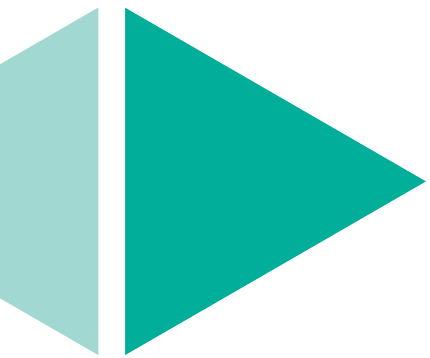
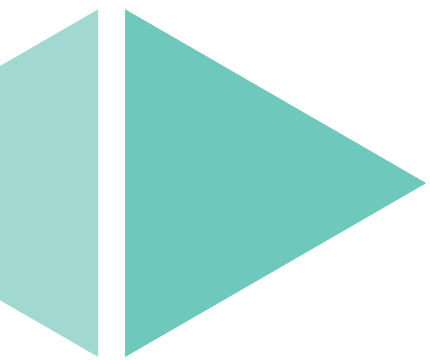


Ambition Southend

A Skills and
Labour Market
Review for
Southend
-on-Sea

May 2018



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Executive Summary

SUMMARY: The economic context

UK economic growth has slowed, although not by as much as forecasters predicted

The UK economy experienced 1.8 per cent growth in 2016, which was above expectations post-EU Referendum. However, this represents a trend of decline, from 2.2 per cent in 2015 and 3.1 per cent in 2014.

UK GDP is growth is expected to continue to decline slightly

The outlook for the UK is an economic growth rate of between 1.4 and 2.0 per cent in 2017 and 2018.

Southend-on-Sea generated £3.1 billion in GVA in 2015

It is estimated that the Southend-on-Sea economy generated £3.1 billion worth of output in 2015, equivalent to £17,500 per head.

Economic output per head and productivity are lower than the UK average, and other neighbouring authorities

Southend-on-Sea's £17,500 of GVA per head is below the UK average of £25,600, and below Thurrock (£19,800) and Essex (£21,300). This is also reflected in productivity rates - with Southend-on-Sea achieving £28 in GVA per hour worked in 2015, compared to the national average of £32 per hour worked.

Southend-on-Sea has experienced high rates of population growth over the past 10 years

Over the past decade (2005-2015), Southend-on-Sea's population grew by +16,100 – or 9.9 per cent. This was higher than national average growth (8.3 per cent) and a higher rate of growth than eight of its neighbouring authority areas, including Essex County.

Between 2015 and 2025, strong population growth in Southend-on-Sea is expected to continue, with an 8.7 per cent increase in population to 194,200 million.

A greater number of workers commute into Southend-on-Sea than borough residents commute out to work elsewhere

According to the 2011 Census, 20,680 workers commuted into Southend-on-Sea, and 29,780 borough residents commuted out to other authority areas to work. Southend-on-Sea is a net out-commuting labour market. The resident population in employment is more highly qualified than the workforce population, suggesting that Southend-on-Sea is a net exporter of skills in labour market terms.

SUMMARY: Demand for labour and skills

There has been little jobs growth in Southend-on-Sea over the past decade

There were 76,000 workforce jobs in Southend-on-Sea in 2015. This total is little changed over the decade, as the borough has only just recovered the jobs lost during the 2009 recession.

Since the 2009 recession, job growth picked up in Southend-on-Sea, with an increase of 4.1 per cent, or +3,000 jobs. Out of the nearby authority areas, Dartford (+21.1 per cent) and Thurrock (+10.8 per cent) have experienced the strongest jobs growth since 2010.

Workplace earnings have increased faster than average

Gross hourly earnings for full-time workers with jobs based in Southend-on-Sea were £12.56 in 2016, 8.9 per cent below the England average of £13.78.

Workplace-based earnings grew at a comparable rate to the national average – growing by 8.3 per cent between 2010 and 2016 in Southend-on-Sea compared to 7.8 per cent for England as a whole.

Residents' earnings are high and have grown at a rate over twice the national average

Southend-on-Sea's resident-based earnings take into account those who commute to jobs outside of the borough, and, at £14.75 per hour in 2016, are higher than the England average of £13.80. Southend-on-Sea has experienced a very high rate of growth in resident earnings – with 16.6 per cent growth since 2011, compared to a national average of 7.8 per cent.

Southend-on-Sea has high rates of economic participation and employment amongst its working-age population

In 2016, 81.2 per cent of Southend-on-Sea's working age residents were either in employment or actively seeking work – above the England average of 78.1 per cent.

Participation in employment is similarly high, as 76.3 per cent of Southend-on-Sea's residents are in employment compared to the national average of 74.1 per cent.

Southend-on-Sea's largest employer is the health and social work sector

Employment in Southend-on-Sea is highest in Human health and social work, accounting for 17.6 per cent (11,300) of all employees in 2015. This was followed by Wholesale & retail trade and repair of motor vehicles at 16.4 per cent (10,500) of all employees. Education and Public Administration are also significant industries in terms of total employment.

Construction employment has increased significantly in Southend-on-Sea over the past five years

There has been a significant increase in employment in Construction, which has increased by 61.6 per cent (+1,200 employees) between 2010 and 2015. Accommodation and food services have also increased by 29.1 per cent (+1,100). Industries with large percentage decreases in employment include Financial and insurance activities, which declined by 46.1 per cent (-1,500 employee jobs) over this period. Public services jobs also declined by 14.7 per cent (-600).

33.1 Per cent of Southend-on-Sea jobs were highly skilled

In 2016, 33.1 per cent of jobs based in Southend-on-Sea were highly skilled (Level 4 occupations: managers & senior officials, and professional occupations). This was slightly higher than the England average (31.2 per cent). Highly skilled jobs have increased in terms of their share of total employment, up from 25.6 per cent in 2006.

Southend-on-Sea has a higher incidence of hard-to-fill vacancies

In 2015, 54 per cent of all establishments in

Southend-on-Sea reported that they had at least one vacancy that was hard to fill – higher to the England average (39 per cent).

The need to replace retiring workers creates labour demand across all types of jobs

It is a myth that all future jobs will be related to new technologies and new industries. Over the past 20 years, the Working Futures forecasts have provided analysis that job openings will be in a wide range of industries and occupations, particularly reflecting the need to replace retiring workers.

SUMMARY: Supply of labour

Southend-on-Sea has experienced growth in the size of its workforce over the past decade

Southend-on-Sea's working age population (and potential workforce) grew by 12,300 (or by 12.5 per cent) between 2005 and 2015, to reach 110,400 in 2015. This was slightly below the England average growth rate of 13.2 per cent.

Southend-on-Sea's workforce is forecast to continue to grow, by 4.8 per cent over the decade from 2015 to 2025 and by 2.5 per cent over the next decade from 2025 to 2035.

Workforce qualifications attainment in Southend-on-Sea is below the national average

In 2016, 26.0 per cent of working-age residents in Southend-on-Sea were qualified to NVQ level 4 or above (degree level or equivalent and above). This is below the national average of 36.8 per cent. 64.9 per cent of working-age residents were qualified to at least NVQ level 2 – again, lower than the national average of 73.4 per cent.

Qualifications attainments have not changed much in 10 years

With 23.3 per cent of working-age residents in Southend-on-Sea qualified to NVQ Level 4 or above in 2006, there has been little change over the decade. This contrasts with neighbouring authority areas such as Basildon (from 16.8 per cent with NVQ4+ in 2010 to 28.8 per cent in 2016) and Thurrock (From 17.7 per cent to 24.2 per cent).

10.5 per cent of working-age residents had no qualifications in 2015 – higher than the national average of 8.4 per cent.

Southend-on-Sea is a high performer in school qualifications attainment

In 2015/16, 61 per cent of 19-year olds in Southend-on-Sea gained a Level 3 qualification (A level and equivalent). This was the higher than the England average of 57 per cent, and out-performed all other neighbouring education authorities.

In 2015/16, 65 per cent of pupils in Southend-on-Sea gained at least 5 A*-C GCSEs including English and Maths. This was a higher rate of attainment than the England average (54

per cent) and again, out-performed all other neighbouring education authorities.

There is a significant variation in GCSE attainment between schools

There is an incredible range of performance between schools, for the percentage of pupils achieving 5+ A*-C or equivalents including A*-C in both English and mathematics GCSEs - from 100 per cent in Westcliff High School for Boys and Westcliff High School for Girls, to 23 per cent in the Futures Community College.

Unemployment slightly above the national average

Unemployment in Southend-on-Sea has been slightly above the national average rate since 2009. The borough's unemployment rate is 6.1 per cent, compared to 5.1 per cent nationally, and is similar to the rate of Basildon (5.9 per cent), Castle Point (6.0), and Thurrock (5.8 per cent)

Youth unemployment is slightly higher in Southend-on-Sea compared to the national average

23.4 per cent of the claimant unemployed were aged 16 to 24, in Southend-on-Sea, compared to 20.7 per cent in England.

Skills gaps are slightly more

SUMMARY: what evidence tells us in response to further queries emerging during the skills strategy consultation

A number of further queries were brought up during the Skills Strategy consultation, conducted in Autumn 2017. These are dealt with in Appendices A to I, and are summarised as follows:

prevalent in Southend-on-Sea than the national average

Skills gaps are slightly more prevalent in Southend-on-Sea than across England. In 2015, 6 per cent of staff in Southend-on-Sea were not fully proficient – only slightly higher than the England average of 5 per cent. This was largely due to a significantly high proportion of elementary staff exhibiting skills gaps - 2.4 per cent of all elementary staff, compared to just 1.0 per cent across England.

63 per cent of all establishments with skills gaps in Southend-on-Sea reported that skills gaps had a negative impact – with the main impacts being that they increase the workload for other staff, contribute to higher operating costs and make it more difficult to meet quality standards.

Deprivation is mostly linked to education and skills

According to the 2015 Index of Multiple Deprivation, Southend-on-Sea Borough had 13 lower super output areas (LSOAs), out of 107 in the Borough that were amongst the top 10 per cent of deprived LSOAs in England. A presence in the top 10 per cent of LSOAs for Deprivation was significantly due to education, skills and training, children and young people and adult skills.

Southend-on-Sea's rate of jobs growth is below most neighbouring authority areas

Southend-on-Sea's long-term rate of jobs growth 2000 to 2016 is on average -0.3 per cent per year (a contraction), and it is the only authority area to record an average annual rate of contraction in total jobs over this period. Areas such as Chelmsford (1.5 per cent per annum) and Rochford (1.3 per cent per annum)

have recorded robust growth rates. Dartford recorded the highest annual growth rate (2.5 per cent per annum). More recently, between 2010 and 2016, Southend-on-Sea's average rate of jobs growth was 1.1 per cent per annum, lower than the national average of 2.1 per cent.

Southend-on-Sea's rate of business births is only slightly behind the national average

Southend-on-Sea had 8,105 active enterprises in 2016. The number of active enterprises has steadily risen since 2011. Southend-on-Sea's rate of business births (as a proportion of total active enterprises) was 13.6 per cent in 2016, with 1,100 business births, slightly below the national average across most years. One-year survival rates in Southend-on-Sea were slightly higher than the national average in 2015.

A number of industries are at risk from Brexit, but this very much depends on the form that Brexit will take

The main risks from Brexit relate to industries with significant trade with the EU most existing and industries with complex UK–EU supply chains, which also tend to be in knowledge-intensive and high value-adding sectors. Manufacturing and retail firms operating just-in-time supply chains with Europe will be severely affected. Workers in the jobs at risk are on average slightly more productive than the average British worker – so Brexit is likely to exacerbate the UK's productivity problems.

In terms of reliance by industries on workers from EU countries, Manufacturing employs the highest share of EU workers (12.6 per cent of all workers), followed by Agriculture, forestry and fishing (11.3 per cent), Distribution, hotels and restaurants (11.0 per cent) and Transport and communication (10.4 per cent).

There are insufficient degree-level

jobs in Southend-on-Sea to employ residents in the borough with this level of qualifications

26,330 residents have degree-level or higher qualifications (Level 4+), compared to 18,910 workers in jobs based in the borough. This tells us that Southend-on-Sea is a net exporter of workers with degree level qualifications – by 7,420 workers.

Hard-to-fill vacancies are most prevalent in sales and customer service staff and elementary staff

The most prevalent type of job with HTF vacancies in Southend-on-Sea were sales and customer service staff and elementary staff. The main causes of HTF vacancies in Southend-on-Sea were low number of applicants with the required skills, not enough people interested in doing this type of job and a low number of applicants generally.

Although a decent share of Southend-on-Sea employers have training plans and budgets, more employers do no training compared to the national average

Southend-on-Sea's employers are just as likely as the national average to have a training plan or training budget – accounting for 51 per cent of Establishments, the same as the England average. 42 per cent of the borough's employers do no training at all – compared to 34 per cent nationally.

Pay disparities are slightly worse than the national average for Southend-on-Sea residents

Pay disparities are slightly worse than the national average amongst workers with jobs in Southend-on-Sea; and that residents, on average, earn less than the national average. The lowest paid (10th percentile) earning

£8.22 per hour in jobs in the borough earned 55% of median pay. This is a lower value than nationally, where 10th percentile earnings were 58% of the median.

Southend-on-Sea's population is ageing at a similar rate to nationally, with continued growth in the working-age population

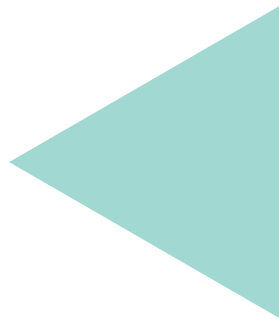
The over 65 population is projected to increase by 20.5 per cent between 2011 and 2021, and 25.5 per cent between 2021 and 2031 – comparable to national rates of 23.8 per cent and 24.5 per cent respectively.

The working-age (16-64) population will continue to increase, by 3.7 per cent between 2011 and 2021 and 3.5 per cent between 2021 and 2031, but at a lower rate than historically between 2001 and 2011 (12.9 per cent). The working age population in Southend-on-Sea is projected to increase at a slightly higher rate than the national average.

Whilst the population of retirement age has been increasing, and this is forecast to continue, it is at a similar rate to nationally, but with a working age population that continues to increase also, at a lower rate.

The average house cost 9.05 Times the average earnings of a job in Southend-on-Sea – higher than the national average

The average house price of £235,000 in Q3 2016 was 9.05 times median annual workplace earnings in 2016 in Southend-on-Sea – above the national average rate of 7.72. Southend-on-Sea and surrounding local authority areas all have high housing costs.



1. The Economic Context

SUMMARY: The economic context

UK economic growth has slowed, although not by as much as forecasters predicted

The UK economy experienced 1.8 per cent growth in 2016, which was above expectations post-EU Referendum. However, this represents a trend of decline, from 2.2 per cent in 2015 and 3.1 per cent in 2014.

UK GDP is growth is expected to continue to decline slightly

The outlook for the UK is an economic growth rate of between 1.4 and 2.0 per cent in 2017 and 2018.

Southend-on-Sea generated £3.1 Billion in GVA in 2015

It is estimated that the Southend-on-Sea economy generated £3.1 billion worth of output in 2015, equivalent to £17,500 per head.

Economic output per head and productivity are lower than the UK average, and other neighbouring authorities

Southend-on-Sea's £17,500 of GVA per head is below the UK average of £25,600, and below Thurrock (£19,800) and Essex (£21,300). This is also reflected in productivity rates - with Southend-on-Sea achieving £28 in GVA per

hour worked in 2015, compared to the national average of £32 per hour worked.

Southend-on-Sea has experienced high rates of population growth over the past 10 years

Over the past decade (2005-2015), Southend-on-Sea's population grew by +16,100 – or 9.9 per cent. This was higher than national average growth (8.3 per cent) and a higher rate of growth than eight of its neighbouring authority areas, including Essex County.

Between 2015 and 2025, strong population growth in Southend-on-Sea is expected to continue, with an 8.7 per cent increase in population to 194,200 million.

A greater number of workers commute out of Southend-on-Sea to work than commute into jobs based in the borough

According to the 2011 Census, 20,680 workers commuted into Southend-on-Sea, and 29,680 borough residents commuted out to other authority areas to work. Southend-on-Sea is a net out-commuting labour market. The resident population in employment is more highly qualified than the workforce population, suggesting that Southend-on-Sea is a net exporter of skills in labour market terms.

Economic output performance (GVA)

Area	Total GVA £ billion 2015	Annual rate of GVA growth 2005-2015, per cent	GVA per head £
Southend-on-Sea	3.1	2.3%	17,500
Thurrock	3.3	1.9%	19,800
Medway	7.4	3.1%	20,900
Essex (Greater)	38.1	2.7%	21,300
England	1,433.2	3.2%	26,200
United Kingdom	1,666.3	3.0%	25,600

Source: Regional Accounts, December 2016 Release, Office for National Statistics. Note: Current values, unadjusted for inflation.

NATIONAL ECONOMIC PERFORMANCE

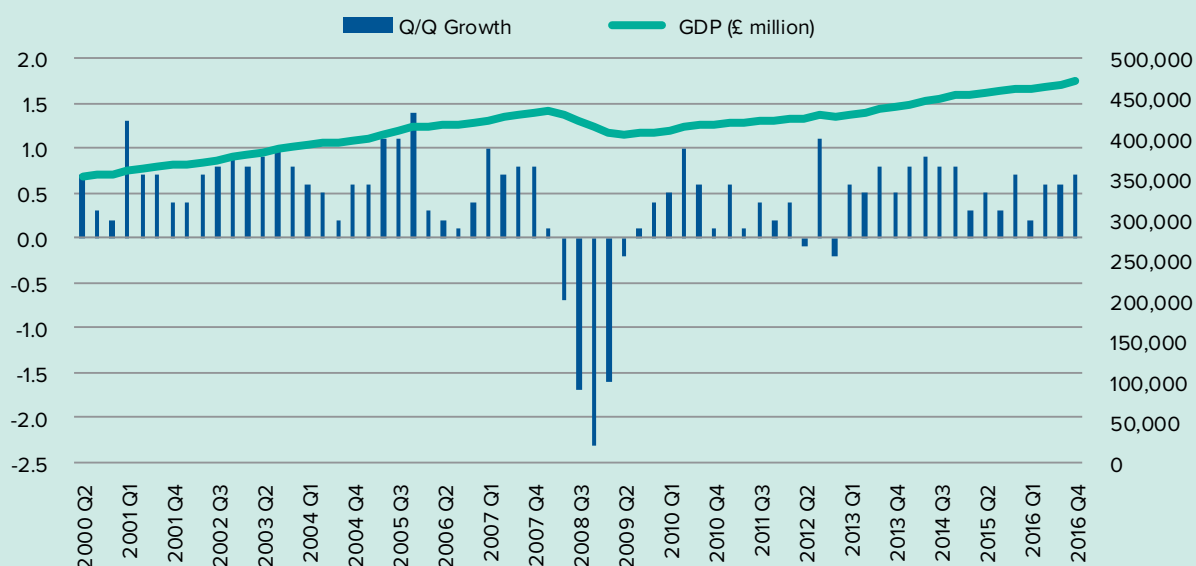
The national rate of economic growth has continued to strengthen despite the EU referendum result

UK gross domestic product (GDP) in volume terms was estimated to have increased by 0.7% between Quarter 3 (July to Sept) 2016 and Quarter 4 (Oct to Dec) 2016.

Despite the expectations of reduced GDP growth due to the EU referendum, strong consumer spending drove UK GDP growth in Quarter 4 2016 – reflected by growth of 1.2 per cent in the retail sales index in Quarter 4. There was also strong growth in services sector output with a notable contribution in consumer-focused industries.

Business investment slowed in Quarter 4 2016, falling by 1.0%. this was driven by subdued growth within the “ICT equipment and other machinery and equipment” assets. The annual rate of UK GDP growth in 2016 was 1.8% - lower than the rate of 2.2 per cent in 2015 and 3.1 per cent in 2014.

▼ Figure 1.1: UK quarterly economic growth 2001-2016

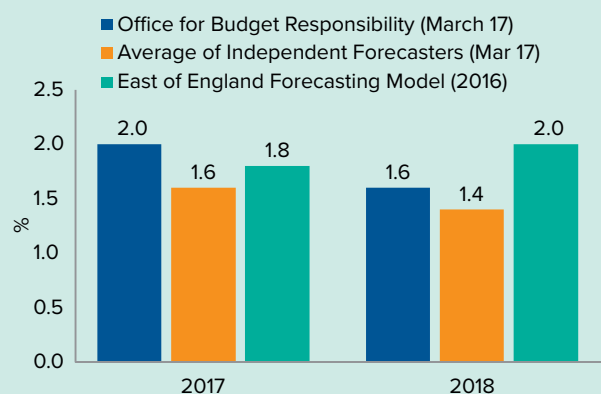


Source: Office for National Statistics.

