

Investment (open for growth) Peer Challenge

East Sussex councils

10 - 14 March 2014

Report



1. The Investment (open for growth) peer challenge

This is a report of the findings of an Investment (open for growth) peer challenge organised by the Local Government Association (LGA), in association with the Planning Advisory Service (PAS). The peer challenge was carried out at the invitation of East Sussex councils and conducted by sector peers in the spirit of a 'critical friend' to promote the priority of growth for the East Sussex area.

1.1 Purpose

Councils by themselves cannot create economic growth, but they have a pivotal influence in creating the environment for it to flourish by being 'open for business'. This peer challenge was focused on assisting East Sussex councils understand where their key areas of influence lie and to assess how effectively they are set up to support, promote and facilitate a positive environment for economic growth that will benefit the residents and businesses of East Sussex.

The peer challenge aims to support the East Sussex councils to align their services to facilitate and support economic growth. It is less about process and more about whether the vision, structures, relationships and resources are positioned to deliver this objective.

1.2 The perspective and methodology

For councils to be effective in promoting an environment conducive for economic growth, they need to be self-aware of their service contributions, but also to understand the factors that affect business or community confidence, and how decisions are made about investment.

This peer challenge takes account of a range of background documentation but its primary evidence was face-to-face meetings with a range of people both from within councils and from partner organisations, the business community, developers and community organisations. Through these meetings and extensive data gathering, the team worked to establish how effectively the councils and their partners performed to create an environment for growth.

Care is taken to differentiate between the common gripes levelled at council services and those that reflect the real experience of doing business with East Sussex councils and their partners. Such an external review is inevitably challenging. The goal is to provide a platform of understanding upon which recommendations can help councils meet their ambition for encouraging growth.

1.3 The peer challenge team

- Nick Hodgson, former Chief Executive, Derbyshire County Council
- Councillor Spencer Flower, Leader of Dorset County Council
- Councillor Ric Pallister, Leader of South Somerset District Council
- Councillor Graham Chapman, Deputy Leader, Nottingham City Council

- Daniel Mouawad, Chief Executive, South East Midlands Local Enterprise Partnership
- Richard Alderton, Head of Planning and Development, Ashford Borough Council
- Fiona McDiarmid, Assistant Director of Economic Development and Strategy, Norfolk County Council
- Joe Keech, Chief Planner, Devon County Council
- Phillipa Silcock and Richard Crawley, Principal Advisers, Planning Advisory Service
- Andrew Winfield and Gill Elliott, LGA Peer Challenge Managers.

1.4 Areas of focus

The focus of this peer challenge was to investigate the manner in which local government in East Sussex (Eastbourne Borough Council, East Sussex County Council, Hastings Borough Council, Lewes District Council, Rother District Council and Wealden District Council) are engaged in fostering economic growth within the locality, both together at the strategic level and separately within the communities of each borough/district.

The peer challenge was asked to focus particularly on:

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

It is these themes that are used to structure this report.

1.5 Follow up support

The LGA and PAS make a significant contribution in investment (open for growth) peer challenge delivery and are keen to ensure that councils follow this up with an improvement programme. After the peer challenge report is finalised, PAS and the LGA offer a follow-up Improvement Planning day to meet the councils' requirements and involving some members of the challenge team. Other support is also available from the LGA and PAS, and some of this is listed at Appendix 1.

1.6 Thanks

The team appreciates the welcome and hospitality provided by the East Sussex councils and the candour and openness in which discussions were held. The team would like to thank everybody that they met during the process for their time and their contribution.

2. Executive summary

2.1 The importance of growth for East Sussex

The former South East Plan showed that the East Sussex county economy was underperforming when compared to the rest of the South East. The Gross Value Added (GVA) per head of population is 68 per cent of the national average and 63 per cent of the South East average.

The six East Sussex Councils (Eastbourne Borough Council, East Sussex County Council, Hastings Borough Council, Lewes District Council, Rother District Council and Wealden District Council) recognise the importance of economic growth and have prioritised it as a strategic policy objective.

2.2 East Sussex is a county of contrasts

The East Sussex population and employment patterns are predominantly urban and much of this is concentrated in the major coastal communities of Bexhill, Eastbourne, Hastings, and Newhaven. At the same time the county contains an outstandingly beautiful environment recognised through the establishment of the South Downs National Park and the High Weald Area of Outstanding Natural Beauty.

