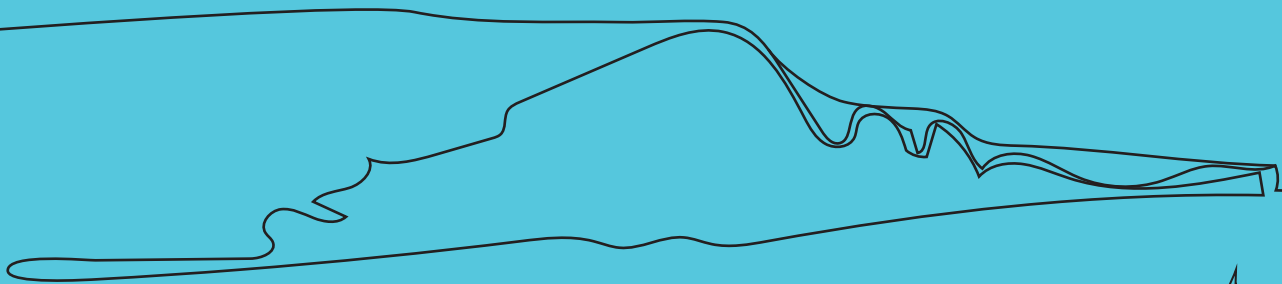




Economy Recovery Plan Consultation Findings Report

21 July 2020



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1. Introduction

- 1.1 This phase of our work programme has involved desk research and meetings with 73 people from 50 key local stakeholder organisations.
- 1.2 The aim of undertaking this extensive stakeholder consultation programme was to gain input from a wide range of stakeholders across East Sussex who work in different sectors and spheres of operation and seek information relating to their current support activities as a result of the pandemic and the changes that it has necessitated alongside consideration of what a future economy recovery plan might look like for the county.
- 1.3 For the former, organisations were asked to describe what they are currently doing to help support businesses and/or people through the crisis and into economic recovery and what they could do more of subject to additional resources being made available. These additional resources might relate to more time, more people, more funding or other factors needed to support them. Feedback from these questions is summarised in section 2 of this paper and identifies some of the future gaps which might be supported.
- 1.4 For the latter and consideration of the future, stakeholders were asked to provide their views on what we are potentially recovering to in East Sussex as we start to emerge from the Government-imposed lockdown. In particular, given the opportunity for reflection from a different perspective created by this unique crisis, we wanted to find out what our ambition for East Sussex should be - what could be done to make the local economy emerge stronger and more robust than before the pandemic?
- 1.5 Stakeholders were also asked to propose changes that would be required to support these ambitions, along with describing the support they thought was missing to help local businesses and people through the crisis. Feedback from these consultations is detailed in section 3 and has led to the development of a series of ambitions for East Sussex and a resultant Action Plan. We will ensure that both these documents are developed in a business-friendly way before we circulate them wider to local businesses, SELEP, government and partner organisations.

2. Current support available in East Sussex

2.1 50 different organisations were consulted and asked to describe their current support activity for businesses and/or people. These organisations covered

- District and borough councils
- Further Education (FE) and Higher Education (HE) establishments
- Third sector organisations
- Business support and business membership organisations
- Representatives from key sectors
- East Sussex County Council

2.2 For each grouping, we have summarised their responses along with identifying the gaps they have stated within their current provision. These responses help pivot from where we are now to what is required in the future and to bridge the gap between the current support that is available and the identification of the new ambitions and resulting actions – see section 3.

District and borough councils

2.3 The last sixteen weeks have seen district and borough councils adapt to the pandemic efficiently and effectively. Whilst the councils have had a responsibility to maintain statutory services and respond to new Government requirements relating to the lockdown e.g. closing car parks, taping off park bench seats, they have also played a crucial role in the deployment of discretionary funds for business. This has included the awarding of grants using Government funds along with the application of 100% business rates relief to those businesses who meet the stated criteria.

2.4 The Economic Development teams have played an important role in dealing with enquires, signposting to advice services and communicating with local businesses through their own databases/ channels.

2.5 Alongside this has been the need for their own organisations to move to remote working with ICT infrastructure being required and new approaches needed. This has included the significant change of council governance arrangements moving online when typically, these have always been held face to face. This has all been achieved at pace.

2.6 It was identified that some councils may be in a financial position that allows them to provide loans and potential mortgage holidays to support, for example, tourism businesses within their area whilst other councils would need be in a position to do this. This could create further inequity across the county.

2.7 Whilst each district and borough council continues to respond appropriately, a number of key challenges have arisen. These include

- Non eligible businesses who are not able to receive current support but who require financial aid. For example, one council has identified that less than 50% of businesses

within its location are eligible. Similarly, certain sectors remain outside the scope of current support

- Identifying the full scope of businesses within a given location as there is no central database or means to know all businesses and ensuring that all eligible businesses are aware of the support available and can access it. This has resulted in local initiatives including leaflet dropping to industrial estates and councillors going around their individual wards to identify unknown businesses.

