DRAFT

BOOSTING COASTAL PRODUCTIVITY

AN ECONOMIC PROSPECTUS FOR THE SOUTH EAST COAST

DATA PACK

PRODUCED BY
DEYTON BELL LIMITED
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SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

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EXECUTIVE SUMMARY

This Data Pack has reviewed a considerable range of information relating to the performance of the coastal communities. The data is principally focused on the economic performance of the South East Coast, however the intrinsic link between the economy, with other fundamental issues such as housing and health, has helped bring together a full suite of data that demonstrates how the coast is currently performing.

At headline level the simple fact is that the coast is performing poorly against its inland neighbours and the national average. The data reveals that the gap exists on all data sets, whether this be economic data, housing or innovation.

The data therefore provides an insight into the opportunities that coastal partners will be able to bring forward to address some of the core challenges that are rooted in the coastal communities.

Based on the evidence and data available, a comprehensive programme for the coast needs to consider the following issues:

- How connectivity between the coast and key economic centres can be further enhanced, through both road and rail, recognising the role of new technology and new forms of mobility
- The role the coast can play in tackling climate change, using existing assets to reduce carbon generation, and the potential to make the coast carbon neutral and capable of generating a self-sustaining energy
- How partners can improve skills levels at all levels, through improved school outcomes, and enhanced engagement and performance of residents within both further and higher education
- The role technology plays in the economy, and how coastal communities can offer high quality networks to serve residents and businesses and act as an attraction for inward investment
- How to continue to offer an environment that supports further growth of the creative sector
- Whether opportunities from energy generation can be seized and how offshore opportunities can be secured
- The role of the maritime, whether it can be aggregated around the South East Coast and help position the sector as a high performing driver of growth
- How a broad programme can be developed to support improvements to housing, including the retrofitting of existing properties and how new development can overcome existing viability issues, including the role utility companies play
- How the coastal communities can attract new inward investment and economically active residents.

Deprivation is a major issue for the coastal communities. Partners need to work with their county councils, South East Local Enterprise Partnership and government to establish how deprivation can be tackled through a programme of support that improves social and environmental conditions and engages communities in new ways, assisting their participation with new opportunities the coast can generate.

Due to current conditions, this approach needs to address the failings of previous regeneration programmes and consider where new powers are required to enable local authorities to make largescale strategic interventions in regeneration, particularly where the private sector are absent.

1. OVERVIEW

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1.1 This Data Pack seeks to provide an overall compendium of information related to the economic performance of the South East's Economic Prospectus. The Data Pack reviews existing data available from local, regional and national sources. It seeks to identify the strategic themes that will be developed as the Coastal Community Economic Prospectus is drafted.

1.2 Through the research, it is evident that the coastal communities and their county and regional partners already have a wealth of data available. The Data Pack has therefore sought to address two key issues:

i) Aggregating the coastal communities into a single unit

ii) Assessing the coastal communities against the wider South East Local Enterprise Partnership's performance

1.3 The key findings of the Data Pack reveal that the economic performance of the coastal communities is significantly poorer than the rest of the South East Local Enterprise Partnership (SELEP) area. Research has also interrogated other factors linked to the economy, such as skills, education, housing, health and environmental issues. All of these demonstrate that there are a number of connected issues that contribute to economic underperformance along the coast.

1.4 The coast more generally, and specifically the South East Coast, has been a focus for a significant amount of research and government investigation over a long period of time. The Data Pack includes evidence and analysis from a number of key publications that have researched the coastal area. This evidence will be invaluable in developing the Coastal Communities Economic Prospectus and in demonstrating both the issues and opportunities facing the coastal communities.

1.5 The Data Pack seeks to review the national economic picture, the SELEP area and the coastal communities. It is not designed to provide 'answers' at this stage. The pack is aimed at collecting and sifting the information and data which is available. The research seeks to link the three geographies together and develop an evidence base that demonstrates that the coastal communities require investment, and in certain areas, new policies.

1.6 The Data Pack should be seen as a living document. As the project develops additional information will be added to ensure that the document is dynamic and underpins the Coastal Communities Economic Prospectus.

2.
THE COASTAL COMMUNITIES OF THE SOUTH EAST

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2.1 The coastal communities working together on the Coastal Communities Economic Prospectus and Data Pack includes; Tendring, Southend, Thanet, Hastings, Rother, Dover, Rochford, Maldon, Wealden, Lewes, Eastbourne, Essex, Colchester and Castle Point.

2.2 The purpose of the work is to produce an economic prospectus/study for the coastal community areas within SELEP. The objective of the Coastal Communities Economic Prospectus will be to enhance the ability of SELEP partners to identify and focus on action that will grow coastally based businesses or create conditions for growth.

2.3 The Economic Prospectus will identify key opportunities, issues, challenges and strategic priorities for coastal communities in the SELEP area aimed at:

- Improving economic performance absolutely but also relative to the regional and national economy
- Improving economic inclusion
- Developing coastal-specific initiatives around housing, energy, small and micro businesses and tourism.

2.4 This Data Pack will provide supporting evidence to underpin the Coastal Communities Economic Prospectus, drawing together information that demonstrates the community, economic and environmental issues that the coastal communities currently face.

2.5 SELEP has the largest coastal region of any LEP in the country of over 375 miles, and out of a population of four million, just over two million of its population live in coastal districts. However, taken as a whole, this coastal region under-performs against inland SELEP as well as regional and national economic and social indicators. Some of the UK's most intense deprivation is found in parts of our coastal communities. This reflects patterns elsewhere in the UK but within a region of comparative wealth these differences are particularly stark.

2.6 The coast within the South East has a rich diversity of towns and outstanding rural areas, all with varying economic performance. Whilst there are some common patterns and features among the south east's coastal communities, it is also clear that the averages hide a great deal of diversity. The diversity between individual places, on a range of socio-economic indicators, was one of the more important observations of the statistical review.

2.7 Sheffield Hallam University were commissioned in 2012 to produce socio-economic analysis of the south east coastal economy. The analysis identified a stratification of locations along the coast. This work developed six categories of settlements on the coast. This was approved by SELEP in December 2012. The categorisations:

i) LARGER SEASIDE TOWNS WITH SUBSTANTIAL PROBLEMS

Clacton, Hastings, Margate (plus Birchington and Westgate) and Ramsgate

These seaside towns have a combined population of 245,000, or about a quarter of the total in the south east's coastal communities. They share significant socioeconomic disadvantage on a scale that on many indicators places them close to the older industrial areas of northern England. They suffer from high benefit claimant rates, lower than average earnings, and an often high proportion living in poorer quality or privately-rented accommodation.

ii) PORTS WITH A FAIR MEASURE OF SOCIOECONOMIC DIFFICULTIES

Harwich, Dover, Folkestone and Newhaven

The combined population of these towns is 120,000. The figures assembled in the statistical review indicate that their problems are not as acute as the larger seaside towns listed above but are certainly not negligible. On the overall Indices of Deprivation for example, all four of these towns are worse than the national average.

iii) LARGER SEASIDE TOWNS WITH LESSER PROBLEMS

Southend and Eastbourne

These are two of the larger places along the South East coast – their combined population is 260,000. However, to bracket them with Clacton, Margate, Ramsgate and Hastings would be misleading. On a range of socioeconomic indicators their problems are less acute, even if neither of them quite matches the prosperity of the wider SELEP area.

iv) MIDDLING SEASIDE TOWNS THAT ARE MOSTLY DOING OK

Frinton/Walton, Whitstable, Herne Bay, Broadstairs, Deal and Bexhill

These towns have a combined population of 180,000. They are a notch or two down in size from Southend and Eastbourne and, generally, a notch up in terms of prosperity.

v) SMALLER PLACES WITH QUITE ACUTE PROBLEMS

Jaywick, Isle of Sheppey and Camber

These three places, with a combined population of 48,000 (mostly on the Isle of Sheppey – the other two are very small) display high levels of deprivation. In all three cases it probably owes something to the nature of the local housing stock, which includes residential caravans and chalets as well as more conventional housing. Jaywick is something of an extreme case.

vi) SMALLER, MOSTLY PROSPEROUS COASTAL COMMUNITIES

Brightlingsea, West Mersea, Tollesbury, Burnham, Canvey Island, Sandwich, Kingsdown, St Margaret's, Hythe, Dymchurch/St Mary's Bay, Greatstone/New Romney, Fairlight, Seaford and Peacehaven

Although numerous, these places only account for a total population of 150,000 – less than Southend for example. Mostly they display little deprivation. Mostly they have a population strongly skewed to retirees. To a large extent these places function as residential settlements serving businesses and jobs in neighbouring areas or further afield.

2.8 It is well documented that coastal towns began to experience significant decline in the 1960's/1970's due to a number of social and economic changes and for four decades have struggled to find a purpose. However, in more recent times, many coastal towns have begun a resurgence. Coastal living is becoming more popular as the nature of work changes, people seeking a better work-life balance and the untapped opportunities of these coastal locations become more apparent.

2.9 An international perspective is offered by the University Centre of the Westfjords, Iceland;

'Around one-third of the world's population lives in a coastal area. There are 1.6 million kilometers of coastline around 123 countries. And 40% of us live within 100km of the coast.

But coastal zones are changing all the time. Geologists define such zones as 'the interface between the land and water,' with waves, wind, erosion, and fluctuations in the ecosystem continually affecting the nature and character of these areas. This is of particular importance since many coastal communities are among the poorest on Earth and rely on coastal ecosystems to provide food and work. The social and economic factors have a massive impact far beyond the regions in question, as do the environmental ramifications of coastal and marine ecosystems.

And coastal areas are already facing the consequences of climate change. Much of our fishing industry relies on coastal marshes that will disappear as sea levels rise, reducing the undeveloped areas between the sea and the built environment. And researchers are hard at work trying to understand the social and economic risks of tsunamis, flooding, droughts, severe storms, and population and development pressures. In the States alone, by 2045 flooding is predicted to affect 311,000 residential properties at a cost of $117.5 billion, and directly affect half a million people'.

3. THE NATIONAL ECONOMIC CONTEXT

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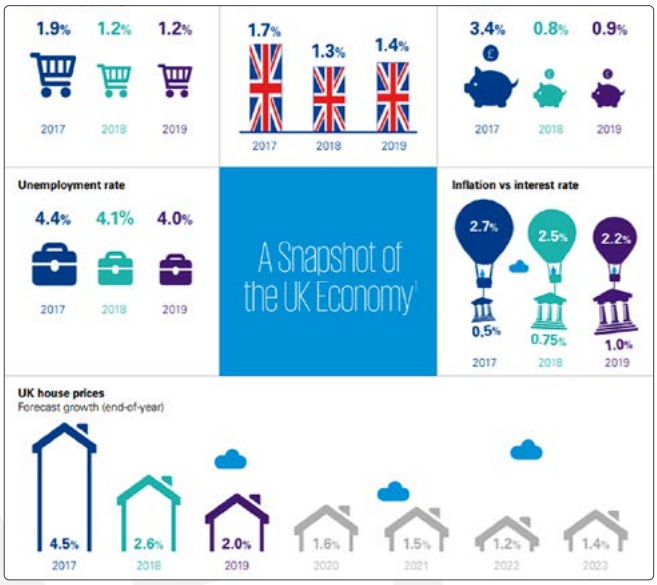
3.1 As is well publicised, the UK is currently going through turbulent economic times, not least due to continued uncertainty around Brexit. As is depicted in Figure 1, there is currently consistent reporting of key indicators, with consumer spending, GDP, investment and inflation all falling, while the unemployment rate also continues to fall. House price forecasts suggest that lower growth can be expected over the next few years.

3.2 The UK economy has posted its weakest monthly growth figures in three years. Figure 2 below demonstrates that UK GDP shrank by 0.4% in April 2019, rather worse than economists expected, dragging the rolling three-month growth rate down to 0.3%.

3.3 Figure 3 overleaf sets out the UK's GDP performance since 2014. The decline has been principally due to the uncertainty of Brexit and increase in global competition. Most recently, there has been a 3.9% contraction across manufacturing, the worst decline since 2002. Car manufacturing has fallen by 24%, while transport output suffered its biggest monthly fall since 1974. The construction sector has also been faring poorly in 2019, down 0.4%, while the service sector was flat.

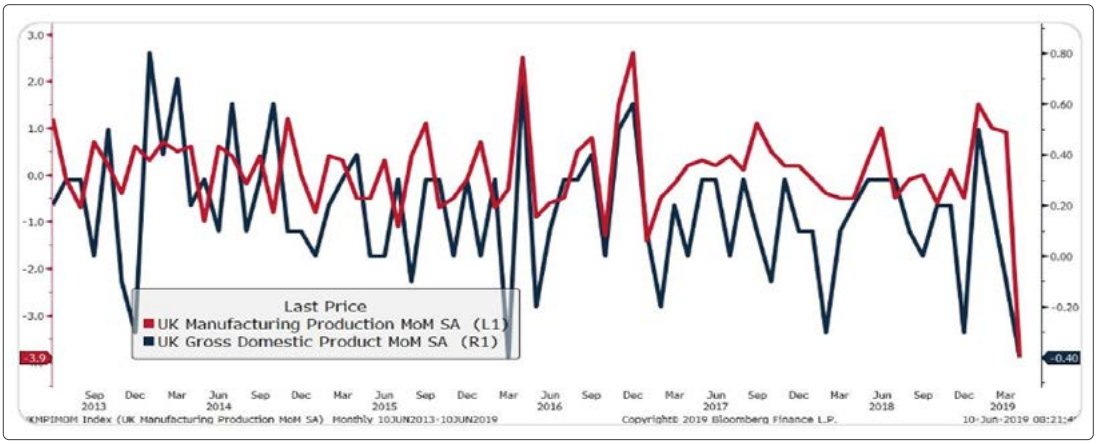
Figure 1: Snapshot of the UK Economy



Source: Bloomberg

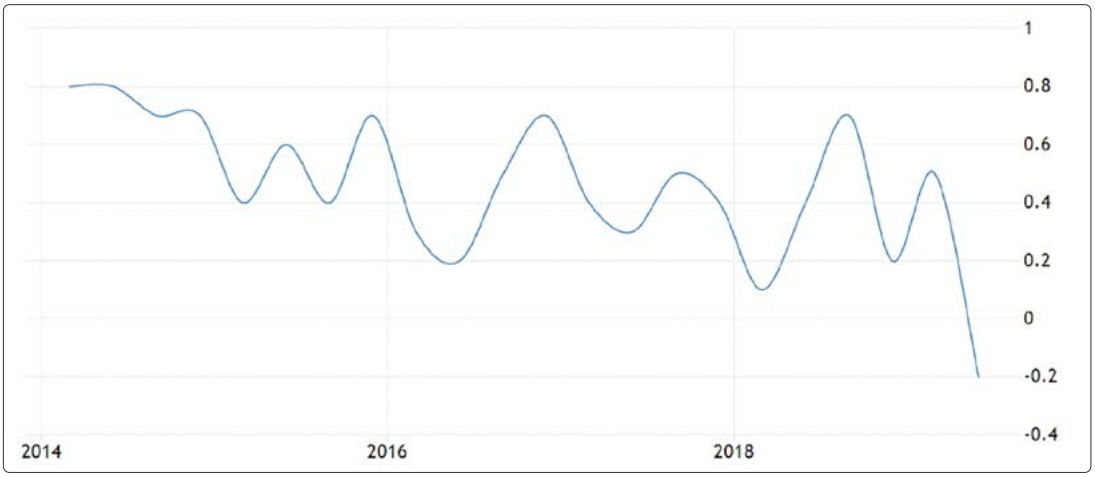
3.4 PwC report that; 'Consumer spending has continued to drive the economy, but the housing market has cooled and job creation is likely to slow over the next year. Business investment has been on a declining trend as a result of ongoing Brexit-related uncertainty and this is expected to continue until this is resolved'.

Figure 2: UK Growth Rates



Source: Bloomberg Finance

Figure 3: UK GDP Performance since 2014



Source: Tradingeconomics.com | Office For National Statisics

3.5 With the current level of uncertainty in the UK economy, there are significant implications for all areas of the UK's economy. The national context is important as it sets the conditions for regional and local growth. Having reviewed the national level, it is important to consider the performance of the wider south east.

3.6 The most pertinent national context for coastal communities is the government's National Industrial Strategy. There are a number of key policies that have been set out which will influence the economy of the South East's coast. There are a number of themes, or 'foundations' within the Industrial Strategy that will have a strong influence on how the Coastal Communities Economic Prospectus is shaped and ultimately delivered. The foundations set out to address how the country will boost productivity and earning power by focusing on the 'Five Foundations of Productivity'. The five foundations support the vision for a transformed economy. The foundations are particularly pertinent to the coastal communities as they are the cornerstone of a strong economy and delivering sustainable and inclusive growth in all communities. The Industrial Strategy states that its core foundations include:

i) People - To generate good jobs and greater earning power for all

Our employment rate is at a near historic high – one of the fastest post-recession rates relative to other major economies. It is underpinned by a world-class higher education system, the first choice of students and researchers around the world. Employers are ever more closely involved in the system, and we are committed to delivering three million apprenticeship starts by 2020.

The Industrial Strategy states that we still face challenges in meeting our business needs for talent, skills and labour. In the past, we have given insufficient attention to technical education. We do not have enough people skilled in science, technology, engineering and maths. We need to narrow disparities between communities in skills and education and remove barriers faced by workers from underrepresented groups in realising their potential.

ii) Places – to have prosperous communities across the UK

Many places are not realising their full potential. The UK has greater disparities in regional productivity than other European countries. This affects people in their pay, their work opportunities and their life chances.

iii) Infrastructure - A major upgrade to the UK's infrastructure

Infrastructure is the essential underpinning of our lives and work, and having modern and accessible infrastructure throughout the country is essential to our future growth and prosperity.

Our investment decisions need to be more geographically balanced and include more local voices. We can improve how we link up people and markets to attract investment, and we must be more forward-looking in respect of significant global economic trends.

iv) Business Environment - To be the best place to start and grow a business

The Industrial Strategy states that our challenge is to improve how we spread the best practice of our most productive businesses. We are one of the world's great financial centres, yet growing businesses sometimes face difficulty in accessing finance.

Our managers are, on average, less proficient than many competitors, and we should make better connections between high-performing businesses and their supply chains.

v) Ideas – being the world's most innovative economy

Our ability to innovate – to develop new ideas and deploy them – is one of Britain's great historic strengths, from the jet engine and the bagless vacuum to MRI scanners and the World Wide Web. We are a global leader in science and research: top in measures of research excellence and home to four of the top 10 universities in the world.

The Industrial Strategy aims to make Britain the best place to start and grow a business, and a global draw for innovators. It aims to drive productivity in businesses of all sizes by increasing collaboration, building skills and ensuring everyone has the opportunity of good work and high-paying jobs. It aims to ensure the financial sector is better connected to the rest of the economy, driving impactful investments.

Every region in the UK has a role to play in boosting the national economy. The Industrial Strategy aims to build on the strong foundations of our cities, growth and devolution deals and continue to work in partnership with local leaders to drive productivity. The Industrial Strategy aims to introduce Local Industrial Strategies and further strengthen local leadership through Local Enterprise Partnerships and Mayoral Combined Authorities'.

Source: The Industrial Strategy

3.7 The Government has used the Industrial Strategy to guide funding and resources through Sector Deals and agency funding schemes such as Research England. Figure 4 provides a high level map that highlights where this investment has gone thus far. It is noticeable that there is a significant lack of investment support on the South East coast to date.

3.8 The government will also introduce new policies to improve skills in all parts of the country, create more connected infrastructure, back innovation strengths, ensure land is available for housing growth, and strengthen our cultural assets.

3.9 Each of these foundations set out how the government will invest resources in tackling a number of issues that create issues across the country. Each foundation is pertinent to the coastal communities.

Figure 4: Investments commitment by Government through the Industrial Strategy

Source: https://www.gov.uk/government/topical-events/the-uks-industrial-strategy

4. THE SOUTH EAST'S ECONOMIC CONTEXT

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4.1 In order to understand the economic performance of the coastal communities, it is important to understand the performance of the wider South East. The South East is widely recognised as the strongest performing region of the UK economy outside London. This section will compare the performance of the coastal communities against the wider South East region.

4.2 The SELEP region currently generates £87bn per annum (ONS). Through analysis of ONS data the coastal communities make a contribution of £26bn per annum. Current reports have suggested economic growth in the South East is forecast to be 1.7% in 2019 (PwC Economic Outlook 2019). Data from the Office for National Statistics (ONS) shows that the South East witnessed the third largest rise in its employment rate in the year to December 2017. Just behind the North East and the East of England, the South East also saw its employment rate grow by around 1.3% in the year.

4.3 The South East's business base predominantly consists of small businesses with around 90% employing fewer than ten people. Recent growth in the business stock has been strong. There were 24,000 additional enterprises in SELEP in 2018, compared with 2014 (an increase of 16%).

4.4 Between 2011 and 2017, the number of jobs in the South East grew by 162,000 (an increase of around 9%). Similarly unemployment has fallen significantly; by September 2018, the number claiming Jobseekers' Allowance or equivalent had dropped by 44,000 and now stands at a historically low level. However the number of people not seeking employment or workless stands at 266,700. (ONS Annual Population Survey – March 2019). However job density in coastal districts is particularly low. With the SELEP regional average of 0.86 (where 1 equals 1 job per resident) only Eastbourne has a higher density of 0.87. Figure 5 demonstrates how the coastal districts perform. The levels of density reveal economies that do not provide significant opportunities for their local community and that jobs are typically difficult to find. Districts such as Castle Point (0.5), Tendring (0.6) and Rochford (0.6) reveal economies that lack jobs and vibrant economies.

