

**EAST SUSSEX
ECONOMIC
PARTNERSHIP**

*working in partnership
to increase economic success*

***Refreshing the East Sussex
Economic Development Strategy***

December 2007

Prepared by

East Sussex Economic Partnership Ltd

With

ANCER SPA (London and South East) Ltd



ANCER SPA

**DEVELOPMENT, REGENERATION
& PLANNING CONSULTANTS**

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Refreshed East Sussex Economic Development Strategy 2007/08

FOREWORD

On behalf of East Sussex Economic Partnership, its partners and stakeholders, I am pleased to present the Refreshed East Sussex Economic Development Strategy. This Strategy builds on and enhances the existing document 'Creating Sustainable Economic Growth: An Economic Development Strategy for East Sussex 2003 – 2013', launched in April 2002.

This Refreshed Strategy has been developed over the last twelve months against an ever changing national and regional policy background, with the launch of the Sub-National Review of Economic Development and Regeneration, ever tightening Comprehensive Spending Review settlements, a new Regional Economic Strategy, and the consultation and Examination in Public of the South East Plan. These policy functions provide a changing policy position for development and growth of the East Sussex economy, which continues to face challenges in competing in the global market place and increasing its contribution to the South East economy.

The Refresh of the Strategy has been championed by East Sussex Economic Partnership, who took the decision that a refresh and not a new strategy was required. The 2002/03 Economic Development Strategy outlined focus and activity for a ten year plus period; and that need for concentrated partnership effort has not changed, neither have the fundamental issues that East Sussex face, such as the problems of economic under performance, resistance to growth, structural weaknesses etc.

Indeed, the need for a continued partnership approach to meet these challenges is, perhaps, greater than ever; with each partner and stakeholder playing their role in developing the economic base of East Sussex, within a partnership framework which can oversee, push, and lead as required, to ensure that the progress is being made to resolve the problems the economy faces.

At its heart, the refreshed strategy captures the core aim of the Partnership which is to:

'Lead and coordinate on strategy and activities which contribute to raising the economic performance, improving the quality of life and developing employment opportunities in the county of East Sussex.'

I, personally, look forward to working with you and your organisation, to further the economic development growth of East Sussex, and see this Refreshed Strategy realise the renewed focus that it brings to the challenges we collectively face.

Hamish Monro
Chairman

East Sussex Economic Partnership Ltd

December 2007

1. INTRODUCTION

As stated in the foreword, the refreshed strategy builds on the existing strategy which was published in 2002/03 and is therefore five years into its ten year life. The Refresh takes us a further ten years forward until 2017.

It sets out a forward strategy and focus for the economic growth of East Sussex for this period, ensuring that the resources and actions of partners are aligned to meet a focused set of goals. This fits with the emerging aspirations of the Sub-National Review of Economic Development and Regeneration and locally promotes a focus on economic development matters that partners and stakeholders can sign up to and collectively deliver.

Its development has taken into account the wealth of policy statements, relevant studies and economic performance data that are currently available for East Sussex; for example the new Regional Economic Strategy and draft South East Plan which need to cascade to a sub-regional level. It provides the strategic focus binding those regional documents to the programmes and initiatives of local and sub-regional partners which seek to transform and improve the economic performance of East Sussex. The document also marks out the role and contribution of East Sussex within the South East Coastal and Rural strategies and at a local level will input into the three year cycle of the Local Area Agreement economic development and enterprise processes, and provide the clear aspirations of East Sussex to take advantage of opportunities such as Multi Area Agreements. A technical appendix has been produced in drawing this refresh together. Through the efforts of partners, such as East Sussex County Council, the East Sussex Economic Study is produced on an annual basis, ensuring that an up to date picture is maintained for partners to access on the relative economic performance of the County.

The process of development of the refresh took place during 2007, with a 12 week consultation during the summer. The Economic Partnership received comments and input from a wide range of private, public, and third sector partners and stakeholders; and these resulted in significant enhancement to the consultation draft, providing a strong and focussed document that captures the elements needed to move forward the East Sussex economy over the next ten year period.

This strategy sets out a vision for the County that will build on these achievements and provide a focus and a set of priorities on which the finite resources of funding partners can be concentrated.

Progress since 2002

This Refreshed Strategy leads and builds on the earlier Economic Development Strategy produced in 2002/03 that focussed on a set of three key goals:

- An improved integrated transport infrastructure
- Development of a genuine knowledge and skill-based economy
- Active support for rural and urban revival

So what progress has been made? Much has moved on, given major enabling investment in Hastings–Bexhill, new urban renaissance opportunities in Eastbourne–Hailsham, and Newhaven; and with the emergence of the new economic and spatial strategies, with both coastal and rural foci. The 2002 Strategy described a wide range of activities for partners to take forward against each of these three goals. The

partners across the county have undertaken a range of collective and individual activity against each of these; a brief overview is as follows:

Integrated Transport Infrastructure

A wide range of investments have been made in terms of public transport and minor road improvements; of significance is the £32m investment of a new road bridge crossing the rail line at Beddingham on the A27, which appreciably reduces travelling times along the coast, and to and from the Port of Newhaven. The Bexhill-Hastings Link Road also continues to be championed and supported at the regional level. The creation of the Regional Transport Board (at which East Sussex Economic Partnership has a hard fought place) should ensure that this £89m scheme is funded, being seen as of regional significance and importance to the development of the south coast infrastructure. Further funding has been allocated for improvements to the A27 at Wilmington, and the A21 servicing the East of the county.

