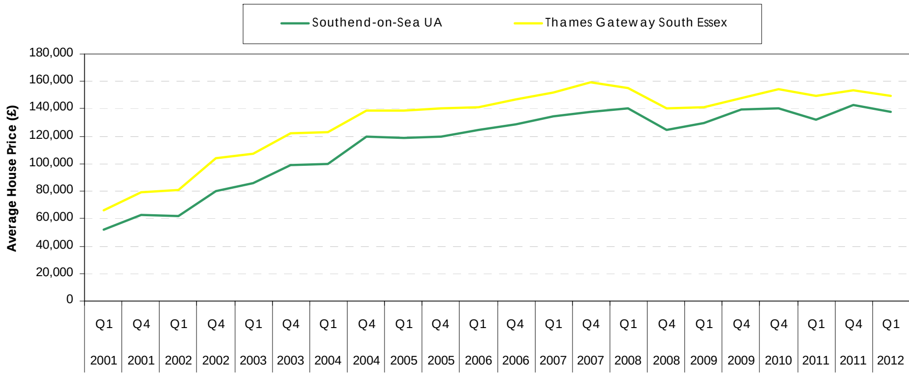


Source: The Property Database Ltd, 2013

In affordability terms, Figure 7.15, below, 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 since 2008 compared to other housing brackets.

Although there has been drop in average price since 2008 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.

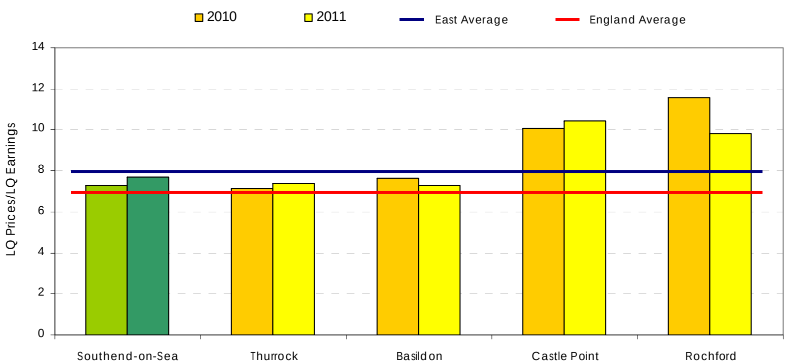
Figure 7.15: Lower Quartile House Price Change (Q1 2001 onwards)



Source: Land Registry, 2012

Compared to Thames Gateway South Essex, Southend-on-Sea's affordability has reduced (despite falls in 2008 and 2011) as lower quartile house price have risen by 15 per cent since Quarter 4 2005. Thames Gateway South Essex's least expensive housing has also increased over the same period but only by 7 per cent. These figures reflect the relative performance of the city's housing market as illustrated in Figure 7.16

Figure 7.16: Affordability (Ratio of lower quartile house price to lower quartile earnings), TGSE Authorities 2010-2011



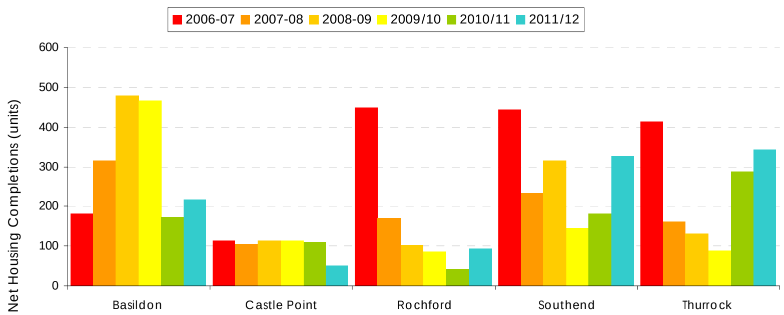
Source: Land Registry, 2012

While the increase in affordability overall improves the chances of TGSE residents accessing the local housing market, price to earnings ratios are still higher in the sub-region than the England average, far higher than most mortgage providers will allow, which coupled with larger deposit requirements suggests that housing is as unaffordable as ever.

Housing Completions

In addition to illustrating affordability levels, the level of housing completions demonstrates the ability for stock to be replenished and housing to become more accessible for residents of Southend-on-Sea. Figure 7.17, below, illustrates Southend-on-Sea's steady recovery in housing completions following a low in 2009/10 indicating a comparative improvement in the housing market compared to other local authorities.

Figure 7.17: Housing Completions by Local Authority, 2006/07 to 2011/12



Source: South Essex Local Authority Annual Monitoring Reports, 2006-2012

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

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 above 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 Figure 7.18.

Figure 7.18: 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

Figure 7.19, demonstrates that the office market in Southend-on-Sea is more attractive in commercial terms for investors than, for example, Rochford, but is significantly below larger office centres in Essex such as Chelmsford. Industrial rental levels are generally consistent throughout the Essex area. 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 7.19: Commercial Rental Levels in Southend-on-Sea and selected other centres 2012

Source: EGi, 2013

Retail

The Southend-on-Sea Retail Study outlines the key shopping centres across the borough and their comparative performance.

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 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. Southend-on-Sea is a comparatively less attractive centre than Chelmsford (77) and is of a similar level to that of Basildon (178). Figure 7.20, below, demonstrates that in 2010 Southend-on-Sea's position in retail terms: its rental levels achieved are low compared to other centres in the area such as Basildon, Lakeside and Chelmsford.

Table 7.20: Prime Rental Values (£ per sq ft)

Centre	Q4 2005	Q3 2006	Q3 2007	Q3 2008	Q3 2009
Southend-on-Sea	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 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.

7.4 Regeneration

The Southend Central Area Action Plan (SCAAP) provides more detailed consideration to how and where employment-led regeneration and growth can sustainably be accommodated in the Town Centre, Central Seafront Area and surrounding gateway neighbourhoods. The document's stated ambition for Southend Central Area is for it to be a prosperous and thriving regional centre that is vibrant, safe and hospitable and rich in commerce, learning and culture.

The aim of the SCAAP is to:

'…transform the image of Southend through sustainable economic growth, development and social provision, and for it to be independently recognised as a popular location for businesses, residents, students and visitors.'

SCAAP's overarching rationale is based on the creation of a 'City by the Sea' and the concept of urban Quarters which challenge the current geography of the central area which is characterised by a strong sense of zoning.

The SCAAP, therefore, seeks to establish new urban Quarters and sites which, to a varying extent take on a new mixed sustainable character in line with principles set out in the hierarchy of national, regional and local planning policies. In addition, the Plan seeks to address the particular challenges facing older communities adjacent to the core Town Centre.