Figure 5: Job Density

District	Job Density
Great Britain	0.86
SELEP	0.86
Tendring	0.60
Maldon	0.70
Rochford	0.60
Southend	0.72
Colchester (Hythe)	0.84
Castle Point	0.50
Medway	0.62
Swale	0.63
Canterbury	0.80
Thanet	0.70
Dover	0.63
Folkestone & Hythe	0.67
Rother	0.71
Hastings	0.70
Eastbourne	0.87
Lewes	0.7
Wealden	0.74

Source: ONS Local Authority Profiles: Job Density

4.5 It is notable that employment is becoming more diverse, with growing self-employment and part-time and freelance working. Typically this shift leads to greater flexibility; however it also leads to insecurity, and often low paid, employment, a factor that is a key consideration within the coastal communities.

4.6 At LEP level, the construction and transport and logistics sectors have high levels of concentration, reflecting the regions role as an international gateway. The tourism industry is also substantial, reflecting the role of the coast as an employer. There is also a significant, growing energy sector associated with both the nuclear industry (with Bradwell located on the Essex coast) and offshore renewables.

4.7 Since 2016 the Government has raised the issue of the 'productivity challenge' across the country. While the economy made a positive recovery from recession, Britain's productivity when compared to its main competitors has failed to increase. This remains a major Government concern and a strong theme within the Industrial Strategy.

4.8 Figure 6 provides a high level statistical analysis developed by Oxford Economics demonstrating current economic performance across the region.

Figure 6: Snapshot of the South East Economy

		South East	UK
Population			
2017 mid-year estimates	Millions	9.1	66.0
Economy			
Total output (GVA), 2017	£ billions	267	1,820
Total output (GVA) per head, 2017	£	29,415	27,555
Economic Growth (GVA), 2010-17	Annual ave real terms % ch.	2.0%	2.0%
Forecast economic growth (GVA, real terms)*			
2018	% change on year	0.6%	1.4%
2019-29	Average annual % change	1.9%	1.9%
Labour market, January - March 2019			
Employment Level	Thousands	4608	32,697
Employment rate	% of population aged 16-64	79.1%	76.1%
Unemployment level	Thousands	151	1,298
Unemployment rate	% of economically active	3.2&	3.8%
Median weekly earnings, 2018	£, full time employees	615	569
Industries - employment, October-December 2018			
Manufacturing	% of total jobs	5.7%	7.7%
Public sector	% of total employment	14.5%	16.4%

Source: Oxford Economics, May 2019

5. THE COASTAL COMMUNITIES

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5.1 The development of the Economic Prospectus brings together 14 Local Authorities responsible for coastal areas across the three counties of East Sussex, Essex and Kent, the three county areas forming the South East LEP region.

5.2 The Government's 'Future of Seaside Towns' (April 2019), the House of Lords Select Committee on regenerating seaside towns and communities responsible for the report stated:

'There are many smaller towns on the coast that have seen their unique selling point diminish. These towns, many of them intrinsically attractive places to live and work, are home to significant populations, provide holidays and short vacations for millions of UK residents and overseas visitors, but face profound economic and social challenges. Their sense of isolation and 'end of the line' feel has left small town, seaside communities overlooked and feeling unloved'.

5.3 The 'Seaside Towns in the Age of Austerity' (Sheffield Hallam 2014) states;

'Because of their history of tourism they tend to share a number of characteristics that distinguish them from other industrial or commercial centres along the coast or inland. This includes a specialist tourist infrastructure (promenades, piers, parks etc.), holiday accommodation (hotels, guest houses, caravan sites) and a distinctive resort character that is often reflected in the built environment'.

5.4 The economic picture for the coastal communities reveals under-performance, and a reliance on a limited number of sectors which typically are low tech.

There are many examples where investment has improved the performance of coastal towns. This section of the data pack will review the economic performance of the coastal communities; particular attention has been paid to comparing current performance against the wider SELEP area, and where available, to the rest of the country.

Reviewing the Coast's performance

5.5 The following sections will reveal the coast's performance against the Industrial Strategy's Five Foundations of Productivity:

- **People**
- **Place**
- **Infrastructure**
- **Ideas**
- **Business Environment**

6.
PEOPLE

6. PEOPLE

The population of the South East's coastal communities

6.1 The coastal community's districts forming the partnership have a combined population of 2.08 million people, representing around 48% of SELEP's population. The UK's coast has a population of 11m people, therefore the South East equates to 18% of the country's coastal population.

6.2 As Figure 7 demonstrates, each district has seen a growth in population during this decade; however looking ahead the forecast population increase up to 2028 is greater still. This will create new pressures on a range of public services and on job creation. These will be explored further in later sections.

6.3 This future growth is likely to further exacerbate current challenges faced by the coastal communities. With this expected growth and the current performance of the coastal communities, further investment will be required to address this growth.

6.4 Coastal communities are also undergoing continuous sociodemographic upheaval, with highly transient and seasonal workforces, young people leaving and older people arriving. Performance of these communities relies on factors such as social structures, employment opportunities, adequate health infrastructure and housing.

Figure 7: Population of the coastal communities

Local Authority	Current Population (000s)	Population Growth 2010-18 (%)	Forecast population growth 2018-28
Tendring	144	7	8.9
Maldon	64	3	5.4
Rochford	86	3	5.8
Southend	181	4.3	7.0
Colchester (Hythe)	19	7.4	10.4
Castle Point	89	3.7	5.1
Medway	277	4.7	7.9
Swale	146	6.5	9.8
Canterbury	164	5.0	8.6
Thanet	141	5.7	9.0
Dover	115	3.0	5.1
Folkestone & Hythe	111	3.4	5.8
Rother	95	3.8	8.2
Hastings	92	4.3	5.2
Eastbourne	103	4.5	7.6
Lewes	102	3.9	7.7
Wealden	158	6.0	9.4
Total population	**2.087m**		

Source: 2016 Sub National Population Projections, ONS

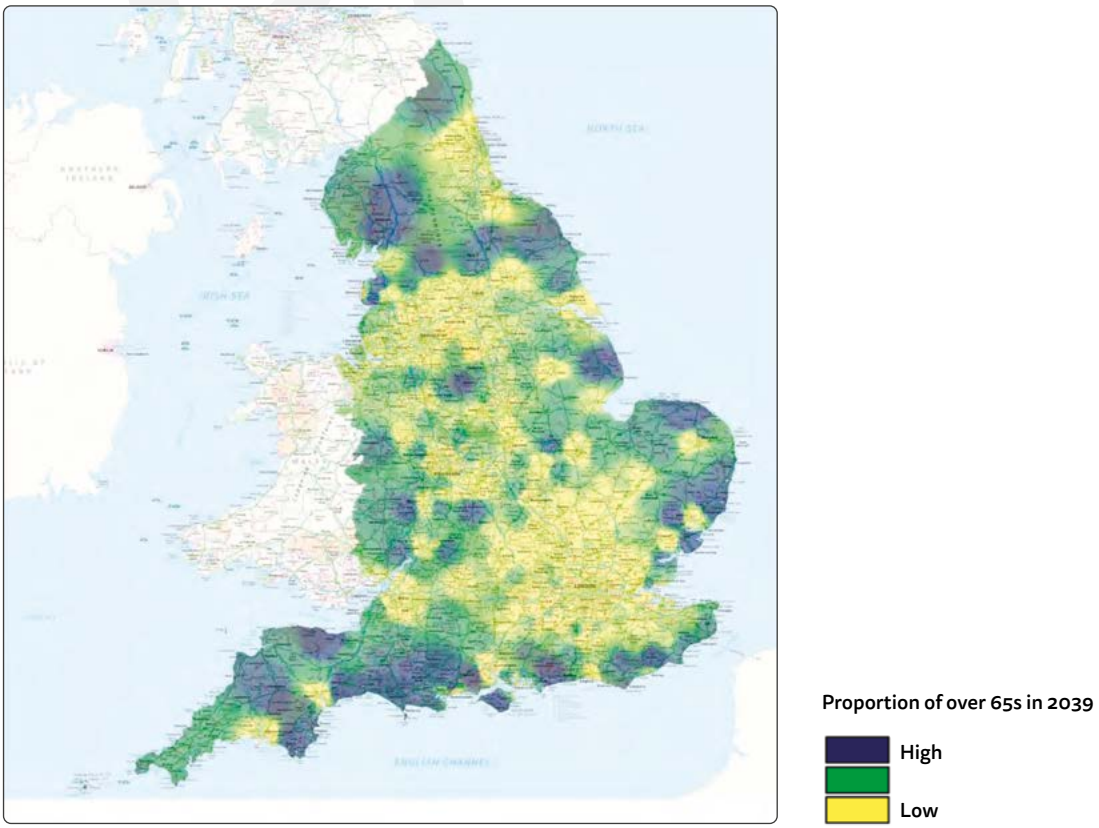
6.5 Coastal local authorities have been projected to be most affected by an increase in the proportion of the oldest population group over the next 10-year period (ONS 2016). This will impact on the overall health and wellbeing of each community and the subsequent demands on social and health infrastructure.

6.6 Patterns of internal and inward migration also disproportionately impact coastal communities. The seaside is an aspirational destination for retirees, a phenomenon contributing to the rapidly aging profile of coastal populations in the UK and elsewhere. For example, 65% of people aged 65 or over retiring from London moved to coastal local authorities (Pennington 2013; Moving On: Migration Trends in Older Life. London).

6.7 Figure 8 highlights projections for the growth in the proportion of over 65s in 2039. A range of hotspots can be seen, however, the coastal communities of the South East are anticipated to be one of the areas to see the largest growth.

6.8 Based on ONS population projections, the south coast will see some considerable change to demographics, specifically the impact of the ageing and growth in number of over-65s. Figure 9 overleaf highlights the most significant increases that will be experienced along the coast.

Figure 8: Growth in residents aged 65 + in 2039



Source; ONS Population projections 2014-2039

Figure 9 Demographic change

Location	No. of over 65s in 2019	No. of over 65s in 2039	% of over 65s in 2019	% of over 65s in 2039
Rother	31,400	45,200	32	40
Tendring	44,700	63,500	30	37
Eastbourne	26,900	40,400	25	33
Thanet	35,200	45,200	24	31
Hastings	19,100	28,300	20	27
Southend	36,100	53,700	19	25

6.9 Equally, coastal communities are also experiencing outward migration of young people, and the inward migration of transient workers. This influx has implications for the health and wellbeing of coastal communities, wellbeing of residents, and for the planning, sustainability and delivery of social and health services. Remoteness, lack of investment in infrastructure, high levels of socioeconomic deprivation, seasonality of employment and limited labour markets also contribute to social exclusion and threaten wellbeing in coastal communities (Ward 2015; Geographies of Exclusion: Seaside Towns and Houses in Multiple Occupancy).

6.10 These issues are contributing to the current range of issues impacting on the economic and social performance of the coastal communities. The following sections will review other indicators to establish how the South East's coastal communities are performing.

Skills levels

6.11 'Skills have the potential to transform lives by transforming life chances and driving social mobility. Having higher skills also enables people to play a fuller part in society, making it more cohesive, more environmentally friendly, more tolerant and more engaged' (BEIS Future of Skills 2017).

6.12 When reviewing current skills levels within the coastal communities it is clear that all indicators reveal underperformance against their inland neighbours. For example there is an average of 8% of residents in coastal areas registered with 'no qualifications', while inland areas have an average of 6.7%. Across the four levels for skills attainment, the coastal areas consistently perform less well against the SELEP and England average. While each community performs differently, it should be noted that Tendring, Southend and Hastings all fall beneath SELEP levels across all skills levels, while Dover and Maldon have only one skill level above the SELEP level. The most concerning aspect of this analysis is that it is the lower skills levels (Level 2 particularly) where there is the greatest gap in performance compared to the rest of the SELEP area. This reveals one of the greatest issues facing the coastal areas.

6.13 While unemployment remains generally higher than national average in coastal areas, it has been reducing in line with national trends. At national level, reports that overall unemployment in the UK is now at its lowest since 1975 (ONS, 2017), together with analysis that of the 13.5 million people in poverty in the UK, 7.4 million (55%) are in working families (RSA, 2017), the focus is shifting towards creating good quality jobs. This is an important consideration for coastal areas too given the existing predominance of low skilled, low paid work.

6.14 Despite the relatively low level of unemployment across the South East, Figure 10 illustrates a sharp contrast between coastal districts and those in close proximity to London when it comes to higher skilled occupations. This reflects the labour market relationships that SELEP shares with the capital but also emphasises the scale of the challenge that exists to raise the productivity of jobs and occupations that SELEP's residents are engaged in.

6.15 Figure 11 overleaf provides data on skills levels of residents in each of the coastal communities; both SELEP and UK national figures are included as comparison. Where a figure is highlighted in red, this reflects the district having skills levels beneath the SELEP regional level.

6.16 Where figures are coloured brown this denotes where a district's skills levels are below the national level. As can be seen, very few districts have skills levels above the national average, with Rochford alone being above in three skills levels. This demonstrates a key issue for the coastal communities. A lack of skills inhibits an individual's opportunities and creates a pressure on the labour market and public purse. It also creates a skills gap with employers seeking employees who are simply not available.

6.17 At Level 4 the stark performance against the wider region is very recognisable. Figure 12 on page 25 demonstrates that the coast has a very poorly qualified population compared to the wider region. This reflects the economic profile of the coast and the access to education facilities in the majority of coastal areas.

Figure 10: Employed Residents in SOC Occupation Groups 1-3

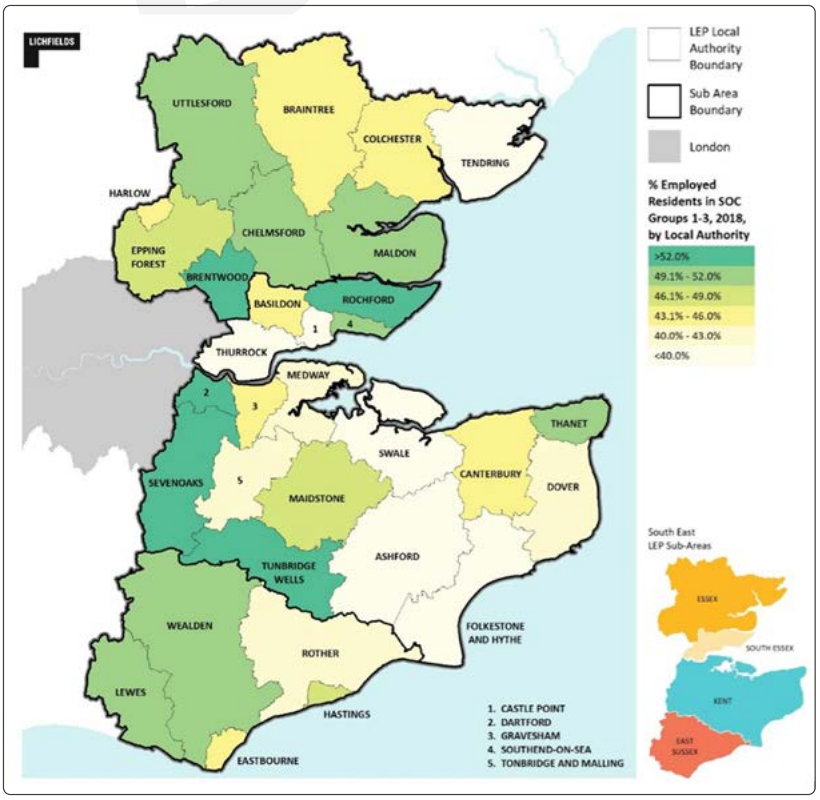
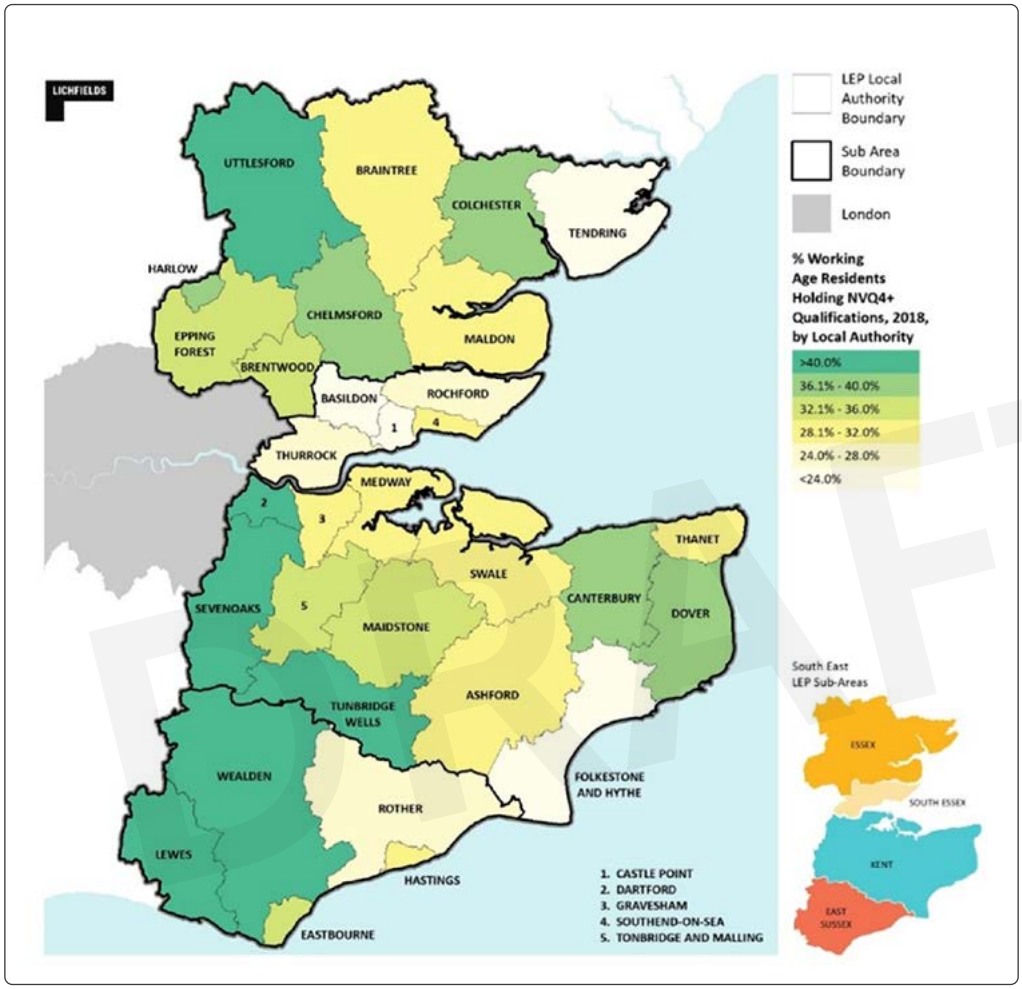


Figure 11: Skills Levels within the coastal districts

Local Authority	Level 4	Level 3	Level 2	No Qualifications
Tendring	18.3	43.8	63.9	12.0
Maldon	18.1	45.1	69.2	4.4
Rochford	40.6	59.1	83.8	4.1
Southend	28.2	47.2	68.7	10.3
Colchester	37.9	59.3	77.7	6.9
Castle Point	17.5	50.4	73.7	7.4
Medway	30.3	50.8	73.2	7.5
Swale	33.5	54.2	74.8	8.9
Canterbury	45.9	58.3	74.1	10.9
Thanet	30.0	50.9	70.7	5.5
Dover	32.9	49.7	69.5	5.2
Folkestone & Hythe	32.2	57.0	67.1	7.3
Rother	34.7	55.6	76.8	5.1
Hastings	29.7	45.9	60.5	11.7
Eastbourne	34.7	54.5	74.5	6.0
Lewes	43.5	59.8	76.3	4.9
Wealden	30.0	50.4	75.5	5.3
SELEP	33.3	52.8	72.6	9.2
UK	38.9	60.2	80.1	10.3

Source: 2016 Sub National Population Projections, ONS

Figure 12 Working Age Residents Holding NVQ4+ Qualifications



Source: ONS (2019)