The Port of Newhaven sees the continuance of the Newhaven-Dieppe freight and passenger service, enhanced in 2007 with sailings to Le Havre, following the appointment of a new operator. Partners continue to work to secure investment at the port to ensure its development in the future.

Rail improvements continue, but not at the step-change pace that is truly required to improve travel times to the capital. The pressure for the re-opening of the Lewes-Uckfield line has resulted in Network Rail signing up to a study to consider the possibility of reopening the rail line.

The investment in infrastructure remains a constant pressure that requires significant partnership working at all levels. However, whilst overall progress has been made towards this goal, future and further investment must be secured to meet both commercial and residential development aspirations for East Sussex.

Knowledge and Skill-Based Economy

Several key elements fall within this goal, including enhanced Higher and Further Education provision, increasing the demand for ICT, and ICT infrastructure investment. Significant progress has been made in terms of the capital brought into the county to achieve progress in these areas. The new University Centre Hastings, the Wealden Skills Centre, the new Further Education College commencing in Hastings, and the significant investment made by both Sussex Downs College and Plumpton College in specialist facilities; for example the state of the art Plumpton Winery.

This now provides the hard infrastructure from which employers and employees can take advantage of, driving the HVA knowledge and skills required to move forward the East Sussex economy, and to provide the facilities as the vehicle of opportunity to start to tackle the pockets of deprivation. The establishment of the East Sussex Adult Learning and Skills Board is a good example of how partners are coming together to tackle the wider skills issues and establishing the skills agenda to enable change that will help drive the economy forward.

In terms of ICT, Broadband East Sussex drove forward the lobbying of providers to make the investment in Broadband infrastructure, with over 99% of the county now Broadband enabled. Success has been achieved in increasing the use of ICT technologies, and the business benefits that can be gained from these advances, moving business up the e-adoption ladder. The benefits for rural businesses are especially significant enabling businesses to take advantage of the environment of

East Sussex, whilst being encouraged to move forward beyond a simple lifestyle business.

Rural and Urban Revival

The move for local and inward investment business expansion places the private sector, naturally, at the heart of economic development. Progress towards this goal has been steady with significant investment made in enterprise centres, hubs and gateways across the County in Newhaven, Eastbourne, Hastings, and Flimwell, by both public and private sectors. These provide a valuable resource for growth businesses to take advantage of, with the Locate East Sussex investment service providing the mechanisms to assist business find the right space and place. The Partnership has focussed on working with partners to bring employment sites forward to market across the County; this is critical if new business space is to be created and therefore job opportunities created. A Priority Sites Strategy has been established, to guide and focus attention on the opportunities available, and key site evaluations undertaken to ensure that strategic site development is viable. Significant public sector investment has been made in new employment space in Hastings, through the delivery mechanism of Sea Space. Further public sector support will be required for several years to come, before the tipping point is truly reached where the need for it falls away, but real progress is being made and a growing amount of private sector investment is now being attracted.

Likewise, significant investment proposals are coming forward in Newhaven, Lewes and the Eastbourne-Hailsham Economic Triangle.

The need for affordable housing remains a constant issue for local planning authorities to deal with, although housing led economic development cannot be relied on to further the East Sussex economy. Therefore, significant investment in the business support mechanisms continues, in order to facilitate the local business community to drive innovation and technology development, for example, through the activities of Sussex Innovation Centre.

In addition to partners' local spend, in terms of external funding into the County, East Sussex has had the advantage of two SEEDA Area Investment Frameworks, providing over £8m of devolved funding. In the 3 year period until March 2007, it has enabled and facilitated a diverse range of economic development projects, creating over 180 jobs, 75 new businesses, and supported over 1,800 people in skills development. Funding from the Small Rural Towns Programme has been available to assist the 16 market towns, and successful European Leader and Interreg programmes have progressed. The focus of investment has been in the Hastings and Bexhill Task Force Area, where over £82m of direct public sector economic development investment has been made in addressing market failure.

In overall terms, it is considered that progress has been made against the original Strategy, although continuous effort must be maintained to ensure that East Sussex does not slip down the economic performance league, by securing funding and support from regional and national bodies to maintain the focus required.

Partners are dedicated to ensuring that we have a countywide strategy which is fit for purpose and reflects the issues currently facing East Sussex. The Refreshed Strategy, and the SMART action plan that will be developed as a result of the Strategy, will enable everybody involved in economic development across the County to work together towards a focussed set of outcomes, ensuring East Sussex continues to grow and move forward, making a real contribution to the economic success of the South East.

