



Economic climate
In depth scrutiny project

Final Report and Recommendations

June 2010

Economic & Environmental Scrutiny Committee
Southend-on-Sea Borough Council

Foreword by Chairman

The Economic & Environmental Scrutiny Committee decided that its in depth scrutiny project for 2009/10 should be on the current challenging economic climate.

We started this project at a time when many of our residents were suffering job losses and financial strain. We were very grateful to have Murray Foster from the Southend Business Partnership who was involved with the project and guided members with a business perspective. This project sets out an agenda for how this authority can help people under strain.

We would like to thank all those who have been involved with the project, those who took the time to attend meetings to give their evidence, send in their written comments, colleagues on the Committee and the Project Team.



***Councillor Jonathan Garston,
Chairman Economic & Environmental Scrutiny Committee***



***Councillor Peter Ashley
Vice Chairman Economic & Environmental Scrutiny Committee***

1. SCOPE, OBJECTIVES AND METHODOLOGY

- 1.1 In the municipal year 2009/10, the Council's Economic & Environmental Scrutiny Committee agreed that the in depth scrutiny project would be on the impact of the current economic climate¹.
- 1.2 The Scrutiny Committee agreed the project plan for the study in October 2009², with the following agreed objectives:
- To understand the impact of the current challenging economic climate³ on delivering the *Total Place* agenda.
 - To make recommendations which steer the Council's response to support residents and businesses⁴ and through action have a positive effect on the community.
- 1.3 The proposed outcomes for the project were:
- (a) To develop appropriate communication links to ensure residents and businesses know what services are available in terms of help, advice and support;
 - (b) That an Action Plan is agreed and implemented by relevant agencies – the Action Plan to possibly include:
 - Developing a Guide;
 - Holding community events;
 - Developing a briefing pack for service providers, staff etc;
 - Running on line survey to track perception.
 - (c) The appropriate body to monitor the Action Plan, outcomes and provide feedback on progress to service providers.

Methodology/Process

- 1.4 The scrutiny study was carried out by the Economic & Environmental Scrutiny Committee supported by an officer Project Team comprising:
- Project co-ordinator Fiona Abbott, Legal & Democratic Services
 - Strategic support and guidance - Shazia Ullah, Head of Policy & Improvement and Scott Dolling, Group Manager, Tourism & Promotion
 - Technical support - Veronica Dewsbury, Benefits Manager

¹ Economic & Environmental Scrutiny Committee held on 11th June 2009 (minute 135 refers)

² Economic & Environmental Scrutiny Committee meeting on 15th October 2009 (minute 498 refers)

³ During the life of the project, we moved from the use of 'recession' to the phrase 'current challenging economic climate'

⁴ including the Council

- Administrative support - Jane Whalley and Rebekah Sayer, Legal & Democratic Services.

1.5 The following Members were attached to the Project Team in order to provide guidance and to act as a consultative body during the course of the Scrutiny:

- Councillor Jonathan Garston (Chairman)
- Councillor Peter Ashley (Vice Chairman)
- Councillor Stephen Habermel
- Councillor Gwen Horrigan MBE
- Councillor Ted Lewin
- Councillor Tania Painton
- Councillor Mike Royston.

Additional support was also provided by Murray Foster, Southend Business Partnership, who provided an external dimension to the project.

1.6 During the project, the Member Project Team met on 4 occasions to drive the project forward. The Project Team drafted the questions for the three formal public evidence-giving sessions ('witness' sessions). At these sessions the Members received oral, written and presentational evidence from a number of key stakeholders.

Evidence Gathering

1.8 The Committee agreed who should be approached as possible 'witnesses' and invitations were sent out for the 3 witness sessions scheduled for January 2010, as follows:

- Councillor Nigel Holdcroft - Chair Local Strategic Partnership⁵
- Andrew Pike – Chief Officer, NHS SEE
- Chief Inspector Andy Prophet – Southend Police
- Mike Lambert - Renaissance Southend
- Terry Burgess - Business Link
- Murray Foster - Southend Business Partnership
- John Clayton - Chamber of Commerce
- Terry Taber - Federation of Small Business
- Councillor John Lamb – Executive Councillor
- Officers from the local authority - Finance & Resources (Revenue & Benefits)⁶ – Martin Hone; Human Resources – Joanna Ruffle; Community Cohesion – Ashley Jarvis; Procurement – Dave Levy
- Voluntary Sector representatives - Citizens Advice Bureau – Trish Carpenter; SAVS – Alison Semmence; and Community in Harmony - John Barber.