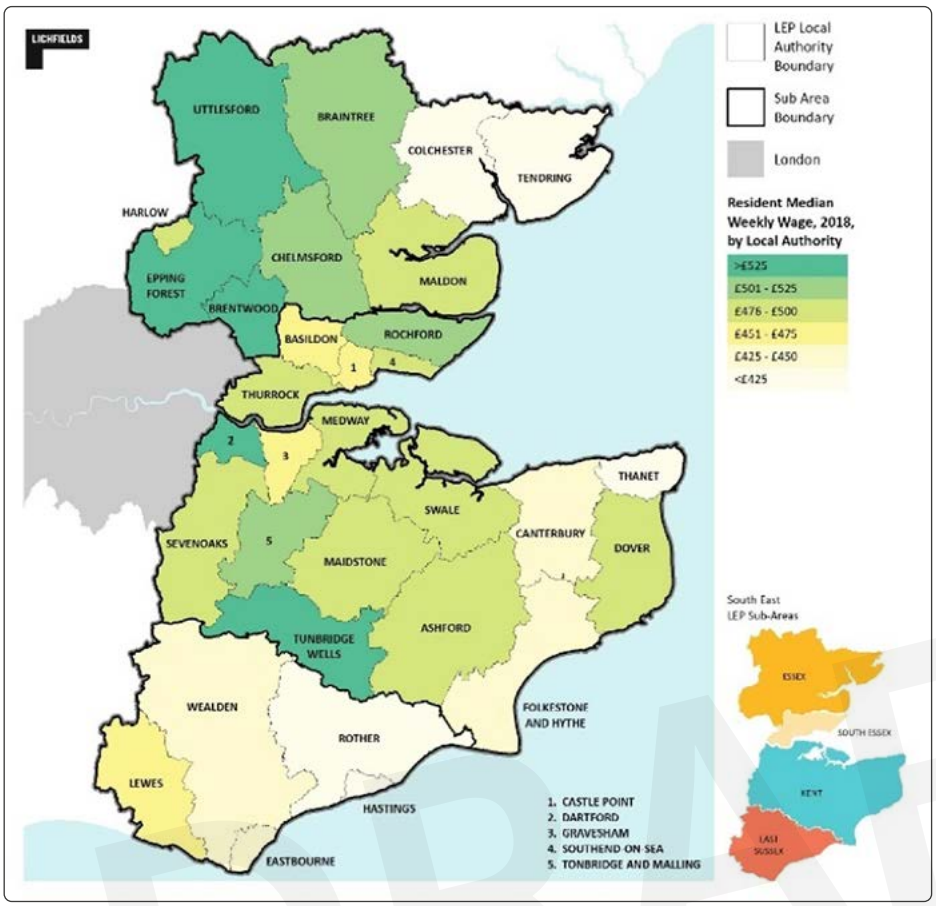
Earnings and Wages

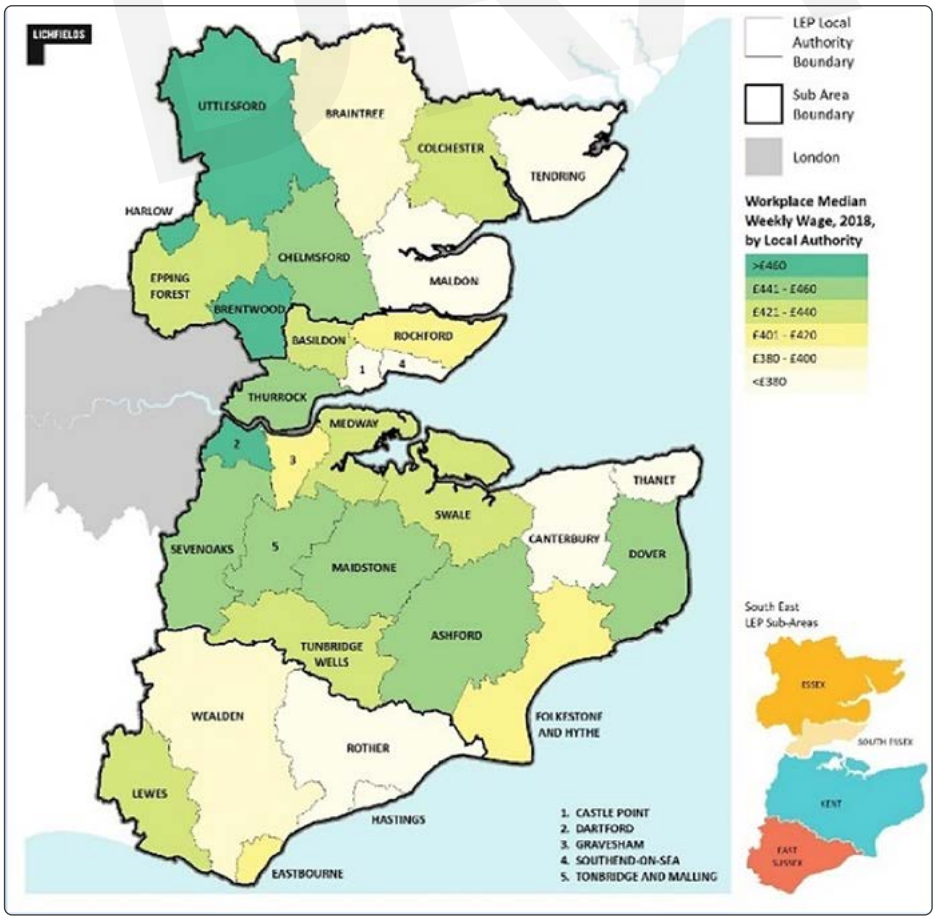
6.18 The data also shows that SELEP performs relatively poorly on average earnings compared with other LEP areas across the wider South East, South West and Midlands, with the coastal areas performing worse than the SELEP average. In fact, SELEP workplace wages are the lowest of all comparator LEP areas, revealing that the coast has a significant influence on the LEP-wide statistics, while resident earnings are also lower than most other LEPs. The Social Marker Foundation has also reported in August 2019 that the wage gap between the coast and inland areas has widened since 2017.

6.19 The "coastal community wage gap" widened substantially in 2018. Average employee annual pay in coastal communities was about £4,700 lower than in the rest of Great Britain in 2018. This compares with a wage gap of about £3,200 in 2017.

6.20 At a more local level, Figures 13i and 13ii overleaf shows highest resident earnings by resident and workspace. The map shows that the highest earning residents are typically found within western Essex authority areas, and western parts of Kent. Essex and Kent also tend to accommodate the highest paying workplace jobs, particularly compared with East Sussex and South Essex.

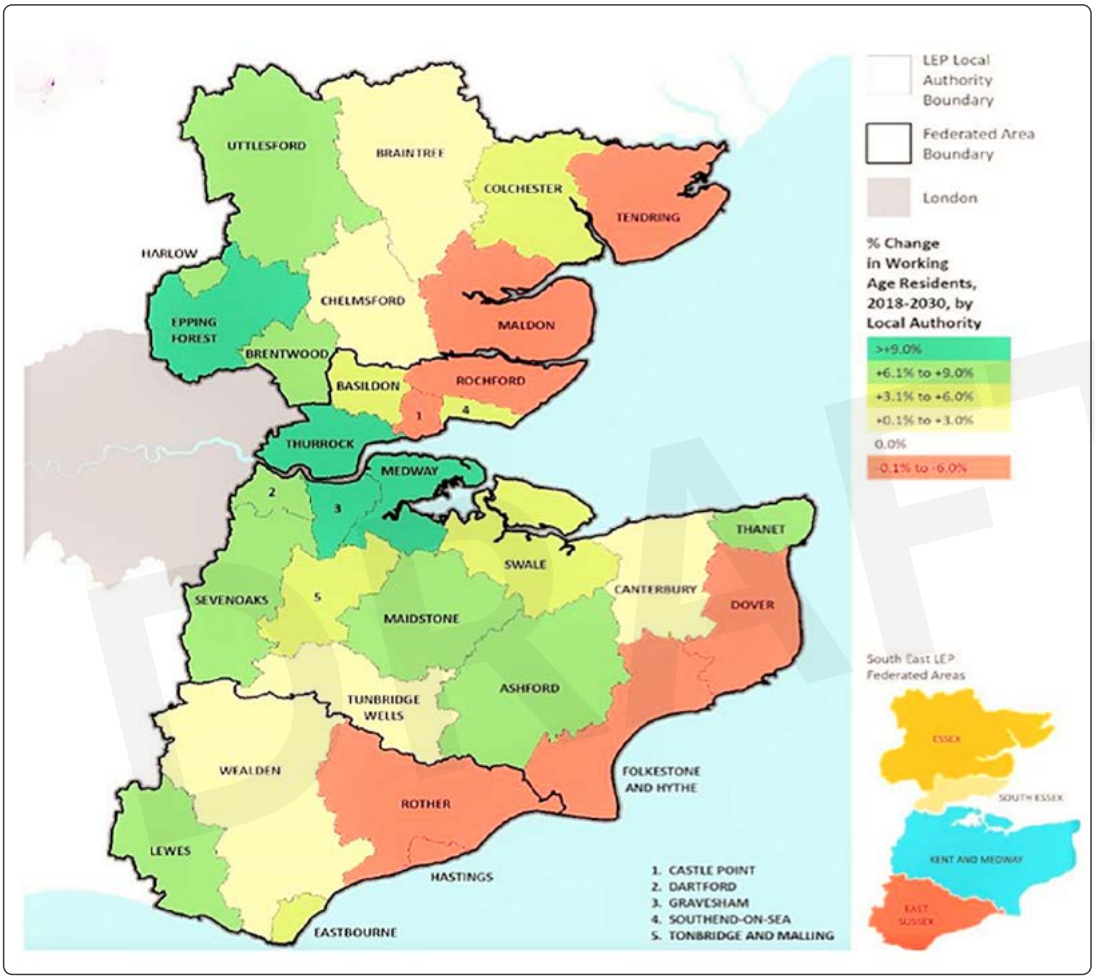
Figure 13i and 13ii Average Weekly Earnings (Resident and Workplace)





Source: ONS (2019)

Figure 14 Working Age Population Projection by Local Authority Area



Source: ONS 2019

6.21 At a more local level expected trends in working-age population change are even more varied, with a clear spatial contrast evident between coastal areas of SELEP (many of which are forecast to see a declining working-age population) and inland locations (Figure 14). This ageing of the population presents clear challenges to the coastal populations and in particular the economy. With the dominance of SME's in coastal economies, the ageing of the workforce presents succession challenges, which could potentially damage the performance of the local economy further.

6.22 The combined factors of skills, education and earnings are all interlinked and have impacted upon on the productivity performance of the coastal communities in the South East. The Social Marker Foundation has reported in August 2019 that the wage gap between the coast and inland areas has widened since 2017.

Education

6.23 Education in coastal areas has been a focus for the Department of Education for many years. Recent evidence has demonstrated that coastal communities have been underperforming. A 2016 report by Century Forum suggested that, "at Key Stage 2, less disadvantaged, non-isolated schools that are outside coastal areas have 3 percentage points higher Level 5 attainment rates than those in coastal areas." Research from SchoolDash, has also stated that "2015 GCSE results showed that pupils in coastal schools were on average achieving 3% lower results than inland schools, based on the benchmark five A*-C GCSEs including English and maths".

6.24 The challenges faced by coastal schools are related to geographical, economic and cultural factors: declining industry, limited transport infrastructure, low-paid work and few opportunities. Coastal populations simply have fewer choices than many others.

6.25 Most problematic is that these factors have an impact on how children see themselves. The Heads in this report talk about how they have worked to change young people's mindsets, to show them that they can have more choices if they can learn to believe in themselves and work hard. In many cases this reflects family history where generations have not been exposed to opportunity and therefore do not pass on encouragement and inspire their younger generation.

6.26 The findings of Drs Ovenden-Hope and Passy in Coastal Academies: Changing school cultures in disadvantaged coastal regions in England (Ovenden-Hope and Passy 2015) demonstrates the scale of challenge facing coastal locations. The schools in Dr Ovenden-Hope's study all became academies as a result of poor student outcomes and the report begins by arguing that many coastal areas are characterised by high levels of deprivation, limited skilled employment prospects for school leavers, multi-generational unemployment and communities that do not see the value of education.

6.27 The Coastal Academies study found issues facing the education sector include a combination of factors, which included:

- **Difficulty engaging students and families**
  Schools report problems engaging with students and families, citing child protection issues and a lack of motivation due to family members' poor experiences at school. In areas with high levels of unemployment that sometimes spanned generations, many families fail to understand the role, and need for education.
- **Educational isolation**
  The study concluded that large areas of the coast have no local university to act as a natural destination after school. Equally the study argued that the coast had not benefitted from targeted investment and improvement programmes that inner-city schools have benefitted from over the past ten years, for example the London Challenge and engagement from large corporations with nearby headquarters.
- **Difficulties with staff recruitment**
  All head teachers reported difficulties recruiting staff. They attributed this to their coastal location, characterised by geographical isolation, poor transport links and limited employment prospects for partners and long commutes from affluent areas. It was not uncommon to only have one or two applicants for roles – or sometimes none at all.
- **Poor quality of teaching and learning**
  The study reported that 80% of Head teachers surveyed reported poor quality teaching arising from a lack of accessible continual professional development, high rates of staff sickness, poor student assessment structures, poor

data management, poorly trained staff in key positions and low staff morale.

- **Failing local primaries**
  The study reported low or variable standards in local primary schools. The smaller number of primaries in coastal areas means Year 7 intakes are significantly affected by low-performing feeder schools, leading to teachers having lower expectations of the entire cohort that negatively define students' time in secondary school.
- **Change in politics and educational policy**
  The study reported that changes to performance measures, academy organisation, the curriculum, assessment and exams has led to significant challenges for teachers trying to improve grades. These issues were evidenced to have a bigger impact when coupled with the issues described above.

6.28 In addition, schools report that when children do succeed in school and leave for university, they do not return to their home community. The coastal communities are therefore caught between losing their brightest talent, reflecting the lack of economic opportunity and not providing a strong enough education environment for the vast majority of their local communities.

6.29 The Guardian in their report 'Out in the cold: the coastal schools neglected by national initiatives in October 2016 stated that;

'the challenges facing children here are great, and the barriers to educational achievement are many. More than half of the pupils attract the pupil premium, which provides additional funding to raise the attainment of disadvantaged pupils.

Children are trying to learn amid poverty, deprivation, high unemployment and poor housing, amid a fluid and unstable population. The level of special educational needs and disability are well above the national average; and, geographically it feels isolated.....fading seaside resorts that have lost much of their tourism – and therefore wealth – to foreign travel. But while schools in London and other deprived urban areas have been successfully turned around thanks to big investment, schools on the coast have been overlooked by national initiatives that have raised standards elsewhere'.

6.30 A further report entitled 'Rural and coastal schools - the challenge of location' – Ovenden-Hope February 2019 states that;

'The challenges of schools' geographical location, socioeconomic conditions and/or cultural opportunities and diversity in the community were identified by rural and coastal schools to a much greater extent than by urban, or coastal-urban schools. There were signs that in 2012 the Coalition government had begun to recognise the poverty in coastal regions:

The main challenges of location for educationally isolated schools were:

- Geographic remoteness - Rural and coastal school leaders indicated the highest levels of geographical isolation from another school. They reported limited access to public transport, and the high cost of travel and long journeys were seen to have a negative effect on teacher recruitment and retention, and on parental/community engagement with the school.
- Socio-economic disadvantage - Rural and coastal school leaders indicated the highest levels of perceived isolation in relation to economic and social indicators.
- Few large-scale, innovative employers resulted in an impoverished type of careers advice that was without reference to new or potential forms of employment in a fast-changing world.
- High levels of seasonal and poorly-paid employment were reported by school leaders in rural and coastal areas. These employment conditions were seen to limit young people's

expectations from employment and reduce their motivation to work hard at school.

- The absence of sound employment prospects, particularly when combined with austerity measures, was seen to have a devastating effect on socioeconomically deprived and isolated communities. Students were reported as 'experiencing a lot of trauma'.
- Cultural isolation - Rural and coastal school leaders indicated the highest levels of perceived isolation in relation to cultural opportunities, such as museums and theatres, and cultural diversity'.

6.31 Further analysis has identified that government investment in London has led to its rise as an 'education superpower', succeeding despite high levels of deprivation. Whereas coastal schools, however (here defined within 5.5km of the coast of England) appear to face continuing challenges that impact on performance (changing student behaviour in schools located in areas of socioeconomic deprivation: findings from the 'coastal academies' project. R Passy, T Ovenden-Hope; 2015).

6.32 The coastal communities also report that the academisation of schools has had a profound impact on education in their area. There is evidence that academy schools create a two-tier system; they have the best facilities and attract the best teaching staff, leaving other schools in the area as 'sink' schools. There is evidence that academies 'cherry pick' their pupils, and even expel less able pupils, in order to achieve better exam results.

6.33 The research available demonstrates that coastal schools face more challenges, to a much greater extent than by those in urban schools. The issues facing schools in coastal areas are multi-faceted and ingrained within the community. Many are not within the schools control, and require a broad multi-agency approach to tackling the root of the issues. Without tackling issues within the education system, the coastal communities are simply storing up issues that present in later life, such as health, housing and crime. It will be important for each community to focus on education to ensure it does not further exacerbate issues being felt in coastal communities and long term solutions are implemented which tackle the issues that have been identified.

7.
PLACE

7. PLACE

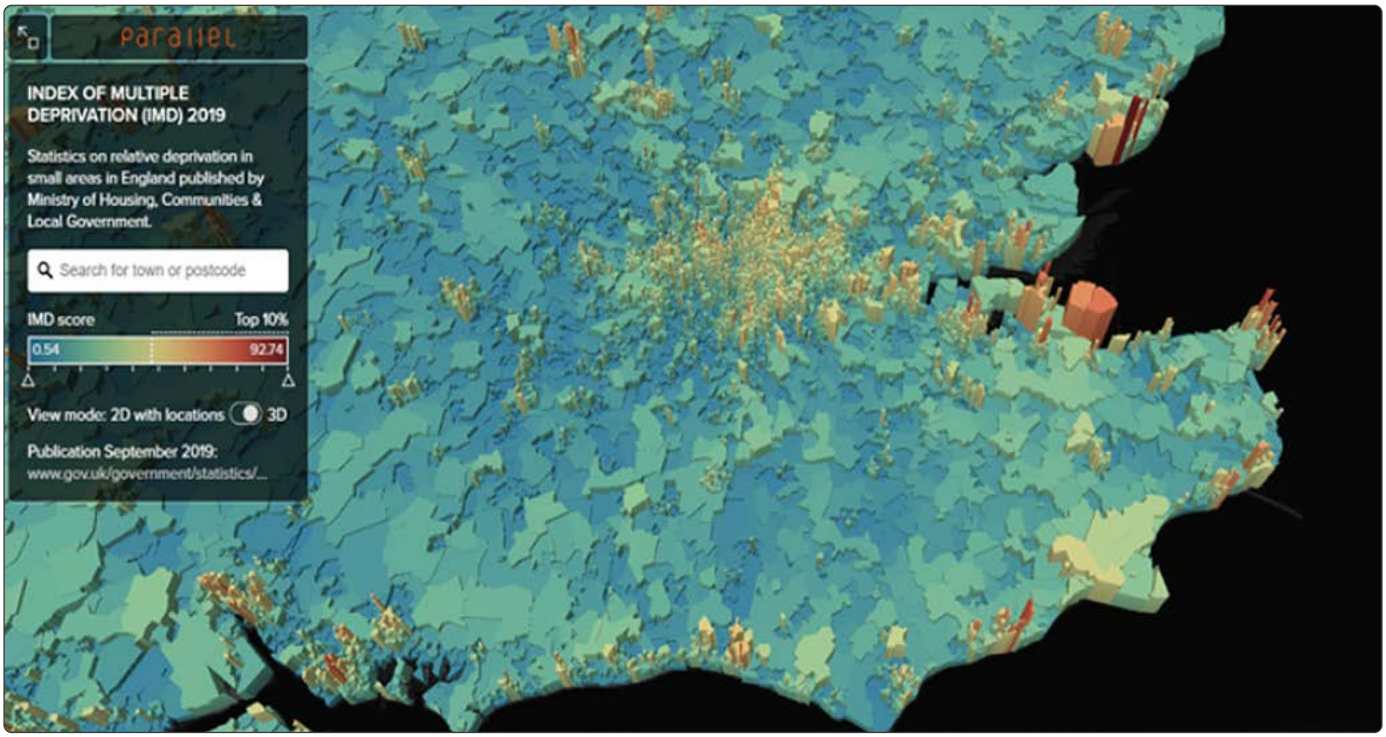
Deprivation

7.1 At the local authority level, deprivation within SELEP is highest in Hastings, which is ranked as one of the 10% most deprived areas in England.

7.2 At a more granular level, significant variations can be observed across each of the LEP sub-areas. As shown in Figure 15, the most acute concentrations of deprivation can be seen in and around Hastings, the Isle of Sheppey (in Swale District), Clacton-on-Sea (in Tendring District) and Margate (in Thanet). These areas all fall within the 10% most deprived Lower Super Output Areas nationally.

7.3 The Indices of Multiple Deprivation (IMD) are produced by Ministry of Housing Communities & Local Government (MHCLG). The IMD (2019) covers seven measures: Income, Employment, Education, Health, Crime, Housing Barriers and Living Environment. A stark headline within the data (IMD; ONS 2019), reveals that the extent of deprivation within the coastal communities is similar to that experienced in major cities. A review of the top 10% of the most deprived communities reveal that deprivation is not simply in 'pockets' but rooted within entire coastal communities. MHCLG present data based on Special Output Areas (SOAs), these are aggregated to form ward level data. This leads to a clear picture of deprivation across coastal towns. Figure 16 overleaf demonstrates the extent of deprivation within coastal communities which have SOAs in the top 10% of the IMD.

Figure 15: Indices of Multiple Deprivation



Source: MHCLG (2019)

Figure 16: Indices of Multiple Deprivation

Local Authority	Number of SOAs in Top 10% of IMD	Number of SOAs impacted by deprivation in each district	% of SOAs in each authority with deprived communities
Hastings	16	16/53	30%
Thanet	17	18/83	21%
Swale	16	14/67	20%
Tendring	16	10/72	14%

Source: ONS – Index of Multiple Deprivation 2019

7.4 A number of local authority areas have SOAs in the top 10% nationally impacting a significant number of wards within the local area. However Hastings Borough Council has 30% of its SOAs in its borough in the top 10% most deprived in the country. Similarly Thanet and Swale both have over 20% of their communities living in the top 10% most deprived in the country. Tendring has 14% of its district located in the top 10%, however, the most deprived community in the UK is Jaywick Sands, located in Tendring. Figure 17 overleaf highlights the number of SOAs across the South East in the top 10 most deprived in 2019, this shows a 10% increase from 2004. The increase in number of SOAs demonstrates that deprivation is impacting more communities and reflects the economic performance across the South East coast.

Fuel Poverty

7.5 One measure that reflects poverty in communities is the level of fuel poverty. Fuel poverty in England is measured by the government, with households considered to be 'fuel poor' if:

- they have required fuel costs that are above average; and
- were they to spend that amount, they would be left with a residual income below the official poverty line.

