## Contents

<table>
<thead>
<tr>
<th>Section</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Foreword</td>
<td>3</td>
</tr>
<tr>
<td>Executive Summary</td>
<td>5</td>
</tr>
<tr>
<td>1  Introduction</td>
<td>7</td>
</tr>
<tr>
<td>2  Building on strengths</td>
<td>9</td>
</tr>
<tr>
<td>3  East Sussex in 2020</td>
<td>17</td>
</tr>
<tr>
<td>4  BUSINESS: Enabling business growth, particularly of high value businesses</td>
<td>19</td>
</tr>
<tr>
<td>5  PLACE: A significantly valued asset to the East Sussex economy</td>
<td>28</td>
</tr>
<tr>
<td>6  PEOPLE: Meeting the skills needs of business and supporting residents to reach their full potential</td>
<td>34</td>
</tr>
<tr>
<td>7  Appendices</td>
<td>39</td>
</tr>
</tbody>
</table>
Foreword

The county of East Sussex sometimes feels like the South of England’s best kept secret.

This Growth Strategy reveals East Sussex to be ideally positioned for dynamic forward thinking businesses ready to create, innovate and grow with the utmost confidence that the strengthening connections between business, people and place make it a county with excellent prospects for the future.

This is an agile county poised for growth and alive to the opportunities and challenges of the new economy. We are open for business, keen to boost our visitor economy and to see residents’ opportunities and quality of life further enhanced.

We have a concentration of hard-working and ambitious entrepreneurs and the flexibility of a small business economy that has proved to be resilient to economic shocks.

We have London the business capital of UK, and Brighton the creative capital, close enough for face-to-face meetings when necessary. We have Gatwick airport with its growing international network and the Channel Tunnel within an hour of most of the county.

We have superfast broadband being rolled out to cover 96% of the county by 2016 already well underway. We have IT and support networks for the 21st-century business economy and first class courier services from the main providers.

We have an extraordinary quality of environment from the South Downs to Rye Harbour, Ashdown Forest to Hastings Pier and the Seven Sisters. Our coastal resorts are the sunniest spots in the UK.

We have an amazingly rich cultural and heritage offer ranging from Bonfire societies to the Bloomsbury group, from Jake and Dinos Chapman at the Jerwood, Eddie Izzard at the De La Warr Pavilion to the Towner and Glyndebourne via Keane and Roger Daltrey of the Who and not forgetting Winnie the Pooh. Turner painted here; Charles Lamb, Henry James and Rudyard Kipling wrote here too. In addition, William the Conqueror changed the course of English history here at the Battle of Hastings in 1066.

We have one of the lowest crime rates in the South East making East Sussex a safe place to live, work and visit.

We have, relative to the rest of South East England, a low-cost business and residential property base.

We have truly business minded County, District and Town Councils and strong political support.

We have ‘Locate East Sussex’ providing dynamic business assistance focusing on finding premises to help businesses relocate and grow, and Sea Change Sussex and others providing modern fit for purpose premises. South East Local Enterprise Partnership (SE LEP) and European funds will continue to flow to unlock further economic infrastructure enabling new jobs, homes and learning opportunities.
We have an increasingly motivated and well-educated workforce moulded by our schools, further education colleges and two universities making connections with businesses to build career opportunities in high-tech, manufacturing, engineering, digital, creative and service industries.

This Growth Strategy points us to an exciting and challenging future that will help our companies to grow and prosper, encourage 21st-century businesses and entrepreneurs to locate here, and benefit everybody who lives here.

In short, with global connections and the potential for fleet of foot businesses to grow, a terrific quality of life and sense of having discovered the South East’s best kept secret, it is clear that East Sussex is ready for lift-off.

Graham Peters DL
SE LEP Vice Chair (East Sussex)
December 2014
Executive Summary

The Growth Strategy sets out our vision for a more innovative, productive and faster growing East Sussex economy. We believe the county has a unique offer to make to investors, businesses and skilled workers; one that blends inspiring coastline and countryside and a business base of like-minded companies in growing sectors of the economy.

Our strategy is built around three pillars: Business, Place and People.

**BUSINESS: Enabling business growth, particularly of ‘high value’ businesses**

If we are to close the productivity gap and accelerate economic growth, we need more high value businesses in East Sussex. This means enabling existing companies in the area to move up the value chain, supporting the creation of new business start-ups and attracting new high value firms to the county. We need to support investment in new types of business that are being formed to exploit demand for new products and services, and which are reaching new markets both in the UK and overseas through new digital technologies.

We have identified a number of sectors where there is a base of businesses and employment on which to build, and enhance prospects for growth. These sectors are: advanced manufacturing; business and professional services; environmental technologies (‘Clean Tech’); health and social care and land-based industries. Regardless of the sector, we will create an environment for all East Sussex businesses to grow by providing access to good quality business premises, a skilled workforce and relevant business support.

**PLACE: A significantly valued asset to the East Sussex economy**

We firmly believe that East Sussex offers a quality of life to attract the best skilled workers and entrepreneurs in the country. We need to further enhance the attractiveness of our towns, villages and rural areas to support a thriving visitor economy. We will continue to invest in the quality of the built environment, the range of cultural attractions and protect and enhance the natural environment. We will continue to promote our valued assets to grasp the many unique and positive images here in East Sussex.

We will also provide a choice of good quality housing of different types of tenure, delivering the housing targets in District and Borough Local Plans, and provide flexible workspace to accommodate demand from the growing number of home workers and home-based businesses.

We are within easy reach of London and other regional, national and international markets for business. We will continue to enhance connectivity to these markets. This means lobbying for better High Speed rail connections to Hastings and Bexhill, for investment in strategic roads like the A27 and rolling out fibre broadband across the county.

**PEOPLE: Meeting the skills needs of business and supporting residents to reach their full potential**

To serve businesses now and in the future we need more residents with higher-level (degree level) skills. To achieve this we will support the expansion of our universities, putting them at the heart of our growth plans and supporting them to enhance their research and development capacity. To
meet the skills needs of employers we will encourage the take up of STEM subjects in schools and the take up of vocational training, such as Apprenticeships.

We also need to tackle the number of people out of work and economically inactive in parts of the county, supporting projects and programmes to bring people back into the labour market. Employers identify the need for improvements in basic and ‘soft’ skills to improve work readiness, which needs to be a focus for providers. All of this will require stronger relationships between employers and learning providers, which we will help to broker through the East Sussex Employment and Skills Board.

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1 Soft skills are personal qualities, habits, attitudes and social graces that make someone a good employee and compatible to work with
1 Introduction

1.1 This Growth Strategy sets out an ambitious vision for the East Sussex economy to 2020 and beyond, identifying the major economic opportunities across the county, and the collective actions that public and private sector partners will take to accelerate growth.

1.2 By capitalising on the county’s strengths and unique characteristics, we will create a stronger, more diverse economy that will bring more jobs, particularly in higher value sectors. Our aim is to maximise the economic potential of every part of the county, recognising the different economic opportunities and challenges in our coastal communities and rural economy.

1.3 We have three growth corridors where there is the greatest capacity to unlock major new commercial and residential development. These are the A21/A259 Hastings-Bexhill corridor, the A22/A26/A27 Eastbourne-Polegate-Uckfield-Crowborough corridor and the Newhaven Clean Tech and Maritime Corridor. Significant investment in education, business support, transport, infrastructure and the public realm has already taken place in these corridors and this momentum needs to be sustained to unlock further growth.

1.4 In the largely rural area, which includes the South Downs National Park and the High Weald Area of Outstanding Natural Beauty (AONB), a different approach is needed; one which strengthens and diversifies the economy whilst protecting and enhancing the outstanding natural environment. Our aim is to create networked and vibrant market towns and villages ready for knowledge-based entrepreneurs and manufacturing and engineering businesses. Encouragement of emerging land-based industries, such as viticulture, quality food and agritech, are all needed to be taken advantage of, and the intensification, upgrading and new development of business premises is required to support manufacturing and office-based services.

1.5 Across the whole of the county, we need to ensure that businesses have access to the business support and skills for them to network, innovate, export, and grow. Moreover, we need a transport network that is resilient and enables businesses to move around quickly and efficiently, to support access to regional, national and international markets.

1.6 To raise the profile and image of East Sussex with business, investors, skilled workers and visitors, we need a shared commitment to promote the county and everything it has to offer. Leaders in the public and private sector have a key role to play in this respect, ensuring that the message to external partners is overwhelmingly positive. While the county has a good reputation for working together effectively, there is still more that could be done to share information, strengthen communications, lobby external partners and ensure consistency of message between organisations.

Context for the Strategy

1.7 Initially in July 2013, East Sussex County Council commissioned work on its approach to influencing economic development in the county. Key to the review was establishing how East Sussex County Council’s own services and expenditure could be used to better foster economic growth. The resulting findings outlined the necessity for strong leadership and effective lobbying, making the whole Council business friendly, ensuring better connectivity of County Council offers supported with positive image and promotion, and the need to develop further innovative clusters and...
markets. The County Council will make a real difference thorough procurement of services, leading and influencing the agendas on employment and skills, and attracting more funding to realise the economic growth potential in the county. This initial work then led onto a significant peer challenge exercise working with County Council partners.

1.8 In March 2014, East Sussex local authorities took part in a peer challenge exercise facilitated by the Local Government Association (LGA) and the Planning Advisory Service (PAS). This was designed to support the councils to “understand where their key areas of influence lie and to assess how effectively they are set up to support, promote and facilitate a positive environment for economic growth”. A key recommendation of this review was to develop a Growth Strategy that clearly articulates a shared narrative about the economic growth potential of the county, focusing on its strengths and sets out priorities, partner roles and contributions towards delivering growth.

1.9 This resulting Growth Strategy builds on a wealth of research, analysis and strategy work prepared by East Sussex County Council, the district and borough Councils and other key stakeholders. The evidence base has been reviewed and updated. This is summarised in a separate data slide pack and is covered in detail on the East Sussex In Figures website. A significant programme of stakeholder interviews and workshops, facilitated by Shared Intelligence, has been undertaken to inform the findings of the Strategy.

1.10 Local Enterprise Partnerships (LEPs) are now playing a major role levering in funding from government for local areas to take forward economic development. East Sussex is one of the four federated areas of the South East Local Enterprise Partnership (SELEP) and Lewes District is also part of the Coast to Capital (C2C) LEP. In June 2013, the Government announced the creation of a £2 billion Local Growth Fund and LEPs were given the opportunity to bid for a share of these resources through Strategic Economic Plans submitted in March 2014.