2. THE POTENTIAL

East Sussex is a unique place. It enjoys relatively close proximity to the major concentrations of high growth and high value economic activity in London and the South East and close access to a major international airport. Yet its quality of life and a unique combination of down land, rural natural beauty and coastline, make East Sussex an attractive place in which to conduct business and generate wealth. The main focus of its economic growth potential lies in the coastal urban areas. These form part of a linear grouping of urban centres running from Ashford through Brighton and Hove to the dynamic economies of Portsmouth and urban South Hampshire, linked together through a spinal rail and trunk road system. This urban corridor has scope to emerge as a powerful and integrated axis of economic growth in which East Sussex is poised to play a pivotal role. By providing a hot bed of innovation-led growth and high quality investment, it will bind the emerging dynamism of coastal areas together from east to west.

Already the foundations for a critical mass of new industries to achieve this transformation are being put in place.

- In **Hastings-Bexhill**, major investment has been committed towards stimulating the creation of new high value businesses and education-led economic growth. An Enterprise Hub, innovation, media and e-commerce workspace incubators and a university centre have been developed. The choice of business locations for expanding Small and Medium Enterprises (SMEs) and inward investors is being widened through forward development of office space in Hastings, the creation of expansion sites at North Bexhill and within the A21 Innovation Corridor.
- The **Eastbourne-Hailsham Triangle** is being prepared as a key strategic location to attract a strong grouping of globally competitive industries. A new business park at Polegate, improvements to the A27 linking to the M23, Gatwick and Brighton and a possible Parkway station will provide and encourage significant new employment space along the A22 corridor in order to attract inward investment and encourage local business growth.
- In **Newhaven**, there are current proposals by investors for the acquisition and transformation of the port area, involving the building of a new berth, access road and terminal building. Complementing this, the assembly of major employment sites in the vicinity would create new jobs in advanced logistics, ICT, passenger and cargo handling, and other port-related industries.

A number of supporting factors anchor this potential. Most of East Sussex is strategically accessible to Gatwick, one of Europe's largest airports for business travel. Three higher education establishments with strong graduate retention rates provide the area with a competitive knowledge base. The county competes strongly on lifestyle, environmental and cultural quality. Collectively, these provide a strong magnet for attracting new entrepreneurial activity to the county.

East Sussex has already attracted a large number of small, high value businesses. Many are tucked away in the rural areas, but the mechanisms are in place to bring them together into a powerful network of dynamic entrepreneurial activity.

Nevertheless, there are major challenges to be tackled. Areas to the east of the county are not conveniently accessible to strategic road links. For these reasons, East Sussex

has to become self-sufficient by creating its own strong, specialist hubs of economic growth.

The conditions to achieve this have never been better, given the infrastructure now in place for internet trading, innovation support, fast track business growth and the investment magnets now being assembled. Through a combination of ambition, resourcefulness and partner commitment, East Sussex can deliver strong and sustainable economic performance by pulling these opportunities together.

3. WHAT NEEDS TO CHANGE

3.1 Economic Disparities

East Sussex is broadly made up of four economic entities.

- Hastings-Bexhill
- Eastbourne – Polegate – Hailsham
- Newhaven – Lewes and Brighton hinterland
- The rural areas served by the market towns

There are significant variations in the economic and demographic profile across different parts of the county. Hastings & Bexhill, Eastbourne, Hailsham & Polegate and Newhaven are characterised by problems of low skills, high levels of long-term unemployment and local deprivation. In these areas, regeneration efforts need to be focused on attracting more employers to the area with higher level skills, offering jobs to those in the urban areas and their rural hinterlands.

In contrast, areas such as Lewes, the rural areas and market towns to the north have higher levels of skills, business growth, employment and earnings performance.

Closing the gap in economic performance between these areas will be a fundamental aim with growth programmes stimulating economic diversification.

3.2 Current Economic Performance

East Sussex needs to enhance its capacity to create wealth. Nearly two thirds of its employment is in relatively low paid sectors such as public services, distribution and hospitality. Higher value sectors such as manufacturing, financial and business services account only for 25% of the sub-regional economy. In the past five years, some 4,000 jobs have been lost from those higher value sectors, replaced by 8,000 jobs in the public sector, distribution and hotels.

This is reflected in the relatively poor earnings levels of the county. East Sussex employees earn considerably below the national and regional average with mean gross earnings in 2006 of £349 compared with £489 across the South East and £450 across England.

The county's economy is made up predominantly of small businesses. 33% turn over £100,000 or less; only 15% turnover more than £1m. This poor turnover performance is largely due to a failure to penetrate wider regional or export markets. Across the county, an average of almost 40% of businesses trade within 10 miles of where they are based.

On the positive side, new businesses are being set up, particularly in the financial and business services sector and in construction. Micro-businesses are seen as important providers of employment and many have potential for a step change in their performance.

3.3 Factors Constraining Economic Growth

3.3.1 Business Property

There is insufficient property of adequate quality to encourage new enterprise, growth of micro businesses and SMEs or the attraction of new industries to the area. There is a marked lack of average sized units currently available to meet market needs.

A concerted site and workspace development programme linked closely to a better resourced service to business growth and retention will release this expansion potential significantly.

3.3.2 Transport

Poor transport infrastructure remains the strongest contender as a barrier to growth. East Sussex does not benefit from fast rail links to London in the same way as other parts of the South East; it is unlikely that this constraint will be removed in the short to medium term. The South East Plan states that the lack of adequate transport infrastructure is delaying the delivery of some major development proposals and highlights the need for necessary infrastructure requirements to be addressed early in the planning process. Enabling transport infrastructure essential to the success of key developments will therefore need to be lobbied for and funded in the short term.

