

# Southend-on-Sea Borough Council

Agenda  
Item No.

Report of Deputy Chief Executive (Place)

to

**Place Scrutiny**

on

**24<sup>th</sup> November 2016**

Report prepared by: Emma Cooney, Director of Regeneration  
and Business Development

---

## **Economic Growth Strategy**

**Relevant Scrutiny Committee(s)**  
**Executive Councillor: Councillor Ann Holland**  
**Part 1**

---

### **1. Purpose of Report**

- 1.1 To get Members' views on key principles and approaches which the new Economic Growth Strategy (2017-2022) will be predicated on.
- 1.2 To update Members on the empirical evidence base and trends which are shaping Southend's economic growth.

### **2. Recommendations**

- 2.1 That the evidence base and resulting findings are noted by Members.
- 2.2 That Members' note that this is being considered as a Pre-Cabinet Scrutiny item prior to formal consideration by Cabinet.

### **3. Background**

- 3.1 The last Economic Development and Tourism Strategy (2010-2015) was written during a time of economic crisis and recession so had a focus on supporting existing businesses while enabling known developments.
- 3.2 The strategy was predicated on there being six key sectors in Southend (tourism, retail, cultural and creative, medical technologies, aviation and advanced engineering, finance and business services) and the need to address identified and evidenced weaknesses while capitalising on strengths. It contained thirteen different objectives which ranged from a focus on retaining existing businesses and their levels of productivity through to maximising the benefits of the airport development.
- 3.3 Since that time the global economy has come out of recession, though the effects are still being felt in some places and sectors, and the way in which

economic development and business support are being approached, both nationally and locally, continues to shift as a result.

### **Significant Changes to Economic Development**

3.4 There have been a number of changes at a national level which have fundamentally changed the way in which local economic development activity is undertaken, such as:

- **Local Enterprise Partnerships (LEPS)** - These were introduced following the abolition of regional development agencies in 2010 and intended to be a grassroots approach bringing together private and public sectors as a meaningful board focussed on a coherent economic geography. They have subsequently become the conduit for accessing Local Growth Fund (LGF) monies and European Structural Funds as well as a lobby on key issues. Southend is part of the South East Local Enterprise Partnership (SELEP) and has secured over £35m of LGF and £12m of European Regional Development Fund (ERDF) money to date.
- **Growth Hubs** – Government has introduced these as the primary route for accessing public and private business support with a view to reducing duplication and filling in gaps in delivery. Originally stemming from locations with City Deals there is now a network of these covering the country, each in a different form reflecting local needs. The SELEP Growth Hub started in Southend as a result of the City Deal. It has been scaled up with best practice shared across the SELEP area and the team which covers Essex, Southend and Thurrock, is still based out of the Council.
- **Industrial Strategy** – Government is currently developing its new Industrial Strategy which has been out to consultation. This has not yet been published and as a result our Economic Growth Strategy must be sufficiently agile to reflect key aspects of the document to enable Southend to continue to access funding, support and influence with Whitehall.
- **Brexit** - While the timings and impacts of this are yet to be determined this will shape delivery locally through the conclusion of access to European funding, international trade and investment routes, labour and skills supply and education with a large number of students at the University of Essex Southend Campus being international. As with the Industrial Strategy we must ensure that our Economic Growth Strategy is able to adapt to changing circumstances.
- **Devolution** - The ability to negotiate devolved freedoms, flexibilities and funding in England has been a catalyst for areas to think differently about how they might seek to change and enhance the powers available to deliver housing, jobs, skills and infrastructure. A number of devolution deals have been signed between areas and Government however these have been at a high level and many are now facing difficulties in the detail and implementation. One of the now requirements for a devolution deal is a directly elected Mayor. Southend actively participated in discussions regarding devolution over an 18 month period with Thurrock and Essex Councils however the requirement for a Mayor was not a position that was supported and discussions have been brought to a close. However, there is still significant appetite for securing the elements contained within the draft devolution deal so should the requirement for a Mayor be relaxed it is an agenda we would expect to actively engage with once more. Economic

growth is one of the key areas for devolution deals and is considered something which underpins housing, infrastructure and skills.