1.11 Through this process, East Sussex was awarded £66.08m in Local Growth Funds. These projects will now be delivered. The County Council and partners will continue to develop the business case for the projects that did not receive funding, and to identify new ones, working with SE LEP and C2C to secure funding from future rounds of the Growth Deal. Local authorities and partners will also explore other funding mechanisms to enable delivery.

1.12 In recognition that local government is increasingly more reliant on local income and that a thriving local economy becomes even more of a necessity the work commissioned in July 2013 reviewed how the Council’s own services and expenditure could be used to better foster economic growth, noting that economic growth within the County Council is not just supported through the ‘Economy’ service, but also through the activities of all Departments. A further summary of the findings included:

1.13 The well-established partnerships at the East Sussex level and within the economic geographies across the county provide a solid structure for the effective development and delivery of projects and activities to achieve the strategic objectives.

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Footnotes:


3 See Appendix for further information
2 Building on strengths

2.1 East Sussex comprises the coastal boroughs of Eastbourne and Hastings and the more rural districts of Lewes, Rother and Wealden. The economy is worth an estimated £7.7bn in Gross Value Added (GVA)\(^4\); it is made up of around 21,700 active businesses\(^5\) and supports nearly 176,200 jobs\(^6\). East Sussex’s competitive advantage is derived from its quality of life, environment, culture and location. To accelerate economic growth we need to capitalise upon these competitive advantages, supporting the growth of existing and emerging economic sectors.

An outstanding environment

2.2 East Sussex’s captivating and inspiring coastline, expansive beaches, rolling green hills and historic towns and villages make it one of the most beautiful places in the country to live, visit and do business. Almost two thirds of the county is either a designated part of the South Downs National Park or the High Weald Area of Outstanding Natural Beauty (AONB)\(^7\). Also located within the county are a number of internationally designated sites for biodiversity, such as the Pevensy Levels Ramsar Site, the Ashdown Forest Special Protection Area (SPA) and Special Area of Conservation (SAC), Lewes Downs SAC, Hastings Cliffs SPA, Dungeness to Pett Level SPA and Dungeness SAC.

A rich and varied cultural offer

2.3 We have a rich and varied cultural offer that in different ways engenders pride, loyalty and a sense of place in the county. There is a wealth of cultural attractions and some of the more renowned include Glyndebourne and Charleston near Lewes, the Towner contemporary art museum in Eastbourne, the De La Warr Pavilion in Bexhill-on-Sea and the Jerwood gallery in Hastings. There is also a wealth of historic properties, many associated with culturally significant figures, such as Bateman’s at Burwash (Kipling); Lamb House at Rye (Henry James and E.F. Benson); Charleston (Virginia Woolf), and many more. These attractions add to the richness of the county offer.

Proximity to major regional, national and international markets

2.4 East Sussex is within close proximity of Brighton, Gatwick airport, London High Speed rail services at Ashford International, Eurostar and the channel ports. These connections provide access to major regional, national and international markets.

2.5 It is widely recognised that a proposed second runway at Gatwick could bring potential economic benefits in terms of job creation, inward investment opportunities and improved links to global markets for existing as well as new businesses in the county, and could help towards delivering the objectives of the East Sussex Growth Strategy. It is vitally important that the necessary transport and social infrastructure is in place prior to any expansion, and that the impacts are mitigated, and do not increase detrimentally the environmental harm, including noise levels on the local communities that may be affected.

2.6 Significant investment has been made to improve the speed and coverage of broadband across the county through the East Sussex County Council and Broadband Delivery UK (BDUK) initiative to

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\(^4\) ONS (2013) Regional Gross Value Added (Income Approach), December 2013
\(^5\) ONS Business Demography, 2012 (active enterprises)
\(^6\) ONS Business Register and Employment Survey (BRES), 2013 –includes employees and self employed
\(^7\) East Sussex Local Economic Assessment 2011
address gaps in provision. While there is still work to do, more and more businesses and individuals can access the internet at higher speeds and this is opening up exciting new trading opportunities.

**World class companies in a range of sectors**

2.7 Across East Sussex, entrepreneurs are creating new businesses and refocusing existing ones, and exploiting opportunities in the new economy. They are using new technologies to reach global markets and addressing global challenges such as climate change. East Sussex has some world-class businesses in knowledge-intensive sectors including some niche specialisms in high tech manufacturing.

2.8 We have a cluster of businesses in vacuum technologies, photonics and precision instruments focused around Hastings/Bexhill, which includes companies such as Torr Scientific, Kurt J Lesker and Photek. There is a cluster of businesses in the design and manufacture of industrial pumps around Eastbourne and in Wealden and a particularly high concentration of firms in the manufacture of consumer electronics and electronic components in pockets across other parts of the county. We have international companies such as TR Fastenings and Trifast PLC with headquarters in Uckfield that design, manufacture and distribute mechanical fasteners on a global basis. Five companies from among these sectors have recently received the Queens Awards for industry.

2.9 In the service sector, we have a wide range of professional and business services, including some specialisms in financial services with large companies such as Hastings Direct and Saga.

2.10 At the port of Newhaven there is an emerging environmental and Clean Tech technologies cluster and maritime activities including opportunities to further develop passenger and freight services.

2.11 In the land-based sector, the climate and soil make East Sussex one of the best places in the country for growing vines for viticulture and we are home to award winning vineyards such as Carr Taylor, Sedlescombe Organic Vineyard, Ridgeview and the emerging vineyard on the Rathfinny estate. We also have many micro-breweries, as well as the Lewes-based Harvey’s and the Hastings and Longman breweries that produce beers and real ales. These are growing industries in their own right and also offer potential to enhance the visitor offer.

**A vibrant small business community**

2.12 There are many and varied SMEs spread across the county such as small-scale manufacturing, creative and knowledge-based businesses, often hidden from view, but emerging within the new networked business model. Supporting the growth of this vibrant small business community and unlocking our entrepreneurial talent will be key to future growth.

2.13 As with the rest of the country, a high proportion of businesses in East Sussex are small to medium size. A particularly high proportion of micro enterprises (less than 10 employees) are recorded in Wealden (88.2% of all businesses) and Rother (87.7%) compared to the national average of 82.9%.

By contrast, Eastbourne has fewer micro enterprises of under 10 employees (79.8%) and relatively more medium-sized (100-249 employees) businesses. East Sussex has a vibrant small business sector, some of which take advantage of the different business forums in the county such as the Chambers of Commerce and Federation of Small Business. It is exactly these businesses that East Sussex wants to nurture and grow to maximise their contribution to the economy.

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8 ONS UK Business Activity: Size and Location / East Sussex in Figures (2014)
A thriving visitor economy

2.14 Our outstanding natural environment and the rich and diverse cultural offer provide the basis for a strong visitor economy. The Office for National Statistics Travel Survey estimates that total income from tourism in East Sussex was £313 million in 2013. The importance of the visitor economy to East Sussex is reflected in the concentration of employment in the arts, entertainment, recreation, accommodation and food services sectors, which account for around 14,000 jobs. The cultural and leisure attractions bring an injection of income to the economy from visitors, and they are also part of our offer to business because of the enhancement to quality of life.

Specialist education providers

2.15 East Sussex has a growing higher education sector with two universities campuses. The University of Brighton has a number of faculties at its Eastbourne and Hastings campuses, and the University of Sussex campus straddles the East Sussex-Brighton & Hove border.

2.16 The University of Brighton has major expansion plans in Hastings to increase the number of students from 700 to 2,000 in the next five years. This will bring significant investment in buildings, including accommodation, to cater for these students. Subjects on offer in Hastings include Broadcast media, media and journalism, as well as nursing and education. A range of subjects are also offered at the Eastbourne Campus, which specialises in tourism, sports science and professions allied to medicine.

2.17 The main specialisms of the University of Sussex are in social sciences and its business school offers consultancy, training and support to business. The university also focuses on engineering and life sciences, which may in future include a proposed bio incubator to foster start-ups in this sector. There is also a joint Brighton and Sussex medical school with a particular specialism in dementia research that is based in Brighton and Hove.

2.18 Work is due to commence on the Newhaven University Technical College (UTC), which will specialise in marine and environmental engineering (‘Clean Tech’). The UTC will provide technically orientated courses for 14-19 year olds to support the growth of businesses in the sector. This is due to open in September 2015.

2.19 The Rye Studio School nurtures talent in the creative arts, design, and media industries and students are able to progress into centres like the ‘The School Creative Centre’, a cultural hub and outstanding studio facility for resident artists, performers, and makers.

2.20 East Sussex has a number of Further Education Colleges, which provide education and training for young people and adults. Much of their focus is on the full-time 16-18 student cohort studying to levels 3 and 4, but they also provide a wide range of technical and vocational courses across different disciplines. Sussex Coast College focuses on arts and culture and delivers degrees in Hastings on behalf of the University of Brighton. Sussex Downs College at campuses in Eastbourne, Lewes and Newhaven provides a diverse education and training offer for a wide variety of learners, employees and communities and offers foundation degree programmes on behalf of the University of Brighton. Adult learning opportunities are also available at the Adult College for Rural East Sussex (ACRES).

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9 ESCC (2014) 'Evidencing Innovation and Sector Specialisms' September 2014
Plumpton Agricultural College offers a wide range of provision across the land-based sector and it has a particular specialism in viticulture. It is Britain’s leading Centre of Excellence in wine education, training and research, and is the only higher education institution in the UK to offer undergraduate degrees in Wine Business and Production in England.

**Employment rates are generally above the national average**

The proportion of the working age population in employment in East Sussex (74%) is above the national average (71.9%). However, there is variation across the county with employment rates highest in Wealden (77.5%), Eastbourne (76.5%) and Lewes (73.9%), but much lower in Hastings (66.9%).

**Underemployment is higher and wages lower**

There is also an issue of underemployment in East Sussex, as measured by the proportion of those in employment working under 34 hours. The latest statistics indicate that the average for East Sussex is 36.2% working less than 34 hours compared to the South East and national averages of 31.4% and 30.9% respectively. Across East Sussex, the proportions are particularly high in Wealden (37.8%), Hastings (37.3%) and Eastbourne (37.1%).

While East Sussex is often seen as a low wage economy, the wages of residents in Lewes and Wealden are above the national average. Our ambition is to secure additional employment growth and to close the gap in average earnings across the county.

**High rates of self-employment and home working**

Following the recession, there has been significant growth nationally in the number of people becoming self-employed, through either choice or necessity. According to the 2011 Census East Sussex has a self-employment rate of 15%, above the national and SELEP area averages. Around 17% of people in employment are self-employed in Rother and Wealden, compared to the national average of less than 11%.

