1 Appendix I – Baseline Information

The Southend population

1.1 Between 2005 and 2015 the population of Southend UA increased by 16,100 to reach 178,700.

1.2 The proportion of residents aged 0-15 and 16-64 has fallen (-0.4%; -0.3%), and the proportion of residents aged 65+ has increased by 0.8%. The proportion of people aged 18-24 has been constant, with growth in 18-24 numbers being proportionate to overall population growth.

Table 1: Age profile of Southend

Age	**2005**		**2015**	
	number	**%**	**number**	**%**
Aged 0 - 15	31,800	19.6	34,200	19.2
Aged 16 - 64	101,000	62.1	110,400	61.8
Aged 65 and over	29,800	18.3	34,000	19.1
Aged 18 - 24	12,200	7.5	13,500	7.5
Total	**162,600**	**100.0**	**178,700**	**100.0**

1.3 Table 2 shows the comparative population growth of other South Essex areas and the county between 2005 and 2015.

Table 2: Population change in Southend and comparator areas 2005 - 2015

	Population growth 2005-2015	**% Growth 2005 - 2015**	**Working age growth 2005 - 15**	**Working age % growth 2005 - 2015**
Southend	16,057	9.9%	9,439	9.3%
Thurrock	16,628	11.2%	7,928	8.1%
Basildon	12,794	7.6%	5,579	5.2%
Castle Point	1,711	2.0%	-2,516	-4.6%
Chelmsford	9,068	5.5%	196	0.2%
Colchester	21,901	13.5%	11,018	10.3%
Rochford	4,329	5.4%	721	1.4%
Essex	97,981	7.3%	29,668	3.5%
England	4,180,293	8.3%	1,899,795	5.8%

1.4 We can also look at the balance of people reaching retirement age compared to those turning 16. Looking at the historical balance of this – we can see that the increase of 9,400 people aged 16-64 over the period is strongly related to a new population of working age residents.

1.5 Based on a measure of the resident age profile in 2005, the working age population would only have increased by 1,663 in the 10-year period (the number of 6-15 year olds at the time, minus the number of 55-64 year olds at the time).

1.6 This means that the remainder of the 9,400 increase in working age population (+7,737; 82.3%) comes from inward migration of working age people. Inward migration refers to the relocation of people from other areas to Southend since the last census.

Figure 1: Domestic net annual 16-64 working age population growth 2015-2030: Southend

1.7 In the next ten years (2016-2025), based on the same measure, the domestic working age population growth will be just +497.

1.8 In the five years following this (2026-2030), domestic working age population growth (i.e. not accounting for any potential net or gross migration) will be negative at -1,233. In total, to 2030 the working age population is expected to experience net shrinkage of -955 people.

1.9 Table 3 shows the proportion of domestically driven working age population growth or decline 2005 to 2015, and the expected change to 2030 based on purely domestic demographic change. While some comparator locations can expect domestic growth, South Essex districts, Southend, Essex and England are all expected to see decline of their working age populations, without accounting for inward migration.

Table 3: Domestically driven working age growth to 2015, and expected growth to 2030

	Expected domestic working age pop growth in 2005 (to 2015)	Actual working age population growth 2005-2015	% domestic 2005 - 2015	% inward migration 2005 - 2015	Expected domestically driven working age growth to 2030
Southend	1,663	9,439	17.6%	82.4%	-955
Thurrock	3,952	7,928	49.8%	50.2%	6,704
Basildon	2,897	5,579	51.9%	48.1%	1,110
Castle Point	-2,233	-2,156	88.8%	11.2%	-4,621
Chelmsford	610	196	311.2%	-211.2%	-2,748
Colchester	649	11,018	5.9%	94.1%	265
Rochford	-603	721	-83.6%	183.6%	-3,990
Essex	-940	29,668	-3.2%	103.2%	-31,196
England	459,077	1,899,795	24.2%	75.8%	-376,844

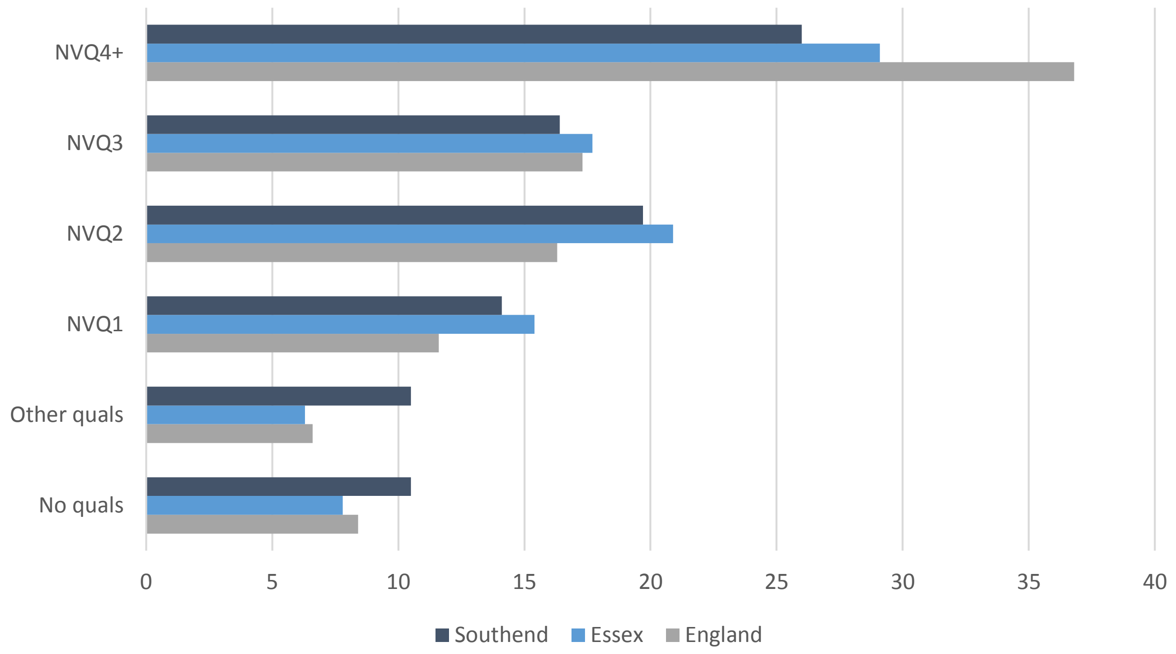
Qualifications

1.10 One of the key factors in relation to labour market performance is qualifications. As Figure 2 shows, it is a mixed picture for Southend in this area. In 2015, 26% of working age residents in Southend were qualified to NVQ Level 4+ (degree and higher). This was an increase from 19.1% in 2005. In contrast, the proportion across the whole of England educated to degree and higher was 36.8% in 2015. So while more people in Southend have degree level qualifications or higher there is still a significant gap between Southend and the England average.

1.11 There is also a reduced number of working age residents with no qualifications in Southend (11.8% in 2005 and 10.5% in 2015).

1.12 Southend performs slightly worse than Essex County on the qualifications front. The proportion of residents educated to NVQ level 4+ is 3.1 percentage points higher in Essex as a whole, and the number of residents with no qualifications is 2.7 percentage points lower.

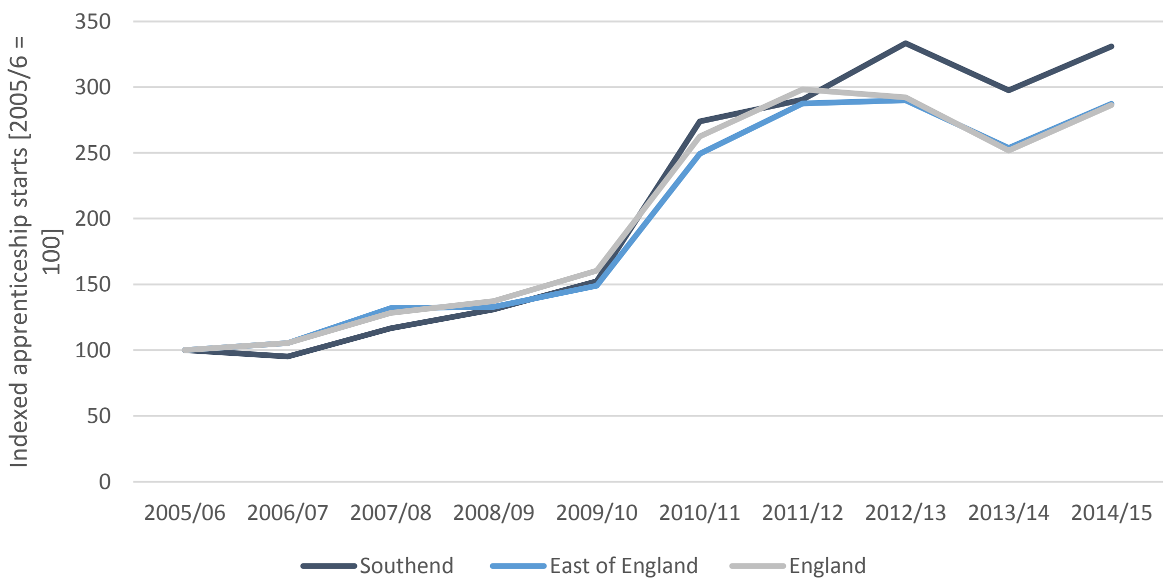
Figure 2: Highest level of attainment by qualification level in Southend, Essex and England (% of residents aged 16-64, 2015)



Apprenticeships

1.13 In 2014-15, there were 1,390 apprenticeship starts in Southend. This was an increase of 140 on 2013-14. For the East of England, there were 45,790 starts in 2014-15. As Figure 3 shows, the number of apprenticeship starts in Southend has increased significantly in recent years, above the rate of growth in the East of England and nationally.

Figure 3: Index of apprenticeship starts since 2005/06 (Index, 2005/06 = 100)



1.14 The population of Southend has grown in the last decade. Inward migration is an important asset to Southend as the resident population continues to age. The influx of working age adults could present some challenges, such as increased commuting or higher home prices.

Economy and productivity

1.15 In 2015 Southend had an employment rate of 75.6%, up from 72.4% in 2010, below the Essex rate (76.9%) but above the national rate (73.8%). Figure 4 shows that, although the Southend employment rate has increased over the period and is getting closer to the regional trend, there has not been a smooth rise in its rate of employment. The rate dipped from 72.4% in 2010 to 69.6% in 2011 before recovering to 71.1% in 2012.

1.16 Southend's 6% unemployment rate in 2015 was above Essex's (4.1%) and England's (5.3%). Unemployment has fluctuated in Southend since 2010, peaking at 8.5% in 2014. Since then the rate has fallen 1.5 percentage points, reflecting the regional and national trend of falling unemployment. This is shown in Figure 5.

Figure 4: Employment rate

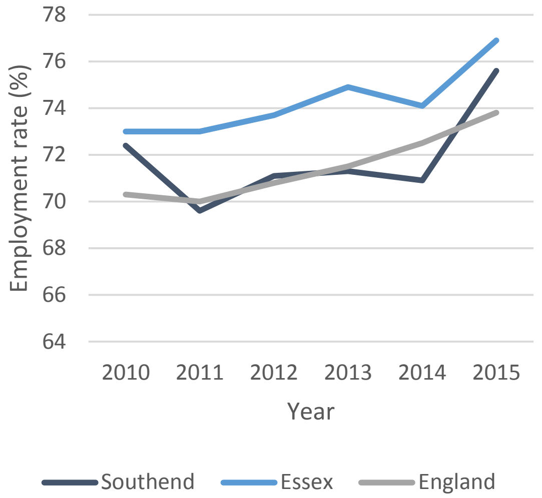
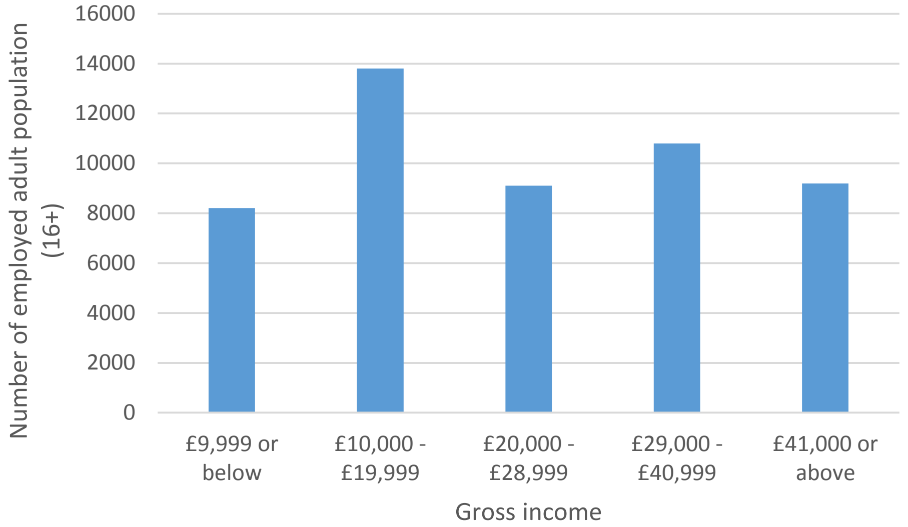


Figure 5: Unemployment rate

Salaries and benefits

1.17 As Figure 6 shows, 13,800 residents aged 16+ were on a gross annual income of £10,000 - £19,999 in 2015. This represents 9.5% of the total 16+ population in Southend. Moreover, 9,200 residents were on £41,000+ a year.

Figure 6: Adult population (16+) by gross income (2015)



* 17,900 not specified.

Benefits

1.18 Southend has a higher percentage of out-of-work benefits than the Essex average and the national rate. In February 2016, 10% of 16-64 year olds were claiming out-of-work benefits in Southend compared to 8.1% for Essex and 8.7% for England. Southend's rate is also higher than its neighbours, namely Thurrock (8%), Basildon (8.8%), Castle Point (7.1%) and Rochford (4.9%).

1.19 As Table 4 shows, ESA and Incapacity Benefit claimants account for the largest share of those on out-of-work benefits in Southend. At 6.9% of 16-64 year olds, the rate of ESA/IB claimants is above the rates for both Essex (4.8%) and England (5.9%). It is also 2 percentage points higher than Thurrock.

Table 4: Out-of-work benefits (February 2016)

	Southend		Thurrock	Basildon	Castle Point	Rochford	Essex	England
	No.	%	%	%	%	%	%	%
Total Claimants	14,030	12.7%	10.7%	11.8%	9.9%	7.2%	9.6%	11.4%
Job seeker	1,660	1.5%	1.5%	1.3%	0.9%	0.8%	1.1%	1.5%
ESA and incapacity benefits	7,670	6.9%	4.9%	5.9%	5.0%	3.4%	4.8%	5.9%
Lone parent	1,410	1.3%	1.5%	1.4%	1.0%	0.6%	1.0%	1.1%
Carer	1,740	1.6%	1.5%	1.8%	1.6%	1.2%	1.5%	1.6%
Others on income related benefit	320	0.3%	0.2%	0.2%	0.2%	0.1%	0.2%	0.2%
Disabled	1,040	0.9%	1.0%	1.0%	1.0%	0.9%	1.0%	1.0%
Bereaved	190	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%	0.2%
Main out-of-work benefits	**11,050**	**10.0%**	**8.0%**	**8.8%**	**7.1%**	**4.9%**	**7.0%**	**8.7%**

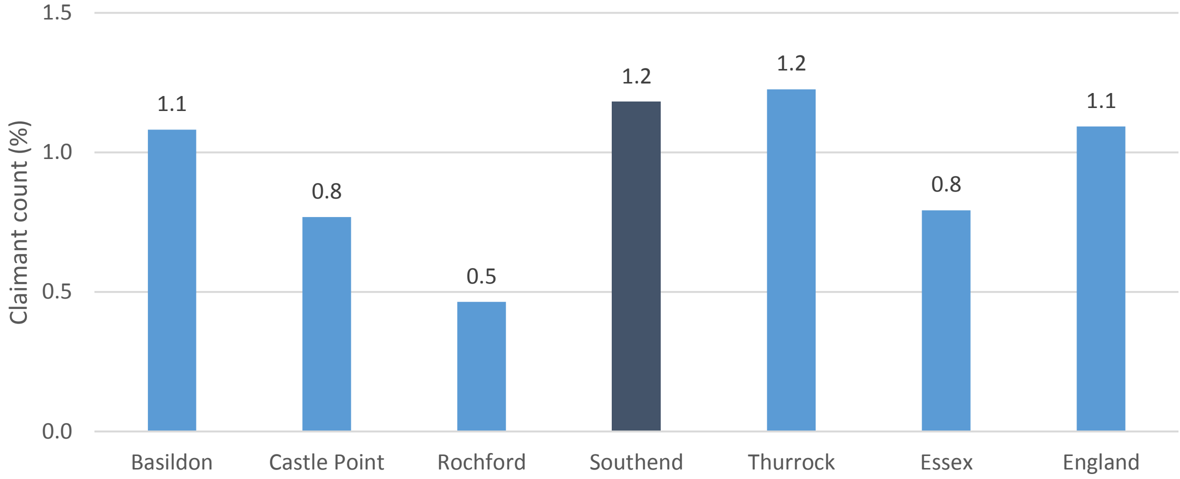
Source: DWP benefit claimants – working age client group. Main out-of-work benefits includes the groups: job seekers, ESA and incapacity benefits, lone parents and others on income related benefits. % is a proportion of resident population of the area aged 16-64.