⁵ The LSP, 'Southend Together'

⁶ For 'corporate management team' view as well

All witnesses were informed, in writing, of the questions that were to be asked at the witness session.

1.9 The Committee also agreed that it would seek the written views from a number of organisations and people. Written evidence was invited from:

- 16 local authorities
- The Financial Services Authority (FSA)
- HM Revenue & Customs
- EEDA
- Go-East
- Thames Gateway Board
- Prospects College
- Futures Community College
- South Essex College
- Drug & Alcohol service, Adult & Community Services
- Connexions
- University of Essex
- 14 – 19 consultant, Children & Learning
- 8 companies in the Borough
- Metal
- Seafront Traders Association
- Youth Mayor
- Salvation Army
- David Amess, MP
- James Duddridge, MP
- Older Peoples Assembly
- 8 Residents Associations in the Borough.

Stakeholders

1.10 Through the witness sessions, the Committee received evidence from the following individuals and associated organisations, to whom the Council is grateful:-

Witness session 1 – 19th January 2010

- Councillor Nigel Holdcroft – Chair LSP
- Chief Inspector Andy Prophet, Police
- Andrew Pike, NHS SEE.

Witness session 2 – 20th January 2010

- Mike Lambert - Renaissance Southend
- Terry Burgess - Business Link. Apologies were received from Paul Gisbey, Job Centre Plus
- Murray Foster, Southend Business Partnership, John Clayton, Chamber of Commerce and Terry Taber, Federation of Small Businesses.

Witness session 3 – 25th January 2010

- Councillor John Lamb – Executive Councillor
- Finance & Resources (Revenue & Benefits) – Martin Hone; Human Resources – Joanna Ruffle; Community Cohesion – Ashley Jarvis; and Procurement – Dave Levy.
- Voluntary Sector representatives - Citizens Advice Bureau – Trish Carpenter; SAVS – Alison Semmence; and Community in Harmony - John Barber. Apologies were received from John Levy - YMCA.

1.11 The responses to the questions we asked the witnesses are detailed in the [Annex to the Report - Documents 1, 2 and 3](#).

1.12 Written evidence was also received from the following organisations and individuals:

- Essex County Council
- Kent County Council
- Isle of Wight Council
- Medway Council
- Swindon Borough Council
- Borough of Poole
- Hastings Borough Council
- Bournemouth Borough Council
- David Amess MP
- Go-East
- Financial Services Authority
- Kestrel Printing

2. BACKGROUND & CONTEXT

2.1 At the first witness session on 19th January 2010, the Scrutiny Committee considered and discussed a paper which provided Members with regional and local background information against which the Scrutiny Project would take place. A copy of this paper is attached in the [Annex to the Report - Document 4](#).

2.2 At this meeting the Scrutiny Committee heard that the Council had already recognised the wide ranging impact of the recession across the Borough and has responded in a number of ways to support residents, communities and businesses alike.

2.3 The Local Strategic Partnership, Southend Together, was keen to act and produced a 'Recession Information Booklet' which outlines the support available from a variety of public sector organisations and initiatives from debt management to job applications and from personal support to recreation. This publication has been – and continues to be - disseminated widely.

2.4 Insight East's (East of England Development Agency) local economic profiles provide a summary overview of the 11 upper tier local authority areas – including Southend-on-Sea - in the East of England. Using the most recently available statistics at the time of publishing, the profiles provides an analysis of the main economic indicators in each local authority area.

2.5 The March 2010 profile provides some key facts about Southend-on-Sea⁷:

Population - 164,300 people lived in Southend in 2008, constituting almost 3% of the East of England's population;

Economy - contributed £2,550 million Gross Value Added to the UK economy in 2007 at £15,730 per head;

Enterprise and self employment – there were 6,745 active enterprises at the end of 2008 – on per capita basis Southend had 507 businesses per 10,000 adults, which is in line with the East of England level and had 820 new businesses in 2008, which is 62 new firms per 10,000 adults – significantly higher than the average for the East of England and the UK; around 10,000 people of working age in Southend are self employed;

Labour market - as the economy entered recession in 2008, there were 65,300 jobs in Southend – the largest industry in terms of employment is public administration, education and health (34%). Other significant industries include banking, finance and insurance (25%) and distribution, hotels and restaurants (24%);

Labour market – economic participation - as a working age employment rate of 74% (2008-09) and 79.5% of working age people in Southend are economically active; 16 % of working age people in Southend are claiming out-of-work benefits (2009); had 5,000 job seekers allowance claimants in December 2009 which equates to 5.1% of the working age population;

Education and skills - 66% of adults have NVQ Level 2 qualification or above.

2.6 The national (world) picture about the economic climate can be found by accessing the media and also from recent reports by the Economic and Social Research Council (ESRC) and the Audit Commission⁸. The Audit Commission report outlines that the country moved back into positive gross domestic product (GDP) growth in the fourth quarter of 2009, discusses the recession as being in '2 halves' and how Councils (and

⁷ March 2010 data – *Insighteast* www.insighteast.org.uk also refer to Southend Data Observatory, which may be accessed via the Council website www.southend.gov.uk

⁸ For example 'Recession Britain', Economic and Social Research Council (ESRC), September 2009; and 'Surviving the Crunch' Audit Commission, March 2010 (building on an earlier paper 'When it comes to the Crunch', August 2009).

others) could respond to the economic challenge. The report also stresses the need to prepare now for leaner times ahead.

3. EVIDENCE GATHERING AND ANALYSIS

- 3.1 As mentioned in section 1 above, the questions for the witnesses were sent to them prior to their attendance at the Committee. Letters were sent to other evidence givers, inviting them to comment on the questions posed by the Committee.
- 3.2 A detailed record of general comments and specific responses to questions posed by Members of the Committee was prepared. This record of evidence was forwarded to the representative in order to ensure that the recorded evidence was factually correct.
- 3.3 The responses to the questions we asked the witnesses are detailed in the [Annex to the Report - Documents 1, 2 and 3](#). Information was also sought from a variety of written evidence givers. From both sources, the Committee was able to gain a broad picture of the impact of the current economic climate on the local economy and more widely. The possible actions which the Council could undertake to ensure that residents and businesses know what services are available and to position the town for its economic recovery were also explored.
- 3.4 All the evidence has been read and analysed. The issues raised have been grouped as follows – some common themes for local issues; future opportunities / threats for development; and lessons from other areas / agencies.
- 3.5 Common themes for local issues:
 - Support from the various agencies and Council appear joined up.
 - Use of the Southend Together Partnership through the recession help leaflet and community voices events were well received and identified as positive interventions.
 - Use the council publication (in our case 'Outlook') to communicate the routes to help for various segments of the 'market'.
 - There has been some significant resilience during the recessionary period across Southend.
 - Recession has been affecting people in different ways – no common theme and some trends being bucked in Southend – high street.
 - In the voluntary sector there have been increases in volunteering from professional areas.
 - Working as a tier one authority in a fairly tight area has benefitted the communication process – a benefit of unitary status in evidence.
 - The expectation that there would be a surge in crime and health requirements did not materialise.
 - There has been an increase in demand for support such as business rate relief, benefit claims and advice for help.

3.6 Future opportunities / threats for development:

- Capitalise on the major capital investments made in the last few years and underway currently to attract investment / visitors.
- The public sector recession will hit in '12-24 months' affecting commercial and third sector with less public contracts to be offered – to prevent the effects of this work needs to be done to promote the point above and also ensure Southend remains on the radar and challenges negative perceptions.
- Development at the airport and in particular around skills will be crucial for future success⁹.
- Average salaries effect of increased skills and in particular around airport / advanced engineering need to be nurtured.
- Growth of importance of Higher education / Further education sector to support high end jobs into the future.
- Work is being undertaken by the Economic Development Team on Local Economic Assessment and a new Economic Development Strategy – both of these will need to take account of the recessionary experience and the timing from the output from the in depth scrutiny will be very important.
- Threat of reduced resources leads to the opportunity of increased partnership working.
- Increase the opportunities for training in manufacturing (print industry identified).
- Initiatives such as 'Networking on sea' allow enterprises to help each other with minimal state intervention – Council funding but private sector delivery.

3.7 Lessons from other areas / agencies:

- Develop further industry based training / Apprenticeships to equip the population with the relevant skills.
- Wider promotion of longer staying visitors to increase spend – crucial for resort destinations such as Southend and evidenced in other authorities' Strategies.
- Tourism identified as a growth industry over the next 10 years nationally and set to overtake manufacturing – also identified as benefitting from the recession with increased domestic visitor spend and attractive overseas appeal due to exchange rate benefit.

⁹ since the witness sessions, the gov't has approved the local planning decision

4. CONCLUSIONS

- 4.1 The focus of the scrutiny project was in 2 parts - to understand the impact of the current recession and to make recommendations which will steer the Council's response in how best to support residents and businesses so as to move forward. The project team believes that the best way to achieve this is through a joint / partnership approach.
- 4.2 From the questions and responses from witnesses, Members gained a broad picture of the current challenging economic climate and its impact. The Scrutiny Committee heard of the work already been done to support residents and businesses to have a positive effect on the community, much of it carried out under the umbrella of the Local Strategic Partnership.
- 4.3 The Project Team met on 14th April 2010 to consider the responses from all the witnesses / evidence givers and the conclusions and recommendations it wished to make to Cabinet.
- 4.4 The General Election has now of course taken place. The new coalition Government has announced its spending plans for the public sector and has identified £6.2m worth of spending cuts for 2010-2011. Local government is expected to make a contribution of £1.165bn through reductions to individual grants. Ring-fencing is also set to end for more than £1.7bn of grants given to local authorities.
- 4.5 There is obviously a need and strong imperative to 'get things right' and also of course to prepare for post recession growth. The local authority for example has already worked hard to try to minimise the impact of the squeeze on public services by improving efficiency. The *Delivering Excellence* programme is only one part of this work.
- 4.6 The full Scrutiny Committee considered and agreed the draft conclusions and recommendations at the meeting in July.

5. RECOMMENDATIONS

We appreciate that where recommendations may involve an increase in expenditure, this will need to be considered as part of partners budget setting process.

- 5.1 That the Council consider the in-depth scrutiny report on the economic climate and agree the conclusions from the study.
- 5.2 That Southend Together continue to develop appropriate communication links and develop a Communications Plan, to ensure residents and

businesses know what services are available in terms of help, advice and support.

5.3 That Southend Together develop an Action Plan – detailing actions to support local people and actions to support local business - for agreement and for implementation by relevant agencies. The Action Plan to include:

- Reference to the Guide which has been developed to support residents and to keep it relevant and up to date;
- Continue with targeted and focussed community events;
- Through the communication plan, to develop a briefing pack for service providers, staff etc;
- To run an on line survey to track perception.

5.3 That Southend Together, through the Enterprise and Community Environment Board, monitor the Action Plan, outcomes and provide feedback on progress to service providers and report back to scrutiny in 12 months.

LIST OF INFORMATION INCLUDED IN THE ANNEX TO REPORT

Document 1	Responses to the questions – witness session 1
Document 2	Responses to the questions – witness session 2
Document 3	Responses to the questions – witness session 3
Document 4	Report presented to meeting on 19 th January 2010

CONTACT DETAILS

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Copies of previous scrutiny studies can be found on www.southend.gov.uk and click on the 'council & democracy' section of the website.

LIST OF BACKGROUND INFORMATION

Witness sessions

1. Notes from witness session held 19th January 2010 (see Annex to report, Document 1).
2. Notes from witness session held 20th January 2010 (see Annex to report, Document 2).
3. Notes from witness session held 25th January 2010 (see Annex to report, Document 3).

Minutes

4. Agreement to selected topic – Economic & Environmental Scrutiny Committee held 11th June 2009 (minute 135 refers)
5. Extract from Economic & Environmental Scrutiny Committee held 15th October 2009 (minute 498 refers)
6. Minutes of Economic & Environmental Scrutiny Committee held 19th January 2010 (witness session 1) (minutes 883 – 887 refer)
7. Minutes of Economic & Environmental Scrutiny Committee held 20th January 2010 (witness session 2) (minutes 888 – 890 refer)
8. Minutes of Economic & Environmental Scrutiny Committee held 25th January 2010 (witness session 3) (minutes 891 - 893 refer)

Project Team meetings

9. Meetings of the Member Project Team were held on the following dates - 30th September 2009, 12th November 2009, 11th January 2010 and 14th April 2010. The notes are available on request.

Other information

10. Letters and emails from written evidence givers
11. CfPS document - *'Putting it into practice: the questioning technique'*
www.cfps.org.uk/publications
12. Economic and Social Research Council report - *'Recession Britain – September 2009'* www.esrcsocietytoday.ac.uk
13. Audit Commission report – *Surviving the crunch* – March 2010
www.audit-commission.gov.uk
14. Insight East – *March 2010 economic profile* – www.insighteast.org.uk

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