There is considerable and concentrated economic disadvantage particularly in Hastings (the 19th most deprived borough in England) but also in other coastal communities. There is considerable economic opportunity in both the urban and rural areas and the inter-connection between them is not sufficiently developed. The challenge is not only to achieve growth but to ensure its benefits are widely shared.

East Sussex is not a homogenous economic entity. Eastbourne and Hastings are recognised economic centres, while Lewes, as the county town, links closely to Brighton and Hove and parts of Wealden have links to both Tunbridge Wells and Crawley. The links with Gatwick, London and the continent are unique but under exploited assets.

The population is 531,000 (ONS mid 2012 estimates) and is the lowest of the three counties contained in the South East Local Enterprise Partnership (SELEP). However the proportion of the population over 65 years is high at 24 per cent where the national average is 17 per cent. This will have a significant impact on the future economy with a smaller population proportion being available for employment. It will also have a significant impact on housing needs for older people and their social care requirements.

Although the demographic and socio-economic disparities and educational attainment levels are challenging, there is a good foundation to deal with these and opportunities to drive sectors of the economy. The 'county of contrasts' holds great potential for developing niche growth sectors that may not rely on expensive road and rail infrastructure but could flourish with high speed broadband.

However, the county needs to develop a narrative that takes account of the opportunities and advantages available to it and to understand when to represent these with a coherent identity and unique selling point to underpin its economic growth strategy.

2.3 Good working relationships

There are extremely positive relationships apparent across all tiers of local government in East Sussex. East Sussex County Council (ESCC) and the five District and Borough Councils enjoy positive and productive working relationships.

This is supported by a Joint Leaders' and Chief Executives' Group, and a Joint Chief Executives' Group, with the latter including not only councils but chief officers from the Fire and Rescue Service and the Police. These are important public sector forums to enable East Sussex wide working.

The pattern of working arrangements varies across East Sussex depending on the issues and how widely these are shared. For example, there is the increasingly important role of SELEP which covers the county areas of Essex, Kent and East Sussex and three unitary councils, to direct economic growth. The development of the SELEP Strategic Economic Plan (SEP) provides an important platform for the future East Sussex economic growth strategy.

Effective, county-wide strategic partnership working has been essential to coordinate activity, agree priorities and to maximise the opportunities that SELEP can offer East Sussex. The success of this has been seen in the higher level of funding achieved from some funds than would have come from a proportional allocation. This provides a good foundation for future working within the federated structure of SELEP. The further development and resourcing of Team East Sussex (TES), and effective links to strategic and delivery partnerships operating at the level of the functioning economies, will be crucial to further strategic level success in the future.

An important area for future development will be to further develop opportunities for councils to combine resources to develop greater capacity. The recent joint waste contract has done much to build a climate of trust where more joint working can be considered. This might include joint working on projects, shared services and common performance standards and approaches to promoting economic growth. This might also include: employability hubs, development viability assessments and pre-application planning advice.

2.4 Working in partnership

Successful partnership working will be important to develop the capacity to deliver economic growth priorities. However, this landscape should be continuously reviewed to check that the resources committed are delivering what was originally envisaged.

Effective partnerships can provide scope for engagement across the public sector and also to bring in more commercial and entrepreneurial skills and resources. They also provide a chance to build social capital through partnerships with the community and voluntary sector. Supporting innovative partnerships will require councils to consider new governance arrangements that are more agile and adaptable to changing circumstances in which they can be confident of having effective representation and influence.

It will also be important that the partnership landscape is comprehensible and accessible and that there is a complementary fit across the piece. The partnership landscape in East

Sussex is complex and would benefit from mapping and, where necessary, review to ensure that partnerships remain fit for purpose and still fit together.

2.5 Proximity to major employment areas and infrastructure

The proximity to London, Gatwick airport and Brighton is important for the local economy and the 'agglomeration' effect. The Newhaven to Dieppe crossing provides access to mainland Europe and is poised for important development. However, transport infrastructure is recognised as a significant weakness for economic growth with no motorways in the county and only 7.4 miles of dual carriageway. The advantage of proximity to London is currently lessened by slow rail links. The economic potential and importance of Brighton and Hove, which borders the county, and Lewes and Newhaven in the west of the county is highlighted by the recent approval of the City Deal for the Greater Brighton City Region.