Claimant count

1.20 In total, there were 1,465 JSA claimants in Southend in July 2016. Southend has seen the share of working age people claiming JSA decline in recent years, falling to 1.3% of working age residents in July 2016.

1.21 As figure 7 shows, the claimant count rate is also relatively high compared to other parts of South Essex, particularly Rochford (0.5%) and Castle Point (0.8%).

Figure 7: JSA claimant count (% residents aged 16-64, July 2016)



1.22 Looking in more detail, table 5 below provides a further breakdown of claimants by age and duration. It suggests that unemployment is a particularly acute problem for certain groups in Southend, including for 18-24 year olds and to a lesser extent 25-49-year-old residents.

Table 5: JSA claimants by age and duration (July 2016)

Age/duration	Southend		Thurrock	Basildon	Castle Point	Rochford	Essex County	England
	No.	%	%	%	%	%	%	%
Aged 16 To 64								
Total	1,465	1.3	1.4	1.1	0.8	0.5	1.0	1.3
Up To 6 Months	880	0.8	0.8	0.7	0.5	0.3	0.6	0.7
Over 6 And Up To 12 Months	285	0.3	0.3	0.2	0.1	0.1	0.2	0.2
Over 12 Months	295	0.3	0.4	0.2	0.2	0.1	0.2	0.4
Aged 18 To 24								
Total	230	1.6	1.3	1.2	0.7	0.7	1.0	1.2
Up To 6 Months	150	1.1	0.9	0.9	0.4	0.4	0.7	0.7
Over 6 And Up To 12 Months	40	0.3	0.2	0.2	0.1	0.3	0.2	0.3
Over 12 Months	35	0.3	0.2	0.1	0.1	0.1	0.1	0.2
Aged 25 To 49								
Total	800	1.3	1.5	1.2	0.9	0.6	1.0	1.4
Up To 6 Months	485	0.8	0.8	0.8	0.6	0.4	0.6	0.7
Over 6 And Up To 12 Months	165	0.3	0.3	0.2	0.2	0.1	0.2	0.3
Over 12 Months	150	0.2	0.4	0.2	0.2	0.1	0.2	0.4
Aged 50 To 64								
Total	430	1.4	1.3	1.1	0.8	0.5	0.9	1.3
Up To 6 Months	240	0.8	0.6	0.6	0.5	0.3	0.5	0.6
Over 6 And Up To 12 Months	80	0.3	0.2	0.2	0.1	0.1	0.2	0.2
Over 12 Months	110	0.3	0.5	0.4	0.2	0.1	0.3	0.5

1.23 Since 2010 the employment rate in Southend has increased, but this has not been consistent growth. As noted further down in the sector analysis, in specific key sectors job growth in some areas is still not outpacing job losses.

1.24 The Centre for Cities has identified that Southend on Sea is a high wage, high welfare area. The population makes a reasonable income, however welfare receipts for the area are also high. Ideally a region would like a high wage, low welfare scenario, representing an area where residents are paid reasonably well and welfare receipts are comparatively low. Low wage, high welfare usually represents an area that is economically depressed with high welfare receipts and fewer economic opportunities for residents.

1.25 Southend's position as a high wage and high welfare area is unique. The levels of out commuting to London influences the high wage designation while an ageing population and slightly higher than average unemployment is influencing the high welfare population.

GVA

1.26 In 2014 the Southend Economy produced £3.017bn in Gross Value Added to the UK economy. This had grown by £659m since 2004.

1.27 Indexed GVA growth in Southend (28%) was below the rate of Essex (35%) and England (45%) in the 2004-2014 period.

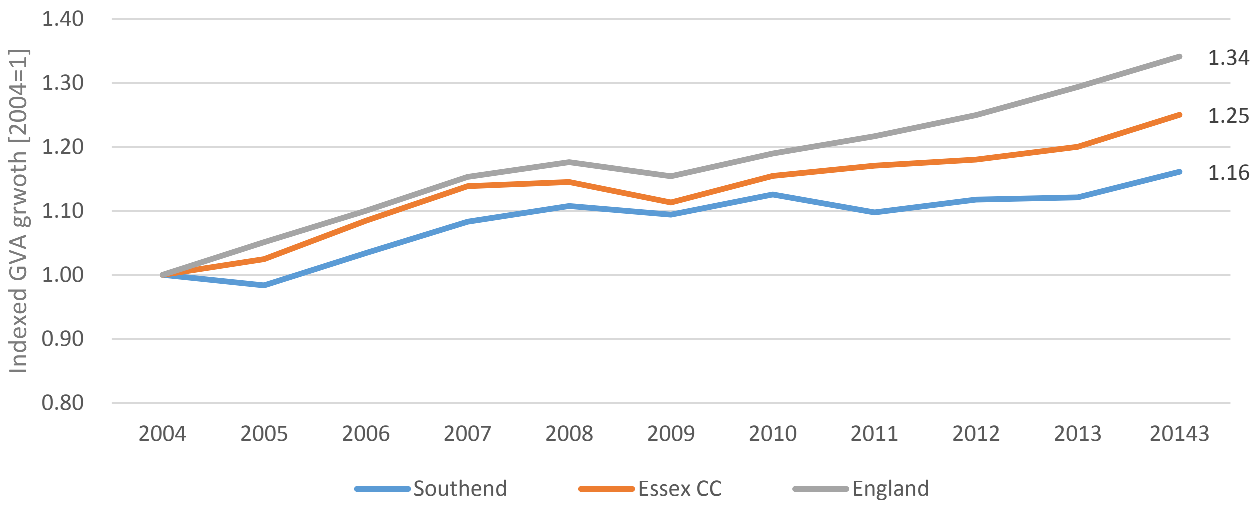
Figure 8: Indexed GVA growth 2004-2014: Southend; Essex; England [2014 = 1]

1.28 In 2014 Southend GVA per head was £16,955, in Essex it was £20,224 and in England £25,367.

1.29 In 2014 the Southend economy generated just 84% of the level of output per head compared to Essex and 67% of the level of output-per head of England.

1.30 Indexed GVA per head growth in Southend (16%) was also below the rate for Essex (25%) or England (34%) for the 2004-2014 period.

Figure 9: Indexed GVA per-head growth 2004-2014 Southend; Essex; England [2004 = 1]



1.31 Indexed GVA per hour worked in Southend in 2014 (83.6) was below Essex (96.5) and England (100). Indexed GVA per hour worked also fell faster in Southend relative to the UK compared to Essex's position.

1.32 Despite losing relative ground to England, GVA per-hour worked in Southend has still seen growth over the period 2004-2014 (£5.70; 28.2%). This has, however, been below that of Essex (£6.70; 29%) and England (£7.80; 32.9%).

Figure 10: Indexed GVA per hour worked 2004-2014 Southend; Essex; England [2004 = 1]

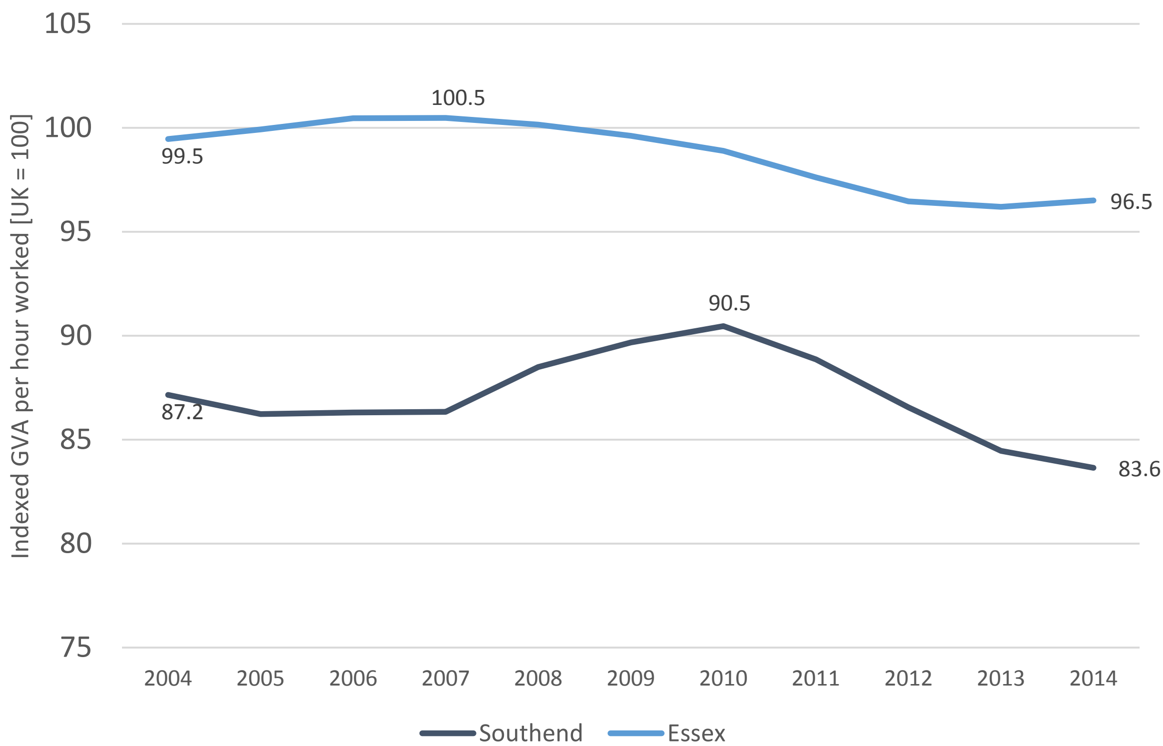
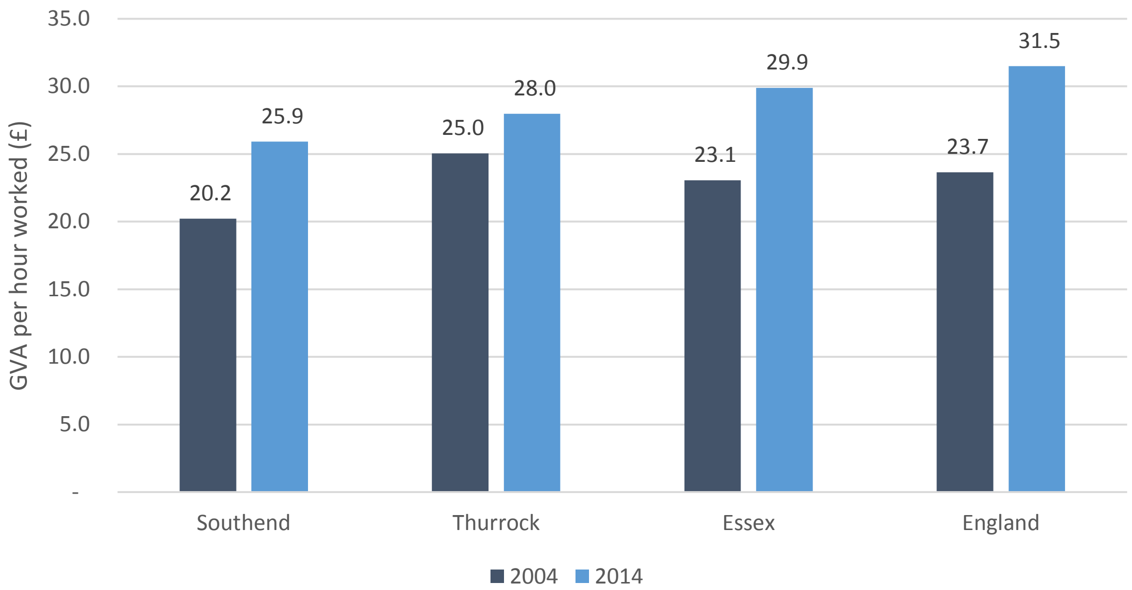


Figure 11: GVA per hour worked (2004 and 2014)



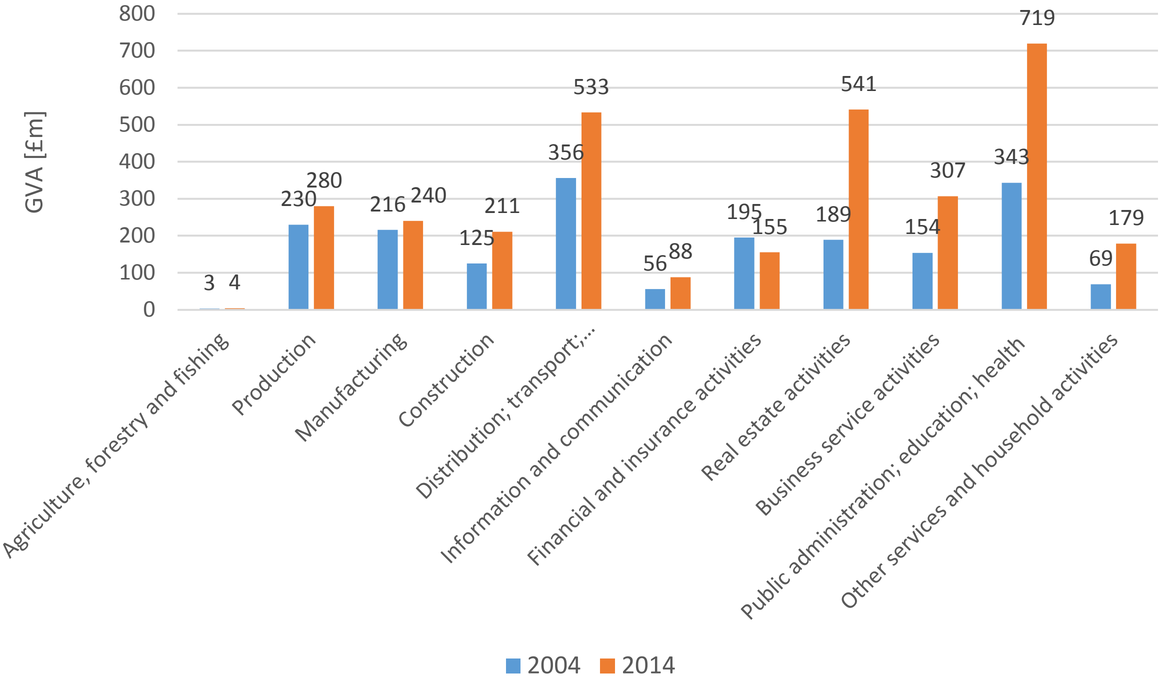
1.33 Between 2008 and 2010 the manufacturing and industrial output base of the UK contracted significantly. Due to the lower component of this in the Southend economy the index grew over this period to reach a high of 90.5%. Southend did not experience the same contraction in manufacturing output (and has lower levels of manufacturing). Therefore Southend gained relative ground in terms of output compared to the UK.