GDP growth is expected to be dampened slightly as the implications of Brexit are unknown

The outlook is for the rate of economic growth to be slightly dampened over the next few years, as the full implications of the EU Referendum are as yet unknown. The Office for Budget Responsibility forecasts 2.0 per cent growth in 2017 and 1.6 per cent growth in 2018. As *Figure 1.2* indicates, HM Treasury's average of independent forecasters is slightly lower, with 1.6 per cent growth forecast in 2017 and 1.4 per cent in 2018.

▼ Figure 1.2: Projected UK economic growth rates in 2016 and 2017



Source: Office for Budget Responsibility; HM Treasury, Forecasts for the UK economy: a comparison of independent forecasts, March 2017; East of England Forecasting Model 2016.

Economic output (GVA)

Southend-on-Sea generated £3.1 Billion in GVA in 2015

It is estimated that Southend-on-Sea generated £3.1 billion worth of economic output in 2015, or £17,500 per head – as indicated in *Figure 1.3*. Southend-on-Sea's average annual rate of economic growth over the decade from 2005 to 2015 was 2.3 per cent.

At £17,500 in 2015, Southend-on-Sea's GVA per head was below the UK average of £25,600, and below all other comparator areas. Southend-on-Sea's average annual rate of economic growth, at 2.3 per cent over the past decade was also below the UK average

(3.0 per cent) – and below all comparator areas except for Thurrock (1.9 per cent).

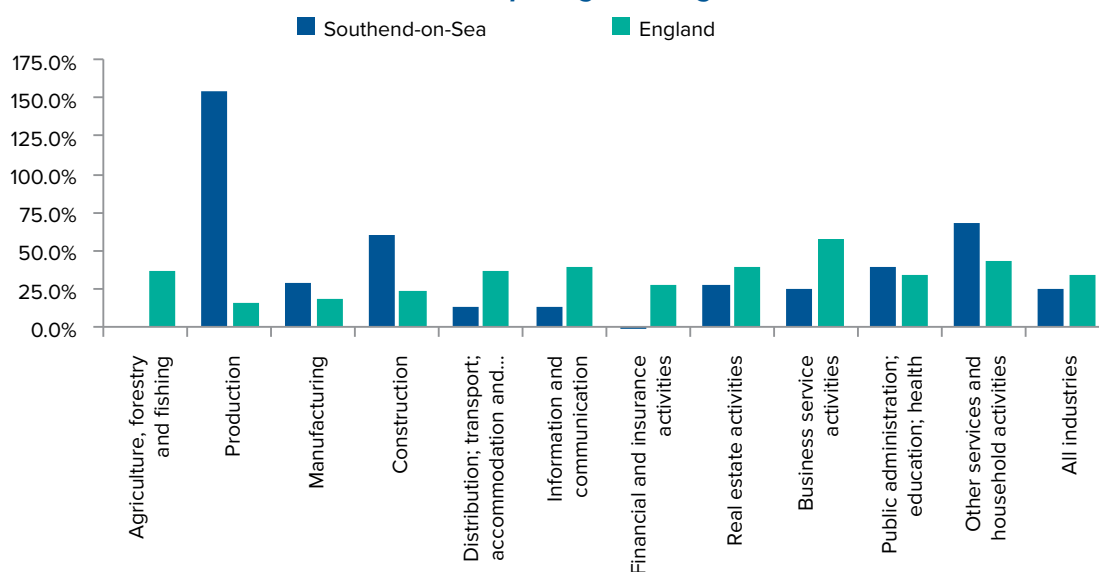
Public administration contributed the greatest value of GVA in 2015, at £738 million, followed by Real estate activities (£622 million) and Distribution; transport; accommodation and food (£515 million). Sectors demonstrating the highest rates of GVA growth (*Figure 1.4*) over the decade between 2005 and 2015 include Production (+154 per cent), Other services and household activities (+69 per cent), and Construction (+60 per cent). Financial services was the only industry category to show a contraction in GVA, of -47 per cent between 2005 and 2015.

Figure 1.3: Economic output performance (GVA)

Area	Total GVA £ billion 2015	Annual rate of GVA growth 2005-2015, per cent	GVA per head £
Southend-on-Sea	3.1	2.3%	17,500
Thurrock	3.3	1.9%	19,800
Medway	7.4	3.1%	20,900
Essex (Greater)	38.1	2.7%	21,300
England	1,433.2	3.2%	26,200
United Kingdom	1,666.3	3.0%	25,600

Source: Regional Accounts, December 2016 Release, Office for National Statistics. Note: Current values, unadjusted for inflation.

Figure 1.4: Growth in value of economic output by industry



Source: Regional Accounts, December 2016 Release, Office for National Statistics. Note: Current values, unadjusted for inflation.

Productivity performance

Southend-on-Sea has lower productivity than the national average and other nearby localities

In Southend-on-Sea in 2015, the rate of productivity, at £28 in GVA per hour worked, was lower than the national average of £32 per hour worked (*Figure 1.5*). Southend-on-Sea's rate of productivity was below all other comparator areas, including Essex at £31 in GVA per hour worked.

Southend-on-Sea's long-term productivity growth has not kept pace with the national average

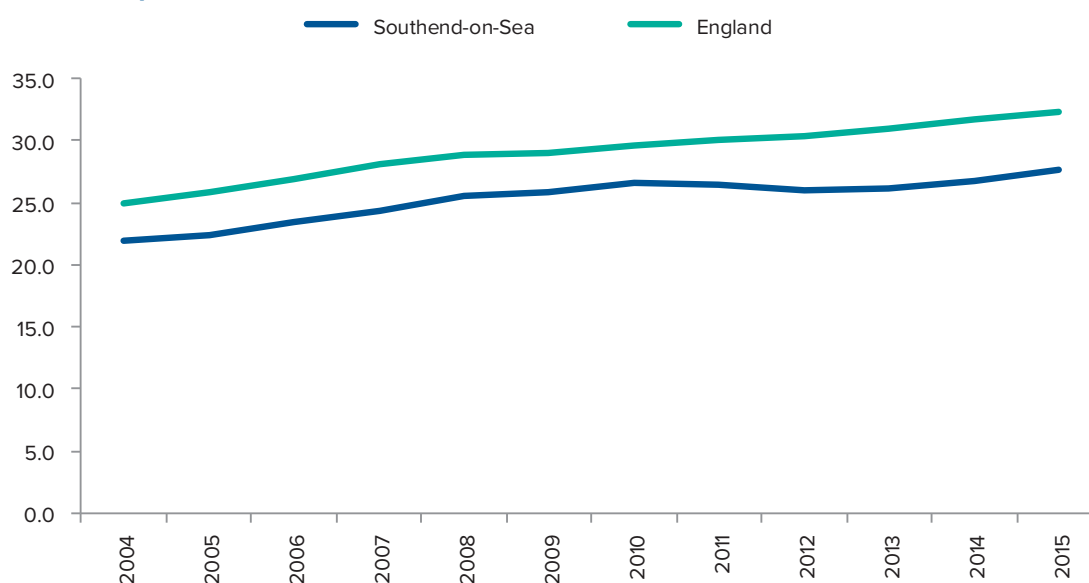
Southend-on-Sea's productivity growth has not kept pace with the national rate, as *Figure 1.6* demonstrates. What this means in the long term, is that if current trends continue, Southend-on-Sea's relative position to the national average in terms of productivity and ability to generate higher rates of GVA, and GVA per head – will continue to deteriorate.

Figure 1.5: GVA per hour worked in peer areas (£ per hour)



Source: Office for National Statistics.

Figure 1.5: GVA per hour worked 2004 TO 2015



Source: Office for National Statistics.

Population growth and outlook

Southend-on-Sea has experienced high rates of population growth over the past 10 years

Long-term population growth has been high.

Over the past decade (2005-2015), Southend-on-Sea's population grew by 16,100 – or 9.9 per cent. This was higher than national average growth (8.3 per cent) and higher than eight of its neighbouring authority areas, including Essex County (*Figure 1.8*).

Although population growth is expected to slow over the following two decades, it is projected to continue to exceed the national average

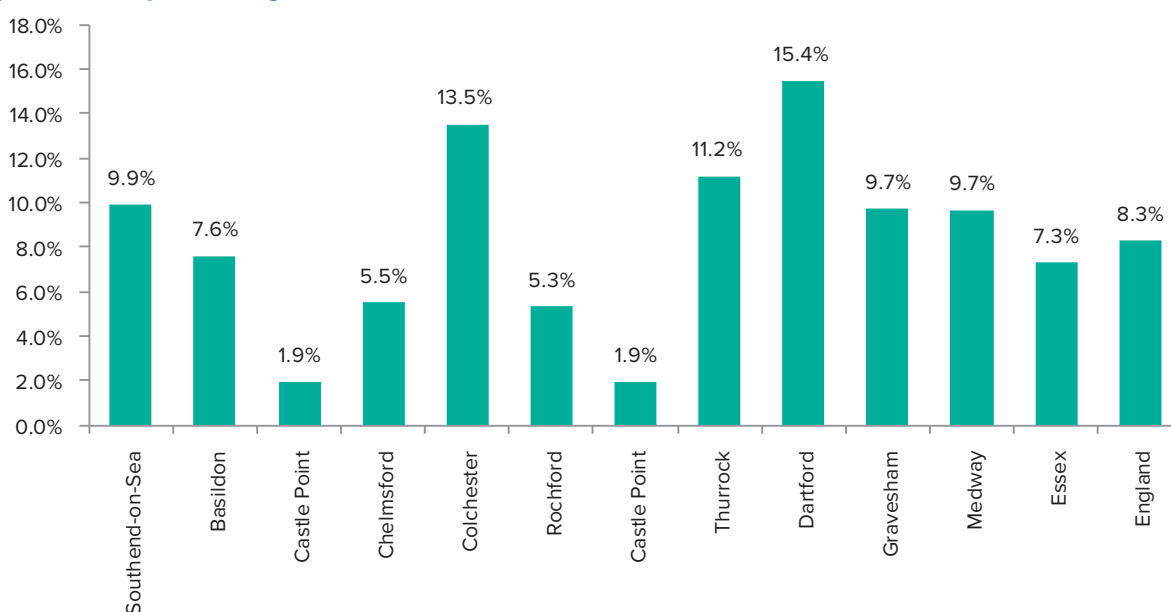
Between 2015 and 2025, strong population growth in Southend-on-Sea is expected to continue, with an 8.7 per cent increase in population to 194,200 million (*Figure 1.8*). Growth is expected to slow slightly to 2035, with a 7.4 per cent increase in population to 208,600. Growth is expected to remain above England averages over these periods.

Figure 1.7: Total population in 2015, and growth between 2005 and 2015 by authority area

Area	Population in 2015	Growth 2005–2015
Southend-on-Sea	178,700	16,100
Basildon	181,700	12,800
Castle Point	89,200	1,700
Chelmsford	172,600	9,000
Colchester	183,900	21,900
Rochford	85,100	4,300
Castle Point	89,200	1,700
Thurrock	165,200	16,600
Dartford	103,900	13,900
Gravesham	106,300	9,400
Medway	276,500	24,400
Essex	1,443,200	98,000
England	54,786,300	4,180,300

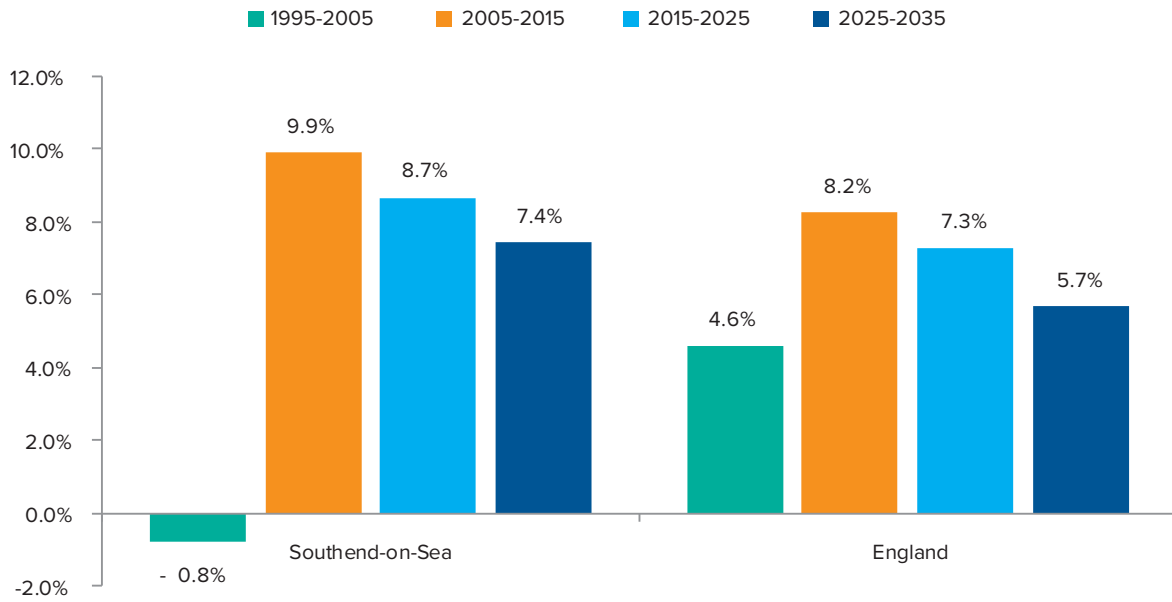
Source: Mid-year Population Estimates, Office for National Statistics.

Figure 1.8: Population growth 2005–2015



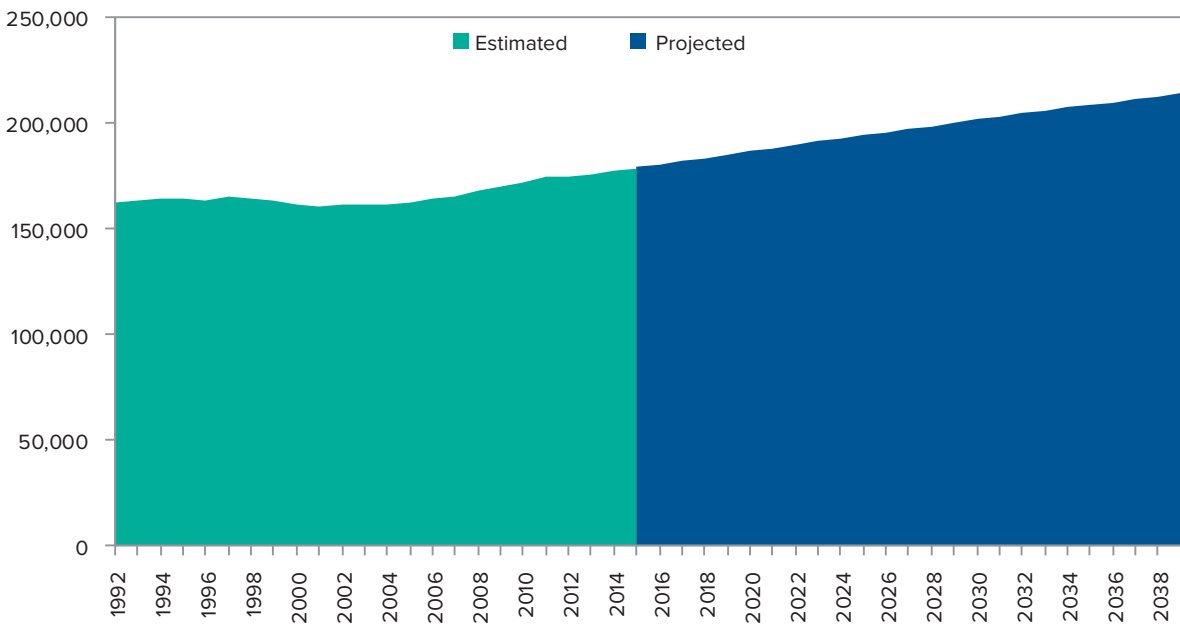
Source: Mid-year Population Estimates, Sub-national Population Projections, Office for National Statistics.

Figure 1.9: Estimated and projected population growth in Southend-on-Sea and England by decade



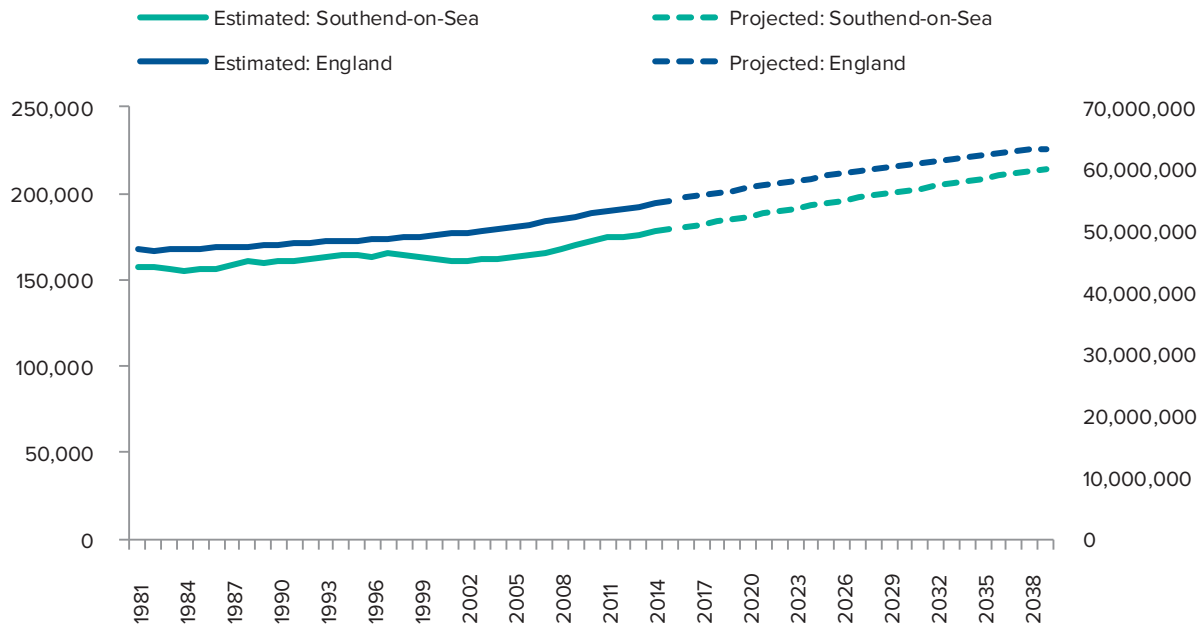
Source: Mid-year Population Estimates, Subnational Population Projections, Office for National Statistics.

Figure 1.10: Total population in Southend-on-Sea: estimated and projected



Source: Mid-year Population Estimates, Sub-national Population Projections, Office for National Statistics.

Figure 1.11: Total population estimated and projected 1982 to 2038



Source: Mid-year Population Estimates and Subnational Population Projections, Office for National Statistics

Commuting patterns

It is recognized that Southend-on-Sea has a great deal of in- and out-commuting of workers. Southend-on-Sea has more workers commuting out of the borough to work than it has residents commuting in from other localities.

The 2011 Census provides the most authoritative information on commuting patterns and activity:

- ▶ There were 57,560 workers in jobs in Southend-on-Sea in 2011
- ▶ Of these, 36,880 were filled by Southend-on-Sea residents – who both lived and worked in Southend-on-Sea
- ▶ The rest, 20,680 workers – came from residents in other authority areas commuting into Southend-on-Sea
- ▶ 29,780 Southend-on-Sea residents commuted to work outside of the borough.

As *Figure 1.12* shows, the highest number of in-commuters to Southend-on-Sea were Rochford residents (8,470) followed by Castle Point residents (4,870).

Figure 1.13 shows where Southend-on-Sea residents commute to. The highest number of residents commute to Westminster and the City of London (5,420), followed by Rochford (4,960) and Basildon (4,410).

Figure 1.14 compares the highest qualifications attained of Southend-on-Sea residents versus those who work in the Borough, many of which commute in from other authority areas. It shows that a higher number of residents in employment are qualified to VQ Level 4 or above (degree level or higher) and VQ Level 3 (equivalent to 3 A levels or more) than the number of workers with jobs in Southend-on-Sea.

Figure 1.12: Top 20 residential locations of in-commuters that work in Southend-on-Sea

Rochford	8,470
Castle Point	4,870
Basildon	2,230
Chelmsford	920
Thurrock	750
Maldon	360
Havering	290
Brentwood	210
Braintree	200
Newham	160
Redbridge	150
Colchester	150
Barking and Dagenham	120
Tendring	70
Epping Forest	70
Waltham Forest	70
Tower Hamlets	60
Lewisham	50
Uttlesford	50
Southwark	40

Source: 2011 Census, Office for National Statistics.