The SCAAP states that the themes of the new Quarters will be appropriate to their context, either seeking to strengthen the competitive advantage of current uses, or defining new roles contributing to the regeneration of the key sites and the Central Area as a whole.

Figure 7.21, below, details the main Quarters and Key sites identified within the SCAPP.

Within the areas that have potential for significant change or improvement the SCAAP identifies proposals sites that are suitable for development to achieve the objectives set out for each quarter or gateway neighbourhood and the vision and objectives for the Town Centre and Central Area overall.

Figures 7.22 and 7.23, below, detail the SCAAP's 'appropriate use' recommendations for each of the proposal sites or areas. Where applicable, the scale of each potential development is also included. In order to allow flexibility – facilitated by the planning process – the document's policies avoid being too explicit on the precise amount and mix of different uses.

Figure 7.21: SCAAP's proposed Quarters and Gateway Neighbourhoods

Title of new Urban Quarters		Role within the regeneration of Central Area
1.	The High Street	Linear primary shopping street acting as the single unifying element linking the quarters of the central area with each other.
2.	Queensway and London Road / Broadway	North western entry point to the town centre defined by Queensway to the north with principle buildings fronting London Road and Broadway.
3.	Elmer Square	The heart of the University and Higher education campus based around the former multi storey car park.
4.	Queensway and Southchurch Road	North eastern entry point to the Town Centre containing The Victoria Shopping Centre and defined by Queensway to the north and Southchurch Road to the south.
5.	Warrior Square	East of the High Street focussed on the Warrior Square surface car park and restored Warrior Square Gardens and Conservation Area.
6.	Clifftown	The historic core of the Town Centre with historical and social linkages to the seafront.
7.	Tylers Avenue	Diverse area of mixed uses east of the High Street anchored in the South by the Royals Shopping Centre.
8.	Central Seafront (including Central Seafront and Western Esplanade)	Seaside promenade ranging from active amusement frontages east of the Pier to leisurely promenade backed by splendid cliff gardens west of the pier.
9.	Victoria Gateway Neighbourhood	Large mixed community comprising historic core, large residential neighbourhood, local shopping centre, Southend United Football Club Stadium and traditional office and civic area facing onto Victoria Avenue.
10.	Sutton Gateway and Neighbourhood	Large mixed community including large residential neighbourhood, employment areas, local shopping centres and Greyhound Retail Park.

Source: Southend Central Area Action Plan (SCAAP), 2011

Figure 7.22: SCAAP's appropriate use recommendations for each proposal site

Proposal Site (PS) Number	Title	Detailed Proposal Site Policy
PS2a	Sainsbury's and adjacent buildings, London Road Proposal Site	A planning brief to deliver the development principles for the quarter, and to provide: a) Mixed use landmark development primarily focussed on Grade A B1 office with residential uses at upper levels in association with other town centre uses at ground floor level such uses as bars and restaurants, leisure, banks and small retail; b) Design and layout solutions that allow for: I. Potential extended development site resulting from realigned Queensway carriageway; II. Development to the Queensway elevation of a quality that provides grandeur and a distinctive landmark; III. Attractive frontages to Queensway elevation coupled with arcaded route to London Road and active frontages with mixed town centre uses to all other frontages; IV. High quality pedestrian environments and improved permeability from Queensway to London Road and the High Street; V. Provision of public art, particularly to Queensway to signal gateway entry to the Town Centre.
PS3a	Elmer Square Proposal Site	The phased redevelopment of this site as follows: 1. Phase 1 to provide: a) shared Library and Teaching Building consisting public library, exhibition space (Focal Point Gallery) café and teaching space including i-lab and lecture theatre b) landscaping of semi enclosed new public square with public art / sculpture and digital projection c) the following highways improvements: I. on site, to change Farringdon Service Road from a one way to a two way traffic movement with turning head on the proposed truncated end of Farringdon Service Road II. the offsite highways works include: • to the south, link the new paving from the square /open space up to the existing pedestrianised paving in Elmer Approach; end point on the public highway to be the junction of Elmer Approach with Luker Road; • to the north, link the new paving from the square / open space across Farringdon service road and up to its junction with Queens Road; • finalise the turning facility on the truncated end of Farringdon service road; • All paving in front of the new building forming open space/square to be able to carry maintenance vehicles, 2. Phase 2 to provide for: a) additional teaching building for South Essex College.

Proposal Site (PS) Number	Title	Detailed Proposal Site Policy
PS4a	Queensway House and adjacent buildings	Redevelopment of this site will be pursued as follows: 1. promote the provision of additional housing and new commercial development including office and secondary retail uses together with community facilities by either: a) the refurbishment and upgrade of the existing residential tower together with redevelopment of the remaining area, or b) comprehensive redevelopment of the whole site, 2. promote new retail and community uses with active frontages to Essex Street; 3. consider the provision of public parking provided it is located close to Queensway and does not encourage general vehicle circulation along Chichester Road, Southchurch Road and Queensway; 4. provide new public open space fronting Chichester Road, including appropriate crossing improvements on Chichester Road, to relieve canyon effect of existing buildings and improve the environment for residents and visitors; 5. pursue urban greening within the development, including the use of green walls and roof gardens and the creation of green space within new development.
PS5a	Warrior Square Car Park Proposal Site	Redevelopment of this site for mixed use development will include the provision of: 1. mixed use development focussed on the Grade A Office (B1) new multi-storey car park supported by residential and compatible A3 uses at ground floor including electric car charging points, Cycle Café, workshop, public toilets and travel information centre; 2. uses and landscaping along northern ground floor elevations to engage with, and provide facilities for, Warrior Square Gardens; 3. housing on Whitegate Road frontage of a scale that defers to lower massing and residential nature of this area; 4. a high quality user environment, with pedestrian considerations integral to the design and operation of the car park; 5. a direct and short route to the car park from Warrior Square East and exit from the car park onto Queensway; 6. a pedestrian square to the north of the site linked both physically and in design terms to Warrior Square Gardens and new pedestrian route along Warrior Square South; 7. integrated public art into design of buildings and associated landscape elements; 8. use public art and design of buildings to signal/signpost the Car park to travellers on Queensway wishing to park and to other destinations within the centre for pedestrians.
PS5b	Whitegate Road	Redevelopment of this site will be pursued in a manner which contributes to the objectives for the Warrior Square Avenue Quarter and meets the development principles outlined in Policy DP5 above.