By creating an innovation-led entrepreneurial culture and supporting the growth of e-trading, East Sussex can develop its economic performance within the limitations of its constrained road and rail network. In the meantime, every opportunity to present the case for improving strategic access needs to be grasped, working through established mechanisms of the County Council and the Regional Transport Board.

3.3.3 Fragmented Support to Enterprise

There is a weak entrepreneurial culture in the coastal areas and some of the county's businesses may be operating fairly comfortably producing lower value added products and services for local markets and are protected from competition from wider markets. Therefore there is less likelihood for them to aspire to grow. Due to poor connectivity and the large expanse of the rural area, businesses are dispersed and in many cases their make up and potential are not well understood. The rural business community is notoriously difficult to reach and rural businesses tend not to seek formal advice due to lack of awareness, time and money issues and the lack of specialised support. Coherent strategies to reach this community are needed.

3.3.4 Aspirations and Skills

In areas such as Hastings, Bexhill, Hailsham and Eastbourne aspirations towards self advancement are low. This is partly brought about due to high dependence on employment in the public sector and traditional industries and on the general low aspirations of many of the local population. However, current measures to reverse the constraints on attracting inward investment provide a focus through which local people can aspire to new careers and develop higher level skills.

3.4 Key Challenges

To strengthen the East Sussex economy a number of complex issues will need to be tackled.

- **Creating Conditions for a Higher Value Economy.** East Sussex needs to focus on creating the conditions for securing higher levels of investment and business growth in high value activities and generating jobs where the potential exists. This will require the successful attraction of new knowledge based businesses that can boost the county's growth potential in high value industries.
- **Encouraging Stronger Business Performance.** The growth ambitions and competitive competences of East Sussex businesses needs to be lifted. This needs to be matched by achieving stronger rates of high quality business creation and survival and a stronger entrepreneurial culture. There is also a need to address the constraints on business growth currently caused by the poor choice of business accommodation and opportunities to expand, gaps in skills and the quality of business support. Solutions to removing these constraints need to be found and applied.
- **Encouraging Full and Sustainable Employment.** East Sussex needs to generate jobs for those with lower skills in the less prosperous parts of the coastal and rural hinterlands, to help raise aspirations of the less skilled and encourage self advancement. The unemployed and economically inactive then need to be helped into new jobs. This will require stronger focus and impact from available funds and support delivery to accelerate the transition of those on welfare benefits to a suitable employment.

Addressing these challenges must align with policy objectives for the wider regional economy.

4. FACTORS SHAPING THE ECONOMIC STRATEGY

4.1 Regional Economic Strategy

The Regional Economic Strategy (RES), published in October 2006, identifies three challenges which have an impact on every part of the South East, namely, Global Competitiveness; Smart Growth and Sustainable Prosperity. The economic growth of East Sussex has considerable scope to address these goals.

- **Global Competitiveness:** East Sussex has scope to increase the productivity of its businesses and help more of them to expand their penetration of home and international markets. The county is in a stronger position to put forward foreign direct investment propositions.
- **Smart Growth:** There is scope to attract and grow a higher stock of high value, knowledge based industries which are internationally competitive by bringing forward key strategic employment sites in the coastal areas and widening the choice of small and medium sized property. Through higher levels of education attainment by local residents, the East Sussex labour market can be transformed into a dynamic workforce, increasing earnings levels.
- **Sustainable Prosperity:** East Sussex can provide an exemplar for sustainable industries, exploiting its large land based sector by diversifying into renewable energy and a range of high value environmental industries. The self-sufficiency of the market towns can be secured through targeted business support, improved choice business accommodation and supply links to growth opportunities in the urban areas.

4.2 South East Plan

The South East Plan has a Core Sub-regional Strategy which aims to bring sub-regional performance up to the South East average; reduce peripherality by improving the strategic transport infrastructure; provide decent housing at an affordable price; and enhance cultural and historic assets.

The Plan identifies the Sussex Coast as an area in need of extensive regeneration and the reduction of social and economic disparities. It has defined a sub-regional strategy for the Sussex Coast from Chichester to Rye as a special area, which it identifies as an area in need of extensive regeneration, given high levels of multiple deprivation in many of the coastal towns, most especially in Hastings and Brighton & Hove, and by GVA in the sub-region being 30% below the regional average.

The Plan states that key measures should include diverting assistance and expenditure to areas in greatest need, by continuing the support to Hastings and Bexhill. Key to this will be agreeing a long term vision in further developing the Hastings and Bexhill five point plan, optimising the potential in Eastbourne-Hailsham and continuing to improve Newhaven and its port.

4.3 Role and Identity in the Coastal Strategy

In the context of the emerging coastal strategy for the South East, East Sussex has a pivotal role in linking the east and west coastal economies together. For this to happen successfully requires a strong critical mass of robust and sustainable economic activity to be generated, and then integrated into the broader coastal economy. To create

such conditions will require a considerable scale of intervention, in addition to maintaining the impetus of the transformational programmes already in place.