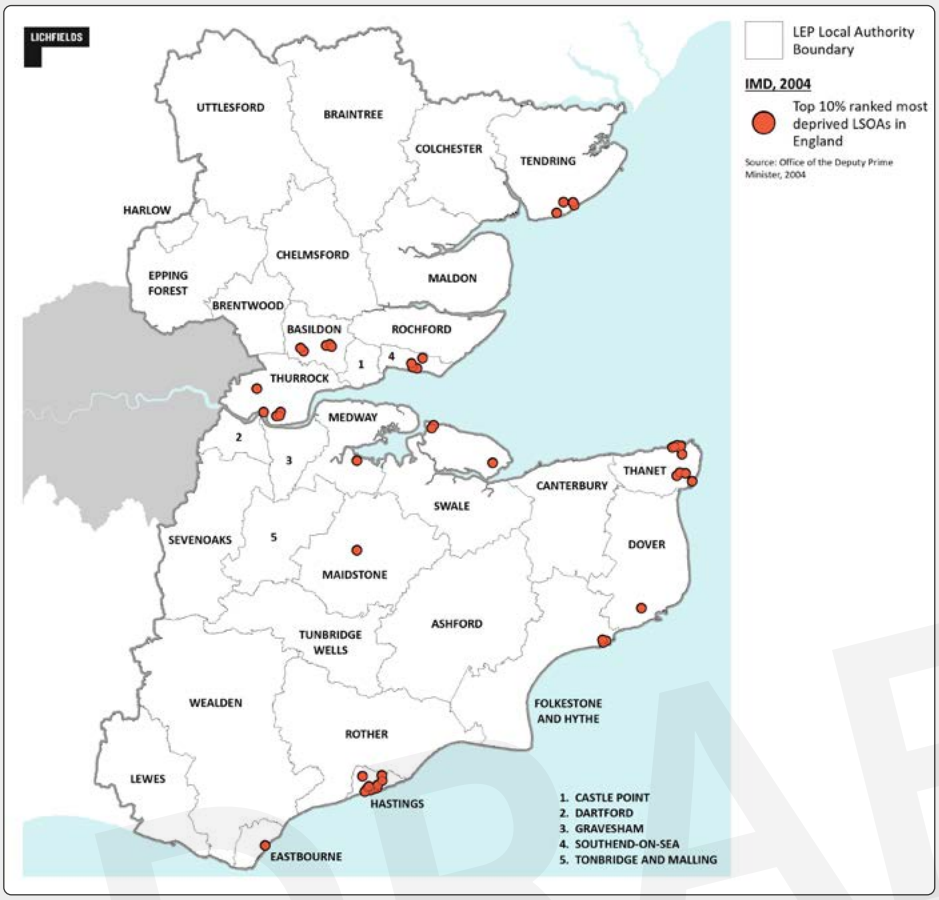
7.6 It provides an alternative indicator of household deprivation and the scale of socioeconomic challenge that exists across parts of the country towards boosting prosperity and earning power.

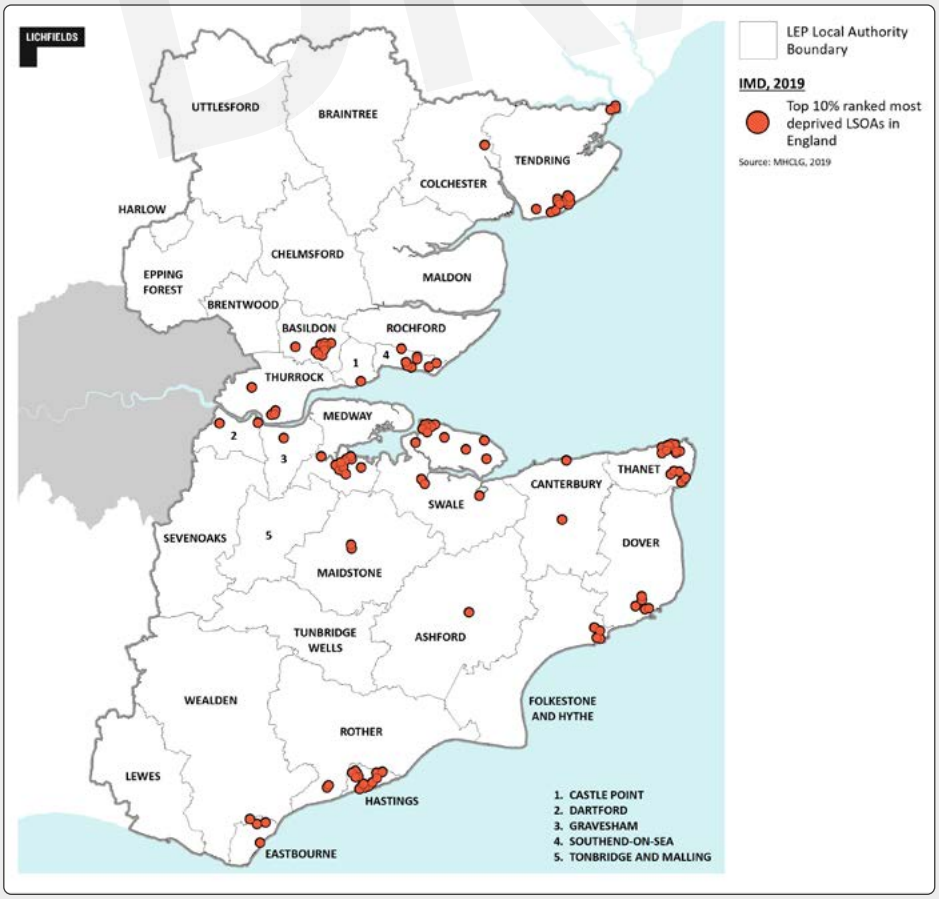
7.7 Data from the Department for Business, Energy & Industrial Strategy (BEIS) indicates that approximately 1 in 10 households in England are fuel poor (10.9%), and that the South East region (i.e. Government Office Region) has the lowest proportion of fuel poor households in the country. Figure 18 shows that within the SELEP area, these regional-wide trends vary quite considerably, with many of the coastal authorities recording over 10% of households in fuel poverty.

7.8 Fuel poverty and private rented housing have a strong correlation. The annual fuel poverty statistics report: 2017 demonstrates that recent statistics for England show that the levels of fuel poverty are highest in the private rented sector (PRS) and this sector also has the highest fuel poverty gap.

Compared with other housing tenures, Figure 19 on page 36 shows that the PRS has the largest proportion of the most energy inefficient F- and G-rated properties (as recorded on their Energy Performance Certificates), at 6.3%. This compares to around 0.7% of social housing. 45.7% of households living in such properties are in fuel poverty.

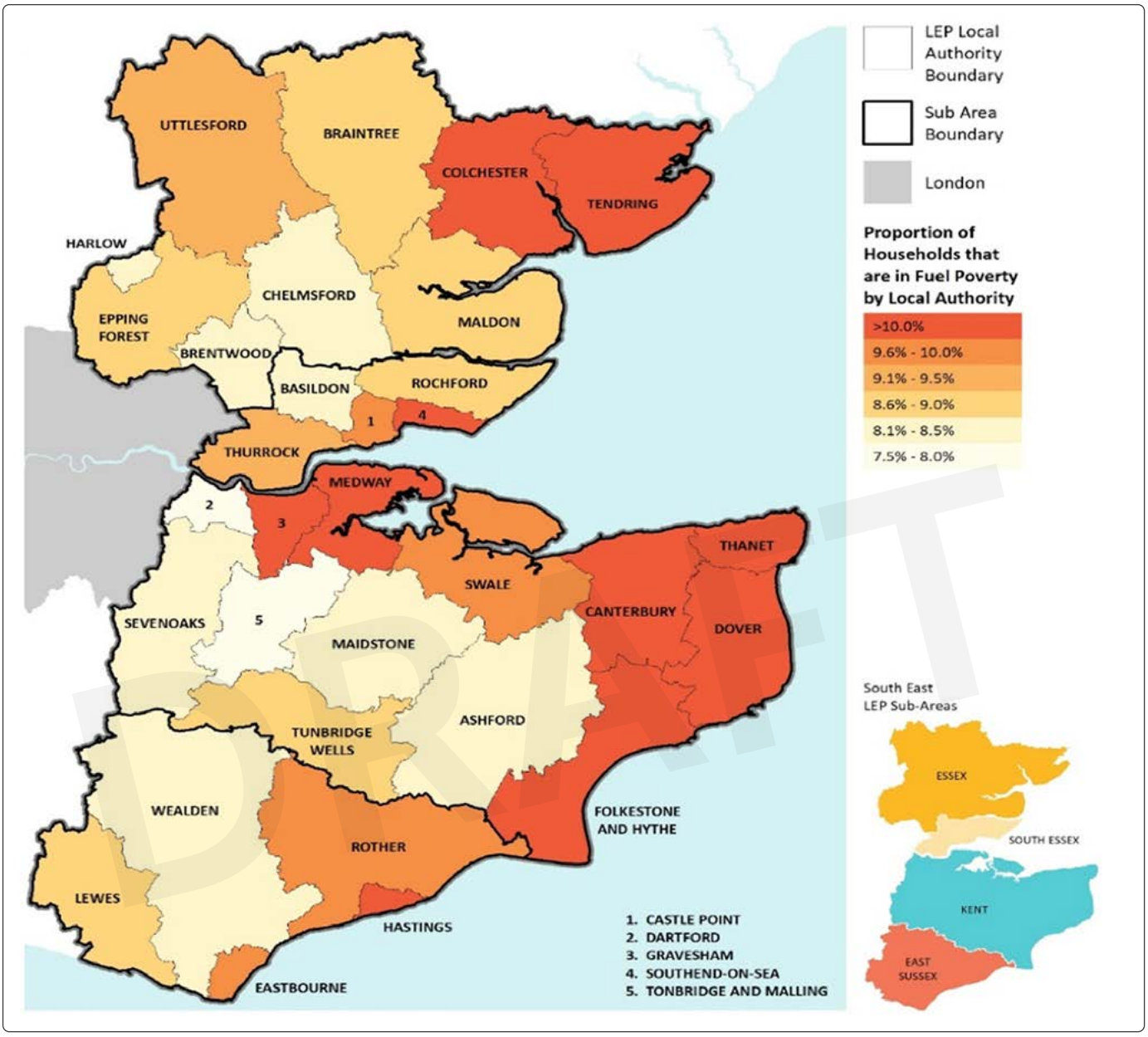
Figure 17: Top 10% ranked most deprived LSOAs (IMD,2004 and 2019)





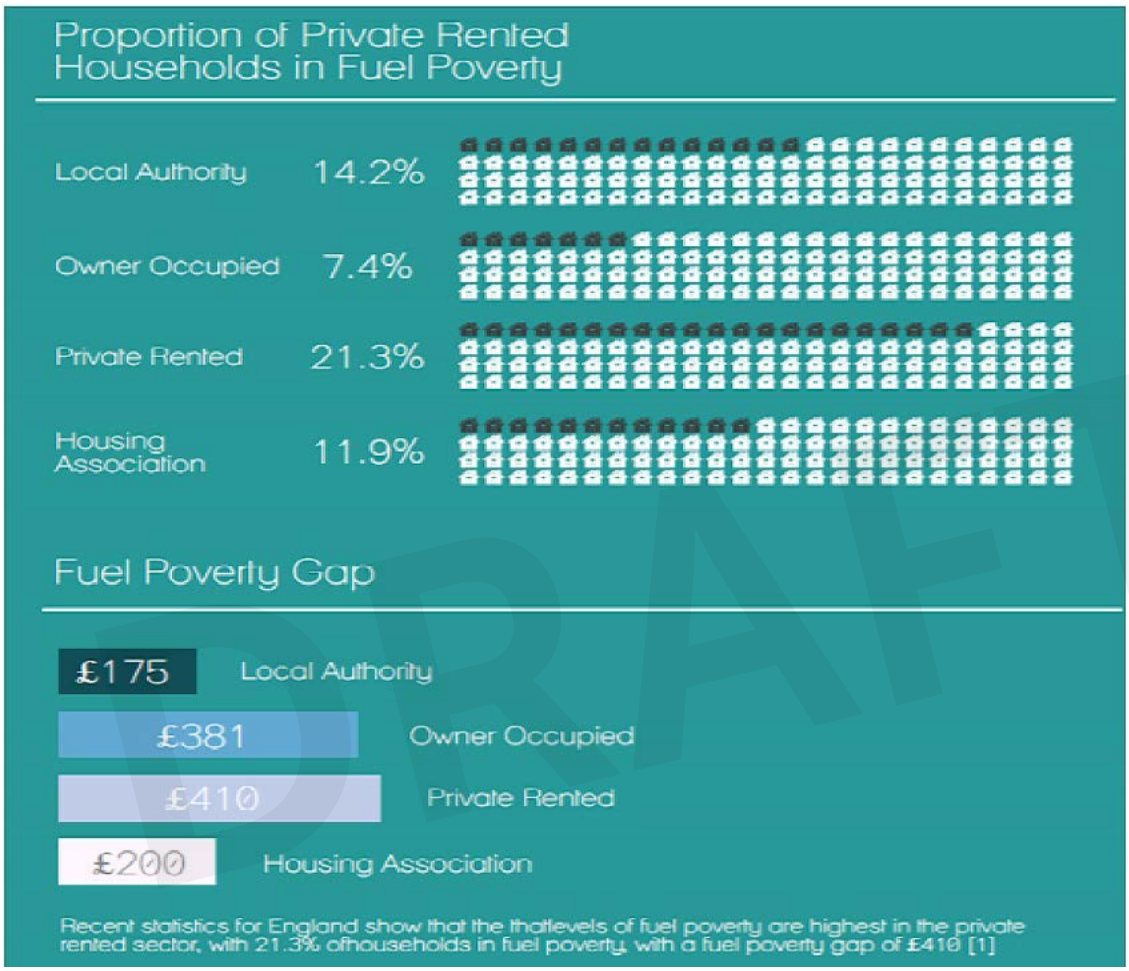
Source: IMD Data ONS 2019

Figure 18: Fuel Poverty by Local Authority



Source: BEIS (2018)

Figure 19: Proportion of Households in Fuel Poverty



Health factors in the coastal communities

7.9 The Future of the Sea: Health and Wellbeing of Coastal Communities (August 2017) report states that 'Coastal populations are more likely to report poorer general health than those further inland';

> *Health and wellbeing are closely tied to economic activity and to the levels and quality of employment. The primary industries and commercial activities in many coastal areas – such as tourism, shipping, energy (including renewables), defence, and fishing – are highly dependent on the state of the local environment, further exacerbating vulnerability to change. The ability to address economic underperformance is allied to the availability of skilled labour and a large pool of people. Health indicators reveal that coastal communities have higher incidents of health issues'.*

7.10 Levels of economic inactivity around the south coast reflects the link with health issues faced within local communities. A number of locations display significantly higher than the regional average levels of economic inactivity. This is a major economic issue within the coastal towns. These are set out in Figure 20 overleaf.

Figure 20: Levels of Economic Inactivity

District	Level of Economic Inactivity
Eastbourne	26.9%
Hastings	24.5%
Swale	23.7%
Rother	22.6%
Thanet	21.7%
Tendring	20.7%
South East	18.4%

Source: ONS: Local Authority Profiles

Figure 21: Incidence of local population reporting poor health

Source: NHS Monitor 2017

7.11 Figure 21 indicates that the unadjusted percentage of the population reporting bad or very bad health is greater within coastal communities than inland areas. The specific health issues of coastal residents are typically those faced by older populations (e.g. increased rates of morbidity and multi-morbidity, high demands on health services), or relate to lifestyle factors such as high levels of alcohol use. Characteristics of coastal communities (potentially including physical isolation, low levels of employment, and constrained sociocultural opportunities), have also been associated with high rates of poor self-esteem, poor mental health and harmful behaviours among young people (Cave 2010; Health, Wellbeing and Regeneration in Coastal Resorts).

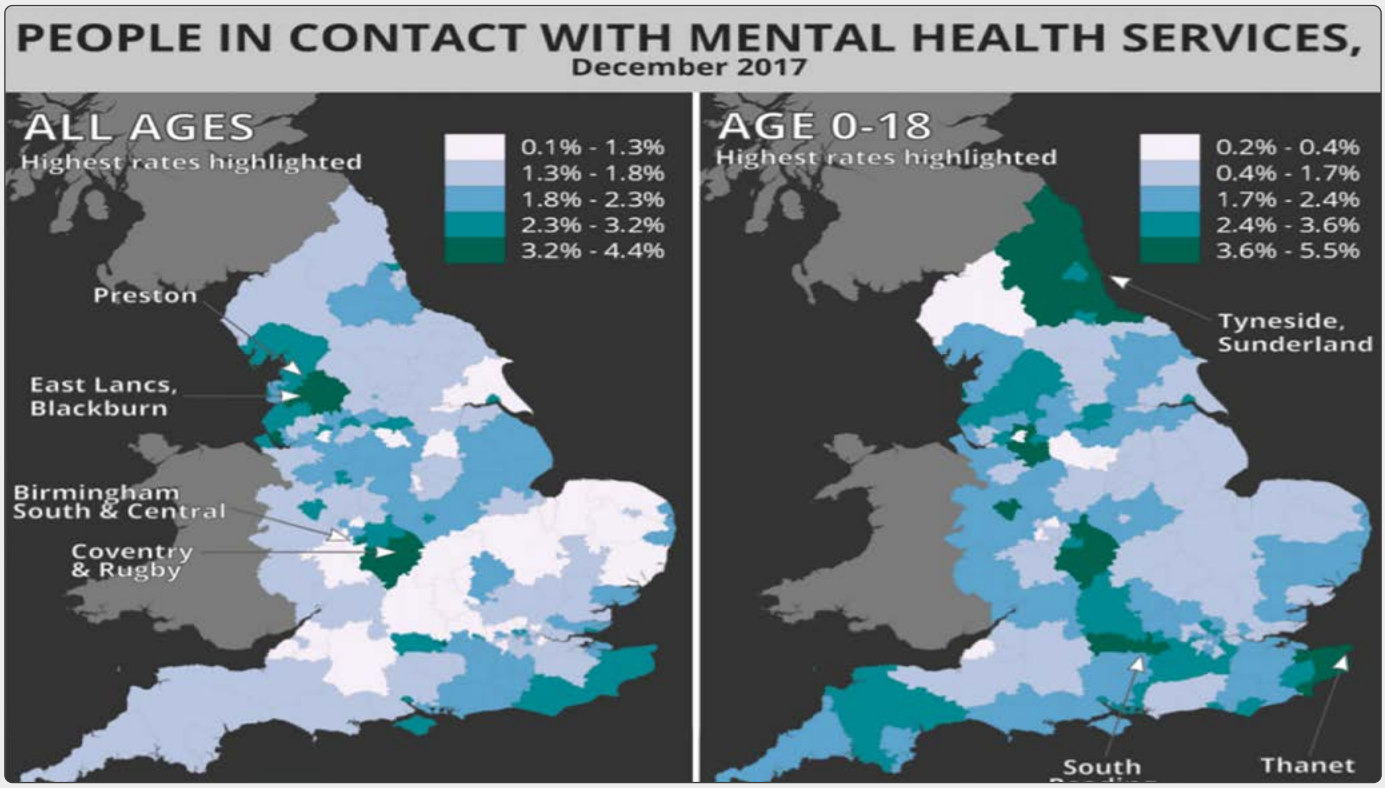
7.12 The range of health indicators reveals that coastal areas have more pronounced issues than inland areas. NHS Digital reports on a range of indicators. Of particular note are the indicators concerning the number of people in contact with mental health services (Figure 22 overleaf) which reveals a high incidence in coastal areas in the South East, with Thanet identified as one of the areas with the highest incident of mental health service use by young people in the country.

7.13 Equally the majority of the coastal communities in the South East display similar levels of service use, which is significantly higher than inland neighbours and within the top quartile nationally.

7.14 The analysis is further added to when investigating the prevalence of depression and anxiety (Figure 23). The NHS atlas also shows a higher incidence around the South East coast, particularly in East Sussex, Kent and North Essex. This places these areas amongst the highest in the country and aligned to inner city areas.

7.15 The importance of alcohol misuse as a public health issue has been highlighted in a number of key policy and strategy papers both locally and nationally. Alcohol indicators also demonstrate a major problem for the coastal communities across all sections of the community. Young people (15 year olds) in East Sussex have significantly higher alcohol consumption of 8%, compared to the England average of 6%. Year 10 pupils reporting that they had had a drink in the last seven days was highest in Wealden and Hastings. With 20% of 15 year olds confirming that they had been drunk within the past four weeks (national average 14%).

Figure 22: People in contact with mental health services



Source: Number of People in contact with Mental Health Services; NHS Atlas of Variation 2016

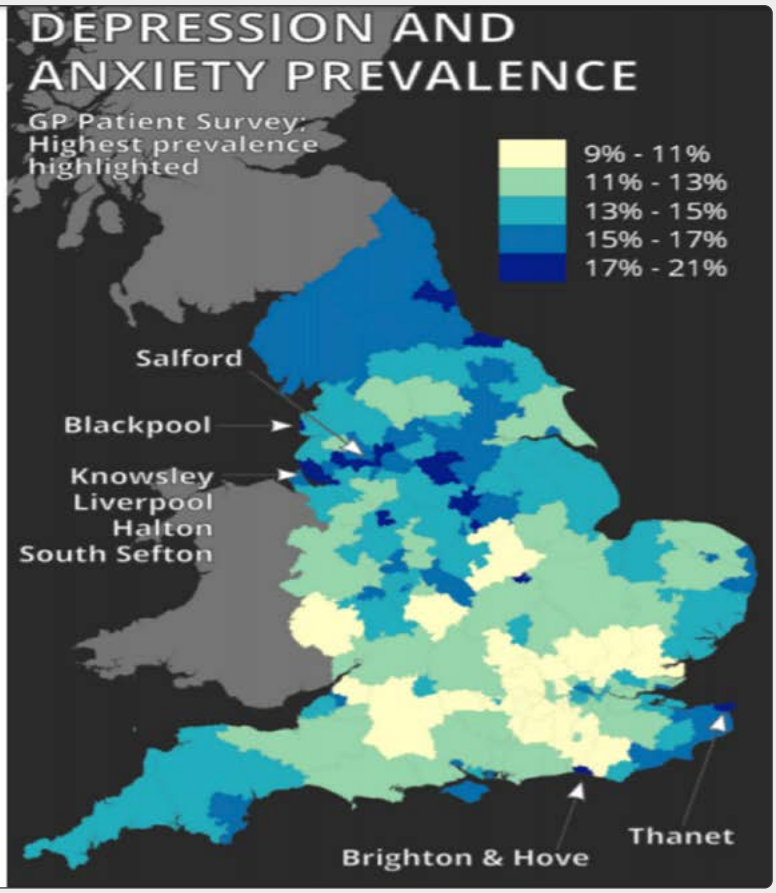
Figure 23: Prevalence of anxiety across the UK

DEPRESSION AND ANXIETY PREVALENCE

GP patient survey estimates, age 18+

HIGHEST RATES	
Knowsley	21%
Liverpool	19%
Halton	19%
South Sefton	19%
Salford	19%
Blackpool	18%
Brighton & Hove	18%
Thanet	18%
Corby	18%
Nottingham City	18%

LOWEST RATES	
Newbury & District	9%
Surrey Heath	9%
Wokingham	9%
Harrow	9%
North & West Reading	9%
Redbridge	10%
Richmond	10%
Guildford & Waverley	10%
Chiltern	10%
Bracknell & Ascot	10%



Source: NHS Atlas of Variation 2016

7.16 In Kent, there were 39% of children in years 7 to 11 who reported drinking alcohol at least once. This pattern of reported drinking alcohol is the lowest rate since records began in 1988. This trend is also reflected in the reduction of alcohol-related hospital admissions in those aged below 18 years nationally and in Kent. One-in-four deaths amongst 16-24 year olds are related to alcohol.