Proposal Site (PS) Number	Title	Detailed Proposal Site Policy
PS6a	Clarence Road Car Park	The redevelopment of this site for mixed use development including the provision of: 1. new public car park and associated direct and short route to and from the car park from Clarence Road; 2. a mix of retail, residential and other uses, such as cafes and small offices / workshops compatible with the objectives for the quarter; 3. a building design that groups uses around 'lanes' or 'courtyards' to reflect the scale, grain and form of the area; 4. a new public square located within a courtyard; 5. new pedestrian linkages particularly between Nelson Mews and Alexandra Street and Clarence Road; 6. new views to key buildings and streets; 7. clear, simple and minimal signage for cars and pedestrians that is integrated into the development.
PS6b	Alexandra Street Car Park	The redevelopment of this site for mixed use development including: 1. small ground floor retail, food and drink units and residential units above; 2. new public lanes for small markets and outdoor dining; 3. potential for new units or extensions to the back of the High Street units.
PS7a	Tylers Avenue	The redevelopment of this site will be pursed for a high quality mixed development, including the provision of: 1. quality larger retail units that create an expanded primary retail circuit integrated with the southern end of the High Street and The Royals; 2. supported by office and residential uses and provision of replacement car park if required, any proposed development will need to identify how any dislodged parking needs are to be met on site or in that part of the Town Centre; 3. building design, form and massing that provides for: a) a permeable environment that is pedestrian friendly with active frontages on all 'streets'; b) improved linkages to the Central Seafront and Eastern Esplanade via St John's and Seaway Car Park Proposal Site; c) a good quality and functional relationship with The Royals Shopping Centre d) a good relationship with the residential areas to the east in terms of scale and massing; e) all servicing and deliveries from Chichester Road.
PS7b	Pitman's Close	The Council, will pursue with private sector partners the redevelopment of this site in a manner which contributes to the objectives for the Tylers Avenue Quarter and meets the development principles outlined in Policy DP7 above.

Proposal Site (PS) Number	Title	Detailed Proposal Site Policy
PS9a	The Victoria Avenue Site	1. The Council will pursue, through Supplementary Planning Guidance (SPD), Compulsory Purchase powers and preparation of Development Briefs, the following initiatives: a) comprehensive redevelopment of this site, or incremental development within the site, to transform the area into a sustainable mixed use community, including: i. an acceptable mix of uses focussed on residential and small scale flexible office accommodation complimented by local retail uses, leisure (cafes and bars) and community facilities; ii. the provision of a Primary school when required; iii. consider the provision of additional Higher and Further Education facilities based on an assessment of the expansion needs of the University of Essex and South Essex College; iv. full integration with the surrounding neighbourhood by providing for new footway/cycle links through the area; v. limited strategic locations for tall buildings vi. urban greening projects, including: • the use of green walls and roof gardens; • comprehensive landscaping; • the creation of a series of linked public green space within the area linked • to a wider network of parks and gardens; • a comprehensive sustainable drainage system and areas of open water. 4. Enforcement powers will be used to reduce the damage to amenities and the environment resulting from long term vacant and derelict land and buildings. 5. In the event of incremental redevelopment of individual sites, the Council will require each development site as it comes forward to demonstrate how the scheme will meet, and not prejudice the delivery of, the wider regeneration ambitions for the area, including the provision of measure that integrate the proposed scheme with: a) a remodelled high quality urban form; b) provide a built form where fronts of building all face existing or new public space or streets; c) a series of new footways and cycle routes through the whole area linking to the surrounding neighbourhood; d) an area wide comprehensive sustainable drainage system and areas of open water; e) the creation of a series of linked public green space within the area linked to a wider network of parks and gardens; f) an area wide solution to parking provision; g) create substantial areas of usable communal private spaces.

Proposal Site (PS) Number	Title	Detailed Proposal Site Policy
PS9b	Former Essex and Suffolk Water Board Site	The provision of housing on this site in association with the promotion of enhanced cultural facilities and creative industries, building on the current use and capitalising on the merits of the existing building.
PS9c	Roots Hall Football ground and environs	In the event of Southend United Football Club's relocation, the redevelopment of this site will include: 1. mixed residential uses comprising flat, semi-detached and terraced houses with usable quality private open space; 2. retail food store at first floor level and petrol filling station with kiosk; 3. business uses together with café/bar and community facilities fronting onto Fairfax Drive; 4. vehicular accesses / egresses onto Fairfax Drive, Roots Hall Avenue and Victoria Avenue; 5. modified access to Shakespeare Drive for emergency and pedestrian only access 6. good quality landscaping; and 7. provision of retaining walls to southern part of site.
PS10a	Former B&Q Site	1. Redevelopment will include a large format foodstore, car parking and re-provision of youth facilities. 2. The Council will require: a) an assessment of the impact of the proposal on the Town Centre's vitality and viability, including impacts of the scale, range and quality of the comparison and convenience offer; b) transport and access arrangements to have regard to the highway, public transport and pedestrian and cycle provisions of the Victoria Gateway scheme in addition to the highway requirements of the scheme itself; c) building design to be architecturally led and demonstrate how the development will integrate with the surrounding area, including how an active frontage at ground floor level can be achieved; d) environmental improvements to Short Street for walking and cycling.
PS10b	Sutton Road	1. Area to be redeveloped for high quality housing with supporting uses at ground floor such as café and/or bar/community facilities. 2. The Council will require the building design, form and massing to: a) have regard to residential buildings on the opposite side of Sutton Road and contribute positively to repairing the street scene in this area; b) b. Provide for a new area of public open space.
PS10c	Coleman Street	Regeneration of this site for the provision of additional social housing via an options appraisal that will provide a vision of how to provide high quality, environmentally sustainable affordable housing whilst helping to address issues of anti-social behaviour and encouraging neighbourhood renewal.

Source: Southend Central Area Action Plan (SCAAP), 2011

Figure 7.23: SCAAP's appropriate use recommendations for each Proposal Area

Proposal Area Policy (CS) Policy	**Title**	**Detailed Proposal Area Policy**
CS6a	Southend-on-Sea Pier	Rejuvenation of The Pier will be pursued by: 1. continuing to maintain its structural integrity; 2. protecting and enhancing the pier train service; 3. promoting the provision of: a. a contemporary mix of cultural and leisure activities reflecting relaxation, and the maritime and environmental assets at the seaward end b. a contemporary pavilion at the land end; c. occupying uses such as cafes, shops, events, heritage centre, small scale moorings for visiting ships etc.; d. deckchairs and telescopes encouraging people to relax, enjoy the views and the promenade; e. facilities for traditional activities such an angling, 4. prepare and implement a creative lighting strategy along the Pier.
CS6b	Seaway Car Park and Marine Parade	The redevelopment of this area will be pursued for high quality mixed use development, including the provision of: 1. leisure, cultural and tourism attractions including restaurants, digital gallery destination space and quality hotel offer together with new housing and re-provision of car parking; 2. design and layout solutions that allow for: a. remodelling of the urban form to create: i. a north-south axis which makes a clear sight line from Queensway to the sea; ii. a stronger relationship with the Town Centre in particular to the expanded retail circuit in the Tylers Quarter; iii. a new link to Marine Parade designed around the 'Spanish Steps' concept of the stepped public urban space; iv. a series of public and semi-public terraces that negotiate the level change from Tyler's Avenue through Seaway to Marine Parade, b. active and/or attractive frontages to all new and existing streets and spaces; c. appropriately sited taller buildings to take advantage of the estuary views provided they do not cause undue overshadowing or be detrimental to the amenity of neighbouring development; d. materials and colour to reflect the vibrancy and colour of the seaside; e. use of sustainable construction techniques and renewable technology appropriate to the type and scale of development and incorporate best environmental practice in design and layout.