Redevelopment opportunities such as Eastbourne-Hailsham Triangle and Newhaven will require planning frameworks, site acquisition, enabling infrastructure and delivery coordination to be put in place. Strong public sector intervention will be needed to pull together complex land ownerships which are holding back the bringing forward of these sites and to create products that will attract new employers and enable existing ones to expand. A well financed and resourced special purpose delivery vehicle will be needed to accelerate opportunities within the Eastbourne-Hailsham Triangle.

If substantial improvements to strategic transport are to be secured in the long term, future development and economic activity need to be suitably aligned so as to create a demand led case for such investment in regional and national agendas.

4.4 Creating Opportunities for the Rural Areas

The development of the rural parts of the county will be boosted to a major extent by successful urban renaissance of the coastal areas. Rural residents will benefit from a wider choice of higher education, employment and career opportunities and an enriched cultural and lifestyle offer. Rural businesses will have larger local markets to tap into and there will be wider opportunities to link up with collaborative partners in order to exploit and commercialise innovative concepts. The main urban/rural sectoral differentiation is retail mass offer and land based industries.

However, much needs to be done to improve the self-sufficiency of the rural areas through rural diversification, support to business growth and helping those who are workless in the poorer rural communities to access sustainable employment.

The rural areas are an important potential source of business accommodation, given the range of small development sites and workspace provision that can be brought forward through farm diversification. As the urban renewal increases business investment to the sub-region, the rural areas can offer alternative and in many cases superior locations for incoming and expanding businesses, in turn, generating higher levels of local economic activity.

4.5 Local Growth Opportunities

➤ *Hastings and Bexhill*

The five point plan for Hastings and Bexhill sets out a vision and a strategic framework for regenerating the area, focusing on education, business, urban renaissance, broadband and transport. Following the opening of the enterprise hub, business centres to support and accommodate creative and media, innovative and e-commerce businesses and University Centre Hastings, a number of flagship site developments will also serve to attract to larger established businesses to the area, in addition to helping existing businesses within East Sussex to consolidate and expand their operations.

➤ *A21 Corridor*

The innovation corridor is being created through the bringing forward of site development opportunities at North Bexhill, Queensway Business Park and sites straddling the relief road and A21. The vision is for an enviro-enterprise corridor occupied by sustainable businesses in manufacturing, research and design.

➤ **Rother**

Complementing the work of the task force, Rother District Council is seeking to create a thriving commercial environment which enables businesses to compete in a global market place offering high quality career opportunities. It aims to create or retain 2,700 jobs as a result of bringing forward important site development opportunities at Bexhill Town Centre and Seafront, Sidley Goods Yard and North Bexhill and to increase the earning power of the local population through an improved education offer for all ages.

➤ **Eastbourne-Hailsham Triangle**

The Eastbourne-Hailsham Blueprint identifies a forward vision and strategy based on five relevant themes: Leadership and Coordination, (e.g. addressing the need for public investment) High quality business infrastructure and business sites; Confident and Creative People; a Culture of Entrepreneurship; and Smart, Sustainable Enterprises. Development opportunities at Polegate as outlined in the South East Plan are a key focus, along with proposals to review allocations of business sites such as Golden Cross, Hackhurst Lane, and sites in Eastbourne. The plan would be driven by a new form of collaboration between East Sussex, Wealden and Eastbourne Councils in collaboration with SEEDA, University of Brighton and through the possible set up of a special delivery vehicle.

➤ **Lewes District**

Lewes District Council's interim economic development strategy highlights the significance of local self-employment which is significant amongst a higher skilled workforce. It also points to the growth potential of the creative industries, knowledge economy and financial and business services in Brighton & Hove and Sussex Innovation Centre which cannot meet the demand for new business space. It advocates greater representation of high value industries; promotion of entrepreneurial activity; creation of appropriate premises for businesses and better marketing of the area's tourism assets. Potential redevelopment of the port could open up major opportunities for the attraction of high value industries.

➤ **Wealden**

Much of Wealden's economic development activity centres around sustaining the market towns and rural communities. The market towns have developed business networks which play a key role in articulating business and economic support needs. For example, the Crowborough Partnership have identified 'starter' business units with variable short term leases as an important priority for the local economy.

5. STRATEGIC FRAMEWORK

5.1 Vision

'A self-sufficient, globally competitive growth economy, sustainably built on successful urban and rural renaissance driving prosperity throughout the county'

5.2 Mission

Our mission is to improve the economic viability of East Sussex in order to achieve this vision.

5.3 Strategic Objectives

1. To create a robust and dynamic critical mass of sustainable, high value, knowledge based economic activities within the coastal and rural areas.
2. To raise aspirations of businesses and local residents towards improving their wealth creation performance and prosperity levels.
3. To match supply of business accommodation with demand.
4. To achieve sustainable employment for unemployed people within the coastal and rural areas.

5.4 What Success Will Look Like

To deliver the vision, the following factors will provide the qualifying principles for the action plan framework, and will be developed through partnership working, commitment and engagement; and with tested SMART targets.