7.17 Alcohol-related health harms (admissions and deaths) are significantly worse in Hastings than in England, with 32% drinking to levels of excess. Eastbourne generally has similar levels of alcohol related health harm to England, with Lewes, Rother and Wealden either 'similar to' or 'significantly better', compared to the national average. Alcohol health harm is higher for males.

7.18 A&E attendances during the night-time economy due to assaults are higher for males and for 15-24 year olds. Attendance rates are significantly higher than the county average in Eastbourne and Hastings. There are higher rates for persons from more deprived areas. Alcohol-related ambulance call-outs have seen a 17% increase in 2015/16 compared to 2014/15. Half are between 8pm and 4am with a further 1 in 5 between 4pm and 8pm.

7.19 There is a strong relationship between deprivation and alcohol misuse. Although Kent is one of the least deprived counties in England, it has areas of significant deprivation. Generally, those living in deprived conditions are among the least likely to seek help for health-related issues although it should be remembered that fearing stigmatisation, those living in more affluent communities will also require help.

7.20 Similarly drug abuse is having a major impact on the coast. ONS reports that deaths in coastal communities where a drug controlled under the Misuse of Drugs Act 1971 was mentioned on the death record stands at 428 people between 2016-18. Both Thanet and Tendring display a level of drug related deaths at twice the Essex county average and both Hastings and Eastbourne average at similar levels. ONS reports that Hasting experiences the 3rd highest number of drug related deaths per 100,000 population, while Thanet is 8th highest.

7.21 Drug dependence has severe implications for all areas of society, from increased crime rates to a rise in child neglect. Aside from the evident costs of treatment for those dependent on drugs, which is estimated at over £44,000 per problematic drug user each year, there are several other costs associated with drug abuse; these include for example, extra policing, money needed to repair or rebuild community structures damaged by vandalism or drug-related crime, legal proceedings and hospital treatment for those affected by drug-related crime or poor decision making on the part of an individual under the influence of drugs or alcohol.

7.22 The Drugs Forum (2015) reported that there is a strong correlation between drug abuse and poverty. In many case drug abuse often causes poverty. Someone addicted to drugs can quickly lose their job or have a hard time holding down a job.

7.23 The Social Market Foundation 'Living on the Edge'; August 2019 has reported that the impact of poverty, drug abuse, alcohol abuse leads to a stark impact on life expectancy. Life expectancy data is now revealing a growing gap between the coast and the rest of the country. The report states that;

'There is now a widening life expectancy gap between coastal communities and the rest of Britain. While in the early 2000s there was no life expectancy gap for men born in coastal communities, those born today can now expect to live half a year less than those in other parts of the country. Life expectancy at birth among women born in coastal towns has fallen recently'.

Housing

7.24 The House of Lords report 'The Future of Seaside Towns'; April 2019 investigated issues relating to coastal housing. The report concluded that housing was a prominent issue for coastal communities.

7.25 A number of key themes have emerged that impact upon housing in coastal communities. The coastal communities report that the role of private sector housing has a significant impact on local housing. The ONS confirms that in the past 10 years, the number of people living in poverty in the private rental sector has almost doubled to 4.3 million, more than half of whom are in working families. This is a big shift in the profile of people in poverty and has consequences for the affordability, stability and quality of homes.

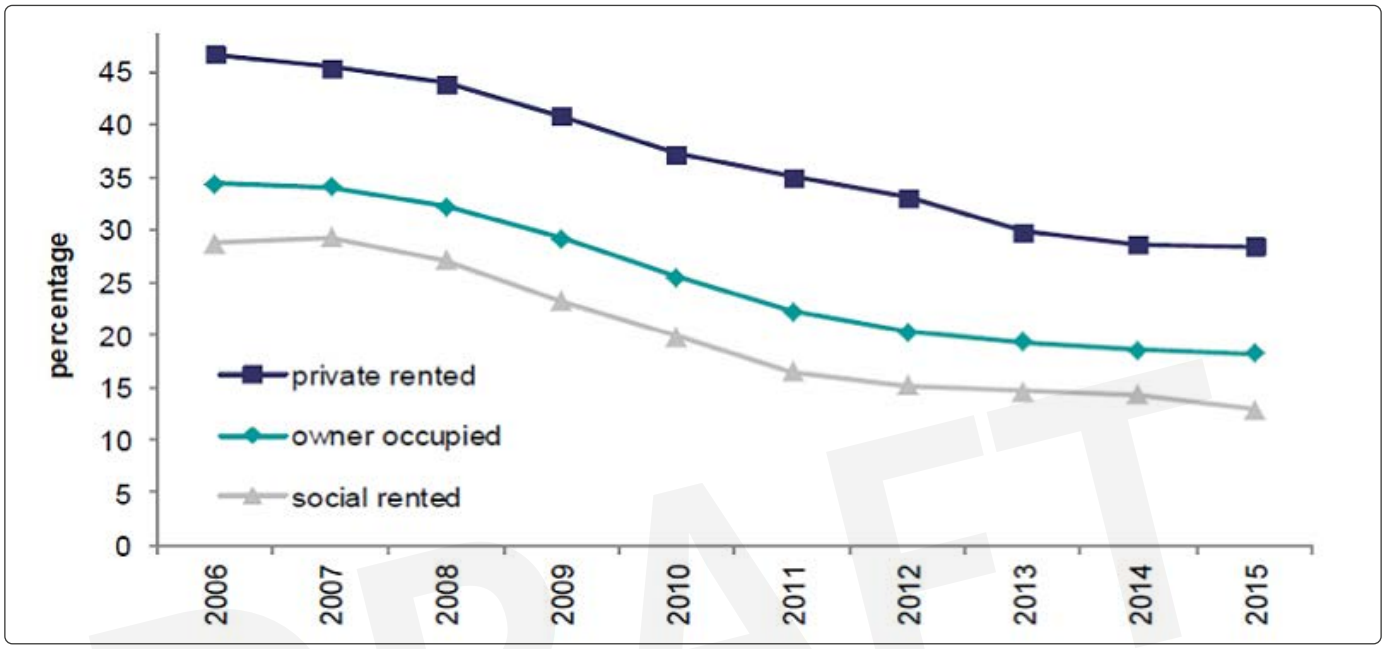
7.26 Shelter state in Happier and healthier: improving conditions in the private rented sector; September 2017 that 'property conditions in the private rented sector are worse than any in any other tenure. More than a quarter (28%) of privately rented homes did not meet the government's Decent Homes Standard in 2015. This compares to 13% in the social rented sector and 18% of owner-occupied homes'. Private rented homes, which most commonly comprised of two bedrooms, were more likely to be older with 35% built before 1919. The private rented sector had a higher proportion of terraced houses (36%) and converted flats (11%) than all other tenures but it did have a higher proportion of detached homes (6%) than the social rented stock (less than 1%).

7.27 The coastal communities report that the supply of social housing is not sufficient to meet housing demand locally. There is therefore a reliance on the private rented sector which in many communities is over 30% of all the housing stock; this is over twice the national average. However, a higher than average proportion of this privately rented accommodation, often in multiple occupation, is below minimum acceptable standards. Evidence shows that over 50% of all Houses of Multiple Occupations (HMOs) fail to meet the government's Decent Homes Standard (Figure 24 overleaf demonstrates the variance in decent homes by housing tenure). Many suffer from low standards of fire safety, management and maintenance, and in some cases, tenants are treated very poorly and the buildings are a focus for crime and anti-social behaviour.

7.28 The Future of Seaside Towns report by the House of Lords, noted that the growth of HMOs underpinned and exacerbated a number of the social and economic challenges that coastal communities face. The report identified that 'HMOs are associated with poor quality housing and poor tenant management. High concentrations of HMOs have also been related to increased anti-social behaviour, poor social cohesion and increased pressure on local services.' Moreover, 'the abundance of low-quality housing stock in many coastal towns was linked to two key problems for seaside towns. First, that there is a link between HMOs and a transient and vulnerable population, which can place additional pressure on local services, and can impact negatively on community stability and cohesion. Second, that concentrations of sub-standard housing stock, that is often dilapidated, unsafe or even abandoned, acts as a blight on the locality, making these areas unattractive for redevelopment and frustrates efforts to complete wholesale regeneration in coastal towns'. This can be further evidenced in terms of house ownership for each coastal district set out in Figure 25 on page 42.

7.29 The report also stated that population transience in the coastal areas was "largely the result of London boroughs relocating applicants for social housing away from support networks". Within the coastal communities, we have calculated that over £4.2m is spent per annum on emergency accommodation for arrivals seeking housing.

Figure 24 Non Decent Homes by tenure 2006-15



Source: MHCLG English Housing Headline report 2017

In addition, councils are spending over £7m per annum on purchasing housing for use as emergency accommodation. These are abnormal costs that typically fall upon metropolitan and coastal areas, which are not covered by the current funding formula for local authorities. With the continued reduction in central government grant funding to councils and the move towards local retention of business rate receipts, the coastal communities are increasingly likely to be caught by the abnormal housing costs experienced through emergency provision, and the limited business rate uplift coastal areas experience due to the performance of their economies.

7.30 The Coastal Communities Alliance outlined the impact that this practice has and suggested that local authorities lacked the resources to manage the pressures that population transience may cause: "Compounding the effects of coastal deprivation is the local authority funding formula that does not cover the costs generated by transient populations, looked-after children, mental health issues, homelessness, housing benefit dependence and worklessness. Overstretched service budgets can undermine efforts and the resources available for community engagement, developing attractions, stimulating business growth and engaging in the costly uncertainty of inward investment promotion."

7.31 The National Housing Federation has further suggested that poor quality housing in the private rented sector could also, in some areas, provide a barrier to regeneration, particularly where there is a desire to take a place-based approach: "In communities where the private rented sector is large and low quality it is extremely difficult for the local authority, or anyone else, to undertake place-based regeneration."

7.32 The report made two very clear recommendations to government which are pertinent to the coastal communities in the South East;

'A sustained, long-term effort is required to address the impact of transience on coastal areas. We recommend that the Department for Work and

Figure 25: Home ownership in coastal districts

Local Authority	Local Authority owned	Private register	Other	Private ownership	Total
Tendring	3130	2860	0	63350	69340
Maldon	0	3020	0	25220	28240
Rochford	0	2880	0	32840	35720
Southend	5980	3580	0	71140	80710
Colchester	5950	5150	20	69450	80570
Castle Point	1520	600	0	36510	38630
Medway	3030	5180	300	106000	114500
Swale	10	8370	0	52930	61310
Canterbury	5120	2520	30	60070	67730
Thanet	3050	4780	240	59120	67190
Dover	4310	2660	0	47090	54070
Folkestone & Hythe	3380	1990	300	46160	51820
Rother	0	4300	0	41050	45350
Hastings	0	6100	10	38120	44230
Eastbourne	3450	2640	0	42700	48800
Lewes	3210	1480	0	40810	45500
Wealden	2930	2490	10	63740	69190

Source: ONS

Pensions works with MHCLG to assess the scale and impact of population transience in and out of coastal areas, and examine the extent to which this is a result of non-coastal local authorities placing vulnerable adults and children into these areas. Such an assessment should be cross-referenced with the Government's updated research into the challenges facing coastal communities, including the disproportionately high levels of people claiming sickness and disability benefits in coastal towns.

We recommend that funding for the receiving coastal local authorities should reflect the financial impact of providing adequate services to support the needs of vulnerable people.'

7.33 Fuel poverty continues to be an issue for the coast. The number of households in fuel poverty in coastal districts are amongst the highest in the South East. This is mainly due to the nature of the housing stock but also as a result of poor housing management in some areas and many households being on low incomes. The coastal communities are committed to reducing fuel poverty and are working with partners to introduce a range of measures that will improve housing standards through enforcement, practical improvements to homes, promoting awareness of how to reduce fuel costs and continued applications for external funding for new initiatives to tackle fuel poverty. Strategic initiatives that combine licensing, enforcement and acquisition will be important in the council's aims of driving up housing standards and in turn improving the health and wellbeing of residents and neighbourhoods.

7.34 The Joseph Rowntree Trust reports that the high cost of housing and childcare is an insurmountable obstacle for many people wishing to escape poverty. The organisation goes on to suggest a number of ways in which poverty rates could be lowered through housing policy. These include;

- Boosting the supply of genuinely affordable housing
- Enabling young people leaving care to maximise their potential with proper support on housing, employment and training
- Unfreezing working-age benefit levels and increasing them in line with rises in the cost of essentials such as food, clothing and housing
- Benefits should also account for the extra costs faced by those with a disability, longstanding illness or a mental health condition, including those associated with housing.

7.35 While it is clear that improvements to the labour and housing markets alone will not guarantee shared prosperity for all, the report also warns the rise in evictions is increasing poverty: "High rents and evictions from private tenancies are a major driver of homelessness in some areas. Increasing the supply of genuinely affordable housing to bring down costs across tenures has become central to solving poverty in much of the UK."

7.36 In addition to the current issues facing coastal communities, the government is expecting that housing growth will be delivered within all communities. Figure 26 on page 44 highlights the housing growth that has been delivered within each coastal community across the past decade.

7.37 Figure 26 overleaf highlights that housing growth has been consistent across the coastal communities. As a collective group the coastal authorities have made a significant contribution to housing growth across the SELEP area, with the coast delivering more new housing units than inland areas. Only in 2017/18 did the inland areas deliver more new units than the coast.

7.38 Looking ahead, based on Local Plans in place for the coastal local authorities, collectively over 7,000 housing units will need to be delivered to meet plan targets until 2038.

7.39 In addition Tendring District Council and Colchester Borough Council are working on the Tendring Colchester Borders Garden Community. The Garden Community is proposed to develop 7,500 new homes within 198 hectares.

7.40 Coastal communities are able to cite a range of issues in delivering housebuilding. Many can evidence that viability precludes developers from considering sites within coastal areas. There are examples where sites have stalled due to the utility companies not engaging in projects, or simply refusing to provide services, examples here include North Bexhill, Rother.

7.41 SELEP has previously identified high levels of private renting in some of its coastal communities, often to those with complex social needs, with rents providing significant returns to landlords. The LEP plans to ensure that landlords are unable to let property that does not meet health and safety regulations, and cannot receive benefit payments directly when letting such properties. Further incentives are planned with the help of the government's Behavioural Insights Team.

7.42 Resolving housing issues in coastal communities will require a coordinated effort involving policy change at government level, new sources of funding and close stakeholder working at local level across both statutory agencies and communities. Addressing the imbalance in the housing stock in these areas will provide a mix of housing to improve housing choice and help to deliver long-term policy objectives relating to economic regeneration is a key priority for the coastal communities. However many of

Figure 26: Housing Growth 2010-18

Local Authority	2010/11	2015/16	2017/18
Tendring	36	232	565
Maldon	102	91	175
Rochford	52	93	299
Southend	226	328	521
Colchester	636	1072	1048
Castle Point	451	56	163
Medway	740	809	685
Swale	485	397	585
Canterbury	384	625	1139
Thanet	1007	320	238
Dover	418	242	446
Folkestone & Hythe	157	207	445
Rother	270	177	186
Hastings	178	360	204
Eastbourne	198	217	127
Lewes	228	247	311
Wealden	864	617	462
Total	6432	6090	7599
SELEP	12158	10600	15540
Coastal v SELEP	52% v 48%	57% v 43%	49% v 51%

Source: Housing growth by district, ONS

the coastal authorities do not have the funding available to make large scale intervention in order to deliver major regeneration within their deprived communities. Equally there is evidence across the coastal area that there is limited appetite from national housebuilders to operate on the coast. This is partly down to the limited returns that are available on coastal schemes, linked to the low values that our locations offer compared to other areas within the South East. The coastal communities are therefore looking towards new interventions that support wider regeneration approaches. Energy provides a significant opportunity for coastal housing whether this is through the generation of energy or through the large scale retrofitting of older properties. The coastal communities are keen to explore these options and investigate how it can generate change to housing stock.

Environmental Issues

7.43 Both DEFRA and the ONS have highlighted issues facing the South East and its coast in recent publications. In both cases the coast is identified as being at risk as the climate continues to change. The research reveals that without action we could see:

- Increases in the frequency of flooding affecting people's homes and wellbeing, especially for vulnerable groups (e.g. those affected by poverty, older people, people in poor health and those with disabilities), and the operation of businesses and critical infrastructure systems'. Without action, a range of important infrastructure such as roads and railways may be affected by a significantly increased risk of flooding based on future population growth and if no adaptive action is taken.

- Summer overheating potentially contributing to heat-related health problems. Premature deaths due to hotter summers are projected to increase (e.g. by between 580 and 5900 by the 2050s). This is likely to place different burdens on National Health Service (NHS), public health and social care services. Other health risks that may increase include problems caused by ground-level ozone and by marine and freshwater pathogens.
- Reductions in water availability, particularly during the summer, leading to more frequent water use restrictions and, in the longer term, water shortages. The gap between demand and availability will potentially widen, impacting homes, businesses, schools and hospitals. By the 2050s, between 27 million and 59 million people in the UK may be living in areas affected by water supply-demand deficits (based on existing population levels). Adaptation action will be needed to increase water efficiency across all sectors and decrease levels of water abstraction in the summer months.

7.44 The UK Climate Change Risk Assessment identifies a number of economic risks for the coast that will arise from a change in climate conditions, these include;

- Flooding poses a major risk to South East businesses, causing damage to assets, stock, premises, and business continuity. Possible un-insurability and reputational damage represent significant threats.
- Loss of productivity due to overheating has been identified as a significant risk, possibly tripling in some industries by the 2050s.
- Industries that rely to some degree on weather, such as agriculture and tourism, may see opportunities. However, these must be managed properly and balanced against risks such as water scarcity.
- Main climate challenges to businesses include flooding and coastal erosion, increased competition for water, and disruption of transport and communication links.
- The degree to which individual organisations are affected depends upon their level of vulnerability and adaptive capacity.
- There are potentially significant commercial and competitive advantages to be gained for those businesses taking on the challenge.
- Increased agricultural yields, longer growing seasons
- Longer tourist seasons, potentially more visitors due to warmer weather

7.45 The Met Office UK Climate Projections, September 2019 has generated a new set of marine projections that show that sea levels around the UK will continue to rise to 2100 under all emission pathways. The pattern of sea level rise is not uniform across the UK. Sea level rise is less in the north and more in the south, this is mainly due to the movement of land, up and down. For the south coast, sea level rise by the end of the century (when compared to 1981- 2000), with adaption to a low emission society, increases are very likely to be in the range 0.29 m to 0.70 m. If society continues to be high emission level, the range is very likely to be 0.53 m to 1.15 m.

7.46 The impact of climate change will be profound on the coast. Work needs to be undertaken based on the national scenarios that are set out above. The coast depends on transport to bring in visitors/goods and access employment. The coast will therefore need urgent investment in the right type of transport infrastructure which builds the coast's resilience to increasingly changeable weather conditions. The coastal communities need to ensure that they individually and collectively take action to mitigate impacts. This will require new approaches to support communities, protect economic assets, local business and importantly, benefit from economic opportunities.

7.47 Due to the nature of the coast's environment there are significant numbers of designations such as Sites of Special Scientific Interest and Areas of Outstanding Natural Beauty which are important attractions in each community. However they also serve as a constraint on planning and the identification of sites and place additional pressure on areas outside of the designation.

8. INFRASTRUCTURE

8. Infrastructure

8.1 Access to coastal areas is mixed across the South East. A number have benefitted from national investment due to their location on arteries to international gateways, such as Eurotunnel or ports. However a number remain remote from core infrastructure, which reduces their economic potential. Transport for the South East state that 'coastal communities suffer due to isolation from economic hubs which are most likely to be locations of jobs and further / higher education facilities which will enable residents of coastal communities to be upskilled.'

8.2 However, many coastal communities are very well connected with relatively fast road and rail connections into London and other economic hubs along the way; but the strategic local connectivity and orbital connections to other coastal communities, particularly sustainable transport options, are poor. Similarly the Essex Transport Strategy, states that the county needs a dependable and reliable transport network, is fundamental to the efficient functioning of our local economy.

8.3 Transport for the South East's Economic Connectivity Report states that 'Poor connectivity is seen to restrict opportunities within the coastal communities, connections between major coastal areas are considered poor and are recognised as restrictions on the choice of further education colleges that residents of coastal communities can access. Poor orbital connectivity also reduces the size of workplace catchments from which individuals can seek employment'.

8.4 Transport for the South East considers that 'A high quality strategic local transport network would facilitate residents of coastal communities being able to access skills to increase the type of employment available to them. It would also enlarge the catchment from which they could seek employment. With the result of increased economic participation and a consequent uplift in contribution to the Gross Value Added (GVA) of the South East'.

8.5 The visitor economy is seen as a strength of the coastal economy. The connectivity needs of the sector informs how the transport network could better support coastal communities. It is recognised that improved connectivity to areas of significant population within the South East could be enhanced. Improved connectivity between coastal communities and international gateways could also stimulate increased international tourism. The consequent increase in visitor numbers could drive higher employment and GVA in these locations. Based on this understanding of the how transport investment can have a positive impact on deprived communities, the key economic corridors have been mapped in Figures 27 and 28 on page 48.