CS7a	Cultural Centre and New Southend Museum	The following principles will be promoted as key consideration for development of a Cultural Centre and new Southend Museum: a. creation of an exemplary high quality development which incorporates low carbon, energy efficient and sustainability measures as part of the overall design approach; b. accommodation of car parking within the slope of the cliff as part of the development (including an area for cycle storage for visitors); c. create a flexible development (approximately 8,000 square meters) which will include a cultural centre with exhibition space, the new Southend Museum, galleries, conference / events space and explore the opportunity for an 'arthouse' cinema as well as a café, restaurant and licensed facility; d. provide for any other appropriate uses which will enable delivery of the development and assist with the stabilisation of the cliff face. e. create a new high quality green space including amphitheatre, linked to the High Street and Seafront via Cliff Gardens, Prittlewell Square and Clifftown Quarter.
CS8a	Woodgrange Drive (Kursaal) Estate	1. Regeneration of this site for housing, including social housing, by using solutions to re-integrate it with the surrounding residential area. 2. Parts of this Proposal Area lies within Flood Zone 2 and 3 and all proposals for development should accord with Core Strategy KP1 and KP2 and have regard to the SFRA, the Local Flood Risk Partnership's Surface Water Management Plan and the Borough Council's emerging Local Flood Risk Management Strategy when approved. 3. Proposals should consider incorporation of low carbon technologies, energy efficiency measure and techniques to increase sustainability and reduce the carbon footprint of the development.

Source: Southend Central Area Action Plan (SCAAP), 2011

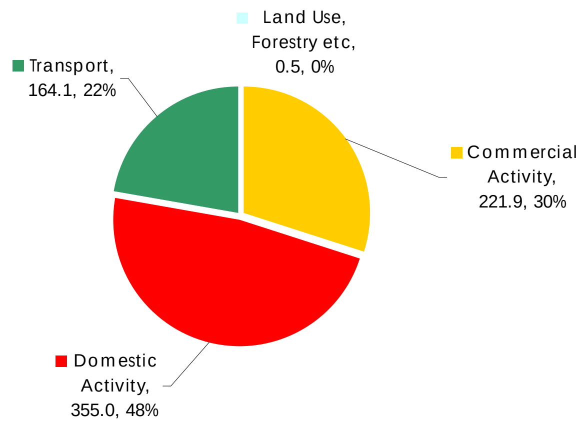
7.5 Sustainability & Consumption

The final consideration for sustainable economic growth is the implication of environmental sustainability. An understanding of Southend-on-Sea'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-on-Sea's environmental emissions shows that the majority derive from domestic activity: 355 kilo tonnes (48% of the total). The other major emission generator is commercial activity, accounting for 221.9 kilo tonnes (30% of emissions). Figure 7.24, below, illustrates Southend-on-Sea's total emissions broken down by source.

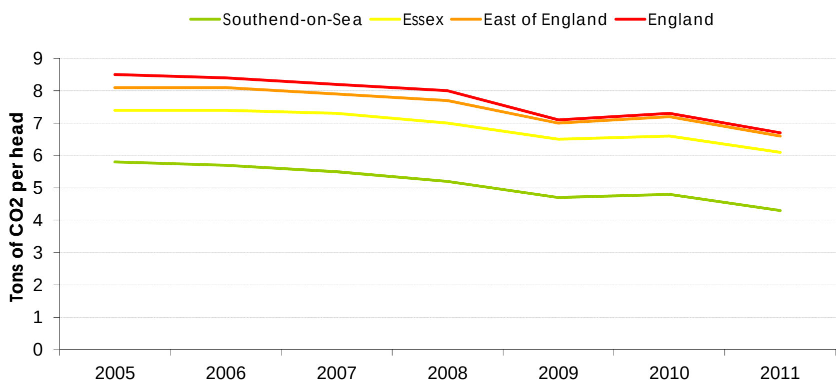
Figure 7.24: Southend-on-Sea CO2 Emissions 2011



Source: DECC (2012)

Southend-on-Sea'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-on-Sea demonstrating its comparatively strong economic performance. This is shown in Figure 7.25. There is no completely robust evidence as why this is the case, but easy access to employment sites minimises road emissions and Southend-on-Sea's relatively old demographic profile may further contribute to a low usage.

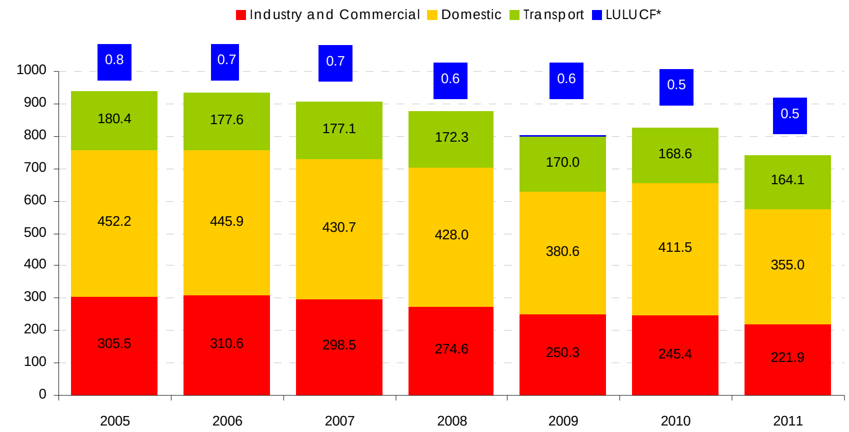
Figure 7.25: Per Capita Carbon Emission Levels (kt) (2005 to 2011)



Source: DECC

Figure 7.26, below, 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.

