

# East Sussex Prosperity

## The East Sussex 2050 Economic Prosperity Strategy

Final



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## Foreword

East Sussex is a vibrant county. It has a population of around 550,000, supporting some 246,000 jobs and generating economic output of around £9.9 billion. Like the rest of the UK we have faced major challenges in both the national and local economy over recent years – Covid19 was a significant economic shock and the effects of the current cost of living crisis continue to be felt right across our communities. But there are strong reasons for optimism: the county enjoys a superb natural environment, with an excellent quality of life supported by outstanding coast and countryside, a thriving cultural offer and strong, locally based ambitious businesses. We have an excellent record in supporting innovation and growth, our workforce is increasingly skilled and adaptable thanks to strong partnerships between employers and training providers, we have a vibrant voluntary, community and social enterprise sector, and our colleges and universities are important drivers of growth. We are now reaping the benefits of the effective, well-established partnerships that have been built over the years.

We have spent the past year reviewing what the economic evidence says about East Sussex and talking to key stakeholders and partners, including Team East Sussex’s sectoral boards, individual businesses and young people about the future they want to see for the county. Over 300 stakeholders have contributed their views, and we are immensely grateful for the valuable time and contributions that have so willingly been given in helping us to draw together this new strategy. It shows how deeply we all care about this beautiful county and the future of those who live and work in it.

**East Sussex Prosperity** is a strategy with a long-term view. Looking to 2050, it seeks to secure sustainable economic growth, setting out how over the next generation, East Sussex can secure better opportunities and living standards for people who live in the county and how businesses can thrive and grow. It will remain a fluid and dynamic strategy, updated to reflect changes locally and nationally as we progress towards 2050. Our next steps will be to develop a high-level plan outlining the missions needed to deliver the vision of a more prosperous future for all. The success of delivery will be partly dependent on a range of factors over the coming years, but we are confident that by working together and pooling our respective strengths, success can be achieved.

We commend this strategy to you and can assure you of the commitment of Team East Sussex and its partners to developing an inclusive economy that is more sustainable and more productive than it is today. Our vision is that *“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”*

**David Sheppard**  
Chair, Team East Sussex

**Councillor Keith Glazier**  
Leader, East Sussex County Council

# Executive Summary

## Background

**East Sussex Prosperity** is a strategy with a long-term view. Looking to 2050, it seeks to secure inclusive and sustainable economic growth, setting out how over the next generation, East Sussex can secure better opportunities and living standards for people who live in the county, and how businesses can develop new routes to value creation.

### East Sussex Prosperity: The vision to 2050

*“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”*

Within this long-term vision, the Strategy outlines the necessary steps to support sustainable prosperity today and in the future. Considering the impact of transformational changes in the environment, in technology, and the county’s demographics enables us to prioritise investment now to meet the needs of future generations.

## Context

East Sussex has a population of around 550,000, supporting some 246,000 jobs

and generating economic output of around £9.9 billion.

Beyond these headlines, the county enjoys a superb natural environment, with an excellent quality of life supported by outstanding coast and countryside and a thriving cultural offer.

It is also diverse: Eastbourne and Hastings-Bexhill are the largest urban areas, but no single centre dominates; most of the county is rural and protected within the South Downs National Park and High Weald National Landscape.

The county’s business landscape is diverse too: of the 23,000 enterprises, the great majority are small employers, but with growing specialist strengths in advanced manufacturing and digital technology. Outward connections to Brighton, West Sussex, Kent and London are also important.

Although East Sussex is an attractive place to live, it faces some significant economic challenges, which have been persistent over time:

- Productivity is relatively low: the amount of gross value added generated for every job in East Sussex is 73% of the UK average. This is reflected in a persistent pay gap.
- Costs are relatively high. Relative to earnings, house prices are among the highest in the UK.

There are sharp economic disparities within the county, including significant concentrations of disadvantage, especially in Hastings.

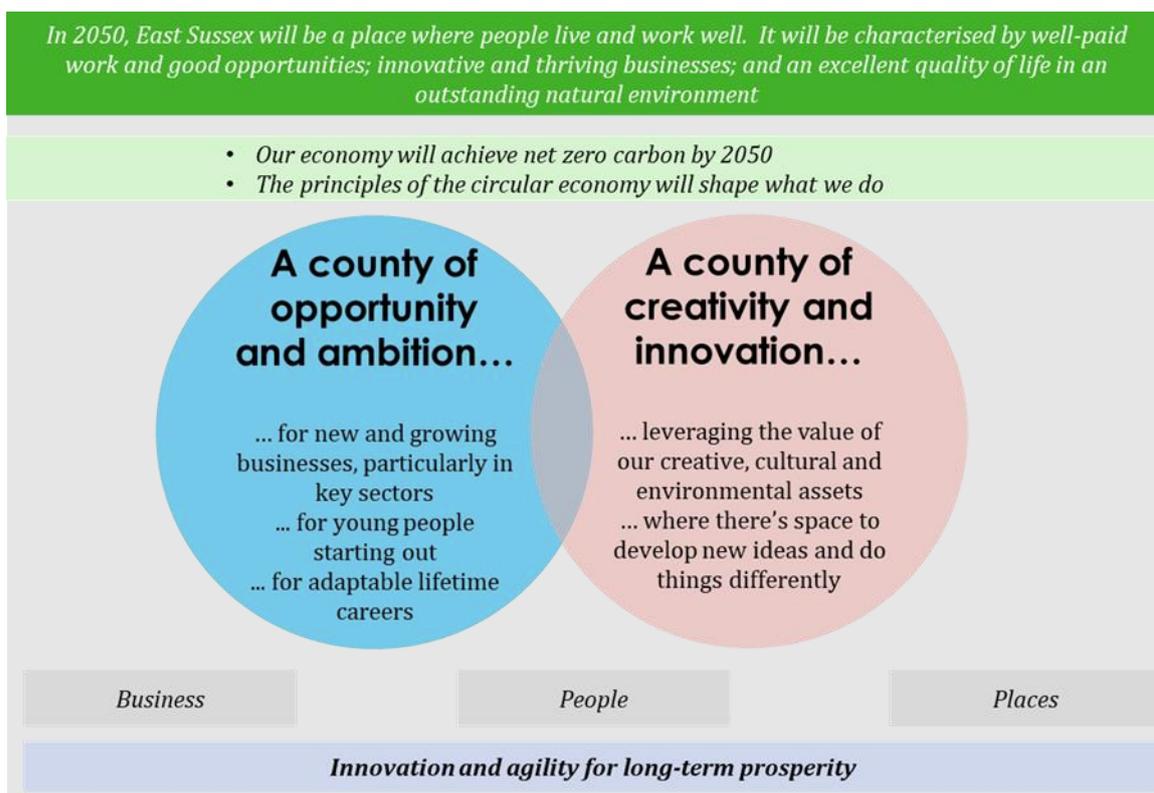
This strategy seeks to address these challenges. It does so in the context of an economy which is likely to change radically, as the county adapts to climate change and the transition to net zero, the implications of an ageing population and changing working patterns, and the consequences of ever more sophisticated digitalisation.

## Looking towards 2050: Priorities for the future

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 **creativity and innovation**:

**Figure 1: East Sussex Prosperity: Strategic framework**



This will be achieved through actions focused on:

- **Prosperity for business:** This means ensuring a flourishing micro-business

environment, encouraging firms to scale up, adapting effectively to the challenges of climate change, and remaining attractive to responsible investment. This will require a

sustainable and appropriate land supply pipeline, alongside support for innovation and growth.

- **Prosperity for people:** This means developing better opportunities for young people to stay and develop careers in East Sussex, attracting a skilled and diverse workforce to the county (including 'returners' to East Sussex) and enabling people to develop new skills and career paths over their lifetimes. Recognising the interplay between the housing market and the labour market and the need for an affordable mix of housing will also be critical in achieving this.
- **Prosperity for places:** This means recognising local distinctiveness and

character, ensuring that all places in East Sussex are able to thrive and reach their potential, and that the county's environmental assets are protected and enhanced. This includes making the most of the county's creative, cultural and environmental opportunities and building the links between them and targeted investments in connectivity.

Across all these priority themes, delivery will need to be **innovative and agile**: the lifetime of this strategy will see new opportunities for investment and unpredictable events. Flexibility and responsiveness within a clear long-term vision will be vital.

# 1. Introduction

This Strategy sets out a long-term plan to support a more prosperous East Sussex: a place where people live and work well, characterised by well-paid work and good opportunities; innovative and thriving businesses; and an excellent quality of life in an outstanding natural environment.

It looks ahead to 2050. But it is also a strategy for *now*: taking a long-term view and understanding the impact of transformational change helps to inform priorities for action in the short and medium terms.

## A strategy for the long term and a strategy for today

This Strategy deliberately takes a long-term view. It looks ahead to 2050, beyond current planning, economic and political cycles.

2050 can seem quite far into the future, especially in the context of the more immediate economic pressures and international tensions prevalent at the time of writing. By then, today's school leavers will be mid-career. The advance of artificial intelligence and other technologies will have led to new products, services and ways of working, many of which are yet unknown. There will have been several economic recessions and recoveries – as well as 'black swan' events that we cannot foresee.

However, **2050 looks closer when we consider some of the fundamental changes that need to be made over the coming decades and the intermediate steps that need to be taken to achieve them.** By 2050, the UK is committed to

achieving net zero carbon emissions (over a 1990 baseline), a target which is well-known and legally binding. We are already well on the journey to achieving this, and significant progress has been made. But to reach the 2050 target, we need to achieve reductions of 68% and 78% in net emissions by 2030 and 2035 respectively<sup>1</sup> – and if these intermediate targets are to be met, there needs to be an acceleration of progress in the short term<sup>2</sup>.

Likewise, we know that, on average, East Sussex's population will be older in 2050 than it is today: a consequence of great medical advances and improvements in living standards, but with profound implications for the housing, services and working patterns that we will need in the future, and which we need to plan for now.

Looking ahead to where we need to be in the long term can help to clarify priorities today – provided we remain agile and responsive to change.

<sup>1</sup> HM Government (2021), [Build Back Greener: Net Zero Strategy](#)

<sup>2</sup> Climate Change Committee (2023), [2023 Progress Report to Parliament](#)

## A strategy for prosperity

Within this long-term context, this is a strategy for prosperity. **It is fundamentally focused on sustainable economic growth:** how, over the next generation, East Sussex can secure better opportunities and living standards for people who live in the county, and how businesses can develop new routes to value creation. This in turn ought to support a healthier, greener and more inclusive county.

This includes opportunities to innovate, develop new skills and adapt to new technology. But the *nature* of these opportunities is distinctive to East Sussex's unique character: the towns, coast and countryside that make it a special place, and the environmental quality that needs to be protected and enhanced for future generations.

Alongside this strategy, there are several plans in place at county and district level focused on the wider determinants of wellbeing (such as health, the natural environment, and so on). This strategy does not repeat these wider plans: instead, it complements them, through a clear focus on the county's economic future.

## A strategy for action

Although the strategy has a long horizon, **it will guide action in the short to medium term** and will have a key role in identifying the actions that need to be taken *today* if the county's economy is to address the challenges and opportunities of the coming decades.

It has been adopted by **Team East Sussex**, a partnership bringing together business, local government and further and higher education to drive economic growth and prosperity across the county. The strategy will support project development, future investment and opportunities for new ideas and collaboration. It will also help to identify where sustainable economic growth can be achieved locally through the **devolution of funding and responsibilities**, enabling resources to be more clearly focused on the county's shared priorities.

## Strategy structure

The remainder of this strategy is structured in eight main chapters:

- Chapter 2 sets out a '**spatial picture**' of East Sussex, highlighting the county's key characteristics and assets.
- In the context of this spatial picture, Chapter 3 focuses on the **key long-term economic challenges** that East Sussex faces and which this strategy needs to address.
- Building on this, Chapter 4 **looks to the future**, highlighting the major transformational trends that will impact the economy through to 2050 and setting out some scenarios for the future.
- Chapter 5 brings together the analysis in the preceding chapters, setting out a **strategic framework** and set of objectives.
- Chapters 6-8 then work through this framework in detail, explaining how

the strategy will relate to **business, people and places** in East Sussex

- Finally, Chapter 9 explains the need for **innovation and agility** across the board, and it explains how we will apply those principles as we move towards delivery.