Figures from the 2011 Census in 2011 revealed that 30,000 people in East Sussex (13.1% of the working age population) work from home compared to 10% nationally. Around 60% of home workers are self-employed. The growth in home-workers also reflects changes in work culture, with more flexible employers and mobile technology enabling people to work outside the office. Clearly,

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10 ONS Annual Population Survey, Employment rate – aged 16-64, April 2013-March 2014
11 ONS Annual Population Survey, % of residents in employment working <35 hours, April 2013-March 2014
12 Census 2011 Labour Market Analysis/ ONS 2014 puts the figures as slightly higher (See figure below)
13 ONS Census 2011 / East Sussex in Figures. For further information see ESCC (march 2014) Labour Market Analysis from the 2011 Census,
the natural environment in East Sussex has great appeal for people seeking a better work-life balance by working more from home, while their employers may be located in London or elsewhere.

**Strong pipeline of new business space**

2.27 A considerable pipeline of new business space is coming on-stream in the county following significant public sector investment largely through the SELEP and activity led by Seachange Sussex—a not-for-profit development company in the county. This volume of high quality flexible commercial space presents real opportunities for East Sussex to provide grow-on space for local businesses, alongside attracting inward investment, such as Saga, which took premises in Priory Quarter in Hastings in 2011. Additional accommodation is also coming forward from other developers, some supported with grants from East Sussex County Council.

**Affordable housing**

2.28 Average house prices in East Sussex are lower than in many parts of the South East and London. According to figures from the Land Registry, average house prices in 2013 were £209,995 in East Sussex; ranging from £177,750 in Hastings to £235,000 in Wealden, compared to £400,000 in Inner London, £320,000 in Surrey, £235,000 in West Sussex and £224,950 in Brighton and Hove. 

2.29 However, like the rest of the country, East Sussex residents face growing housing affordability challenges. Lower average incomes mean that house price to earnings ratios are relatively high, especially in Lewes, Rother and Wealden.

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**DCLG Table 582: median house prices based on Land Registry data, by district, 2013 Q2**
**DCLG Table 577: Median house prices: earnings ratio, 2013**
Key Challenges

2.30 While there are many economic assets on which to build in East Sussex, there are also some fundamental underlying economic challenges that need to be addressed if we are to accelerate economic growth.

Low Productivity

2.31 Productivity is a key driver of economic competitiveness; more productive economies generate higher output for a given population. While East Sussex has many highly productive, well-paid workers, GVA per hour worked is on average 17.5% below the regional level\textsuperscript{16}. This partly reflects the high concentration of employment in sectors that are generally lower paid, such as hospitality, leisure and social care. By contrast, East Sussex has relatively fewer jobs in finance, insurance, business services, and professional, scientific and technical sectors, which tend to generate higher income per head.

2.32 Low productivity in East Sussex contributes to relatively low GVA per head of the resident population. GVA per head was estimated to be £14,550 in 2012, nearly 40% below the South average of £23,220\textsuperscript{17}. As this is a measure based on the resident population, it is likely to be depressed by the higher number of retired people in the county.

Low wages

2.33 Wages vary significantly across the county but on average residents in East Sussex earn less than other parts of the South East. The average median gross weekly pay of residents in the county was £388 in 2014 compared to the South East median average of £457\textsuperscript{18}. Resident wages were highest in Lewes (£432) and Wealden (£419) and lowest in Hastings (£363) and Rother (£358).

2.34 Moreover, people who work in the county tend to earn less than those who live in the county (and who may commute out for work). Median earnings of workers in East Sussex are £344 compared to the South East average of £434. They are highest in Eastbourne (£373) and lowest in Rother (£314).

Slower employment growth

2.35 East Sussex has been generating jobs at a slower rate than regionally and nationally. Between 2009-2013 total employment in East Sussex remained fairly static (+0.3%) in contrast to growth of 2.1%\textsuperscript{19} in the South East region as a whole and growth of 7.1% in Brighton and Hove.

2.36 Eastbourne and Lewes saw a decline in employment over this period, while there was virtually no change in Wealden. One of the main reasons for this was a decline in public sector employment. Hastings was the exception to this trend with employment growth of 5.4% in the same period and this may be attributed to recent commercial development on the outskirts of the borough\textsuperscript{20}.

\textsuperscript{16} ONS Sub-regional Productivity, March 2013
\textsuperscript{17} ONS, Regional Gross Value Added (Income Approach), December 2013
\textsuperscript{18} East Sussex in Figures (2014)
\textsuperscript{19} ONS Business Register and Employment Survey (BRES), 2009, 2013 –includes employees and self employed
\textsuperscript{20} The Ashdown, Conquest and Hollington wards had the greatest net jobs growth 2009-2013, in addition to Castle ward.
Less evidence of innovation and exporting

2.37 While East Sussex has some highly innovative firms, on a number of proxy indicators (including the number of patents registered in the area and the number of businesses that export) East Sussex underperforms relative to other areas. For example, 10% of all patent applications in the SELEP area over the last 5 years were made by East Sussex-based inventors, yet East Sussex is home to 13% of SE LEP’s population and 14% of its businesses\(^\text{21}\). There is, however, a growing base of digital and other creative industries and evolving clusters of creative subsectors that have the potential to make a significant contribution to the wider economy.

Pockets of deprivation

2.38 East Sussex has pockets of deprivation and economic inactivity, particularly in the coastal towns, with Hastings being the local authority area with the highest level of deprivation in the South East. Supporting those currently outside the labour market back into sustained employment would provide a boost to economic output, as well as helping to address economic and social inclusion.

\(^{21}\) East Sussex County Council, Evidencing innovation and Sector Specialisms, Sept 2014
### East Sussex in numbers

£7.7bn: Size of the East Sussex economy in GVA, 2012

176,200 jobs in the local economy in 2013

294,400 people of working age in East Sussex in 2013

1,300 new homes were constructed in East Sussex in 2013

£330 million: Income from tourism in 2013

55% of East Sussex's residents in employment work in the county

47 miles of coastline. 6 miles of demarked Heritage Coast incorporating Beachy Head and the white cliffs of the Seven Sisters.

3,000 visiting yachts per annum to Sovereign Harbour

400,000 visitors a year to the Bluebell Railway

£479: Average gross weekly pay of residents in East Sussex.

£244,700: Average house price in East Sussex in 2013
3 East Sussex in 2020

Our Vision

3.1 By capitalising on our strengths and the opportunities for economic growth in East Sussex, our vision is that:

*By 2020, East Sussex will have a more dynamic, productive, innovative and fast growing economy built on an expanded thriving private sector.*

*East Sussex’s historic towns and villages, rolling green hills, and 47 miles of rugged beautiful coastline, make the county a truly special place to live and work. Entrepreneurs and investors chose to invest and settle here because the opportunities to start or expand their business are clear.*

*Residents are proud to live here and feel confident about the future. In our coastal communities and in the rural economy, well-paid jobs are being created at a faster rate, in a diverse range of sectors and occupations. More young people and adults are going to university or undertaking apprenticeships and vocational training to enhance their skills, and after finishing their studies choose to stay in the area to work.*

*Our businesses are growing strongly because they have the skills, accommodation and support they need to flourish.*

Growth Measures

3.2 To achieve our vision by 2020 we have identified the following indicators that encapsulate our aspirations for the East Sussex economy. If we achieve the growth measures that we have set ourselves below, we can be confident that our economy is moving in the right direction in terms of closing the GVA gap and creating jobs at a faster rate.

- Contribute to unlocking key employment floor space allocated in Local Plans
- Achieve average annual housing completions of 1,504 in East Sussex to 2020, in accordance with our Local Plans
- Increase GVA per capita by 20% by 2020
- Maintain the employment rate for East Sussex at a higher level than the England rate to 2020
- Maintain the JSA claimant rate for East Sussex at below the England rate to 2020
- Increase the percentage of working age residents in East Sussex with a level 4 (degree) qualification to at least 35% by 2020
- Reduce the percentage of working age residents in East Sussex with no qualifications and qualified only to NVQ1 to below the England level by 2020
**Strategic Objectives**

3.3 To achieve our vision and growth measures by 2020, we will focus on three strategic objectives around business, place and people, each of which has an important part to play in delivering economic growth. For each of these strategic objectives we identify key priorities to be addressed which will together show how East Sussex is a 'brilliant place to do business'.

<table>
<thead>
<tr>
<th>STRATEGIC OBJECTIVES</th>
<th>BUSINESS</th>
<th>PLACE</th>
<th>PEOPLE</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Enabling business growth, particularly of high value businesses</td>
<td>A significantly valued asset to the East Sussex economy</td>
<td>Meeting the skills needs of business and supporting residents to reach their full potential</td>
</tr>
</tbody>
</table>

- Capitalise on current and emerging sector opportunities
- Support more business start-ups and business growth
- Enable the delivery of an appropriate pipeline of suitable business premises and upgrading existing premises
- Improve and promote the quality of the built environment
- Enhance the visitor offer to attract more visitors and promote the county as a tourist destination
- Enable the provision of a choice of good quality and affordable housing
- Enhance physical and virtual connectivity
- Promote East Sussex as a business location
- Achieve better alignment of skills provision to meet the needs of local employers
- Increase the number of people in the workforce with high level skills
- Improve work readiness, including soft and basic skills

3.4 The importance of these strategic objectives and key priorities and how they will help us to deliver our vision by 2020 are explored in the proceeding sections.
4 BUSINESS: Enabling business growth, particularly of high value businesses

We want to increase the number of businesses in high value sectors and support all businesses to move up the value chain. We will achieve this by:

- Capitalising on opportunities for growth in current and emerging sectors
- Supporting business start-ups and business growth
- Enabling the delivery of an appropriate pipeline of suitable business premises

4.1 In so doing, we will harness the private investment that is building Britain’s new economy. Across the UK – indeed in every nation – entrepreneurs are creating new businesses and refocusing existing ones. They are driving the third industrial revolution by using digital technologies to serve global markets. They see the opportunities arising from the global commitment to address the challenges arising from climate change. They see the demand for new products and services arising from the “internet of things.” Many are already part of the new “sharing economy,” relying on crowd sourcing and peer-to-peer lending. They know that our economic future depends on selling our knowledge to, and manufacturing high value products for global markets.

4.2 The key to Britain’s new economy is entrepreneurial talent. East Sussex is ideally positioned with suitable places for this talent to create and expand their businesses.