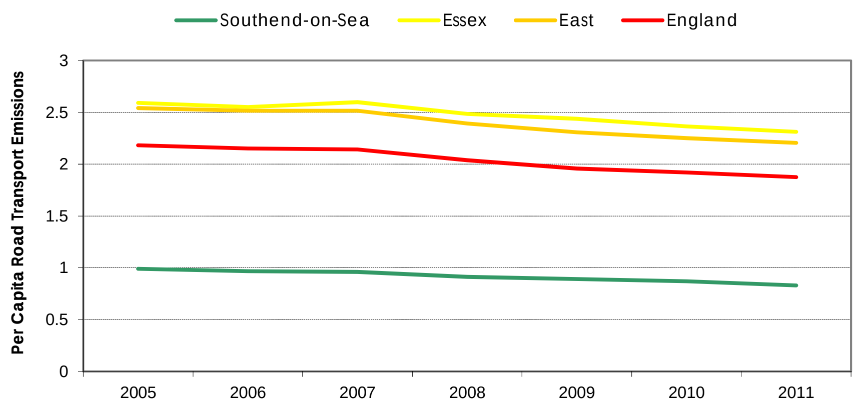
Figure 7.26: Change in Emissions by Usage (2006 to 2011)



Source: DECC (2012)

Southend-on-Sea also has demonstrably lower levels of per capita road transport emissions Figure 7.27 shows that at 0.83 tonnes per capita it is 120 per cent lower than regional and 88 per cent lower than national figures. Additionally, between 2005 and 2011 total road emissions in Southend-on-Sea fell by 15 per cent. Clearly the lack of a motorway in the borough, and the fact that Southend-on-Sea's location generates limited 'through' traffic, both contribute to this.

Figure 7.27: Per Capita Road Transport Emissions



Source: DECC (2012)

7.6 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-on-Sea;
- 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 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 London Southend Airport and associated physical infrastructure impacts;
- Scope to involve the expanding university in sustainability projects; and
- Continuing decline in emissions levels.

8. ECONOMIC COMPETITIVENESS

8.1 Introduction

This section assesses the overall economic competitiveness of Southend-on-Sea, following consideration of the evidence gathered in relation to the themes discussed above. Rather than undertaking a generic benchmarking exercise where Southend-on-Sea 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 above.

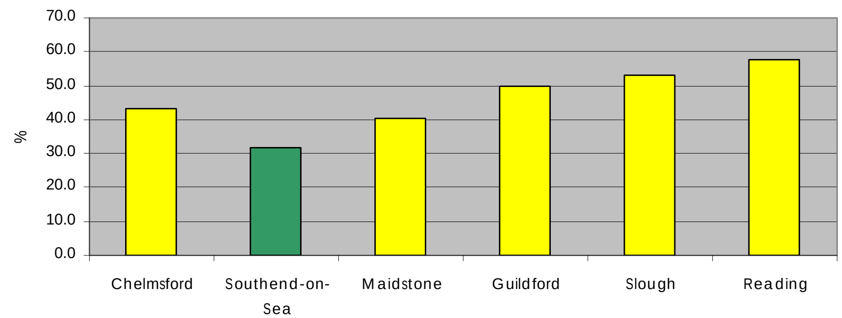
8.2 Assessing Competitiveness

The following subsections explore each of the five key roles of Southend-on-Sea as outlined in the previous Section. Southend-on-Sea'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-on-Sea 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. Figure 8.1, below, indicates that 32 per cent of all people who work in Southend-on-Sea are non-residents. In comparison the equivalent figure for Reading is 58 per cent, indicating a much wider catchment area where people commute in to Reading. Chelmsford has a similar rate to Southend-on-Sea but comparators such as Guildford and Slough have a rate close to or over 50 per cent.

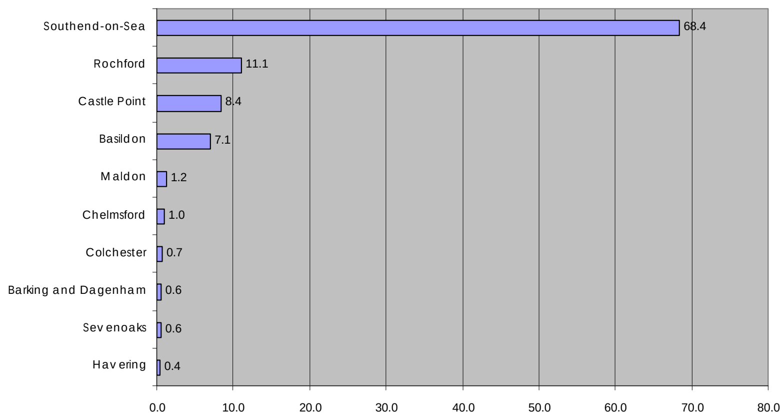
Figure 8.1: Proportion of non-resident workers in Southend-on-Sea and comparator locations (2011)



Source: Annual Population Survey, ONS, 2011

Figure 8.2, below, provides further details of Southend-on-Sea's inward commuting flows. The graph shows the top eight locations where non-residents working in Southend-on-Sea live. Rochford, Castle Point and Basildon have the highest proportion of non-resident Southend-on-Sea workers.

Figure 8.2: Inward commuting flows, Southend-on-Sea (2011)



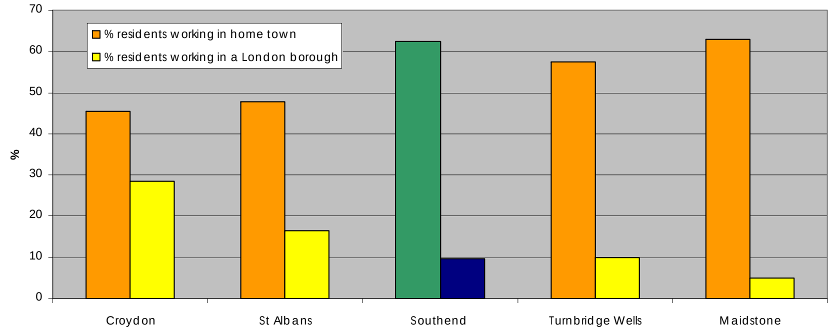
Source: Annual Population Survey, ONS, 2011