The aspirations for transport infrastructure improvements extend across the county area. However, it will be important to acknowledge that public sector spending constraints will require aspirations to be tempered with pragmatism and prioritisation. This will mean that some aspirations will not be realised in the short-term and will require tough decisions to be made on which transport infrastructure bids progress and which are deferred.

High speed broadband will be important for the future economy and is scheduled to be implemented by 2016 with area coverage of 97 per cent. The economic opportunity presented is that smaller, businesses could be attracted to East Sussex for the quality of life while successfully conducting and growing their business via high speed information connectivity. It will be important to map the likely broadband coverage and mobile phone gaps - 'not spots' - and make contingency plans to address these.

2.6 Housing

Housing is an essential component for economic growth, and the location of strategic housing growth, supported by infrastructure, will be a key component of future economic success. The particular issues in East Sussex are:

- Affordability where average house prices are 7.36 times greater than earnings (the national average is 5.44 times).
- A dysfunctional housing market in a number of coastal towns where comparatively cheap housing has contributed to a rise in the private rented sector, often linked to the availability of benefits and low wages.
- The lack of a county-wide spatial strategy for housing growth.

Housing issues can be linked to deprivation levels, which vary across the county in rural, urban and coastal areas. Hastings is the 19th worst nationally on the Index of Multiple Deprivation and this is partly due to the collapse in demand for visitor accommodation which has then often been turned into poor quality rented housing; creating a cycle of economic inactivity.

Growth is supported by the councils' good record on the delivery of housing. This is not just in terms of new build market and affordable housing. It is also the work and commitment to address housing market failure, due to the significant rise of the private

rented sector and the quality of some of this housing, which is a particular issue in coastal towns.

The availability of development land for some coastal authorities to meet their housing growth requirements is a considerable constraint. The Duty to Co-operate, from the Localism Act 2012, will be important for councils to develop a mature discussion on housing and employment market areas, housing constraints and how they might work together to address housing growth needs and concentrate the infrastructure investment accordingly (judged against other infrastructure priorities). This will be an important area to progress as economic growth will go hand in hand with the growth of mixed-tenure housing.

There were some good examples of innovative financial models – detailed in the body of this report - to deliver more housing and there is good learning to be obtained from these to extend this further, in particular by councils working together more closely in future on such initiatives.

2.7 Supporting existing businesses

The structure of the economy in East Sussex is different to other parts of the South East. East Sussex is dominated by micro businesses with 85 per cent employing fewer than 10 people. ESCC conducts an annual survey of 1,000 local businesses which provides good intelligence and is used to steer local action.

However, not enough is known about the significant clusters of economic activity in East Sussex, their supply chain or what their future growth plans might be and how these could be supported. This knowledge will be important to develop as existing businesses will form the basis for the future economy.

It will also enable potential benefits from the ‘agglomeration’ effect of interacting with local businesses, including small and medium enterprises (SMEs) even at micro-business level, and the attraction for new businesses to join and profit from these clusters. One particular area that could benefit from such an approach is tourism which is a major contributor to the county economy. This is an area of work that should be progressed by the six councils working together.

2.8 Skills and training

As in many parts of the country, businesses in East Sussex have concerns that education leavers do not possess the employability skills that they need and expect.

ESCC has recently drafted a Skills Strategy, which is about to go out to consultation with partners. Once approved, this should seek to be the principal strategic means to drive skills and training. It should seek to bind the range of different partners, working in this area, to work together to agreed priorities and outcomes.

2.9 Procurement

ESCC operates a joint procurement partnership which offers the obvious benefits of savings from economies of scale. ESCC has a target of 45 per cent of procurement spend

in the local area and is achieving 43 per cent. The District and Borough Councils are achieving much higher rates of spend with SMEs. This would appear to be an area to explore further and could be progressed via the county-wide Procurement Hub, which encourages support to SMEs through working links with Chambers of Commerce and the Federation of Small Businesses.

3. Recommendations

To support the East Sussex councils achieve their priorities of growth and inward investment, the peer challenge team has made the following recommendations:

R1: Leadership

- Use the emerging consensus around the SEP as a catalyst for driving forward the next round of Local Plans
- Raise the standards and improve the consistency of the councils' 'open for growth' services including a more consistently positive and proactive approach to the delivery of the planning system, especially development management in East Sussex
- Build consensus across the councils and develop a common and consistent strategic approach to support a shared vision and understanding of the role of house building as an economic generator, with this linked to the economic growth and inclusion strategy
- Focus on a small number of achievable infrastructure projects which are essential to the delivery of economic growth.