## 2. A picture of East Sussex

In 2021, East Sussex had a population of around 550,000, supported some 246,000 jobs and generated economic output of around £9.9 billion. But beyond these headlines, sustainable prosperity is rooted in the distinctive assets and characteristics of the county and the five districts and boroughs (Eastbourne, Hastings, Lewes, Rother and Wealden) that it comprises. This chapter sketches a ‘spatial picture’ of East Sussex and its environmental, cultural and economic character.

### Environmental quality

East Sussex enjoys a superb natural environment, much of which is of national and international significance. In the west of the county, the **South Downs National Park** covers 92 sq. miles of Lewes, Wealden and Eastbourne districts, extending to the coast around Beachy Head. England’s newest National Park (and, in population terms, its largest), the South Downs closely borders the major settlements of Eastbourne and Lewes.

In the east and north, the **High Weald National Landscape** encompasses most of Rother, much of Wealden and part of Hastings. It incorporates some of England’s most important ancient woodland, including the Ashdown Forest near Crowborough.

Beyond these two nationally protected landscapes, other important areas of environmental significance include the Romney Marsh in the far east of the county and the Pevensey Levels between Bexhill and Hailsham. In addition, the county

boasts some 65 Sites of Special Scientific Interest. Consequently, **most of East Sussex’s land area is covered by some form of environmental designation.** This is an important contribution to quality of life and to a distinctive ‘sense of place’, as well as a key element of the county’s offer as a high-quality, sustainable visitor destination.

### Distinctive places

With most of inland East Sussex embraced by the county’s protected landscapes, the largest urban settlements are along the coast.

**Eastbourne**, with a population of around 103,796<sup>3</sup>, is an important retail and service centre with a growing concentration of digital tech businesses. It also contains important cultural and leisure assets within the Devonshire Quarter, including the Towner Eastbourne contemporary art gallery, the Congress and Devonshire Park Theatres, Devonshire Park Tennis centre and the Welcome Building.

<sup>3</sup> Town populations are based on Built-up Area Mid-Year Population Estimates (ONS, 2020)

**Figure 2-1: East Sussex in context**



Source: SQW. Contains OS data © Crown copyright and database right 2024

To the north of Eastbourne, **Hailsham** is the main administrative centre for Wealden, and there are important opportunities for growth along the A22 and A27 corridors.

To the west, the smaller towns of Seaford, Peacehaven and Newhaven follow the coast towards Brighton, with **Newhaven** an important light industrial centre and ferry port for (mainly) freight connections to France.

Inland from the coast, **Lewes** (with a population of about 18,000) is the historic county town, located within the National Park, and with significant cultural institutions, such as the Glyndebourne opera house and festival located some four miles outside the town.

In the east of the county, **Hastings** and **Bexhill-on-Sea** together form East Sussex's largest contiguous urban area, with a combined population of around 139,000. Hastings has a vibrant cultural and creative scene, with recent investment including the Hastings Contemporary, Observer Building, the Heritage Action Zone area and, at Bexhill, the De La Warr Pavilion. But Hastings is a significant centre for advanced manufacturing too, especially linked with the county's established strengths in vacuum technology.

The centre and north of the county is **extensively rural**, with important local centres including **Uckfield, Crowborough, Heathfield, Battle** and **Rye**.

**Rural East Sussex makes an important contribution to the county's economy:** it has a relatively high business density and mostly rural Wealden accounts for some 36% of the county's total business stock. Small and micro enterprises are taking advantage of new technology to overcome the challenges of relative remoteness, there is evidence of innovative businesses quite widely distributed across the rural area<sup>4</sup>, and there are emerging opportunities in sustainable rural production, making use of local materials<sup>5</sup>. Food production is an important sector, with farming activities complemented by a wider supply chain, and the county's environmental quality protected and enhanced by agriculture and forestry.

Within rural East Sussex, the quality of the natural environment also underpins a thriving visitor economy, linked with the county's cultural attractions, food and drink offer and rising demand for sustainable tourism opportunities. The viticulture sector is an especially distinctive opportunity for growth: the chalk aquifer that serves the Champagne region re-emerges in East Sussex, providing a superb environment for wine production.

### Connections and flows

**All districts and boroughs in East Sussex experience net commuting outflows<sup>6</sup>,** although the pattern in Eastbourne is

almost in balance, reflecting the town's large concentration of employment. Within the county, the largest inter-district flows are from Wealden into Eastbourne, and within the Hastings and Rother economic market area.

Connections beyond the county boundary are very important too. **Brighton** is a major cultural, educational and employment centre, with good access to Lewes and the west of the county. The west of the county is also close to **Crawley, Gatwick and the A23/M23 Corridor**, while to the northeast, **Tunbridge Wells** is an important employment hub and service centre for much of Rother and Wealden, as well as for Hastings. **London** is not far away: historically, proximity to London was an important factor in the growth of East Sussex's coastal resorts, and today, the capital is both an important travel-to-work destination (albeit an expensive one) and a key market for the county's leisure and visitor offer.

Despite this close proximity to other major centres, **transport connectivity is relatively weak**, reflecting the protected environment of much of the county. Rail connections run from London to Lewes, Eastbourne, Uckfield and Hastings, and east-west along the Coast from Brighton to Ashford via Eastbourne and Hastings. The main road network follows a similar pattern, with the A27/ A259 running along the coast, and the A21 and A22 running

<sup>4</sup> SQW/ East Sussex County Council (2022), *Innovation and Productivity in East Sussex*

<sup>5</sup> Urban Foresight/ Rother District Council (2023), *Rother Rural Economy: Emerging opportunities for the rural economy in the protected areas of Rother*

<sup>6</sup> ONS, Census 2011. Although the 2011 census is now quite old, data from the 2021 census are limited in reliability due to the effect of Covid-19 on travel to work.

north to join the M25. The county also enjoys a number of strategic active travel links, including the South Coast and London to Eastbourne routes on the National Cycle Network. The draft Local Transport Plan (LTP4) will seek to further improve transport connectivity and support economic prosperity.

**Digital connections have improved significantly** in recent years: in Rother and Wealden (the two most rural districts in the county), full fibre coverage stood at 53% and 54% of premises respectively in 2023 (compared with just 6% and 17% two years earlier)<sup>7</sup>. However, while there are great opportunities in rural East Sussex for increased remote working and the use of digital technology to overcome relative isolation, it is important that infrastructure investment keeps pace with the economic potential.

### Key economic assets

Consistent with its polycentric settlement pattern and the presence of larger centres nearby, other economic assets are quite widely distributed. In **higher education**, the University of Sussex is located right on the Brighton and Hove/ East Sussex border, and is a major research and teaching institution, with globally significant strengths in sustainability and environmental sciences and a major presence in life sciences and computer science. The University of Brighton is a world-renowned higher education institution that offers students an outstanding undergraduate education across a diverse range of subject areas.

Linked with the county's extensively rural character, Plumpton College, near Lewes, is a specialist land-based institution, offering both university-level and further education provision. Mainstream **further education** is largely united within East Sussex College Group and delivered from main campuses at Eastbourne, Hastings and Lewes (with a smaller specialist presence in Newhaven).

There are relatively few **larger private sector employers** in East Sussex: overwhelmingly, the county has a small and micro-dominated business base. Nevertheless, larger firms represented in the county include historic businesses such as Harvey's at Lewes; advanced manufacturers such as Kurt J Lesker in vacuum technology at Hastings; the insurance firm Hastings Direct at Bexhill; and, linked with Eastbourne's growing digital cluster, the software engineering and AI business, Switchplane. This brief illustration of the larger business stock highlights East Sussex's sectoral as well as geographical diversity.

The county's business stock is explored further in Chapter 6. But two points are worth highlighting here. The first of these is **the relationship between 'economic' and 'quality of life' assets**. This includes the direct economic value of the county's cultural institutions and events, as well as the connections between food and drink production, creativity and the visitor economy currently championed by the 'Sussex Modern' initiative. It also includes the role of environmental quality and proximity to coast and countryside as a

<sup>7</sup> Ofcom, [Connected Nations 2023](#)

factor in some location decisions by business owners, especially given reasonable access to London and the greater South East.

Second, **local business networks are important**, at town and district, as well as county level. This includes recent sector-focused coalitions of entrepreneurs (such as the tech-based Chalk consortium in Eastbourne), and active local chambers of commerce and business associations. These represent small and micro enterprises, as well as generating pride in place.

### Conclusions: Implications for strategy

From this brief sketch of the county's geography and key assets flow three key implications for a long-term economic strategy:

- First, **protecting and enhancing East Sussex's environmental quality** is economically important, as well as being of inherent value. With most of the county covered by landscape designations, and in the light of the climate emergency and its implications for flood risk, land use and so on, a prosperous economy must also be a sustainable one, with opportunities for growth going with the grain of East Sussex's natural and historical inheritance.
- Second, **there is much local distinctiveness, as well as features which are common to the county as a whole**. As outlined earlier, there is considerable contrast between the rural north and centre and the coastal towns – and great diversity at a local level. It follows that the strategy to 2050 will need to reflect the scope for local differentiation, and how local strengths can contribute to the success of the whole.
- Third, **future strategy needs to be 'outward facing'**. East Sussex's neighbours (particularly Brighton and Hove, but also London and the wider South East) are very important economically and should be seen as assets from which local people and businesses can benefit, within the context of the need to ensure that travel patterns are sustainable. The county isn't an island – and being part of a *generally* affluent wider region ought to be a source of strength.

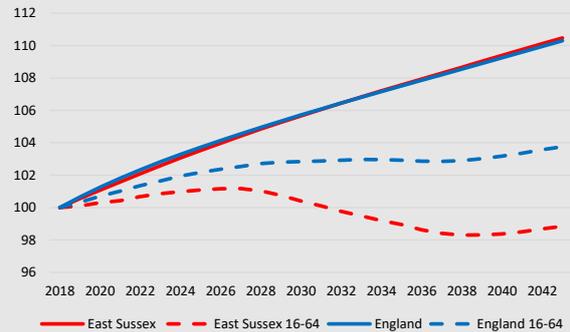
Finally, the assets described in this chapter yield, for many people and places, a superb quality of life. But these are at risk from some significant economic challenges, to which the next chapter turns.

# The East Sussex economy

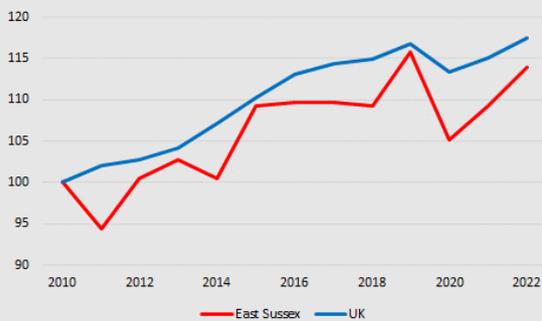
## People

- Population of 550,700 in 2022 (12% increase since 2000)
- Over the next 20 years, the *overall* population will continue to rise – but with a fall in the number of people of working age.
- Between 2018 and 2043, the number of people aged 65+ is expected to rise by 47% (compared with growth of 10% in the population overall)

## Population growth (2018=100)



## Jobs growth (2010=100)



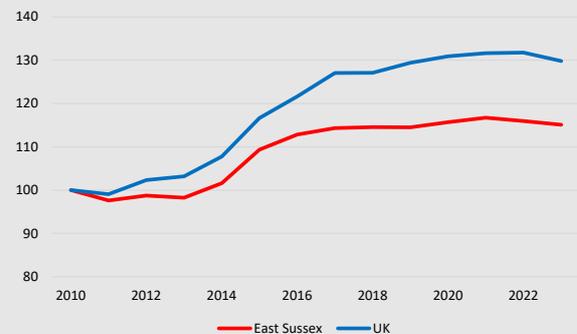
## Jobs and skills

- There were 246,000 jobs in East Sussex in 2022 – an increase of about 14% over the preceding decade.
- About 78% of the working age population are economically active – broadly in line with the national picture
- Workforce skill levels have improved steadily over time. But qualification levels lag the national average: 39% of people aged 16-64 are qualified to RFQ4+, compared with 46% in the UK

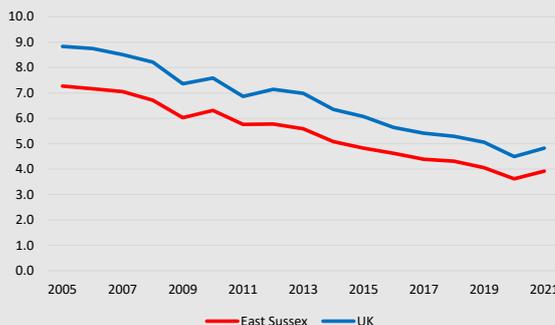
## Businesses

- There were around 23,000 enterprises in East Sussex in 2023 – 90% of which employ nine people or fewer
- ‘Enterprise density’ is relatively high, with 718 enterprises per 10,000 people of working age, compared with 646 across the UK. But growth in the business stock has been slower than the national average over the past decade

## Business stock growth (2010=100)



## Per capita emissions (t, CO2e)



## Carbon footprint

- CO2 emissions are relatively low in East Sussex – and lower than in the county’s South East neighbours
- Between 2005 and 2021, per capita emissions fell by 42% (compared with 39% nationally), with the biggest falls in waste management and commercial emissions

### 3. The economic challenge

Although East Sussex offers a superb environment and an excellent quality of life, it has economic challenges that are long-term and persistent. These are reflected in relatively low productivity, which translates into a pay gap; relatively high costs; and economic disadvantage which is geographically highly concentrated. It will be important to address these over the lifetime of this strategy, and this will demand action on a number of fronts.

