1. Purpose of Report

1.1 To seek approval from Cabinet for the Local Economic Assessment and refreshed Economic Development and Tourism Strategy.

2. Recommendation

2.1 That Members agree the Local Economic Assessment and refreshed Economic Development and Tourism Strategy as the overarching strategy to inform the delivery of economic development activity across Southend Borough Council and as the basis on which new action plans will be developed.

3. Background

3.1 The Local Democracy, Economic Development and Construction Bill, which became law in April 2010, required all upper tier authorities to produce a Local Economic Assessment by April 2011. This was to be a shared evidence base telling the ‘story of place’ from an economic perspective; that is connecting, in this case, Southend’s economy with the interlinking elements such as housing, environment and transport.

3.2 £65k was granted by Government to each upper tier local authority to undertake this work. Officers at Southend Borough Council took the opportunity to drive efficiencies in procurement by getting both the Local Economic Assessment and the refreshed Economic Development and Tourism Strategy written at the same time given the close relationship of the documents.
3.3 The work was put out to tender spring 2010 and the contract awarded August 2010. The work of the Enterprise and Innovation team and strong relationships with partners enabled the specialist contractor to undertake a wide range of consultations and data collection in a short amount of time. This ensures that the information used, and therefore underpinning the proposed direction for future delivery, is as current as possible. This will provide a more up to date position than the Essex wide Local Economic Assessment which has been underway for over a year.

3.4 The guidance relating to the development of Local Economic Assessments was relaxed later in 2010 but the value of the Local Economic Assessment to Southend had already been realised through a robust evidence base on which the Strategy is built.

3.4 The existing Economic Development and Tourism Strategy was developed in 2007 and agreed at the Council's January 2008 meeting. Since that time, significant progress has been made against the objectives which were set out at that time. The national economic environment has also changed significantly with a global recession and a change of Government.

3.5 Southend has not been exempt from the impacts of these changes. Consequently the context of the 2007 strategy is now out of date and, having reached the half way point of the 2007-2013 strategy, it is an appropriate time to take stock of the achievements of the last three years and to reassess where and how Economic Development should be delivered in the future.

3.6 The refreshed Economic Development and Tourism Strategy has four sections:

- The first section introduces the context and position of the document
- The second section draws upon the evidence of the Local Economic Assessment to identify the strengths, weaknesses, opportunities and strengths of Southend's economy.
- The third section recognises the achievements made across the board against the objectives laid out in the 2007 strategy and considers whether they are still relevant going forward.
- The fourth section considers the changed and changing economic conditions and presents a refreshed economic vision and supporting objectives.

3.7 The strategy celebrates the successes of the last three years and the progress made in difficult economic circumstances. It also recognises that the effects of the recession will be felt for some time to come and therefore identifies 7 retained or modified objectives from the current strategy and proposes a further 6 objectives.
4. **Overview and Key findings**

4.1 The LEA draws upon quantitative and qualitative information relating to the make-up of the Southend economy together with its productivity, employment prospects and skill requirements. This is drilled down into key sectors illustrating the opportunities and capacity for growth. It then goes on to consider the impact and interlinkages between the demography, geographical location, housing provision, infrastructure, environment and social indicators and the economy. These are brought together to show how Southend has changed, what it looks like today, and the opportunities and challenges for the future.

4.2 The key findings of the LEA are:

4.2.1 That Southend enjoys a diverse economy, unlike other seaside towns, which is not wholly dependent on a small number of big employers or core sectors. This has stood Southend in good stead during the recent recession and sector development, particularly within the identified key sectors, should be encouraged and supported.

4.2.2 That Southend fulfills five major roles in the regional and national economy: a sub-regional employment hub, a commuter town, a seaside town, an education and entrepreneurial hub, and a cultural centre. Each of these roles is distinctive, a selling point for Southend and should be nurtured appropriately.

4.2.3 That proximity and good transport links to London means that local employment can be supplemented with highly paid and highly skilled out-commuters. There are then opportunities to harness their spending power through retail development.

4.2.4 That high levels of public sector employment risk increased unemployment and associated pressures over coming months as public finances are squeezed. Delivering planned regeneration initiatives, supporting existing businesses and attracting inward investment are vital in creating employment.

4.2.5 That visitor spend is growing reflecting the changing tourism offer, however there is potential, through further investment, to capture greater spend through increasing staying visitors.

4.2.6 That the quality of business accommodation is generally low and improvements could serve the local market as businesses grow and expand as well as the wider market as Southend is considered as a place to invest and locate a business.

4.3 The recommendations for delivery based on the LEA are:

4.3.1 That existing regeneration plans are crucial to the growth of the economy and should be delivered

4.3.2 That businesses are supported in order that key private sector employment is protected and retained within the borough

4.3.3 That the entrepreneurial spirit in Southend is maintained and growth of these small businesses encouraged and facilitated

4.3.4 That skills are matched to jobs to ensure that employees are appropriately equipped to drive the economy

4.3.5 That disadvantaged communities are engaged to end cycles of deprivation.
The Economic Development and Tourism Strategy uses the LEA as an evidence base to look specifically at what has been achieved over the last three years and explores the strengths and assets of the Southend economy to protect and the weaknesses to resolve. The strategy revisits the objectives set out in 2007, discarding those which have been achieved or which are no longer relevant, amending some which need to be adapted to the current climate and carrying others forward to join the six new objectives which have been identified for action.

The key findings of the strategy are:

- That over £100 million of public and private investment has either taken place or is committed to improve the infrastructure and facilities available in Southend enhancing its attractiveness to employers and residents alike.
- That Southend is growing as a cultural hub with a 38% increase in culture related employment since 2005.
- That the economic base of Southend is diverse and has weathered the storm of the recent economic downturn well as a consequence. This has been supported through ERDF and EPP funding among others.
- That while visitor numbers have decreased spend levels have increased suggesting a change in the type of visitor Southend is attracting.
- That the business support offer has grown and developed through the Southend Business Partnership, joint working with organisations like Business Link East and the Chambers of Commerce, and investment in support and infrastructure. Reflect in a falling enterprise ‘death rate’.
- The total number of jobs in Southend has increased by 1.5% and the level that they are being paid at has also increased.
- Large scale redundancies have been absorbed by the local economy – HSBC has lost 520 staff in 2010 but JSA claimant rates have not shown any spikes as a result.
- GCSE attainment has reached its target of 58% 5 A*-C grade. The number of 16-18 year olds in education, training or employment has also increased.
- Southend’s Tourism offer has been recognised by winning nominations for tourism awards and enjoying other national success such as the Southend Marine Activities Centre being chosen as Essex Tourism Awards finalist.
- The single, joined-up approach to destination marketing has generated an identifiable brand which is attracting new visitors to Southend.

The recommendations are:

- That a refreshed single vision is adopted which reflects the aspirations for Southend’s diverse economy.

An innovative and resilient economy that attracts high quality businesses, retains knowledge and nurtures a diverse and sustainable economic base. A thriving and creative regional centre where people want to live, work and visit.

- That seven objectives from the 2007 strategy are continued, in either their existing or modified form. These range from transport and infrastructure to business support and sector development. These are:
1. Create a joined up transport network that facilitates the free flow of goods, services and people, and is fully aligned with the expansion of London Southend Airport;

2. In light of the de-regionalisation of enterprise support provision, support all businesses better through a tailored business support programme that meets the needs of Southend’s businesses and key sectors, and is integrated with learning and skills;

3. Focus on retaining existing businesses and their productive capacity (particularly those under threat from off-shoring), including development of a close working relationship with the Borough’s 50 largest employers;

4. Continue to promote and leverage investment in Southend’s tourism product to attract more overnight visitors and increase levels of spend of day visitors;

5. Deliver organisational infrastructure, support and promotion for three growth sectors: the cultural and creative sectors, aerospace-related sectors and medical technologies;

6. Maximise the benefits of an enhanced London Southend Airport, both on the aerospace cluster and on wider objectives; and

7. Successfully deliver the Central Area Masterplan to enhance Southend’s retail offer and increase the size of its retail catchment.

4.6.3 That six new objectives are added to the strategy concerning skills, targeted business support and marketing and are reflective of the new economic challenges as well as building on opportunities for growth. These are:

1) Improve the linkages between skills and jobs in the Borough to ensure that school, FE and HE provision is aligned to the needs of businesses;

2) Achieve higher business survival rates by improving business support awareness and working with business representation organisations to identify issues in the business environment;

3) Generate better business growth rates by targeting business support on enterprises exhibiting high potential to create jobs and wealth;

4) Deliver the strategic priorities set out in the new Work and Skills Plan to capture the economic potential of those not currently in work in Southend;

5) Address the longstanding, and inaccurate negative images of Southend by communicating its strengths and assets; and
6) Plan for potential job losses in the public sector, and businesses in its supply chain and in other vulnerable industries, by ensuring that advice, information and guidance is available and is tailored to Southend’s needs.

4.6.4 In order to support delivery of the strategy a number of actions are proposed and these are briefly summarised in Appendix 2.

5. Corporate Implications

5.1 Contribution to Council’s Vision & Critical Priorities

Prosperous – The strategy very much focuses on improving the prosperity of Southend as a whole but also recognises the support needed where people are disadvantaged through unemployment or lack of skills to improve their prospects and future opportunities.

Safe and Clean – The strategy relies upon positive engagement with local businesses and stakeholders creating a sphere of influence and two way conversation. This will enable safe and clean issues to be addressed constructively when appropriate.

Excellent – the strategy recognises the excellence achieved to date and provides a suite of updated and refreshed objectives, based on current information and data, to inform delivery and ensure that it meets local needs.

5.2 Financial Implications

The refreshed strategy has been developed at no cost to Southend Borough Council. All associated costs for the strategy and the Local Economic Assessment have come in under the £65k un-ringfenced budget allocated by Government for development of the Economic Assessment.

SBC’s economic development activity has been funded through LABGI for the past 3 years. That money has now run out and the government is not going to be replacing it as part of the public spending cuts that were announced. As a consequence, the Action Plan (Appendix 2) does not have any additional funding attached to it and so it is focused largely on attracting external funding and working in partnership to keep momentum going. The exception is the tourism marketing budget where direct investment from SBC is possible though could be enhanced through partnership working.

5.3 Legal Implications

None

5.4 People Implications

The development of the strategy has had no people implications. Delivery against the objectives will change and inform the work currently undertaken by officers.
5.5 Property Implications

None

5.6 Consultation

Consultations and interviews with key stakeholders took place as part of the development of the strategy. A full list can be found in Appendix 1

5.7 Equalities Impact Assessment

There is an EIA for the existing strategy which, as this is a refreshed rather than a new strategy, will still apply. However the EIA will be updated on ratification of the strategy taking into account some of the likely actions.

5.8 Risk Assessment

Risks in delivery against objectives will be identified and mitigated as the action plans are developed.

5.9 Value for Money

The refresh of the strategy represents excellent value for money as it was undertaken in conjunction with the Local Economic Assessment utilising the money granted by Government for the Local Economic Assessment and therefore has been achieved at no cost to the Council. It has actually provided some £18,000 grant money back to the Council while producing both documents and delivering excellence.

5.10 Community Safety Implications

N/A

5.11 Environmental Impact

N/A

6. Background Papers

6.1 Economic Development and Tourism Strategy Refresh

6.2 Local Economic Assessment

7. Appendices

7.1 Appendix 1 – list of interviewees involved in the development of the LEA and Economic Development and Tourism Strategy

7.1.1 Appendix 2 – Outline Action Plan for the Economic Development and tourism Strategy
Appendix 1 – List of interviewees involved in the development of the LEA and Economic Development and Tourism Strategy

All of the below teams and organisations have been interviewed in the process of developing the LEA and Strategy:

- Southend-on-Sea Borough Council
  - Procurement
  - 14-19 / skills
  - Tourism
  - Enterprise
  - Planning
  - External Funding
- Connexions Business Manager
- Enterprise, Business and Skills Sub Group
- Enterprise, Community and Environment Partnership
- EEIDB (Business Link East)
- Essex Chamber of Commerce
- Essex FSB
- Jobcentre Plus
- London Southend Airport
- Renaissance Southend
- South Essex College
- Southend Adult Community College
- Southend Business Partnership
- Thriving Communities Forum
- University of Essex
- 603 Southend businesses surveyed by BMG June/July 2010