R2: Team East Sussex

- Develop, with Team East Sussex and East Sussex councils, an East Sussex economic growth strategy, following the SEP submission and determination. This should set out an achievable number of deliverable and time limited priorities to focus activity, progress at pace and prioritise resources.
- Develop Team East Sussex as the partnership to co-ordinate the delivery vehicles for the East Sussex economic growth strategy in the federated structure of the LEP, to:
 - operate at a new level of maturity based on openness and trust between the partners
 - involve key public/private/third sector players as an executive driving force for the economic growth agenda
 - create the East Sussex 'narrative' which reflects the varying need and ambition across the county and which sets out an agreed vision for the future
 - Ensure the right economic partnerships exist to deliver and initiate action and strategic thinking at a local and thematic level
 - Encourage leadership and participation by all partners
 - Operate a 'light touch' approach that values innovation and creativity by all partners and enables rather than constrains this.
- Map the micro and niche clusters of business activity in East Sussex so that councils can engage with these commercial interests to understand their needs and be better able to provide support.

R3: **Partnership working**

- Be open to new opportunities to work more closely with existing partners to maximise outcomes. But also look out for opportunities to work with wider and new partners.
- Review different governance models to ensure partnerships are effective and are inclusive of the business sector, the third sector and community agencies to maximise social value and economic growth
- Stretch ambition and trust by combining resources to improve business access to services and to develop collective capacity
- Councils help each other with the hard choices regarding the Duty to Co-operate while agreeing and incorporating priorities across the area
- Branding will be essential as will the need to recognise when to market as 'East Sussex' and when to market as 'specific areas' of the county (understand and play to collective and individual strengths as necessary) in a way which maximises the economic growth, opportunity and benefits for business and residents
- Work together to establish a more positive, proactive approach to the delivery of the planning system, especially development management, in East Sussex.

R4: **Business focus**

- Focus procurement activities where they will have the most chance of success in supporting local businesses while delivering value for money
- Review, along with partners, procurement activities across the councils with a view to developing new procedures to promote and enhance opportunities for local businesses
- Continue to recognise tourism and culture across the county as important elements for growth and consider building resources to further support these parts of the economy
- Ensure that employers and business are able to influence and shape the skills and training priorities for the East Sussex economy with education and skills providers
- Review the performance of Locate East Sussex and inward investment activities, with a view to evaluating whether increased resources would deliver added value.

R5: **Key message**

- East Sussex is poised to accelerate growth but this needs collective vision driven by a strategic view
- Continue to build on partnerships across the county and understand when to work collectively and when to work independently. The consensus already achieved and the proven track record is the way for councils to deliver economic growth for their communities. This approach may require individual councils to trade some control on certain issues in exchange for enhanced rates of growth and prosperity across the county as a whole. Partnerships between councils are not constrained by Team East Sussex and may include additional regional, national and international working.
- Working together and stretching the boundaries for closer working will build trust and lead to mature working relationships between councils and partners.

4. Detailed findings

4.1 Ambition and corporate and political leadership

East Sussex is a relatively small county which has the advantage of being capable of mobilising quickly behind growth initiatives.

There is a strong sense of ambition with all East Sussex councils making economic growth a corporate priority. This is supported by committed political and managerial leadership. This is despite political complexities, for example the mix of political administrations across the area, and the churn associated with elections and the intake of newly elected Members. Ambition and leadership are supported by a good understanding, across the partners, of the issues hindering growth and often leads to consensus on what needs to be done to address these, for example actions on infrastructure, housing linked to growth, school leaver skills and the creation of apprenticeships.

This ambition is supported by a willingness to take brave decisions many of them project based, for example securing priority funding for the Bexhill to Hastings Link Road, funding for high speed broadband and commitment to planned housing delivery targets. Further strategic land releases may be considered in future Local Plans, through Examination in Public, may require a more co-ordinated infrastructure supported approach for schemes.

This ambition and commitment is underpinned by good working relationships at both Member and officer levels and between authorities. This is an extremely important basis for collective working that enables the East Sussex councils to set out agreed priorities with a single and a louder voice.