8.6 The coastal communities position is further complicated by the draw of London, which attracts significant in-commuting. However, Figure 29 on page 49 highlights that the coastal communities do not provide significant numbers to Greater London, particularly when compared to the Home Counties. This reveals a significant level of containment within the coastal communities.

8.7 The comparison over the 2001 -2011 period reveals very little change in commuting patterns, with a number of coastal communities being confirmed as having low levels of commuting, including Hastings, Thanet and Canterbury. This reflects two issues, firstly the role infrastructure plays in limiting opportunity in coastal areas and secondly, the limited opportunity available for those residents who possess low skills levels.

8.8 The Coastal Communities Alliance (Spring 2018) report *that 'there are significant and distinctive employment issues in coastal areas. On average, these areas have lower rates of employment. The availability of jobs is affected by the seasonal nature of the economy and the work available is often low-skilled and low-paid. The ONS found that (at the time of the 2011 census) in some coastal settlements, such as Jaywick, the unemployment rate among*

Figure 27: Transport for the South East 'Economic Connectivity Review'; 2019

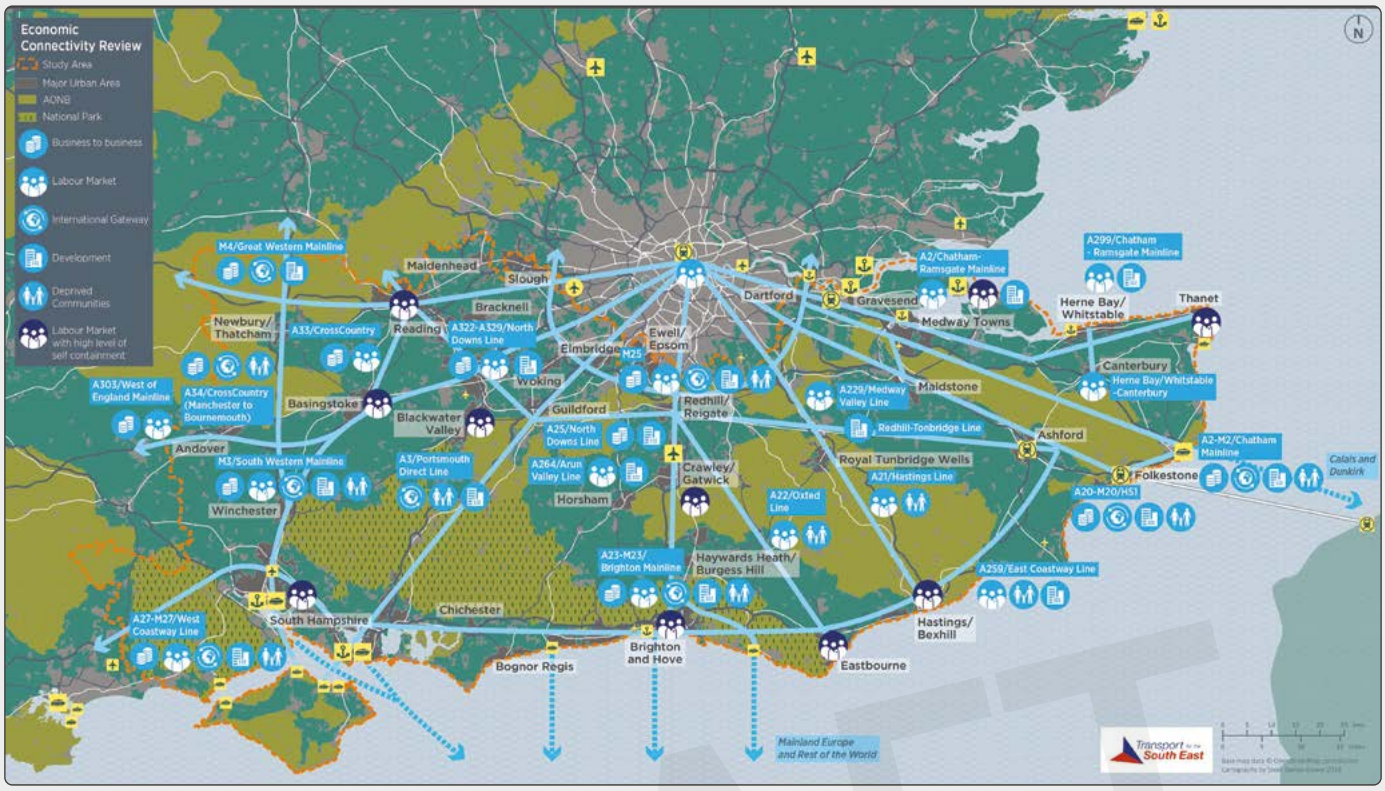


Figure 28: Essex Transport Strategy: Key Corridors

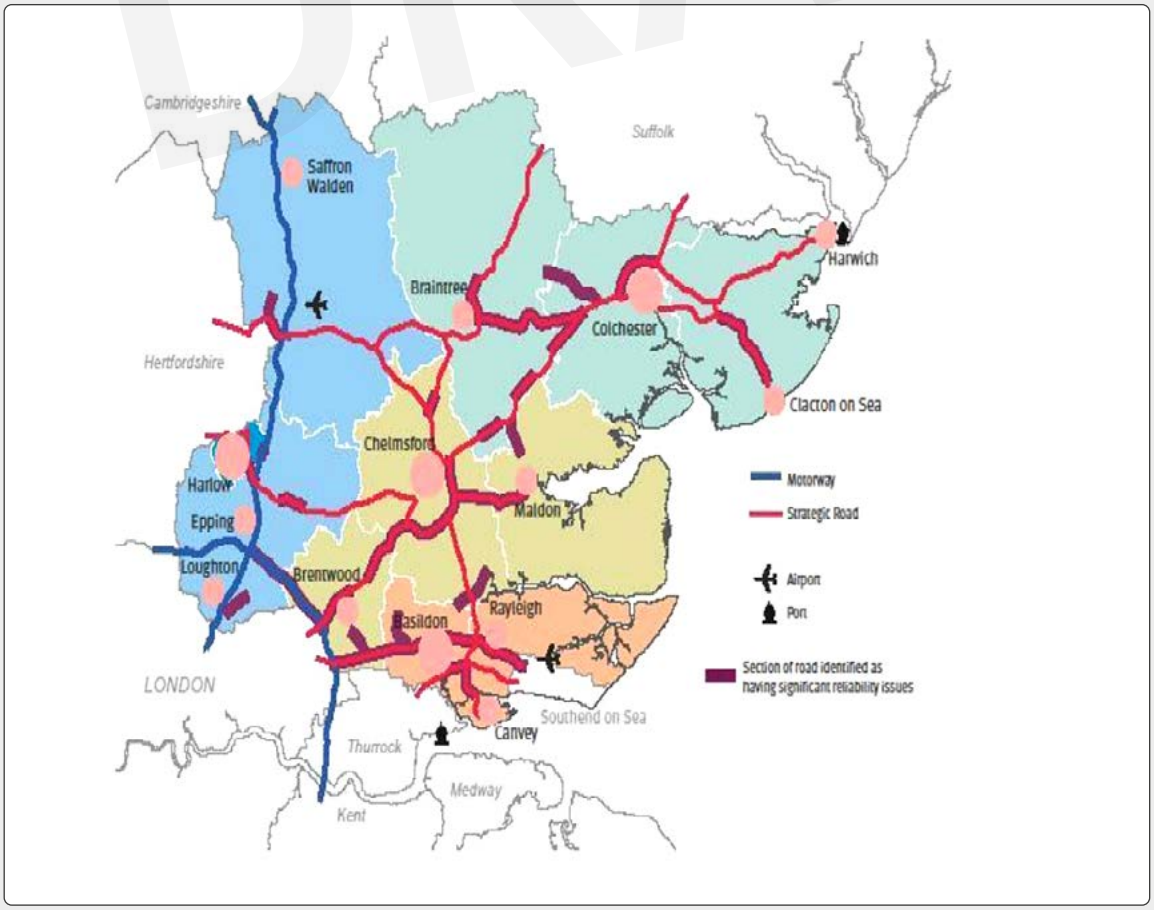
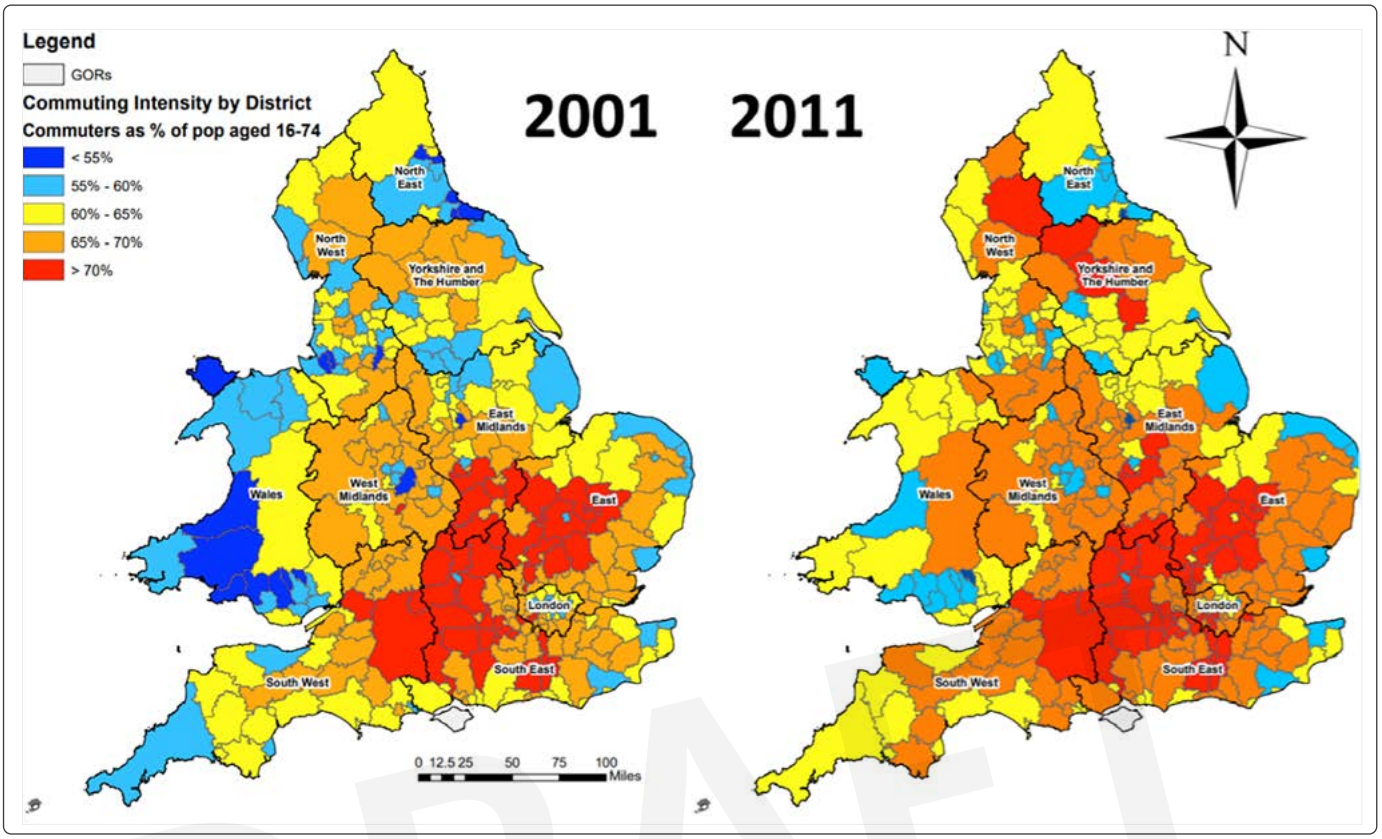


Figure 29: Commuting levels in England and Wales



Source: District commuting intensity; Census Data Service

people aged 16-64 was between 15 and 19 per cent nationally (compared to 7.4 percent at the time of the census, nationally) (ONS, 2014). A decline in traditional industries such as fishing, engineering and manufacturing coupled with a lack of – or limited awareness of opportunities outside the immediate area and poor transport connections have contributed to these conditions'.

8.9 The evidence reveals that the coastal communities have varying levels of connectivity. However the pressure on the transport network across the wider region means that the coast needs to be able to demonstrate the impact investment will make. Making the case based on current evaluation methodology does put coastal schemes at a disadvantage when it comes to measuring economic impact and generation of GVA and jobs, when compared to more connected and large economic centres.

Digital Connectivity

8.10 The House of Lords 'Future of Seaside Towns'; April 2019 has claimed that *'digital connectivity in coastal areas is* "largely insufficient," *while investment in mobile and broadband ISP infrastructure* "lagged considerably behind" *urban areas', concluding that 'digital connectivity is vital for the future prosperity of coastal areas struggling to create sustainable local economies, particularly those suffering from inadequate transport links'.*

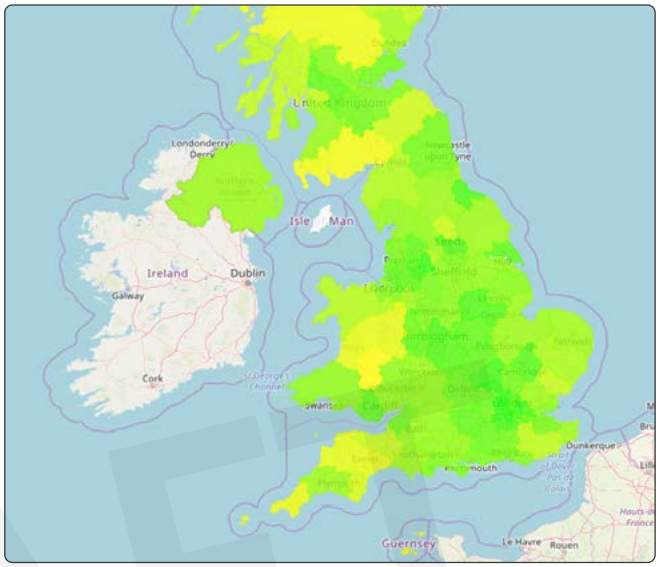
8.11 In the reports analysis it was argued that *'digital connectivity in coastal areas was largely insufficient, restricting access to essential services for residents and limiting the attractiveness of these areas to inward investment. A number of areas indicated that they believed opportunities to overcome physical distances and issues of peripherality through improved digital infrastructure were being missed. It was suggested that investment in mobile and broadband infrastructure in coastal communities lagged considerably behind that being made in urban areas and that this was worsening the economic disadvantages already being felt in these communities'.*

8.12 It is widely recognised that improved digital connectivity offers a significant opportunity to address the challenges of peripherality in coastal areas. Improvements in connectivity would help existing businesses, encourage new businesses, and enable people to work more flexibly from home without the need to commute.

8.13 The Future of Seaside Towns concluded; *'We recommend that the Government should promote initiatives to support digital connectivity in coastal communities specifically, and undertake a full programme of engagement with local authorities, LEPs and businesses in remote coastal communities to help to understand better the challenges to improved digital connectivity in coastal areas. Assistance in delivering ultra-fast broadband in seaside towns should be the highest priority for the Government if the regeneration of these areas is to be achieved. The provision of high-quality broadband and mobile connectivity in coastal locations should be considered a priority and an effective infrastructure investment in areas where the physical transport infrastructure is limited'.*

8.14 Figure 30 provides an overview of current broadband coverage in the country. By comparison, at district level, the coastal communities are broadly in line with the rest of the country, although there are clear hotspots that require investment to enhance current provision. Moreover, with the current economic performance deficit, it can be argued that a greater level of investment needs to be made in coastal areas to boost performance in order to reduce the current gap in economic activity.

Figure 30: Levels of Broadband Reception



Source: BD:UK

9.
IDEAS

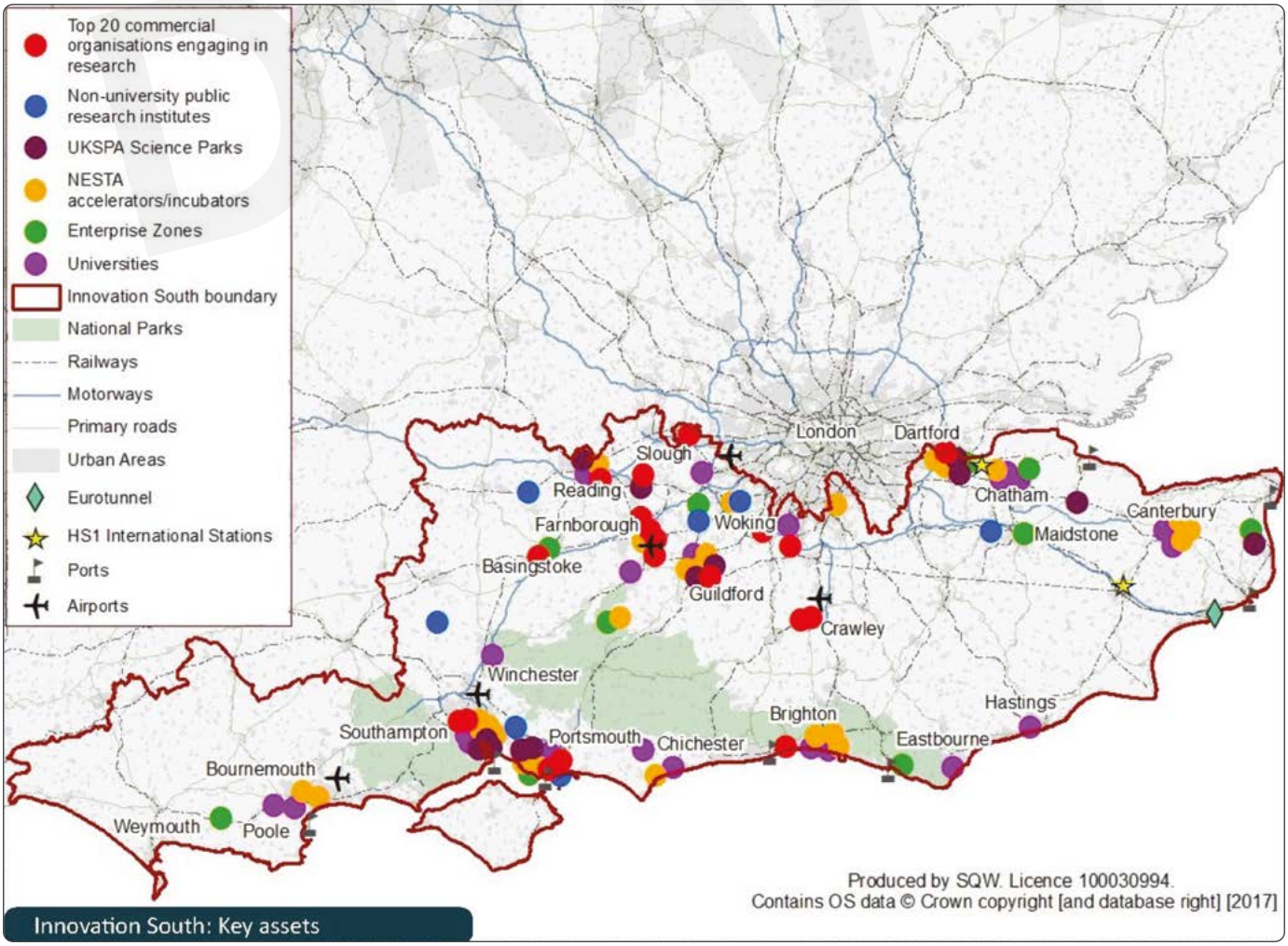
9. IDEAS

Innovation

9.1 The Innovation South Science Innovation Audit shows that the South East is a global region and a national asset, benefiting from good international and national connectivity. It is a powerhouse of research strengths, matched by a strong culture and ethos of enterprise and innovation. Within the SELEP area, it identifies key innovation assets including a number of Enterprise Zones, universities, UKSPA science parks and NESTA accelerators/incubators. The majority of these assets tend to be clustered to the north-west and middle of Kent, with comparatively fewer innovation assets located within East Sussex.