#### Introduction

East Sussex's quality of life assets make it an attractive place to live. They are also a source of local pride and distinctiveness, as well as being drivers of opportunity. But the county faces some significant economic challenges which will need to be addressed over the period of this strategy. Essentially, these boil down to three key issues: **weak productivity and low pay; relatively high costs; and sharp spatial disparities**. This chapter discusses each of these in turn.

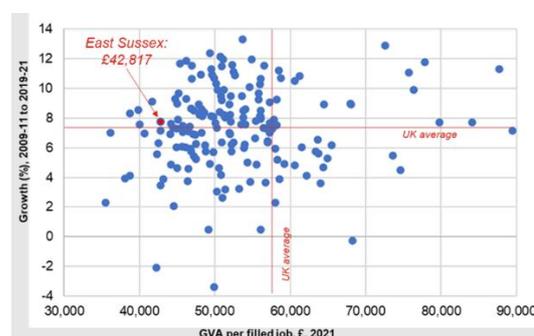
#### Productivity and pay

Since the financial crisis of 2008/09, the UK has experienced weak productivity growth. In 2022, national productivity (measured as the amount of output per hour worked) was some 16% below that of the United States or Germany<sup>8</sup>, with growth averaging less than 1% per annum over the preceding decade<sup>9</sup>. This matters: increasing productivity (generating greater value from the resources that we already have) is the largest single

component of overall economic growth and is important in maintaining and improving living standards. Consequently, raising the rate of productivity growth has long been a key national objective.

Measured as gross value added per filled job, productivity in the South East as a whole was some 8% greater than the national average in 2021. But the picture for East Sussex is much less positive: GVA per filled job was 73% of the UK equivalent. And while the county has seen modest productivity growth in recent years, this has not been sufficient to significantly change the relative position:

**Figure 3-1: GVA per filled job, counties and cities<sup>10</sup>**



<sup>8</sup> House of Commons (2024), *Productivity: Key economic indicators*

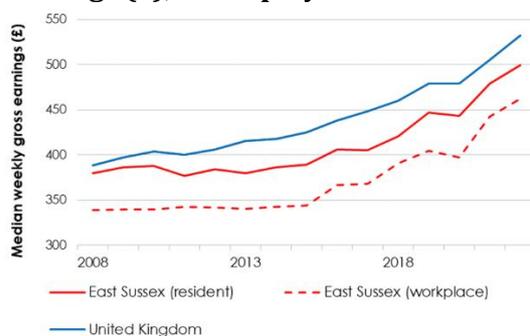
<sup>9</sup> Office for Budget Responsibility (2024), *Historical Official Forecast Database*

<sup>10</sup> 'Counties and cities' as defined as 'ITL3' statistical regions by the Office for National Statistics

Source: ONS, Current price (smoothed) GVA(B) per filled job

Productivity can appear to be a somewhat abstract measure. However, it ultimately translates into pay. In 2022, gross weekly earnings commanded by people working in East Sussex were around 90% of the UK average – although the gap was lower for East Sussex *residents* working in jobs outside the county:

**Figure 3-2: Median gross weekly earnings (£), all employees**



Source: ONS, Annual Survey of Hours and Earnings

These low rates of pay coincide with a labour market in which employers report **significant workforce skills shortages** – even though unemployment has been somewhat higher, and economic activity somewhat lower, post-pandemic in East Sussex than nationally. Formal workforce qualifications are relatively low, and within a strongly SME-oriented economy, there are gaps in management skills in all sectors<sup>11</sup>.

**The challenge therefore is to generate higher rates of pay over time.** In turn,

this means generating more ‘value’ for every job – whether this is enabled through higher workforce skills and capabilities, increased business investment in new products, processes and management, or better infrastructure that enables firms to operate more efficiently. These **‘drivers of productivity’** have been widely recognised for many years<sup>12</sup>, although their practical application depends on the local context.

### Relatively high costs

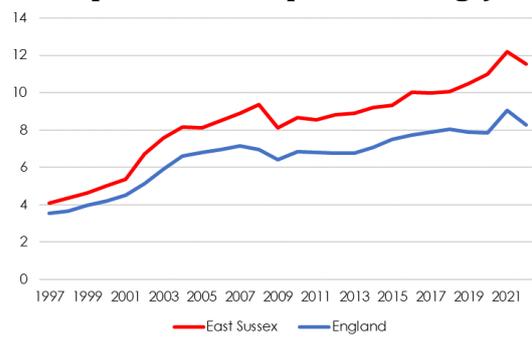
The East Sussex ‘pay gap’ is exacerbated by the fact that the county is a relatively expensive place in which to live. While housing has become less affordable across the UK (and especially in the South East), **East Sussex has some of the country’s highest housing costs relative to pay.** In all districts in East Sussex, housing is less affordable than it is nationally, and the gap has widened over time: in Wealden, median house prices were 13 times median workplace earnings in 2022, compared with an England average of eight times earnings<sup>13</sup>. Rising purchase prices also translate into reduced affordability in the rented sector. Changing working practices (especially reduced daily commuting) might also have a significant impact on the county’s housing market.

<sup>11</sup> Future Skills Sussex (2022), *Local Skills Improvement Plan*, p.23

<sup>12</sup> Currently described by the Government as ‘Education, Enterprise, Employment, Everywhere’, although similar definitions of the key drivers of productivity have been set out in successive national strategies.

<sup>13</sup> ONS, Housing affordability in England and Wales. House prices in Rother and Lewes were also over 12 times median earnings (Eastbourne and Hastings are closer to the national average).

**Figure 3-3: Affordability ratio (median house prices to workplace earnings)**



Source: ONS, House price to workplace earnings ratio

In part, this is a consequence of the county's attractiveness as a place to live, and the challenges associated with sustainable development in protected environments. But it means that for many people working locally, the prospects of home ownership are likely to be distant, wealth inequality is likely to increase over time if affordability continues to fall, and labour bottlenecks (especially in those sectors, such as social care, that are growing and relatively labour-intensive) are likely to expand. **Over the long term, there is a need to enable people to live and work locally**, while improving the county's environmental quality and the sustainability of the housing stock.

### Concentrated challenges

The third major challenge is the prevalence of sharp economic disparities at a local level across East Sussex. Almost three-quarters of East Sussex neighbourhoods classified as in the 10% most deprived nationally are located in Hastings<sup>14</sup>, and the borough also experiences a higher concentration of

worklessness and – perhaps surprisingly for an urban area that ought to attract inbound commuters – a relatively low number of jobs relative to working-age residents. Economic inequalities correlate with wider health and social outcomes: there is, for example, a nine-year gap in male life expectancy between parts of Hastings and the area around Wadhurst<sup>15</sup>.

Smaller concentrations of disadvantage are of course distributed throughout East Sussex, including in towns such as Hailsham and in some rural communities; and there has been successful investment in Hastings over the years, not least in its cultural infrastructure, highlighted in the previous chapter. But the challenges facing the town (and by extension, the wider Hastings-Bexhill urban area) are significant. **Looking ahead to 2050, it matters that East Sussex's larger towns all perform successfully as focal points for economic, social and cultural activity:** a sustainable and prosperous East Sussex needs to be well performing everywhere and have good transport connections, especially in its biggest towns.

### Conclusions: Implications for strategy

At the time of writing, the 'pay gap' and high housing costs highlighted earlier are especially acute given the current 'cost of living crisis' and the weak outlook for growth (and real pay growth) in the medium term<sup>16</sup>. **But the evidence is that the three challenges highlighted in this**

<sup>14</sup> DLUHC, Index of Multiple Deprivation, 2019

<sup>15</sup> Office for Health Improvement and Disparities

<sup>16</sup> Office for Budget Responsibility (2024), [Economic and Fiscal Outlook](#)

**chapter have been persistent over time:**

earnings growth has not kept pace with housing costs growth for 25 years; the workplace 'pay gap' has not narrowed; deprivation (and a lack of economic 'scale' relative to urban potential) remains quite concentrated; and sustainable connectivity remains constrained. These are long-term challenges which a generational strategy needs to address, supported by the coordinated use of funding and responsibilities at local level and through other strategies (e.g. transport).

Positively, these challenges are in the context of the substantial strengths outlined in the previous chapter. But looking to 2050, they also need to be considered alongside long-term transformational trends, which the next chapter explores further.

## 4. Looking towards 2050

A series of transformational trends will influence how prosperity in East Sussex is shaped over the next 26 years. The most critical of these are climate change and its profound global and local implications; the drive to net zero; digital transformation and the implications of artificial intelligence; the ageing population; and changes to working practices. These will impact all aspects of the economy, including business opportunities, future skills needs and travel patterns.

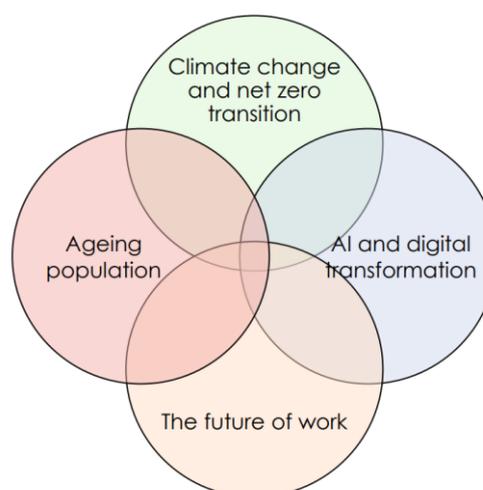
Linked with the earlier analysis of the county's economy, these inform the development of a core scenario for future economic development.

### Introduction

This Economic Prosperity Strategy for East Sussex looks ahead to 2050. It is therefore generational in timescale. This means that the young adults completing their college studies in summer 2024 will be well into middle age by the time the Strategy is delivered. By that time, many of the toddlers currently in nurseries across East Sussex will be parents with children of their own. The Economic Prosperity Strategy must do what it can to ensure that the toddlers of 2050 (and their parents and grandparents) continue to thrive within the county.

Over this timescale, a series of **transformational drivers** will be at play. The Economic Prosperity Strategy will need to both anticipate and navigate these. These relate to climate change and the drive to net zero; digital transformation and the implications of artificial intelligence; the ageing population; and changes to working practices:

**Fig. 4.1: Key drivers of change towards 2050**



In some senses these drivers are generic and universal; they will affect every local economy in the UK (and often beyond). However, the form they will take is uncertain. They are interconnected and therefore complex. In addition, their consequences are likely to be specific to East Sussex given its demography; its economic and business structure; its settlement structure, transport and digital connectivity and location; and its landscape and environmental assets and challenges. This all means that there is, in

practice, a good deal of uncertainty and risk (both upside and downside).

This chapter explores the likely key drivers of socio-economic change over the next 26 years. It then sets out key themes within an overall growth scenario for East Sussex. This is important in framing the Economic Prosperity Strategy as a whole.

## Key Drivers

### Climate change and net zero transition

Economic prosperity over the next 26 years will be determined in part by the process of **climate change**, and the extent to which local areas (and people, communities and businesses) are able to **mitigate** its consequences and to **adapt** to it. In East Sussex, there are particular challenges given its coastal setting, its vulnerability to flooding (the implications of which are already being seen), and its extensive and highly valued designated landscapes and the need to protect them. The process of climate change will affect visibly its land-based sector; its 'blue' economy (which relies on the marine environment as a critical resource); and its visitor economy – but it will have an impact on all sectors, across the economy.