1.34 As the recovering UK economy and output has oriented towards city centres, alongside manufacturing orders bouncing back, Southend has again lost relative ground due to the prevalence of a lower value services offer in the city centre. In the period since 2010 two factors have affected the position of Southend's indexed output, compared to the UK:

- National output related to manufacturing orders has bounced back, causing the gap between Southend and the UK to widen again.
- Other national output growth since 2010 has been driven by city centres, often related emerging clusters of Knowledge Intensive Business Services. In Southend (partly due to a lack of appropriate space, partly due to the prevalence of a lower value services) this effect has not been as strong, causing / adding to the relative fall in the index against UK output.

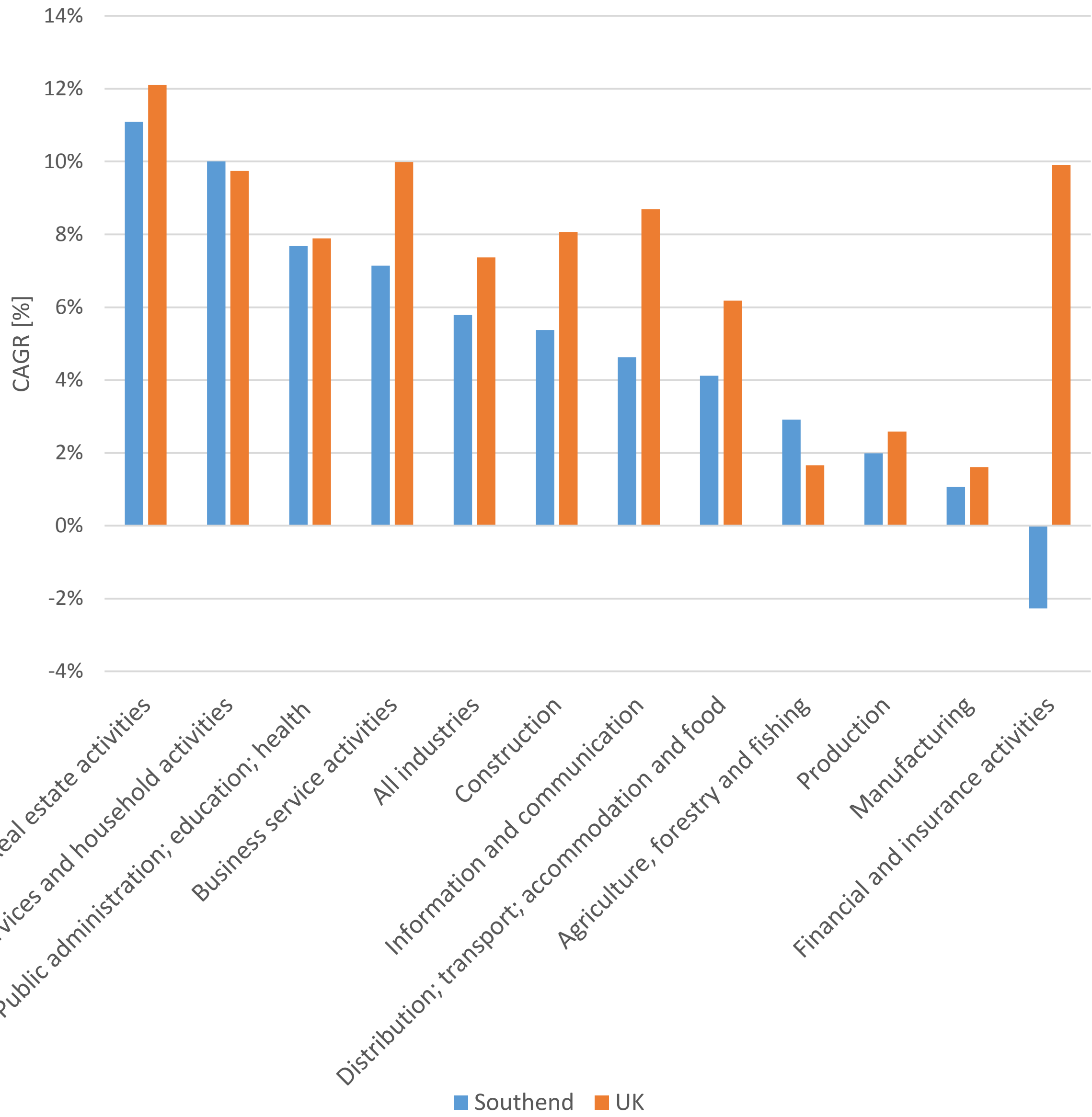
1.35 The recent Centre for Cities Report, *Trading Places,* offers insight into shifts towards city centres as drivers of output and productivity growth. In figures 12 and 13 we can see how the actual balance of GVA productivity across sectors has shifted between 2004 and 2014.

Figure 12: Southend - total GVA (£millions) by sector 2004 and 2014



1.36 The Southend economy grew by £659m in terms of output during 2004-2014, and figure 12 shows the industries contributing to this growth. The only industry which has shrunk in real terms is Finance and Insurance.

Figure 13: Annual GVA growth (CAGR) by industry 2004-2014: Southend; UK



Overview of Job density in Southend and comparator locations

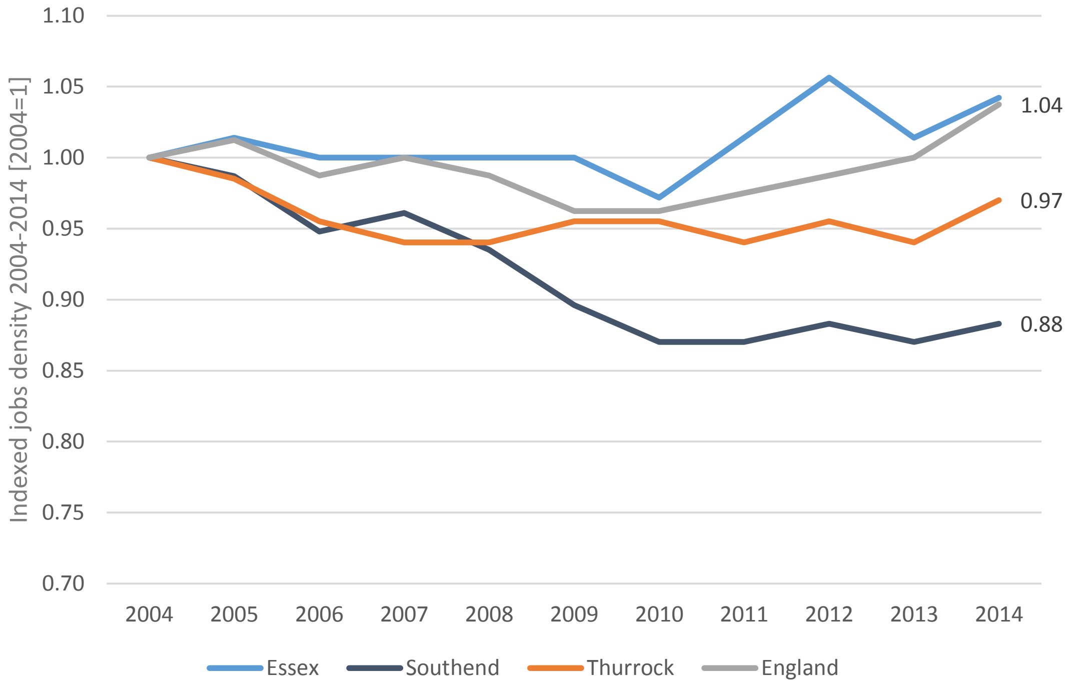
1.37 Jobs density measures the number of jobs in an area as a proportion of the working age population. A job density of 1.0 would mean that there is one job for every resident aged 16-64. As Table 6 shows, Southend's jobs density is below the rates for Essex and England. There were 76,000 jobs in the Southend economy in 2014. This was equivalent to 0.68 jobs per working age resident, below the Essex (0.74) and national (0.83) averages. A jobs density of 0.68 portrays a clear gap between the pool of labour and total jobs on offer.

Table 6: Jobs density (2014)

	Total Jobs	Jobs per head of 16-64 population
Essex CC	647,000	0.74
Southend	76,000	0.68
Thurrock	68,000	0.65

Basildon	93,000	0.82
Castle Point	25,000	0.48
Rochford	27,000	0.52
England	28,445,000	0.83

Figure 14: Indexed jobs density 2004-2014: Essex CC; Southend; Thurrock; England [2004 = 100]



1.38 GVA in Southend is increasing, but not at the same rate as the rest of England, meaning disparity is growing. Higher wage jobs are needed to combat this. One way is to attract more out commuting, however attracting new employers and building a stronger employment base with businesses that are higher wage is also desirable.

Business demography

1.39 Southend's enterprise base is heavily based on micro businesses (0 to 9 employees). Of the 6,480 enterprises in Southend in 2015, 78.9% had 0 to 4 employees. There are 5 enterprises in Southend with more than 1,000 employees.

Table 7: Size of enterprises in Southend (2015)

Size of business by employees	Southend	Southend percent [%]	Essex	Essex percent [%]
Micro (0 to 9)	**6,410**	**86.1%**	**58,010**	**85.4%**
0 to 4	5,425	72.9%	48,920	72.0%
5 to 9	990	13.3%	9,090	13.4%
Small (10 to 49)	**845**	**11.3%**	**8,245**	**12.1%**
10 to 19	530	7.1%	5,030	7.4%
20 to 49	315	4.2%	3,215	4.7%

Medium-sized (50 to 249)	**170**	**2.3%**	**1,490**	**2.2%**
50 to 99	110	1.5%	1,005	1.5%
100 to 249	65	0.9%	485	0.7%
Large (250+)	**20**	**0.3%**	**195**	**0.3%**
250 to 499	10	0.1%	145	0.2%
500 to 999	5	0.1%	30	0.0%
1000+	5	0.1%	20	0.0%
Total	**7,445**	**100.0%**	**67,940**	**100.0%**

1.40 Entrepreneurship is currently below the national average in Southend when looking at the number of active enterprises in relation to the population. There were 6,480 active enterprises in Southend in 2015 according to official estimates. This was equivalent to 36.3 enterprises per 1,000 population in Southend, below the England average of 38.6. Within the sub-region, Basildon is the authority with the highest number of enterprises, followed by Southend. However figure 16 does show that businesses start-ups continue to rise at a faster rate than either Essex or England, representing a positive trend for entrepreneurship in Southend.

1.41 As the table 8 shows, entrepreneurship rates across South Essex lag significantly behind that for Essex as a whole. Essex boasted 59,575 enterprises in 2015, working out at 41.3 enterprises per 1,000 population.

Table 8: Total number of enterprises (2015)

Area	Total Businesses 2015	Businesses per 1,000 working age population 2015
Southend-on-Sea	7,445	67.4
Basildon	7,725	67.9
Castle Point	3,350	63.8
Rochford	3,695	72.2
Thurrock	6,225	59.0
Essex	67,940	76.9
England	2,489,825	71.8

1.42 Looking in more detail at the nature of business performance within Southend, Figures 15-18 provide an overview of business birth rates, death rates and stocks from 2009-2014.

Figure 15: Business Births and deaths in Southend

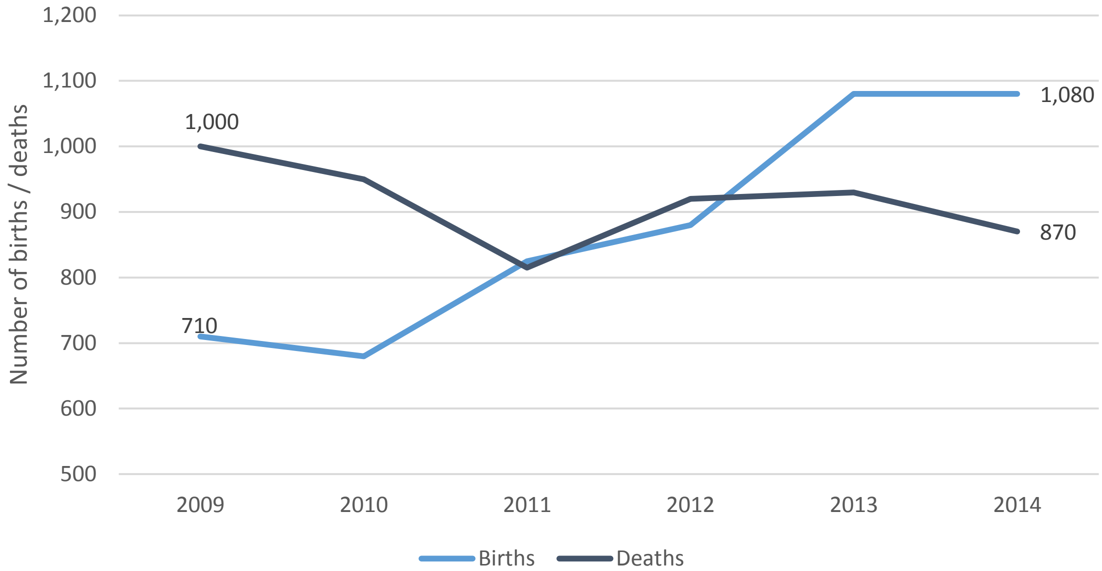
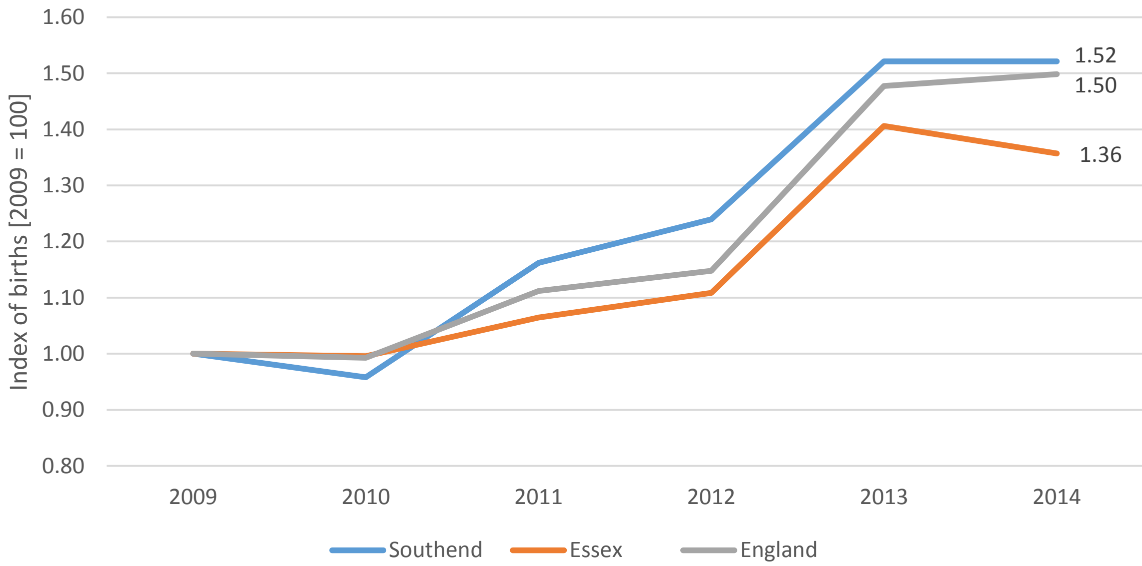
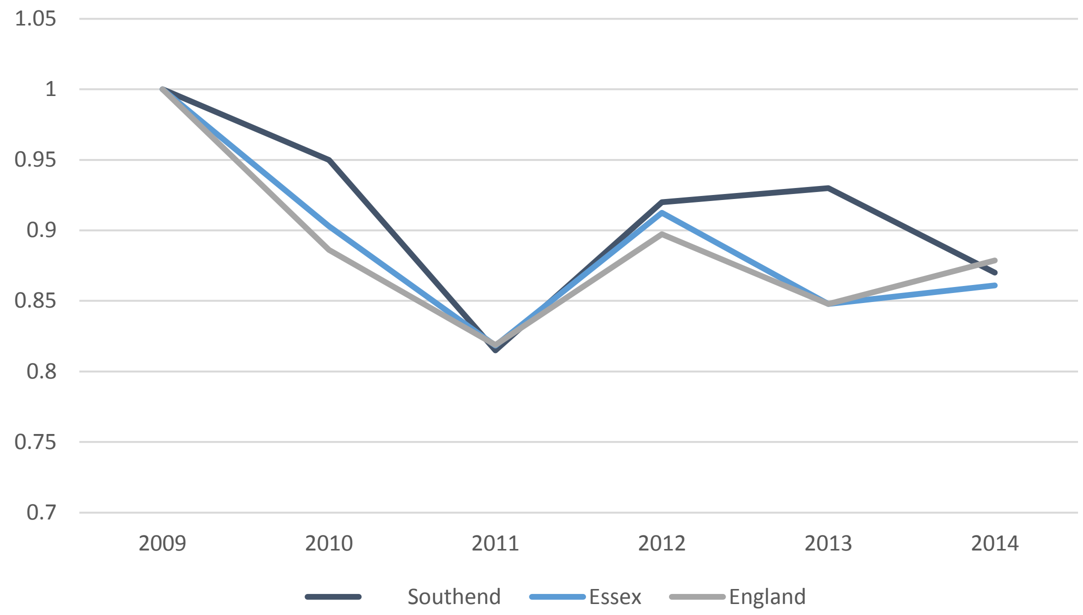


Figure 16: Index of Business Births 2009-2014: Southend; Essex CC; England [2009 = 100]



1.43 Business births in Southend have reached a higher index in 2014 (1.52) than either Essex CC (1.5) or England (1.36).