FE and HE establishments

- 2.8 The impact of the pandemic on FE and HE was immediate with the need for social distancing resulting in the cessation of all face to face teaching. All contact has now moved online and will remain so for the foreseeable future. In the short term, both FE and HE establishments have responded to these significant demands and have remained operational with summer term learning and exams being on-line. In one example, it was stated that 5 years of ICT operational planning has been rolled out in less than 2 weeks.
- 2.9 FE and HE worked quickly to complete some courses e.g. health and social care where final year students were available to the workplace in response to employment demands. Some challenges were noted in the provision of practicals which are difficult to undertake virtually. These may require more simulators to be provided in the future to demonstrate this learning.
- 2.10 Both FE and HE remain open for business and are available to provide support for business growth through productivity improvements, adoption of innovation access to funding, supply chain development and lobbying. The universities in particular are continuing with company collaboration activity and small-scale consultancy projects are underway.
- 2.11 However, there are key concerns for the sector including the loss of international students, the reduction in UK student numbers and the loss of revenue through no receipts being taken for accommodation, food, conferencing and events. Overall, revenue streams will fall significantly and it is anticipated that September 2020 will be a cliff edge.
- 2.12 The big issue for the sector is the constraints placed on use of skills funding which lacks any flexibility. This will need to change to allow FE and HE to respond to new business requirements.

Voluntary, community and social enterprise (VCSE) sector

- 2.13 The impact of the pandemic on the VCSE sector has manifested in significant challenges to the resilience of charitable companies and community businesses including impact of lock down, maintenance of delivery of exempt services, loss of earned income, health and safety and risk assessment, transfer to homeworking and remote delivery of services, cash flow, funder and organisational adaptability to changing service demands. The sector has, where possible, been able to access some of the various business support schemes including furlough. However there have been significant issues for some VCSE organisations in accessing business support schemes particularly rate relief, support for start-up social enterprises without the financial track records and the loss of earned income through trading and social enterprise.

- 2.14 The organisational business challenges of charities and social enterprises have been in the context of significant additional demand on services and the capacity and drivers to adapt services to meet the crisis and the needs of increasing numbers of vulnerable people in the community challenged by the inter-related issues of unemployment, welfare benefits, debt, housing and food insecurity as well as health, social isolation and loneliness. The VCSE sector has been vital to the crisis response.
- 2.15 The big issues for the sector are: support to sustain and retain the economic viability of the vibrant VCSE sector in the county through relevant business support and access to initiatives; support to a community- powered contribution to economic recovery through social enterprise including start- ups, the capacity to develop inclusive employment opportunity and the capacity for local 'place-based' economic development.
- 2.16 The importance of collaboration and multi-agency 'whole systems' approaches including the VCSE to: address digital inclusion (access to equipment and affordability of wi-fi); access available support into employment and skills development, including for young people; address financial insecurity; ensure funding for specialist debt, housing and welfare benefits support; address mental well-being and anxiety including of employees.
- 2.17 The VCSE sector are significant employers in the county with the capacity to support apprenticeships, internships and placement opportunities as well as sustainable employment. There is specific potential to support employment opportunities for young people who are disproportionately affected by the crisis. The sector also provides volunteering opportunities as a pathway to employment.

Business support and business membership organisations

- 2.18 Business support and business membership organisations have also been overwhelmed with enquiries since 23rd March and the commencement of lockdown. At the outset, these enquiries, irrespective of the type of business or sector, were specifically related to finance, in particular access to cash and how to access the various business support schemes that were emerging from Government. More recently, whilst finance still remains an overwhelming concern, enquiries are now emerging on business adaptability, resilience and building recovery. In particular, health and safety assessments in the workplace are growing in importance as staff return to work within a socially distanced environment.
- 2.19 It was felt that businesses were unprepared initially for the scale of the lockdown and for the now emerging changes in the lockdown. It is anticipated that business enquiry levels will continue at higher rates than normal and all organisations would benefit from additional funding which would provide more capacity and capability to respond accordingly.

Business and sector representatives

- 2.20 A cross section of business representatives from different sectors were included in the consultation process covering the care sector, building and construction, hospitality and tourism, recruitment and manufacturing.
- 2.21 Whilst each sector highlighted some significant challenges in responding to the lockdown, there was considerable similarity in their approach and concerns for the future. These include

- The move to social distancing working whether remotely or on site requires a new way of thinking for both individuals and managers. Both will need to be supported
- The next three months is about coping rather than recovery per se. As lockdown is still in place, albeit considerably reduced, we are not yet in the new normal.

East Sussex County Council

- 2.22 For East Sussex County Council, the initial response from all departments was that normal activities had been subsumed by the pandemic alongside the need to respond to multiple demands whilst getting used to home working on a permanent basis. Since the commencement of the lockdown until now, some elements of normal working have been established with a clear recognition that departments will be able to assist and help businesses trade out of the lockdown and into some form of future economy. Departmental detail is shown below
- 2.23 Planning and environment – work has typically stopped on site but is now resuming and there has been a reduction in enquiries. Consideration is being given to the following key questions; how to create a transport system that works for the environment and the economy; how to repurpose town centres as community/leisure hubs rather than retail; how to ensure the current planning system adapts to new requirement?
- 2.24 Strategic economic infrastructure – some schemes have been delayed as consultation is not possible on line and is required face to face. Consideration is underway of how to respond to the Government emergency active transport fund and dealing with district and borough councils requests relating specifically to outside trading and the move to increased pedestrianisation.
- 2.25 Economic development - the team was in the front line from day one of lockdown dealing with an unprecedented level of calls from businesses, coming in via the Growth Hub (insourced from April 2020) and direct to the team. Going forward the Growth Hub is responding well but requires more resource both for capacity and capability in order to respond to existing and future demands.
- 2.26 The South East Business Boost (SEBB) programme will be a vital strand in helping support business towards recovery and growth but may need to amend its approach and perhaps move away from specialist support for growth to specialist support for recovery. The other two SEBB strands: New Enterprise Support, providing targeted support to new businesses (i.e. those who have recently set up either as limited companies or sole traders) and Inclusive Growth (targeting women entrepreneurs and those from BAME backgrounds), will also be key in supporting economic recovery. SEBB grants have been paused as the output of job creation is unachievable in the current climate. This will need to be resolved through consultation with MCHLG, working with other SEBB partners. At the time of writing the new Locate East Sussex commissioned service had not yet been awarded. It will be important for the Locate funders to further shape and direct the service as the effects of the pandemic become even clearer and opportunities emerge for inward investment. The e-Sussex Broadband project remains key in supporting businesses and communities into recovery by building on the success of fibre delivery.
- 2.27 Skills – huge impact seen across all activities in skills and employability and children’s services with a complete rethink undertaking of what is required and how. Some schemes cannot be delivered at the current time whilst others are being provided virtually. Additional funding would provide more capacity and help fill the gaps that arising.