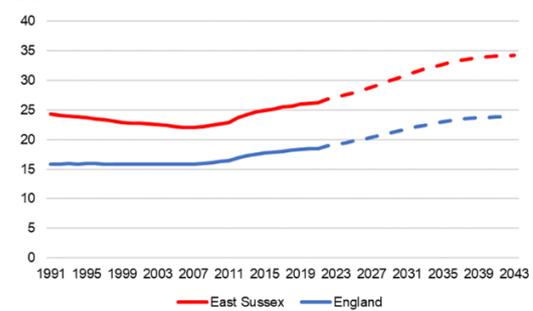
Nationally (and internationally), the commitment to **net zero carbon** is a direct response to the challenges of climate change. The UK is legally committed to achieving net zero carbon by 2050 (i.e., within the timescale of this strategy). Although some interim milestones have been delayed by UK government (linked, for example, to the ban on the sale of new

petrol and diesel cars), the imperatives surrounding the overall transition to net zero carbon remain in place. For much of the local economy, the consequences will be substantial. By 2050, manufacturing processes will be different; patterns of mobility will be transformed; construction processes will rely on different materials and methods; and land use patterns may be unrecognisable.

### The ageing population

Another major societal driver relates to the **ageing population**. Already East Sussex has a relatively old population, and demographic projections suggest that it will become much older in the decades ahead – both absolutely and relative to the rest of the UK. By the mid-2040s, more than a third of its population will be aged 65+.

**Figure 4-1: Share of population aged 65+**



Source: ONS, *Mid-Year Population Estimates (1991-2021)*; *Population projections (2018 based) (2022-43)*

In many respects, the growing number of older people is to be celebrated: people are living longer, many are also healthier for longer, and retired people often form the core of many voluntary and community activities. But it is creating pressures too, particularly in terms of the escalating costs surrounding health and social care, and in relation to the affordability of state

pensions. These issues are becoming increasingly spatially concentrated: the UK's large cities will age relatively slowly, but much of rural and coastal Britain will age “rapidly and predictably”<sup>17</sup>.

The implications are substantial. A recent report by the *International Longevity Centre* suggested that nationally, the state pension age would need to rise from 66 to 70 or 71 by 2050 to maintain the current dependency ratio<sup>18,19</sup>. This could add five years onto working lives. The inference is that on average, workers will be older, employers will need to adapt, and there will be a need to support people as they work for longer.

### The future of work

In parallel, however, substantial changes are already underway in the **nature and process of work**. The World Economic Forum, for example, has observed a shift away from the “*linear transitions*” of yesteryear (from school, to specialised training, to a progressive career ladder in ‘a job for life’ and then retirement). Instead, workers are pivoting between professions with significantly different skill sets and navigating mid-career job transitions accompanied by substantial reskilling and upskilling. It concludes that these pivots are “*as important to the success of firms as they are to the prosperity of workers*”<sup>20</sup>. Equipping both workers and businesses to pivot will be a key theme for

the Economic Prosperity Strategy in the period to 2050. Changes are also occurring to workplace locations, with homeworking becoming popular for those able to do so.

### Artificial intelligence and digital transformation

Processes of this nature are both enabled and necessitated by profound and pervasive **digital transformation**. This is impacting on all parts of the economy. It variously involves artificial intelligence, automation, Internet of Things (IoT), robotics and big data, and it is considered by many to be the fourth industrial revolution. It is transforming the way people live and work, and the pace of change is phenomenal. The first-generation iPhone was launched in 2007 – some 17 years ago – and it has transformed many aspects of social, economic and community life. Over the next 26 years, the pace – and profundity – of change is likely to be even greater.

Looking ahead, there will be new industries (linked, for example, to cybersecurity and gaming) but also substantial changes to existing activities and sectors – from healthcare, through drug discovery and life sciences more broadly, to financial services and beyond. Indeed, the British Council (amongst others) has noted that around two-thirds of today’s students will be employed in jobs that do not yet exist. This means that

<sup>17</sup> Chief Medical Officer (2023), *Chief Medical Officer’s Annual Report: Health in an Ageing Society*

<sup>18</sup> “*The UK and other ageing populations will have to increase their state pension age to 71 by 2050 to maintain the number of workers per retiree*” Blog published by the International Longevity Centre UK. 5<sup>th</sup> February 2024

<sup>19</sup> In the context of this blog, the International Longevity Centre defines the dependency ratio as ‘the percentage of people aged 65+ relative to the working adult population (aged 15-64). On some definitions, children are also included in the calculation (so older people and children relative to the working age population)

<sup>20</sup> *Future of Jobs Report 2020, World Economic Forum*

rather than assuming the job roles/occupations of their parents' generation, they will need *“to grow into critical and creative citizens who are able to shape the future for themselves”*<sup>21</sup>.

### Global context and local focus

Across these different drivers, the pace of change is rapid. As noted already, there are inherent interdependencies – so, for example, the changing nature of work owes much to the process of digitisation.

But the nature of change is also unpredictable. This is magnified by uncertainty in the global geo-political economy. Over the two last decades, there has been a global financial crisis and a global pandemic. Nationally, the UK's departure from the EU has also had profound consequences. Currently, there is war in Ukraine, conflict in the Middle East and the fragilities of international trade and global supply chains are clear to see. The rise of populist governments in different parts of the world is also a factor, as the consensus underpinning key post war institutions is tested.

In combination, the consequence is a level of volatility which is far in excess of that which defined most of the last 26 years. This global volatility and fragility will however shape the growth narrative for East Sussex through to 2050.

But at the same time, there is a growing recognition of the potential for local leadership. Within the UK, successive governments have championed a gradual

process of **devolution**, enabling powers and funding to be better coordinated at local level to support long-term change. Extending this process – and ensuring a clear voice for East Sussex – will be increasingly important over the next 26 years.

### Developing a scenario for future prosperity in East Sussex

The key drivers need to frame a positive future scenario for prosperity in East Sussex. A scenario is not simply a forecast of what is expected to happen. Instead, it is a plausible alternative future, informed by different ways in which the transformational trends outlined above could play out.

Based on the nature and character of East Sussex – as described in earlier chapters – a core scenario might be understood as the balance between three main routes to prosperity, each of which will be in play.

A first theme surrounds continued **investment** into the county – at a greater or smaller scale. This means that economic growth could be supported by higher or lower levels of investment from both the private and public sectors.

Businesses will continue to invest (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

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<sup>21</sup> See [Preparing young people for the careers of the future | British Council](#)

will continue to invest, at some level, in – effectively – an enabling capacity. This could mean improvements in connectivity and other infrastructure (including with regard to the supply of employment land and transport connectivity). It could also result in targeted but significant regeneration in those parts of East Sussex which really need it – most especially Hastings and, on a smaller scale, Newhaven.

A second route to prosperity is defined around **assets** within East Sussex. 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 (including, for example, the opera house at Glyndebourne, Towner Eastbourne, Hastings Contemporary, and Battle Abbey and battlefield); and the built environment.

Looking ahead, these different assets could define the core of a locally rooted growth narrative. This involves local supply chains and high local multipliers as (for example) independent retailers in the county’s town centres source and sell locally grown food. Moreover there is a strong commitment to principles of the circular economy – which involves sharing, leasing, reusing and recycling a wide range of products to reduce waste and increase the overall sustainability of consumption. Novel approaches to local procurement (including by the public sector) are also likely to feature.

Looking ahead cultural assets may also be afforded a high value – whether or not this is fully monetised. In other words, local people recognise the benefits associated with their cultural amenities and landscape assets, and they recognise these increasingly to be core to a high quality of life. The inference is that economic output might be lower in relative terms, but levels of well-being and equality are potentially enhanced.

**Wealth** is a third key route to prosperity that shapes an overall growth scenario. 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 and can afford to buy a house locally. The DFLs (down from London) – as they are sometimes colloquially described – can bring with them significant wealth, and this is an economic driver in its own right.

The (predominantly older) people and households with significant wealth are perhaps less immediately concerned about the challenges of low wage levels in East Sussex, or the limited opportunities for career progression. However they do spend money locally, creating demand for many different services and as a result they create local jobs. They are an important element of East Sussex’s economic make-up and there is a future scenario in which their relative and absolute importance grows further. This needs to be balanced however with the sustainability of the county’s prosperity, especially in relation to the affordability

challenges highlighted earlier and the retention of its distinctive character.

### An overarching scenario

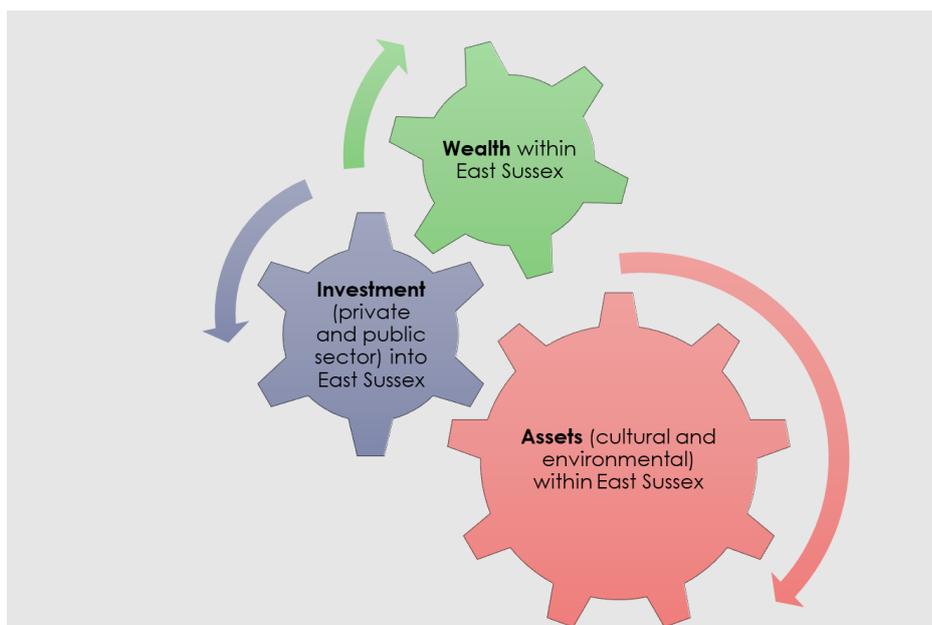
In practice, all of these routes will be at work in shaping the economic future of East Sussex, within a national and global context. The balance between them will define a core growth scenario – as illustrated in Figure 4-2.

**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 Economic Prosperity Strategy for East Sussex is informed by these three routes – and the broader drivers that underpin them. It is explained in the chapter that follows.

**Figure 4-2: Key routes towards a growth scenario for East Sussex**



## 5. East Sussex Prosperity: The strategic framework

To achieve a vision to 2050 of a place where people live and work well, the strategic framework is underpinned by the net zero carbon mission and the principles of a circular economy. It defines two themes, of a county of opportunity and ambition, and a county of creativity and innovation, which the following chapters translate into specific areas for action.

### Vision and Defining Principles

Within the *East Sussex Prosperity Strategy*, the **Vision** is that:

**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.**

Within this Vision, the emphasis is on *working as well as living* – whilst recognising that both may look very different by 2050. It is important, specifically, that *people have the opportunity to engage in well-paid work locally*, so that they can also enjoy the benefits of living within East Sussex's outstanding natural environment and enjoying its cultural and creative assets.

For this to be possible, *East Sussex must be a place where businesses flourish and thrive* – whether local micro businesses, established enterprises or potential inward investors, and across a wide range of sectors.

In delivering the Vision, there are however **two Defining Principles** which will be

applied throughout. Both relate to environmental imperatives:

- **the economy of East Sussex will achieve net zero carbon by 2050:**

In one sense, this commitment is a non-negotiable, given the UK's legal commitments. However in delivering this strategy, we intend to embrace the journey to net zero carbon positively and with real purpose, and our aim is to be in the vanguard nationally.

- **the principles of the circular economy will shape what we do:**

In other words, we will have real regard to the efficiency of resource use, and we will aim to repurpose, reuse and recycle materials and inputs wherever it is possible to do so. We will take account of lifecycle costs, and we will factor these into our decision-making.

### Themes

Framed by this overarching Vision and the two Defining Principles, the core of the Economic Prosperity Strategy is defined by two broad **Themes**.