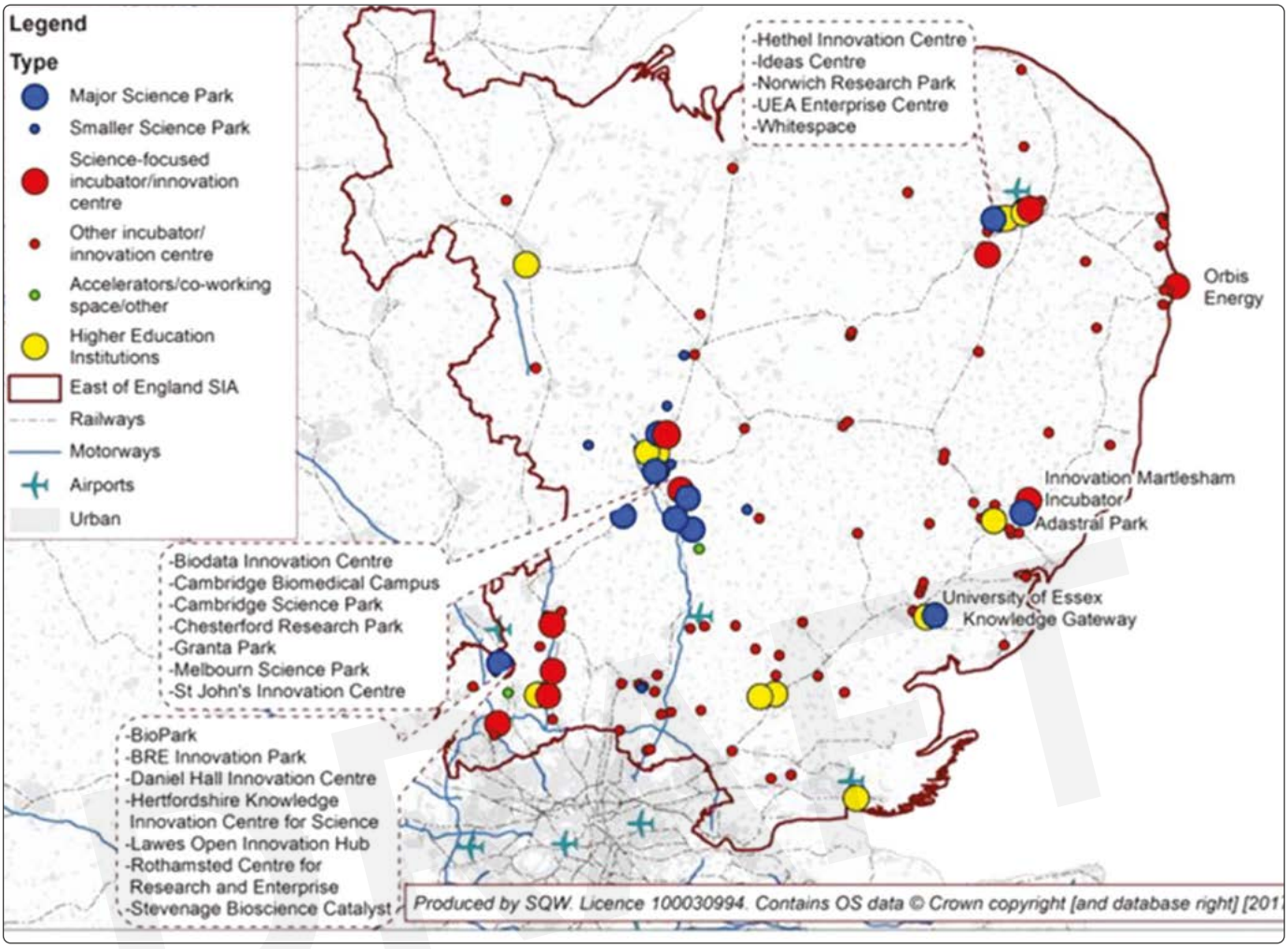
9.2 Similarly, the East of England SIA identifies that the region has a well-developed network of science parks, innovation centres, incubators and accelerators (Figure 31) which are playing a crucial role in the process of innovation. The SELEP coastal area accommodates a relatively small share of these assets (particularly when compared with larger innovation centres such as Cambridge, Norwich and parts of Hertfordshire)

Figure 31: Innovation South: Key Assets



Source: Innovation South Science and Innovation Audit (2017)

Figure 32: Innovation Assets in Essex and the East of England



Source: Innovation South Science and Innovation Audit (2017)

9.3 Similarly, the East of England SIA identifies that the region has a well-developed network of science parks, innovation centres, incubators and accelerators which are playing a crucial role in the process of innovation (Figure 32). The SELEP area accommodates a relatively small share of these assets (particularly when compared with larger innovation centres such as Cambridge, Norwich and parts of Hertfordshire).

9.4 Data on Innovation funding received by businesses is a useful proxy in demonstrating the vibrancy and dynamism of local economies. The following figures highlight that the coastal communities tend to receive significantly less funding when compared to inland settlements. This feature also reflects the economic structure of the coastal communities, where there is a reliance on tourism and leisure sectors, manufacturing and creative industries. Figure 33 overleaf demonstrates the performance of each LEP by the number of Innovation Awards (Grants) that have been received in their area.

Figure 33: The National Picture; by number of project awards

Source: Innovate UK Beta

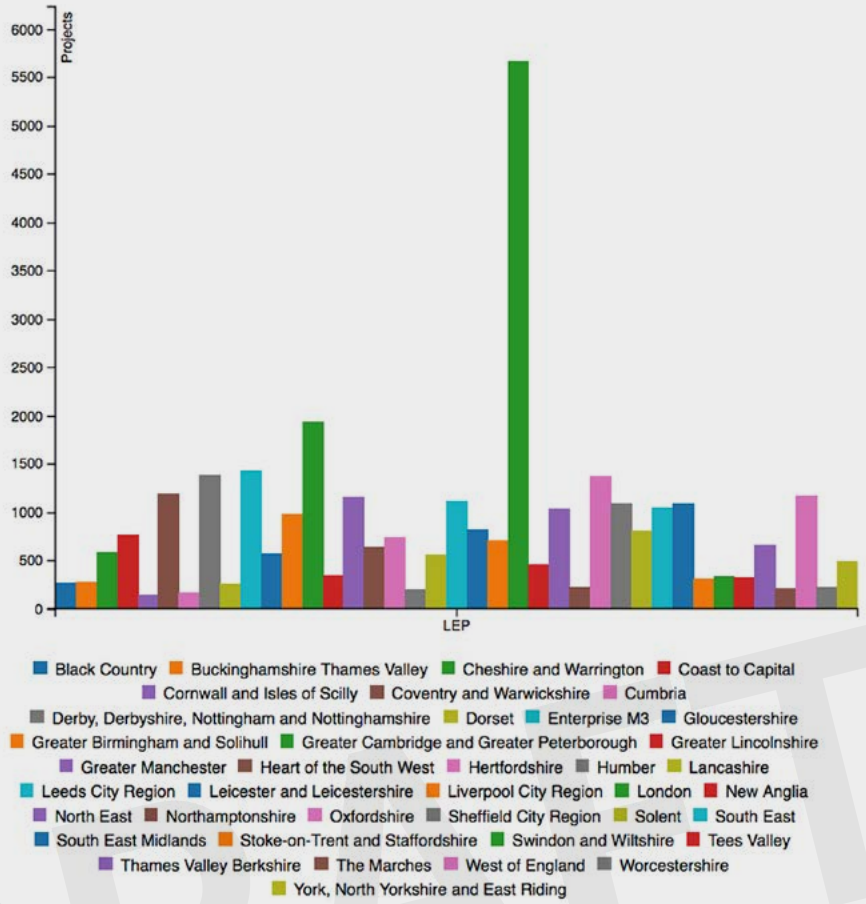
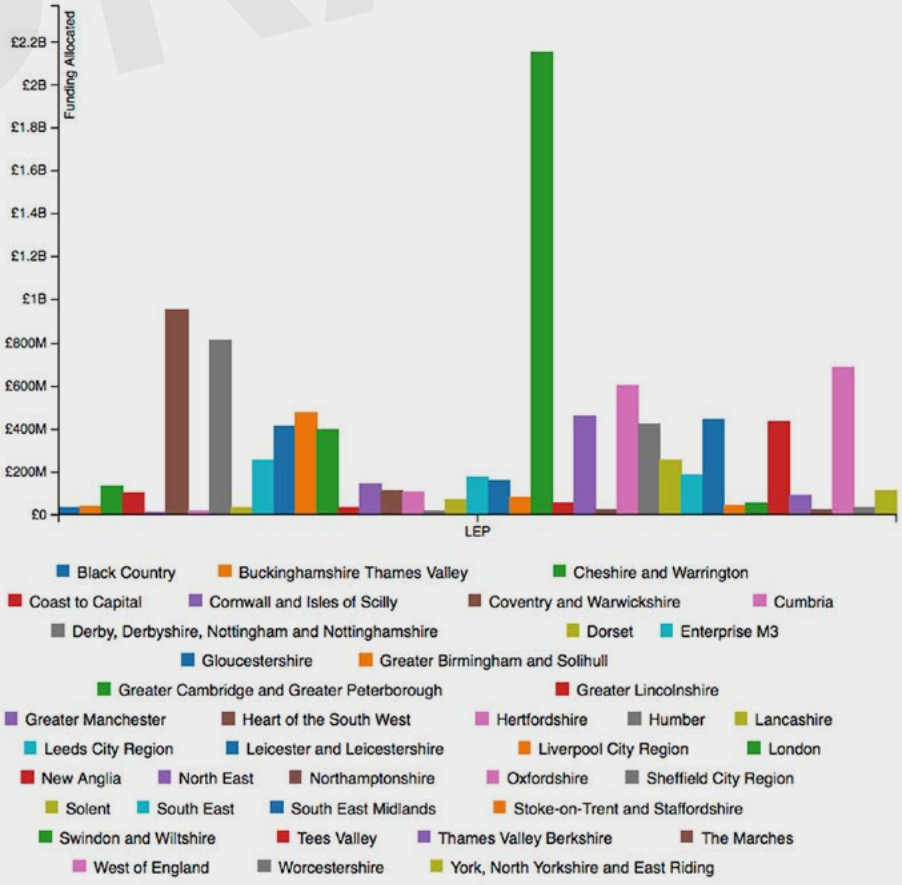


Figure 34: Level of Innovation funding secured by LEP area

Source: Innovate UK Beta



9.5 Using Innovate UK data we are able to identify how Innovation funding is awarded to businesses at LEP level. The analysis reveals that the SELEP region is the 7th highest funded region in the country with support being received for 999 projects. Figure 34 sets out the levels of funding received for Innovate UK by LEP area.

9.6 The award of £177.6m through Innovate UK places SELEP in 15th position of the 38 LEPs, suggesting that despite the relatively high number of projects awarded funding, each project typically receives less funding than other areas. The position by comparison places SELEP next to Leicester and Leicestershire (£145.9m), and behind benchmark areas such as Cambridgeshire (£324m); Enterprise M3 (£238m) and Solent (£233.3).

9.7 Looking at county and coastal level the analysis is more revealing about the role that the coastal communities play in producing innovation. Analysis of the Innovate UK database demonstrates that the coastal districts have received the following awards

East Sussex coastal districts –
41 projects – value £6.3m

Essex coastal districts –
38 projects – value - £8.1m

Kent coastal districts –
29 projects – value £4.2m

9.8 This aggregates to 108 projects attracting £18.6m compared to SELEPs overall £177.6m total. This equates to the coastal areas attracting just 10.4% of Innovation funds compared to the rest of the inland SELEP areas. In terms of number of projects, this is similarly low with just 10.8% of projects being supported in the coastal communities.

9.9 Innovation is an important economic measure of how vibrant communities are, as well as demonstrate that the local economic sector configuration is traditional in its nature, and not necessarily innovation focused. The analysis reveals that the coastal area performs poorly when compared to its inland neighbours. Fundamentally this points to the make-up of the coastal economy which is predominantly led by low tech sectors, such as tourism and hospitality and with traditional manufacturing operations. The gap that exists is not easily closed, particularly where there is little connection to higher education provision, which across the UK helps underpin innovative companies and provide a focal point for innovation.

9.10 The analysis provided in the Science and Innovation Audits (SIAs) provides an opportunity to establish whether the coastal communities are linked to the core research specialisms of the regional universities. Whilst these two SIAs cover a wider geographical area than just the SELEP, it is possible to draw out some key findings and priorities as they relate to the SELEP and its coastal communities area specifically. These are summarised in Figure 35 overleaf.

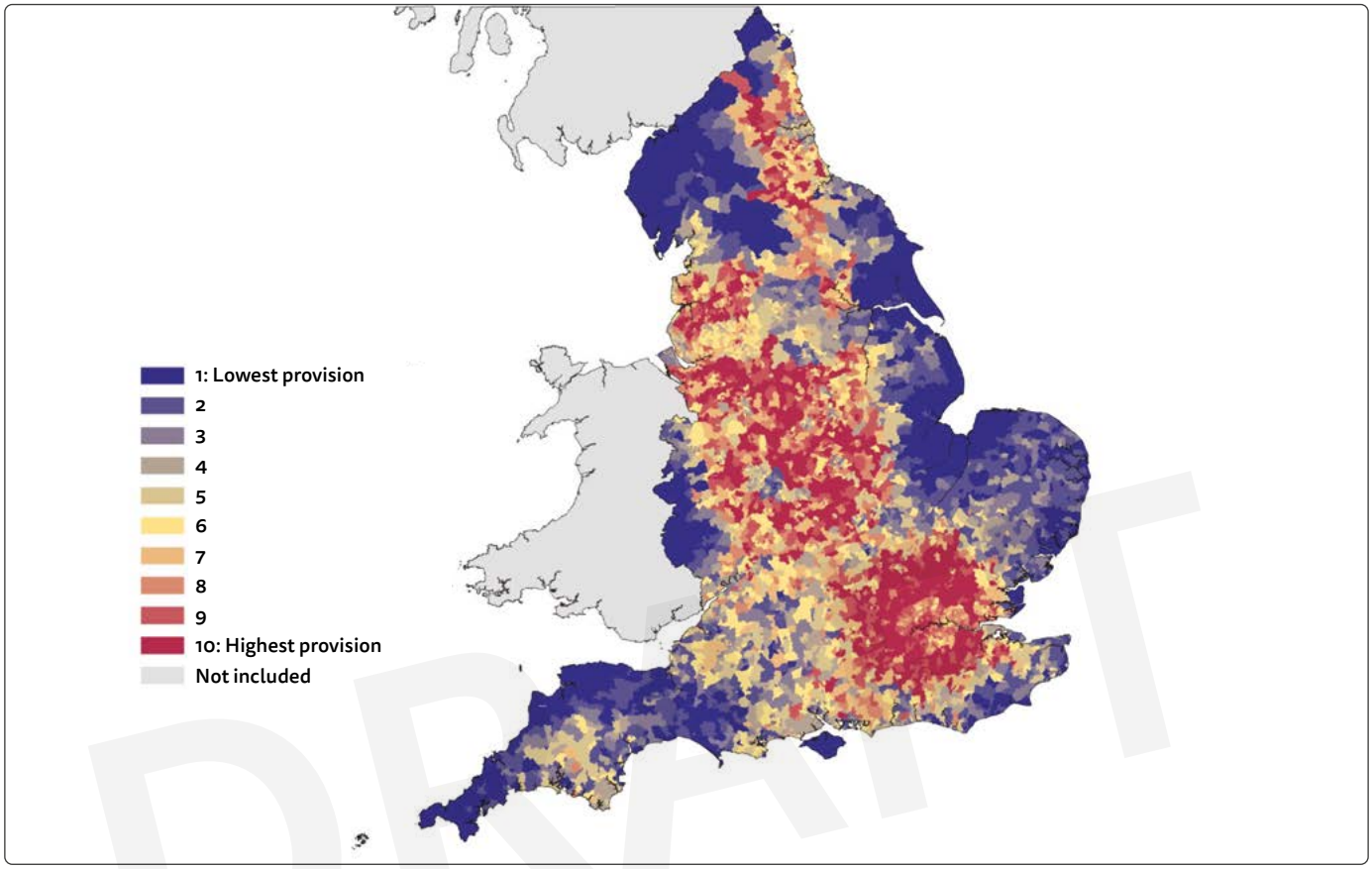
9.11 A number of the examples set out in Figure 35 overleaf are rooted along the coast, for example the marine and maritime sector or the offshore energy sector in Essex. The university specialisms also reveal a small number of connections to the coast, such as the University of Sussex Marine Environments and Marine Engineering capability, equally the Digital Catapult at Brighton University supports a sector which has strength on the coast. The role higher education plays in driving economic growth, innovation and productivity is well researched. The following section reviews the role higher education plays more widely on the South East Coast.

Figure 35 Science and Innovation Assets within SELEP

	Innovation South Exploiting world class assets in Digital Enabling Technologies	East of England Innovation Region
Themes	Applying Digital Enabling Technologies in; • Connected digital • Marine and maritime • Bioscience • Advanced engineering	• Life Sciences • Agri-tech • Advanced materials and manufacturing • ICT
Strategic Assets	• University of Kent: Interdisciplinary Centre for Cyber Security • Canterbury Christ Church University: KM Edge Engineering Hub • Brighton: Digital Catapult Centre • Brighton: 5G testbed • Natural Resources Institute at the University of Greenwich at Medway	• Ford's major research facility at Dunton • Anglia Ruskin University: Med-Bic (Chelmsford) • University of Essex: Smart Enabling Technologies Testbed
REF specialisms	• University of Kent: Computer Science and Informatics • University of Kent: Marine Environments • University of Kent: Biological Sciences • University of Kent: Psychology, psychiatry and neuroscience • University of Kent: Physics • University of Sussex: Quantum Technologies • University of Sussex: Computer Science and Informatics • University of Sussex: Marine Environments & Marine Engineering • University of Sussex: Biological Sciences, Allied Health Professions and Psychology, psychiatry and neuroscience • Sussex: General Engineering • Canterbury Christ Church University: Communication, Cultural and Media Studies, Library and Information Management • Canterbury Christ Church University: Agriculture, veterinary and food science • University of Brighton: Communication, Cultural and Media Studies, Library and Information Management • University of Brighton: Computer Science and Informatics • University of Brighton: Aeronautical, mechanical, chemical and manufacturing engineering (low carbon internal combustion systems) • University of Greenwich: Agriculture, veterinary and food science • University of Greenwich: Aeronautical, mechanical, chemical and manufacturing engineering • University of Greenwich: Computer Science and Informatics	• University of Essex: ICT & Data Analytics • University of Essex: Politics and International Studies • University of Essex: Psychology, Psychiatry and Neuroscience • University of Essex: Modern Languages and Linguistics • University of Essex: Robotics and AI • Anglia Ruskin University: Communication, Cultural and Media Studies • Anglia Ruskin University: Environmental Sciences
Networks and Clusters	• Kent, Surrey and Sussex ASHN • Bio-Gateway • Wired Sussex • West Sussex Health and Life Science Cluster	• Southend: SouthendTechMeet • Essex: M11 Health Enterprise Forum
Industry Concentrations	• North Kent: Manufacturing • Brighton: Gaming • Kent & East Sussex: Marine & Maritime	• South Essex: Med-Tech • Essex: Building and Construction • Essex: Offshore Energy

Source: South East LEP (SELEP) Strateigic Economics Plan Evidence base, September 2017

Figure 36: Higher Education Coldspots in England



Source: HEFCE 2015

The role of Higher Education

9.12 Higher education institutions play a key role in supporting the development and advancement of communities. Unesco states that;

> *'Universities play an important role as leaders in teaching and learning, in education, research and technology. In teaching activities, universities provide the professional training for high-level jobs, as well as the education necessary for the development of the personality. Universities are considered to have been regarded as key institutions in processes of social change and development. Another role that universities may play is in the building of new institutions of civil society, in developing new cultural values, and in training and socializing people of new social era'.*

9.13 At present the coastal communities have higher education presence in six of the communities (Broadstairs, Canterbury, Canterbury Christchurch, Hastings and Medway). The providers include the University of Kent, University of Brighton (who validates degree courses run by a further education college in Eastbourne and Hastings) and University of Essex. This however masks a greater 'coldspot' within the coastal communities (Figure 36). There have been two recent attempts to establish higher education facilities in the coastal towns; the University of Brighton in Hastings and Canterbury Christ Church in Broadstairs. Both operations have subsequently ceased with both universities citing a lack of numbers taking courses. Canterbury Christ Church had operated in Broadstairs since 2000, while the University of Brighton operated in Hastings between 2003 -18.

9.14 The connection between institutions and the local business community is recognised as supporting the development of innovation within a business. Recent Data from HEFCE has shown continued strength in university collaborations, with income from knowledge exchange growing to £4.2 billion across the UK in 2015-16.

9.15 Knowledge exchange in this context covers a very broad range of activities, from commercialisation of new knowledge, delivery of professional training, to activities with direct social benefits. Evidence from Innovate UK does however reveal that the South East and particularly the coastal communities do not benefit from this collaboration in a strategic way, not least due to the availability for connection between the business sector and higher education institutions. The data revealing that the coastal communities receive only 10.4% of innovation and research funding from the public purse demonstrates that a lack of higher education support is impacting on the business community's ability to bring forward innovation.

9.16 More importantly, the gap in innovation support with the wider South East stands at £18.6m in the coastal communities to £159m to inland areas within SELEP.

9.17 Figures 37 below outlines the performance of higher education institutions located within the coastal communities. It is noteworthy that SELEP universities are in 35th, 49th, and 98th positions, however both the University of Essex and the University of Kent have seem a significant drop in their league positions in the past recorded year. While this may not be a structural change in each university's performance, the trend should be watched in the longer term as it may reveal the impact of research funding reductions or lower student levels.