Supplementing county-wide working arrangements are the several initiatives where districts and boroughs are working together on local priorities/issues, for example the Hastings and Rother Taskforce, rural business support to farming and forestry businesses and community and tourism enterprise delivered through the Wealden and Rother Rural (WARR) partnership. This acknowledges when natural alliances are best positioned to progress issues locally, and includes options outside the county area, for example Lewes and Brighton and Hove and the Local Enterprise Partnership Coastal Communities Group. It will be important to continue to press for support for the rural economy and SMEs through the 2015 Department for Environment, Food and Rural Affairs (DEFRA) announced programmes of support.

With the priority given to economic growth, the East Sussex councils have ensured that Economic Development services are being safeguarded. However, these are still relatively small given the need for, and the potential of, East Sussex to create growth. It would be worth considering whether these resources are sufficient to deliver and whether there might be means to aggregate this resource to greater effect.

Team East Sussex (TES) is an important vehicle that has been established to take forward East Sussex's economic growth and to support the South East Local Enterprise Partnership (SELEP). TES is well regarded in articulating the East Sussex 'offer' and 'ask' within the SELEP. Its membership includes a strong business voice, and representation from the Chambers of Commerce and the Federation of Small Businesses, the Leaders of

each of the District/Borough councils, ESCC and representation from the HE and FE sectors.

Working alongside this is the Leaders and Chief Executives' Group and the Chief Executive's Group of East Sussex councils, the latter of which includes senior representation from the Fire and Rescue Service and the Police. Both forums are reinforcing strong working relationships.

SELEP is the largest LEP outside London in England, and includes the counties of Essex, Kent and East Sussex as well as three unitary councils. It has recently moved to a federated structure, based on the three county areas, to allow a more local focus. This should offer significant advantages for East Sussex to agree its priorities at a more local level and to then set these out to the wider SELEP where this adds value.

Historically East Sussex has been successful in accessing SELEP funding. This success has been due in particular because East Sussex has had schemes ready ('shovel ready') for implementation. To date it has secured £19.5m of Regional Growth Fund and Growing Places Fund, used for:

- £7m to the Priory Quarter Phase 3 in Hastings
- £1.5m for North Queensway Business Park in Hastings
- £6m for Bexhill Business Mall
- a further £3.6m will be secured for the Sovereign Harbour Innovation Centre at Eastbourne, subject to confirmation by the SELEP board.
- £1.9m of Rural Development Fund under the Leader Programme for rural business.

SELEP has £165m of European structural funds for the entire LEP area. This will be matched by UK Trade and Investment, the Skills Fund Agency, private leverage and council contributions. This funding will be available for business support, innovation and business, and work on skills and the reduction of worklessness. East Sussex will need to maintain its readiness to promote strategic delivery projects in the new funding allocations, with schemes for implementation, and at the same time clearly set out the East Sussex 'ask' from the new federated SELEP working arrangements.

The East Sussex councils and partners on economic growth are poised at a moment of significant opportunity. The Strategic Economic Plan (SEP) will bid for a local Growth Deal and a share of the £2bn national Single Local Growth Fund. SELEP's bid for the period 2015-2016 proposes £148.22m Local Growth Fund for East Sussex being match funded by £451.31m with the aim of enabling 27,547 jobs and 32,913 homes. The bid will be submitted by the end of March 2014.

The peer challenge team believe that TES should take an increasingly important role to maximise the above opportunity so that it becomes the partnership to co-ordinate the delivery vehicles that drive economic growth. All councils will need to get behind TES even if it means being bold and accepting some short-term aspirational sacrifices in the interests of long-term economic growth and inclusion.

It will also be important to ensure strong links between the TES and structures that perform a valuable role at the level of the functioning economies that exist within the

county, such as the Hastings Bexhill Task Force and Sea Change. Such structures can be effective mechanisms for mobilising and co-ordinating resources at a local level and in delivering initiatives.

One of the first jobs for TES, following the SEP submission, should be to work with partners on an economic growth strategy. Following the SEP submission and determination, it will be important for the East Sussex councils and partners to develop an economic growth strategy that clearly sets out the East Sussex growth priorities, detail on resources and leveraging, partner roles and their contributions. Implementation timelines and the allocation of project lead roles will be important to avoid any loss of momentum in taking this forward.

4.2 Partnership working

There are a large number of partnerships in existence and they take up a significant resource to operate. It would be beneficial to review the partnerships to ensure they remain fit for purpose specifically, how they link to TES. Partnerships based on functional economic areas or with sound branding in their sectors will continue to be of value.