### Theme 1: A county of opportunity and ambition

East Sussex will thrive over the period to 2050 only if it provides opportunity for – and unleashes ambition among – both its people and its businesses. The county needs to be a place of aspiration, particularly for those starting out in their careers, and it needs to be a place where their dreams (including in relation to home ownership) can be realised.

In practice, this means that it needs to *nurture and support existing, new and growing businesses*, particularly in key and/or emerging sectors. It needs, positively, to welcome business investment and growth – whilst respecting fully its landscape characteristics and designations and advancing the transition to net zero carbon. It also needs to be supported by a connected transport system.

East Sussex is seeing many of its younger people leaving the county to pursue their studies, but then staying away – although some choose to return much later in life. To some extent, this process is inevitable and elements of it are wholly positive, but *East Sussex must provide reasonable options for its younger people* if the loss of young people (and the growth in the dependency ratio) is not to accelerate further.

These options relate most directly to employment: currently too many jobs in the county are poorly paid and offer few or no real prospects for progression. This needs to change.

But they also relate to housing. It is really important that younger people who work in the county have some prospect of home ownership or secure long-term tenancies; currently, neither appears to be possible for many.

Opportunity and ambition are equally important for those who are ‘mid-career’ – and for those who are either choosing or needing to work for longer than they had perhaps anticipated.

An older workforce will be a defining feature of the period to 2050, and the Economic Prosperity Strategy must unlock both ambition and opportunity linked to it.

Both employers and workers will need to adapt, novel forms of work will have to be navigated and technology must be embraced positively. Genuine lifelong learning will need to be commonplace, and providers of education and training will need to work alongside both businesses and individuals in spearheading an exemplary response. There is an opportunity – and indeed a need – for East Sussex to lead the way nationally.

### Theme 2: A county of creativity and innovation

East Sussex is a creative place: it has many major creative and cultural assets as well as a burgeoning creative sector consisting, in the main, of networks of micro businesses and freelancers. But this second Theme is not a sectoral statement: it is concerned with creativity and innovation in the round. It is as relevant to land-based businesses as it is to small gaming companies – or to larger financial

services businesses or public sector organisations.

Despite the strength and potential of the creative sector, the evidence suggests that East Sussex as a whole is not currently especially innovative – and this needs to change.

The imperative is to harness the assets that exist county-wide – both creative and environmental – and to use these as a catalyst for ‘doing things differently’. All sorts of implications follow – from better and more extensive business networking, to deeper relationships with anchor institutions in or close to East Sussex (University of Brighton, University of Sussex, Plumpton College – plus major public sector organisations like schools or NHS organisations), to new and different sources of early-stage investment (recognising the value of the experience and resources linked to those who move to the county in later life).

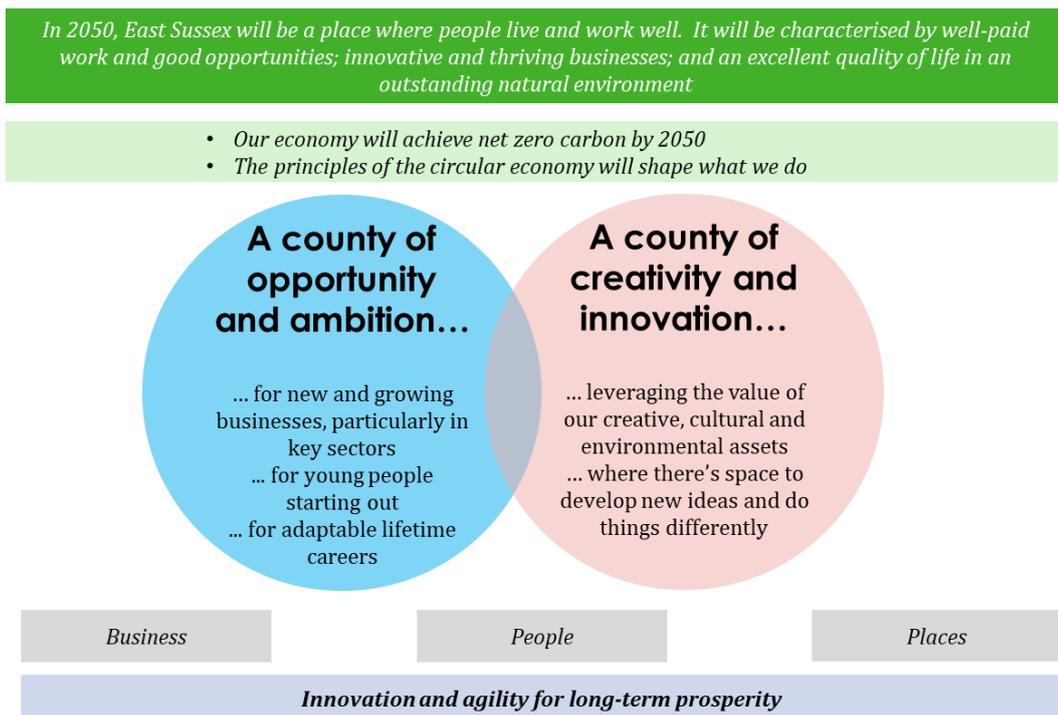
Within this context, ‘value’ might also be understood in new and different ways. There is enormous value linked to the designated landscapes in East Sussex, and the intention ought to be to reflect this across the local economy. Moreover the scope for innovative practice linked to resource-use efficiency and the journey to net zero carbon ought to be actively nurtured and encouraged.

**Conclusion**

Through these two Themes – and the Guiding Principles – the Economic Prosperity Strategy will navigate the period to 2050. Across a generational timescale, it will ensure that East Sussex continues to be an inclusive county in which people of all ages genuinely thrive.

The chapters that follow explain how this will be achieved, linked with the drivers of productivity explored in Chapter 4.

**Figure 5-1: East Sussex Economic Prosperity Strategy**



## 6. Prosperity for business

East Sussex's business stock is dominated by small and micro enterprises, with an orientation towards local demand-responsive activities and the visitor economy. But there are some outstanding businesses and emerging areas of strength. The strategy focuses on ensuring a flourishing micro-business environment, encouraging firms to scale up, remaining attractive to responsible investment and adapting effectively to the challenges of climate change.

Areas for intervention relate to ensuring a sustainable and appropriate land supply pipeline is in place, developing business networks and providing support for innovation and growth.

Consistent with the overall Vision, **Prosperity for Business** defines a first key Priority Area in delivering the Economic Prosperity Strategy.

### Context, challenges and opportunities

Within East Sussex, there are currently some 23,000 enterprises. In all parts of the county, the vast majority of these are small and the overall size distribution is very similar to the regional and national averages. Within East Sussex, the business stock has grown over recent years; in 2010, the total number of enterprises was around 20,000, some 3,000 fewer than today. Again, this is a pattern seen nationally (driven in part by structural changes). The overall rate of growth in the stock of enterprises however has been lower in East Sussex than across the South East region as a whole.

Within this context, East Sussex has a very distinctive sectoral structure of both business stock and employment:

- two broad sectors are over-represented (relative to the regional and national averages): accommodation and food services (which has very close links to the visitor economy); and human health and social work activities.
- conversely, under-represented sectors include information and communication; professional, scientific and technical activities; and (to a lesser extent) manufacturing.

This broad pattern is both distinctive and clearly recognisable. It suggests specialisms in sectors which are linked strongly to the characteristics of the local population and/or to the visitor economy. Conversely, the overall incidence of activity in high value growth sectors is quite limited. In seeking to achieve the overall Vision of the Economic Prosperity Strategy, the structural make-up of the East Sussex economy is important and challenging, and it highlights **the importance of growing a more balanced economy** to achieve sustainable prosperity.

Nonetheless, while this overall assessment is grounded in evidence, within East Sussex there are some outstanding businesses (or groups of businesses). In the south east of the county there is, for example, a small but distinctive cluster of businesses with specialisms in vacuum technologies and advanced engineering. There is also a growing specialism in viticulture – which signals high value primary production whilst also delivering place-related benefits (given links to the visitor economy), and which is underpinned by the skills and development offer at Plumpton College. In Eastbourne and (increasingly) Hastings, there are many creative businesses – some with links to Brighton and London – which appear to be thriving. In the east, there is a small, but locally significant, fishing specialism. Through one large company, insurance is a major focus in the Bexhill area.

***Evidence box: The vacuum cluster in East Sussex***

East Sussex's important presence in vacuum technology began in the 1960s, when Vacuum Generators (now VacGen) opened a factory at St Leonards-on-Sea. Since then, a cluster of firms has emerged: this is especially concentrated around Hastings and Bexhill, with key companies including Kurt J Lesker, HiVac Engineering, Torr Scientific and Photek, as well as VacGen itself, which is headquartered at Hailsham.

Many of the applications of vacuum technology are at the leading edge of innovation, with applications including optical coatings, semiconductor

electronics and fundamental physics research. The sector is also globally focused and has a high demand for advanced technical skills locally. Ensuring that these can be met locally will be key to the sector's future as a driver of growth in East Sussex.

Across East Sussex, there are examples of innovative, creative and highly successful businesses. But in the round, there are just not enough of them given the scale of both ambition and challenge that sits at the core of the Vision for the economy county-wide.

**Priorities looking ahead**

Over the next 26 years, it will be critically important that new businesses continue to be formed (whether through entrepreneurship or relocation) and that existing ones grow.

In practice this means that there is a need to:

- **Develop a flourishing micro-business environment:**

Given its character – and its demography – micro businesses will continue to be a big part of East Sussex's growth narrative over the period to 2050. This needs to be celebrated. Micro businesses can be consistent with new models of living and working, providing levels of freedom and flexibility that are valued by many. Some micro businesses are also very innovative, and the transformational trends identified earlier – especially the expanded scope

for flexible and remote working – offer a more diverse range of opportunities.

### **Evidence box: Digital Eastbourne**

Digitalisation is transforming the economy everywhere, but in Eastbourne, there is a growing concentration of businesses at the forefront of creative, digital and technology innovation. These include the established software and AI company Switchplane, smaller development firms such as Random Creation House, and a wide range of digital media businesses.

Chalk Eastbourne, the business-led collective for the sector, estimates that there are around 2,300 creative, digital and technology businesses in the town, attracted by East Sussex's cultural and quality of life attractions. Retaining and growing the sector will be supported by increasing collaboration and knowledge sharing and by developing the local talent pool.

However there may be challenges too. In the main, micro-businesses are less well resourced than larger firms and they may struggle to invest in their staff (if indeed they have any). Immediate pressures can limit capacity to look to the longer-term and to take advantage of new markets. They can also be quite lonely, particularly when they are also home based; for many people, the social aspects of work are very important in relation to overall well-being. For both reasons, micro-businesses may not always work well in relation to the

younger workers that East Sussex needs to retain.

In order to harness the strengths of micro businesses whilst mitigating some of the associated risks, it will be essential that the wider micro business environment is a flourishing one. Micro business owners (and their staff) should genuinely feel that they are part of something bigger, and that they are recognised and valued as a core part of the journey to 2050.

Many micro business owners simply enjoy what they do, particularly given the freedoms and flexibilities it can bring. Others, however, will have ambitions to scale up, grow and expand into other areas of activity.

- **Enable firms with ambition to scale up:**

For East Sussex as a whole, it is important that those businesses – of whatever size – with growth potential and ambition are appropriately equipped and supported. Locally there already exists expertise in delivering scale up programmes as part of the business support ecosystem. In time, these businesses can become local 'anchors' – by training their staff, working with other businesses through supply chains, and contributing to local areas in many different ways. They can also potentially be innovators and disruptors, by pivoting *within* businesses – rather than through a constant churn in business stock. East Sussex needs to be a place where

businesses with the capacity and inclination to grow are enabled rather than stifled in their ambitions.

In practice, growing a business is hard. There is a requirement for people with the right skills – even if those skills are difficult for employers to specify and anyway are constantly changing. Finding appropriate commercial sites and premises can also be a major issue. Securing business finance – of the right form and at the right time – is often a third critical factor and it can make the difference between success and failure.

- **Attract responsible and higher-value investment:**

East Sussex benefits from significant external interest – whether from incoming retirees or from visitors to its outstanding landscapes and its cultural and creative amenities and attractions. In seeking to deliver the Economic Prosperity Strategy, there is a need to attract and capture appropriate forms of investment from both the private and public sectors. This will enable ambitious businesses to scale up and grow. It should also mean that those places in need of re-investment are able to secure the resources they need.

However this investment needs to be ‘right’ for East Sussex. It needs to be attuned to the character of the county, working with the grain of its communities, places and businesses. Importantly, it needs also to be aligned with commitments to sustainable growth.

- **Build business resilience to climate change, technology transformation and changing workforce dynamics:**

Finally, amongst businesses of all sizes – and from all sectors – there will be a need to build resilience, given the profound uncertainties that are likely to characterise the period through to 2050. At this stage, no one can anticipate with certainty what this might mean. But ‘resilience’ is not about ‘certainty’; it is about having the wherewithal to adapt – whether to changing technologies, the changing climate, changing regulation and legislation, or changes in the nature and process of work.

***Evidence box: Growing the circular economy at Newhaven***

Newhaven has a distinctive place in East Sussex’s economy, shaped by its port and connections to Dieppe and by its important industrial base. The loss of some larger manufacturers has presented challenges for the town – but it has diversified and contains several major sites for expansion.

Newhaven Enterprise Zone seeks to deliver a new era for the town, focused on its potential in a lower carbon economy. This recognises the scope for energy generation and the re-use of materials from waste and industrial operations, with the Enterprise Zone seeking to develop a cluster of activity in the low carbon and environmental goods and services sector. This will become increasingly important in meeting East Sussex’s net zero commitments and is already driving

demand for new skills and services. Joining up a range of other regeneration opportunities in the town, Newhaven has also been designated as a 'pathfinder' for a more flexible approach to the use of Government funding.

### Areas for intervention

Given the priorities set out above, there are various actions that need to be taken by partners within East Sussex. All of these constitute a long-term commitment consistent with a strategy that looks to 2050. However within this, some shorter-term interventions should also be identified.

#### 1: Ensuring a sustainable and appropriate land supply pipeline

Large parts of East Sussex are within designated landscapes. East Sussex also faces significant environmental challenges linked particularly to tidal and fluvial flooding and inundation. For all these reasons, developable land with appropriate transport links – whether for employment or housing or both – is in short supply.

The allocation of sites for employment or housing is a matter for local plan-making, and it is not, strictly, within the remit of the Economic Prosperity Strategy. However with a horizon that stretches to 2050 – and hence beyond existing local plans – it is appropriate to acknowledge the criticality of development land. Already, businesses (both those from within the county and those looking to relocate to East Sussex) are struggling to secure sites that meet

their needs while available premises are few in number and many perform poorly in environmental terms. Over the years ahead, the nature of demand for employment land will change, in the context of new industries and technologies, hybrid working and automation. It will be important that the evolving needs of businesses are recognised, and that a sustainable and appropriate land supply and transport access pipeline is in place.

In relation to premises, the high street will continue to change as town centres evolve. Vacant retail units may need to be diverted to other commercial (or residential) uses, and steps should be taken to ensure that town centres in East Sussex are hubs for business life (noting particularly their appropriateness for many micro business activities).

At the same time, consideration will need to be given to affordable 'move on' space. This is frequently far more difficult to secure. Similarly, there will be a need for at least some larger sites that could reasonably be promoted to investors, particularly those in high value-added sectors like advanced engineering.

Throughout, there will need to be a recognition that appropriate sites and premises – which achieve good environmental standards and are linked with sustainable transport infrastructure – will be a core part of the economic prosperity narrative. Without them, East Sussex is very unlikely to flourish.

***Evidence box: Commercial land in East Sussex***

*Room to Grow 2* was commissioned by East Sussex County Council in June 2021. It examined the supply of commercial premises in East Sussex.

It concluded that there are very low industrial vacancy rates and therefore very limited options for companies looking either to expand or to move into the area. It noted that demand is particularly high for warehousing and logistics uses, but it is also strong in relation to industrial and manufacturing uses. Some new sites have come forward (often with some public support), but in general it noted that the development process is 'too slow'. In addition, there are challenges linked to the environmental performance of many industrial and manufacturing premises within the county. Given constraints on available land in many parts of the county, renewal of existing estates will be important, both for their environmental resilience and to ensure they continue to provide an attractive product for the market.

The report commented on the loss of office space, including through Permitted Development Rights. It also noted that demand for office space was subdued, and rental levels were low. However it noted that demand for flexible workspace would probably increase following the pandemic.

Two of its conclusions are likely to be especially important looking ahead: external grant funding has been and will continue to be vital to encourage development due to viability issues; and the shortage of development sites

will translate into a shortage of available stock '*which may force companies to consider relocating outside of the area*'.

## 2: Developing business networks

In seeking to deliver the Vision associated with the Economic Prosperity Strategy, the challenges of economic fragmentation across East Sussex should also be addressed. There is a need to achieve something closer to critical mass. The gains could be substantial: local multipliers ought to be apparent as the scope for local supply chains grows, and a more networked business community is also likely to be a far more innovative one.

Effective networking may be animated on a sectoral basis. It may also be developed in particular places. Generally speaking, networking tends to be most effective when these two dimensions come together. Throughout, business networks need to be business led and innovation focused. Identifying current – and potential future – business champions and 'anchor' institutions will also be important.

There are several well-established business networks operating at local and county-wide level, and a focus on industry-led collaboration and innovation would do much to accelerate the delivery of the overall Economic Prosperity Strategy Vision. It would help to articulate business needs in relation to skills and workforce development, and it could also help to manage investment risk.

### 3: Providing targeted support for innovation and growth

A third key Intervention Area relates to the need for targeted support to business and other organisations in respect of innovation, growth, business investment in the workforce, engagement in international trade and support for the development of the management and leadership skills that will be needed in growing businesses and adapting to changing technologies and opportunities. Within the context of the visions and the transformational trends highlighted earlier, support for decarbonisation and the exploitation of lower carbon goods and services will be especially important.

Programmes of support have been (and are) available, but in large part, uptake has been very slow. In part this is a corollary of fragmentation within the business base and the fact that East Sussex does not have a natural economic centre. The pace of change will be relentless over the next 26 years and many businesses will need support if they are to navigate it effectively. Persuading them to engage – whether (currently) through national schemes like Made Smarter or through locally-developed responses – will therefore be extremely important.

#### ***Evidence box: Manufacturing in Wealden***

Wealden is home to the highest number of manufacturing businesses in East Sussex, with key and varied clusters in the Polegate/Hailsham area, Uckfield, and Crowborough.

These businesses are essential to the local economy, employing large numbers of people and participating in international supply chains and markets. These companies include Britannia Superfine, a confectionery manufacturer in Polegate; TR Fastenings, which manufactures and distributes engineering fastenings from Uckfield; and Servomex Group Limited in Crowborough, which designs, manufactures, and distributes industrial instruments for gas analysis.

The presence of these diverse manufacturing businesses highlights how the rural districts of East Sussex play a significant role in the broader economic landscape. Supporting their growth will be important for sustaining this sector's contribution to the local economy.

## 7. Prosperity for people

Challenges in relation to workforce skills, economic activity and employment are important contributors to the productivity and pay gap described in Chapter 3. Looking to 2050, there is a need to build better opportunities for young people to stay and develop careers in East Sussex, attract a skilled workforce to the county (including 'returners' to East Sussex) and enable people to develop new skills and career paths over their lifetimes.

This means recognising the interplay between the housing market and the labour market and the need for an affordable mix of housing to support people living and working in East Sussex. It also means understanding future industry demand, supporting progression in work and optimising the effectiveness of the workforce in the context of demographic change.

### Context, challenges and opportunities

The population of East Sussex currently numbers around 550,000 people of whom 313,000 are of working age, as conventionally defined (i.e., between the ages of 16 and 64).

Within East Sussex, the economic activity rate (i.e., the proportion of 16-64 year olds either in work or actively seeking work) is around 76%; this is notably lower than the average across the South East. The employment rate is also about five percentage points below the regional average.

The data therefore suggest that people of working age account for a smaller share of the population than elsewhere – so the dependency ratio is higher. And within the working age population, both activity and employment rates are lower. In combination, this all means that the value of economic output (GVA) is also relatively low.

The reasons for low activity rates are many and varied. Some people are unable to work because of ill health (and the data suggest this is a significant factor in the county). Others may be unable to work because of caring responsibilities – which becomes more likely as the dependency ratio increases. A third group may struggle to access suitable employment, for a range of reasons: skills and qualifications, a lack of opportunities to progress in the workforce to achieve their potential, or physical barriers to access (for example transport accessibility, availability and cost). There will also be some people who may neither want nor need to engage in paid employment, especially among older age groups. Some may be deterred from doing so by the relatively low wage levels which characterise employment opportunities within East Sussex, although these low wage levels are compounded by severe cost pressures, especially in the housing market. The mix of factors is therefore complicated.

Alongside low earnings, official data sources suggest that qualification levels among working age residents are relatively low. Indeed, the proportion qualified to degree level or above is fully ten percentage points lower than the regional average – which is a sizeable gap. Although qualifications are far from the whole story, the correlation between low qualifications and low resident employee earnings is striking.

For the Economic Prosperity Strategy, a critical issue is the extent to which the economically active population – both now and in the future – has the skills and confidence to pivot and adapt as job roles change and as new sectors emerge. Over the next 26 years, the range of jobs within East Sussex will change substantially. Demands from employers are also likely to change. A resilient, diverse and inclusive workforce will therefore be essential.

#### ***Evidence Box: Future Skills***

A study on **Future Skills East Sussex** was commissioned by Skills East Sussex from the Institute for Employment Studies in 2023. Its findings are important for the Economic Prosperity Strategy.

It concluded that future recruitment and skills challenges will vary by sector. Some sectors (notably health and social care, the visitor economy and some elements of agriculture) will struggle to find sufficient recruits. There will be skills shortages in digital, engineering/ manufacturing and construction. IT skill needs will increase across all sectors – basic IT skills in health and social care and the visitor economy; more advanced/specialist skills in digital,

engineering etc. – often driven by the introduction of new technologies.

The study also identified a cross-cutting requirement for skills linked to the transition to net zero carbon.

#### **Priorities looking ahead**

Against this backdrop, there are some clear priorities.

Specifically, there is a need to:

- **Build opportunities for young people to stay and develop careers in East Sussex**

It is very important that opportunities are created and that more young people are encouraged to pursue their careers locally. Unless this is achieved, the dependency ratio will continue to worsen, and East Sussex will become progressively less sustainable in socio-economic terms over the period to 2050.

However, the labour market profile presented above presents some clear challenges in this context: jobs are typically poorly paid, and qualifications are relatively low, certainly compared to neighbouring areas in the South East.

The Economic Prosperity Strategy needs to chart a different course for East Sussex and finally decouple this ‘low pay – low skills equilibrium’. Disruption in this context must link directly to the dynamism of the business base and the need to

encourage more companies to grow, creating clearer career opportunities. It should also relate to processes of entrepreneurship and the need/opportunity to involve young people in this at an early stage. Young people will not choose to stay in the county unless there is something to stay for – and the Economic Prosperity Strategy has an important contribution to make.

***Evidence box: Perspectives on the future from new entrants to the workforce***

To inform the development of the Strategy, a focus group with local college students explored young people's aspirations, looking ahead to 2050.

Knowledge development and opportunities for on-the-job learning and career progression were seen as key factors in choosing future employers, with an emphasis placed on a good workplace culture. In a labour market that is likely to become tighter over time, these will become increasingly important factors.

Students cited housing costs as an important concern for the future, and potentially one which might limit their ability to seek work and progress locally. However, many also found the prospect of moving away for work to be attractive, at least initially, reflecting perceived opportunities (and a greater sense of dynamism) elsewhere. This reflects historic patterns of young people leaving for university and graduate employment – but many wish to stay local, and there ought to be

scope to attract people to return to the county if the opportunities are available.

- **Attract a skilled workforce**

At the same time, there is a need for more immediate responses, given the challenges that employers are facing in securing the skills they need. Potentially, people 'returning' to the county and new residents relocating to East Sussex could bring their skills and experience with them, providing an invaluable resource. This links again to the need to position East Sussex as a place for business and a place in which ambitions can be realised. For new (and existing) residents, the county's quality of life is an important attractor, which will be supplemented by the housing offer, the quality of education provision, public services and the wider factors that make the county a good place to live.

- **Enable good, rewarding work throughout working lives**

Looking ahead towards 2050, there is a need to recognise that the nature of work is changing profoundly. Those that are well qualified for today's jobs might find that the range of opportunities available to them is very different in two decades' time. Yet they might also find themselves having to work for longer and needing – and/or wanting – to engage in paid employment well into their 60s and 70s.

The imperative in this context is to equip people to work for longer, pivoting their skills and experience in the process – and without any loss of either confidence or self-esteem. Indeed, quite the reverse: the insights and perspectives provided by older workers need to be recognised and valued by employers and used effectively within thriving businesses.

### Areas for intervention

The priorities identified above lead to four main areas for intervention over the decades ahead. The first of these is concerned with the **housing market** as a crucial factor influencing the ability of people to live and work in East Sussex. The following three focus on **skills and the labour market**, recognising the importance of the interactions between them.

#### 1: Rebalancing cost pressures, especially in the housing market

Fundamentally, there is a need to consider the rewards from work in relation to the cost of living in East Sussex. Currently, there is a major mismatch: many working people simply cannot afford home ownership given the level of earnings they can command locally, and high costs also impact the rental market. This is one reason why young people leave East Sussex and spend at least the early part of their working lives elsewhere, but it is a systemic challenge for people of all ages and if unchecked, will impact on the county's economic and social sustainability.

#### **Evidence box: Workforce perspectives**

As part of the consultation process which shaped the East Sussex Prosperity Strategy, a focus group was held with a group of employees from a business in East Sussex. The business is established and successful; it employs around 80 people. The employees in the focus group had different occupations, some linked to assembly, some focused on design, and some had roles which were linked to company management.

There was much consistency in terms of the feedback, which included:

- the challenges linked to housing and the concern that *'I will never be able to afford a house even though I work full time'*
- an observation that East Sussex *'is filling up with people from London'* – with implications for housing in particular
- the need to ensure that town centres in East Sussex are vibrant, and that there is *'something for young people to do'*
- the need for more and better public services – e.g. it is very difficult to see an NHS dentist, or a GP
- a recognition that younger people (including the adult children of employees in the focus group) are very unlikely to remain in the local area and instead will leave to earn more elsewhere.

A range of organisations and strategies will have a role in addressing these issues, highlighting a need for an

increasingly 'multi-agency' approach over the coming decades.

In East Sussex, the affordability of housing for those in 'normal' jobs – and without other sources of wealth – is a major challenge, and the links between housing and wider economic and social outcomes is well articulated<sup>22</sup>. More homes will need to be built to meet identified local need, with more affordable housing of all tenure types and efficient transport networks to support people at all stages of their careers. This will be a priority in delivering the Strategy – alongside ensuring a supply of employment and creating the opportunity to generate higher incomes through business growth.

## 2: Understanding and responding to industry demand

Key to redefining the relationship between jobs, skills and economic growth in East Sussex is a better and more consistent understanding of the changing nature of demand.

Significant progress is being made in developing a better – and more sustained – dialogue with the business community, particularly as jobs and job roles change quickly. This needs to be sustained and in turn needs to be understood by both training providers of different forms, and by young people (and their parents) as they make decisions at different stages. For too long, these different perspectives have been disconnected and detached –

but the need for a real dialogue is overwhelming.

This dialogue needs to take place with reference to different timescales. There are immediate issues that need a short-term response, particularly in relation to sectors which are struggling to recruit in the context of changing patterns of international migration.

**7.1** But East Sussex also needs a longer-term view. Locally there is a well established and active county wide employment and skills board so, building on the Local Skills Improvement Plan, businesses, training providers and those involved in education at all ages need to work together to anticipate how jobs and job roles are likely to evolve over the medium to long term, and they need to plan provision accordingly. They need to equip both young people and those who are further advanced in their working lives for what might lie ahead. They need to engineer real resilience within the East Sussex workforce, focusing on transferable skills and the profound implications of new technology.

## 3: Support for progression in work

In parallel, there is a need to ensure that more people are able to progress at work – recognising links to social mobility.

This may mean making explicit provision for in-work training – which again requires a stronger dialogue between training providers and employers.

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<sup>22</sup> Annual Report of the Director of Public Health for East Sussex 2019/20

#### 4: Working with employers to optimise the effectiveness of the changing workforce

Action will be needed over the years ahead to restructure jobs – and wider working arrangements – so that they are effective in relation to a workforce which is generally older and may also have wider responsibilities (e.g., caring for dependants) or other protected characteristics. There will be a need for real creativity and some flexibility, and acceptance of a profound change in the process of work (e.g. where, when, and how it is done). In a tighter labour market with changing expectations of the nature of work, this also points to a greater emphasis on workforce health and wellbeing, and the imperative for equality, diversity and inclusion, and the role that employers can play in ensuring this and the links with greater productivity.

Within this context the implications of technology in general and automation in particular merits close consideration. Many routine jobs could disappear altogether. At the same time, there may well be scope for greater creativity. Older workers will need to adapt and both employers and training providers will need to support them.

## 8. Prosperity for places

East Sussex is a diverse county, and strategy to 2050 will need to recognise local distinctiveness and character as contributors to the county-wide picture, ensuring that all places in East Sussex are able to thrive, and that the county's environmental assets are protected and enhanced.

Key areas for intervention involve making the most of the county's creative, cultural and environmental opportunities and building the business, skills and transport links between them; ensuring a long-term focus on Hastings and Bexhill to ensure that this significant urban area can reach its full potential (and help drive the economy of the county as a whole); and making targeted investments in connectivity, consistent with the strategy's decarbonisation and sustainability objectives.

### Context, opportunities and challenges

As the spatial sketch of East Sussex demonstrated in Chapter 2, the county is diverse. In big picture terms, this is most obvious in the differentiation between the rural 'core', most of which is within either the National Park or the National Landscape, and the more urban coast. But there is substantial further complexity, in terms of local economic strengths and characteristics and the relevance of connections beyond the county. Consequently, the strategy to 2050 needs to take a locally distinctive approach, in the context (from a land use and infrastructure perspective) of the six Local Plans at district and National Park level.

Long-term investment in infrastructure will also need to be in the context of the sustainability principles outlined in the Strategic Framework. Consistent with this,

the draft East Sussex *Local Transport Plan 4* parallels this strategy in adopting a 2050 horizon<sup>23</sup>. It includes a strengthened emphasis on supporting sustainable economic growth, the need to decarbonise transport (recognising that transport accounts for some 35% of the county's greenhouse gas emissions), as well as a greater focus on inclusion across the transport system, especially in the context of the county's ageing population.

### Priorities looking ahead

Looking to 2050, there is a need to:

- **Capitalise on, while protecting and enhancing, East Sussex's environmental assets and designated landscapes.**

East Sussex is unusual in the extent to which the county is covered by environmental designations. Recent

<sup>23</sup> East Sussex County Council (2023), [Local Transport Plan 4](#)

decades have seen significant progress in expanding and strengthening these, notably in the process for the creation of the South Downs National Park. As the need to mitigate the consequences of climate change become ever more important, the need to increase and enhance these protections will grow.

In that context, getting the balance right is important and challenging. East Sussex's natural environment is a major store of economic value: people are attracted to the county as a place to live and work because of the quality of the coast and countryside, it is fundamental to the visitor economy offer, and the county also has an important land-based sector (including in emerging specialisms such as viticulture) that are dependent on its resilience. And in East Sussex, the National Park and the National Landscape incorporate relatively large populations and business bases (the South Downs National Park is, for example, the most populated of all national parks in England) and coexist in close proximity with larger urban areas. The point is that the economic value of East Sussex's environmental assets is highly dependent on their protection, and this is embedded within the long-term economic strategy.

#### ***Evidence box: Sussex Modern***

Sussex Modern was established in 2017 as an independent business consortium focused on bringing visitors and investment to the county. Described as the 'wine tourism development agency

for Sussex', it promotes the opportunities associated with the intersection of viticulture, food and drink and a dynamic cultural offer. It explicitly seeks to "tell a story of Sussex that is about more than sleepy villages, coastal retirement towns and historic ruins... celebrat[ing] and promot[ing] Sussex as home to a vibrant, youthful culture for audiences with metropolitan tastes for world-class art and high-quality wine – all within breathtaking landscapes". The concept highlights the potential of East Sussex's key environmental and cultural strengths to appeal to new audiences and evolve in response to changing demand while protecting its core assets.

- **Ensure a balance between county-wide priorities and local differentiation.**

Local pride is an important asset, and as we have seen earlier in this strategy, there are emerging concentrations of economic activity which are locally rooted, and the county's diversity and polycentricity also gives rise to local distinctiveness. Local distinctiveness and pride also need to be continually reinvented and reinforced as demand changes and the roles of (for example) town centres evolve.

Looking forward to 2050, it will be important to recognise and capitalise on this. But equally, there are important shared issues relevant to the county as a whole: the need to improve transport connectivity for instance, which impacts East Sussex

systemically and the need to strengthen digital and sustainable transport connections across the rural parts of the county; the interconnections between different elements of the cultural and visitor economy; and the operation of the labour market, which is 'bigger than local' and extends beyond the county itself. In a county which is relatively small compared with its South East neighbours and where no single centre dominates, it will be important to recognise the connections and commonalities, as well as the local differentiation.

- **Enable all parts of East Sussex to thrive**

Linked with this, it follows that if East Sussex is going to be economically and sustainably successful all parts of it need to be doing well: the county isn't big enough to allow significant variances in outcome without these impacting on the resilience and prosperity of the whole.

Currently, East Sussex faces a challenge in this regard, given the relative underperformance of Hastings, one of its two larger urban economies: ultimately, the ability of the larger towns to generate economic activity to support the county as a whole will be important for more sustainable travel and land-use patterns over the longer term. Tackling this underperformance will also involve action on a variety of fronts, in the educational and community sphere as well as in

physical regeneration and business growth.

### Areas for intervention

Building on these priorities, there are three key areas for intervention:

1. **Making the most of the county's cultural, creative and environmental opportunities – and the links between them**

East Sussex is distinctive in the range of its local cultural destinations (Towner Eastbourne, Hastings Contemporary, the De La Warr Pavilion, Glyndebourne, the diverse programme of festivals and events, and so on). What is interesting about the 'offer' is that these institutions are not purely local in scope: they are substantially outward-facing and linked with wider national and international networks. They are also closely associated with a wider sense of place, especially associations with the coast (and the long history of the South Coast's creative attraction) and the landscape, including the National Park and National Landscape. Beyond these famous creative institutions, there is also emerging creative innovation at local level (for example, the Creative Newhaven consortium) which will also benefit from being part of the wider county-wide scene.

There is work underway via the launch of Experience Sussex to build connections between sustainable food and drink and the cultural and creative offer, linked with the development of a higher value visitor economy. This builds on the work of existing Destination Management Organisations (DMO) in the county

including 1066 Country, Explore Wealden, Visit Lewes, and Visit Eastbourne.

The nexus of creativity, environmental quality, economic opportunity and wellbeing more broadly is also important in the attractiveness of East Sussex as a place to live – especially in attracting a younger demographic. Joining up and growing this creative offer demands both a county-wide approach and local distinctiveness and ought to be a key pillar of economic activity.

## 2. A long-term focus on Hastings and Bexhill

It is important that all places in East Sussex flourish. But as observed above, there are currently significant disparities, which are most apparent in the relative under-performance of Hastings (and by extension the wider Hastings-Bexhill urban area). The reasons for this are complex and are not easy to fix: they include relatively poor connectivity by road and rail, long-standing concentrations of deprivation linked with some distinctive housing market pressures, environmental constraints especially linked with flood risk, and a relatively small private sector employment base. These challenges are long-standing, many of them are shared with other coastal towns, and they are compounded by the more generic challenges of changes in the retail market, which impact town centres everywhere, but affect those with the weakest local markets the most.

There has been significant investment over several years to address some of these challenges. Much of this has successfully borne fruit – for example, the success of institutions like Hastings Contemporary and the growth of the local creative scene, and recent investment in the Coombe Valley Way. However, much public investment has been stop-start, perhaps not sufficient in scale to fully address the breadth of the challenge, and with insufficient mechanisms to relate opportunities for growth to community benefit. Nevertheless, Hastings has some very distinctive assets: it is an attractive and inherently interesting place to live and there is evidence of high residential demand (albeit that this creates challenges of its own). It also has substantial urban scale – with the potential to act as a driver for the east of the county, and the recent Town Investment Plan has started to bring together key opportunities<sup>24</sup>.

Over the long term, the renewal of Hastings and Bexhill as a key anchor and driver of growth ought to be a focus of county-wide strategy. That means recognising that while there are no silver bullets (specific government initiatives will always be time and project-limited and will never be sufficient on their own), a joined-up approach over the long term, with the capacity to experiment and to think about bold ideas will be important. Enabling East Sussex's largest urban area to perform effectively should, over time, make a county-wide difference to the productivity, pay and concentrated

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<sup>24</sup> Hastings Borough Council (2023), *Town Investment Plan*

disadvantage issues highlighted earlier in Chapter 3.

### 3. Targeted investment in connectivity to support economic potential

Consistent with the principles set out in the Strategic Framework, investment in East Sussex's transport connectivity must contribute to the net zero imperative and minimise the impact on the county's core environmental assets.

However, connectivity across much of the county is not as good as it needs to be. Rail services are, compared with other parts of the South East, relatively slow, local public transport links are often less frequent (especially in rural East Sussex), and there are some disruptive bottlenecks on the road network, especially on the A27.

These challenges are recognised within the East Sussex draft *Local Transport Plan 4 2024-50*, which, from an economic growth perspective, emphasises improvements on the East Coastway line between Brighton, Eastbourne and Hastings, bus enhancements, especially in the coastal

towns, active travel connectivity and targeted highway improvements where they can also deliver bus and active travel measures. Linked with the focus on strengthening the performance of Hastings and Bexhill, the 'market-driven' growth of Eastbourne as an emerging tech hub as well as a major service centre, and the regional significance of Brighton, strengthened connectivity along the coast is likely to be especially important.

Successful delivery of transport infrastructure will require a combination of partnership collaboration, national regulatory and policy activity and funding supported by local policies and schemes that combine to achieve the shared ambition and vision.

Future growth will also depend on continuous improvements in **digital connectivity**. Supply has improved greatly over the past decade, as a result of public investment and the market. But as demand accelerates and new technologies emerge, it will be important for East Sussex to remain competitive – including in rural and 'harder to reach' parts of the county.

## 9. Delivering the strategy: Innovation and agility

In delivering the strategy, there is a need to develop East Sussex's innovation capacity, including looking outwards to its neighbours. 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.

### Innovation and agility: A long-term approach

Across all elements of the Economic Prosperity Strategy there is a requirement for **innovation and agility**.

East Sussex has enormous assets, the importance of which is likely to grow over the period to 2050: cultural and creative assets are likely to be valued more highly, and the significance of an outstanding natural landscape will certainly increase.

However, there is also a clear need for change. East Sussex needs to be a place where the population as a whole can thrive. It is currently falling short on this ambition, particularly in relation to its younger people (who are struggling to secure homes of their own) and many of its employed people (who are struggling to make ends meet). There is a substantial disconnect between the wages that local people can command and the cost of living in East Sussex, particularly with regard to housing – and this also results in some significant spatial disparities.

In navigating this change, the key watchwords will be innovation and agility. These must shape some combination of the county's (actual or potential) assets; the investment it generates; and the wealth it

attracts. The imperatives surrounding innovation and agility will also relate to all three routes to prosperity outlined in previous chapters: business, people and places.

*Innovation and agility – for prosperous businesses, prosperous people and prosperous places*

In response, there is a need for a systemic approach to innovation and agility as a basis for long term prosperity. The terminology is over-used, but the 'ecosystem' needs to function better and with innovation at its core.

The transition to net zero carbon needs to be a central part of this – recognising the consequences for businesses, people and places. Embracing fully the principles of the circular economy will also demand an innovative response from businesses, people and places across East Sussex.

#### ***Evidence box: Working locally and nationally to support low carbon growth***

East Sussex benefits from two universities – the University of Brighton and the University of Sussex, both of which have established business relationships in the county

and a long history of involvement in economic development.

The University of Brighton is currently a partner in the **Clean Growth UK** initiative, a university-led business network which helps members develop clean and green products, services and business models and get innovative ideas to market faster.

So far, the programme has raised around £26 million in R&D funding for member businesses and is an example of how a major institution with a footprint in the county can collaborate with partners elsewhere in the country, support innovation locally and drive the growth of a low carbon economy.

Fragmentation is currently, however, a challenge for the county. Whilst its places are clearly distinctive – and this distinctiveness is core to its character – fragmentation is not the necessary consequence. Stronger networks could achieve a great deal, at a range of spatial scales, and across both sectors and places.

Some of these networks ought to transcend the county boundaries. Links with (particularly) Brighton to the west, but also Crawley/Gatwick and London are already important. They are clearly double edged and some of the challenges facing East Sussex are, to some extent, a consequence of those relationships. But those interconnections are here to stay, they need to be embraced positively, and they are likely to be reinforced by enhanced digital connectivity.

### ***Evidence box: Geographies of innovation***

Recent work for the Department of Science, Innovation and Technology has sought to identify innovation clusters across the UK, by measuring firm relationships and patterns of innovation.

This highlights the emergence of digital and life science clusters around Eastbourne, and a media and creative cluster around Hastings. It also demonstrates the influence of Brighton, especially in the west of the county. However, local evidence will be important too, in identifying emerging concentrations of activity, including in new areas of technology.

*Source: DSIT/ Cambridge Econometrics/ The Data City (2024), [The Innovation Clusters Map](#)*

Businesses within East Sussex need to network with each other. But they also need to be working with and through wider clusters that span administrative boundaries. Brighton has a large and vibrant creative sector, and there ought to be real synergies with creative businesses in Eastbourne and Hastings. This in itself will be a catalyst for innovation and agility.

In a similar vein, alongside Plumpton College (which is important but also relatively small and specialist), both the University of Sussex and the University of Brighton ought to be seen as fully part of the innovation system across East Sussex. Both are major knowledge hubs, and they are nearby – whatever their relationship to an administrative boundary. Both ought to be seen as key anchor institutions and

forging closer links to them needs to be a priority.

More generally, alongside the port at Newhaven, the proximity of Gatwick Airport and the Channel Tunnel ought to create possibilities in terms of international business (particularly through trade). East Sussex is part of a global economy and – whilst recognising some of the environmental challenges – a responsible approach to international business is needed. In itself, that will do much to crystallise both innovation and agility.

Finally, East Sussex needs to grasp its relationship with London. The ‘DFLs’ cause local comment yet they are already central to how East Sussex functions. London is a global city and with a phenomenal knowledge base. Proximity to it ought to be a real asset, particularly with regard to innovation and investment.

In seeking to create prosperous businesses, prosperous people and prosperous places, East Sussex needs to ‘work’ its relationship to the capital. This has implications for place marketing and the role that East Sussex wants to play, but in effecting innovation and agility, London cannot – and should not – be ignored.

## Moving towards delivery

Innovation and agility will be critical in *how* the strategy is delivered. The next 26 years will see several economic cycles and policy changes at national and local level – and there will undoubtedly be unexpected economic events along the way. This strategy will shape partners’ approach to project development and prioritisation. Delivery will need to take place through a variety of funding mechanisms, aligned where possible, and there will need to be strong, shared leadership, embedded within future devolution of investment and responsibility.

Achieving the Vision will require the actions of many partners over time, all with a focus on their individual commitment and contribution to economic prosperity. Oversight, awareness raising and knowledge sharing, networking and collaboration must be core to our ways of working, to enable investment and project delivery that will incrementally take us towards our shared goals for 2050.

## 10. Summary of Evidence Call

We would like to thank everyone who submitted documents as part of the evidence call in summer 2023. Below is a list of the evidence received in that call.

Please note that this list is not exhaustive as other documents (such as Local Plans and their evidence bases) were considered as part of the development of the strategy.

- East Sussex Economic Growth Strategy 2014-2020
- East Sussex Economy Recovery Plan 2020
- Productivity and Innovation in East Sussex (ESCC 2022)
- Room to Grow 2: A report into commercial property in East Sussex
- Team East Sussex (TES) Stakeholder Updates (various)
- East Sussex in Figures Economic Profile updates (various)
- East Sussex Economic Impact Assessment 2023
- Stiles Harold Williams (SHW) Focus documents
- East Sussex Environment Strategy 2020
- East Sussex Climate Change Road Map 2022-25
- Wealden District Council Housing Strategy 2020-25
- Wealden District Council Cost of Living Strategy
- South East Local Enterprise Partnership (SELEP) Economic Recovery and Renewal Strategy
- South East Local Enterprise Partnership - State of the Region report
- Newhaven Unleashed Business Plan
- East Sussex Cultural Strategy 2013-25
- South East Creative Economy Network Statement of Intent
- Creative Industries Sector Vision
- Creative Open Workspace Masterplan and Prospectus
- Sussex Visitor Economy Baseline review
- Sussex Visitor Economy Vision and Actions
- Sussex Wine Tourism: A Plan for Growth

- Create Growth Programme bid
- Sussex Destination Management Plan
- The Growth Belt: Supporting rural small businesses
- Accelerating Progress: Empowering small businesses on the journey to net zero
- Streets Ahead: A report by the Federation of Small Businesses (FSB)
- Menu for recovery, Federation of Small Businesses (FSB)
- Time is money, FSB
- Small Business, Big Heart, FSB
- Future Skills Sussex – Local Skills Improvement Plan (LSIP) and associated annexes including 7 key sector deep dive reports
- Pan-Sussex Local Skills Improvement Plan
- Employability and Skills Labour Market Information (LMI) reports
- Apprenticeships East Sussex data
- Plumpton College Strategy (2022-2027)
- The Economic and Social Impact of the University of Sussex
- Catching the Value of the Catch, Eastbourne Borough and Lewes District Councils
- Re-Imagining Newhaven: Newhaven's Future High Streets Bid
- Eastbourne Levelling Up Fund Bid
- This is Newhaven: our town investment plan
- FSB South East Quarterly Small Business Index
- Nobody Left Behind, Local Government Association (LGA)
- Inclusive Economies and Healthy Futures, LGA
- Principles, Priorities and Pathways for Inclusive Green Economies, LGA
- Wellbeing Economy Policy Design Guide, Wellbeing Economy Alliance
- Wealden Economic Development Strategy 2023 – 2033
- Wealden Industrial Estates Review Stage 1 (2019) & Stage 2 (2020)
- Wealden Viticulture Feasibility Study Final Report
- The Economic Impact of Tourism on Wealden District 2019
- Employment and Wealden Town Centre Study 2022
- Economic Study - Eastbourne and Wealden 2022
- UK Shared Prosperity Fund Investment Plan 2022, Wealden District Council

- Rural England Prosperity Fund Addendum, Wealden District Council
- Cuckoo Trail Strategy, Wealden District Council
- Health & Wellbeing Strategy 2022 – 2025, Wealden District Council
- Hastings Town Investment Plan
- Hastings Borough Council Town Fund Annex 1-6
- Hastings Borough Council Corporate Plan
- 2023-24 Corporate Plan update, Hastings Borough Council
- Hastings and Rother Task Force Review
- Hastings Local Plan Consultation Draft (Regulation 18) Winter 2020/21
- Hastings Station Gateway Capacity Testing Options and Assessment
- Hastings Station Gateway Key Findings and Next Steps
- Coastal Communities Economic Prospectus
- Chief Medical Officer's Annual Report 2021
- Employment and Economic Study Eastbourne and Wealden
- Newhaven Port Freight Assessment
- Lewes District Economic Needs Assessment
- Retail and Leisure Study (LDC 2023)
- Wealden District Climate Emergency Plan
- Project Art Works: Activity Plan for Outcomes 2023-24
- Project Art Works: Business Plan 2023-2027
- Project Art Works: Arches Revised Design and Access Statement
- East Sussex Local Transport Plan 4 2024
- East Sussex Local Cycling and Walking Infrastructure Plan (LCWIP)
- Rother Levelling Up Fund bid - Bexhill; Culture, Community and Skills
- Rother Rural Economy, Rother District Council
- Marketing Strategy for 1066 Country 2016-2025 and The Impact of 1066 Country Marketing on supporting tourism, Rother District Council
- Rother and Hastings Housing and Economic Development Needs Assessment (ED Chapters only) - Employment Final
- Practical Wisdom: Brighton 2025 University Strategy 2019-2025
- Social Enterprise Prospectus (SELEP Social Enterprise Working Group)

# TEAM EAST SUSSEX



## Contact

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## About us

East Sussex County Council is responsible for strategic economic planning for East Sussex following transfer of this function from Local Enterprise Partnerships in April 2024.

Team East Sussex (TES) is an independent, business-led, private/public body, with representation from business members and business representative bodies, the voluntary, community sector and social enterprise sector, further education, higher education and the local authority leaders of all of the county, borough and district councils across East Sussex. TES acts as an advisory body to the County Council in relation to economic growth, and is supported by council officers in a Secretariat capacity.