Capitalising on sector opportunities

4.3 East Sussex is a place that is ‘open for business’ to all sectors of the economy. However, there are some sectors where we have a competitive advantage or specialisms on which to build. If we are to raise productivity, we need to support our existing growing companies and build a stronger base of firms and employment in knowledge-intensive industries and other sectors that are driving UK economic growth, such as advanced manufacturing, business services, creative industry sub sectors and technology-based sectors. We identify below the key sectors that we believe have particular potential to grow in East Sussex.

4.4 Whether in small-scale manufacturing, creative and knowledge-based businesses, the new business model is networked. East Sussex is the ideal location: we are close enough to London and Gatwick for personal contact and meetings, whilst able to offer superb quality of life in an inspiring and exciting cultural and landscape environment. We are investing heavily in our connectivity and networks to nurture existing and incoming business.

Advanced manufacturing

4.5 East Sussex has a small but significant high tech manufacturing sector, with some niche clusters in the vacuum and pump industries, and concentrations of employment in electronics and optical equipment. While overall manufacturing employment is likely to continue to decline in line with national trends over the coming years, high tech manufacturing offers significant growth opportunities.
We need to create a supportive environment for these companies, including: Facilitating the development of supply chains; signposting to business support and advice available nationally (e.g. the Manufacturing Advisory Service (MAS)); tailoring skills provision and raising awareness of employment opportunities and; ensuring an adequate supply of industrial sites and commercial premises in good locations. We also need to consider how to attract companies to support the further development of these sectors in East Sussex in the future.

Creative and cultural sector

The digital and creative media sector is widely recognised as having good potential to be a driver for economic growth and East Sussex is home to an increasing number of diverse creative industries. The quality of the natural environment and cultural landscape makes East Sussex a particularly attractive business location for this sector. We need to support evolving clusters of creative subsectors, such as those offering digital and web-based services, publishing, film and media production, to help them grow in a highly competitive global marketplace. There is also strong potential to exploit the synergies between creative industries and the county’s cultural infrastructure to improve and expand the visitor economy.

Business and professional services

The balance of UK employment continues to shift towards the service sector with business services like accountancy, law, finance, architecture, consulting, as the main drivers of UK growth. In East Sussex, there are many SMEs (Small & Medium Sized Enterprises) in these sectors spread across the county. Most serve local or sub-regional markets, while the more innovative ones operate in national and international markets. East Sussex also has some larger firms, such as Saga and Hastings Direct. The large amount of new commercial floorspace coming on-stream in the county over the next few years means that East Sussex will be in a position to attract and retain more office-based services.

London is the main engine of growth for this sector and anecdotally we know the county has strong links with the capital with many senior professionals in the financial and business services sector commuting into the City. East Sussex attracts professionals looking for a better quality of life; some bring their business with them, while others mix home working and commuting. With the advancement of mobile and internet technology, this trend is likely to continue. There is an opportunity to strengthen the business and professional services sector in all parts of the county, by capitalising on these trends, creating a supportive environment for professionals to relocate and start-up new businesses, as well as supporting our existing SMEs to grow.

Environmental technologies: Newhaven Clean Tech Enterprise Zone

The environmental technologies and renewable energy sector is expected to grow over the coming years. Pressure on national governments to do more to tackle climate change and meet carbon emission targets is one of the key drivers. East Sussex’s coastline is a natural asset that offers potential for the development of off-shore wind farms. There is a particular opportunity around Newhaven Port following the approval of the Rampion off-shore wind farm by the government in July 2014.

Newhaven Port and neighbouring areas already house a number of businesses in the clean technology and renewable energy sector, including Veolia’s Energy Recovery Facility which opened in 2012.
The Masterplan for Newhaven Port, published in July 2012, identified further opportunities to establish a clean technology and renewable energy cluster around the port. Using offshore wind as a catalyst, it identified potential for the integrated manufacture of the turbines themselves and for providing support during the construction phase, including the pre-assembly of components and supply of construction materials. It is seen as being ideally placed to support both operations and maintenance (O&M) and construction activities for the Rampion wind farm.

To further support the development of Newhaven Port, an additional £10 million from the C2C Growth Deal has been secured to add to the £13 million commitment from East Sussex County Council for a new port access road. In addition, £9 million has also been secured from the SELEP Growth Deal for flood defences, which includes £6 million from the Environment Agency. This investment will open up major sites for housing, employment and new harbour facilities. Local partners are also seeking enterprise zone status for the area around the port in a bid to ensure its future success and to capitalise fully on the economic growth potential of the site.

Health and social care

The post-war ‘baby boom’ generation now entering retirement will have more money, live longer, and be more active than previous generations. Euromonitor recently put a value of $15tn on the global spending power of the ‘silver economy’22. There are opportunities for East Sussex to capture a share of this spend.

East Sussex will always be an attractive retirement destination; there is a need to adapt and respond to the challenges of an aging population, such as pressures on the health and social care system. The health sector already accounts for 19.3% of employment in East Sussex compared to the national average of 12.7%23. We will need more people across a range of occupations from doctors to carers to support this elderly population. There are also research opportunities around age-related illnesses such as dementia, and the universities of Brighton and Sussex medical school has developed a specialism in this area.

Land-based Industries

The unique climate and soil in East Sussex has led to the county becoming one of England’s largest wine producing areas. As well as the value of exports from the viticulture sector, we need to consider how the viticulture supply chain could be further developed and how this sector could also become a greater part of the visitor offer.

Plumpton Agricultural College is a nationally recognised centre of excellence in viticulture education and research. East Sussex also produces some fine local foods, which together with the wine industry offer the potential for East Sussex to become more of a destination for ‘gastro-tourism’.

Supporting businesses to start-up and grow

Business support is available at national, regional and local levels for SMEs in East Sussex, provided or promoted through the Chambers of Commerce, the Federation of Small Businesses (FSB), the local authorities, the colleges and universities and via national programmes like the Growth Accelerator. The ‘Let’s Do Business ’Group is the largest provider of business support services in the county offering one-to-one consultancy for established businesses and support for start-ups. The

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23 ONS Business Register and Employment Survey, 2012
support includes light touch health checks, signposting to further support and accredited training in leadership, management and entrepreneurship, and helping business to access finance.

**Growth Hubs**

4.19 The plethora of business support available can be confusing to businesses. To tackle this a network of ‘Growth Hubs’ is being established across the country through Local Enterprise Partnerships. The intention is to simplify the business support landscape through providing a single local access point. In the SE LEP area revenue funding from the Growth Deal has been committed to take the concept of Growth Hubs forward.

4.20 Our aspiration is to establish a Growth Hub for East Sussex which:

- provides a comprehensible clearly branded portal for business;
- promotes a universal business support offer delivered locally in innovative ways;
- facilitates stronger relationships between business and universities and colleges;
- supports and enhances demand-led Business to Business (B2B) networks;
- provides support to access finance; and
- focuses on innovation and on high growth / pre-growth businesses.

**Fostering innovation**

4.21 Our vision is for East Sussex to be known as a place where innovation is the norm – where businesses and entrepreneurs feel confident about investing in new products and services and can exploit new commercial opportunities.

4.22 East Sussex has many highly innovative firms but proxy indicators for innovation (such as the level of export activity and the number of patents) suggest the county is less innovative than other parts of the South East. The 2014 East Sussex Business Survey showed that just 15% of businesses saw exports as their main market, although this percentage has been increasing.

4.23 East Sussex County Council has set out the opportunities for innovation in a document ‘Innovate East Sussex’. While this stresses the importance of embedding innovation across the whole of the economy, the following illustrates some of the sector specific opportunities:

- **Health** - the existing and forecast needs of an ageing population mean there are wide-ranging opportunities, from development of high-tech products for the growing telecare market, to innovations in dementia treatment and care - an area of specialism at the Brighton and Sussex Medical School. This may also include ‘designing in’ to buildings the needs of people as they age.

- **Food and drink** - a technological revolution is taking place nationally in ‘agitech’ with breakthroughs in nutrition, genetics, informatics, satellite imaging, remote sensing, meteorology, precision farming and low impact agriculture.

- **High tech manufacturing** – the UK’s future as a manufacturer is dependent on a continuous cycle of innovation in the face of intense international competition. We need to create a supportive environment for East Sussex’s manufacturers and advanced engineering industries, including pump, vacuum and electronics manufacturers, and facilitate their access to the research and development, skills and support they need to innovate.
• **Clean Tech** – there is a national imperative to provide energy more cheaply and efficiently to combat climate change and meet rising demand. There are opportunities to attract innovative firms in this industry around Newhaven and to facilitate innovation through skills.

• **ICT/digital media** – this sector and sub sector still show growth nationally; we have a good presence of these potential high growth industries throughout the county.

4.24 Research commissioned by East Sussex County Council has been undertaken to identify existing High Growth Firms (HGFs) - so-called ‘gazelles’ - and ‘potential HGFs’ (pre-gazelles). Research has shown that around 50% of jobs growth nationally is produced by the ‘gazelles’; we need to concentrate on producing more ‘gazelles’ by supporting ‘pre gazelles’ to deliver growth in the East Sussex economy.

4.25 Our two universities provide some facilities and support to help encourage innovation within the local business base, as does Plumpton College, a centre of excellence for viticulture. The Sussex Innovation Centre at the University of Sussex provides flexible business space and support for businesses to develop new ideas, products or services through increased innovation and access to the research and complementary skills at the university. The University of Brighton offers Knowledge Transfer Partnerships, one is being delivered in conjunction with the London Metropolitan University’s Polymer Centre with the company Plastipak based in St Leonards.

4.26 We need to capitalise on and support the expansion of the research and development capabilities of our universities and businesses and the potential commercial opportunities. We need to ensure that accessing the right university-led business support offer is easy and transparent and fits with local innovation needs. Investment in a strongly managed ‘centre for innovation’, with clear strategies and hands-on support to push firms towards growth can be effective, alongside other support such as mentoring, Knowledge Transfer Partnerships and the facilitation of networks.

4.27 Whilst businesses can engage with various types of innovation support through different channels, we have identified the need for a simplified, one-stop-shop point of entry. The proposed Growth Hub could provide that gateway, signposting to support such as that provided by the universities and by national programmes such as the Growth Accelerator - a government-backed service that helps ambitious businesses to grow through coaching, workshops, master classes and match funding.

4.28 There are also opportunities to take this forward with EU funding. Innovation is a central theme for the current SE LEP European Structural Investment Fund (EU SIF) strategy and at least 20% of the £65 million European Regional Development Fund notionally allocated to the SE LEP area falls under the innovation strand. Funding will be used to help increase the number of enterprises receiving support for innovation, working with higher education institutions and business-to-business networks.