Figure 1.13: Top 20 residential locations of in-commuters that work in Southend-on-Sea

Westminster and the City of London	5,420
Rochford	4,960
Basildon	4,410
Castle Point	2,580
Tower Hamlets	1,720
Chelmsford	1,350
Thurrock	1,190
Camden	700
Havering	680
Brentwood	580
Islington	580
Southwark	560
Barking and Dagenham	510
Newham	380
Hackney	310
Redbridge	260
Braintree	220
Maldon	170
Lambeth	150
Epping Forest	140

Source: 2011 Census, Office for National Statistics.

Figure 1.14: Highest qualification attained of residents in employment compared to workers in jobs in Southend-on-Sea



Source: 2011 Census, Office for National Statistics.

2. Demand for Labour and Skills

SUMMARY: Demand for labour and skills

There has been little jobs growth in Southend-on-Sea over the past decade

There were 76,000 workforce jobs in Southend-on-Sea in 2015. Although there has been an increase of +3,000 jobs (+4.1 per cent) since 2009, this has just restored the job lost during the recession. Out of the nearby authority areas, Dartford (+21.1 per cent) and Thurrock (+10.8 per cent) have experienced the strongest jobs growth since 2010.

Workplace earnings have increased faster than average

Gross hourly earnings for full-time workers with jobs based in Southend-on-Sea were £12.56 in 2016, 8.9 per cent below the England average of £13.78. Workplace-based earnings grew at 8.3 per cent between 2010 and 2016 in Southend-on-Sea compared to 7.8 per cent for England as a whole.

Resident's earnings are high and have grown at a rate over twice the national average

Southend-on-Sea's resident-based earnings take into account those who commute to jobs outside of the borough, and, at £14.75 per hour in 2016, are higher than the England average of £13.80. Southend-on-Sea has experienced a very high rate of growth in resident earnings – with 16.6 per cent growth since 2011, compared to a national average of 7.8 per cent.

Southend-on-Sea has high rates of economic participation

In 2016, 81.2 per cent of Southend-on-Sea's working age residents were either in employment or actively seeking work –

above the England average of 78.1 per cent. Participation in employment is similarly high, as 76.3 per cent of Southend-on-Sea's residents are in employment compared to the national average of 74.1 per cent.

Southend-on-Sea's largest employer is the health and social work sector

Employment in Southend-on-Sea is highest in Human health and social work, accounting for 17.6 per cent (11,300) of all employees in 2015. This was followed by Wholesale & retail trade and repair of motor vehicles at 16.4 per cent (10,500) of all employees. Education and Public Administration are also significant industries in terms of total employment.

Construction employment has increased significantly

There has been a significant increase in employment in Construction, which has increased by 61.6 per cent (+1,200 employees) between 2010 and 2015. Accommodation and food services have also increased by 29.1 per cent (+1,100). Industries with large percentage decreases in employment include Financial and insurance activities, which declined by 46.1 per cent (-1,500 employee jobs) over this period. Public services jobs also declined by 14.7 per cent (-600).

33.1 Per cent of Southend-on-Sea's jobs were highly skilled

In 2016, 33.1 per cent of jobs based in Southend-on-Sea were highly skilled (Level 4 occupations: managers & senior officials, and professional occupations). This was slightly higher than the England average (31.2 per cent). Highly skilled jobs have increased in

terms of their share of total employment, up from 25.6 per cent in 2006.

Southend-on-Sea has a higher incidence of hard-to-fill vacancies

In 2015, 54 per cent of all establishments in Southend-on-Sea reported that they had at least one vacancy that was hard to fill – higher to the England average (39 per cent).

The need to replace retiring workers creates labour demand across all types of jobs

It is a myth that all future jobs will be related to new technologies and new industries. Over the past 20 years, the *Working Futures* forecasts have provided analysis that job openings will be in a wide range of industries and occupations, particularly reflecting the need to replace retiring workers.



Jobs and employment

There has been little jobs growth in Southend-on-Sea over the past decade

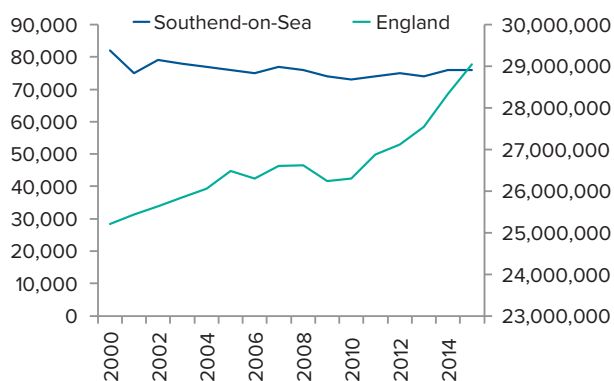
There has been little overall jobs growth in Southend-on-Sea over the past decade. There were 76,000 workforce jobs in Southend-on-Sea in 2015. As *Figure 2.1* demonstrates, this total is little changed since 2005.

Since the 2009 recession, job growth picked up in Southend-on-Sea, with an increase of 4.1 per cent, or +3,000 jobs. However, this only brings the Southend-on-Sea total jobs up to levels previously experienced pre-recession.

Out of the nearby authority areas, Dartford (+21.1 per cent) and Thurrock (+10.8 per cent) experienced the strongest jobs growth since 2010 (*Figure 2.3*).

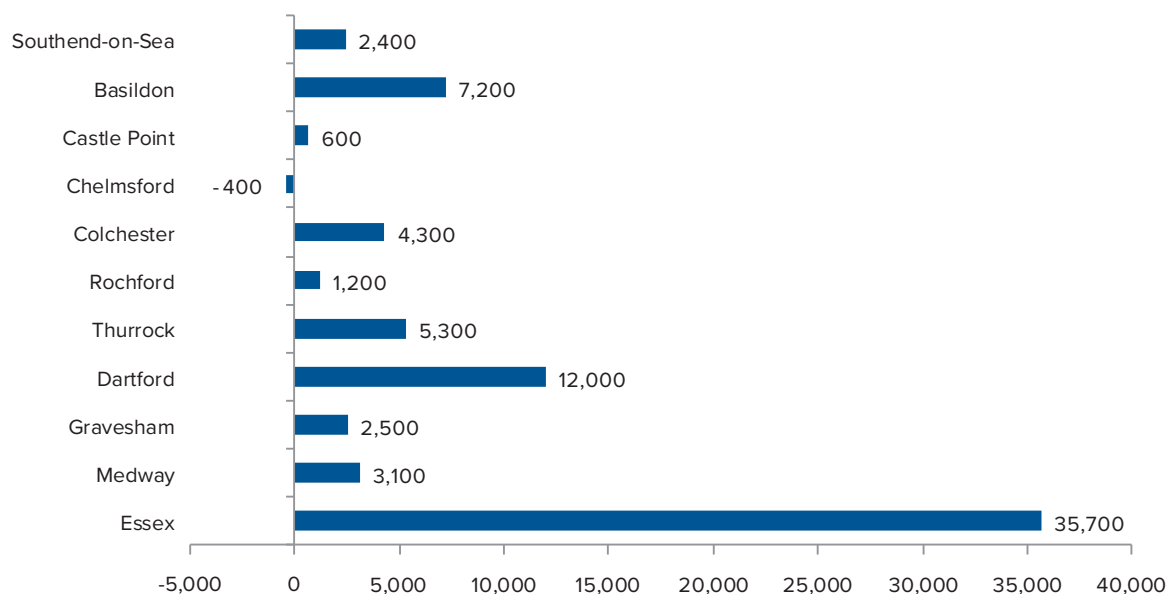
Data from the Business Register and Employment Survey show a growth in 2,400 employee jobs (+4.0 per cent) since 2010. This is below the rate of employee growth in Essex, at 6.9 per cent (+35,700 employee jobs).

Figure 2.1: Total workforce jobs in Southend-on-Sea and England from 2000 to 2015



Source: Jobs Density, Office for National Statistics.

Figure 2.2: Change in total employees 2010 to 2015



Source: Business Register Employment Survey, Office for National Statistics.

Figure 2.3: Growth in jobs between 2010 and 2015 in neighbouring authority areas

District/Area	Growth in total workforce jobs 2010 to 2015	
	Growth in number of jobs	% Growth in jobs
Southend-on-Sea	3,000	4.1%
Basildon	11,000	13.4%
Castle Point	1,000	3.8%
Chelmsford	2,000	2.2%
Colchester	10,000	11.4%
Rochford	3,000	11.5%
Castle Point	1,000	3.8%
Thurrock	7,000	10.8%
Dartford	12,000	21.1%
Gravesham	0	0.0%
Medway	4,000	4.1%
Essex	-	-
England	2,746,000	10.4%

Source: Jobs Density, Office for National Statistics.

Figure 2.4: Growth in employees between 2010 and 2015

District/Area	Total employees		Growth in total employees 2010 to 2015	
	2010	2015	No.	Per cent
Southend-on-Sea	61,600	64,100	2,400	4.0%
Basildon	75,100	82,300	7,200	9.6%
Castle Point	19,500	20,200	600	3.3%
Chelmsford	81,500	81,200	-400	-0.4%
Colchester	75,100	79,400	4,300	5.8%
Rochford	19,800	21,000	1,200	6.0%
Thurrock	57,900	63,200	5,300	9.2%
Dartford	49,900	61,900	12,000	24.1%
Gravesham	26,000	28,400	2,500	9.6%
Medway	83,300	86,300	3,100	3.7%
Essex	520,400	556,100	35,700	6.9%
England	23,085,300	24,866,600	1,781,300	7.7%

Source: Business Register Employment Survey, Office for National Statistics.

Earnings

Workplace earnings have increased at a higher rate than average

Gross hourly earnings for full-time workers with jobs based in Southend-on-Sea were **£12.56 in 2016**, 8.9 per cent below the England average of £13.78. Southend-on-Sea's average hourly earnings were above Castle Point (£10.95), Rochford (£11.84) and Thurrock (£12.51) but below the other neighbouring authorities.

Workplace-based earnings grew at a comparable rate to the national average – growing by 8.3 per cent between 2010 and 2016 in Southend-on-Sea compared to 7.8 per cent for England as a whole. Southend-on-Sea's rate of growth in workplace earnings was higher than most other neighbouring authorities.

The earnings of Southend-on-Sea's residents are high and have grown at a rate over twice the national average

Southend-on-Sea's resident-based earnings take into account those who commute to jobs outside of the borough, and, at £14.75 per hour in 2016, are higher than the England average of £13.80. Resident earnings are also above most of the neighbouring authority areas, apart from Rochford (£17.05) and Dartford (£15.26).

Southend-on-Sea has experienced a very high rate of growth in resident earnings – they have grown by 16.6 per cent since 2011, compared to a national average of 7.8 per cent.

Figure 2.5: Average hourly gross earnings (workplace-based) in 2011, 2016

	Workplace			Resident		
	2011	2016	Growth (per cent)	2011	2016	Growth (per cent)
Southend-on-Sea	£11.60	£12.56	8.3%	£12.65	£14.75	16.6%
Basildon	£12.69	£13.06	2.9%	£13.83	£14.23	2.9%
Castle Point	£9.32	£10.95	17.5%	£14.34	£14.16	-1.3%
Chelmsford	£13.35	£13.58	1.7%	£15.77	£15.86	0.6%
Colchester	£11.79	£12.76	8.2%	£13.03	£13.89	6.6%
Rochford	£11.49	£11.84	3.0%	£15.41	£17.05	10.6%
Thurrock	£12.07	£12.51	3.6%	£13.58	£14.41	6.1%
Dartford	£14.20	£14.63	3.0%	£14.82	£15.26	3.0%
Gravesham	£15.76	£14.29	-9.3%	£13.60	£13.53	-0.5%
Medway	£12.24	£13.06	6.7%	£13.23	£13.76	4.0%
England	£12.78	£13.78	7.8%	£12.80	£13.80	7.8%

Source: Annual Survey of Hours and Earnings, Office for National Statistics. Median hourly earnings.

Participation in employment

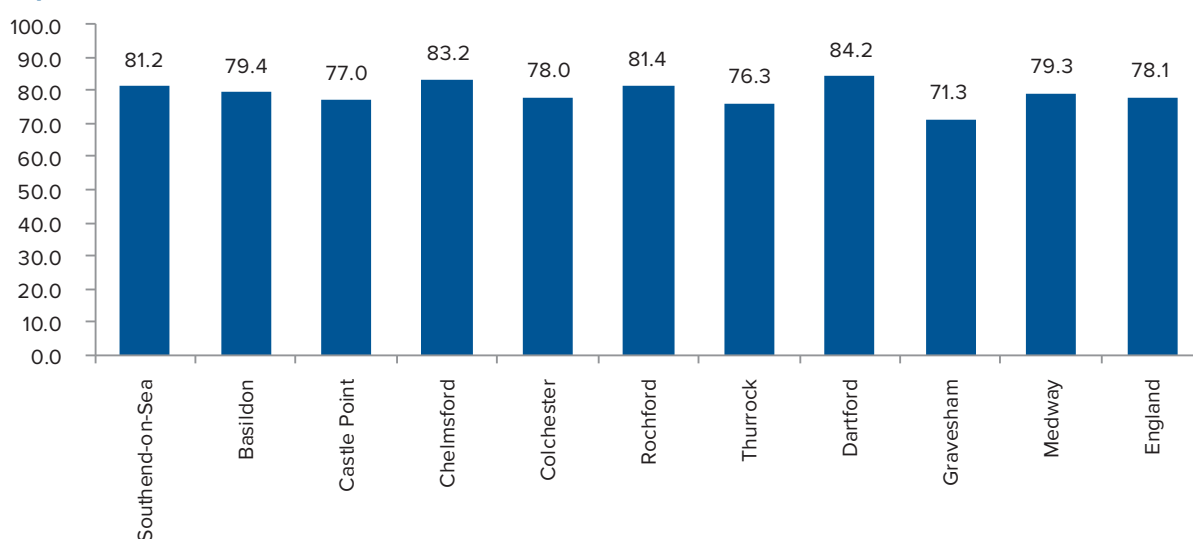
Southend-on-Sea's economic activity rate has increased and is above the national average

In the year to September 2016, 81.2 per cent of Southend-on-Sea's working age residents were either in employment or actively seeking work (*Figure 2.6*) – above the England average of 78.1 per cent.

Economic participation is high amongst Southend-on-Sea residents, and has increased from 75.3 per cent in 2011.

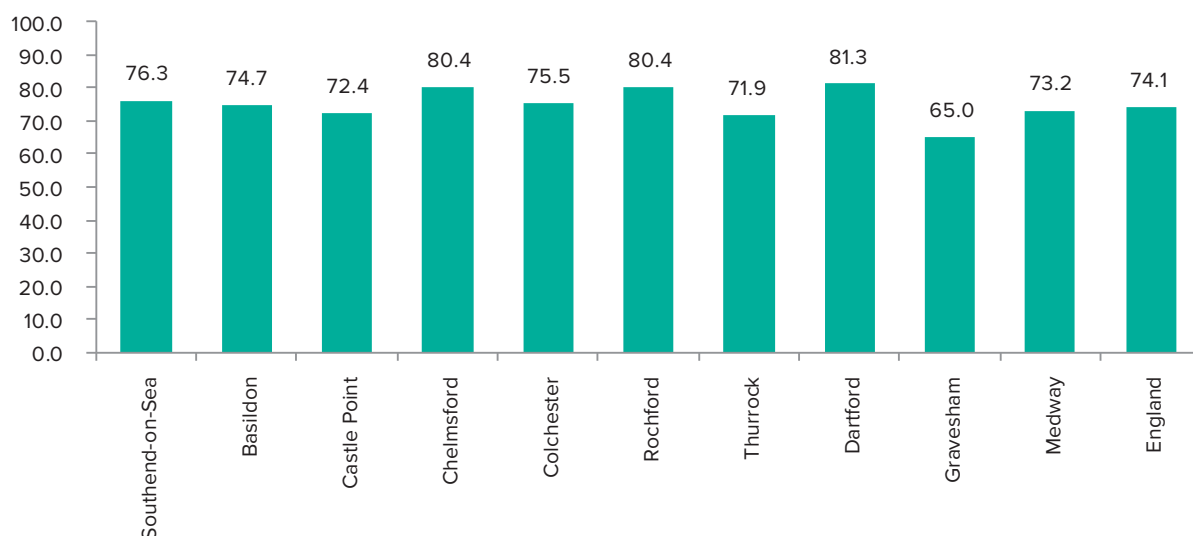
Participation in employment is similarly high, as 76.3 per cent of Southend-on-Sea's residents are in employment compared to the national average of 74.1 per cent, as detailed in *Figure 2.7*. Southend-on-Sea's employment rate has increased from 70.2 per cent in 2011.

Figure 2.6: Economic activity rates in Southend-on-Sea and other local areas in October 2015 – September 2016



Source: Annual Population Survey, Office for National Statistics.

Figure 2.7: Employment rates in Southend-on-Sea and other local areas in October 2015 – September 2016



Source: Annual Population Survey, Office for National Statistics.

Industrial structure

Southend-on-Sea's largest employer is the health and social work sector

Employment in Southend-on-Sea is highest in Human health and social work, accounting for 17.6 per cent (11,300) of all employees in 2015. This was followed by Wholesale & retail trade and repair of motor vehicles at 16.4 per cent (10,500) of all employees. As *Figure 2.8* shows, Education and Public Administration are also significant industries in terms of total employment.

Construction employment has increased significantly in Southend-on-Sea over the past five years

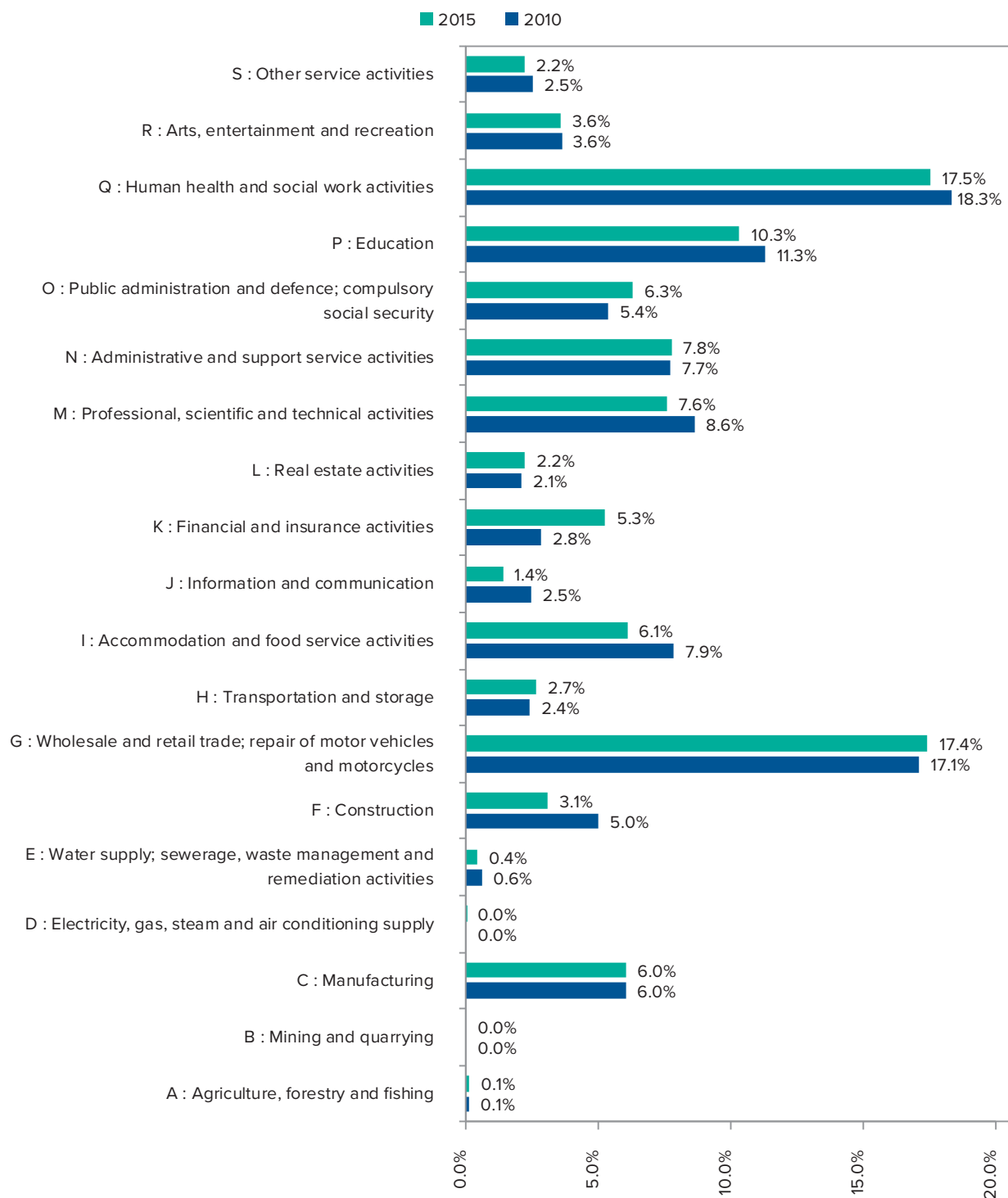
There has been a significant increase in employment in Construction, which has increased by 61.6 per cent (+1,200 employees) between 2010 and 2015. Accommodation and food services have also increased by 29.1 per cent (+1,100). Industries with large percentage decreases in employment include Financial and insurance activities, which declined by 46.1 per cent (-1,500 employee jobs) over this period. Public services jobs also declined by 14.7 per cent (-600).