## **Local Delivery**

3.6 Over the lifetime of the last Economic Development and Tourism Strategy the Council and its partners have successfully delivered against the objectives set out in the document via a range of different routes including:

- City Deal – delivery of the Hive Enterprise Centre and £1.8m RGF funding
- Expansion of London Southend Airport
- Adoption of the Joint Area Action Plan (JAAP) triggering development of the Airport Business Park
- Establishment of the three Coastal Community Teams in Leigh, Southend Central and Shoeburyness
- £50k GREAT Challenge Fund money to develop tourism, trade and education links with Groningen
- £1.25m Coastal Communities Funding to deliver the lagoon at Three Shells Beach
- The establishment of a new Cultural and Creative Industries network
- Growth of the Southend Business Partnership and subgroups including targeted engagement with key large employers
- Partnership delivery of a number of ERDF projects, leveraging funding and support to the benefit of Southend businesses

## **Basis for an Economic Growth Strategy**

3.7 In an environment of reduced resources the Council needs to be able to target those resources in areas and interventions which will deliver the greatest benefit to the town. The Council must also be positioned to maximise outside investment in Southend – be that via Government grant or private investment. In the case of Government funding objectives locally must demonstrably align with, and deliver against, those articulated nationally and via SELEP.

3.8 Wider trends are already being reflected in the Council's organisational structure through the coalescence of economic development and major projects. Economic outputs, such as job creation, are now frequently the basis for external investment, even in schemes which predominantly deliver infrastructure such as roads and homes. Therefore combining them should better position the Council to access such funds. The skills agenda has also been further integrated with economic development in response to feedback from the business community and a targeted skills strategy will be brought forward spring 2017.

3.9 Therefore Economic Development can no longer be viewed or delivered in isolation. It has started, and must continue, to play a fundamental role in enabling and delivering the multifaceted nature of economic growth across the borough. As a result of this combination of factors it is timely to move to the development of a new Economic Growth Strategy.

### **Proposed Principles of the Economic Growth Strategy**

3.10 In the development of a new Economic Growth Strategy it is vital that the structure, principles and process for setting objectives are rooted in robust data and evidence. **Appendix 1** provides a copy of recent analysis which brings together data from a range of sources as a foundation for this process.

3.11 It is also important for the document to fully articulate in its language and structure the transition from a strategy for a single discipline to one which cuts across and underpins delivery beyond the limitations of traditional economic development.

3.12 Therefore the proposed approach to this strategy is a significant shift from the last one in regards to:

- Understanding and articulating the relationships between the economy and other aspects of life in Southend such as infrastructure, housing, deprivation and delivery of major projects.
- Reviewing and challenging our approach to business support and engagement in regards to identified key sectors.
- Developing a decision-making framework which can be used to shape and inform the Council's response to changes to local, national and global economic conditions, creating an agile and flexible approach rather than a detailed action plan.
- Setting out high level objectives which ensure that the Council's economic growth activity meets local priorities and addresses evidenced weaknesses and opportunities.

3.13 Members' views are sought during this Pre-Cabinet Scrutiny to set out the principles and approach to be articulated in the new Economic Growth Strategy 2017-22.

## **4. Other Options**

4.1 This broad direction seeks to interpret the national position to derive maximum benefit for Southend while taking into account feedback from businesses and statistical evidence.

## **5. Reasons for Recommendations**

5.1 The previous Economic Development and Tourism Strategy (2010-15) is now out of date so a new strategy is required to articulate the direction of travel and approach for the Economic Development service.

5.2 It is also timely to do so in order to locally reflect changes that have, and are still taking place nationally to ensure that Southend is positioned to maximise opportunities for growth.

## **6. Corporate Implications**

### 6.1 Contribution to Council's Vision & Corporate Priorities

6.1.1 The crosscutting nature of an Economic Growth Strategy assists all of the Council's objectives of safe, clean, healthy, prosperous and excellent.

### 6.2 Financial Implications

6.2.1 Economic Development activity is funded through a combination of core funding and grants secured from external sources.

### 6.3 Legal Implications

6.3.1 There are no legal implications

### 6.4 People Implications

6.4.1 There are no people implications

### 6.5 Property Implications

6.5.1 There are no property implications

### 6.6 Consultation

6.6.1 The information presented has been informed via a telephone survey of the Southend business community and discussion with the Business Partnership Executive. An officer workshop has also been held to better understand how an Economic Growth Strategy could reinforce those crosscutting themes,

6.6.2 This Pre-Scrutiny process is designed to engage Member's prior to developing a new Economic Growth Strategy

### 6.7 Equalities and Diversity Implications

6.7.1 There are no equality and diversity implications

### 6.8 Risk Assessment

6.8.1 There are no risk assessment implications

### 6.9 Value for Money

6.9.1 The approach to the strategy seeks to ensure that limited resources can be appropriately targeted to derive maximum impact.

### 6.10 Community Safety Implications

6.10.1 There are no community safety implications

### 6.11 Environmental Impact

6.11.1 There is no environmental impact

**7. Background Papers**

None

**8. Appendices**

**Appendix 1 – Evidence base**