4.29 Highly Innovative Firms employ a significantly higher share of science, technology, engineering and maths (STEM) graduates.24 We therefore need to encourage more young people to take up these subjects at GCSE, A-level and degree level. Small businesses also need to be encouraged to understand the impact that employing a graduate via Knowledge Transfer Partnerships or similar, or tapping in to the research capabilities of universities, could have on the profitability of their business. FE Colleges can help in a similar way. A recent example was the creation of a short course

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24 Coad et al (2012) BIS UK Innovation Survey 2012 – Innovation Firms & Growth,
by Sussex Coast College for vacuum businesses, where businesses worked closely with the college. Sussex Downs College also offers a variety of specialist HE level courses and they organise recruitment events for local employers to help identify apprentices.

**Encouraging new business start-ups**

4.30 A strong indigenous business community with a healthy churn of new businesses starting up and growing (some will inevitably fail) is needed to create more employment and a more resilient economy.

4.31 We want to make it as easy as possible for new businesses to have a chance to succeed, creating an environment where entrepreneurs can make their business a success. There is a particularly opportunity around the large commuting population which could bring new or established businesses to the area. At the same time there is a major challenge to increase the number of female entrepreneurs – currently just 7.6% of females aged 16-64 in East Sussex are self-employed compared to 20.8% of males. We need to ensure appropriate training and skills are in place to nurture the growth of all our entrepreneurs. We also need to ensure there are easily accessible sources of demand-led business support, access to finance and flexible small scale ‘no frills’ start-up premises.

4.32 Fostering entrepreneurship in our communities needs to be started at an early stage in schools. We need to raise awareness of the opportunities for young people and equip them with the skills to give them a choice of becoming an entrepreneur. A key part of this is to raise aspirations and there are a number of good examples of national programmes, such as Confederation of British Industry’s ‘Young Enterprise Programme’ and the national ‘Fiver Challenge’, supported by Virgin Money, which challenges children to set up and run their own business for a month with just £5. In East Sussex, the Local Enterprise and Apprenticeship Platform (LEAP) in Lewes is a successful initiative that promotes enterprise and apprenticeships amongst local young people and offers a Young Entrepreneur Award. In Eastbourne the Education Business Partnership engages with local schools on industry/business themed educational programmes.

4.33 We also need our colleges and universities to promote enterprise amongst their students and support graduates with an idea to set up in business. This is one way of ensuring that the best talent is retained in the county. The University of Brighton is developing an ‘Institute for Development Enterprise’ which will make enterprise training an integral part of the student experience. Being present at each campus, this will act as a gateway for engaging with business and aims to transform the experience of staff and students alike.

4.34 There are still parts of the county that lack space for start-ups. In the rural communities there is a reported need for local provision, for example to provide flexible workspace, meeting rooms, and access to ancillary services to support entrepreneurs and SMEs who live in these areas. The new Business Incubator capital fund from the County Council will target places that currently don’t have incubator space, including Eastbourne, Polegate, Hailsham, and Crowborough. This fund may also provide support loans, equity investments, or grants to close the viability gap on a case-by-case basis.

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SMEs and potential entrepreneurs face obstacles to obtaining finance for business investment, made worse by the recession and a risk averse banking sector. Finance is a disproportionately important obstacle to high growth firms compared to other businesses\(^{26}\). This is a key issue identified in the East Sussex Business Survey.

A number of access to finance schemes operate across the county (see Appendix), including East Sussex Invest (ESI) which is funded from the Regional Growth Fund (RGF) and East Sussex County Council. Other sources of funding are available for example via Let’s Do Business, which administers the national BIS Start-up Fund and ‘Let’s do Business’ Finance (an RGF 1 scheme providing funds to businesses that are having difficulties in accessing finance. Businesses benefiting from support have indicated that loans have been more helpful than grant support in demonstrating credibility to private sector investors\(^{27}\). We need to continue to ensure businesses have access to the finance they need to grow.

**Social enterprises**

Social enterprises make a valuable contribution to the economy of East Sussex. The sector employees over 10,000 people alone in the county, and have an estimated annual income of over £400 million.

Social enterprises can be said to be positioned between the traditional private and public sectors in that although there is no universally accepted definition of a social enterprise, their key distinguishing characteristics are a social purpose often combined with the entrepreneurial spirit of the private sector. As social enterprises devote their activities and reinvest their surpluses to achieve a wider social or community benefit they are often key partners with the public sector in delivering, for example, personal services (e.g. for children or the elderly), supporting people in disadvantaged areas and supporting the unemployed (e.g. into work). Moreover, social enterprises can equally be seen as more conventional businesses that are in our communities and on our high streets – from coffee shops and cinemas, to pubs and leisure centres, banks and bus companies all realising profits being re-invested for social benefit.

In recognition of the valuable role social enterprises play, in 2014-15 East Sussex County Council made a significant commitment and investment towards the growth of social enterprise activity in the county by financially supporting organisations including the East Sussex Credit Union, Hastings Furniture Scheme, and Furniture Now to help create new jobs and expand their trading and enterprise activity. In addition, the 2014 Sussex Business Awards recognised East Sussex ‘Wheels 2 Work’ Community Interest Company as the Social Enterprise of the Year; this venture, originally developed by East Sussex County Council, offers two-wheeled transport to people in the county who find it otherwise difficult to access work or training.

The continued future growth of social enterprises are seen as an opportunity for developing new ways to deliver innovative services and solutions to people’s needs. Social enterprises and other partners in the voluntary and community sector will no doubt play an increasingly important role— for example in relation to the aging population, a key issue in East Sussex. Going forward the European Social Fund in particular may provide a source of additional finance to help social enterprises with key social benefit ambitions to grow.

\(^{26}\) BIS (2013) SMEs: The Key Enablers of Business Success and the Economic Rationale for Government Intervention

\(^{27}\) Feedback to Expansion East Kent
Enabling the delivery of a pipeline of business premises

4.41 In recent years, particularly since the recession, there is evidence that East Sussex has suffered from a shortage of quality business premises due to a lack of speculative development. Seachange Sussex, in partnership with the local authorities, has successfully delivered a number of schemes to address this market failure. Improving commercial property market conditions have meant that other development schemes across the county are emerging, some are being helped by funding to address any funding gaps and improve the viability of bringing sites forward. We need to maximise the opportunities of this pipeline and ensure that appropriate new business space continues to be developed to attract new firms and support the growth of existing businesses across the county. There is also a need to improve some of the older existing employment sites, in order to meet the needs of industries of the future.

4.42 There are a number of schemes in progress and land with development potential for employment use including at:

- A21/A259 Hastings/Bexhill Growth Corridor - sites around North East Bexhill at Blackfriars Battle and Robertsbridge; at Rye Harbour; in Hastings at North Queensway, Churchfields and Ivyhouse Lane and Priory Quarter.

- A22/A26/A27 Eastbourne-Polegate-Uckfield-Crowborough - sites at Sovereign Harbour in Eastbourne (where an Innovation Centre is due for completion in 2015); in Wealden at Uckfield, Hailsham, Polegate, Maresfield and Willingdon.

- Newhaven Clean Tech and Maritime Growth Corridor - including large brownfield sites close to the town centre and waterfront which provide ideal locations for Clean Tech employers; and at Eastside.

4.43 Some of these employment and housing schemes require additional financial support to improve their financial viability and one proposed mechanism for doing this is the South East Fund (SEFUND). Although this fund is yet to receive approval and any financial allocation, the Government has committed to looking further into the options.

4.44 As these sites and other commercial sites come on-stream, effective and joined up marketing is needed to attract the best firms. Locate East Sussex is the inward investment agency for the county funded by the local councils. It supports businesses to find new premises and signposts to business support and training, as well as providing valuable connections to local planning and economic development teams. A coherent offer is needed, shared by all stakeholders, which captures the unique selling points of the county – the quality of life, the supply of skilled labour, affordable business premises, access to business support and finance, and like-minded growing businesses.
Making it happen

4.45 To achieve business growth, particularly growth of high value business, some of the indicative actions we will take to achieve this strategic objective are outlined below.

### Capitalising on current and emerging sector opportunities

- Take forward proposals for the Newhaven Enterprise Zone
- Work with the universities, further education and specialist colleges to better enable appropriate and easier access to their services by local businesses
- Improve working relationships between relevant R&D institutions, businesses and other end users
- Provide more focused support to higher value and potential growth and niche employers

### Supporting more business start-ups and business growth

- Develop and implement proposals for the East Sussex Growth Hub as the new 'one stop shop' for business support in the county
- Support and encourage organisations that aid exporting to work effectively with local business
- Consider how to build on 'centre for innovation models' as provided by the Sussex Innovation Centre to encourage higher value innovative companies in East Sussex
- Encourage self-employment as a career choice, including through supporting effective youth and female enterprise programmes and other educational interventions
- Retain/expand existing access to business finance programmes to stimulate economic growth and job creation
- Encourage and support the development of social enterprise models that are able to provide innovative solutions responding to the services people need

### Enabling the delivery of an appropriate pipeline of suitable business premises

- Support the development of a demand-led supply of business incubator units across the county where required
- Explore and support access to different funding mechanisms to unlock key sites and premises
- Support the development of small work space units in rural and village locations to meet local business demand
- Encourage the development of investment-ready commercial and housing sites for public sector funding opportunities
PLACE: A significantly valued asset to the East Sussex economy

We need to make the most of the landscape, cultural and heritage assets that East Sussex has to offer to attract more businesses, visitors and skilled workers to the county. We will achieve this by:

- Improving and promoting the quality of the built environment
- Enhancing and promoting the visitor offer
- Enabling the provision of a choice of high quality homes of different types and tenure
- A better connected county
- Promoting East Sussex as a 'brilliant place to do business'

5.1 East Sussex is one of the most attractive counties in the country with a wealth of environmental, cultural and historical assets. These assets are what make East Sussex special and unique, and are why we have the opportunity to attract highly skilled workers, innovative businesses and visitors from across the UK and overseas.

Improving the quality of the built environment

5.2 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. Many local authorities are already investing in their towns and villages, improving the public realm and environment, and this must continue in the future.

5.3 In Bexhill, Rother District Council has invested £5.1 million to improve the seafront environment on the promenade. This has transformed the area and increased footfall by raising its profile amongst both residents and visitors.