Figure 17: Index of business deaths 2009-2014: Southend, Essex CC; England [2009 = 100]



1.44 Overall, business stocks have grown at a faster rate than either England or Essex, to reach an index of 1.11 in 2014 [209 = 1].

1.45 Within this, two sectors have grown to a much higher index of business stocks:

- Creative Industries have grown to reach an index of 1.385, growing at 3.5 times the rate of overall net business formation.
- Private sector Knowledge Intensive Business Services (KIBS) have grown to reach an index of 1,298, growing at 2.7 times the rate of overall net business formation.
- Overall, these two sectors have added 525 new enterprises to the business base in the period. In 2010 they represented 28.2% of the total business base, and by 2015 this had grown to 32.2%.
- KIBS and Creative Industries contributed 52.8% of all net business growth 2010 – 2015 in Southend.

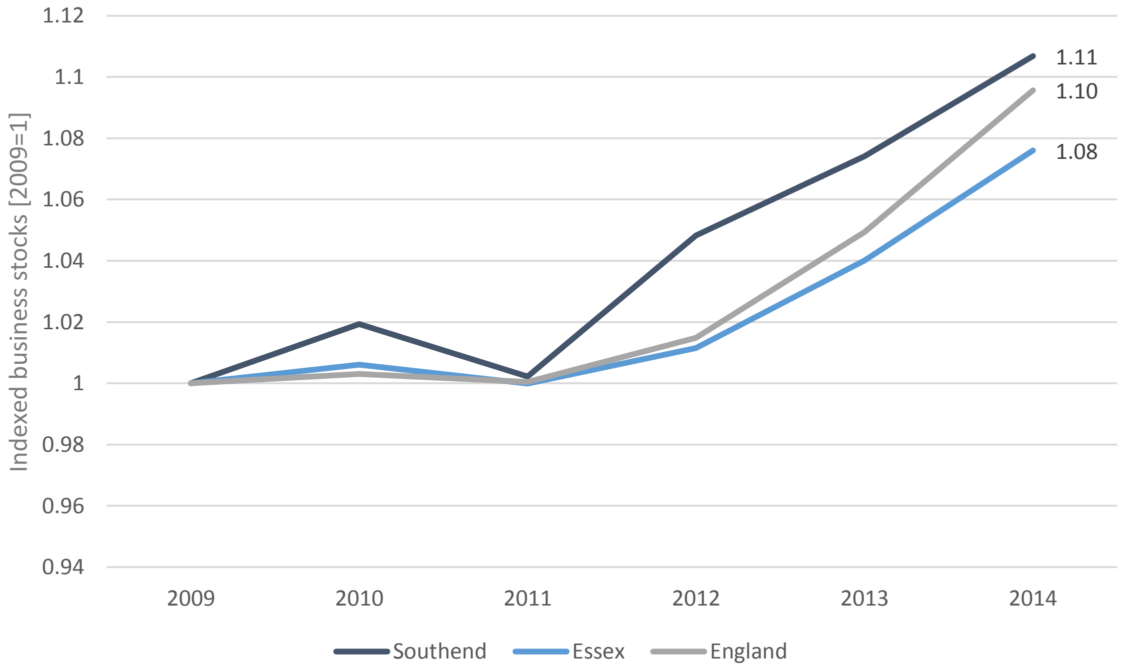
Business survival performance

1.46 Business survival rates in Southend have fluctuated between 2009 and 2013, although the broad story is one of improvement. The 24-month business survival rate is in line with national standards. Of all the VAT registered businesses registered in 2012, just under three-quarters (72.2%) were still trading in 2013. This was below the England average (73.7%). One-year survival rates were also 3.4 percentage points higher in 2013 than 2009, although there have been fluctuations during the period. Notably, both Southend and England's one-year survival rate dipped in 2010, Southend's to 82.4% and England's to 86.8%.

Table 9: Survival rates of businesses born since 2009, Southend (%)

Years of birth / age in years	Southend					England				
	2009	2010	2011	2012	2013	2009	2010	2011	2012	2013
1 year	90.1	82.4	92.1	90.9	93.5	90.9	86.8	93.1	91.1	93.5
2 year	71.1	69.9	73.9	72.2	--	73.9	72.5	75.5	73.7	--
3 year	57.0	53.7	58.2	--	--	59.7	57.1	60.4	--	--
4 year	47.9	44.9	--	--	--	48.9	48.1	--	--	--
5 year	40.8	--	--	--	--	41.8	--	--	--	--

Figure 18: Index of business stocks 2009 - 2014: Southend; Essex England [2009 = 1]



Sector analysis

Employment by business sector

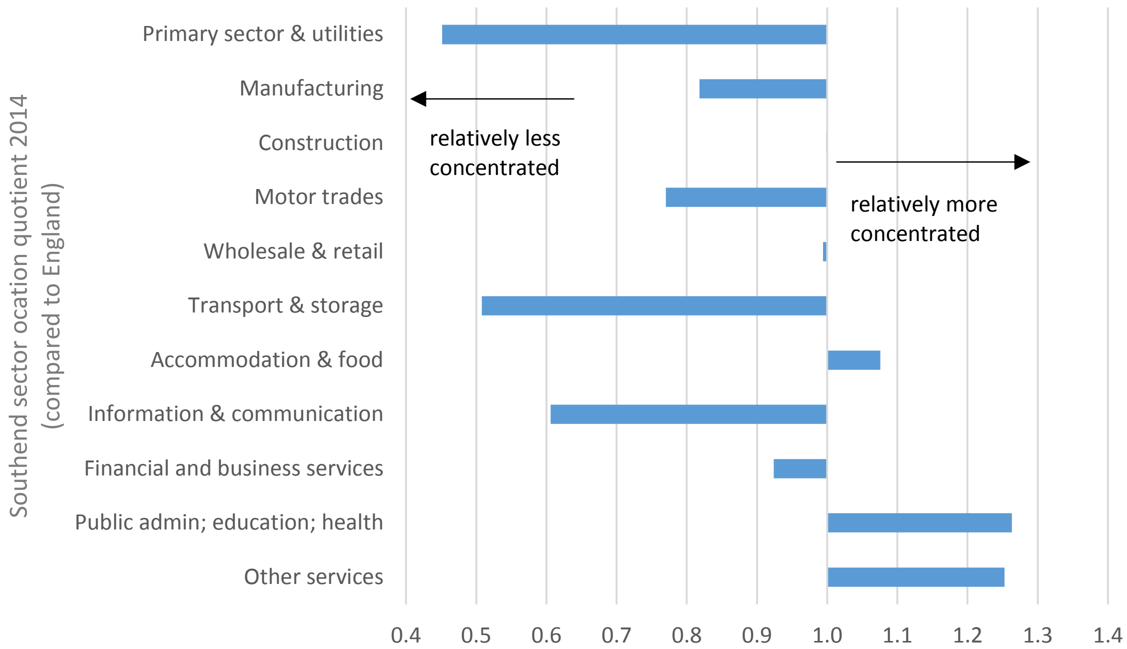
1.47 Looking at employees by industrial sector, as the table below shows, Southend has relatively high rates of employment in public administration, education and health (21,700 jobs) and financial and business services (13,800 jobs). At the same time, employment is below the national average in a number of service activity industries. It is also noteworthy that nearly 40% of employee jobs in Southend are part-time, above the rate for Essex (34.8%) and England (31.5%).

Table 10: Employee jobs (2014)

	Southend		Thurrock	Basildon	Castle Point	Rochford	Essex County	England
	No.	**%**	**%**	**%**	**%**	**%**	**%**	**%**
Total Employee Jobs	**64,700**	-	-	-	-	-	-	-
Full-time	39,800	61.4	64.5	67.0	58.8	65.2	65.2	68.5
Part-time	25,000	38.6	35.5	33.0	41.2	34.8	34.8	31.5
Employee Jobs By Industry								
Primary sector & utilities	500	0.8	1.4	0.4	0.2	1.6	1.1	1.7
Manufacturing	4,400	6.8	5.0	9.3	7.9	12.3	8.1	8.3
Construction	2,800	4.3	5.2	6.1	7.5	8.0	6.9	4.3
Motor trades	900	1.4	3.8	2.1	3.9	2.7	2.4	1.8
Wholesale & retail	9,100	14.2	25.4	18.3	16.7	14.6	15.4	14.1
Transport & storage	1,500	2.4	13.2	4.5	3.9	5.3	4.8	4.6
Accommodation & food	4,900	7.5	7.2	4.8	7.5	7.9	7.1	7.0
Information & communication	1,700	2.6	1.5	5.8	2.3	2.5	3.9	4.3
Financial & other business services	13,800	21.0	14.5	21.5	16.9	15.8	20.6	22.8
Public admin; Education; Health	21,700	33.5	20.0	23.5	29.0	23.3	25.7	26.5
Other services	3,600	5.5	2.8	3.5	4.2	6.1	4.1	4.4

1.48 Figure 19 identifies particular sector strengths in Southend in more detail. These are calculated as location quotients (LQ), which compare the proportions of employment by industrial sector in the local area with England. An LQ of greater than one implies a relative concentration of employment compared to the England average; and an LQ of less than one implies a relative lack of concentration in a given sector.

Figure 1914: Location quotient, 2014 (vs. England)



1.49 Figure 19 shows that Southend's industrial structure is fairly uneven and distinct compared to the industrial structure of the country as a whole. Key points to note are:

- There is a higher concentration of employees in the public administration; education and health sector (with an LQ of 1.3). The same can be said of arts, entertainment and other services (LQ of 1.3).[1]
- There is a very low concentration of employees in the transport & storage and information & communication sectors compared to the national industrial structure (LQs of 0.5 and 0.6 respectively).

Public/private sector employment

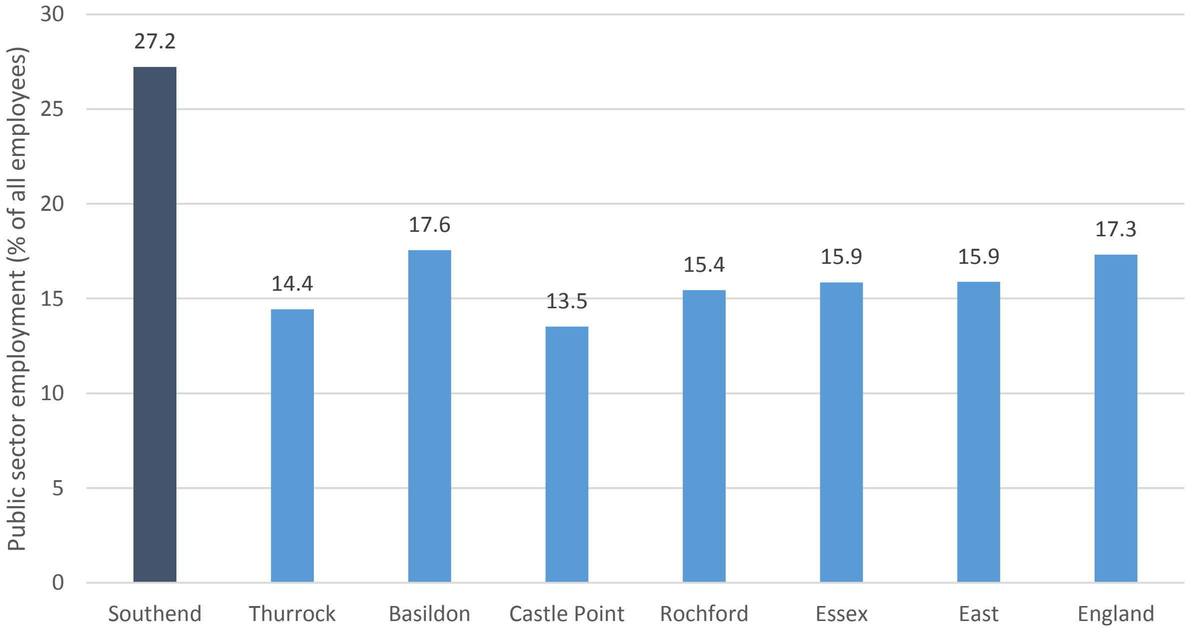
1.50 Overall, Southend has a higher proportion of employees working in the public sector than across Essex County, the East of England or England as whole in 2014. In 2014, 27.2% of employees in Southend worked in the public sector, the national rate was 17.3%.

1.51 Within the sub-region Southend does have a particular concentration of public sector employment. Its neighbour Thurrock had the lowest rate of public sector employment among South Essex authorities in 2013 (16%), considerably below the national average. However, in 2014 Castle Point had the lowest rate (13.5%).

[1] LQs rounded to 1 decimal place hence an LQ of 1.3 doesn't appear so in the graph.

1.52 Public sector employment in Southend peaked at 32.5% of employees in 2011. Since then the number of public sector employees has fallen, down 2,500 to 17,600 in 2014. But across South Essex public sector employment remained relatively steady in the period, largely owing to a considerable increase in public sector employees in Thurrock. However, with the prospect of further public sector spending cuts in the coming years, increasing opportunities for private sector jobs growth will continue to be important.

Figure 20: Public sector employment, 2014 (% of employees)



Commuting patterns

1.53 Commuting patterns illustrate the significant flows of people travelling in and out of Southend for work and, therefore, the importance of the transport network to the local and sub-regional economy. Southend has strong commuting links within South Essex and London has a strong influence on the sub-region as a whole.

1.54 In 2011 Southend had 81,899 working residents aged 16 and over according to ONS Census commuting data. Of these, 45% (36,877) commuted to a single workplace within the local authority area, 9.3% were home workers, 9.3% did not have a fixed commute, while 36.4% were out-commuters, travelling to a single workplace in a different local authority. A small number (0.2%) worked outside of the UK or offshore.