National schemes available for East Sussex businesses

2.28 Where eligible, East Sussex businesses can access the national schemes supported by central Government. These support measures are being announced in three phases. In phase one they included:

- 12-month business rates holiday for all retail, hospitality, leisure and nursery businesses in England
- Coronavirus Job Retention Scheme (CJRS)
- CBILS
- Bounce back loan scheme
- National business support helpline
- The Coronavirus Large Business Interruption Loan Scheme
- Deferral of VAT payments
- Grant funding of £25k for retail, hospitality and leisure businesses with property with a rateable value between £15,000 and £51,000
- Self-employment Income Support Scheme
- The Coronavirus Community Support Fund, distributed by The National Lottery Community Fund
- Clean Growth Fund

2.29 Phase 2 measures were announced on 8th July 2020 and included the following:

- A jobs retention bonus of £1,000, per employee, for businesses bringing back employees from furlough and continuously employing them from November until January
- VAT cut from 20% to 5% for the hospitality and tourism sectors from 15 July to 12 January
- People can get 50% off vouchers in August as part of the 'Eating Out to Help Out' scheme, aimed at getting people back in pubs, cafes and restaurants
- The kickstart scheme - grant funding for employers to create new jobs for any 16 to 24-year-old at risk of long-term unemployment, with government paying their wages, plus overheads, for the first six months. The first kickstarters will be in their new jobs this autumn, and there will be no cap on the number of places available
- For the next six months, businesses will be paid up to £2,000 per new apprentice they take on
- Investing an additional £1 billion in the Department of Work and Pensions to support people back into work
- From September, a £2 billion green homes grant for homeowners and landlords to carry out works to make homes more energy efficient
- £1 billion to improve the energy efficiency of public sector buildings
- £50 million fund to pilot the decarbonisation of social housing

- Stamp duty threshold increasing to £500,000
- 2.30 This list cannot be maintained as fully comprehensive as schemes are subject to change and development. The most up to date information is available via [.gov.uk](https://www.gov.uk)
- 2.31 This Economy Recovery Plan has been written in the expectation that the Government will continue to provide the above support to businesses and will modify and continue financial support measures at the various stages of lockdown exit and economic recovery and growth.