- East Sussex will develop a high value base of economic activity, driven by close synergies with surrounding coastal areas districts and its proximity to Gatwick. It will become a focus for new investment competing with other South East locations through superior lifestyle and the dynamism of its workforce.
- As a result, dynamic clusters of innovation led growth businesses will emerge together with a small number of significant flagship inward investors providing the anchor for the new development zones. Together, these catalysts will provide a magnet for like minded SMEs to move into the area.
- More local people will be encouraged to start viable businesses and be helped to survive and expand.
- Existing East Sussex employers will increasingly realise the value of instilling a learning culture and intensify the development of their work forces, leading to a higher level skills base within the East Sussex economy.

- An improved property offer will release major constraints on the attraction of high quality employers to high quality accessible sites and amplify the start up and expansion space for SMEs.
- There will be a major reduction in levels of economic inactivity brought about by improved levels of basic employability skills. Effective, joined up job preparation and placement and skills development services will ensure that local people are encouraged and fully assisted in taking up newly created jobs, leading to a substantial reduction in levels of worklessness and increases in local economic prosperity.

6. STRATEGIC FOCUS

6.1 Hastings – Bexhill Transformation

Through continued implementation of its transformation programme, the aim will be for Hastings-Bexhill to become a magnet for innovative, knowledge based entrepreneurs. They will be attracted by the high quality business growth support from its Enterprise Hub and incubation centres and the expansion opportunities provided at North Bexhill, Queensway and on the A21 Innovation Corridor. These will create a stimulus for further inward movement from like minded businesses. These successes will change the culture of Hastings and Bexhill, encouraging more local people to set up businesses and improve their skills, in which they will then be fully supported.

This will require continued implementation of measures to ensure that major investment in the transformation of Hastings and Bexhill happens and translates into tangible and lasting benefits to the local economy and community.

6.2 Stimulating the Growth of the Eastbourne-Hailsham Triangle

The priority here is to create a dynamic economic growth node, providing a platform for transformation of the wider surrounding area longer term. This will be brought about by providing a better supply and mix of appropriate sites and premises to meet projected employment growth over the next 15 years.

These development opportunities lie in the most strategically accessible part of the county and can contribute significantly to reversing site shortages and generating renewed investor confidence. They can provide larger scale sites which have a higher economic impact, housing the largest companies which are often the biggest value generators in the economy, paying higher wages and creating an associated value chain of suppliers and customers.

Priorities will be to define a planning and development framework to optimise these growth opportunities, secure resources for a special purpose vehicle to bring forward new sites and attract a grouping of high prestige occupiers to anchor further growth.

6.3 Building on the Growth of Newhaven

The acquisition of the port by an external investor will transform the port area and contribute significantly to the regeneration of Newhaven's local economy. Once this is accomplished, the priority is to build on the major opportunity this creates to optimise and spread economic growth benefits widely within the East Sussex economy.

This will involve a number of interventions. Additional land assembly will be required to create catalysts for port-related and high tech inward investment. The profile of the Newhaven-Dieppe link as the fastest route to Normandy and Paris and the associated business opportunities will need to be raised. Strategic advocacy for rationalisation of other small south coast ports will seek to secure unique advantages for Newhaven and assure its long term competitiveness and growth. Workforce development initiatives aimed at improving the investment case for incoming businesses will be put in place.

6.4 Enhancing the Support Role of the Market Towns

There are a number of small pockets of severe poverty within the rural areas. There is a need to reach out to those within them, who are workless, help them to raise their aspirations and make the transition to sustainable employment. In addition, rural

businesses need to be more strongly supported within their localities. To achieve this, the advice and support functions of the market towns will be intensified to strengthen their role as access points for assisting deprived rural communities.

In parallel, measures to retain and enhance the vibrancy of the market towns will also be promoted, for example preserving the infrastructure for market trading, particularly where this can continue to bring in those from the rural areas.

To strengthen the self-sufficiency of the rural areas in terms of economic growth and to integrate them gainfully with the coastal urban areas, a number of tactical interventions will, in parallel be pursued:

- The provision of improved local transport services.
- Providing rural businesses with access to strong and effective business support services and networks enabling them to widen the market penetration of their products and services
- Ensuring the full roll out of broadband services.
- Pulling together a more integrated culture and tourism offer.
- Enhancing the supply of rural business property.

7. SUPPORTING OUTCOMES REQUIRED

7.1 Aligning Business Growth and Investment to Regeneration Priorities

In order to generate a strong and dynamic base of economic activity within the regeneration areas, strategies will be set out for the creation and growth of strong innovative clusters and for wider sector growth opportunities which build on the advantages and strengths of East Sussex and extend job opportunities. In addition to innovation led business growth, opportunities in culture, leisure, tourism and sport, the care sector and the public services need also to be fully scoped.

In relation to each of these opportunities, such strategies will spell out the scope of inward investment propositions; sub-sector support needs; opportunities for tailored business support and skills provision; property offer; innovation support and finance; relevant support offer of the universities; essential infrastructure that must be put in place and lobbied for; and arrangements for the reorientation of the funding resources needed to take forward these proposals.