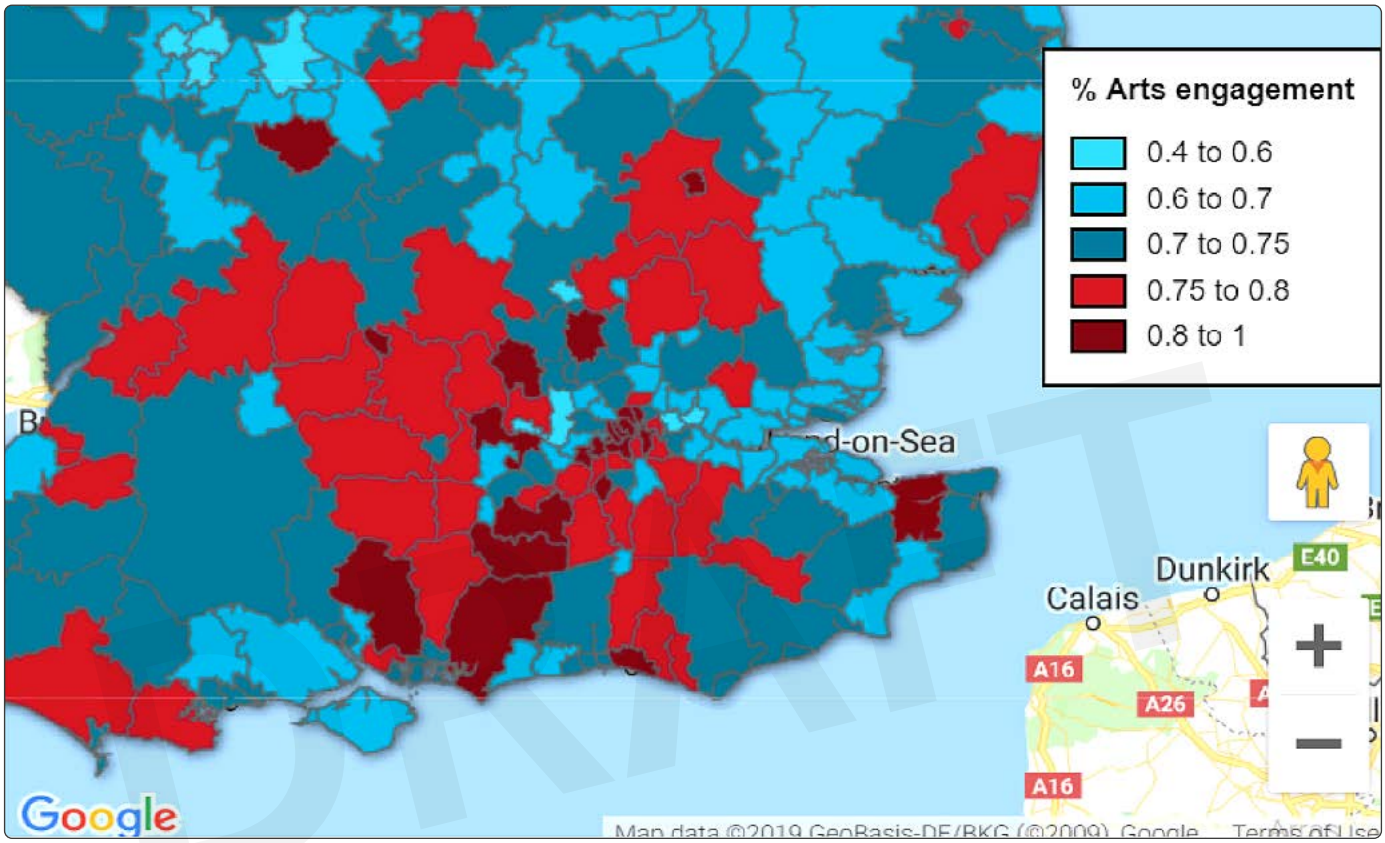
9.18 The higher education sector plays an important role in helping to facilitate Research and Design (R&D) and innovation activity within the local economy. Higher Education Expenditure on R&D (HERD) – providing a broad measure of innovative research activity led by universities – is estimated to be in the order of £53 per FTE job in the wider SELEP area. This is considerably lower than the LEP wide average of £210 per FTE, placing SELEP within the bottom 25% of all LEP areas in the country. It can be assumed that despite the lack of evidence, the coastal performance is lower than the LEP average.

Figure 37: Relative performance of Higher Education Research

Research Fortnight 2014 Power Rank	2008 Rank	Institution Name	Number of Departments Submitted	FTE Research Staff Submitted	Research Fortnight Power Rating	Research Fortnight Quality Index	Research Fortnight Market Share
32	40	Kent	23	591	16.6	41.2	1.03%
44	43	Essex	14	339	10.5	45.5	0.65%
95	109	Canterbury Christ Church	10	137	1.84	19.8	0.11%

Source: Research Excellence Framework (REF) produced https://www.telegraph.co.uk/education/universityeducation/11299261/League-Figures-the-top-universities-for-research.html

Figure 38: Level of engagement in the Arts by Local authority area



Source: Arts Council England

9.19 Graduate start-ups – typically a result of graduates linking university research specialisms or innovation with a potential business opportunity – are relatively weak in the SELEP area. Again we can assume that due to the lack of university provision on the coast, that graduate start-ups are even less common, despite the lack of district level evidence. Data for 2015/16 suggests that there were 33 active start-up enterprises founded by graduates who studied in the SELEP area. This ranks the SELEP area within the bottom half of LEP areas on the graduate start-up measure.

The role of the Creative Sector

9.20 The House of Lords 'Regenerating Seaside Towns stated that 'The creative industries have a clear role in supporting seaside towns to diversify their economies and enhance their local cultural assets. Capital investment must be made in the context of its impact on the place generally and be monitored and evaluated accordingly. It is vital that evaluation processes for grant funding for heritage and arts projects address issues relating to place-based approaches to regeneration, so as to ensure that public funds are used prudently, and that best practice can be understood and shared'.

9.21 The South East coastal communities have 16 National Portfolio Organisations as designated by the Arts Council. This demonstrates the core strength of the cultural infrastructure within the coastal communities. The creative sector has been one of the UK's fastest growing sectors. Nesta has reported that research in partnership with the Creative Industries Council, confirms that creative industries across the UK are driving local and national economic growth, identifying that local economies have grown their creative industries employment by an average of 11 per cent, twice as fast as other sectors (where local economies experienced, on average, 5.5 per cent of growth).

9.22 The coastal communities have been beneficiaries of the growth within the creative sector. A number of the coastal communities have become an attractive location for artists and creatives. Many of the coastal towns have proactively invested in public realm improvements in order to improve the local environment for residents and business.

9.23 The Independent Review of the Creative Industries (2017) reviewed the potential for further growth of the sector, it concluded that;

- Forecast the Gross Value Added by the Creative Industries to be £128.4bn by 2025 (3.9% year-on-year increase).
- Boost job creation: projecting forward the higher than average growth rate of the sector would imply roughly one million new creative jobs by 2030.

9.24 The coastal communities are in place to benefit from this growth, but we need to tackle some of the issues set out, such as skills, housing and availability of workspace if it is to secure a significant proportion of this growth.

9.25 Government data has also revealed local level information on arts attendance and participation across England's 326 local authority areas for the first time since 2009/10. The data also reveals artistic engagement by age, socioeconomic status, ethnicity and gender. It will be used by Arts Council England (ACE) to guide investment via its Creative People and Places programme, which supports arts activity in areas with historically low levels of cultural engagement. Figure 38 on page 59 demonstrates the levels of engagement with art by residents across the 326 English Local Authorities. The map reveals that the levels of engagement across the coastal communities is mixed, but with limited connection to Tendring, Medway, Swale, Folkestone and Hythe districts.

Government's Tourism Sector Deal

9.26 In June 2019 the Government announced a Tourism Sector Deal. This is a game-changer for tourism, spelling a step-change in how we underpin the success of tourism for a generation, moving it to the top figure as a leading industry for the UK Government's future economic planning.

9.27 Highlights of the Deal include the following themes;

- **'Ideas'**; industry and the BTA will work together to create a new independent Tourism Data Hub which will help the sector to better understand visitor preferences in real time
- **'People'**: Industry will create an additional 10,000 apprenticeship 'starts' a year by 2025; a £1 million recruitment and retention programme; and increasing in-work training and development of new T-Levels.
- **'Infrastructure'** – Industry will continue to invest in accommodation - developing an additional 130,000 bedrooms by 2025 - and attractions and innovative products. Government will make travel to and around the UK easier for tourists with the development of

its Maritime and Aviation strategies as well as a number of policy developments.

- **'Place'** - piloting up to five new Tourism Zones, supported by central government and a biddable funding process, to drive visitor numbers across the country, extend the season and to tackle local barriers to tourism growth. Joint working to ensure support for the Government's ambition to make the UK the most accessible tourism destination in Europe.
- **'Business Environment'** – launching a Business Events Action Plan 2019-25 to make the UK the leading destination for business events in Europe.

9.28 The deal presents a significant opportunity for the coastal communities. This will be pursued closely as the Economic Prospectus is developed.

The Maritime sector

9.29 The Maritime Sector makes a substantive macroeconomic contribution to the UK through turnover, GVA and employment. It is estimated that the sector directly supported just over £47 billion in business turnover, £17 billion in GVA and 220,100 jobs for UK employees in 2017. The marine engineering and scientific (MES) and shipping industries are the largest constituent industries in terms of economic activity, contributing £5.1 billion and £6.1 billion in GVA respectively, and directly supporting around 81,900 jobs and 59,400 jobs in 2017.

9.30 The direct contribution of the maritime sector through turnover, GVA and employment has increased since 2010, when turnover, GVA and employment are estimated to have been £37.8 billion, £13.6 billion and 195,400 jobs respectively. Average productivity in the maritime sector– as measured through the GVA generated by each job – exceeds that of the national average. Average productivity in each maritime industry also exceeded the national average in each year from 2010 to 2017. The maritime sector exported £12.4 billion of goods and services in 2017, or around 2.0% of the UK total. The average job in the maritime sector in 2017 raised approximately £77,400 in GVA, and so compares favourably to the UK average of £54,300.

9.31 The volume of goods transported by ships and demand for maritime services has grown steadily. The growth is set to maintain current levels with containerize and dry bulk commodities expected to experience the strongest growth. Strong economic and population growth in Africa and Asia is likely to shift trading patterns opening new opportunities for the UK. Climate change and significant climatic events are likely to change the patterns of trade while amplifying the need to protect the marine ecosystem.

9.32 The maritime sector brings together all of coastal communities and offers significant potential. There is significant effort being made to promote the UK maritime sector, including the Maritime UK's 'State of the Maritime Nation 2019' and the development of the Maritime 2050 Strategy, At present the South East coast is the 3rd highest contributor to the UK economy following Scotland and London. There is a key focus on the south coast, led by Southampton and Portsmouth, but there is very little focus on the South East Coast. Three strategic groups operate on the south coast, including;

- Maritime UK https://www.maritimeuk.org/
- South Coast Marine https://southcoastmarine.org.uk/
- Marine South East https://www.marinesoutheast.co.uk/

9.33 These networks are currently seeking to influence national policy, but also play a more fundamental role in connecting businesses within the geography.

9.34 The Spectator in July 2018 printed a report by Murray and Morris which stated that;

'For the United Kingdom, these coastal communities have long served as the historical heartbeat of the nation and, despite a long and varied history, the UK has always had one constant. It has been inextricably tied to the seas that surround it.

As an island nation, the sea has always been a provider of prosperity and partnership, and there's never been a more important time to unleash the sector and transform the fortunes of our coastal communities. Maritime UK figures estimate that the sector supports £40 billion in value to the UK economy in 2015 and supports a million jobs across the UK. The sector has a unique capacity to kick-start a renaissance in the fortunes of those communities and reawaken a new coastal powerhouse.

The potential is enormous. The maritime sector boasts productivity 53% higher than the national average. On top of this the average maritime sector job generated £77,897 in value to the economy in 2015. Compare this to the average job in the UK economy which generated £50,800, that's a third less.

The ports sector alone already invests more than £600 million per year in coastal areas and is ambitious to do more. The launch of the RRS David Attenborough is a fitting example of the UK's high value ship building capabilities, alongside the UK's world-leading superyacht manufacturers. Through these industries the Maritime sector is committed to high skill levels and high-quality apprenticeships, providing year round jobs. And developing skills and infrastructure benefits not only the maritime sector – the new road to a boat yard or port is also the one that brings in more tourists or takes out manufactured goods and food products.

The process to transform these communities isn't some far flung pipe dream, nor does it require huge investment and resources from government. It does, however, require a number of specific changes and support for initiatives to unlock private investment and deliver growth. The three key areas that require change are:

1. Investment in connectivity and infrastructure
2. Creation of a pro jobs and trade planning environment to boost investment and development
3. Support for industry-led maritime clusters embracing local government and academia

British industry understands the breadth of the opportunity available if we can mobilise our coastal communities and is working collaboratively to realise it. Government ministers have signalled their support and we now have the very real opportunity to transform our coastal communities.

This transformation will require more than direct boosts to investment and jobs around our coast – it requires us to look to the technologies of the future to place these communities at the cutting edge of the sector. This is already happening. The maritime sector is bidding to co-fund a new national centre for maritime research and innovation which would bring together the UK's leading maritime academic and research institutions, most based in coastal communities'.

There is an opportunity to build on the many assets on the South East coast. The development of a programme to support and grow the sector would help position the sector effectively moving forward. The sector offers potential to the South East coast, which will be explored in the Economic Prospectus.

10. BUSINESS

10. BUSINESS

10.1 Using GVA per head as an indicator of total economic performance reveals a clear difference in the performance of the coastal communities when compared to the wider South East. At headline level the South East's GVA per head in 2017 was £28,683, while the coastal communities averaged just £17,840 per head - a stark difference in economic performance.

10.2 At district level, the highest performing areas in the wider South East in 2017 were Dartford - £34,888, Tunbridge Wells - £30,679. While the lowest performing districts in 2017 were Castle Point - £14,523, Tendring - £15,308 and Dover - £15,715.

The highest performing of the coastal communities was Maldon with £19,319 which demonstrates just how the coasts performance lags behind the wider regional average. Figure 39 below provides details of GVA performance by all of the coastal communities.

10.3 The South East regional GVA per head performance is the second highest region behind London (£46,482) nationally. These levels reveal how far behind the coastal area's economic performance is when compared to their near neighbours. It reveals an underpinning factor of performance that influences other issues within the coastal communities, for example, education, health and housing.

Figure 39: GVA per head by district

Local Authority	GVA Per Head (2017)
Tendring	£15,308
Maldon	£19,319
Rochford	£16,718
Southend	£17,524
Colchester (Hythe)	£21,520*
Castle Point	£14,523
Medway	£17,338
Swale	£18,916
Canterbury	£19,066
Thanet	£16,648
Dover	£15,715
Folkestone & Hythe	£19,130
Rother	£18,905
Hastings	£17,763
Eastbourne	£18,242
Lewes	£19,361
Wealden	£18,906
South East regional average	**£28,683**
Coastal Communities average	**£17,840**

Source: GVA per head; ONS

10.4 SELEP's 'Smarter, Faster Together' Towards a Local Industrial document (2018) states that '*the South East's productivity is relatively weak. Despite this recent employment and business growth, the UK faces a 'productivity challenge': while the economy apparently made a strong recovery from recession, Britain's productivity (relative to that of its main competitors in Europe and the United States) has largely failed to grow. Addressing this is a major focus of the Government's Industrial Strategy.*

10.5 *The 'productivity deficit' does not apply everywhere in the South East: the west of Essex and west Kent have productivity levels higher than the UK average (and the UK average is in turn skewed by London's very high productivity levels). But given SELEP's growth potential and its proximity to London and the rest of the South East, there is an opportunity to improve the area's performance'.*

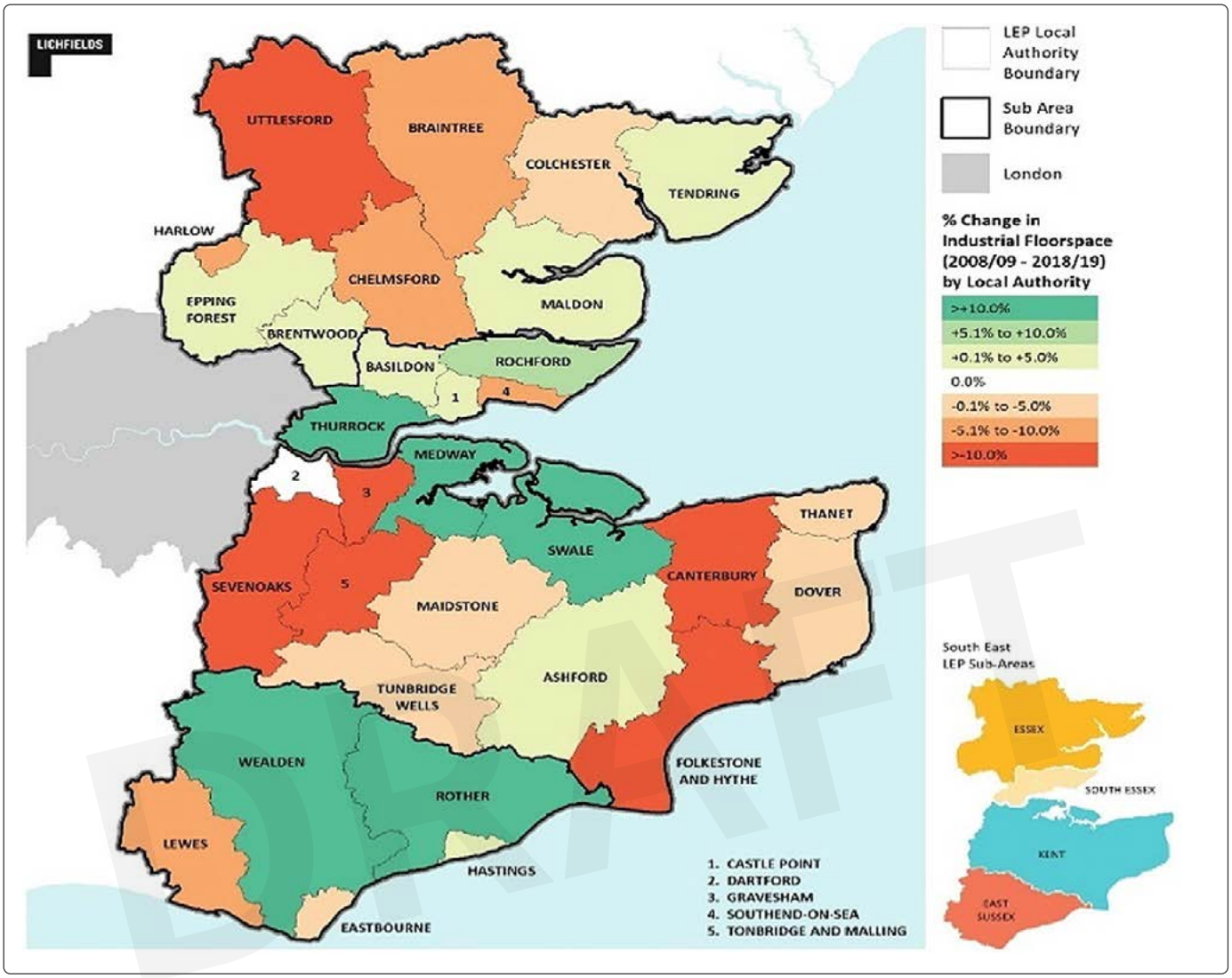
10.6 The inference of higher productivity in the west of Essex and west Kent reveals that the coastal areas within the South East contribute to poorer productivity rates. This presents an economic challenge that cannot be tackled in isolation, but is a feature of the wider coastal economy, where a range of issues need to be tackled, from health, education and skills to the attraction and development of new and indigenous businesses.

10.7 The economic performance of the coastal communities is likely to be inhibited into the future as research (Morrissey, K. (2017) Economics of the Marine Sector: Modelling Natural Resources) suggests that *'there is a risk that many potential growth sectors may not be based in coastal areas. Poorer infrastructure, small labour pools, and greater distance to central markets could mean that larger companies will continue not to invest in coastal areas. This would prevent the development of local, small and medium enterprise-based supply chains in coastal settings*'. On a positive note, the report also states that *'there is potential for high-value-added activities associated with, for instance, marine renewable energy, blue biotechnology and marine technology to remain in urban hubs, with minimal increases in the labour force in coastal communities*'.

10.8 The Social Market Foundation (Living on the Edge; August 2019) have reported that; 'Coastal communities have seen much weaker economic growth since the financial crisis than other parts of the country. While the size of Britain's coastal economy grew by 7.5% between 2010 and 2017, the rest of the country's economy grew more than twice as fast, by 17.1%. The economic growth gap between coastal communities and other parts of the country is greater than was the case before the financial crisis.'

10.9 More concerning is that with the growth of the SELEP economy between 2014-2016 standing at £6.8bn, with the uneven spread of economic activity (as demonstrated by GVA per head), it is evident that the majority of growth within SELEP will, unless an alternative path is pursued, be experienced away from the coast. Ultimately this will further exacerbate the current data and create a more divided region between the coast and inland areas.

Figure 40: Industrial Floorspace Change



Source: VOA (2019)

Business Space

10.10 SELEP-wide trends have played out quite differently across the LEP area, as shown in Figure 40 above. Whilst this shows that there is no clear overarching pattern, it does suggest that South Essex has generally seen its stock of industrial floorspace grow over the past 10 years (with the exception of Southend), while large parts of Kent and Essex have seen their industrial stock decline in absolute terms. Thames Estuary locations and the rural areas of East Sussex have recorded the most significant gains in industrial space over the last 10 years.

10.11 The pattern tends to be even more varied when it comes to office floorspace, with the majority of Kent authorities having lost office space over the last 10 years, but with a more mixed picture across other SELEP sub-areas. This suggests that changes to the office market have impacted upon some office locations in SELEP more than others, with the introduction of Permitted Development Rights (for change of use of office space to residential without the need for planning permission) proving a key factor in locations such as Maidstone, Sevenoaks, Colchester, Eastbourne and Harlow.

11. SOURCES

11. SOURCES

The Data Pack has drawn together information from the following sources:

- Nesta Innovation Index
- Smart Specialisation Strategy
- Local Industrial Strategy White Paper
- Demos-PwC Good Growth for Cities Index (LEP Datasets)
- European Innovation Scorecard 2017
- Office of National Statistics
- Unesco
- Innovate UK Beta
- Research Excellence Framework
- Higher Education 'Coldspots'; HEFCE 2015
- Smart Specialisation Observatory: SELEP Profile
- Innovate UK Data Hub
- Centre for Cities – Cities Factbook 2017
- Ward, K.J. (2015) Geographies of Exclusion: Seaside Towns and Houses in Multiple Occupancy. Journal of Rural Studies 37.
- ThinkBroadband.com
- UK Climate Change Risk Assessment 2016
- DEFRA Annual report 2017
- 'The Future of Seaside Towns'; House of Lords; April 2019
- School Dash
- 'Rural and coastal schools - the challenge of location' – Ovenden-Hope February 2019
- NHS Atlas of Variation 2016
- Health, Wellbeing and Regeneration in Coastal Resorts; Cave 2010
- District Commuting intensity; Census Data Service
- Coastal Communities Alliance; Spring 2018
- 'Smarter, Faster Together' Towards a Local Industrial document; SELEP 2018
- Skills Strategy; SELEP 2018
- Oxford Econometrics forecasts; May 2019
- Seaside Towns in the Age of Austerity; Sheffield Hallam 2014
- 'Changing student behaviour in schools located in areas of socioeconomic deprivation: findings from the 'coastal academies' project', R Passy, T Ovenden-Hope; 2015.
- Economics of the Marine Sector: Modelling Natural Resources, K Morrissey; 2017
- Geographies of Exclusion: Seaside Towns and Houses in Multiple Occupancy; Ward 2015
- 'We need to reimagine the UK's coastal communities into a coastal powerhouse' Murray and Morris, The Spectator, July 2018

SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP