

Report to: Cabinet

Date of meeting: 26 September 2024

By: Director of Communities, Economy and Transport

Title: East Sussex Economic Prosperity Strategy 2024-50

Purpose: To seek Cabinet's approval of the new Economic Growth Strategy "East Sussex Prosperity" prior to its adoption

RECOMMENDATIONS

Cabinet is recommended to :

- 1) Endorse the new East Sussex Economic Prosperity Strategy, developed in partnership with Team East Sussex (TES); and**
 - 2) recommend to Full Council that the Strategy be endorsed and adopted**
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1. Background

1.1 From April 2024 the former functions of Local Enterprise Partnerships, including responsibility for strategic economic planning, transferred to Mayoral Combined Authorities and relevant Local Authorities where these functions were not already integrated. The function of strategic economic planning has always been the responsibility of the Economic Development team however the formal transfer of the function by government brings with it greater accountability and, arguably, higher visibility.

1.2 The last economic strategy for the county was the East Sussex Growth Strategy which was developed in collaboration with partners in 2014 and ran to 2020. It focused on three key pillars of Business, People and Place, and provided a strategy for economic development activity in the county. Over the six-year period, it delivered numerous programmes and projects which unlocked over £600m of investment in East Sussex.

1.3 In 2020 the East Sussex Economic Recovery Plan was developed in response to the Covid-19 pandemic and its impact on the local economy and businesses. The Economic Recovery Plan was very much focussed on the short-term recovery from the impact and shock of Covid 19 with an expected duration of 18-24 months. The Recovery Plan has to date led to the unlocking of over £200m of investment in East Sussex.

1.4 The County Council's Corporate Plan for 2023-24 set out a target to produce a draft economic strategy by March 2024 and the current Corporate Plan 2024-2025 includes a target to ensure that the strategy is endorsed and adopted by key stakeholders including TES, the de-facto economic growth board for East Sussex. TES has the responsibility of endorsing the new economic strategy. The strategy will contribute to the achievement of three of the four county council's core priorities in driving sustainable economic growth, making best use of resources in short and long term, and helping people help themselves.

2. Supporting information

2.1 Preparatory work for the strategy took place with an in-depth review in 2022/23 of the evidence base and the primary economic drivers for successful sustainable economic

growth in the East Sussex context. This was based on a vast range of data, including an analysis of census data provided by the Research and Information Team. This led to the development of an Economic Insight Analysis by the Economic Development Team, with two technical sub papers exploring the economic drivers of productivity and innovation. Chief Officers considered a report on 29 March 2023 outlining the proposed approach and stages of work in developing the new East Sussex Economic Growth Strategy. Equally, on 15 May 2023, TES received a presentation covering the Insight Analysis, and proposed approach and stages of work for the strategy. Subsequently the production of an economic strategy began in 2023/24 with the formation of an Oversight Group made up from TES representatives (the TES Chair, a business representative, and a representative from four of the five second tier authorities). SQW, a specialist economic development consultancy, was commissioned to support the development of the strategy. At the same time, a Member Reference Group comprising members of the Place Scrutiny Committee was formed. The cross-party Member Reference Group has been engaged throughout the strategy's development, with involvement at each key milestone including the production of the draft final plan.

2.2 The Economic Development Team worked closely with key stakeholders and County Council officers during an extensive consultation programme which ran from August – December 2023 to ensure strategy alignment with key County Council as well as stakeholder strategy and policy documents. Area-based consultation events were held in person in all five geographical areas, hosted by the relevant district or borough council and comprising key stakeholders from each area. Four topic-based workshops were held virtually based on major transformational trends which, alongside national trends, will certainly impact the East Sussex economy: a net zero economy; the economic impacts of an ageing population; artificial intelligence and digital transformation; the future of work in the context of changing working patterns and practices. A future skills workshop was held comprising members of Skills East Sussex and a workshop on business growth was held comprising the Business Support Providers network which is convened by the East Sussex Growth Hub.

2.3 All the TES “thematic groups” were consulted (Business East Sussex, Culture East Sussex, Developers East Sussex, Environment East Sussex and Skills East Sussex). In addition, two “people’s voice” in-person consultation events were held with a large employer (King and McGaw) to gain the perspectives of employees living and working in the county, and a young person’s event with 16 and 17-year-old students at East Sussex College Group to gain their perspectives of what their futures might be. This was important as we particularly wanted the views of those who are not “traditionally” consulted with during strategy development. Several bi-lateral consultations were also had with other stakeholders such as the High Weald National Landscapes, South Downs National Park and several individual businesses.

2.4 As part of the consultation work a “storyboard” was developed, setting out a positive future scenario for prosperity in East Sussex , informed by different ways in which the transformational trends outlined at 2.2 above could play out. Based on the nature and character of East Sussex the core scenario was identified as the balance between three main routes to prosperity (investment, assets, and wealth).

Investment: Economic growth will be supported by investment from both the private and public sectors. Businesses will continue to invest (eg in sites, in equipment, and in their workforce), enabling them to adapt and pivot. The extent to which they do so will determine their ability to navigate effectively the transition to net zero carbon and to pivot in response to changing market opportunities. In parallel, the public sector will continue to invest at

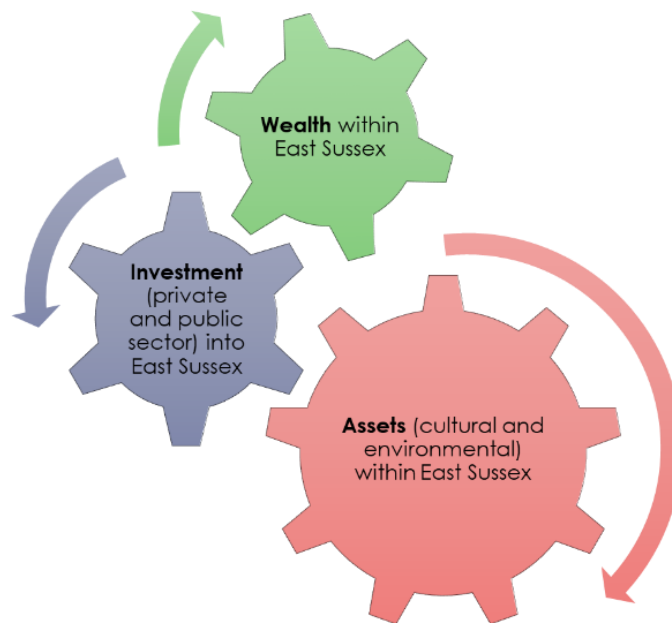
some level (eg in improvements in connectivity and other infrastructure, including to the supply of employment land).

Assets: These take many different forms – from the existing micro businesses and social enterprises and the strength of the third sector through to the county’s substantial assets and resources linked to the natural environment (notably the South Downs National Park and the High Weald National Landscape); its cultural heritage; and the built environment.

Wealth: There is, already, substantial wealth within the county. For the most part, East Sussex is – and remains – a very desirable place to live. This is particularly apparent amongst those who are well advanced in their careers or even retired. This needs to be balanced however with the sustainability of the county’s prosperity, especially in relation to the challenges of low wage levels.

2.5 Wealth is attracted to and retained within East Sussex, in part because of the quality of assets that the county provides. The county’s assets are also a crucial underpinning of investment into the county, while the process of investment may be critically important in sustaining those assets. In practice all three themes are playing out – even though there may also be clear tensions between them, and some variation at a local level. The balance between these three different routes defines the core growth scenario, as illustrated in below

Figure 1:



2.6 The Economic Prosperity Strategy for East Sussex is informed by these three routes and the broader drivers that underpin them. “East Sussex Prosperity”, which covers the period from 2024 – 2050, has a vision which states: “By 2050 East Sussex will be a place where people live and work well. It will be characterised by well-paid work and good opportunities; innovative and thriving businesses; and an excellent quality of life in an outstanding natural environment”. Two principles underpin the strategy to 2050: the need to achieve net zero and a commitment to embrace the principles of the circular economy across all activities. Supported by these principles, the strategy seeks to achieve a county of opportunity and ambition; and innovation and creativity.

2.7 The strategy has three main areas of focus: “prosperity for business”, “prosperity for people”, and “prosperity for place”. It sets out how, in delivering the strategy, the need exists to develop East Sussex’s innovation capacity, including looking outwards to neighbouring areas. It must be recognised that the process of delivery will also need to be ‘innovative and agile’, taking advantage of multiple opportunities for investment, within the context of a clear long-term approach. The timeframe of 2050 was agreed for the strategy as this transcends political or funding cycles, goes beyond local planning cycles and is consistent with the timeframe for the Local Transport Plan 4.

2.8 This is a partnership strategy, owned by the County Council and endorsed by TES, and is for use by stakeholders across East Sussex. It considers the economy as a broad term, recognising the role of transport, infrastructure, culture & tourism, environment, skills, housing and other areas that contribute to economic growth but does not seek to either duplicate or replace other strategies. Rather, it is an overarching strategy that can be used for a variety of purposes including “setting out the stall” for East Sussex and acting as the evidence base for investment.

2.9 The draft strategy was presented to TES on 18 March 2024 and the final strategy was endorsed at the TES meeting on 2 September 2024. Prior to that the strategy was presented to the Scrutiny Member Reference Panel on 6 March 2024.

2.10 Following adoption of the strategy an investment plan will be developed working with TES and other stakeholders. At this stage the approach to developing the plan has not yet been scoped however some initial discussions have begun to take place with partners in preparation for the work to become a focus for the team during the autumn of this year.

2.11 Since the election in July 2024, the new government has a key mission around growth and it is reported that a new national industrial strategy is being produced with an expectation that local economic plans will respond to these priorities. The East Sussex Prosperity Strategy has been produced to be flexible and iterative to both take account and align with such national and local changes and articulate areas of focus for future investment opportunities.

3. Conclusion and recommendations

3.1 The former function of Local Enterprise Partnerships for strategic economic planning has now transferred to local democratic institutions, in this case East Sussex County Council. Whilst government expects local places to publish their strategy within six months of receiving transition funding (which itself is yet to be received), the production of an updated economic strategy has already taken place and been endorsed by TES as the Economic Growth Board for the county. East Sussex is in a strong position to articulate to Government its economic narrative and areas of focus for future investment opportunities.

3.2 For this reason Cabinet is therefore recommended to endorse the strategy and to recommend its endorsement and adoption to Full Council.

Rupert Clubb
Director of Communities, Economy and Transport

Contact Officer: Katy Thomas
Tel. No: 0791 922 7549
Email: katy.thomas@eastsussex.gov.uk

LOCAL MEMBERS

All