In addition, there will be a key coordination role to play in getting the local authorities to align their Local Development Frameworks with the proposals in this strategy. Built into these proposals will be the provision of 100% next generation broadband and any opportunities for the development of science and innovation campuses (RES).

7.2 Raising Aspirations for Entrepreneurism

Because of limitations in the potential for inward investment in certain parts of the county, a greater emphasis on supporting micro-businesses is needed as these currently contribute a very high portion of the county's GVA. For this, the aim is to provide a sound platform for bringing businesses into being and preparing them for further growth during the first three years of operation. However, within parts of the sub-region, support provision for start-up and micro businesses is limited and in some parts non-existent. This will be strengthened and targeted so as to contribute more directly to increased economic performance. The various forms of small business and start up provision will be coordinated and refocused to ensure that its impacts can be more tangibly felt on the growth of the sub-regional economy. Once this is achieved, efforts will be directed towards getting more local people to consider enterprise as a major life option through a targeted campaign.

East Sussex contains a number of small high-value innovative young businesses but many are tucked away in the rural districts and are not comprehensively engaged or supported. Through concerted engagement and coherent delivery of business support, East Sussex businesses with the potential to grow will be helped to become more productive, expand their market penetration and to develop their export readiness.

7.3 Business Support Simplification

At present, Business Support Simplification is a key priority for the Government, whose aims are to ensure that such support is easy to understand and access and good value for money whilst having a substantial, measurable impact on public policy and other goals.

The Government has announced the broad areas where the Government believes there is a case for intervention where there is a clear rationale, evidence of effectiveness and evidence of business demand.

- Starting up
- Access to finance
- Management, recruitment, people development
- Operations and efficiency
- Product development
- Sales and marketing development

The Economic Partnership will be working closely with business support agencies across the county to ensure that these new arrangements are successfully suitably embedded and focused to ensure optimum impact on the successful creation, survival and growth of East Sussex businesses.

7.4 Widening the Choice of Commercial Property

The restricted supply of sites and premises in East Sussex is arguably the biggest constraint on business investment and growth and must be addressed as a key priority. Employment land needs to be retained and brought forward for development, otherwise the housing market will swamp it and business will disappear.

A strategic framework and programme will be put together that will direct partner actions and site interventions to address site ownership difficulties, lack of developer ambition, planning issues, and other factors that constrain the supply of business property, in order to provide the built products businesses need. In parallel, sites and funding opportunities for provision of flexible, affordable small business workspace across the coastal areas and market towns will be identified and appropriate interventions made to bring these forward. In particular, the provision of technical advice and support to the planning process will be intensified in order to help rural landowners bring forward such schemes and thereby, contribute significantly to the diversification of the rural areas.

7.5 Transport Infrastructure

Where there is either a critical need or major opportunities to secure strategic infrastructure improvements, the Economic Partnership will address them through robust case building, concerted lobbying and a strong business voice.

Recognised priorities are:

- on-going improvements to the A27 and A21
- the Hastings and Bexhill link road
- developing Newhaven's role as a transport hub
- establishing a case for re-instating the Lewes-Uckfield rail link
- improving the east-west links from Ashford.

To move forward, the Economic Partnership will coordinate the joining up of the key opportunities with the main interested parties, in particular the way development sites are matched to existing and future transport nodes. Specific proposals will be made to the Regional Infrastructure Fund where a strong case can be made. For example, where heavy use of the roads can be alleviated by transfer to rail, such as the transportation of London's rubbish for incineration in Newhaven, these opportunities will be highlighted in building the case for strengthened infrastructure.

7.6 Focusing Resources Towards Higher Level Skills and Sustainable Employment

If the workforce of East Sussex is to be successfully transformed and sustainable employment maximised, it will be necessary to establish a joined up, fully integrated employer engagement, skills delivery and job preparation service, signed up to by all key providers of such services. Existing employers are now benefiting from the shift of public funds towards employer-led skills development brought about by the Leitch review. Opportunities to create employed workforces with higher level skills through schemes such as Train to Gain will be intensively promoted.

This will have a number of implications.

- Sharpening the response to employers' needs, through strong brokerage and delivery mechanisms which ensure the education and training resources of the county respond swiftly to the demands of incoming or expanding companies, provide accurate identification of needs and effectively deliver skills solutions tailored to address them. Such mechanisms will usefully be deployed in providing entry level employment and training for the public sector.
- Raising skills standards by addressing major skills gaps, particularly improved levels of basic skills linked to such processes as confidence building, job preparation and placement and especially in the coastal towns.
- Achieving greater impact from welfare to work support, given that greater levels of inclusion, employment and social progress are fundamental to realising the desired impacts from the investment and regeneration programmes currently being put in place. The significant funds spent on measures to engage unemployed people to prepare them and place them into work need to be used to their full effect. This will be achieved by joining up the activities of the different funding and delivery agencies towards tightly focused aims aligned to the LAA targets will be of particular importance.

To address these aims, the Economic Partnership will continue to work closely with the Adult Skills Partnership and the future Employment and Skills Board in agreeing focused priorities, creating links to employers who can offer new jobs and galvanising the experience, efforts and linkages of all partner bodies able to contribute to these aims. These measures will contribute to the raising of economic activity rates, to the creation of an effective skills escalator and to achieving education led regeneration (RES).