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

Commuter Town

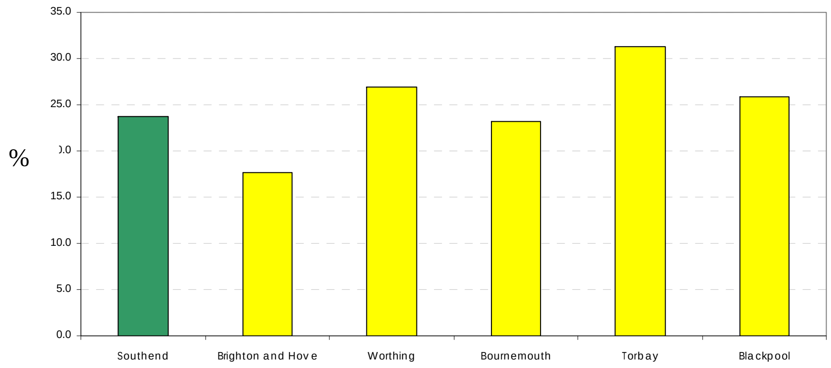
In many ways Southend-on-Sea could be seen as a classic dormitory/commuter town with two fast rail links to London and close cultural and business ties to the capital. Over 60 per cent of working age residents of the town also work in Southend-on-Sea and 10 per cent commute to London as shown in Figure 8.3. This is not as high as St Albans and Croydon which is to be expected given their closer proximity and journey times, but similar to 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-on-Sea.

Figure 8.3: Proportion of residents who work in home location compared and those who commute to London (based on top 8 locations)



Source: Annual Population Survey, ONS, 2011

Figure 8.4: 2011 Over 60 population



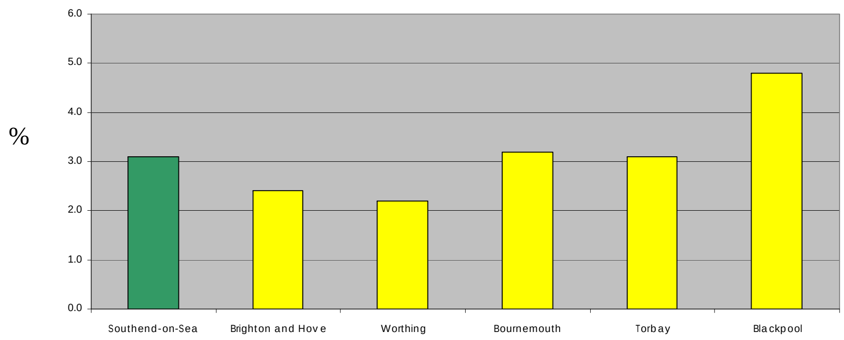
Source: Census 2011

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-on-Sea has a lower over 60 population compared to Torbay, Worthing, and Blackpool (see Figure 8.4). 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 above, Southend-on-Sea's population is actually moving closer to the national average profile and not aging as fast as elsewhere.

The proportion of working age population who claim Incapacity Benefit (IB) are usually higher in seaside towns for a similar reason that they are popular with retirees (Figure 8.5). Seaside towns are seen as an attractive and peaceful place to live supporting rest and recuperation from health problems. 3.1 per cent of the working age population in Southend-on-Sea claim IB. This is a lower rate than Bournemouth and Blackpool indicating that perhaps there are more obvious places to reside if claiming IB than Southend-on-Sea.

Figure 8.5: Proportion of the working age population who claim IB benefits

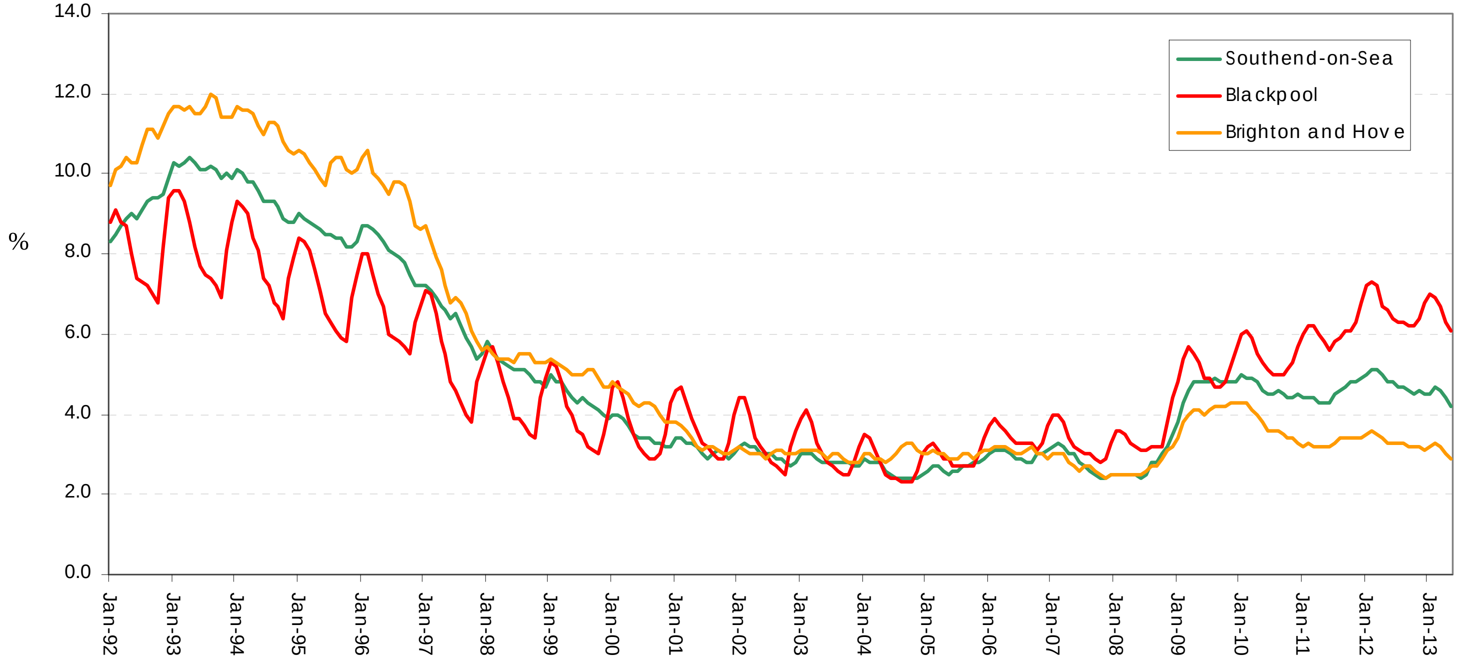


Source: DWP Claimant Counts, 2012

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-on-Sea does not display any obvious peaks and troughs that indicates seasonal employment patterns. As

Figure 8.6 shows, Blackpool obviously does display this seasonality whereas there is not an obvious pattern for Southend-on-Sea and Brighton and Hove.