5.4 In Eastbourne, the borough council is also investing in the town to stimulate the visitor economy and to attract new businesses. Investments in the public realm around the Arndale shopping centre will support the £85 million investment by owners Legal & General to create an additional 175,000 sq ft of space which will bring a new cinema, restaurants and more retail units to the centre, as well as further car parking. The council is also looking to invest in the Devonshire Park area of Eastbourne to create a cultural destination, enhancing the conference, arts, tennis and entertainment facilities on the site. This £40 million scheme will include the refurbishment of the three listed buildings (Congress Theatre, Devonshire Park Theatre and the Winter Garden), provision of a new entrance containing conference facilities together with extensive public realm.

5.5 In Hastings the seafront is central to the town’s identity and economy. Investment by the Council and other partners in its development will have a positive catalytic effect on the wider regeneration of the town. Improvements to the public open spaces along the seafront will stimulate private investment in property and business activity and will further stimulate a year-round visitor economy. Seawater quality is also vitally important to the town’s economy; there is a compelling need for
continuing investment in measures to improve the quality of the bathing water in Hastings to ensure that it meets the higher standards that come into effect in 2015. In partnership with the County Council, the Borough Council is upgrading paving and improving open spaces in the town centres of Hastings and St Leonards, in conjunction with measures to animate the public realm and increase retail activity. The quality of parks and green spaces plays an important part in the town’s ability to attract inward investment. Further improvements to the green infrastructure, such as the investment of approximately £0.5m in a new interpretive centre in the Countryside Park, will attract more visitors and enhance the appeal of Hastings as a good place to live and invest.

**Enhancing and promoting the visitor offer**

5.6 East Sussex has much to offer as a visitor destination. It has natural assets that include the South Downs National Park, the High Weald Area of Outstanding Beauty (AONB), including the 6,500-acre Ashdown Forest, and 47 miles of beautiful coastline which includes six miles of ‘Heritage Coast’ which incorporates Beachy Head and the white cliffs of the Seven Sisters. It also has cultural sites of renown that include the De La Warr Pavilion at Bexhill-on-Sea, Glyndebourne International Opera House in Lewes District, the Towner in Eastbourne and the Jerwood Gallery at Hastings. There are also clear links to literary characters too including Henry James’ ‘Lamb House’ in Rye, Monks House in Rodmell (Virginia Woolf), Rudyard Kipling’s ‘Batemans’ and Charleston Farmhouse, home of the Bloomsbury Group. It also has many historic monuments such as Bodiam Castle, which attracts 180,000 visitors a year, and the 1066 site at Battle.

5.7 These assets together mean that the visitor economy has significant potential for growth. The strengths of East Sussex’s visitor offer is in its contrasts and diversity. Visitors can experience countryside, seaside, culture, gastronomy, history and heritage in one county. Very few parts of the country are able to offer this variety. Such is the way the visitor economy has evolved in the county; there is no single East Sussex brand. Brands such as 1066 country, the South Downs National Park and Brighton are more widely recognised. While a single East Sussex brand is not widely called for, there is an acceptance of the need for greater cooperation and stronger joint working between partners to promote the visitor economy. An East Sussex prospectus and image creation will be considered that enable the county to draw people from further afield and could, for example, look to see where offers in the county build on and add to the London experience.

5.8 The challenge we face is to increase the value of the visitor economy and complementary approaches are needed across the county. In all areas there is a need to attract higher spending visitors (including those from overseas), securing more overnight stays and extending the visitor season by creating a year-round offer. In the rural communities, this means protecting and enhancing the natural environment whilst opening up the countryside to visitors by diversifying the offer to capture new markets such as gastro-tourism.

5.9 In coastal towns we need to continue to invest in high quality cultural and leisure attractions, the built environment and improve the quality of accommodation. The quality of accommodation needs to be improved across the county, especially in coastal towns. Over the last 50 years, competition from low cost foreign holidays has led to a significant decline in the number of hotel beds and the number of staying visitors, notwithstanding a revival in recent years. There has been a lack of investment in some hotels which have fallen into decline or been turned into care homes or temporary housing. In Hastings, there are three five star hotels but they are small with only 4-6 beds
and in Eastbourne there is only one – the Grand. More four star and above accommodation is needed. An investment programme for upgrading some accommodation is currently being explored.

5.10 Across the whole of the county, we need a year-round events programme, building on successes such as the Eastbourne Air Show, the tennis championship, and Hastings ‘Jack in the Green’. There is also potential to capture a greater share of the business visitor market, such as corporate away days and the conference market, if the right offer is in place.

5.11 The new over-60s generation will demand a very different experience from earlier generations so the county offer needs to change accordingly. It also needs to appeal to a younger, more diverse demographic. There are a number of private language schools in East Sussex particularly concentrated in Eastbourne and Hastings. They are especially important as they help to build international connections in the coastal towns and also provide income to ‘host’ families. We need to further our understanding of the future direction of the visitor economy across the county and position ourselves to meet new demands.

Enabling the provision of a choice of high quality homes of different types and tenure

5.12 Ensuring that there is a good supply of quality homes across a range of different types and tenure is important for the future growth of the East Sussex economy. This was recognised in the LGA Peer Review which advocated the shared ownership of ‘a joined-up approach to housing and economic growth’ and recognised that housing is an essential component of economic growth.

5.13 One of the opportunities for the future of the East Sussex economy is to attract entrepreneurs in technology-based sectors who are increasingly ‘footloose’ due to new technologies. They have the freedom to choose where they work, provided there is high speed and reliable internet connection. A good choice of homes, with some also designed to include workspace, would further enhance our offer to entrepreneurs looking to relocate to the area for a better quality of life.

5.14 The proximity of East Sussex to London and the potential to commute into the capital means that the house price differential is a key property market driver. For those who work and live in East Sussex the house price to earnings ratio is well above the regional average and this will be made worse by any restrictions of supply. It is therefore important that all district and borough councils work to ensure that housing targets in Local Plans are delivered, so that the economy is supported by the necessary supply of new homes for workers across the wage spectrum. This may require more imaginative ways of releasing stalled sites, providing more cross subsidy housing to commercial build and of achieving a more ‘joined-up’ cross county planning system.

5.15 The economic challenges faced by coastal communities have been well documented in a number of academic studies and highlight the relationship between high deprivation, characterised by higher unemployment rates, health inequality, low economic activity and pay, and poor housing conditions. Investment in upgrading poor quality housing, particularly larger houses of multiple occupation (HMOs) in areas with comparatively high levels of private renting, is particularly important to coastal neighbourhoods in East Sussex where this creates a barrier to inward investment. Tackling dysfunctional elements of the coastal housing markets, by addressing poor condition and management in private rented accommodation, is regarded as an important driver of economic growth and job creation. Therefore, housing renewal is a critical economic intervention in regenerating the centres of our coastal communities in East Sussex.

28 LGA Investment (Open for Growth) Peer Challenge, East Sussex, March 2014, p.17
A better connected county

Transport

5.16 We want East Sussex to be a place that is easy to move around in, well served by road and rail infrastructure and sustainable travel which provide good access to all markets. The poor quality of the strategic transport network in East Sussex is identified by businesses as a constraint to growth. The county has only 11 miles of dual carriageway and no motorways. While everyone recognises the importance of transport connectivity, not all high tech businesses rely on it and of course parts of the county are able to offer good enough connections to London, Brighton and mainland Europe. Nevertheless, we must continue to invest in the network where impact on jobs and growth is greatest and lobby government, the Highways Agency and Network Rail as appropriate to enhance connectivity.

5.17 There is no single solution to the transport challenges facing the county; a package of interventions is required to improve strategic connectivity, journey time reliability and access to key employment and housing areas. A part of the solution is to continue to enhance digital connectivity, ensuring that all parts of the county, including the rural communities, are served by fast and reliable internet access.

5.18 The A27 is a key strategic road that requires improvement and a significant amount of work has already been undertaken on the route between Lewes and Eastbourne. The outcomes of a feasibility study led by the Highways Agency and DfT to assess options for improvements along the road were announced as part of the Chancellor’s 2014 Autumn Statement and are set out in the Department for Transport’s (DfT) Roads Investment Strategy: Investment Plan. In relation to the A27 east of Lewes, the Road Investment Strategy identifies that £75m of funding has been set aside pending further work on capacity following review of the long-term growth plans in light of any recommendation made by the Airports Commission. We will work with DfT and the Highways Agency on how this provisional funding is to be used along the route, as well as continue to make the case for further investment on one of the key economic arteries in the county.

5.19 In addition to lobbying for major transport investment in the county, we also need to consider smaller scale transport interventions that address ‘pinch points’ on the network along the A27 and A21 to facilitate the easier flow of traffic in particular stretches of the route. This equally needs to be coupled across the county, with packages of sustainable integrated transport measures that improve travel choices. These smaller scale interventions are less costly but can make important contributions to improving traffic flow and journey times across an integrated network.

5.20 We will continue to work with Network Rail and the train operators to enhance rail connectivity across the county. Improving the line to Ashford International would reduce journey times to London from the east of the county and provide faster access to mainland European markets for all East Sussex businesses. Network Rail is currently looking at options to improve the Hastings-Ashford line including via an extension of HS1 to Bexhill. An extension would mean a 78-minute journey time from Bexhill to Kings Cross and 68 minutes from Hastings. Rother and Hastings local authorities, alongside East Sussex County Council, have commissioned work to examine the potential economic benefits to the area should this take place. As well as considering the economic benefits, the work will also need to consider any potential impact of increased commuting. A stakeholder group has been established to take the project forward.
5.21 There is also a need to improve connectivity on the current Hastings mainline through Rother and Wealden Districts to Charing Cross and that the essential peak hour services to Cannon Street, which is vital for the connectivity to North Wealden, continues in the future. There is also an aspiration for a 70-minute train journey from Eastbourne into London.

5.22 Electrification of the Uckfield to Hurst Green line is needed to improve connections to London Bridge via East Croydon. East Sussex County Council is in discussions with Network Rail about this and the potential for unblocking bottlenecks around East Croydon to release capacity further south.

Broadband

5.23 High quality IT infrastructure is vital in the modern economy and broadband has effectively become the fourth utility. Almost all businesses now rely on the internet in some way; high speed, reliable fibre-based internet is particularly important for firms transferring or hosting large amounts of data such as IT services firms, businesses that deal in e-commerce, or those that rely on video conferencing or other ‘big data’ activities. Broadband is of course also essential for people who work from home.

5.24 While private providers continue to roll out superfast broadband across the country in response to the market, there are parts of the county that are currently unviable to the market. The ‘e-sussex’ project, led by East Sussex County Council in partnership with Brighton & Hove City Council, was launched to improve Internet access for homes and businesses in East Sussex. This £34 million project is being funded by East Sussex County Council, Government (Broadband Delivery UK) and BT.