Figure 2.8: Share of employment by industry in Southend-on-Sea and England in 2015

Industrial Sector	Southend-on-Sea		England	Percentage Point Difference between Southend-on-Sea and England Share
	Total 2015	Share of total employment 2015	Total 2015	
Agriculture, forestry and fishing	100	0.1%	0.7%	-0.6%
Mining and quarrying	0	0.0%	0.1%	-0.1%
Manufacturing	3,700	6.0%	8.8%	-2.7%
Electricity, gas, steam and air conditioning supply	0	0.0%	0.4%	-0.4%
Water supply; sewerage, waste management and remediation activities	400	0.6%	0.7%	-0.1%
Construction	3,100	5.0%	4.8%	0.2%
Wholesale and retail trade; repair of motor vehicles and motorcycles	10,500	17.1%	17.0%	0.1%
Transportation and storage	1,500	2.4%	5.1%	-2.7%
Accommodation and food service activities	4,800	7.9%	7.6%	0.3%
Information and communication	1,500	2.5%	4.8%	-2.3%
Financial and insurance activities	1,700	2.8%	3.9%	-1.0%
Real estate activities	1,300	2.1%	1.9%	0.2%
Professional, scientific and technical activities	5,300	8.6%	9.4%	-0.7%
Administrative and support service activities	4,800	7.7%	9.8%	-2.1%
Public administration and defence; compulsory social security	3,300	5.4%	4.4%	1.0%
Education	7,000	11.3%	10.0%	1.3%
Human health and social work activities	11,300	18.3%	13.7%	4.6%
Arts, entertainment and recreation	2,200	3.6%	2.6%	1.0%
Other service activities	1,600	2.5%	2.2%	0.3%
	64,100			

Source: Business Register and Employment Survey, Office for National Statistics.

Figure 2.9: Share of employment by industry in Southend-on-Sea in 2010 and 2015



Source: Business Register and Employment Survey, Office for National Statistics

Types of jobs and skills

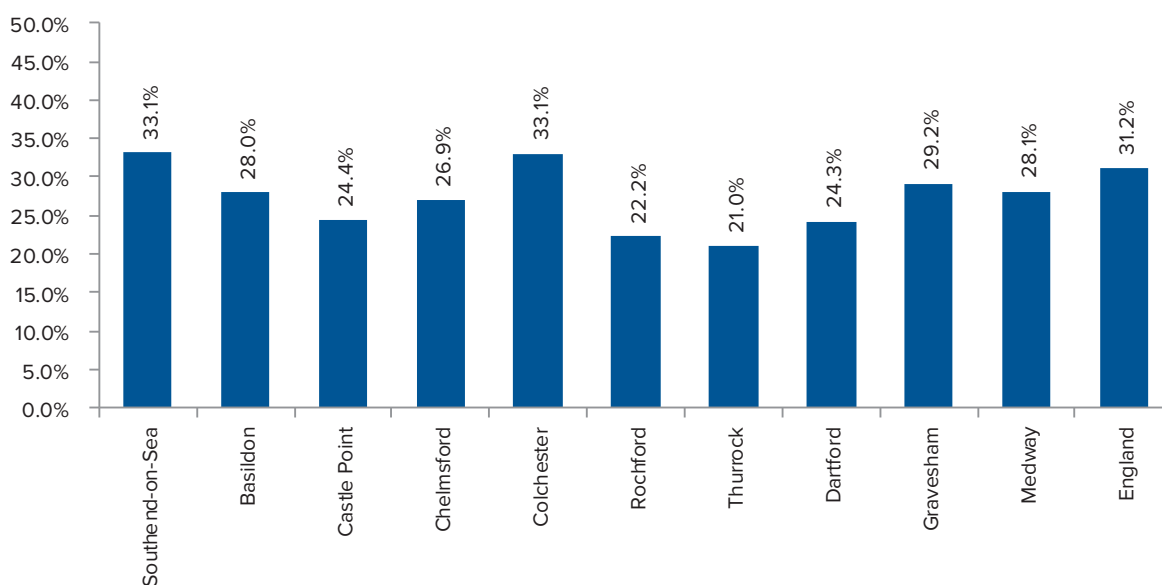
33.1 Per cent of Southend-on-Sea's jobs were highly skilled

In the year to September 2015, as detailed in *Figure 2.10*, 33.1 per cent of jobs based in Southend-on-Sea were highly skilled (Level 4 occupations: managers & senior officials, and professional occupations). This was slightly higher than the England average (31.2 per cent).

As *Figure 2.1* details, highly skilled jobs as a share of total jobs has increased from 25.6 per cent in 2006 to 33.1 per cent in 2016. This is a greater increase than recorded nationally.

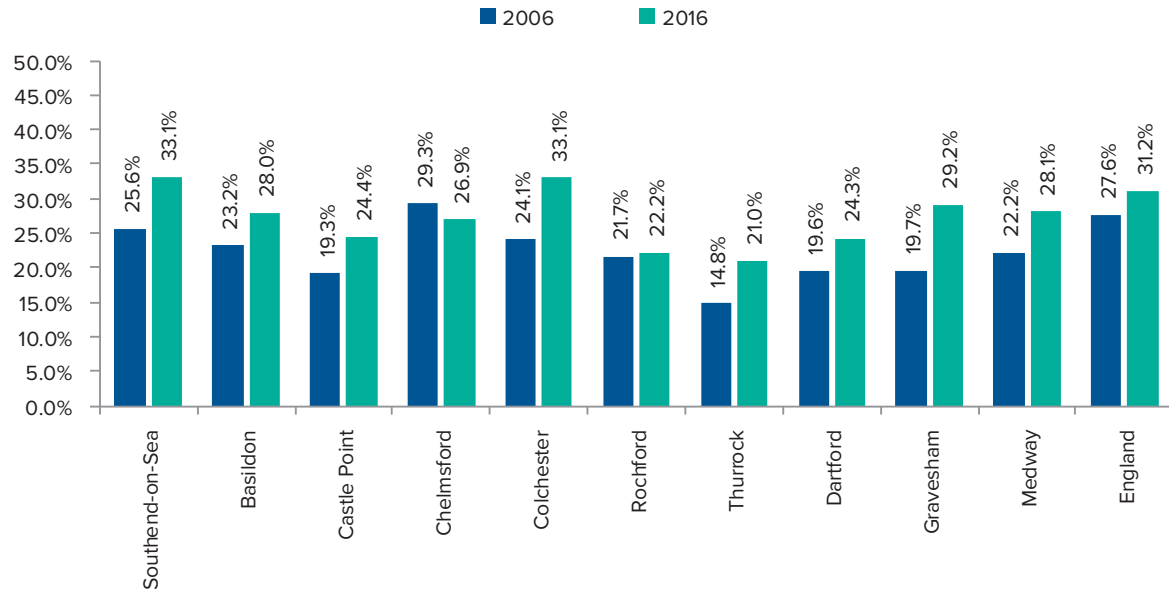
Figure 2.12 compares the occupation profile of jobs based in the borough against jobs undertaken by residents, some of whom may commute out of the borough to work. It shows that a higher number of residents work in skilled jobs such as Managers and senior officials, and associate professional and technical occupations which may go some way to explaining the higher level of resident's earning compared to workplace-based earnings.

Figure 2.10: Share of jobs (workplace-based) in occupational category level 4 (managers & senior officials, and professional occupations), in the year to September 2016



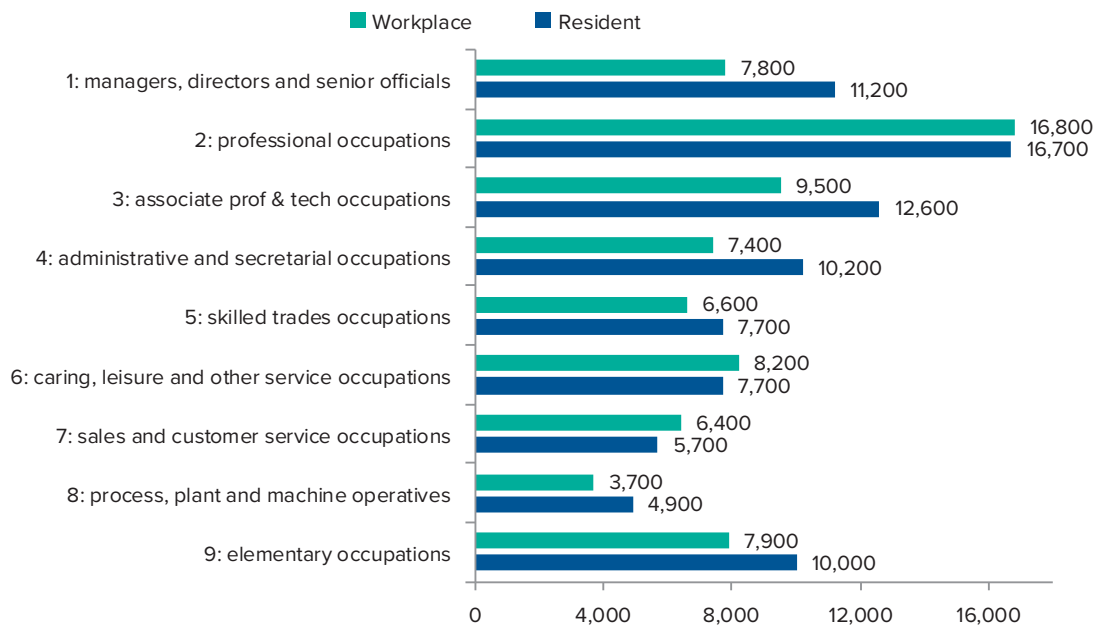
Source: Annual Population Survey, Office for National Statistics

Figure 2.11: Share of jobs in highly skilled occupations in Southend in 2006 and 2016



Source: Annual Population Survey, Office for National Statistics.

Figure 2.12: Comparing skill levels of jobs based in Southend-on-Sea with the skill levels of jobs undertaken by residents (some of whom may commute out of the borough to work)



Source: Annual Population Survey, Office for National Statistics

Recruitment difficulties

The prevalence of hard to fill vacancies (h2fvs) in Southend-on-Sea is similar to the national average

Hard to fill vacancies are those that employers report are proving difficult to fill. They may be hard to fill for a variety of reasons – including skills shortages, lack of accessibility of site, and relatively uncompetitive pay and conditions.

The prevalence of hard to fill vacancies (H2FVs) in Southend-on-Sea is similar to the national average. In 2015, 54 per cent of all establishments in Southend-on-Sea reported that they had at least one vacancy that was hard to fill – higher to the England average (39 per cent). **These employers reported that 31 per cent of all of their vacancies were hard to fill.** As *Figure 2.13* shows, this was comparable to the England average of 33 per cent

Almost one-quarter (24 per cent) of all hard-to-fill vacancies in Southend-on-Sea were for elementary staff. Caring, leisure and other services staff accounted for 16 per cent of all hard-to-fill vacancies, as illustrated in *Figure 2.14*.

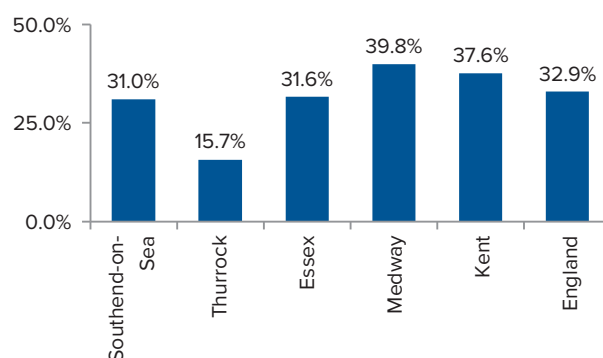
Low numbers of applicants were the main reason for hard-to-fill vacancies

In 2015, 39 per cent of all establishments with H2FVs claimed that there were low

numbers of applicants with the required skills (slightly higher than the England average of 37 per cent), while 24 per cent stated that there were not enough people interested in doing this type of job, higher than the England average of 20 per cent (*Figure 2.15*).

The majority of establishments with H2FVs reported that these had a negative impact on their business. The main implication was that H2FVs increased workloads for existing staff (48 per cent of establishments), followed by difficulties meeting quality standards (38 per cent), higher operating costs (38 per cent), and losing business or orders to competitors (36 per cent) (*Figure 2.16*).

Figure 2.13: Hard-to-fill vacancies as a share of all vacancies in 2015



Source: UK Employer Skills Survey 2015, UK Commission for Employment and Skills

Figure 2.14: Share of all vacancies that are hard-to-fill by occupation



Source: UK Employer Skills Survey 2015, UK Commission for Employment and Skills.

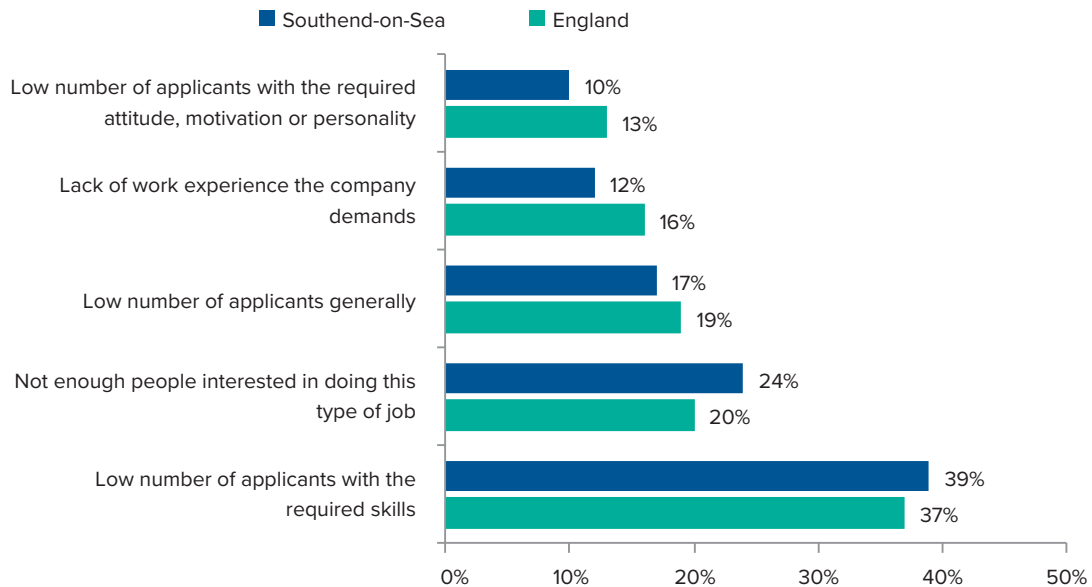
Skills shortage vacancies were equivalent to 1 per cent of total employees in Southend-on-Sea in 2015

Skills shortage vacancies (SSVs) are hard-to-fill vacancies that are specifically due to the employer being unable to secure the right

skills (rather than other reasons, such as lack of interest, lack of available workforce generally or pay and prospects).

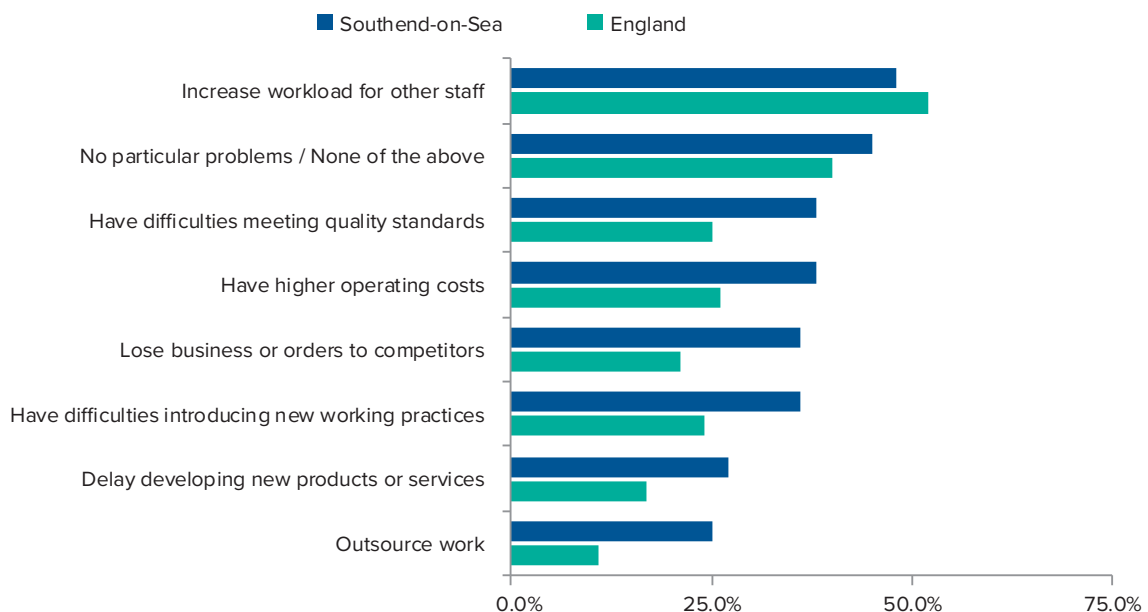
In Southend-on-Sea, SSVs represented 1 per cent of all employment – similar to the England rate of 1 per cent.

Figure 2.15: Most common reasons why vacancies are hard-to-fill



Source: UK Employer Skills Survey 2015, UK Commission for Employment and Skills.

Figure 2.16: Impact of hard-to-fill vacancies on employers (percentage of employers with H2FVs)



Source: UK Employer Skills Survey 2015, UK Commission for Employment and Skills.

Future skills demand

Another key issue is the composition of future labour demand. Future labour demand will be the product of the two following mechanisms:

- ▶ Net new jobs from growth and contraction – the net balance of jobs in the economy from both jobs growth and contraction (this is what we tend to refer to when we examine jobs growth using official datasets such as the Business Register and Employment Survey)
- ▶ Job openings that result from the need to replace workers who have left the workforce. In industries and occupations with an older age profile of workers than average – replacement demand can be quite high

The total requirement (or net labour demand)

is then a product of net new jobs from growth/contraction and job openings that result from the need to replace workers who have left the workforce. This is sometimes referred to as ‘total requirement’, ‘net labour demand’, or ‘job openings’.

Working Futures is a set of reports produced by the (now disbanded) UK Commission for Employment and Skills which provides forecasts of labour demand in this way. These reports utilise the outputs from a labour market demand forecasting model which was developed by the University of Warwick’s Institute for Employment Research in the 1990s in partnership with the forecasting consultancy Cambridge Econometrics (called the Local Economy Forecasting Model).

The latest *Working Futures* reports details a set of labour demand forecasts at the regional (South East) level. What they reveal is that there are significant levels of retirement forecast across many occupational categories, which require replacing, and that ‘replacement demand’ contributes up to 75 per cent of total demand for labour. This is relevant, even in occupations which are contracting. For example, jobs in Administrative occupations in the South East of England are forecast to contract by 30,000 jobs between 2012 and 2022, but with 158,000 retirements, there is a net requirement for 127,000 workers.

Figure 2.17: Working futures forecasts for the south east of England 2012 to 2022: occupational demand

(Results in 000s)	Base year employment level	Expansion demand	Retirements	Occupational mobility	Migration	Replacement demand	Net requirement
11 Corporate managers and directors	372	87	144	0	0	144	231
12 Other managers and proprietors	169	25	85	0	0	85	109
21 Science, research, engineering and technology professionals	305	65	99	0	0	99	164
22 Health professionals	163	32	69	0	0	69	101
23 Teaching and educational professionals	200	19	88	0	0	88	107
24 Business, media and public service professionals	264	52	115	0	0	115	166
31 Science, engineering and technology associate professionals	78	7	25	0	0	25	31
32 Health and social care associate professionals	40	10	17	0	0	17	27
33 Protective service occupations	64	-2	17	0	0	17	15
34 Culture, media and sports occupations	94	14	40	0	0	40	55
35 Business and public service associate professionals	344	61	133	0	0	133	193
41 Administrative occupations	377	-30	158	0	0	158	127
42 Secretarial and related occupations	155	-59	69	0	0	69	10
51 Skilled agricultural and related trades	49	-4	26	0	0	26	21
52 Skilled metal, electrical and electronic trades	174	-11	55	0	0	55	44
53 Skilled construction and building trades	140	4	46	0	0	46	50
54 Textiles, printing and other skilled trades	99	-32	31	0	0	31	-2
61 Caring personal service occupations	309	84	141	0	0	141	225
62 Leisure, travel and related personal service occupations	103	12	50	0	0	50	62
71 Sales occupations	263	-28	91	0	0	91	62
72 Customer service occupations	88	16	31	0	0	31	47
81 Process, plant and machine operatives	70	-18	19	0	0	19	1
82 Transport and mobile machine drivers and operatives	155	2	67	0	0	67	69
91 Elementary trades and related occupations	65	-7	20	0	0	20	13
92 Elementary administration and service occupations	423	0	161	0	0	161	162
All occupations	4,564	297	1,795	0	0	1,795	2,092

Source: Working Futures 2015, UK Commission for Employment and Skills.