Figure 8.6: JSA claimants



Source: DWP Claimant Counts, 2012

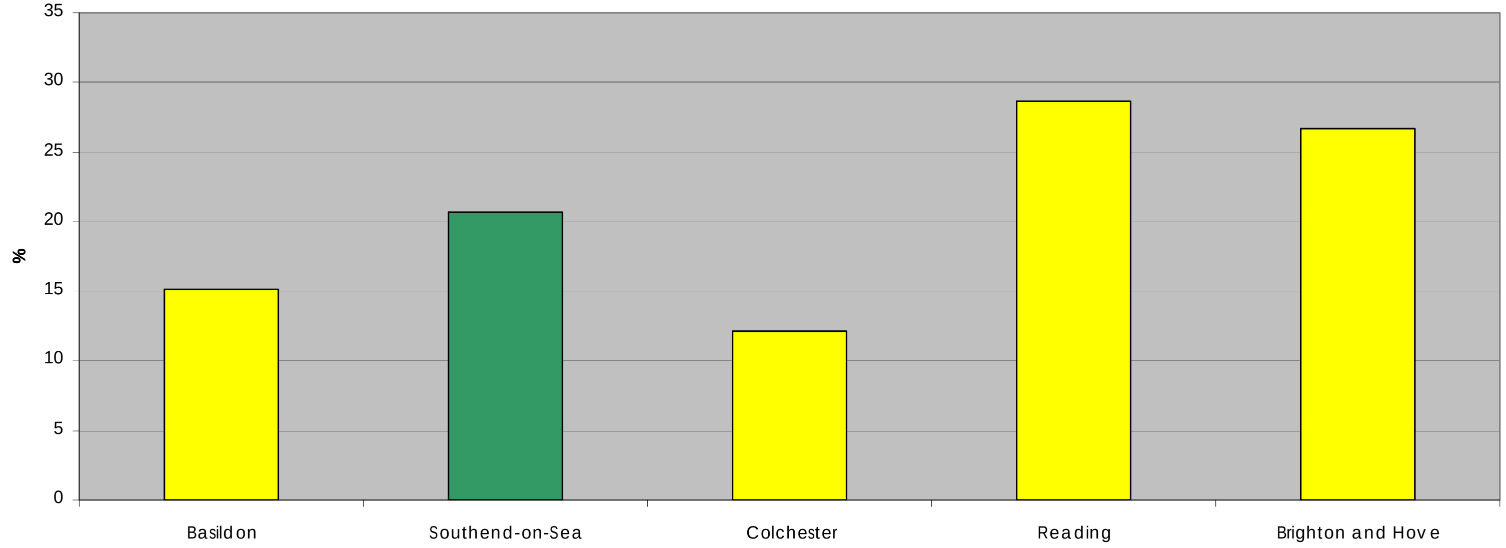
In summary, compared to seaside towns of a similar population size, Southend-on-Sea does not display strong characteristics that define a seaside town. The proportion of population over 60 is lower than most, there is not such a high proportion of the working age population claiming IB nor is there a distinct pattern of employment seasonality. Although Southend-on-Sea 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-on-Sea's economy is more resilient and less exposed to any specific industry shocks. It also provides Southend-on-Sea with the opportunity to diversify and create a high-end tourism offer that will appeal to business or culture visitors that are in Southend-on-Sea for different reasons.

Education Hub

The South Essex College and arrival of the University of Essex campus has boosted Southend-on-Sea's FE and HE offer in recent years. However, Southend 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 continues to grow following the development of the University Square accommodation. The campus currently has circa 1,000 students (with plans to increase to 1,500), however, these numbers remain significantly below established University locations; for example the University of Reading has a student population of nearly 16,000.

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-on-Sea has a rate of 21 per cent (Figure 8.7). Compared to other parts of Essex such as Basildon and Colchester, Southend-on-Sea performs well. However, compared to classic university towns with a similar population size such as Reading and Brighton, the graduation rate for Southend-on-Sea is much lower.

Figure 8.7: Graduate retention rate



Source: APS, 2012

In summary Southend-on-Sea is progressing in its target to become an educational hub, however, there remains a relatively small proportion of students that come to Southend-on-Sea 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. The University campus and college should continue to work closely with local businesses and industry to collaborate and provide attractive employment options for graduating students.

Cultural Centre

Southend-on-Sea is increasingly being described by partners as a cultural hub in the sub-region. This section explores how Southend-on-Sea 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 provide a benchmark summary for cultural participation in Southend-on-Sea in 2009 compared to all other local authorities within Essex:

- Southend-on-Sea 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-on-Sea had a visitor rate of 49 per cent, the strongest rate in the Thames Gateway South Essex (TGSE) sub-region.

- Southend-on-Sea 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-on-Sea had an engagement rate of 50 per cent, again, the highest rate within the TGSE sub-region.