5.25 The project will mean that by 2016, alongside existing commercial broadband roll-out plans:

- 96% of all properties across East Sussex will have access to superfast broadband of at least 24mbps
- 99% of all properties in the county will have access to higher-speed fibre broadband
- Every property in East Sussex will be able to access a broadband service of at least 2mbps

5.26 The project is aiming to push fibre use as far as possible for future proofing. Where fibre cannot be installed, alternative technologies (e.g. satellite or wireless) will be considered.

Promoting East Sussex as a ‘brilliant place to do business’

5.27 The high quality of the East Sussex environment combined with our assets as a business location mean that East Sussex is well placed to attract new businesses, particularly those in new emerging technology-based sectors who can chose where to be based from amongst those places with appropriate infrastructure. We need to do more to promote the benefit of the county to business and there needs to be a greater recognition of what the county has to offer.
Making it happen

5.28 To capitalise on the attractiveness and assets of East Sussex as a place to do business, we have shown below some of the indicative actions we will take forward to achieve this strategic objective.

<table>
<thead>
<tr>
<th>Improving and promoting the quality of the built environment</th>
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<tbody>
<tr>
<td>• Continue to invest in the public realm in our town centres and villages</td>
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<tr>
<td>• Facilitate the bringing forward projects for funding under the East Sussex County Council 'upgrading empty properties' fund</td>
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<table>
<thead>
<tr>
<th>Enhancing and promoting the visitor offer</th>
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<tbody>
<tr>
<td>• Consider the feasibility of developing an investment fund to enhance the quality of visitor accommodation across the county</td>
</tr>
<tr>
<td>• Co-ordinate a year-round events programme for the county and explore links to events outside the county to attract more visitors to East Sussex</td>
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<tr>
<td>• Explore opportunities to diversify the visitor offer including the conference market; corporate sector e.g. Away Days; new ‘silver economy’.</td>
</tr>
<tr>
<td>• Develop an East Sussex 'Prospectus' and improved ‘image creation’ to promote the quality offers within the county</td>
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<tr>
<td>• Building on the 'Prospectus' consider the potential to be gained from “developing the East Sussex image”</td>
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<thead>
<tr>
<th>Enabling the provision of a choice of high quality homes of different types and tenure</th>
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<tbody>
<tr>
<td>• Deliver against Local Plan housing targets, including for affordable housing</td>
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<tr>
<td>• Accelerate housing development on stalled key sites using appropriate funding mechanisms</td>
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<table>
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<tr>
<th>A better connected county</th>
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<tr>
<td>• Implement transport projects that receive Local Growth Fund, including developing the business cases</td>
</tr>
<tr>
<td>• Continue to prepare and take forward strategic transport schemes for future Local Growth Funding round bids</td>
</tr>
<tr>
<td>• Continue to lobby for improved High Speed Rail connections to the county and other key improvements to the rail and strategic road network</td>
</tr>
<tr>
<td>• Take forward work on the feasibility and economic cases for High Speed Rail connections to the county with partners</td>
</tr>
<tr>
<td>• Complete the rollout of the eSussex fibre broadband programme under the contract with BT and seek solutions to address any remaining 'not spots'</td>
</tr>
<tr>
<td>• Continue to explore how to further improve relevant broadband provision in East Sussex to maximise the competitive of the county as a business location</td>
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<tr>
<td>• Continue to work with partners to bring about improvements to mobile phone connectivity across the county</td>
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<table>
<thead>
<tr>
<th>Promoting East Sussex as a 'brilliant place to do business'</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Work with partners to develop a campaign to promote the benefits of East Sussex as an excellent business location, particularly for new 21st century businesses.</td>
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</table>
6 PEOPLE: Meeting the skills needs of business and supporting residents to reach their full potential

We need a skills system which is responsive to the needs of business and which supports residents to fulfil their potential. We will achieve this by:

- Achieving better alignment of skills provision to meet local employer needs
- Increasing the number of people in the workforce with high level skills
- Improving work readiness, including soft and basic skills

6.1 East Sussex and the wider travel-to-work area provide a talented labour pool for businesses to draw upon. If we are to close the productivity gap, we need more people with higher-level qualifications to support the expansion of higher-value innovative industries. This reflects the Government’s approach to skills and employment, which identifies improving workforce skills as central to the UK being able to compete internationally.

6.2 There is a higher percentage (32.4%) of residents in East Sussex with NVQ Level 4 and above qualifications compared to the SELEP area average (30.1%), but this is lower than the England average (35%)\(^{29}\). A relatively high percentage of people in East Sussex (10.1%) have no qualifications compared to the national average (9.3%). This is mainly due to high percentages in Hastings (13%) and Eastbourne (11.8%) which contrasts with much lower percentages in Wealden (7.7%) and Rother (8.9%).

6.3 Average wages of residents (£479)\(^{31}\) in East Sussex are higher than for workers (£440), suggesting a large number of skilled residents commute out of the county for better paid work elsewhere. Job density (the number of jobs available to the local population) is relatively low in the county. This means that we need to provide more - and better paid - jobs, to give people the option to work locally. We also need to ensure that businesses have the skills they need to grow and that there are opportunities for employees to continually learn in the workplace.

6.4 East Sussex County Council commissioned Cambridge Econometrics\(^{33}\) to look at recent trends in the labour market and to model future skills requirements. Over the last three decades employment requiring higher skill levels in East Sussex has increased at a faster rate than total employment growth. Demand for high-skilled labour slowed during the recession, but withstood the recession better than demand for lower skill jobs.

6.5 The trend towards higher skilled employment is set to continue. New jobs and new skills are emerging as technology, innovation, demographic change generate new demands\(^{34}\). The Cambridge
Econometric research forecasts employment in different sectors to 2025 and the occupational profile and skills requirements of these sectors. The findings show rising demand for jobs that require Level 4 qualifications or above. For example, business services are forecast to grow and currently 75% of professionals in this sector have an NVQ Level 4 or equivalent qualification or above. In the future, the percentage may be even higher.

6.6 In the short term (2014-20) pace of demand for employment at all skill levels is expected to increase after the slowdown experienced during the recession, albeit at half the pace of the pre-recession rate. Demand for jobs requiring lower qualifications is projected to continue to grow at a slower pace than for jobs needing higher qualifications; this reflects the general trend in the UK towards a knowledge-based economy.

Achieving better alignment of skills provision to meet local employer needs

6.7 We are clear about the importance of having a skills system that responds to the needs of business and facilitates stronger dialogue between employers and education and training providers. Employers need to be able to influence and shape the training curricula of further and higher education providers and local colleges have already made progress in tailoring courses to meet the needs of the local economy. Examples include Sussex Coast College Hastings, which has provided courses in vacuum technology and at Sussex Downs College where there are specialist courses for the health care sector and apprenticeships for the hospitality and electrical engineering sectors, while at the forthcoming University Technical College at Newhaven the focus is on marine engineering and sustainability.

6.8 The ongoing challenge is for skills providers to better understand the skills needs of employers and for employers themselves to understand and articulate the current and future skills needs of their industry. This is not straightforward; in East Sussex, there are few large employers to engage with and exert influence and SMEs are by their nature more disparate in their needs. Nevertheless, it is essential that the views of business are captured and this is where the East Sussex Business Survey is so important, along with evidenced findings from organisations such as the Chambers and the Federation of Small Business.

6.9 There are currently different forums for brokering skills provision in the county and a coordinated approach is needed. Going forward, the new East Sussex Employment and Skills Board will be the main forum via which local authorities, employers, colleges, universities and other stakeholders meet to provide strategic and evidenced direction for the skills sector. By working together, we will ensure that local provision is better tailored to meet local demand and that young people and adults are well equipped and informed to make decisions on career pathways.

Increasing higher level skills in the workforce

6.10 Our universities have a key role to play in the supply of skilled labour. The major expansion plans of Brighton University in Hastings and Eastbourne offer an opportunity for higher education to play a stronger role in driving economic growth in the county, by meeting the higher-level skills needs of local businesses. It will be vital that HE providers attract students from the local area (who may not have considered a degree level education or a local degree level education) and retain students in the area after they graduate. At present, many leave East Sussex to find employment elsewhere with London often a magnet for the best talent. We will only retain more graduates if we are able to offer
more jobs in well-paid occupations and sectors, providing clear pathways into employment locally, or offer alternative vocational routes that progress to Level 4 and above qualifications.

6.11 We need to increase the pool of young people undertaking Science, Technology, Engineering and Maths (STEM) subjects to support the growth of knowledge-intensive sectors. The 2013 CBI/Pearson education and skills survey\textsuperscript{35} identified rising demand for STEM graduates in the UK and the East Sussex skills forecasts suggest the same. Good quality impartial careers information, advice and guidance will be important for raising aspirations and awareness of future job opportunities, including in the more technical and scientific professions, alongside essential transferable skills in senior management.

6.12 We are working with education and training providers to identify a range of capital improvements to facilities. We intend to use Local Growth Funds in a two-year strategic investment programme to better ensure that skills priorities can be better delivered through the provision of 21st century facilities for local businesses and learners.

Apprenticeships

6.13 Apprenticeships are a way for young people and adult learners to earn while they learn in a job and at the end gain a recognised qualification. Evidence from England shows that employers are overwhelmingly satisfied with apprentices and the training they receive\textsuperscript{36}. Evidence from the East Sussex business survey (2014) found 5% of East Sussex businesses had current government funded apprentices, however an additional 10% said they generally do offer them. Over the next 12 months 2% are already in the process of recruiting, with a further 16% reporting they are very likely or quite likely to also recruit.

6.14 The government is incentivising businesses to take on apprentices through the Apprenticeship Grant for Employers (AGE) scheme, alongside pre-apprenticeship routes such as traineeships. This will provide £85 million for 2014-2015 and 2015-2016 for over 100,000 grants to employers and £20 million for post-graduate apprenticeships. We need to continue to stimulate interest amongst employers in East Sussex to take up business appropriate apprenticeships, highlighting the benefits of lower recruitment costs and productivity gains. East Sussex County Council and the district and borough councils are leading by example through their own comprehensive apprenticeship programmes led by the Apprenticeships in East Sussex Strategy Group and embedded within the East Sussex Employability and Skills Strategy.

6.15 The Local Enterprise and Apprenticeship Platform (LEAP) Lewes initiative seeks to broker arrangements between potential apprentices and employers. This is a good example of successful partnership working, bringing together training providers, voluntary and community groups, employers and young people. LEAP also provides support for aspiring entrepreneurs providing training and mentoring for business pre-starts.

6.16 Moving forward there is a challenge to deliver more Higher Apprenticeships. While the classic route for students to university is to take GCSE qualifications at age 16, followed by a more focused set of A-level qualifications at age 18 that permit entry to university, there is a wide range of alternative vocational qualifications and progression routes towards higher-level qualifications. A Higher Apprenticeship incorporates a work-based learning programme and leads to a nationally recognised

\textsuperscript{35} CBI / Pearson Education and Skills 2013 ‘Changing the pace’

\textsuperscript{36} IFF Research and the Institute of Employment Research (2012) ‘Evaluation of Apprenticeships: Employers’
qualification at Level 4 and above, offering a new work-based route into professions that have traditionally been the preserve of graduates.

**Improving work readiness, soft and basic skills**

6.17 There are more than 32,000 people of working age claiming out of work benefits in East Sussex and over 5,000 are under the age of 25. Reducing the level of worklessness could add £300 million per year to the economy\(^\text{37}\). In the most recent 2014 East Sussex Business Survey 9% of the total sample reported they had vacancies they were unable to fill. The most common reason for being unable to fill these vacancies was a low number of applicants with the technical skills required (48% of 9%).

6.18 Young people need to understand the world of work and be ready to embrace its opportunities and challenges. Businesses in East Sussex tell us they are concerned that young people (and adults) in East Sussex can sometimes lack the basic skills and positive attitude towards work that they expect. This is a clear challenge for schools and colleges and the young people themselves. Improvements in educational attainment in our primary and secondary schools are important in this respect, and have an impact on the attractiveness of the county as a place in which to live and invest.

6.19 Employers in the county raise the issue of skills shortages in basic literacy, numeracy and IT and those essential softer skills of communication, team working, initiative and work ethic. This is a basic requirement in all sectors of the economy. While education providers need to respond to the challenge of improving work readiness, there is also a responsibility on employers to provide training and support, to offer a fair wages and provide clear career pathways. This will help to raise aspirations, particularly in sectors that may not initially offer high wages, but can be a springboard to managerial roles or other better paid employment in the future. According to the East Sussex Business Survey 2014, currently 60% of businesses have neither a training plan nor a related training budget, down from 69% in 2012.

6.20 To improve employability among young people, we need to build strong relationships between employers, schools and colleges so that they are better prepared for the transition and sustainability in work. Examples of local collaborative employability projects include the ‘Own Grown’ set up to improve job prospects for young people in Hastings and Rother, which challenges employers to pledge over 2,000 positions to help young people prepare for the world of work. It invites employers to work with young people in different ways, such as providing work tasters, work experience, internships, apprenticeships, etc. It can also include going into schools to give talks, help with student projects, and provide mentoring or advice on CV writing. We must also provide good quality careers guidance, perhaps building on initiatives such as the County Council’s Connexions 360 website, and the pan county wide ‘Opt Into’ project, managed by Sussex Downs College. This supports young people who have previously been disengaged to re-engage in training, employment or volunteering.

6.21 Employment hubs are being developed in Eastbourne, Hastings and rural Rother and could, when proven, be rolled out elsewhere. These hubs provide a central resource for information on jobs, education, training, preparing for employment, and careers information and guidance. The new Hub in Eastbourne is a collaborative venture between East Sussex County Council, employers, Sussex Downs College and the third sector. There is an important role for the third sector to play in this area, and East Sussex has a number of active groups that promote volunteering as a pathway to

work including: Hastings Voluntary Action; 3VA (Eastbourne, Lewes, Wealden) and Rother Voluntary Action.

6.22 Following the Public Services (Social Value) Act 2012, Local Authorities now have a duty to consider the wider social impact of their actions. Local authorities in East Sussex are some of the largest organisations in the county, and commission a wide range of services. There is an opportunity to maximise local employment and training opportunities in our contracts through responsible procurement. East Sussex County Council has developed an Employment and Skills Procurement Policy with the aim of doing just this. The East Sussex Shared Services Procurement Hub is also designed to open up more contracts to SMEs and create additional skills and job opportunities.

6.23 Within the construction sector, the ‘Build East Sussex’ model aims to develop the supply chain of contractors looking to win contracts. It uses the procurement process to influence suppliers in order to create more apprenticeships, jobs and upskill the workforce so that in the longer term more skills needs of the industry are met.

6.24 Similarly, Local Labour Agreements can be used by local planning authorities to reach agreement with developers on large development sites by investing in skills training by taking on apprenticeships and creating local jobs.

Making it happen
6.25 To meet the skills needs of business and support residents reach their full potential, some of the indicative actions we will take to achieve this strategic objective are outlined below.

<table>
<thead>
<tr>
<th>Achieving better alignment of skills provision to meet local employer needs</th>
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<tbody>
<tr>
<td>• Establish the East Sussex Employment &amp; Skills Board and support the stakeholders thereof with resources, models of best practice and data that will enable them to influence and set the county’s direction on the skills agenda and enable practical responses to key priorities.</td>
</tr>
<tr>
<td>• Deliver co-ordinated events where businesses and employers can work together to address skills gaps</td>
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<tr>
<td>• Consider skill needs of future 21st century businesses that we seek to develop and attract to East Sussex</td>
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<table>
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<tr>
<th>Increasing higher level skills in the workforce</th>
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<tbody>
<tr>
<td>• Support the expansion of higher education to increase the number of local undergraduates, through offering courses that better reflect local business need now and in the future</td>
</tr>
<tr>
<td>• Support the growth of current and higher level skills needs in business through facilitating and encouraging appropriate skills training provision</td>
</tr>
<tr>
<td>• Work with business to stimulate interest in STEM subjects within schools and increase take up of careers in related fields</td>
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<tr>
<td>• Further engage with businesses and potential apprentices to increase the supply and take up of business appropriate apprenticeships</td>
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<tr>
<th>Improving work readiness, including soft and basic skills</th>
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<tbody>
<tr>
<td>• Facilitate and develop projects to improve work readiness and basic skills and similar 'non-accredited' other skills as required by business</td>
</tr>
<tr>
<td>• Increase the range of employers engaging with schools, colleges, universities and other learning providers and the provision of work and other placements</td>
</tr>
<tr>
<td>• Collaborate with partners to improve the quality and consistency of careers information, advice and guidance.</td>
</tr>
<tr>
<td>• With partners facilitate, encourage and develop relevant projects to support skills and business competencies to lever in funds to address skills gaps</td>
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## Appendices

### LGA Investment (Open for Growth) Peer Challenge

In March 2014 the Local Government Association (LGA), in association with the Planning Advisory Service (PAS) carried out at the invitation of the five East Sussex councils, a peer challenge in the spirit of a ‘critical friend’ to promote the priority of growth for the East Sussex area.

The challenge was to investigate how the councils in East Sussex (Eastbourne Borough Council, East Sussex County Council, Hastings Borough Council, Lewes District Council, Rother District Council and Wealden District Council) engage in fostering economic growth, both at the strategic level and separately within the communities of each borough/district.

In particular it focused on:
- Ambition and corporate and political leadership
- Strategic planning and partnership working
- Promotion of economic growth and supporting businesses
- The role of planning in economic growth
- Housing and infrastructure needs
- Educating and training for skills for the current and future economy
- Procurement (in relation to support for the local economy).

One of the recommendations of Peer Challenge was to develop an economic growth strategy for East Sussex which should ‘set out an achievable number of deliverable and time limited priorities to focus activity, progress at pace and prioritise resources.’

### Rural Growth and Employment Fund (RuGEF)

This £2.5 million (50% capital, 50% revenue) fund is available for capital and revenue grants and loans to businesses to support business growth, including for training, and job creation. There remains funds available of £950,000, although the fund is closed until after the Regional Growth Fund allocation to East Sussex Invest 3 has been fully utilised (see below).

### East Sussex Invest 1 & 2

This £1 million (capital) fund was a pilot scheme for business grants for inward investment and business growth linked to job creation. There remains £500,000 of funding available but this fund is closed until after the Regional Growth Fund allocation to East Sussex Invest 3 has been fully utilised (see below).

### East Sussex Invest 3

This is a £4 million capital fund created with Round 4 Regional Growth Funds which requires spend to be fully utilised by mid May 2015. Funding is available for SME businesses based in or planning to set up in East Sussex and that:
- employ fewer than 250 people (including parent companies);
- are able to secure a minimum 50% match funding;
- plan to use the funds to create or safeguard jobs;
- have capital expenditure plans in place;
- have not yet started the expansion or start-up project; and
- are able to demonstrate the difference the funding will make.

The funding includes for business grants ranging from a minimum £3,000 to a maximum £160,000 and business loans from a minimum £5,000 to a maximum £250,000. A mixture of grant and loan will be considered. The guideline for the size of grant is £8,000 per job created / safeguarded and for loans £16k per job created / safeguarded. By 31st December 2014 £3.4 million of expenditure has been approved for 90 projects which are expected to create 474 jobs at an incredibly low figure of just £7,245 per job against a national figure of £30-40k per job.

### Upgrading Empty Commercial Property

An East Sussex County Council capital fund of £500,000 is available to provide a mixture of loans, grants and equity share to businesses on a case by case basis for investment in upgrading or sub-dividing un-used or under-used commercial property. The maximum funding available is £120,000 with a minimum 50% match funding required.

The criteria for funding includes:
- upgrading primarily empty light industrial or office buildings, with retail generally;
- the property must have been unoccupied/partly unoccupied (and demonstrably inappropriate for commercial use) for a minimum of 6 months prior to application
- the property must be over 10 years old
- the refurbishment costs should normally be less than £19,214 per job created. Costs will be negotiated on ‘exceptionals’ depending on the current negative impact the building has on the near environment and proven demand in the area.
- the estimated end value of the refurbished property must be equal to or more than the pre refurbishment value plus the value of the funding.
- the minimum floor space considered for this fund is 1,000 sq ft (100 sqm)
- the final scheme must have a use with a job density of more than 36 sqm (GIA) per job
**Incubator Fund**
An East Sussex County Council capital fund of £1.5M to be used to build, upgrade or sub-divide commercial premises into Incubator units to create the right environment for small businesses to be nurtured and grow. Maximum grant £500k

**Grants for Growth**
Originally a £700,000 fund for grants for business growth to be administered by Locate East Sussex. Since RGF approval of East Sussex Invest 3 it has been agreed that the funding of the administration of the above funds would be paid from this fund. This leaves c£500,000 which is not currently being used but will be carried over for use after the RGF allocation to East Sussex Invest 3 is fully utilised.