3. Supply of Labour

SUMMARY: Supply of labour

Southend-on-Sea has experienced growth in the size of its workforce over the past decade

Southend-on-Sea's working age population (and potential workforce) grew by 12,300 (or by 12.5 per cent) between 2005 and 2015, to reach 110,400 in 2015. This was slightly below the England average growth rate of 13.2 per cent.

Southend-on-Sea's workforce is forecast to continue to grow, by 4.8 per cent over the decade from 2015 to 2025 and by 2.5 per cent over the next decade from 2025 to 2035.

Workforce qualifications attainment in Southend-on-Sea is below the national average

In 2016, 26.0 per cent of working-age residents in Southend-on-Sea were qualified to NVQ level 4 or above (degree level or equivalent and above). This is below the national average of 36.8 per cent. 64.9 per cent of working-age residents were qualified to at least NVQ level 2 – again, lower than the national average of 73.4 per cent.

Qualifications attainments have not changed much in 10 years

With 23.3 per cent of working-age residents in Southend-on-Sea qualified to NVQ Level 4 or above in 2006, there has been little change over the decade. Which is in contrast to neighbouring authority areas such as Basildon (from 16.8 per cent with NVQ4+ in 2010 to 28.8 per cent in 2016) and Thurrock (From 17.7 per cent to 24.2 per cent).

10.5 per cent of working-age residents had no qualifications in 2015 – higher than the national average of 8.4 per cent.

Southend-on-Sea is a high performer in school qualifications attainment

In 2015/16, 61 per cent of 19-year olds in Southend-on-Sea gained a Level 3 qualification (A level and equivalent). This was the higher than the England average of 57 per cent, and out-performed all other neighbouring education authorities.

In 2015/16, 65 per cent of pupils in Southend-on-Sea gained at least 5 A*-C GCSEs including English and Maths. This was a higher rate of attainment than the England average (54 per cent) and again, out-performed all other neighbouring education authorities.

Unemployment slightly above the national average

Unemployment in Southend-on-Sea has been slightly above the national average rate since 2009. The borough's unemployment rate is 6.1 per cent, compared to 5.1 per cent nationally, and is similar to the rate of Basildon (5.9 per cent), Castle Point (6.0), and Thurrock (5.8 per cent).

Youth unemployment is slightly higher in Southend-on-Sea compared to the national average

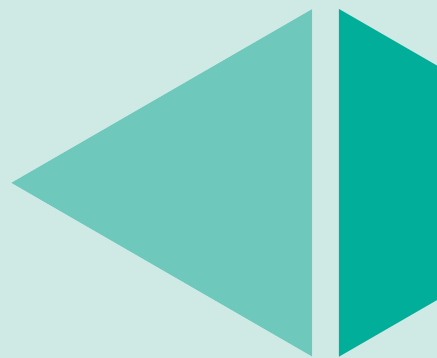
23.4 per cent of the claimant unemployed were aged 16 to 24, in Southend-on-Sea, compared to 20.7 per cent in England.

Skills gaps are slightly more prevalent in Southend-on-Sea than the national average

Skills gaps are slightly more prevalent in Southend-on-Sea than across England. In 2015, 6 per cent of staff in Southend-on-Sea were

not fully proficient – only slightly higher than the England average of 5 per cent. This was largely due to a significantly high proportion of elementary staff exhibiting skills gaps - 2.4 per cent of all elementary staff, compared to just 1.0 per cent across England.

63 per cent of all establishments with skills gaps in Southend-on-Sea reported that skills gaps had a negative impact – with the main impacts being that they increase the workload for other staff, contribute to higher operating costs and make it more difficult to meet quality standards.



Workforce

Southend-on-Sea has experienced a strong rate of workforce growth over the past decade

Southend-on-Sea's working age population (and potential workforce) grew by 12,300 (or by 12.5 per cent) between 2005 and 2015, to

reach 110,400 in 2015. This was slightly below the England average growth rate of 13.2 per cent (*Figure 3.1*).

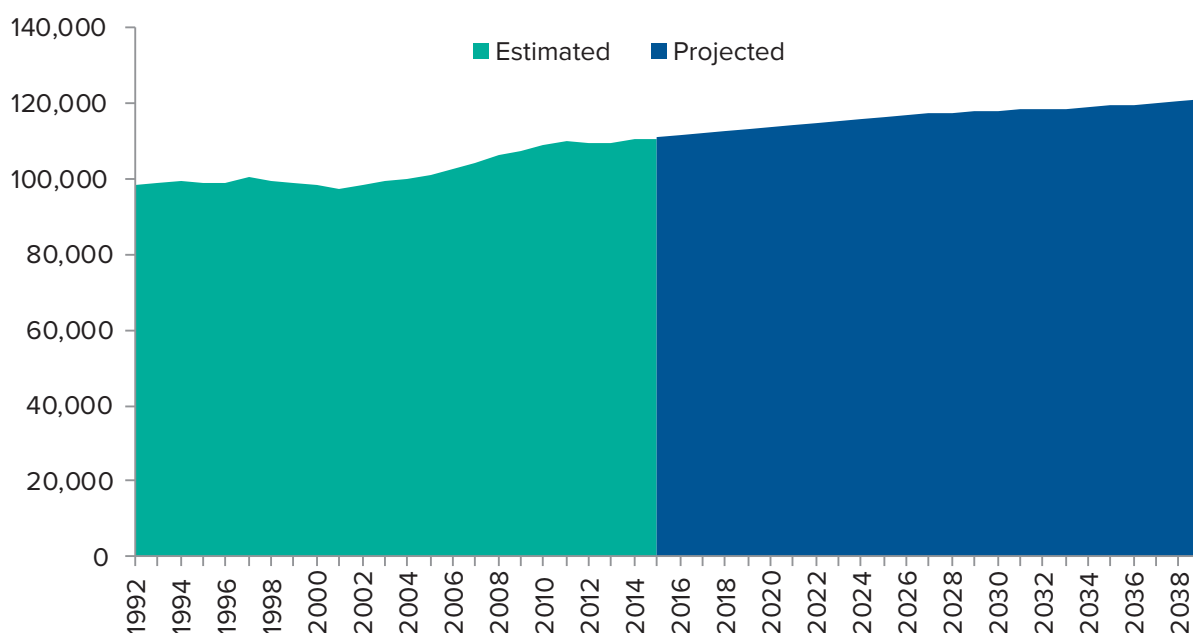
Southend-on-Sea's workforce is forecast to continue to grow, by 4.8 per cent over the decade from 2015 to 2025 and by 2.5 per cent over the next decade from 2025 to 2035.

Figure 3.1: 2015 Working age population and actual and projected growth rates

Area	2015 Working age (16-64) population	2005-2015 estimated growth rate	2015-2025 projected growth rate	2025-2035 projected growth rate
Southend-on-Sea	110,400	12.5%	4.8%	2.5%
Basildon	113,700	9.1%	4.7%	3.6%
Castle Point	52,500	-7.2%	-1.9%	-0.8%
Chelmsford	108,000	6.4%	2.6%	1.7%
Colchester	118,000	21.3%	6.6%	3.9%
Rochford	51,200	6.0%	-0.3%	-0.5%
Thurrock	105,400	23.4%	8.9%	6.4%
Dartford	66,800	25.1%	10.0%	7.0%
Gravesham	66,300	9.4%	6.9%	5.1%
Medway	177,900	12.1%	6.2%	4.7%
Essex	883,300	-	3.5%	2.3%
England	34,669,600	13.2%	3.2%	1.5%

Source: Mid-year Population Estimates and Subnational Population Projections, Office for National Statistics.

Figure 3.2: Actual and projected working age population in Southend-on-Sea 1992 to 2039



Source: Mid-year Population Estimates and Subnational Population Projections, Office for National Statistics.

Qualifications

Workforce qualifications attainment in Southend-on-Sea is below the national average

26.0 per cent of working-age residents in Southend-on-Sea are qualified to NVQ level 4 or above (degree level or equivalent and above). This is below the national average of 36.8 per cent. 64.9 per cent of working-age residents were qualified to at least NVQ level 2 – again, lower than the national average of 73.4 per cent (*Figure 3.3*).

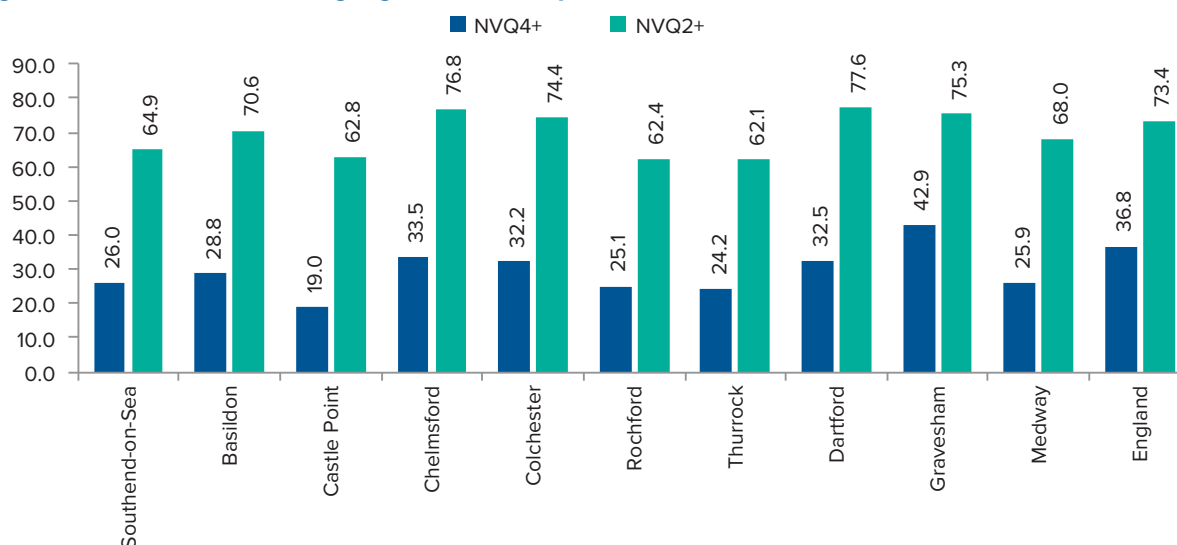
Rates of qualifications attainments have not changed much in 10 years

In 2010, 23.3 per cent of working-age residents in Southend-on-Sea were qualified to NVQ Level 4 or above, with this slightly

increasing to 26.0 per cent in 2015. This rate of increase is low, when compared to other boroughs such as Basildon (from 16.8 per cent with NVQ4+ in 2010 to 28.8 per cent in 2016) and Thurrock (From 17.7 per cent to 24.2 per cent). In Southend-on-Sea, workforce skills have not changed much for other levels of qualification (*Figure 3.4*).

10.5 per cent of working-age residents had no qualifications in 2015 – higher than the national average of 8.4 per cent. Overall, Southend-on-Sea has a greater share of working-age adult residents with qualifications at NVQ2 or lower, or with no qualifications (54.8 per cent) compared to the national average (42.9 per cent)

Figure 3.3: Share of working-age residents qualified to level 2+ and level 4+ in 2015



Source: Annual Population Survey, Office for National Statistics.

Figure 3.4: Share of 16-64 year olds residents with nvq equivalent qualifications, by highest level of qualification held 2015

Area	NVQ4+	NVQ3 only	Trade Apprenticeships	NVQ2 only	NVQ1 only	other qualifications	no qualifications
Southend-on-Sea	26.0	16.4	2.8	19.7	14.1	10.5	10.5
Basildon	28.8	25.0	1.3	15.5	17.4	4.4	7.6
Castle Point	19.0	16.7	3.1	23.9	18.2	10.7	8.3
Chelmsford	33.5	15.1	2.2	26.0	11.1	5.1	7.0
Colchester	32.2	20.0	3.0	19.2	12.1	5.7	7.8
Rochford	25.1	16.9	-	19.6	19.1	10.0	8.5
Thurrock	24.2	15.1	2.4	20.5	17.7	9.7	10.5
Dartford	32.5	26.4	3.9	14.9	14.1	2.6	5.6
Gravesham	42.9	13.6	-	16.6	16.3	!	6.2
Medway	25.9	16.8	4.2	21.1	17.8	6.0	8.2
England	36.8	17.3	3.1	16.3	11.6	6.6	8.4

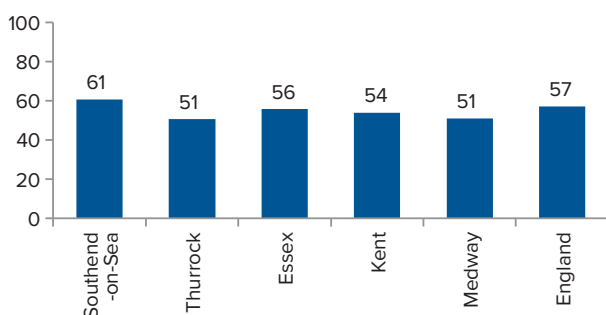
Source: Annual Population Survey, Office for National Statistics.

School qualifications

Southend-on-Sea outperforms the national average and all neighbouring education authorities for level 3 qualifications at age 19

In 2015/16, 61 per cent of 19 year olds in Southend-on-Sea gained a Level 3 qualification (A level and equivalent). This was higher than the England average of 57 per cent, as detailed in *Figure 3.5*. Southend-on-Sea performed better than all other neighbouring education authorities.

▼ **Figure 3.5: Percentage of 19 year-olds qualified to level 3 in 2015/16**

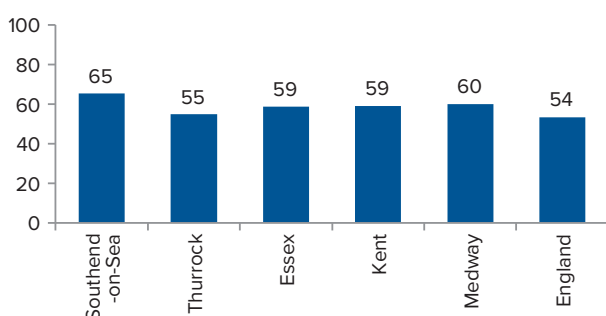


Source: Department for Education.

GCSE attainment was also high in Southend-on-Sea

In 2015/16, 65 per cent of pupils in Southend-on-Sea gained at least 5 A*-C GCSEs including English and Maths (*Figure 3.6*). This was a higher rate of attainment than the England average (54 per cent) and was higher than all other neighbouring education authorities.

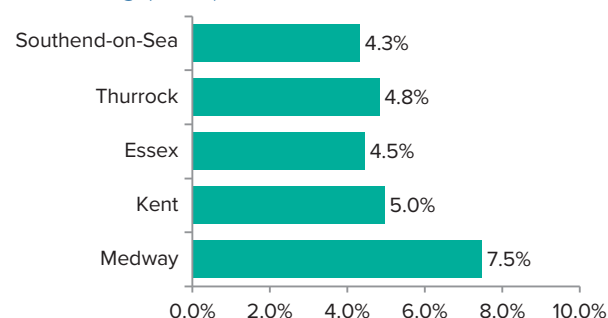
▼ **Figure 3.6: Percentage of pupils gaining at least 5 A*-C GCSEs including English and Mathematics 2015/16**



Source: Department for Education.

It was estimated that 4.3 per cent of 16-18-year-olds were not in employment, education or training in 2015, as detailed in *Figure 3.7*. This is comparable to Thurrock (4.8 per cent) and Essex (4.5 per cent). It is not possible to compare to national performance as a different methodology is used.

▼ **Figure 3.7: Estimated share of 16-18 year olds not in employment, education or training (neet)**

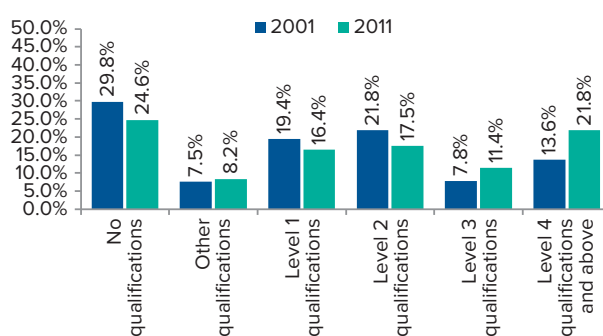


Source: Department for Education

Qualifications attainments have increased over the decade between the 2001 and 2011 census

Figure 3.8 details the highest level of qualification held by residents aged between 16 and 74. As can be seen, Qualifications attainments have increased in terms of Level 3 and Level 4 qualifications. The share of residents with no qualifications has also decreased.

▼ **Figure 3.8: Highest level of qualification held by residents aged 16 to 74 in 2001 and 2011**



Source: 2001 Census, 2011 Census, Office for National Statistics.

There is a significant variation in GCSE attainment between schools

Figure 3.9 presents the percentage of pupils achieving 5+ A*-C or equivalents including A*-C in both English and mathematics GCSEs. As can be see, there is an incredible range of performance, from 100 per cent in Westcliff High School for Boys and Westcliff High School for Girls, to 23 per cent in the Futures Community College.

Figure 3.9: GCSE results of individual schools in Southend-on-Sea, 2013 to 2016 inclusive

School	Percentage of pupils achieving 5+ A*-C or equivalents including A*-C in both English and mathematics GCSEs			
	2013	2014	2015	2016
Belfairs Academy	69%	62%	62%	52%
Cecil Jones Academy	NA	NA	0%	42%
Chase High School	NA	NA	0%	35%
The Eastwood Academy	71%	64%	68%	79%
Futures Community College	27%	15%	32%	23%
St Bernard's High School	74%	83%	76%	76%
St Thomas More High School	67%	58%	74%	56%
Shoeburyness High School	48%	61%	51%	60%
Southend High School for Boys	97%	99%	97%	98%
Southend High School for Girls	100%	100%	100%	99%
Thorpe Hall School	0%	61%	83%	74%
Westcliff High School for Boys Academy	99%	100%	99%	100%
Westcliff High School for Girls	100%	99%	100%	100%

Source: Annual Population Survey, Office for National Statistics.

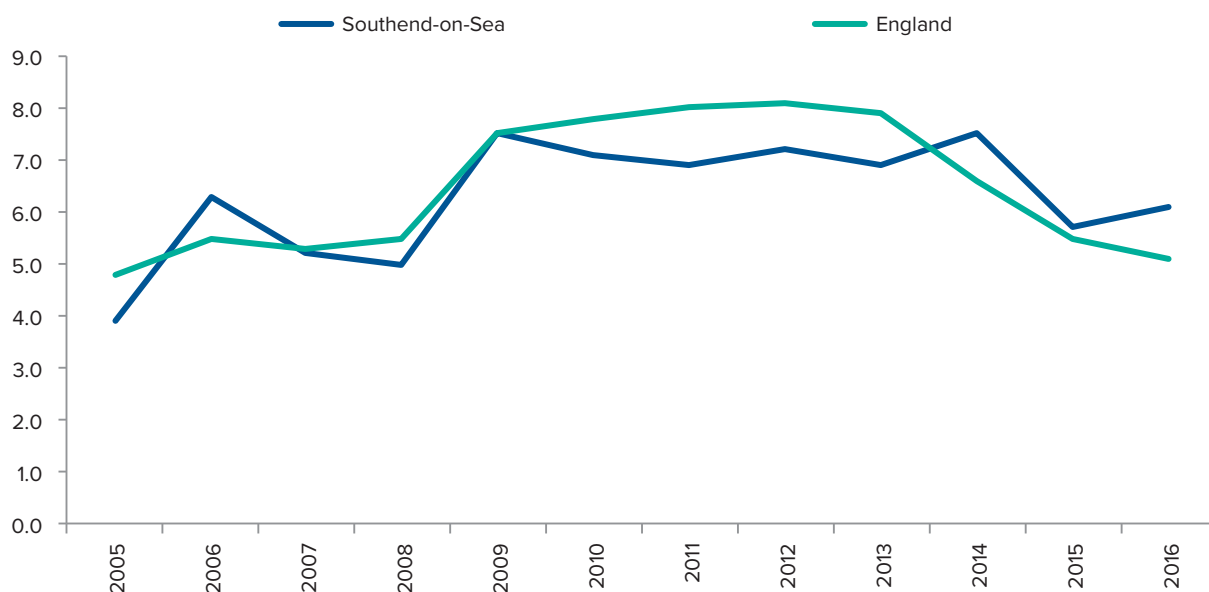
Unemployment

Unemployment slightly above the national average

Unemployment in Southend-on-Sea has been slightly above the national average rate since 2009. The borough's unemployment rate is 6.1

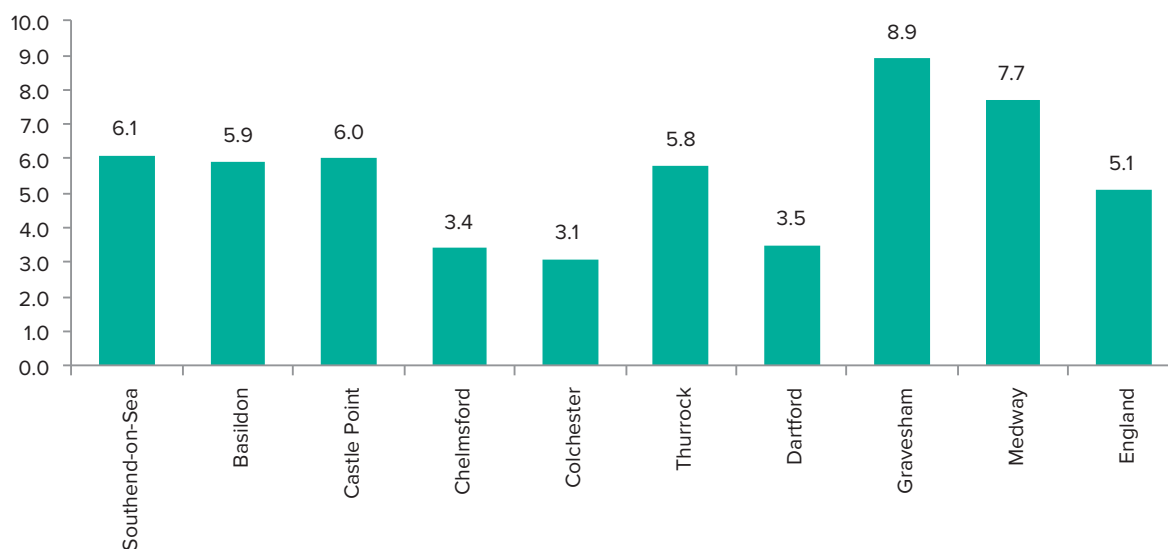
per cent, compared to 5.1 per cent nationally, and is similar to the rate of Basildon (5.9 per cent), Castle Point (6.0), and Thurrock (5.8 per cent).

Figure 3.10: Unemployment rates from 2005 to 2016



Source: Annual Population Survey, Office for National Statistics.

Figure 3.11: Rate of unemployment in October – September 2016



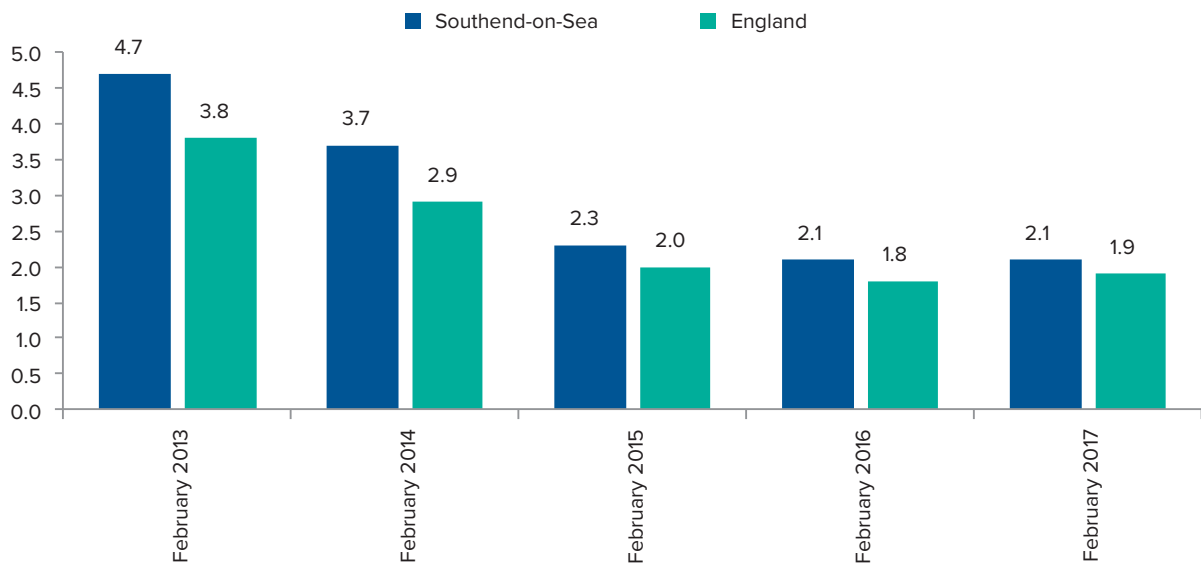
Source: Annual Population Survey, Office for National Statistics.

Jobseeker's allowance claimants

Claimant unemployment almost on a par with the national average with 2.1 per cent of working-age residents claiming Job Seeker's allowance in February 2017 compared to 1.9 per cent nationally, as indicated in *Figure 3.12*. Claimant unemployment has reduced considerably since February 2013, when it was 4.7 per cent in Southend-on-Sea.

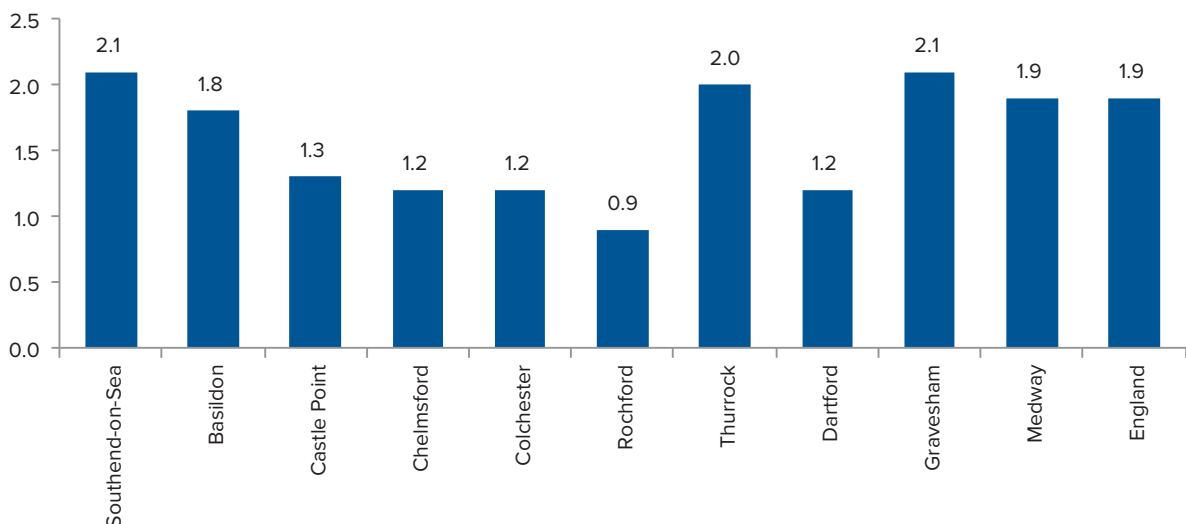
Southend-on-Sea's claimant unemployment rate was higher than neighbouring Essex boroughs and similar to the rate in Thurrock, as *Figure 3.13* indicates.

Figure 3.12: JSA claimant rates 2013 to 2017



Source: Jobcentre Plus.

FIGURE 3.13: JSA claimant rates February 2017



Source: Jobcentre Plus.

Figure 3.14 examines the composition of Jobseekers' Allowance claimants (claimant unemployed) by age group. As can be seen, greater share of all claimants are aged 16-24 in Southend-on-Sea compared to the national (England) average. It can be concluded that youth unemployment is slightly worse in Southend-on-Sea.

Figure 3.14: Share of job seekers' allowance claimants by age-group

	March 2013	March 2017
Southend-on-Sea		
Total claimants	5,040	2,370
Aged 16-24	27.4%	23.4%
Aged 25-49	54.5%	51.7%
Aged 50+	18.1%	24.7%
England		
Total claimants	1,295,435	662,420
Aged 16-24	26.8%	20.7%
Aged 25-49	56.3%	54.1%
Aged 50+	16.7%	25.1%

Source: Jobcentre Plus

Deprivation

According to the 2015 Index of Multiple Deprivation, Southend-on-Sea Borough had 13 lower super output areas (LSOAs), out of 107 in the Borough that were amongst the top 10 per cent of deprived LSOAs in England.

A presence in the top 10 per cent of LSOAs for Deprivation was significantly due to the presence of these categories of deprivation:

- ▶ Education, Skills and Training
- ▶ Children and Young People
- ▶ Adult Skills

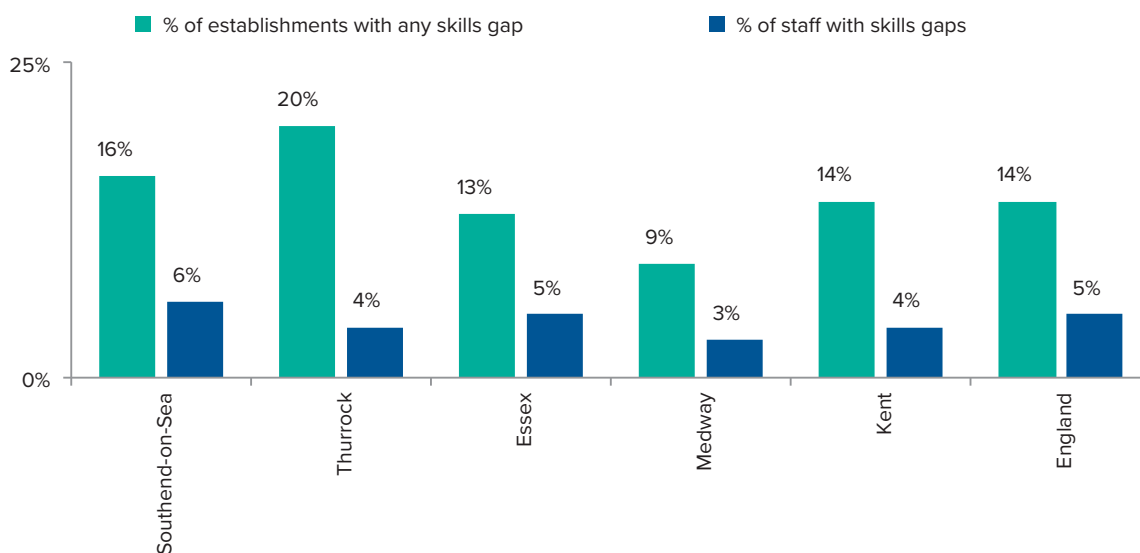
Therefore education, training, and skills issues are the prevalent ones in terms of deprivation causes and consequences.

Skills gaps – skills deficiencies in existing employees

Skills gaps are slightly more prevalent in Southend-on-Sea than across England. In 2015, 6 per cent of staff in Southend-on-Sea were not fully proficient – only slightly higher than the England average of 5 per cent. This was largely due to a significantly high proportion of elementary staff exhibiting skills gaps - 2.4 per cent of all elementary staff, compared to just 1.0 per cent across England.

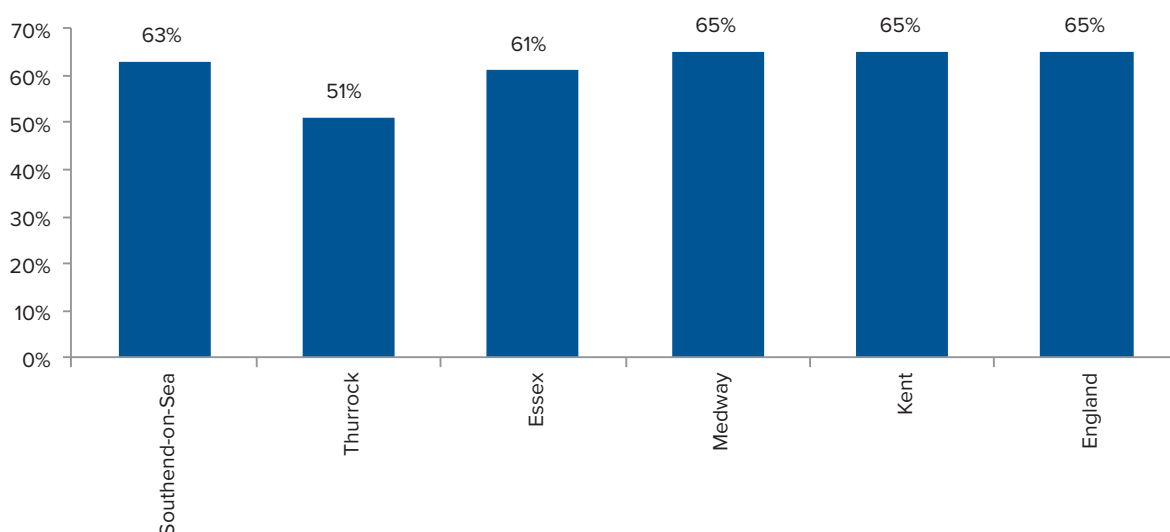
Employers in Southend-on-Sea were less likely to report that skills gaps had a negative impact on their business: 63 per cent of all establishments with skills gaps reported that skills gaps had a negative impact, lower than England average (65 per cent). As *Figure 3.17* shows, the main implications of Skills gaps in Southend-on-Sea are that they increase the workload for other staff, contribute to higher operating costs and make it more difficult to meet quality standards.

Figure 3.15: Incidence of skills gaps



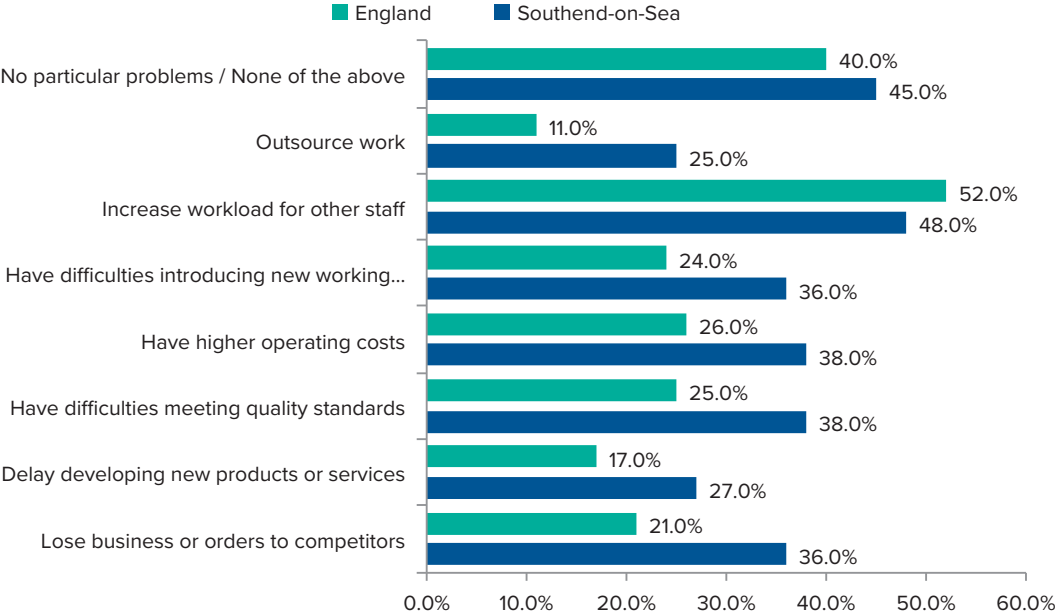
Source: UK Employer Skills Survey, UK Commission for Employment and Skills.

Figure 3.16: Percentage of establishments with skills gaps reporting that skills gaps have an impact



Source: UK Employer Skills Survey, UK Commission for Employment and Skills.

Figure 3.17: Implications of skills gaps



Source: UK Employer Skills Survey, UK Commission for Employment and Skills.

Employer training

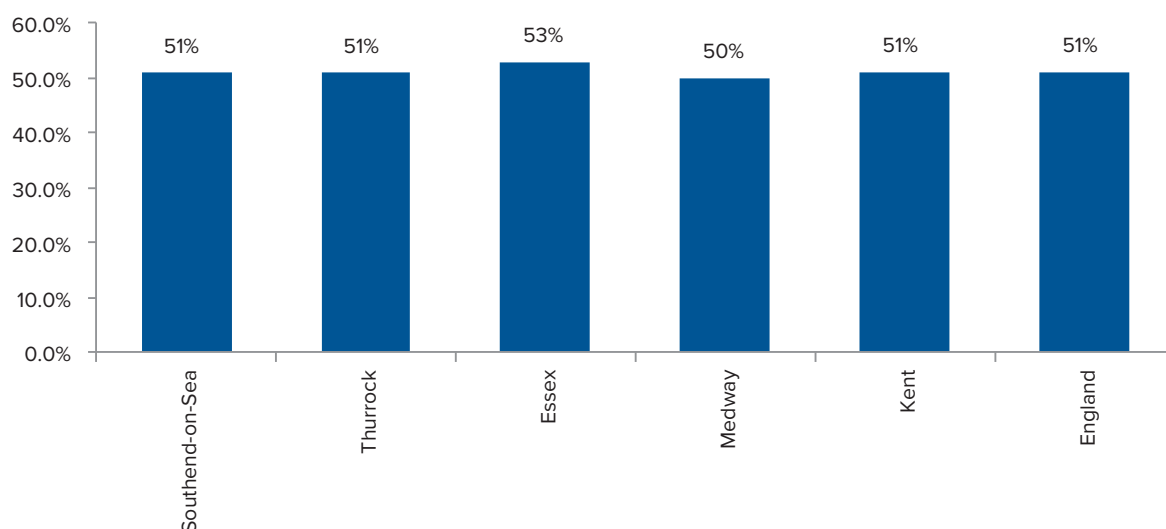
Commitment to staff training is similar among employers in Southend-on-Sea to nationally and peer economies

Commitment to staff training in Southend-on-Sea is similar to the England average. In 2015, 51 per cent of establishments in Southend-on-Sea had a training plan or discrete training

budget – the same as the England average (51 per cent) and most neighbouring authorities, as indicated in *Figure 3.18*.

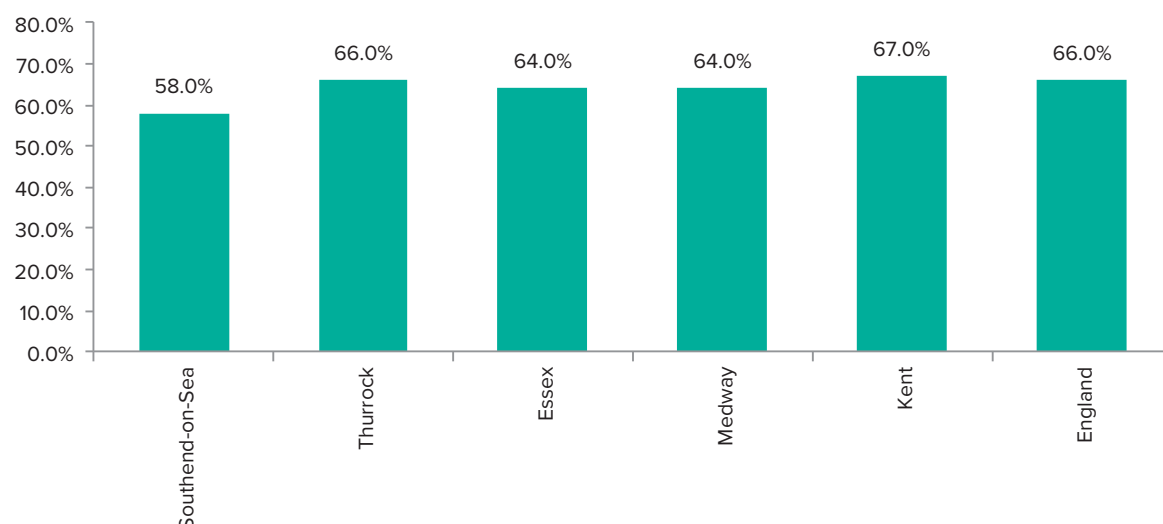
In the same year, 58 per cent of establishments had funded or arranged training for staff over the past 12 months (*Figure 3.19*). This was lower than the England average (66 per cent), and lower than neighbouring authority areas.

Figure 3.18: Share of establishments with a training plan or budget



Source: 2015 National Employer Skills Survey, UK Commission for Employment and Skills.

Figure 3.19: Share of establishments that undertake any training




Source: 2015 National Employer Skills Survey, UK Commission for Employment and Skills.



Appendices

Additional data and analysis to support the Southend-on-Sea skills strategy

This analysis was undertaken at the request of consultees, council- members and officers to support the final version of the skills strategy



Appendix A:

Jobs growth in Southend-on-Sea and surrounding authority areas

Figure 1 presents official data on jobs growth in Southend-on-Sea and nearby local authority areas since 2000. As can be seen, Southend-on-Sea's long-term rate of jobs growth is on average -0.3 per cent per year (a contraction), and it is the only authority area to record an average annual rate of contraction in total jobs over this period. Areas such as Chelmsford (1.5 per cent per annum) and Rochford (1.3 per cent per annum) have recorded robust growth rates. Dartford recorded the highest annual growth rate (2.5 per cent per annum) amongst the authority areas listed in Figure 1.

However, the change in total jobs was particularly marked between 2000 and 2001 (Figure A2), where workforce jobs were reported to have fallen by 7,000. If we calculated the average annual rate of jobs growth between 2001 and 2016, this is 0.3 per cent.

Between 2010 and 2016, Southend-on-Sea's average rate of jobs growth was 1.1 per cent per annum, lower than the national average of 2.1 per cent.

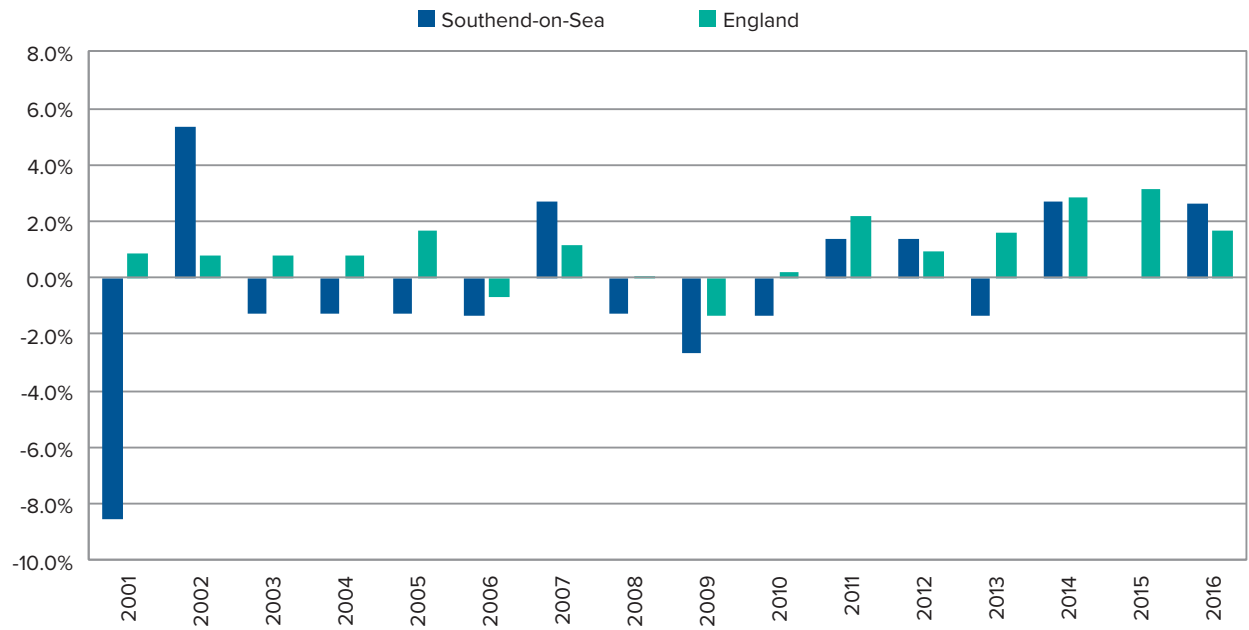
In summary, the evidence tells us that Southend-on-Sea's rate of total jobs growth has consistently lagged behind the national average and most neighbouring authority areas

Figure A1: Workforce jobs growth in Southend-on-Sea and surrounding local authority areas

Area	Total growth		Average annual jobs growth*		
	2000-16	2010-16	2000-16	2010-16	2001-16
Southend-on-Sea	-4,000	5,000	-0.3%	1.1%	0.3%
Castle Point	3,000	1,000	0.7%	0.6%	1.1%
Dartford	23,000	13,000	2.5%	3.5%	2.3%
Gravesham	4,000	2,000	0.8%	1.0%	0.6%
Medway	13,000	10,000	0.8%	1.6%	0.5%
Basildon	16,000	14,000	1.1%	2.7%	1.8%
Castle Point	3,000	1,000	0.7%	0.6%	1.1%
Chelmsford	21,000	5,000	1.5%	0.9%	1.4%
Colchester	19,000	13,000	1.3%	2.3%	1.5%
Rochford	5,000	4,000	1.1%	2.4%	1.5%
Thurrock	13,000	7,000	1.3%	1.7%	1.2%
England	4,497,000	3,412,000	1.0%	2.1%	1.0%

Source: Jobs Density, Office for National Statistics. Workforce Jobs are the sum of jobs including those supported by employers, self-employment, government-supported trainees, and Her Majesty's Armed Forces. *Average annual growth rates are calculated as compound growth rates.

Figure A2: Annual rate of workforce jobs growth in Southend-on-Sea and England



Source: Jobs Density, Office for National Statistics. Workforce Jobs are the sum of jobs including those supported by employers, self-employment, government-supported trainees, and Her Majesty's Armed Forces.

Appendix B:

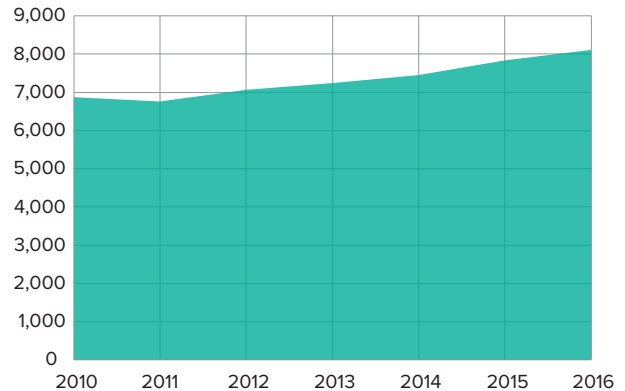
Entrepreneurship

Southend-on-Sea had 8,105 active enterprises (classified as enterprises that have actively been registered for, or paid a form of tax) in 2016. The number of active enterprises has steadily risen since 2011.

Southend-on-Sea's rate of business births (as a proportion of total active enterprises) was 13.6 per cent in 2016, with 1,100 business births. The business death rate in 2016 was slightly higher with 1,125 deaths – higher than the number of births. As can be seen in *Figure B2* birth rates have exceeded death rates in 2013, 2014 and 2015. Birth rates are slightly below the national average across most years.

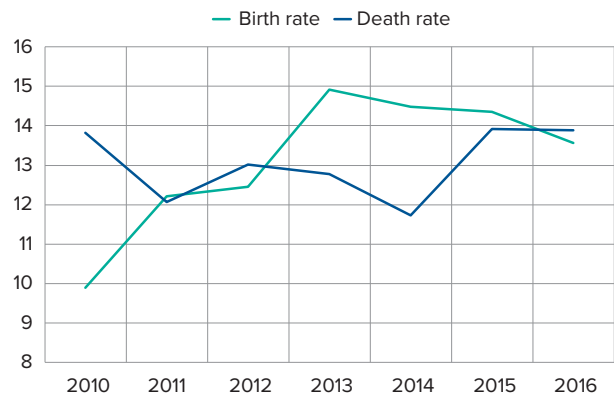
Figure B5 details business survival rates. It shows that one-year survival rates in Southend-on-Sea were slightly higher than the national average in 2015. In preceding years, survival rates are not consistently above the national average. Longer-term survival rates are slightly below the national average.

Figure B1: Total number of active enterprises in Southend-on-Sea 2010 to 2011



Source: UK Business Demography, 2017, Office for National Statistics

Figure B2: Business birth and death rates in Southend-on-Sea



Source: UK Business Demography, 2017, Office for National Statistics. Birth and death rates are births and deaths as a proportion of total active enterprises in that year.

Figure B3: Business birth rates in Southend-on-Sea

Business births	2010	2011	2012	2013	2014	2015	2016
Southend-on-Sea	680	825	880	1,080	1,080	1,125	1,100
Dartford	385	430	480	605	630	735	740
Gravesham	300	405	425	535	560	670	690
Medway	745	875	940	1,215	1,230	1,370	1,470
Basildon	785	835	800	1,045	990	1,200	1,250
Castle Point	320	345	330	430	450	595	530
Chelmsford	765	800	820	1,105	985	1,135	1,105
Colchester	625	665	680	890	890	950	975
Rochford	330	350	375	520	435	455	460
Thurrock	545	715	655	845	950	1,235	1,260
Essex	5,875	6,280	6,540	8,295	8,005	9,060	8,915
England	207,520	232,460	239,975	308,770	313,200	344,385	374,035
Business birth rate	2010	2011	2012	2013	2014	2015	2016
Southend-on-Sea	9.9	12.2	12.5	14.9	14.5	14.4	13.6
Dartford	11.5	12.8	13.7	16.4	16.0	17.2	15.9
Gravesham	9.7	12.9	13.2	15.9	15.6	17.1	16.3
Medway	10.1	11.9	12.5	15.6	15.0	15.6	15.6
Basildon	12.0	12.8	11.9	15.0	13.7	15.5	15.2
Castle Point	10.1	11.1	10.6	13.4	13.5	16.7	14.3
Chelmsford	10.7	11.3	11.4	14.8	12.7	13.9	12.9
Colchester	9.3	9.9	10.2	13.1	12.7	13.1	12.8
Rochford	9.8	10.5	11.1	14.7	11.9	12.3	11.8
Thurrock	11.9	15.3	13.4	16.4	17.3	20.1	18.4
Essex	9.9	10.7	11.0	13.6	12.7	13.7	12.9
England	10.1	11.4	11.6	14.4	14.0	14.7	15.0

Source: UK Business Demography, 2017, Office for National Statistics

Figure B4: Business death rates in Southend-on-Sea

Business deaths	2010	2011	2012	2013	2014	2015	2016
Southend-on-Sea	950	815	920	925	875	1,090	1,125
Dartford	365	325	385	350	390	435	495
Gravesham	350	335	380	345	375	450	460
Medway	795	715	875	750	885	955	1,080
Basildon	725	590	700	675	695	855	900
Castle Point	325	320	315	305	360	365	450
Chelmsford	765	680	790	710	785	785	965
Colchester	660	670	690	670	660	725	870
Rochford	350	300	320	320	335	330	350
Thurrock	545	410	505	530	560	625	680
Essex	6,140	5,565	6,205	5,795	5,970	6,655	7,520
England	219,030	202,365	221,780	209,215	217,930	250,585	291,145
Business death rate	2010	2011	2012	2013	2014	2015	2016
Southend-on-Sea	13.8	12.1	13.0	12.8	11.7	13.9	13.9
Dartford	10.9	9.7	11.0	9.5	9.9	10.2	10.6
Gravesham	11.3	10.7	11.8	10.3	10.5	11.5	10.9
Medway	10.8	9.7	11.7	9.6	10.8	10.9	11.5
Basildon	11.1	9.0	10.4	9.7	9.6	11.0	10.9
Castle Point	10.3	10.3	10.1	9.5	10.8	10.2	12.1
Chelmsford	10.7	9.6	11.0	9.5	10.1	9.6	11.2
Colchester	9.8	10.0	10.3	9.8	9.4	10.0	11.4
Rochford	10.4	9.0	9.5	9.0	9.2	8.9	9.0
Thurrock	11.9	8.8	10.4	10.3	10.2	10.2	10.0
Essex	10.4	9.5	10.4	9.5	9.4	10.1	10.9
England	10.7	9.9	10.7	9.8	9.7	10.7	11.7

Source: UK Business Demography, 2017, Office for National Statistics

Figure B5: Survival rates of businesses

Area	Year of birth	Share of businesses surviving by age in years				
		1-year	2-year	3-year	4-year	5-year
Southend-on-Sea	2011	92.1	73.9	58.2	49.7	42.4
	2012	90.9	72.2	58.0	47.7	:
	2013	93.5	74.5	57.4	:	:
	2014	94.0	75.9	:	:	:
	2015	91.1	:	:	:	:
England	2011	93.1	75.5	60.4	50.8	44.0
	2012	91.1	73.7	59.2	50.2	:
	2013	93.5	75.1	60.8	:	:
	2014	92.2	75.8	:	:	:
	2015	89.6	:	:	:	:

Source: UK Business Demography 2017, Office for National Statistics.

Appendix C:

Industries at risk from Brexit

Taking a view on Brexit

It is very challenging to estimate the potential impacts from Brexit because there is no clear view or policy on what form Brexit will take, or what future trading relationships or immigration policies will be like.

Analysis tends to point at existing economic relationships and the risks involved from Hard Brexit, where there is no single market or a customs union with the EU.

Trade

In a recent article (Wen Chen, Bart Los, Philip McCann, Raquel Ortega-Argilés, Mark Thissen, and Frank van Oort (2017) *The continental divide? Economic exposure to Brexit in regions and countries on both sides of The Channel*, Papers in Regional Science, Wiley: London), a comprehensive analysis of trade with the EU was undertaken and the main points are:

- ▶ Evidence on the ‘no-deal’ scenario (HoC, 2017) suggests that the legal basis of many of the UK’s cross-border exchanges (Dunt, 2016; UKICE, 2017) including all air travel (Guardian, 2017), sea-borne logistics, and even health and energy systems, will become insecure (UKICE, 2017)
- ▶ The EU rules of origin will make UK–EU high value-added just-in-time systems in manufacturing and retail all but impossible to maintain (Bailey & De Propris, 2017).
- ▶ In all likelihood most existing and complex UK–EU supply chains, which also tend to be in knowledge-intensive and high value-adding sectors, will be either heavily disrupted or completely severed.

- ▶ The fact that the EU also has some 40 or so different trade or cooperation agreements with third countries 18 means that in total the UK will need to negotiate well over 700 new trade agreements.

Across the UK, the results for a no-deal Brexit scenario show:

- ▶ More than 2.5m jobs are directly at risk.
- ▶ Almost £140 billion of UK economic activity annually is directly at risk.
- ▶ Many important manufacturing and primary industries are at risk, but so are many service industries – not just financial services.
- ▶ Many of these services are not only exported directly to EU countries, but are also sold to UK manufacturing firms who then export to the EU.
- ▶ Workers in the jobs at risk are on average slightly more productive than the average British worker – so Brexit is likely to exacerbate the UK’s productivity problems.

The findings show that in 15 out of 54 industries, more than 20% (and up to 36%) of economic activity is at risk from Brexit. Industries include fisheries, chemicals and motor vehicle manufacturing

Financial services is one of the least vulnerable sectors to Brexit with an exposure level of 8% of its GDP being at risk. This is still significant, but it is low in comparison to many other sectors – largely because the financial services sector is already highly globalised and therefore displays a low dependence on EU markets.

Immigration

Figure 1 presents data on EU workers as a share of total workers in the UK by broad industry. As can be seen, Manufacturing employs the highest share of EU workers (12.6 per cent of all workers), followed by Agriculture, forestry and fishing (11.3 per cent), Distribution, hotels and restaurants (11.0 per cent) and Transport and communication (10.4 per cent).

A more detailed analysis was conducted by GMB in 2017 using Office for National Statistics data, and it was found that in at least 18 specialist industries EU workers constitute more than 20% of the labour force. Sectors with particularly high reliance on EU migrant workers include fruit and vegetable processing and preserving (47.6 per cent of workers from EU); meat processing (44.4%); and processing of seafood (37.6%).

Figure C1: Share of workers in each industry by nationality

	UK	EU	Non-EU	Total workers	EU as % of total
Agriculture, forestry and fishing	322,054	36,475	-	360,981	11.3%
Energy and water	490,108	25,109	11,674	526,891	5.1%
Manufacturing	2,520,507	318,477	73,125	2,912,109	12.6%
Construction	1,994,195	198,200	49,758	2,242,322	9.9%
Distribution, hotels and restaurants	5,054,116	553,728	248,677	5,856,616	11.0%
Transport and communication	2,447,165	255,402	158,445	2,861,134	10.4%
Banking and finance	4,737,627	403,487	253,346	5,394,779	8.5%
Public admin, education and health	8,656,188	374,547	343,221	9,374,180	4.3%
Other services	1,693,441	105,223	67,752	1,866,987	6.2%
Total	28,072,134	2,280,813	1,215,378	31,571,096	8.1%

Source: Annual Population Survey April 2016 to March 2017, Office for National Statistics.

<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/employmentandemployeetypes/adhocs/007215employmentbyindustryandnationalityforeuandnoneuworkersapril2016tomarch2017>

Appendix D:

Skills and commuting

Comparing the qualifications and types of job undertaken by Southend-on-Sea residents, and by those who work in jobs based in Southend-on-Sea (but who may be resident elsewhere) is revealing.

26,330 residents have degree-level or higher qualifications (Level 4+), compared to 18,910 workers in jobs based in the borough (*Figure D1*). This tells us that Southend-on-Sea is a net exporter of workers with degree level qualifications – by 7,420 workers. The same is true across Level 2 and Level 3 qualifications. The borough is a net importer of workers with no qualifications.

More residents work in the following occupations than there are jobs based in Southend-on-Sea (*Figure D2*):

- ▶ Managers, directors and senior officials
- ▶ Professional occupations
- ▶ Associate professional and technical occupations
- ▶ Administrative and secretarial occupations
- ▶ Skilled trades occupations
- ▶ Process, plant and machine operatives

In particular, there are 3,300 more residents working in Associate professional and technical occupations than there are jobs in the borough.

In sum, it is a valid conclusion to suggest that Southend-on-Sea does not provide enough skilled jobs to match its own workforce skills supply amongst residents. However, given the boundaries of the borough and the fact that it operates within a wider South Essex labour market and a degree of commuting to jobs in London, it is not necessarily cause for major concern.

Figure D1: Qualifications level of Southend on sea residents and those whose jobs are located in Southend-on-Sea

Level of qualification	Workers in jobs in Southend-on-Sea	Residents in employment	Difference between workers in Southend-on-Sea and Residents who are in work (a negative value represents net out-commuting)
All workers in employment	72,070	78,790	-6,720
No qualifications	8,610	8,170	440
Level 1 qualifications	13,630	14,320	-690
Level 2 qualifications	14,790	15,830	-1,040
Level 3 qualifications	10,590	14,960	-4,370
Level 4 qualifications and above	18,910	26,330	-7,420
Apprenticeships and other qualifications	5,540	5,990	-450
All workers in employment	72,070	78,790	-6,720

Source: 2011 Census, Office for National Statistics.

Figure D2: Occupational category of Southend on sea residents and those whose jobs are located in Southend-on-Sea

Occupational category	Workers in jobs in Southend-on-Sea	Residents in employment	Difference between workers in Southend-on-Sea and Residents who are in work (a negative value represents net out-commuting)
1. Managers, directors and senior officials	7,100	8,700	-1,600
2. Professional occupations	11,200	13,100	-1,900
3. Associate professional and technical occupations	7,500	10,800	-3,300
4. Administrative and secretarial occupations	10,800	11,800	-1,000
5. Skilled trades occupations	7,800	9,100	-1,300
6. Caring, leisure and other service occupations	8,300	7,800	500
7. Sales and customer service occupations	7,500	6,800	700
8. Process, plant and machine operatives	3,800	5,200	-1,300
9. Elementary occupations	8,000	8,100	-100
All categories: Occupation	72,100	81,300	-9,300

Source: 2011 Census, Office for National Statistics.

Appendix E:

Hard-to-fill vacancies

Hard-to-fill (HTF) vacancies occur for a number of different reasons – there may be insufficiently skilled applicants, a insufficient number of applications, or the job on offer may not offer competitive terms and conditions.

Figure E1 examines the incidence of vacancies by job type and sets the context for labour demand in the Borough:

- ▶ The most prevalent type of job with vacancies in Southend-on-Sea was caring, leisure and services occupations, representing 27.9 per cent of all vacancies – higher than the national share of vacancies (14.8 per cent).
- ▶ Elementary staff were another type of job with a high share of vacancies – at 24.2 per cent of all vacancies, compared to 15.7 per cent nationally.
- ▶ Managerial and professional job vacancies made up a lower share of vacancies compared to nationally.

Figure E2 provides data on HTF vacancies. The most prevalent type of job with HTF vacancies in Southend-on-Sea were:

- ▶ Sales and customer service staff representing 28.4 per cent of all vacancies – higher than the national share of vacancies (7.2 per cent)
- ▶ Elementary staff, representing 28.2 per cent of all vacancies – higher than the national share of vacancies (13.9 per cent)

The main causes of HTF vacancies in Southend-on-Sea were (*Figure E3*):

- ▶ Low number of applicants with the required skills (39 per cent of establishments reporting at least one HTF vacancy)

- ▶ Not enough people interested in doing this type of job (24 per cent of establishments reporting at least one HTF vacancy)
- ▶ Low number of applicants generally (17 per cent of establishments reporting at least one HTF vacancy)

A survey of 1,000 businesses in Essex in 2014 touched on two areas in which skills deficiencies were prevalent:

- ▶ Difficulties in recruitment due to inadequacy of skills Half the businesses had undertaken recruitment and of these about a quarter, or 12% of all business establishments, found that vacancies had been hard to fill because of skills shortages.
- ▶ The skills found to be most lacking in applicants were technical, practical or job-specific skills. Skills deficiencies amongst existing staff Some 28% of businesses considered there was a significant gap between the skills staff currently have and those that are required to meet future business objectives.
- ▶ Some 45% of businesses stated that skills most lacking amongst current staff are technical, practical or job specific skills; while 38% identified team working, problem solving and customer handling skills to be most lacking. A third of businesses considered that deficiencies of skills amongst employees was impacting on their business performance.

Figure E1: Share of vacancies by occupational category and job type

	Southend-on-Sea	Thurrock	Essex	Medway	Kent	England
Managers	0.6%	7.1%	2.4%	2.0%	2.0%	2.7%
Professionals	9.8%	10.0%	11.9%	6.6%	12.6%	14.2%
Associate professionals	7.7%	5.9%	10.1%	26.5%	9.8%	15.0%
Administrative/clerical staff	10.6%	3.7%	6.6%	11.9%	10.3%	10.1%
Skilled trades occupations	4.0%	40.8%	6.9%	4.7%	13.0%	9.4%
Caring, leisure and other services staff	27.9%	7.2%	15.5%	17.5%	17.2%	14.8%
Sales and customer services staff	14.3%	13.9%	13.4%	7.6%	7.6%	10.7%
Machine operatives	0.9%	4.9%	9.0%	6.9%	9.0%	6.4%
Elementary staff	24.2%	6.4%	24.3%	16.2%	18.3%	15.7%
Unclassified staff	0.0%	0.0%	0.0%	0.0%	0.3%	1.1%
HIGH-SKILL	18.1%	23.0%	24.4%	35.1%	24.5%	31.9%
MIDDLE-SKILL	14.6%	44.6%	13.5%	16.6%	23.3%	19.5%
SERVICE-INTENSIVE	42.2%	21.1%	28.9%	25.2%	24.8%	25.5%
LABOUR-INTENSIVE	25.1%	11.3%	33.2%	23.2%	27.2%	22.1%

Source: 2015 National Employer Skills Survey, UK Commission for Employment and Skills.

Figure E2: Share of hard-to-fill vacancies by occupational category and job type

	Southend on Sea	Thurrock	Essex	Medway	Kent	England
Managers	0.0%	**	0.7%	0.3%	2.8%	1.9%
Professionals	15.5%	**	15.2%	5.8%	13.5%	16.9%
Associate professionals	5.4%	**	5.0%	50.9%	8.2%	14.0%
Administrative/clerical staff	3.8%	**	3.4%	1.0%	4.2%	4.7%
Skilled trades occupations	1.7%	**	10.9%	8.1%	21.2%	15.2%
Caring, leisure and other services staff	17.0%	**	21.5%	5.7%	17.1%	17.6%
Sales and customer services staff	28.4%	**	5.0%	1.4%	3.3%	7.2%
Machine operatives	0.0%	**	13.6%	14.9%	17.8%	7.7%
Elementary staff	28.2%	**	24.7%	12.0%	11.8%	13.9%
Unclassified staff	0.0%	**	0.0%	0.0%	0.0%	0.9%
HIGH-SKILL	20.9%	**	20.9%	57.0%	24.5%	32.8%
MIDDLE-SKILL	5.5%	**	14.3%	9.1%	25.5%	19.9%
SERVICE-INTENSIVE	45.4%	**	26.5%	7.1%	20.4%	24.8%
LABOUR-INTENSIVE	28.2%	**	38.3%	26.9%	29.7%	21.6%

Source: 2015 National Employer Skills Survey, UK Commission for Employment and Skills.

Figure E3: Causes of hard-to-fill vacancies

Main causes of having a hard-to-fill vacancy	Southend on Sea	Thurrock	Essex	Medway	Kent	England
Low number of applicants with the required skills	39%	**	27%	23%	43%	37%
Lack of work experience the company demands	12%	**	13%	4%	18%	16%
Not enough people interested in doing this type of job	24%	**	16%	48%	32%	2%
Low number of applicants with the required attitude, motivation or personality	10%	**	12%	8%	16%	13%
Lack of qualifications the company demands	6%	**	10%	5%	15%	12%
Low number of applicants generally	17%	**	23%	23%	34%	19%
Poor terms and conditions (e.g. pay) offered for post	3%	**	16%	47%	14%	13%
Job entails shift work/unsociable hours	4%	**	13%	14%	10%	09%
Remote location/poor public transport	4%	**	13%	3%	14%	1%
Too much competition from other employers	7%	**	7%	3%	17%	1%
Poor career progression / lack of prospects	0%	**	5%	0%	9%	02%
Not full-time/permanent work	0%	**	2%	0%	1%	02%
Poor recruitment channels/mechanisms (inc. lack/cost of advertising)	0%	**	0%	0%	1%	01%
Low number of suitable applicants inc. Age of applicants	1%	**	0%	0%	3%	01%
Seasonal work	0%	**	1%	0%	5%	01%
Benefits trap	0%	**	8%	0%	1%	02%
Lack of funding for the position	0%	**	0%	0%	2%	01%
Difficulty with work permits/immigration issues for non-EU staff	0%	**	0%	0%	0%	0%
Other	0%	**	0%	0%	1%	02%
No particular reason	0%	**	2%	0%	1%	01%
Don't know	18%	**	1%	2%	0%	04%
QUALITY OF APPLICANTS	51%	**	44%	33%	60%	55%
QUANTITY OF APPLICANTS	43%	**	33%	67%	54%	34%
CONTEXTUAL FACTORS	18%	**	49%	61%	41%	39%

Source: 2015 National Employer Skills Survey, UK Commission for Employment and Skills.

Appendix F:

Employer training

The 2015 National Employer Survey provides information about the training behaviour of employers.

- ▶ Southend-on-Sea's employers are just as likely as the national average to have a training plan or training budget – accounting for 51 per cent of Establishments, the same as the England average (*Figure F1*).

- ▶ Southend-on-Sea's employers are less likely to provide either off-the-job or on-the-job training (any training) to their employees compared to the national average. 47 per cent of Southend-on-Sea's employers offered any training compared to 52 per cent nationally (*Figure F2*). 42 per cent of the borough's employers do no training at all – compared to 34 per cent nationally.

Figure F1: Whether establishment has a business plan, training plan, and/or a budget for training expenditure

	Southend-on-Sea	Thurrock	Essex	Medway	Kent	England
Business plan specifying objectives for the coming year	64%	55%	61%	66%	58%	62%
A training plan	44%	47%	45%	45%	42%	42%
Budget for training expenditure	29%	29%	33%	20%	34%	31%
Any of the above	73%	71%	72%	77%	69%	72%
All of the above	20%	18%	22%	14%	22%	20%
None of the above	27%	29%	28%	23%	31%	28%
TRAINING PLAN OR BUDGET	51%	51%	53%	50%	51%	51%

Source: 2015 National Employer Skills Survey, UK Commission for Employment and Skills.

Figure F2: Whether establishment has funded or arranged training for staff over past 12 months (share of establishments)

	Southend-on-Sea	Thurrock	Essex	Medway	Kent	England
Off-job and on-job training	29%	41%	34%	28%	37%	35%
Off-job training only	11%	11%	13%	10%	15%	13%
On-job training only	18%	15%	18%	25%	15%	17%
Do not train	42%	34%	36%	36%	33%	34%
ANY TRAINING	58%	66%	64%	64%	67%	66%
ANY OFF-THE-JOB	40%	51%	46%	39%	52%	48%
ANY ON-THE-JOB	47%	56%	52%	53%	51%	52%

Source: 2015 National Employer Skills Survey, UK Commission for Employment and Skills.

Appendix G:

Pay disparity

The average (median) gross hourly pay of workers with jobs based in Southend-on-Sea in 2017 was £14.93 per hour – above the national (England) average of £14.17. The average (median) gross hourly pay of residents (who work in the borough and elsewhere) was £12.92 per hour.

In terms of pay disparities, the 10th, 25th and 75th percentile hourly earnings in the borough are compared in Figures G1 and G2:

- ▶ The lowest paid (10th percentile) earning £8.22 per hour in jobs in the borough earned 55% of median pay. This is a lower value than nationally, where 10th percentile earnings were 58% of the median.

- ▶ The lowest paid residents (10th percentile) earned £8.04 per hour, 62 per cent of the value of median hourly pay. This was above the national average of 58 per cent.
- ▶ The higher earners (75th percentile) in jobs in the borough earn 145% of the value of median hourly earnings – the same as the national average.
- ▶ Higher earners (75th percentile) resident in the borough earned 132% of the value of median resident earnings – lower than the national average.

The conclusion is that pay disparities are slightly worse than the national average amongst workers with jobs in Southend-on-Sea; and that residents, on average, earn less than the national average.

Figure G1: Gross hourly pay of full-time workers, based on area where job is based

Area where job is based	Gross hourly pay full-time workers				As % of median pay		
	10 percentile	25 percentile	Median	75 percentile	10 percentile	25 percentile	75 percentile
Castle Point	8.44	10.50	15.92	21.57	53%	66%	135%
Dartford	9.00	11.61	15.76	21.56	57%	74%	137%
Gravesham	7.97	9.76	14.03	20.53	57%	70%	146%
Medway	8.18	10.29	14.02	19.57	58%	73%	140%
Basildon	8.32	10.49	14.91	22.06	56%	70%	148%
Chelmsford	8.44	11.45	15.65	22.78	54%	73%	146%
Colchester	8.51	10.51	15.19	20.21	56%	69%	133%
Rochford	8.82	11.84	17.78	26.73	50%	67%	150%
Southend-on-Sea	8.22	10.44	14.93	21.61	55%	70%	145%
Thurrock	8.35	10.15	14.00	20.00	60%	73%	143%
England	8.24	10.11	14.17	20.61	58%	71%	145%

Source: 2015 National Employer Skills Survey, UK Commission for Employment and Skills.

Figure G2: Gross hourly pay of full-time workers, based on area of residence

Area of residence	Gross hourly pay full-time workers				As % of median pay		
	10 percentile	25 percentile	Median	75 percentile	10 percentile	25 percentile	75 percentile
Castle Point	-	9.30	11.58	-	-	80%	-
Dartford	8.64	10.83	15.08	19.44	57%	72%	129%
Gravesham	7.59	9.94	13.83	19.17	55%	72%	139%
Medway	8.08	9.87	13.49	19.39	60%	73%	144%
Basildon	8.24	9.89	13.70	18.27	60%	72%	133%
Chelmsford	8.53	10.75	14.41	19.92	59%	75%	138%
Colchester	8.44	10.10	14.09	19.16	60%	72%	136%
Rochford	7.80	9.00	11.53	17.96	68%	78%	156%
Southend-on-Sea	8.04	9.65	12.92	17.09	62%	75%	132%
Thurrock	7.99	9.60	13.14	17.14	61%	73%	130%
England	8.23	10.10	14.17	20.61	58%	71%	145%

Source: Annual Survey of Hours and Earnings, Office for National Statistics.

Appendix H:

Retirement rates

Figure H1 presents information on population estimates and projections for Southend-on-Sea, from 2001 to 2039.

As can be seen the population of over-65s increased from 30,700 in 2001 to 34,500 in 2016. This is forecast to continue into future years, with an over-65s population of 37,400 in 2021 and 46,900 in 2031. Further (Figure H2):

- ▶ The over 65 population is projected to increase by 20.5 per cent between 2011 and 2021, and 25.5 per cent between 2021 and 2031 – comparable to national rates of 23.8 per cent and 24.5 per cent respectively.

- ▶ The working-age (16-64) population will continue to increase, by 3.7 per cent between 2011 and 2021 and 3.5 per cent between 2021 and 2031, but at a lower rate than historically between 2001 and 2011 (12.9 per cent). The working age population in Southend-on-Sea is projected to increase at a slightly higher rate than the national average.

So, whilst the population of retirement age has been increasing, and this is forecast to continue, it is at a similar rate to nationally, but with a working age population that continues to increase also, at a lower rate.

Figure H1: Estimated (2001-2016) and projected (2017-2039) population by age in Southend

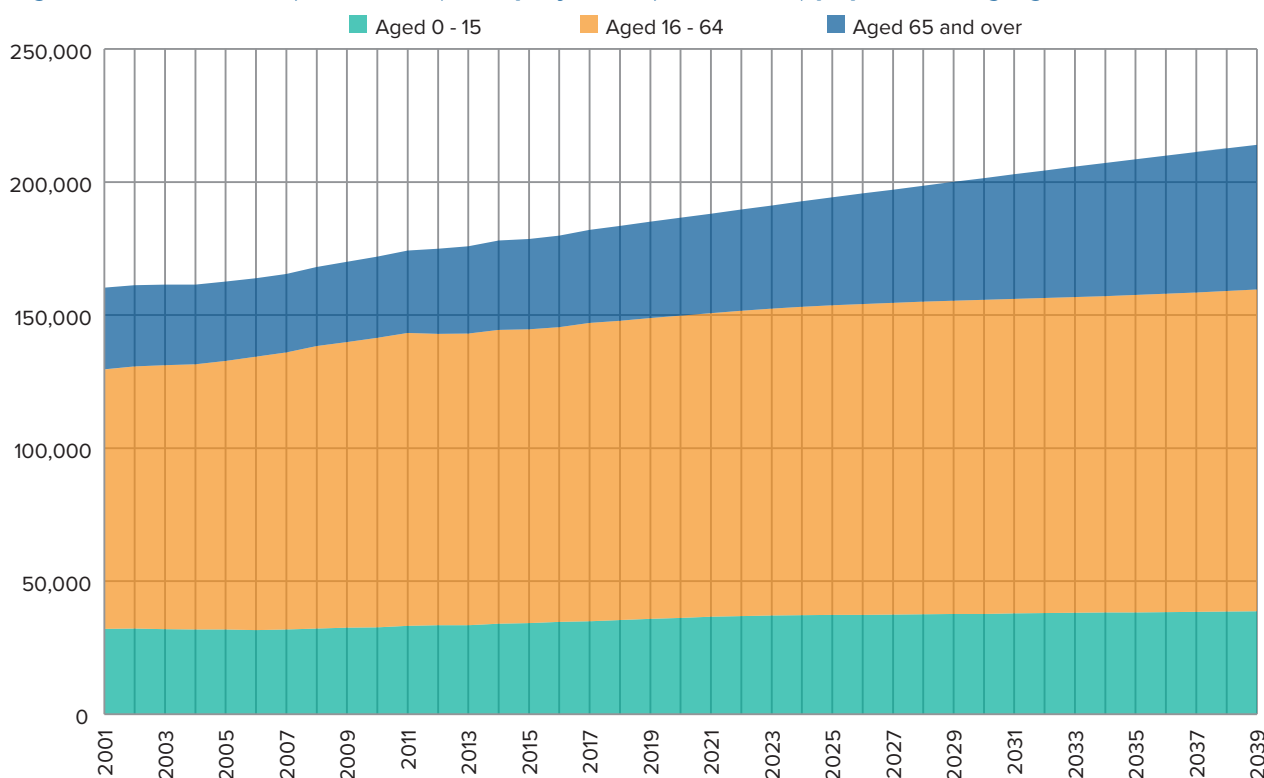


Figure H2: Southend resident population by age

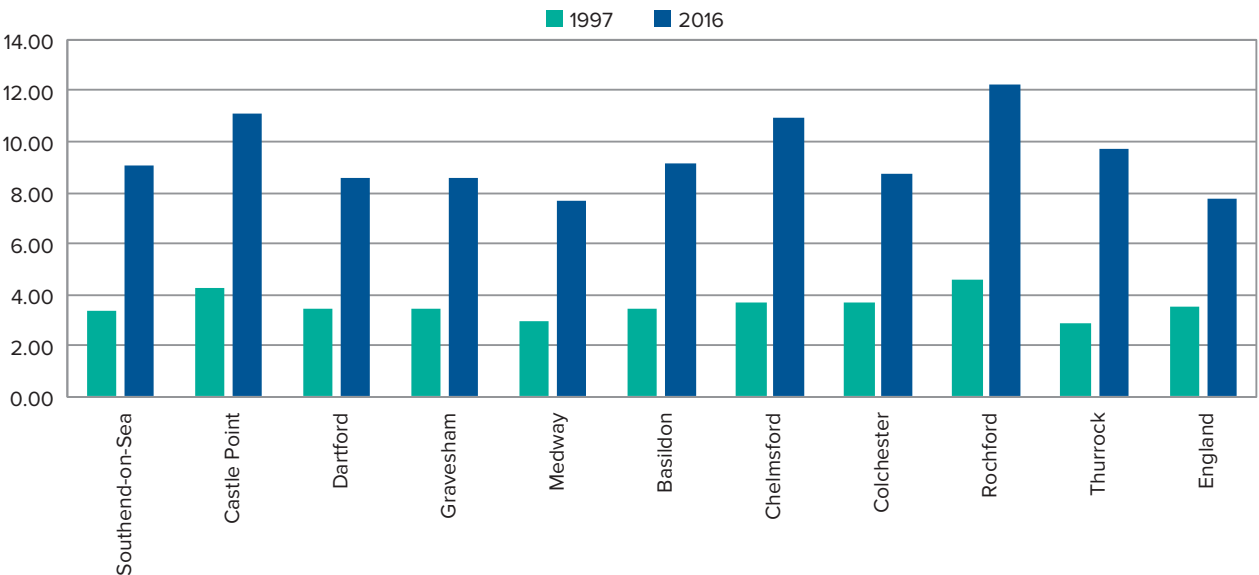
Southend-on-Sea			
Year	Aged 0 - 15	Aged 16 - 64	Aged 65 and over
2001	32,100	97,500	30,700
2002	32,200	98,500	30,500
2003	32,000	99,200	30,200
2004	31,800	99,700	30,000
2005	31,800	101,000	29,800
2006	31,600	102,800	29,400
2007	31,900	104,100	29,500
2008	32,200	106,200	29,700
2009	32,500	107,400	30,100
2010	32,700	108,800	30,500
2011	33,200	110,100	31,000
2012	33,400	109,500	32,000
2013	33,500	109,500	32,800
2014	34,000	110,400	33,600
2015	34,200	110,400	34,000
2016	34,700	110,700	34,500
2017	34,900	112,100	35,000
2018	35,400	112,500	35,600
2019	35,800	113,000	36,200
2020	36,200	113,600	36,800
2021	36,600	114,200	37,400
2022	36,900	114,800	38,000
2023	37,100	115,400	38,800
2024	37,200	115,900	39,600
2025	37,300	116,400	40,500
2026	37,400	116,800	41,500
2027	37,500	117,200	42,500
2028	37,500	117,500	43,600
2029	37,600	117,700	44,700
2030	37,700	118,000	45,800
2031	37,900	118,200	46,900
2032	38,000	118,400	48,000
2033	38,100	118,600	49,100
2034	38,200	118,900	50,100
2035	38,300	119,300	51,000
2036	38,400	119,700	51,900
2037	38,500	120,000	52,800
2038	38,600	120,400	53,600
2039	38,700	121,000	54,300
Change in population by age group	Aged 0 - 15	Aged 16 - 64	Aged 65 and over
2001-2011	1,100	12,600	300
2011-2021	3,400	4,100	6,400
2021-2031	1,300	4,000	9,500
% Change in population by age group	Aged 0 - 15	Aged 16 - 64	Aged 65 and over
2001-2011	3.4	12.9	1.0
2011-2021	10.3	3.7	20.5
2021-2031	3.5	3.5	25.5
England			
% Change in population by age group	Aged 0 - 15	Aged 16 - 64	Aged 65 and over
2001-2011	1.2	8.3	11.4
2011-2021	10.2	3.0	23.8
2021-2031	2.0	2.1	24.5

Appendix I:

Housing costs

The average house price of £235,000 in Q3 2016 was 9.05 times median annual earnings in 2016 in Southend-on-Sea – above the national average rate of 7.72. Southend-on-Sea and surrounding local authority areas all had high housing costs (*Figure I1*).


Figure I1: Ratio of median house price to median gross annual workplace-based earnings by local authority district



A summary of this publication can be provided in alternative formats such as Braille, audio-tape, or in large print and translated into alternative languages.

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