7.7 Exploiting Culture and Tourism in East Sussex

East Sussex has the potential to attract considerably more staying visitors. More should be done to encourage them to appreciate the rich cultural, sporting, leisure, heritage and natural beauty of the county. To achieve this, a more coherent and themed approach to marketing the county's special interest attractions and hotels will be developed.

7.8 Maximising Opportunities from the Olympics

In the run up to the 2012 London Olympic and Paralympic Games, East Sussex will capitalise on the demand for training facilities by persuading country teams to use the

county's sports facilities and accommodation. There is a need to examine how we can make it easy for those visiting, watching or participating in the Games to take up these facilities and get the best out of the county's attractions and benefits.

The 2012 Games will also provide opportunities for local people to participate and seize opportunities for their self advancement. To prepare for this, local colleges will be encouraged to run courses for East Sussex residents who may wish to participate in the organisation of the games e.g. as marshals, then progress to more formal further education and career progression. Account will also be taken of the profile the Olympics will give to the UK economy and how this might help East Sussex exploit investment opportunities, in line with the regional goal of making the most of the Olympics (RES). There will also be a need to consider possible boosting of construction skills training activity given anticipated skills demand in the build up to the Olympics.

7.9 Addressing Climate Change

The significance of climate change is now widely recognised as a force for change that affects all individuals and businesses. It presents a number of threats but also opportunities. In order to help East Sussex businesses adapt to these new conditions, steps will be taken to educate them in measures to increase resource efficiency, maximise waste minimisation and to adopt innovative measures to reduce their environmental footprint.

At the same time, the response to climate change is creating a major new market for new, high value environmental technologies, products and services. East Sussex needs to be at the forefront of exploiting these opportunities. To address this, opportunities to support businesses with related innovations with major potential for commercial exploitation will be actively sought out, through close working between the East Sussex Sustainable Business Partnership, the enterprise hubs and Business Link and links to the regional programme for global leadership in environmental technologies (RES).

7.10 Strengthening Partnership

7.10.1 Contributing to the LAA Process

Key proposals from the Sub-National Review of Economic Development and Regeneration are:

- the empowering all local authorities to promote economic development and neighbourhood renewal, with greater flexibility
- stronger partnership working and cooperation from other agencies
- better incentives for achieving economic growth
- ensuring disadvantaged areas benefit from and contribute to economic development.

This increases the scope for pooling resources, responsibilities and targets and supporting the development of robust decision-making at the sub-regional level.

In this regard, the work of the Economic Partnership will play an increasingly important role in taking forward an all embracing economic development strategy, feeding into the Local Area Agreement Process. For this, it will need to raise the profile of its activities and secure the necessary recognition with the bodies leading on the LAA process.

7.10.2 Enhancing the Role of the Voluntary Sector

There is growing appreciation of the valuable contributions that are being made by the voluntary sector, for example, in accessing those who are workless helping them make the transition into sustained economic activity. Examples include Tomorrow's People and NCDA, who have both been highly successfully in getting unemployed people back to work. The East Sussex Regeneration Network, town partnerships and development trusts also have much to contribute. The Economic Partnership will be seeking to identify how these contributions can be maximised by acting as a catalyst to link up and strengthen partnership between such bodies and as promulgators of best practice and by supporting them in enhancing their role in delivery, at the same time providing a key link to the LAA process.

7.10.3 Cross Boundary Working

East Sussex cannot develop its sub-regional economy in isolation. Important growth programmes are being taken forward in Brighton and Hove and the Gatwick Diamond, whilst major urban centres such as Ashford and Tunbridge Wells continue to have a strong influence on the county's economic activities. Close working relationships will be maintained with the local authorities and Economic Partnerships serving these areas in order to maximise synergies, develop the mutual case for strategic infrastructure and for the cross-fertilisation of growth initiatives.

7.10.4 Leadership and Coordination

In parallel, the Economic Partnership will continue to play a crucial role in leadership and coordination, galvanising partnerships and bringing their efforts, expertise and resources together. The Economic Partnership is in a unique position to stand aside from the public sector and to make those responsible for delivering key outcomes accountable.

8. MOVING FORWARD

This strategy has set out a vision and focused set of goals for the next ten years. It has highlighted the opportunities and marked out the contribution for East Sussex in delivering the Regional Economic Strategy, the South East Plan and for forward development of the South East Coastal and Rural areas.

Key public and private sector bodies have been widely consulted on these goals and proposals. A separate, annual SMART action plan will set out how we will deliver them.

In parallel, the structure of working relationships between funding and delivery organisations will be developed in detail so that resources are appropriately consolidated and aligned towards the outcomes and impacts required.

Through this process, East Sussex will seek to achieve dynamic growth and full prosperity and become a key driver in the growth of regional economic performance.

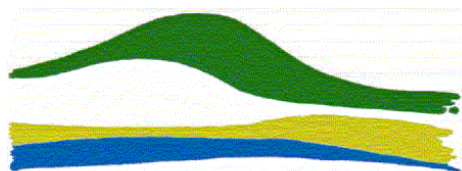
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*working in partnership
to increase economic success*