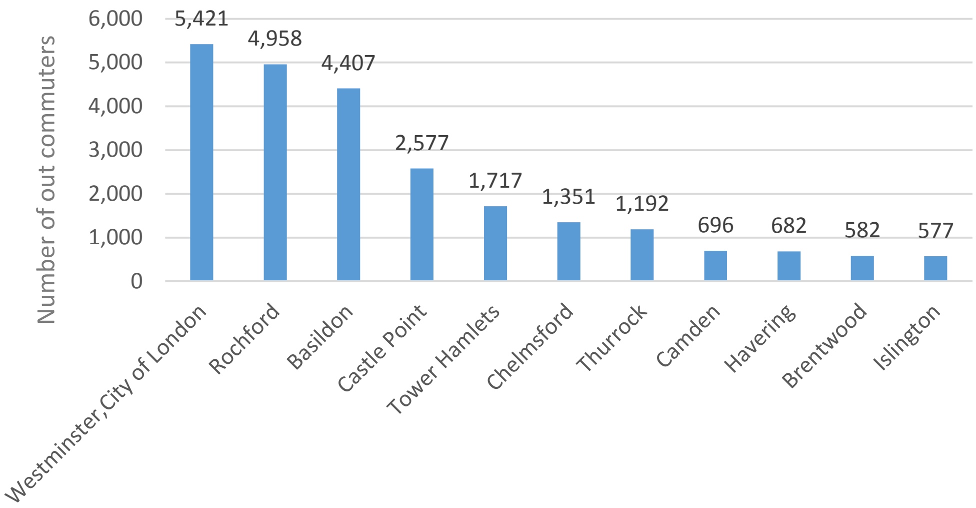
Table 11: Place of work for usually resident population (workers) 2011

Place of work	Usual residence
	Southend
Live and work in the same LA	36,877
	45.0%
Home workers	7,586
	9.3%
No fixed place	7,490
	9.1%
Out-commuter	29,783
	36.4%
Outside UK or offshore	163
	0.2%
Usually resident population: in employment	**81,899**

1.55 It is also notable that, whilst commuting flows between Southend and Thurrock are relatively low, there are significant commuting flows with other parts of South Essex: in Southend three-quarters (76.8%) of commuters worked in South Essex in 2011. Taking into account the London influence, this indicates a fair degree of commuting self-containment in South Essex.

1.56 Figure 21 below shows in more detail the main destinations for out-commuters from Southend. The most popular destination for out-commuters from Southend is Westminster, City of London (5,421 residents), followed by Rochford (4,958) and Basildon (4,407).

Figure 21: Main destinations for Southend out-commuters (2011)



1.57 One of the main drivers of commuting is the potential to earn higher salaries elsewhere. Weekly gross median earnings are relatively lower in Southend: the median local authority resident earnings of £541.2 were above national (£532.6) levels in 2015, but lower than other South Essex authorities. However, average median workplace earnings, at £464.6 per week, were far lower than resident earnings, and below the national average. This suggests that out-commuting workers are benefitting from higher pay working elsewhere.

1.58 This is unsurprising since London is a major draw for workers from Southend – median workplace earnings, at £659.9 a week, are particularly high in the capital. This evidence supports the assessment that some of the area's higher qualified residential population is attracted to Southend because of the accessibility of jobs outside the area, particularly in London.

Table 12: Median weekly pay for full-time workers (gross), resident vs. workplace (2015)

Area	Resident	Workplace
Basildon	£558.8	£573.8
Castle Point	£565.9	£457.6
Rochford	£577.8	£525.1
Southend	**£541.2**	**£464.6**
Thurrock	£563.7	£487.1
Essex	£574.9	£519.3
London	£621.1	£659.9
England	£532.6	£532.4

1.59 As the Table 12 shows, across South Essex median resident earnings are above median workplace earnings. It is worth noting that Basildon is the only South Essex authority with workplace earnings above resident earnings – a reflection of the relative strengths of the Basildon economy.

2 Appendix II Key sectors

Introduction for sector growth analysis

2.1 The business base and labour market of Southend have seen significant change between 2009 and 2015. While the business base has grown by +930 (15.4%) employment in Southend has grown at a comparatively slower rate than this adding just +300 employee jobs (0.47%).

2.2 Looking at the changes in businesses and employment for the different types of industries in Southend, different sectors fall into four broad typologies in terms of their growth dynamic. These can be characterised under the following headings:

- Growth sectors (those with increasing numbers of businesses and employees); growth should be looked for, increasing job numbers and business numbers signify higher demand and a stronger market position.
- Consolidation sectors (those with decreasing numbers of businesses but increasing numbers of employees); consolidation can be a good thing as it can be the result of high growth or a market response to fragmentation. Jobs are still being added to the economy, though there are fewer employers representing larger more stable businesses. This can lead to higher job losses in the future.
- Fragmentation sectors (those with increasing numbers of businesses but decreasing numbers of employees); fragmentation should be carefully watched. It could easily swing into decline. Fragmentation could be happening due to the loss of jobs from one large business yielding more individuals starting their own firms, however it may also represent an industry that is saturated and as a result struggles to sustain itself.
- Declining sectors (those with decreasing numbers of businesses and employees). This is an area where the market no longer sustains the number of jobs.

Figure 1: Dynamic business sector typologies

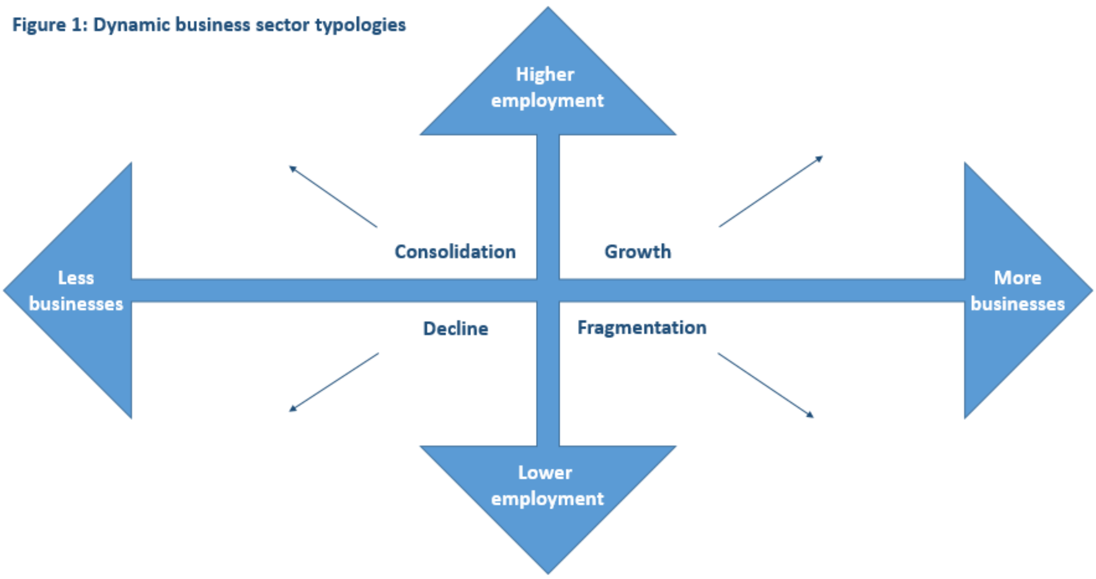
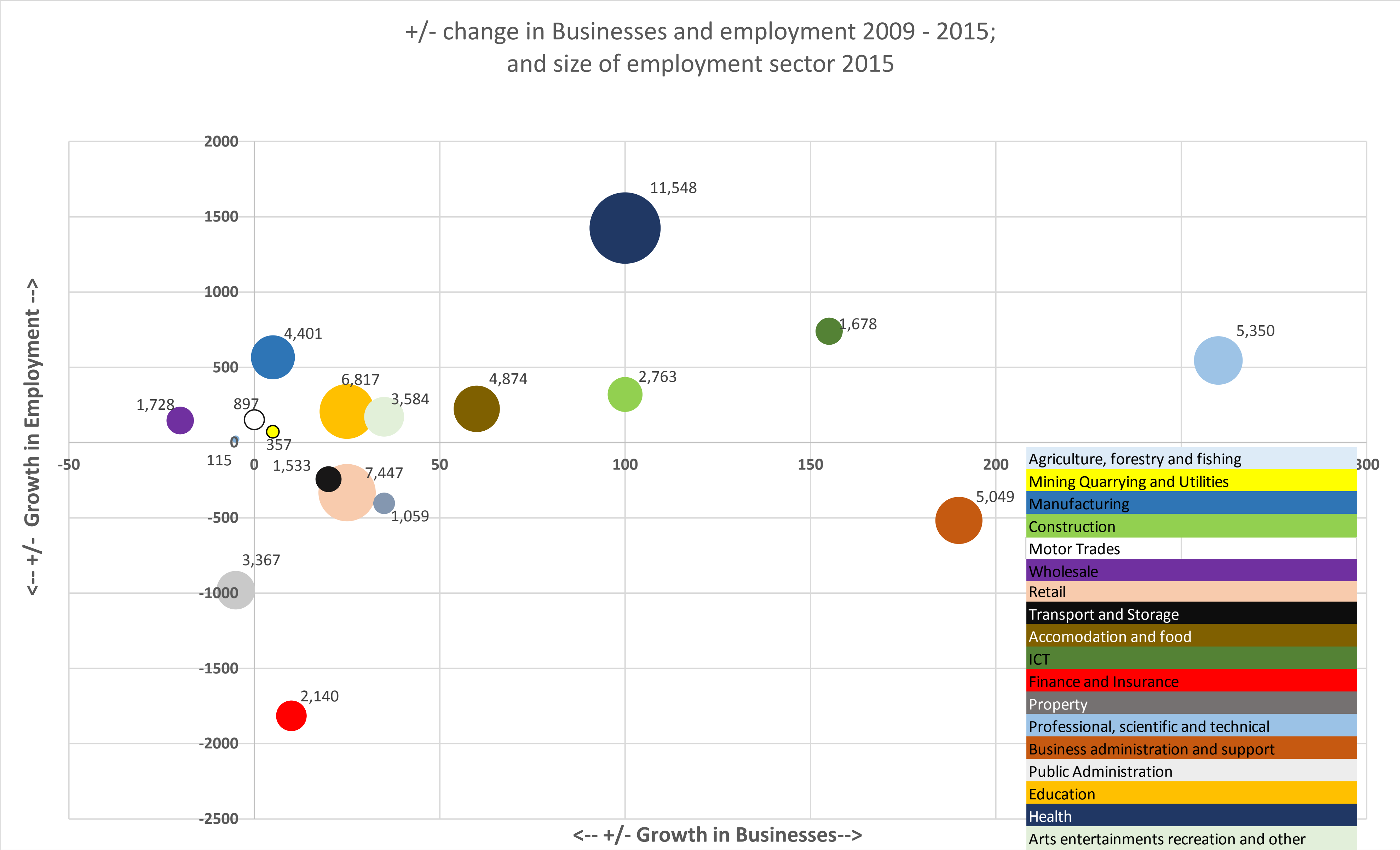


Figure 1 shows how these sector typologies can be represented, and figure 2 overleaf shows the actual positions in terms of business and employment growth for the different employment sectors in Southend. It shows these in terms of (horizontal axis) changes in the business base and (vertical axis) changes in the employment base 2009-2015. The size of the bubbles/circles and the adjacent number denote the number of employees in 2015.


+/- change in Businesses and employment 2009 - 2015;
and size of employment sector 2015
<-- +/- Growth in Employment -->
<-- +/- Growth in Businesses-->
2000
1500
1000
500
0
-500
-1000
-1500
-2000
-2500
-50
0
50
100
150
200
300
11,548
1,678
5,350
4,401
6,817
4,874
2,763
1,728
897
3,584
357
115
1,533
7,447
1,059
5,049
3,367
2,140
Agriculture, forestry and fishing
Mining Quarrying and Utilities
Manufacturing
Construction
Motor Trades
Wholesale
Retail
Transport and Storage
Accomodation and food
ICT
Finance and Insurance
Property
Professional, scientific and technical
Business administration and support
Public Administration
Education
Health
Arts entertainments recreation and other

2.3 Seeing how a sector is behaving can provide clues as to where the sector may be going next or what key issues in the sector may be.

2.4 Table 1 shows the sectors from the graphic in figure 1 in terms of the changes in businesses and employees, and the total number of businesses and employees in 2015.

Table 1: changes in businesses and employees

Industry Sector	BUS +/- change 2009-2015	EMP +/- change 2009-2015	Employment 2015	Employment % 2015
Agriculture, forestry & fishing	-5	23	115	0.2%
Mining, quarrying & utilities	5	72	357	0.6%
Manufacturing	5	566	4,401	6.8%
Construction	100	320	2,763	4.3%
Motor trades	0	152	897	1.4%
Wholesale	-20	147	1,728	2.7%
Retail	25	-333	7,447	11.5%
Transport & storage	20	-243	1,533	2.4%
Accommodation & food services	60	224	4,874	7.5%
Information & communication	155	739	1,678	2.6%
Financial & insurance	10	-1815	2,140	3.3%
Property	35	-403	1,059	1.6%
Professional, scientific & technical	260	545	5,350	8.3%
Business administration & support services	190	-517	5,049	7.8%
Public administration & defence	-5	-980	3,367	5.2%
Education	25	207	6,817	10.5%
Health	100	1425	11,548	17.8%
Arts, entertainment, recreation & other services	35	171	3,584	5.5%
TOTAL	**995**	**300**	**64,707**	**100%**

2.5 Table 2 shows the four quadrants of growth, consolidation, fragmentation and decline that the industries in Southend fall into.

Table 2: industry dynamics

Consolidation Sectors 2009-2015	Growth Sectors 2009-2015
CONSOLIDATION • Wholesale • Agriculture, forestry and fishing • Motor trades	GROWTH • Health • Professional Scientific and technical • ICT • Construction • Accommodation and Food • Arts, Entertainments recreation and other • Education • Manufacturing • Utilities • Creative and cultural industries
Declining Sectors 2009-2015	**Fragmenting Sectors 2009-2015**
DECLINE • Public Administration	FRAGMENTATION • Transport and storage • Aviation • Retail • Tourism • Property • Finance and insurance • Business administration and support

Southend's key sectors and their dynamic typologies 2009-2015:

2.6 The six key sectors which Southend has chosen to focus on are:

- Creative and Cultural Industries
- Aviation
- Med-Tech
- Retail
- Tourism services (including some retail and creative and cultural industries)
- Finance

2.7 The following section locates the key sectors in terms of their dynamic typologies and relative employment scale in 2015. The section also expands the focus to include Private sector 'Knowledge Intensive Business Services' (KIBS), and Construction.

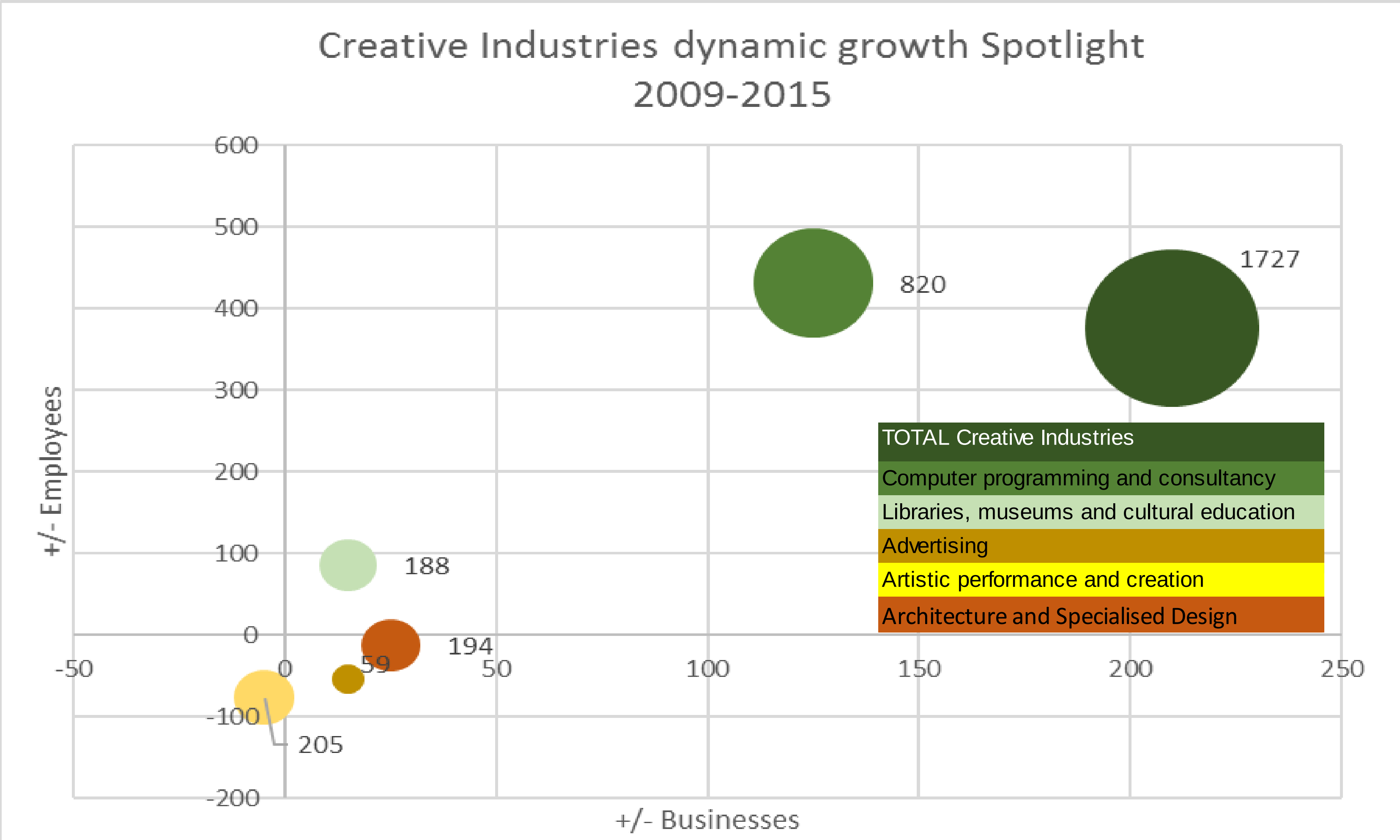
Creative Industries dynamic growth spotlight:

	Change in number of Businesses from 2009 to 2015	Change in number of employees 2009 to 2015	Total number of employees 2015
TOTAL Creative Industries	210	376	1727
Computer programming and consultancy	125	432	820
Libraries, museums and cultural education	15	86	188
Advertising	15	-53	59
Artistic performance and creation	-5	-76	205
Architecture and Specialised Design	25	-12	194

2.8 There were a total of 745 businesses in the creative industries in Southend in 2015. With strong growth in computer programming and consultancy which added 125 businesses in this time and 432 employees.

2.9 The creative industries have been a particular focus for the council since 2010. This sector represents a growth area in Southend. It also represents an incredibly diverse sector composed of arts organisations and Knowledge Intensive Business Services (KIBS). KIBS are businesses that are highly reliant on professional based knowledge and include a diverse range of traditional professions: accountancy, legal, advertising and finance. The also include newer more technology based professions and jobs related to IT and computer programming.

2.10 As a whole the UK economy is experiencing growth in KIBS as we continue to move from a manufacturing based economy to a knowledge based economy. This growth can be seen in Southend as well as demonstrated in the cultural and creative sector with significant growth in businesses and jobs in computer programming, consultancy and advertising.



Creative Industries dynamic growth Spotlight 2009-2015
+/- Employees
+/- Businesses
600
500
400
300
200
100
0
-100
-200
-50
0
50
100
150
200
250
820
1727
188
194
59
205
TOTAL Creative Industries
Computer programming and consultancy
Libraries, museums and cultural education
Advertising
Artistic performance and creation
Architecture and Specialised Design

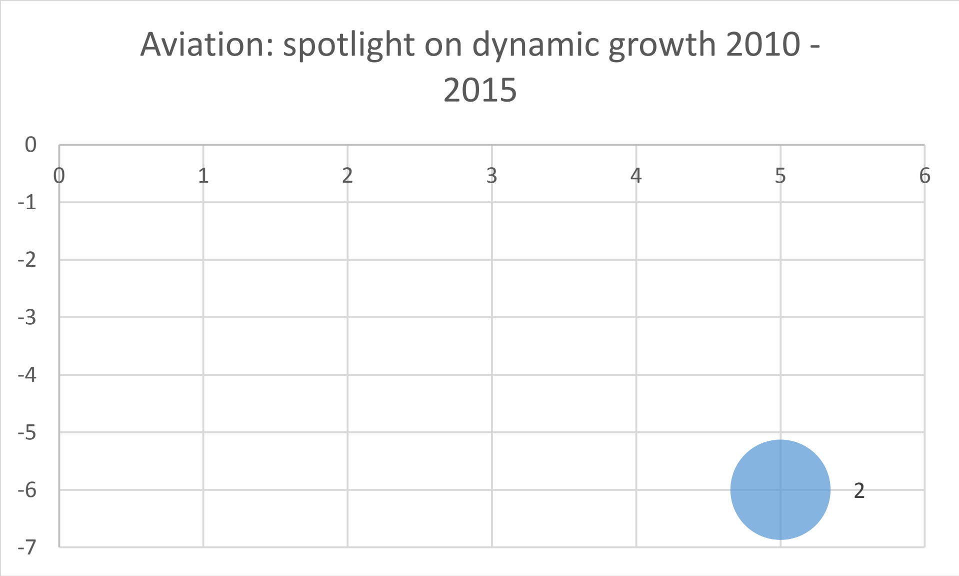
Aviation dynamic growth spotlight:

Aviation	Change in businesses 2010 - 2015	Change in Employment 2010-2015	Employment 2015
303 : Manufacture of air and spacecraft and related machinery	5	-6	2

2.11 The Aviation Industry represents a strategic priority for Southend due to the growing importance of London Southend Airport and the continued investment related to the airport.

2.12 The graphic below shows how the Aviation sector has fragmented since 2009 with 5 new businesses forming, but an overall employment loss of -6. This is likely to relate to a single company going out of business in the period. It is worth noting that the 'business owner/proprietor' will not be captured in employee data.

2.13 We have used the following definition for 'aviation': SIC 303: Manufacture of air and spacecraft and related machinery. Another category which might be considered within aviation could be 'Air passenger transport', however given the location of airport facilities in Rochford, any employment in this sector will form a small part of 'tourism services' within the Southend economy.


Aviation: spotlight on dynamic growth 2010 - 2015
0
-1
-2
-3
-4
-5
-6
-7
0
1
2
3
4
5
6
2

Med Tech dynamic growth spotlight:

	Changes in the number of businesses 2009 - 2015	Changes in the number of employees 2009-2015	Total number of employees 2015
21 : Manufacture of basic pharmaceutical products and pharmaceutical preparations	0	-15	13
266 : Manufacture of irradiation, electromedical and electrotherapeutic equipment	0	-644	1
325 : Manufacture of medical and dental instruments and supplies	0	-69	392
7211 : Research and experimental development on biotechnology	0	2	2

2.14 Overall the medical technology sector has not seen any change in the number of businesses, remaining constant at 15 since 2009. Overall the number of employees has declined by -726, and the total remaining employee base stands at 408. This is a strategic sector for Southend due to investments in the sector related to the Airport Business Park Southend. One key employer Olympus – does not appear to be represented in these figures, this is likely due to how their work is classified.

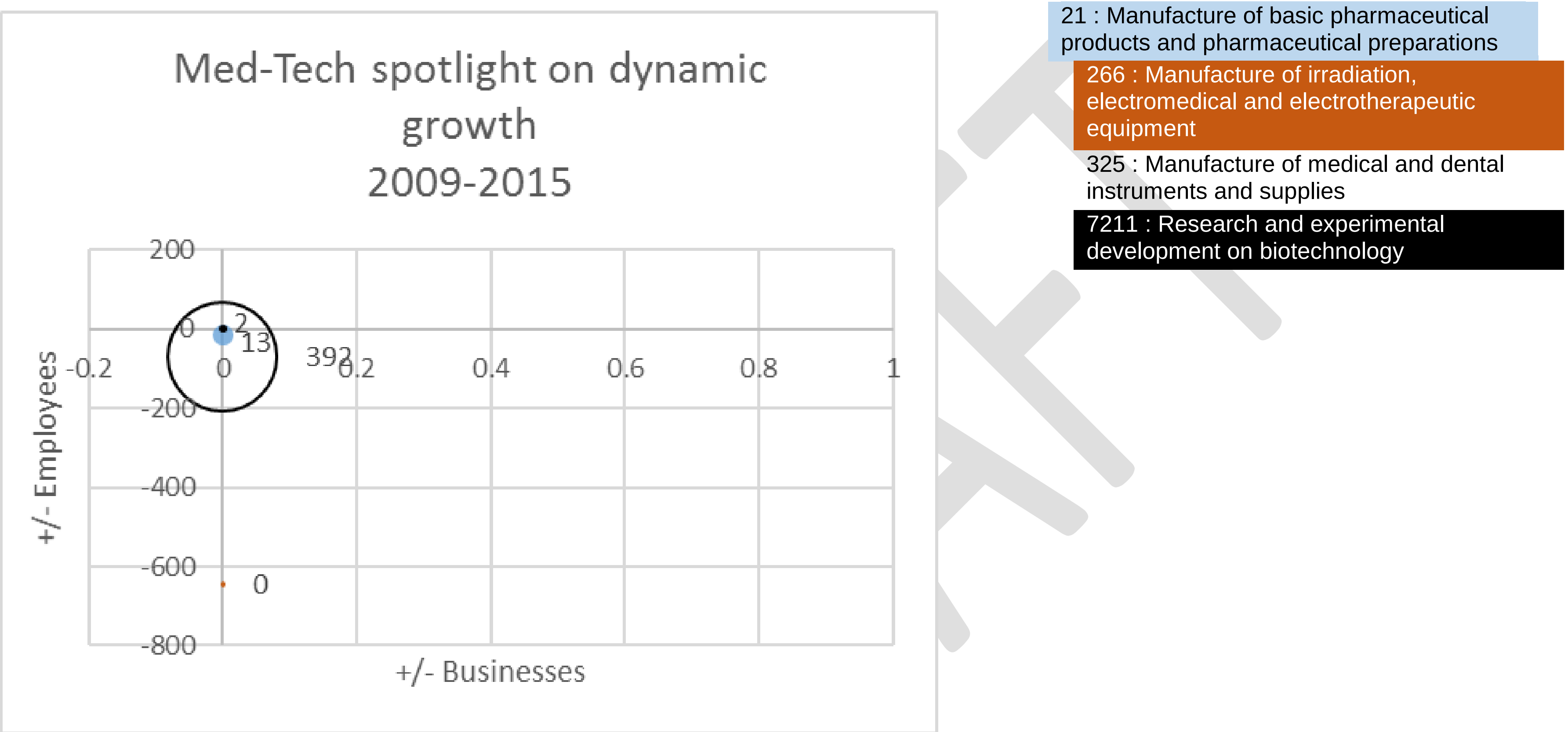
2.15 It is unclear whether the med-tech sector is fragmenting or declining at this point.

2.16 This sector is more difficult to isolate than some of the other sectors identified in this document. We have identified four specific SIC codes that we have used to help track this sector. However it is believed that not all businesses that make up this sector are represented in the figures below.

2.17 In 2009-10 a single manufacturer of irradiation, electromedical and electrotherapeutic equipment went out of business losing -644 employees.

2.18 Though there are no PAYE or VAT registered businesses, 2 people are working in the experimental R&D biotechnology sector.

2.19 The single largest sector is manufacture of medical and dental instruments.



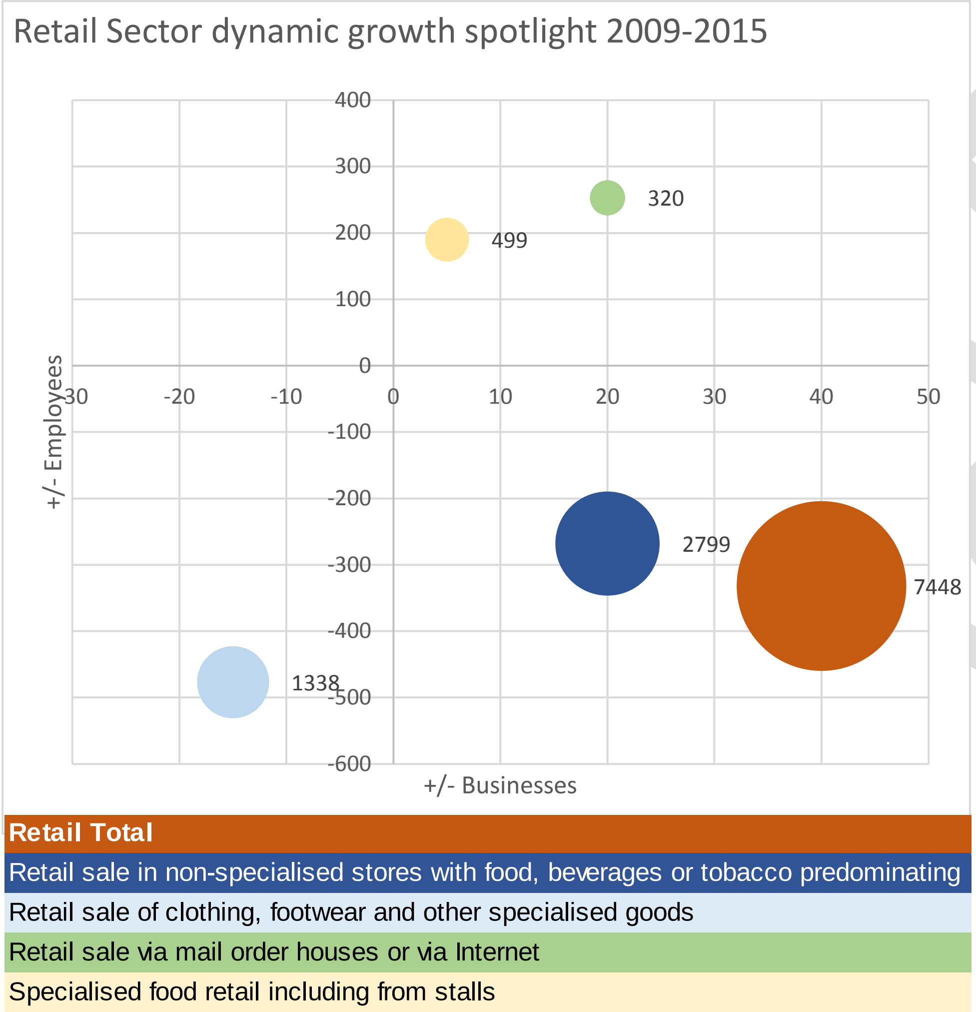
Retail sector dynamic growth spotlight:

	Changes in the number of businesses 2009-2015	Changes in the number of employees 2009 - 2015	Total number of employees
Retail Total	40	-332	7448
Retail sale in non-specialised stores with food, beverages or tobacco predominating	20	-268	2799
Retail sale of clothing, footwear and other specialised goods	-15	-477	1338
Retail sale via mail order houses or via Internet	20	253	320
Specialised food retail including from stalls	5	190	499

2.21 Retail is an important contributor to the tourism offer in Southend. There were a total of 920 retail businesses in 2015. The sector experienced a growth in businesses (up from 895 in 2009) and some and negative job growth, though there was growth in jobs in retails sales via mail order houses or via the internet and in specialised food retail including from stalls.

2.22 The retail sector can be characterised as fragmenting overall, with greater numbers of businesses (+40) and fewer employees (-332).

2.23 Falls in employment are driven primarily by lower employment in some types of high street retail, and, a category which captures major supermarkets (eg: more ‘local/express’ style stores but with increased checkout automation).



2.24 Falls in employment in the supermarket sector may in part be explained by a combination of competition reaching saturation, combined with the increased use of cost-saving automated self-service stations. The overall decline in high street retail however, may reflect falls in high street spending in the area, alongside associated rises in vacancy rates.

2.25 There are 20 new businesses (35 in 2009; 57% growth) in the online retail sub-sector, which have created 253 new jobs (377% growth in employment). This online retail sector is a dynamic growth sub-sector within retail.

2.26 Another dynamic growth sector within retail is the specialised sale of food – including bread, cakes, meat, fruit and vegetables from more specialised A1 food retail stores (5 new businesses, 0 in 2009, 61% employee growth).

2.27 Looking at tourism services, some of these trends in food related growth can also be seen in business terms, perhaps reflecting food-entrepreneurs identifying opportunities from increased supply of marketed high street units which have been vacated, also located in proximity to other (A1 retail) local food supply chain businesses.

Tourism services dynamic sector spotlight:

	Changes in the number of businesses 2009-2015	Changes in the number of employees 2009-2015	Total number of employees
Total Tourism Services	95	-369	13961
931 : Sports activities	0	245	889
563 : Beverage serving activities	5	528	1484
823 : Organisation of conventions and trade shows	0	-4	3
551 : Hotels and similar accommodation	0	143	386
910 : Libraries, archives, museums and other cultural activities	5	109	200
561 : Restaurants and mobile food service activities	75	-376	2620
Retail*	10	-576	6319

2.28 Tourism is an important/strategic part of the Southend economy with nearly 14,000 jobs and 1,480 tourism related businesses. As with retail, the tourism services sector can be characterised as fragmenting, with greater numbers of businesses (+95) and fewer employees (-369).

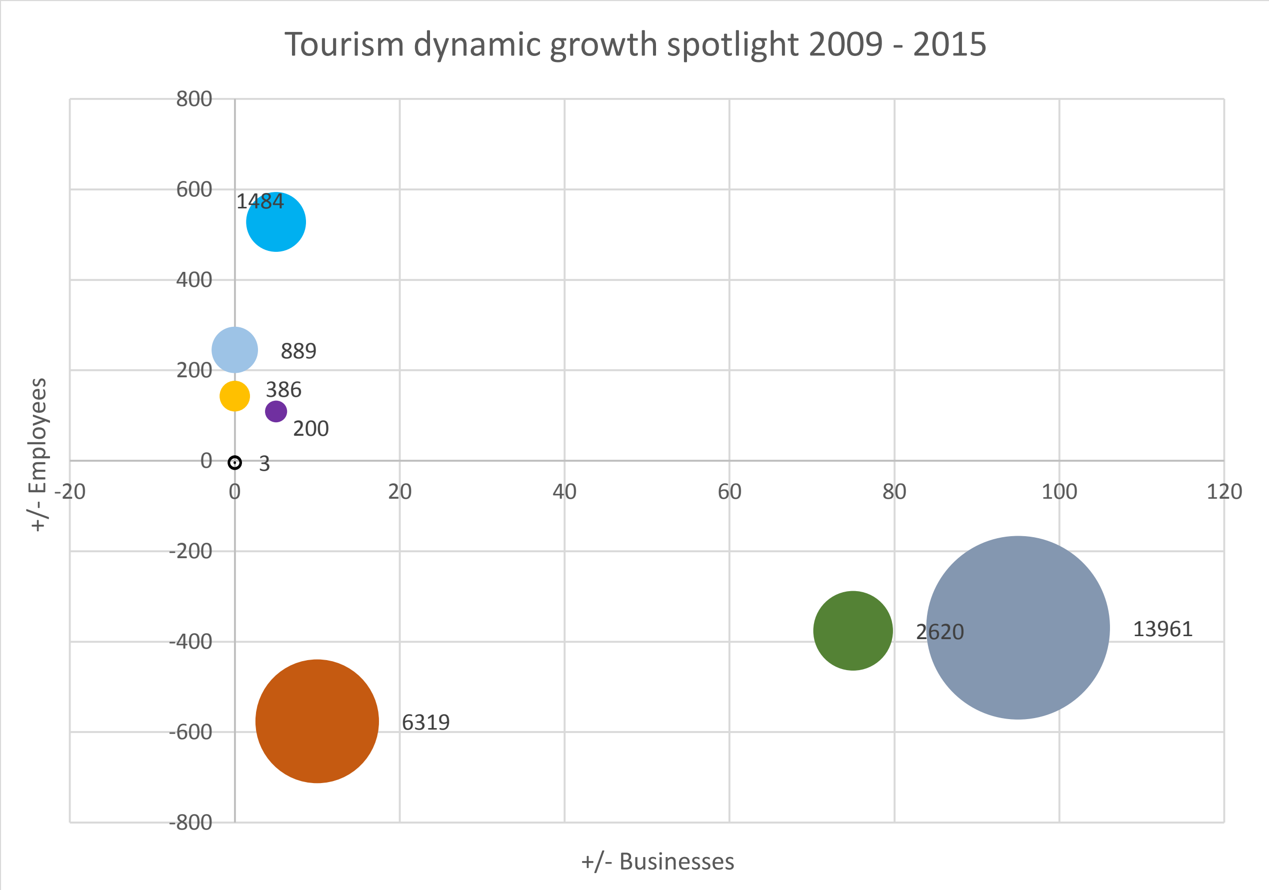
2.29 Retail is the largest sub-element of the tourism services sector with 6,283 employees, but has been covered in the section above.

2.30 As a tourism service, retail does not contain some elements such as online mail order (a growth sub-sector above) and has thus lost more employees in terms of specifically tourism services elements of retail. If you remove the job losses from the retail aspect of the tourism sector, then tourism has experienced growth.

2.31 It is unclear whether sports activities and hotels may be consolidating, or growing.

2.32 The Restaurants and food service sub-sector has fragmented, with fewer employees but a healthy level of start-up activity driving business formation in the sector. Pubs and cultural activities have grown in terms of businesses and employees

2.33 The small, and marginally declining convention and trade show organisation sub-sector may have strategic importance in terms of its potential to leverage significant demand-side benefits to the wider tourism services sector and Southend economy overall.



Total Tourism Services
931 : Sports activities
563 : Beverage serving activities
823 : Organisation of conventions and trade shows
551 : Hotels and similar accommodation
910 : Libraries, archives, museums and other cultural activities
561 : Restaurants and mobile food service activities
Retail*

Finance dynamic sector growth spotlight:

	Changes in the number of businesses 2009-2015	Changes in the number of employees 2009 - 2015	Total number of employees
Total Finance	0	-1806	1113
64191 : Banks	-25	-1891	380
64921 : Credit granting by non-deposit taking finance houses and other specialist consumer credit grantors	0	236	276
64999 : Other financial service activities, except insurance and pension funding, (not including security dealing on own account and factoring) n.e.c.	0	131	177
66190 : Other activities auxiliary to financial services, except insurance and pension funding	15	-367	128

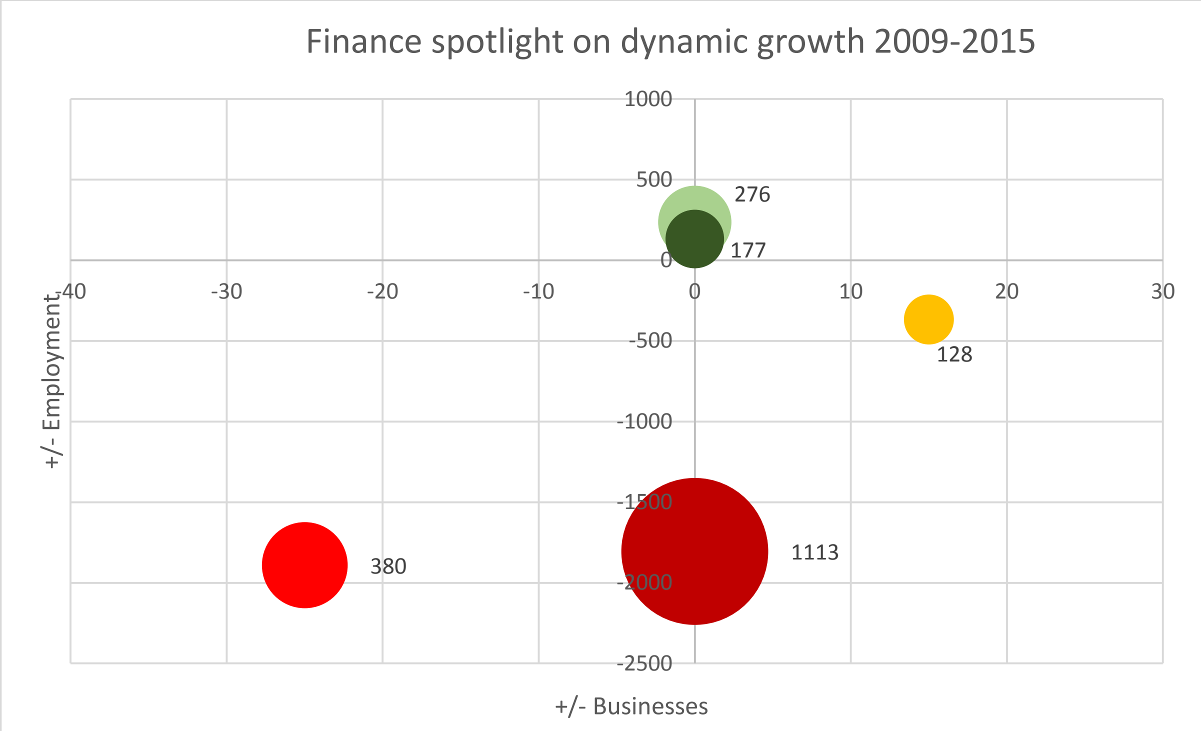
2.34 Finance has been in decline since 2009, dominated by the decline of Banking back-office activities with a loss of 1,806 jobs since 2009.

2.35 Excluding Banks, the finance sector can be characterised as growing, with 25 new businesses, and employee growth of 85 over the period, though various sub-elements of the sector could be characterised as fragmenting, consolidating or growing.

2.36 Other auxiliary activities have seen business growth alongside a decline in employees over the period.

2.37 It is unclear whether credit granting, and other financial service activities may be growing or consolidating at this point.

2.38 With the number of businesses remaining constant overall at 150, the business base of the finance sector can be characterised as fragmenting in response to significant shifts and decline in banking.



2.39

Total Finance
64191 : Banks
64921 : Credit granting by non-deposit taking finance houses and other specialist consumer credit grantors
64999 : Other financial service activities, except insurance and pension funding, (not including security dealing on own account and factoring) n.e.c.
66190 : Other activities auxiliary to financial services, except insurance and pension funding

Spotlight on the Health sector:

	Changes in the number of businesses 2009-2015	Changes in the number of employees 2009-2015	Total number of employees
Health Total	65	1024	9869
87900 : Other residential care activities	0	-155	1017
86210 : General medical practice activities	5	-114	514
86102 : Medical nursing home activities	-5	-91	75
86230 : Dental practice activities	10	23	209
87200 : Residential care activities for learning disabilities, mental health and substance abuse	-5	28	72
87100 : Residential nursing care activities	0	120	340
87300 : Residential care activities for the elderly and disabled	0	232	855
86220 : Specialist medical practice activities	10	250	270
86101 : Hospital activities	5	333	5608
86900 : Other human health activities	45	399	909

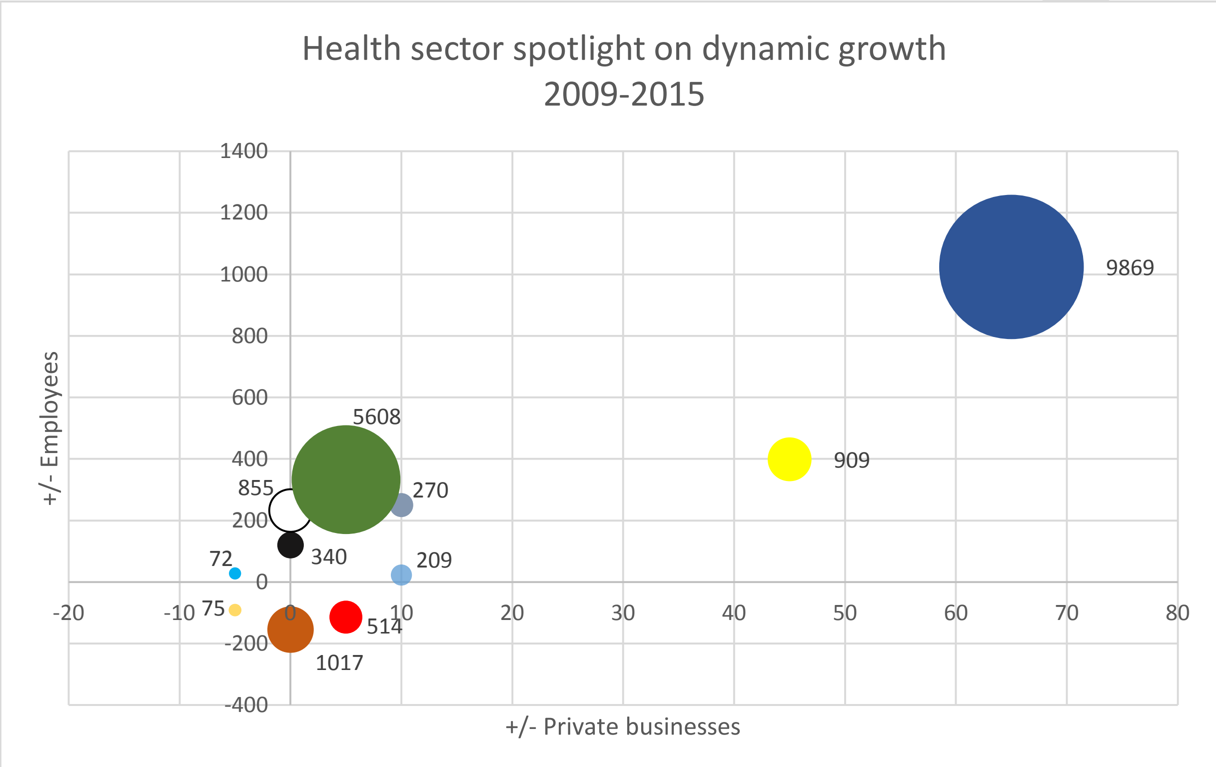
2.40 The health sector in Southend has seen the strongest level of employment growth of all major industry sectors. And in 2015 comprised 295 businesses (including public sector organisations) and 9,896 employees.

2.41 The number of public sector health businesses has remained unchanged over the period, and other than 'hospital activities' and 'other human health activities all other health sub-sector businesses are private (though this includes not for-profit private enterprises also).

2.42 The balance of total employment between the public and private sector for hospital and other human health activities is unclear, but where there have been shifts in the number of private enterprises this is likely to have contributed to changes in employment over the period.

2.43 The sectors driving business formation in the health sector are: other human health activities, specialist medical and dental practices, hospital activities and GP activities.

2.44 Residential and nursing care activities are both driving employee growth but with no net business formation.



87900 : Other residential care activities	
86210 : General medical practice activities	
86102 : Medical nursing home activities	
86230 : Dental practice activities	
87200 : Residential care activities for learning disabilities, mental health and substance abuse	
87100 : Residential nursing care activities	
87300 : Residential care activities for the elderly and disabled	
86220 : Specialist medical practice activities	
86101 : Hospital activities	
86900 : Other human health activities	
Health Total	

KIBS dynamic sector growth spotlight:

	Changes in the number of businesses 2009-2015	Changes in the number of employees 2009-2015	Total number of employees
KIBS Total	400	1042	7724
70229 : Management consultancy activities (other than financial management)	95	155	2632
62020 : Computer consultancy activities	65	289	626
69102 : Solicitors	-5	89	432
62012 : Business and domestic software development	55	135	186
41100 : Development of building projects	15	-66	214
73110 : Advertising agencies	15	-53	59
Engineering	35	79	363
Bookeeping, accounting and tax consultancy	15	278	709

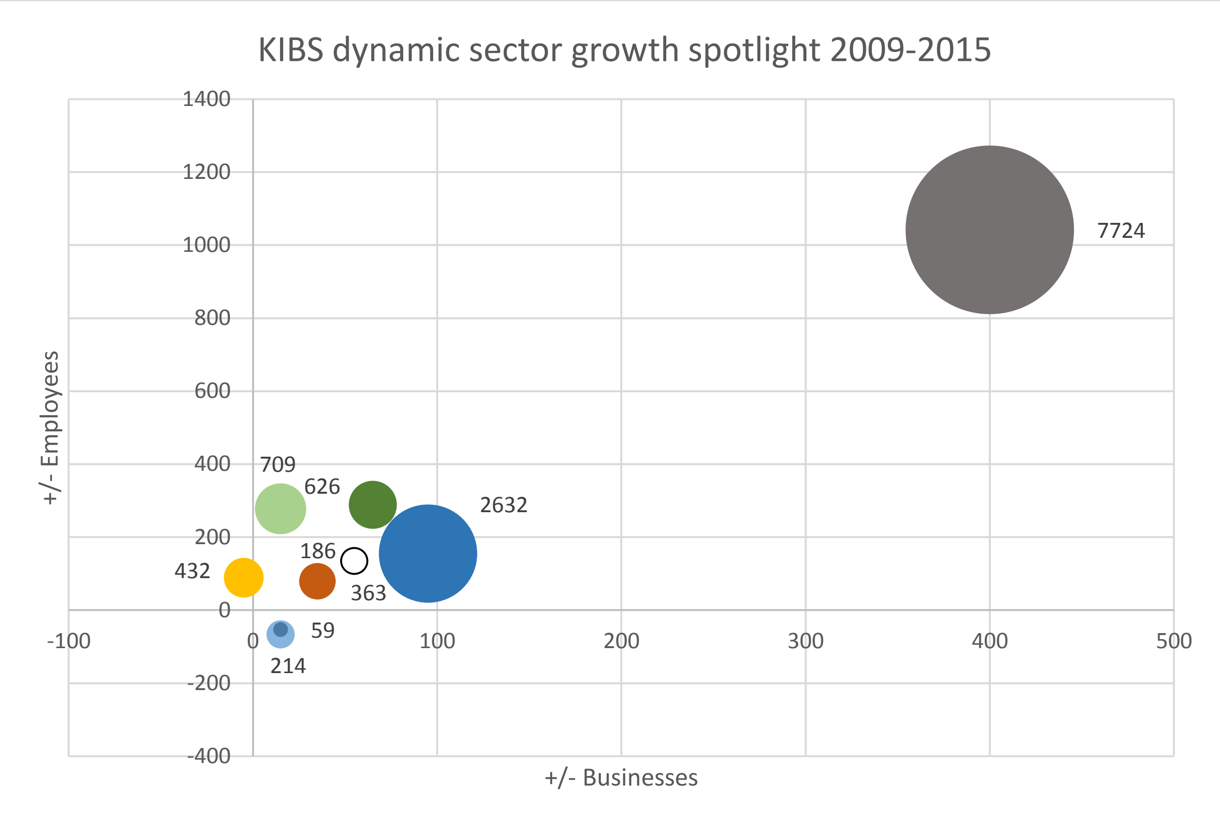
2.45 Private sector Knowledge Intensive Business Services (KIBS) (excluding banking) includes elements of ICT and creative sectors such as architecture and advertising, alongside other elements of finance, engineering and professional scientific and technical services – KIBS have contributed 400 new businesses and 1,042 new employee jobs in the period 2009-2015.

2.46 Solicitors appear to be mildly consolidating, while development of building projects and advertising have undergone some fragmentation in the period.

2.47 Five other sub-elements of KIBS have displayed strong growth over the period:

- Management consultancy
- Computer consultancy
- Business and domestic software development
- Engineering

- Bookkeeping, accounting and tax consultancy



KIBS Total
70229 : Management consultancy activities (other than financial management)
62020 : Computer consultancy activities
69102 : Solicitors
62012 : Business and domestic software development
41100 : Development of building projects
73110 : Advertising agencies
Engineering
Bookeeping, accounting and tax consultancy

Construction Sector Spotlight on dynamic growth 2009 – 2015

	Changes in the number of businesses 2009-2015	Changes in the number of employees 2009-2015	Total number of employees
Construction Total	100	320	2763
43210 : Electrical installation	-10	-193	393
41100 : Development of building projects	15	-66	214
43991 : Scaffold erection	-10	-43	31
43220 : Plumbing, heat and air-conditioning installation	25	-41	282
41202 : Construction of domestic buildings	20	-36	171
42210 : Construction of utility projects for fluids	0	-30	152
43390 : Other building completion and finishing	10	26	129
43320 : Joinery installation	15	30	152
43999 : Specialised construction activities (other than scaffold erection) nec	15	138	282
42990 : Construction of other civil engineering projects nec	-5	393	443
43290 : Other construction installation	10	12	94
43341 : Painting	0	18	138

2.48 The construction sector is a growth sector in Southend, and has added 100 business (+11.6%) and 320 employees (+13.1%) since 2009. Within this overall growth there is a variety of sub-sector trajectories, including fragmentation, consolidation and declining sub-sectors.

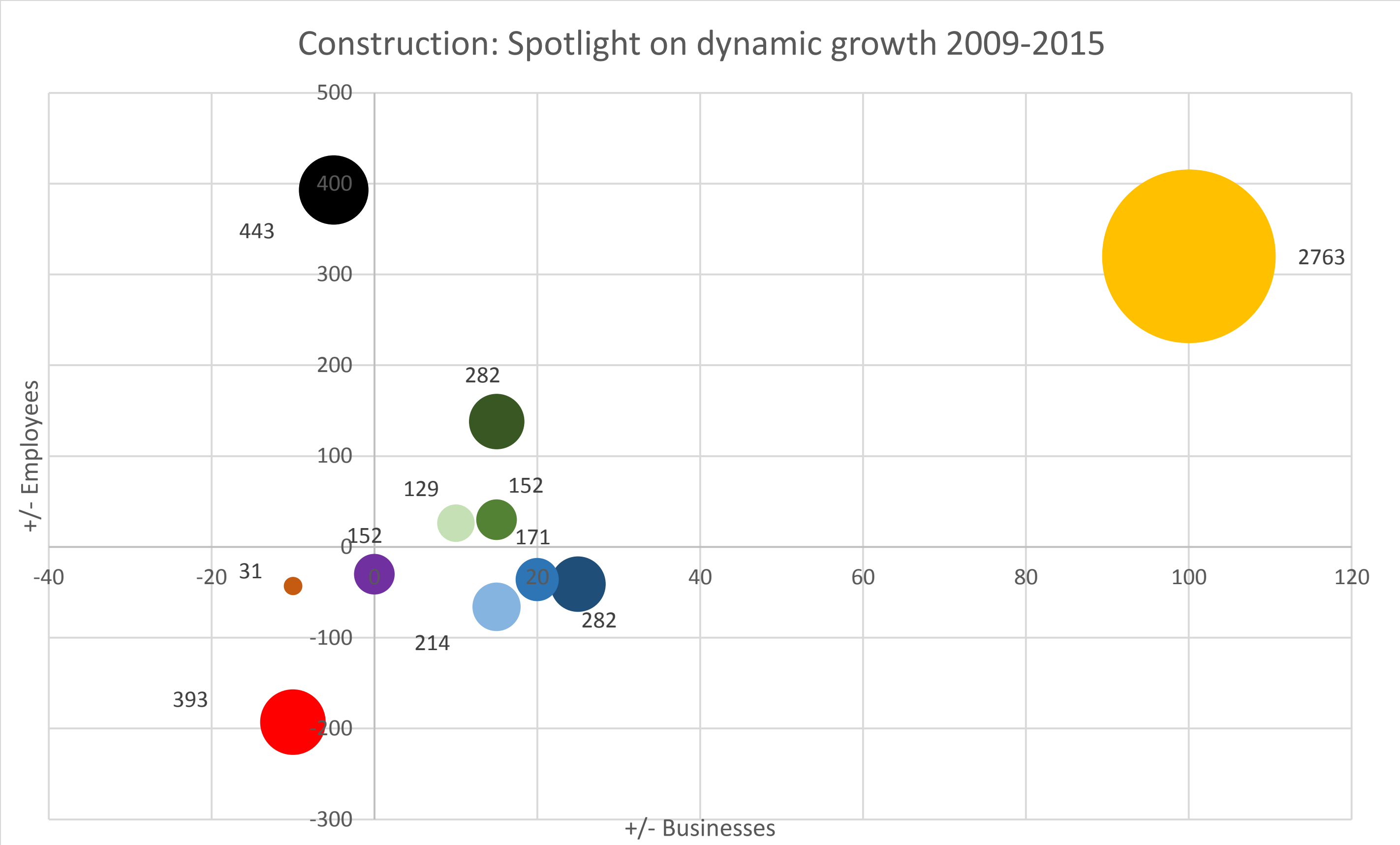
2.49 The five largest sub-sectors in terms of employment scale have all lost employees in the period, with electrical installation being the largest, and in decline, losing businesses too.

2.50 Development of buildings, construction of buildings and plumbing, heating and air conditioning installation appear to be a 'complementary cluster', but one which is fragmenting with increased entrepreneurship but declining employee levels.

2.51 Possibly linked to this, ‘utility projects for fluids’ is a sub-sector also losing employees.

2.52 ‘Other civil engineering’ is a significantly consolidating sector losing 10% of the business base (-5) but gaining 443 employees (+886%). Overall, the sector could be considered as a fragmentation sector in the absence of this significant employment contribution.

2.53 Specialised, and ‘post-construction’ activities are growth sub-sectors – but it is unclear whether the position may have a cyclic relationship to the three main ‘fragmenting’ sectors. ‘Other’ ‘specialised’ and ‘joinery’ may speak to the emergence of demand for more innovative or high value techniques driven by a combination of market demand and planning requirements.



Construction Total
43210 : Electrical installation
41100 : Development of building projects
43991 : Scaffold erection
43220 : Plumbing, heat and air-conditioning installation
41202 : Construction of domestic buildings
42210 : Construction of utility projects for fluids
43390 : Other building completion and finishing
43320 : Joinery installation
43999 : Specialised construction activities (other than scaffold erection) nec
42990 : Construction of other civil engineering projects nec

Manufacturing sector dynamic growth spotlight 2009 – 2015

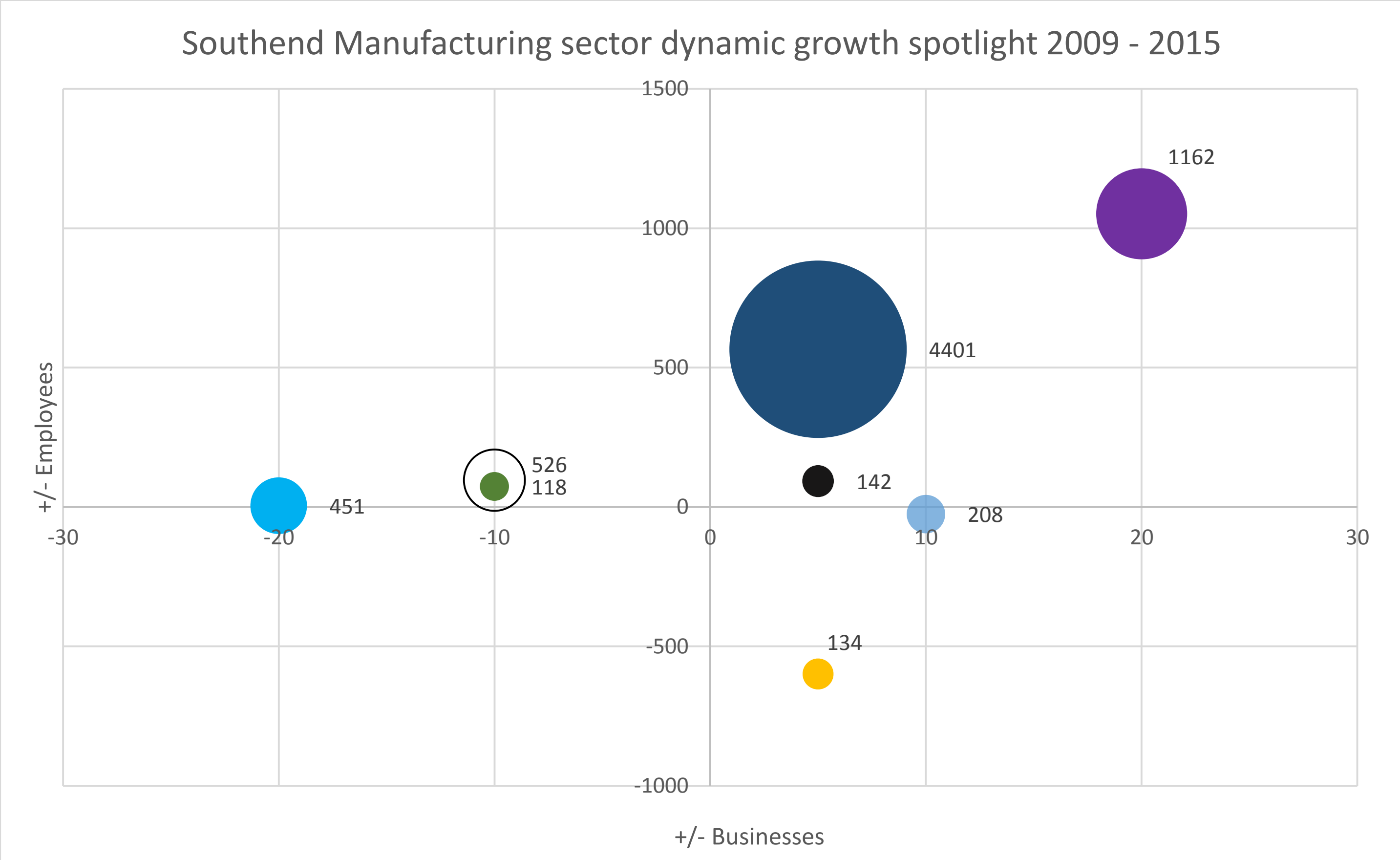
Manufacturing	Change in businesses 2010 - 2015	Change in Employment 2010-2015	Employment 2015
Total	5	566	4401
10: Manufacture of Food products	5	93	142
16: Manufacture of wood and of products of wood and cork, except furniture	-10	85	118
18: Printing and reproduction of recorded media	-10	96	526
33: Repair and installation of machinery and equipment	20	1052	1162
25: Manufacture of fabricated metal products, except machinery and equipment	-20	5	451
26: Manufacture of computer, electronic and optical products	5	-599	134
27: Manufacture of electrical equipment	10	-25	208

2.54 The manufacturing sector overall is a growth sector within Southend, but presents a complex picture.

2.55 Total business growth is just +5, though net employee growth has been strong at +566.

2.56 High value Manufacturing (including electronics, complex machinery and equipment, vehicles, med-tech and pharma) is either fragmenting or declining, with negative employee growth.

2.57 One sub sector: 'repair and installation of machinery and equipment has created 1,010 new jobs (+957%). Without this sub-sector net employee growth would have been -486 for the sector overall. This sub-sector is however not directly manufacturing per-se but is a key supply chain element.



Column Total
10 : Manufacture of food products
16 : Manufacture of wood and of products of wood and cork, except furniture;manufacture of articles of straw and plaiting materials
18 : Printing and reproduction of recorded media
33 : Repair and installation of machinery and equipment
25 : Manufacture of fabricated metal products, except machinery and equipment
26 : Manufacture of computer, electronic and optical products
27 : Manufacture of electrical equipment

Sector Spotlight summary table

2.58 Four of the nine sectors of focus can be broadly characterised as growth sectors – these are:

- Creative Industries
- Health
- Construction
- KIBS

2.59 Four of the nine sectors are ‘fragmenting’, these are:

- Aviation
- Retail
- Tourism services
- Finance (excluding banking)

2.60 Two of the nine sectors are in decline:

- Medical Technologies
- Finance (including banking)

Consolidation Sectors 2009-2015	**Growth Sectors 2009-2015**
CONSOLIDATION	GROWTH • Creative and Cultural Industries • Health 2.61 • Construction • Knowledge intensive business services (KIBS; 2.62 excl. banking) 2.63 2.64
Declining Sectors 2009-2015	**Fragmenting Sectors 2009-2015**
DECLINE • Medical Technologies • Finance (Including Banking)	FRAGMENTATION 2.65 • Aviation 2.66 • Retail • Tourism Services 2.67 • Finance (excluding banking) 2.68 2.69

2.70 It is important to note that the job counts and growth forecasts for the sectors may contain overlap due to the classification of businesses and the nature of the sector. This is most prominent in three areas:

- Manufacturing, aviation, and medical technologies: when looking at these sectors, there is overlap in the way businesses have classified themselves which has made gauging growth in all three sectors more difficult. In addition, strategic investments further connect these sectors with two key employers (manufacturers) also being major employers in med tech and aviation.

- Retail and tourism: these sectors are interconnected and investment in one has potential to positively affect the other.

- Creative and Finance: Both sectors share a sub-sector – Knowledge intensive business services (KIBS)– businesses that are reliant on professional knowledge.