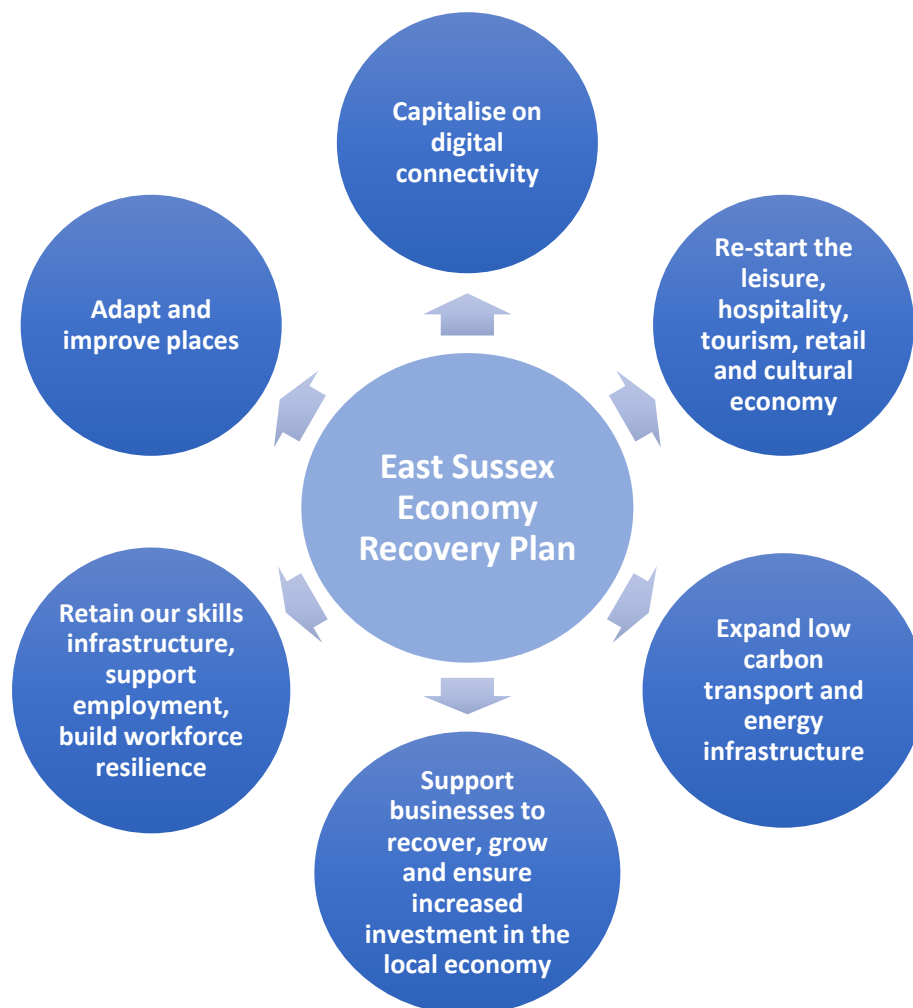
3. The ambitions for East Sussex

3.1 The results of the consultations undertaken showed a remarkable level of consistency. They could be viewed as largely according with the East Sussex Growth Strategy three pillars (Business, People and Place) and priority actions embedded within that document.

3.2 We have grouped and summarised these ambitions and proposals under the following headings:

- Support businesses to recover, grow and ensure increased investment in the local economy
- Retain our skills infrastructure, support employment, build workforce resilience
- Re-start the leisure, hospitality, tourism, retail and cultural economy
- Adapt and improve places
- Expand low carbon transport and energy infrastructure
- Capitalise on digital connectivity

3.3 It is important to highlight that there are many inter-linkages amongst these six ambitions and we must ensure that these synergies are maximised.



3.4 We have condensed the extensive information gleaned from this research and the interviews into this concise report which is intended for further discussion.

Ambition 1: Support Businesses to recover, grow and ensure increased investment in the local economy

- 3.5 Stakeholders identified a number of key sectors for the local economy that had previously had strong growth prospects and might recover more quickly. These included advanced manufacturing; business and professional services; environmental technologies; health and social care and land-based industries. They also highlighted the sectors hardest hit, including retail and the visitor economy, both of which are significant employers in East Sussex.
- 3.6 However, in light of the Covid-19 crisis, there was the view that all of the businesses in East Sussex, including social enterprises and cooperatives, would need some form of support, regardless of sector.
- 3.7 Where eligible, most businesses appear to be satisfied with the Government financial support offers to help them weather this crisis. District and borough councils have been quick to respond and funding has been deployed efficiently to support local businesses.
- 3.8 Since the launch of initial national support measures, Government has proposed further changes to the funding available to improve its suitability and respond to business feedback. It is anticipated that ongoing development will be seen with these support schemes as easing of the lockdown continues.
- 3.9 It has been noted by district and borough councils that not all businesses are coming forward to receive support. There is a struggle to access all businesses within an area, particularly as no one organisation within a given area holds a complete list of businesses. For councils, this is not an issue for businesses who are paying rates but large swathes of businesses do not fall into this category and may be unknown to them.
- 3.10 It is felt that many businesses are not coming forward as they believe the process of accessing the Government support will be too difficult, they will not be eligible, or they have a general distrust in state support. There may also be language or cultural barriers. Businesses have also felt unprepared for the application process and do not always have the correct information available to expedite their claim.
- 3.11 There is also considerable concern for those businesses who are unable to access Government funding through not meeting the stated eligibility criteria. This includes new businesses scheduled to open but with no trading record, directors of limited companies in receipt of dividends rather than salary, self-employed people whose business is less than one-year old, charities and museums, successful companies whose rateable values are too high and other groups who do not meet the current criteria. A lack of any form of support for these businesses is causing huge concern and anxiety and will result in redundancies and business closures, potentially of quite large employers.
- 3.12 The ESCC “East Sussex Invest” (ESI) Grants and Loan Fund was specified as a mechanism that exists for the deployment of funding and was well regarded by consultees. Particular mention was also made of the need to provide business support and finance to help the survival and modernisation of the care homes industry, which makes up a significant part of the East Sussex economy. However, it was recognised by stakeholders that the £1m available each year from

the ESI fund is not of a sufficient size to deliver support to all businesses in East Sussex but an increase to the resources would be welcome to aid in firms' adaption, recovery and growth.

- 3.13 The Business East Sussex Growth Hub along with Sussex Chamber of Commerce (SCoC), Federation of Small Business, Locate East Sussex commissioned service delivered by the Let's Do Business Group, Alliance of Chambers in East Sussex (ACES) and other business membership/support organisations have seen a huge increase in enquiries since the start of the lockdown.
- 3.14 Many stakeholders we spoke to identified the potential increased role of the Growth Hub in supporting local businesses, both now and when they restart trading. Clearly, however, there is a capacity issue here as the Growth Hub has three main staff members and there are nearly 24,000 businesses in the county. There will be an increased demand for Growth Hub services with the need for future business support to focus on repurposing businesses rather than just growth alongside making them future resilient.
- 3.15 Latest information would also suggest that the Government's department the Business Energy Industrial Strategy (BEIS) are looking to deploy additional business support funding and work through the Growth Hub in response to the pandemic. This would be in line with previous work undertaken to support Brexit planning.
- 3.16 There will also be other new challenges. For example, global supply chains will be disrupted as Covid-19 impacts on different countries around the world in different ways and to different timescales. Brexit could further exacerbate these supply chains, in particular for manufacturing businesses. Similarly, the new labour points-based system being introduced will present another set of challenges for businesses.
- 3.17 The suggestion from stakeholders was that the Business East Sussex (BES) Growth Hub and business representative organisations needed to significantly increase their capacity and resources, at least during the current crisis situation. Also, given the current crisis, support will need to be provided to pre-start, early stage and struggling businesses rather than focusing on high growth businesses, although this clearly remains important.
- 3.18 Another consistent theme that emerged from the meetings with stakeholders was the potential for the Economy Recovery Plan to continue the trend started during lockdown of buying local. Usual supply chains have been fractured during lockdown and, as a result, people and businesses are buying more locally. This might include provisions such as food and drink but has also been extended to sourcing more locally available key components for further production and manufacturing.
- 3.19 In addition to promoting local supply chains, a number of stakeholders pointed out that procurement contracts through local authorities and other public bodies in East Sussex are a substantial part of the local economy and are worth millions of pounds, alongside the value of procurements between business to business. These public sector contracts could help support local economic recovery by focussing on local suppliers of goods and materials and workforce staff. Whilst some of these organisations are already progressing 'buy local' policies, more needs to be done to encourage greater local spend amongst a wider range of publicly funded bodies - this might include education and health alongside local authorities. A good example of a new project is the 'Buy Local South East' initiative which includes a website and portal to signpost customers to local food and drink businesses, a database for food and drink businesses in the SELEP area and support activities for this sector.

3.20 Another on-going issue in East Sussex is the need to ensure the property and infrastructure needs of indigenous expanding business and externally investing businesses are met.

Ambition 2: Retain our skills infrastructure, support employment, build workforce resilience

- 3.21 The pandemic has had a significant impact on the institutions that provide training and employment support. Local FE and HE providers have seen a dramatic cut in their income due to reductions in work-based learning opportunities (apprenticeships), loss of income from international students and from conferencing and other commercial activities, while those statutory and community sector organisations providing support to the most marginalised and unemployed have seen huge calls on their services. These changes are likely to persist for an interim period, with ongoing concerns about FE & HE intakes in September/October respectively, about employer engagement in Apprenticeship programmes, and these shifts have consequences for the capacity of these organisations to deliver the breadth or volume of learning and support that they have previously.
- 3.22 Training providers have had to radically overhaul their delivery, replacing class-based learning with online provision while employment services are trying to understand the needs of, and opportunities available to, a new influx of unemployed. The pandemic has led therefore to significant learning for the employment and skills sector and to a fast-paced change in practice.
- 3.23 Local residents have been severely impacted with unemployment levels, in certain geographies and sectors expected to be significant. In areas near to Gatwick, the impact on the air industry means soaring unemployment levels are likely. The visitor economy (hotels, restaurants and pubs) and creative sector (including venues) in East Sussex, particularly along our coastal strip, have been hard hit by social distancing regulations and are likely to take a while to recover due to consumer confidence. Shop based retail has been impacted due to social distancing and the shift to online retail among consumers. There have been significant numbers of individuals who were previously self-employed taking up Universal Credit.
- 3.24 Young people are missing out on a significant period of their education, many will not sit examinations and there is concern that those who were already disenfranchised, with school and college closures may become fully disengaged from learning. There is speculation that in some sectors, where businesses are focused on self-preservation, young people undertaking Apprenticeships are likely to be made redundant post-furlough and many businesses may not offer vocational or apprenticeship opportunities in the immediate period. With reduced funding, HE and FE sectors may be forced to reduce the breadth of courses on offer. Graduates may struggle to find employment and may compete with school leavers for lower skilled roles.
- 3.25 This means that there are key groups who will be significantly impacted:
- Women (most likely to be in part time retail or visitor economy occupations)
 - Young people aged 14-25
 - Those over 50 with a low skills base
 - The self-employed working in or supplying products or services to the sectors that are most affected
- 3.26 In addition, those who are most marginalised and who were already disengaged from learning and employment, are likely to be pushed even further from the workplace, as new, more highly skilled UC claimants enter the jobs market.

- 3.27 Many of those who are currently furloughed, are likely to become unemployed. There is an opportunity to anticipate this, and to use the furlough period to upskill or identify transferable skills as a matter of urgency.
- 3.28 In order to survive and recover quickly, businesses need to make sure that they have the right skills to make them agile and resilient, that they are able to build up reserves or repay loans and that they are able to adapt to work in line with new social distancing and Covid-19 related practice. The pandemic has highlighted the need for SME staff to have good digital skills and access to relevant digital tools and platforms.
- 3.29 Interviewees identified that Skills East Sussex (SES) is well placed to coordinate skills and employment efforts and has established partnership relationships between providers. These can be built on during the recovery period and, although Skills East Sussex has strong longer - term ambitions to significantly raise skills levels in the county in order to attract inward investment and retain a skilled workforce, in the immediate and intermediate period SES needs to consider actions to support the economy.

Ambition 3: Re-start the leisure, hospitality, tourism, retail and cultural economy

- 3.30 Whilst all sectors are feeling the impact of the pandemic, tourism, which includes accommodation, food services, arts, entertainment, culture and recreation, is possibly the sector in East Sussex hit hardest and longest by the Covid-19 crisis. According to an ONS survey (21st May 2020), the main sectors to report the largest percentages of businesses temporarily closing or pausing trading were the arts, entertainment and recreation, and the accommodation and food service activities sectors, at 80% and 78% respectively.
- 3.31 Even of those businesses who were continuing to trade, the main sectors who have had their turnovers decreased the most were also the accommodation and food service activities sector (61%) and the arts, entertainment and recreation sector (43%).
- 3.32 Given the importance of the visitor economy to East Sussex, virtually all stakeholders interviewed highlighted the need for the Economy Recovery Plan to have a particular focus on this sector.
- 3.33 Some emergency measures being progressed will help with this in visitor towns, such as Hastings and Eastbourne, by closing streets to enable food services to open up - spill out more onto the street - to a greater extent than perhaps would otherwise be the case.
- 3.34 However, major concerns are firstly, how long this lockdown will last for them and secondly, how their customers might change behaviour (e.g. be reluctant to go to restaurants). The Government support measures are seeking to help tourism businesses survive in the short-term, but this sector is likely to need significant support going forward.
- 3.35 Staycations' have been increasing in the UK for a number of years and this trend is expected to increase given both the immediate and longer-term situation created by the Covid-19 virus, in particular the challenges associated with flying overseas. This is seen as an opportunity to increase demand for East Sussex as a destination and, as many staycations are taken out of core holiday periods, to help address the seasonality of the county's tourism economy.
- 3.36 Visit Britain is working with the industry and Government to facilitate the sector's swift recovery, forecasting a national loss of £22bn this year for domestic holidays and day trips. However, this recovery will need to be coordinated by local destination management organisations which might involve a step-by-step approach, promoting first to encourage friends and relatives to visit local residents, then local visits, perhaps focusing on outdoor attractions and gardens for day trips, then building up from there.
- 3.37 This is clearly an opportunity for East Sussex that needs careful management. It also opens up a long-standing dilemma for the county in how best to promote itself. It can be argued that, whilst East Sussex has a number of very strong built and natural environment attractions, it does not have a strong East Sussex 'brand'.
- 3.38 A number of stakeholders interviewed suggested this may be a good time to link the promotion of East Sussex with West Sussex and Brighton & Hove, reviving the 'Sussex' brand concept which is more recognised. This is clearly one issue to consider but the sector needs a new strategy and plan to re-start its visitor economy.

Ambition 4: Adapt and improve places

- 3.39 During our stakeholder consultation programme, there were many comments around the East Sussex property market and planning issues associated with it. As previously stated, this report articulates the feedback received from the 50 stakeholder organisations interviewed, and some of this focussed on the planning system as an enabler and potential actions that were considered worth pursuing. In this respect, it is recognised that changes to planning policy will often be subject to the Local Plan process, which is underpinned by evidence, and therefore it should be pointed out that some of the comments and suggested proposals are not predetermining the outcome of any formal planning decisions on Local Plans or applications. Nevertheless, the comments and proposals should provide some pointers for issues that are likely to need to be addressed in the Local Plan process
- 3.40 A number of the sector experts interviewed thought that businesses may rethink their approach to property premises requirements as a result of prolonged home working. This will clearly have impacts on the commercial property market in East Sussex with a potential reduction in demand.
- 3.41 The retail sector was also already suffering before the Covid-19 crisis which has exacerbated problems for many businesses. Large businesses e.g. Debenhams, Laura Ashley, Carluccios, Kath Kidston, Oasis and Warehouse are already in administration with others expected to follow.
- 3.42 This could accelerate the need for changes to retail and town centres, possibly with housing replacing retail as shopping moves to more of an online model and retail centres becoming more leisure focussed.
- 3.43 The Centre of Retail Research has recently highlighted that modern, experience-driven businesses are expanding whilst more traditional businesses are closing stores. This will have a significant impact on the retail experience.
- 3.44 The suggestion was that local authorities should take the opportunity, if retail fails, to plan ahead in revised Local Plans to regenerate the town centre space, and increase housing and leisure space provision in sustainable town centre locations, turning towns into experience centres.
- 3.45 It was proposed that the re-purposing, of a potentially increasing number of redundant buildings, should be undertaken, designing in flexibility e.g. workspace, community use. The call was for more planning flexibility and a proactive approach given this unprecedented situation.
- 3.46 It was also suggested that the current crisis has slowed down the planning process for developers and that this is holding up much needed development, in particular for manufacturing space which is reported to be in considerable demand.
- 3.47 The housebuilding industry is a major employer in East Sussex and currently most development has stopped and there is not confidence all of it will re-start after lockdown. House builders may not be keen to restart due to possible 2nd or 3rd Covid-19 waves. This potentially is a major issue for the county due to pressure on housing supply. It is therefore important to identify what could be done locally to kick start the house building industry.

- 3.48 Stakeholders interviewed also suggested that planning activity could significantly support recovery through the provision of road closures to provide space for social distancing and greater provision of outside trading opportunities for cafes and restaurants allowing for establishment of takeaways on an initial temporary basis. Proposals have been discussed with coastal local authorities who believe this type of initiative would allow the hospitality sector to begin some trading whilst still be compliant with social distancing requirements.
- 3.49 As highlighted in the East Sussex Growth Strategy 2014 – 2020, ‘enhancing the built environment is a key way of making East Sussex an even more attractive place and investing in place-making initiatives will create the places that people want to visit and live in and attract inward investment.’

Ambition 5: Expand low carbon transport and energy infrastructure

- 3.50 The Covid-19 crisis lockdown has given everyone the opportunity to reconsider how their own and their business activities impact on both the local and national environment. Whilst East Sussex was already committed to pursue green growth, the Covid-19 crisis has reinforced this thinking.
- 3.51 As people and businesses have changed their everyday behaviours and patterns to contain or avoid the virus, there have been some substantial effects on the environment. These include improvement in air quality, lower greenhouse gas emissions (greenhouse gas emissions have fallen faster than at any other time on record), fewer airline 'miles', clearer and cleaner water, more noticeable wildlife and quieter roads.
- 3.52 The stakeholders we interviewed thought that the population was likely to be more environmentally friendly following their experience of the Covid-19 crisis lockdown. They want to see this major change continue as far as possible, with a particular focus on ensuring the Economy Recovery Plan boosted low-carbon industries and promoted renewable energy.
- 3.53 There was also the desire to increase sustainable travel, however this will be a challenge in the short term, particularly with the restrictions that Government has recommended about social distancing on buses and trains. Whilst some bus operators are seeking to run additional services, and the train operators likewise, both industries are currently being financially propped up but this will not happen forever.
- 3.54 The key will be encouraging or incentivising people back to use buses and trains when restrictions have eased sufficiently that people are more comfortable with less social distancing. In the interim they may have swapped and wish to continue to use a car post social distancing which is contrary to the Government's decarbonising transport agenda and this ambition. This reluctance may be because they have got into an established transport pattern which they may view as cheaper and safer.
- 3.55 There was also consensus that the East Sussex economy should be pursuing 'clean, green growth' and that the climate change agenda spans all proposals in the Economy Recovery Plan in order to lock in the benefits. Without the correct stimulus packages, it is possible that emissions will rebound once the lockdown ends, due to pent up demand and low oil prices.
- 3.56 Also, there was a strong opinion that tackling climate change must be woven into the solution to the COVID-19 economic crisis.
- 3.57 In terms of specific proposals to progress, most stakeholders wanted to see further increases in local walking and cycling infrastructure. For example, the mayors of London and Manchester announced, at the start of May, that they were planning to close some roads to cars to create dedicated pedestrian and cycle routes. as part of the Government's recently announced Active Travel programme.
- 3.58 The development of bus priority and bus lanes will also be important to help increase public transport usage over car use.

- 3.59 The Government has announced that local authorities will have new powers to change the road network and designate extra space for cyclists and pedestrians and extra funding of £2bn has been brought forward to help facilitate this (the £2bn was announced in February 2020 as part of a wider £5bn cycling and bus fund). £250m of this £2bn is an emergency active travel fund which has been fast-tracked for upper tier local authorities to implement temporary transport measures.
- 3.60 Fast-tracked statutory guidance requiring councils in England to cater for increased numbers of cycling and pedestrians will be published shortly and ESCC will test and deliver some strategic pilot interventions that draw on the draft Local Cycling and Walking Implementation Plan (LCWIP) currently out to stakeholder consultation.
- 3.61 Enhancing the electric vehicle charging infrastructure was also frequently highlighted as a priority by the consultees (an additional £10m has been allocated by Government to this).

Ambition 6: Capitalise on digital connectivity

- 3.62 Perhaps the most significant and visible of the economic effects of the Covid-19 crisis has been the increased focus on connectivity, in particular as the lockdown has imposed home working on a large part of the population. Almost all the stakeholders we interviewed mentioned the continuation of home working as a major opportunity, with benefits potentially including reduced travel requirements, lower carbon emissions, more disposable time locally, an opportunity to reach a greater pool of skilled labour, potential for healthier lifestyles, the need for less property space, improved productivity and the regional and national economy becoming less 'London centric'.
- 3.63 Nationwide, employers and employees can see the advantages of this, given the appropriate connectivity infrastructure to make it feasible. A YouGov survey at the start of May showed that 45% of the UK workforce predict a permanent change to their business's approach to flexible working after lockdown, with a third expecting to increase the amount they work from home by at least three days a week.
- 3.64 It is difficult to forecast what the long-term impact of Covid-19 will be, but it is clear that the demand for flexible working and the role of technology in our working life has accelerated during lockdown. The critical role connectivity plays will continue to feature in our working lives going forward.
- 3.65 It is also clear that both businesses and employees will need to continue to develop the skills and practices needed to keep them resilient and productive if home working is to become more of the norm.
- 3.66 Particular mention was made by stakeholders of the need to ensure disadvantaged groups benefit from the opportunities presented by digital communication. Access to the right connectivity, training and hardware should be priorities for these individuals to ensure digital inclusion is maximised.
- 3.67 Stakeholders commented on the need to improve mobile coverage across the county. It is recognised that investment in mobile coverage is driven by commercial decisions made by the private sector and that increased coverage is part of their spectrum licence conditions. Mobile coverage across the county is variable, as indeed it is across the UK. The Government has put in place an initiative (The Shared Rural Network) backed by £500m of government funding which matches the contribution being made by industry itself. There may be an opportunity to work with providers to identify challenges and overcome them in East Sussex.
- 3.68 East Sussex enjoys superfast coverage (25Mbps+) to 97% of premises due to commercial and public sector investment. The e-Sussex Broadband Project has been working to a strategy of pushing fibre right across the county and has been delivering fibre-to-the-premises (ultrafast) for over 3 years, including to "hard to reach" areas. The extensive fibre footprint has had the effect, as intended, of encouraging more commercial investment in full fibre. Continuation of full fibre delivery will help local businesses and the wider economy capitalise on this home working revolution. It was suggested that the East Sussex should position itself to take advantage of 5G and other future technology advancements. This will require investigation and close working with private sector providers.

- 3.69 Further investment is required in East Sussex to maximise mobile phone voice and data coverage, increase digital inclusion by expanding public access WiFi services, provide a full fibre footprint to underpin the local economy, help public services prepare for the next generation of mobile services and progress the rapid adoption of 5G technology. SELEP has also highlighted improved digital connectivity as their number one priority for the South East.
- 3.70 Despite the take up of broadband services across the county being high, there is a possibility that best use of broadband is not being made due to misunderstandings about speed, bandwidth, terminology and other factors affecting broadband performance. Work to overcome these misunderstandings could have a long-term benefit.

4. Next steps

- 4.1 As part of the consultation process, we asked stakeholders ‘how best could we coordinate local efforts to help businesses and/or people through this crisis?’
- 4.2 Whilst the Sussex Resilience Forum is responsible for coordinating the response to Covid-19 alongside emergency services, local authorities, health and other agencies, it was felt that there needs to be specific leadership in terms of the economy recovery plans for the county.
- 4.3 Team East Sussex (TES), being the local federated growth board for the South East Local Enterprise Partnership, was regarded by almost everyone we interviewed as being best placed to fill this role, in particular as it had established subgroups in place (Business East Sussex, Culture East Sussex, Developers East Sussex, Environment East Sussex, Locate East Sussex and Skills East Sussex).
- 4.4 The main roles identified for TES, in relation to the pandemic, included:
 - Providing clear leadership to develop and coordinate the response to the crisis
 - Overseeing the development of the East Sussex Economy Recovery Plan and co-ordinating inputs from TES family partners
 - Lobbying central government, SELEP and others for actions to support the local economy through this crisis and lead its future recovery
 - Championing the East Sussex Economy Recovery Plan, including promoting it at a regional and national level
 - Leading on the co-ordination and development of business cases for future funding bids to articulate the needs and requirements across our business sectors and people to support the delivery of the Economy Recovery Plan
 - Overseeing the management of the Plan which will remain a live and dynamic document
 - Monitoring the impacts of the East Sussex Economy Recovery Plan
 - Considering and developing responses to new economic opportunities and challenges in East Sussex as a result of the pandemic
- 4.5 We have liaised with the Economy Recovery Workstream team and other key stakeholders to develop a Team East Sussex Economy Recovery Action Plan. This has involved getting input from TES and specific sub-groups, such as BES, CES and SES.
- 4.6 Our view is that this needs to be a ‘live’ document which is maintained and updated as Covid-19 and resultant economic circumstances and opportunities change. Initially, the Economy Recovery Plan is for 12-18 months.
- 4.7 Whilst the Plan will not be a bidding document, it will support the case for additional resources for the East Sussex economy, in particular from SELEP and the Government, where this is deemed necessary to support the recovery. It will also identify where existing resources could be deployed better to increase efficiency and effectiveness.

Annex 1: Stakeholders consulted

Ana Christie	Sussex Chamber of Commerce
Christina Ewbank	Eastbourne Chamber of Commerce & Alliance of Chambers in East Sussex
Clive Soper	FSB
Martin Searle	FSB
Cllr Bob Standley, Isabel Garden	Wealden District Council
Cllr Christine Bayliss, Dr. Tony Leonard	Rother District Council
Cllr David Tutt, Phil Evans, Cllr Stephen Holt, Peter Sharp	Eastbourne Borough Council
Cllr Keith Glazier (Leader)	East Sussex County Council
Cllr Kim Forward, Pranesh Datta, Victoria Conheady, Jane Hartnell	Hastings Borough Council
Corrine Day, Peter Sharp	(Newhaven Enterprise Zone) Lewes /Eastbourne Councils
Peter Sharp, Cllr James McCleary, Cllr Zoe Nicholson	Lewes District Council
Dan Shelley	East Sussex College Group
Graham Peters	Chair, Team East Sussex
David Sheppard	Chair, Business East Sussex
Diana Garnham	Chair, Skills East Sussex
Jonathan Buckwell, Brian Horton, Nick Fenton	Developers East Sussex
Philip Johnson	Locate East Sussex
Martin Ellis	Recruitment South East
Penny Shimmin, Jude Day	Sussex Community Development Association
Stewart Drew	De La Warr Pavilion
Sue Baxter	University of Sussex
Jo Havers, Lorraine Bell, Viki Faulkner	University of Brighton
Graham Marley	Let's Do Business Group
Pauline Smith	CXK
Bruce Campbell	DWP
Vanessa Potter	Sussex Council of Training Providers
Jeremy Kerswell, David Stokes	Plumpton College
Scott Monk	Sector expert - construction
Catherine Orbach	Culture Shift
Julie Barker	Sector expert - tourism
Karen Stevens	Skills for Care
Mike Derrick	Health task group
Katharine Beer, Nick Heasman, Mark Alden	South Downs National Park Authority
Jon Wheeler	ESCC Strategic Economic Infrastructure
Holly Aquilina, Caroline Bragg, Caroline McKiddie	ESCC Employability and Skills Team
Sally Staples	ESCC Culture and Tourism

Katy Thomas, Ian Smallwood, Mike Watson, Steve Piper Ioni Sullivan, Vera Gajic	ESCC Economic Development Team, including the Growth Hub
Edward Sheath, Andy Arnold	ESCC Planning and Environment
Becky Shaw	ESCC Chief Executive
Rupert Clubb	ESCC Director, Communities Economy and Transport
Stuart Gibbons	Sector expert – Rural economy
Adam Bryan, Jo Simmons, Sharon Spicer	SELEP
Cllr Rupert Simmons	Lead Member Economy, ESCC
John Shaw, Andrew Frost, Chris Broome	SeaChange Sussex