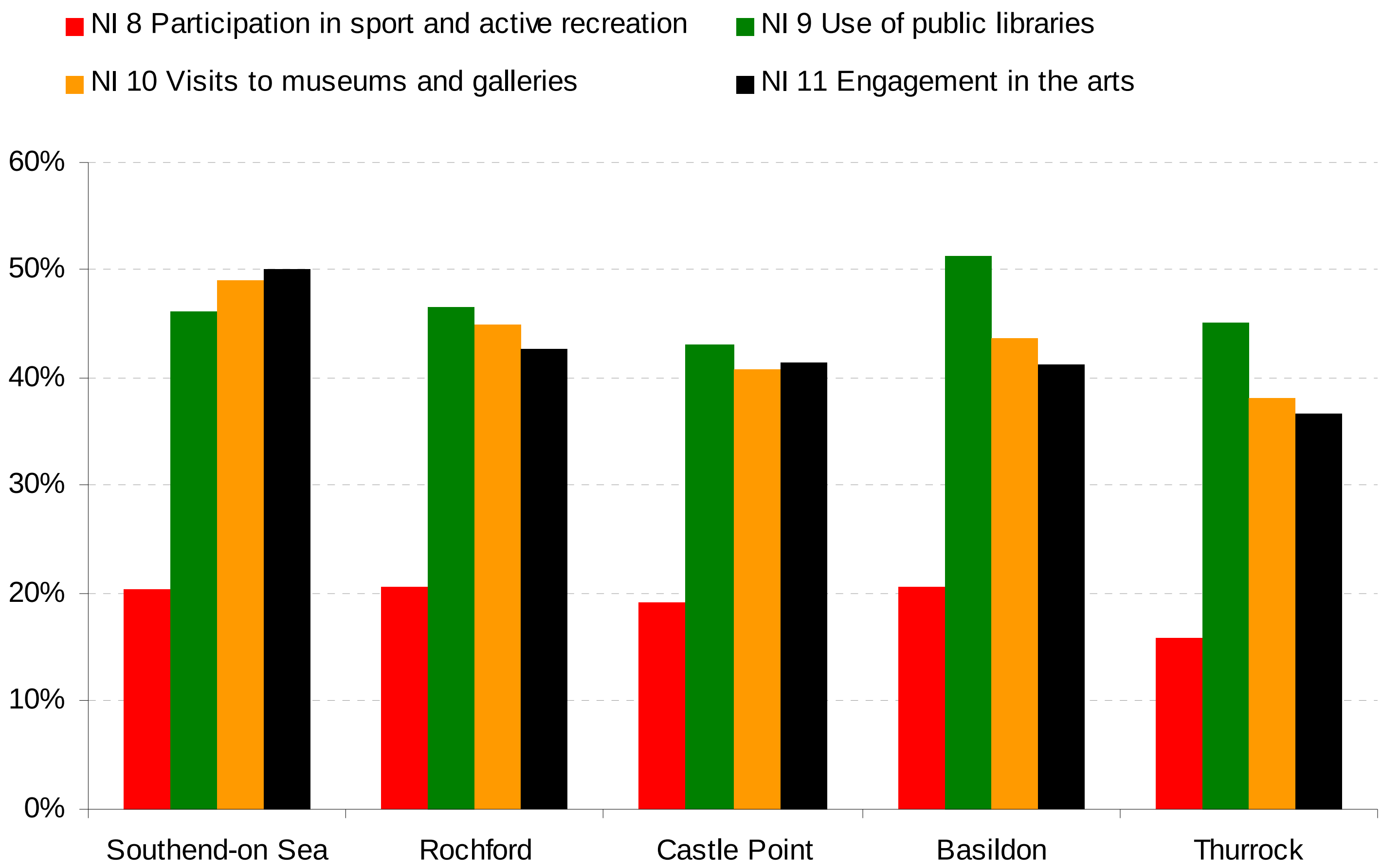
- Southend-on-Sea is below the Essex average with respect to the adult participation in sports and active recreation at moderate intensity, for the equivalent to 30 minutes on 3 or more days a week (NI8). Southend-on-Sea has a participation rate of 20.5 per cent whereas Colchester has the highest rate at 26.6 per cent. However, more in depth analysis has been undertaken with respect to participation rates. Taking Southend-on-Sea's demographic profile in to account, the rate is 20.95 per cent, 2 per cent above expected. Sport England has stated that 'Southend-on-Sea is punching above its weight in terms of participation levels and is ranked 5th in the East Region on this analysis.'[28]

- Southend-on-Sea is below average with respect to the percentage of adults (16+) who have visited a public

[28] Source: Active People Participation Modelling (2007)

library in the past 12 months (NI9). Southend-on-Sea had a visitor rate of 46.2 per cent compared to Basildon, which had a rate of 51.3 per cent (Figure 8.8).

Figure 8.8: Cultural Participation National Indicators



Source: DCMS. 2009

In summary, whilst Southend-on-Sea's participation in sport or use of libraries is not the highest in Essex, the town performs well in 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-on-Sea, 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-on-Sea 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-on-Sea's emerging cultural offer to visitors.

9. CONCLUSIONS AND PRIORITIES

9.1 Introduction

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

9.2 SWOT analysis

Southend-on-Sea's strengths

- Southend-on-Sea 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-on-Sea'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-on-Sea is an entrepreneurial place – it has high levels of self-employment, high rates of new business formation and improving survival rates.
- Southend-on-Sea'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-on-Sea 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-on-Sea can now combine school, FE and HE provision.
- Quality of life in Southend-on-Sea 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-on-Sea are competitive within the Thames Gateway, but overall affordability remains poor.
- For those living and working in Southend-on-Sea, it is easy to get to work, and that will get even better following further plan road improvements.
- Southend-on-Sea 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 on-going growth and success.

Southend-on-Sea's weaknesses

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

- GVA remains lower than the regional and national averages and Southend-on-Sea 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-on-Sea, 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-on-Sea 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-on-Sea 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-on-Sea – meaning that is it possible that industry will be deterred by the remaining labour pool.
- There remains a high number of long term unemployed with and 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-on-Sea 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 times 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-on-Sea'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-on-Sea 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 London Southend Airport expansion, with links to a number of Southend-on-Sea'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, on-going 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-on-Sea.

Threats to growth and prosperity

- Southend-on-Sea 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-on-Sea exposed.
- Southend-on-Sea is reliant on a number of regeneration projects, many of which may be under further scrutiny following the recent CSR.
- Southend-on-Sea's image as the 'end of the line' and the perception of limited connectivity could continue to reduce investment location decisions.

APPENDIX I: LEA ANALYTICAL FRAMEWORK

	People and Communities	Sustainable Economic Growth	Business and Enterprise	Economic Competitiveness	Economic Geography
People and Communities	• Demography • Third Sector activity • Social and economic participation • Deprivation • Barriers to work • Inequality • 'Worklessness' • Equal Opportunities • Educational institutions and outcomes	• Housing supply and quality • Fuel poverty and efficiency • Transport and communications infrastructure • Access to services	• Demographics of the workforce • Occupations • Matching skills to business needs • Social Enterprise • Access to employment opportunities • Enterprise culture	• High level skills • Productivity • Aspirations • Innovation • 'Quality of life'	• Commuting flows • Hierarchy of retail centres • Distribution of quality housing • Access and transportation
Sustainable Economic Growth		• Environmental constraints and quality • Local Development Plans • Viability of development pipeline • Natural and built heritage	• Transport and communications infrastructure • Quality, location and supply of employment land • Low carbon assets • Resource efficiency	• Developable land • Strategic sites • Key sub-regional infrastructure assets	• Neighbouring industrial, retail, commercial and residential developments
Business and Enterprise			• 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	• Sector and cluster specialisms • Innovation, workforce skills and R&D • High growth start-ups • New products • Growth ambitions and 'lifestyle businesses'	• Proximity to markets • Supply chain dependencies (including international links) • Ownership of firms • Inward investment • Destination promotion
Economic Competitiveness				• Emerging trends • Political and macroeconomic variables	• Image and perceptions • Import and Export markets
Economic Geography					• Administrative boundaries, • Retail catchments, • Travel-to-work areas, • Spatial dependencies • Cultural linkages and attitudes

APPENDIX II: GLOSSARY

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

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

LEA	Local Economic Assessment
LEP	Local Economic Partnership
LGA	Local Government Association
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
VAT	Value Added Tax
VOA	Valuation Office Agency

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 2011
- 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