The East Sussex Councils have made huge strides in engaging with the community and voluntary organisations mainly through the organisations that represent the voluntary sector and larger voluntary organisations. This work will be important to support community led regeneration initiatives, neighbourhood planning and to enable the community and voluntary sector to contribute to sustainable communities. It would be useful to further develop a wider understanding of the link between social value and economic delivery.

In the midst of a public service austerity programme it makes sense to continue to look for opportunities to drive up performance and efficiency through sharing resources, skills and best practice across councils and with other partners. This is not just to achieve financial efficiencies but to generate capacity and enable improved access to business advice services.

4.3 Promotion of economic growth and supporting businesses

East Sussex was described by partners as being “ahead of the pack” and “punching above its weight” while operating as the smallest partner in the largest LEP in the country outside of London. East Sussex has done well to have schemes ready for implementation and has been successful in making applications to SELEP under the Regional Growth Fund and the Growing Places Fund (GPF).

There is in place an excellent delivery vehicle in place in Sea Change Sussex, an economic development company, which was initially started in Hastings but is being developed as a successful East Sussex-wide model. Sea Change Sussex has led on a number of new projects, including: the Hastings Priory Quarter; Hastings North Queensway Business Park; the Bexhill Innovation Mall and the Sovereign Harbour Business Innovation Mall at Eastbourne and has made effective use of the GPF funding secured to date.

Support and development of rural businesses has been achieved through the WARR partnership which successfully delivered some £2m of business and community support. The partnership is poised to consolidate this success through a further bid to the DEFRA LEADER Programme, from which monies are available for 2015, for the implementation of a second phase of rural business support.

There are a number of examples of good joint working across councils, for example SPACES (Strategic Property Asset Collaboration in East Sussex) reviews and seeks opportunities to reduce the size and cost of public sector property estate throughout East Sussex. A ten year plan and vision for collaborative asset management in East Sussex has been approved, which identifies a range of short-term opportunities and long-term aspirational targets to:

- achieve Capital Receipts in excess of £30m through property disposal
- reduce property revenue costs by £10m per annum
- reduce CO2 production by 10,000 tonnes per annum by 2020.

Another example is the Newhaven project to expand the harbour and port facilities to enable it to secure the support base contract for the multi-million pound Rampion Offshore Wind Farm. This has seen all agencies coming together to ensure that a major planning application submitted in April/May can be determined by August with timing critical to meet E.ON's requirements. Joint working has shown that when required authorities can accelerate and co-ordinate their processes to meet commercial deadlines. These joint working principles should be taken forward to assist in delivering other economic growth projects. The examples of joint working point towards a growing maturity of councils' willingness to work together to gain capacity and achieve shared priorities and bodes well for future working arrangements.

Locate East Sussex has an important inward investment role and is being funded by the East Sussex councils, at £660,000 in a three year contract. Its purpose is to provide assistance with location decisions and access to funding to accelerate growth, as well as providing valuable connections to local planning and economic development teams. Locate East Sussex could be important to the creation of an environment that is more conducive to the growth of new and existing businesses, as well as promoting inward business migration. The various parts of the county offer distinctly different opportunities for business investment, and inward investment promotion should appropriately reflect this.

However, Locate East Sussex has a limited marketing budget of £50,000 and the question that councils will need to consider is whether this will be sufficient to deliver the inward investment growth sought. The peer challenge team believes that, for Locate East Sussex to deliver, the East Sussex Councils must be ambitious for its success and consider if the balance of resources and ambition is set at the correct level (including the longer-term resourcing for inward investment). The business case for increased resourcing would need to be built around clear strategic outcomes.

Tourism and culture are important sectors of the local economy and need to be recognised as essential components for future growth. For example, tourism activity in East Sussex is at 12.9 per cent, higher than the national average of 10.9 per cent and is estimated to

generate £880m of income for the area. However, resources to support tourism are not significant across all councils and its importance not appropriately reflected in the current SEP. In addition there are more localised cultural strategies that drive employment at a borough and district level. There are circa 1,300 people employed in cultural activities which accounts for 5.9 per cent of the 22,500 jobs in tourism and related industries in East Sussex. In Lewes district approximately 500 people are employed in cultural activities which account for 14.9 per cent of the 3,400 jobs in tourism and related employment.

Cultural regeneration is recognised as a strong driver for economic growth in Hastings and Rother, and is a strategic priority in the Hastings and Rother Task Force's Six Point Plan. There is already considerable joint work, for example, 1066 Country, and councils should consider if current models remain appropriate. It would be worth the East Sussex councils considering the resources that each currently makes towards tourism and whether there is an opportunity to combine resources to gain more capacity. Related to this is to recognise the role of rural businesses in contributing to the tourist attraction of East Sussex's landscape and the need to ensure provision of facilities and accommodation needs in integrating tourism support.

The team were told that the general perception was that the sector was either 'looked down on' (in terms of the accommodation offer and the nature of jobs created) or taken for granted – it's always been here and always will be. Although, at a strategic level, there is recognition that tourism is a big part of the economy it will need further nurturing to get to a wider understanding of how this plays an important and sophisticated part of the overall economy.

Important for tourism is the role and potential of the cultural environment reflected in various plans across the county. Helping to guide this are a number of strategic plans at a county and more local level. The East Sussex Cultural Strategy is built around a number of venues and organisations highly regarded nationally and internationally. These include the De La Warr Pavilion, Glyndebourne and the Towner Contemporary Art gallery. Other cultural and destination management strategies focus on the distinct visitor destinations that exist across the county.

At district and borough level the local offer is promoted separately. Whilst there are a few good examples of wider initiatives, for example the culture trail and the 1066 Country marketing brand, there seems to be general agreement that there is no identifiable strategic approach to marketing East Sussex. Although there was widespread agreement that the East Sussex tourism and cultural 'offer' is not well developed as a geographical entity the team did not detect any emerging strategic product offer linking the 'horizontal' geographies of the Weald, South Downs and coastal into a single, coherent product that could be marketed and would offer more than the sum of the parts presently available.

There are, however, important variations in the opportunities for using culture as a driver for economic growth across the county. For example Bexhill, Eastbourne and Hastings in particular need to develop cultural and tourism agendas reflecting the elements of urban, cultural, heritage, maritime, music, art and food festivals. These variations are distinct and often based on a strong sense of local heritage and innovation.

National Parks have a statutory purpose of 'promoting, understanding and enjoyment' which closely relates to tourism and recreation. It would be productive for the East Sussex

councils to discuss with the South Downs National Park Authority the opportunities for closer working on tourism, to generate additional capacity and together to further develop this mutually important sector.

There are a number of examples of joint ventures across public and private sectors, for example the £70m Arndale shopping centre expansion in Eastbourne; the GPF funding for the Innovation Mall at Sovereign Harbour, Eastbourne; the Jerwood Gallery, Hastings; the mixed use development at North Street, Lewes; Eastbourne's partnership with CloudConnX offering superfast broadband and the Elva Business Centre, Bexhill-on-Sea. These all show how councils and partners have worked to create viable funding packages to enable development. Joint ventures, and other innovative models of funding packages to deliver development, are essential at a time of financial constraint and they strengthen the partnership working approach where each has an important contribution to make.

The strategic relationship between East Sussex and Brighton and Hove and other neighbours was not clear to the team. Lewes by geographical proximity has an important axis with Brighton and Hove and this is reinforced by the working arrangements across the two through the Coast to Capital LEP, the Greater Brighton City Deal arrangements and the Coastal West Sussex and Greater Brighton Strategic Planning Board. Brighton and Hove is an important hub for the East Sussex and South East regional economy, which will be strengthened by the recent City Deal announcement, expected to deliver:

- 1,300 jobs in the short-term, rising to 8,500 jobs and £361m in annual GVA over the medium-term
- £173m of investment in the medium-term, creating a network of Growth Centres across the City Region
- The unlocking of sites to deliver up to 2,000 new homes over the medium-term,
- A £1.8m integrated business support programme across the Greater Brighton and wider Coast to Capital Local Enterprise Partnership area.

This should be incorporated into the wider East Sussex strategic planning arrangements for economic growth. This also applies to other strategic areas of interest that extend beyond the boundaries of East Sussex, for example Gatwick Airport just one hour journey time is of considerable strategic importance and strategically important road networks, for example the A21 road connecting East Sussex and Kent. The links to Ashford are important for economic growth in the eastern part of the county, particularly for Bexhill, Hastings and Rye.

Businesses perceive some local authorities as difficult to access, and that responses/support can be too variable. The team was not able to collect sufficient information to assess this by district and borough but there was variable performance and surprisingly few examples of a common approach to working with business. Advice and support, such as planning advice or tendering information, are offered by a range of different agencies to different standards and quality levels. In particular developers indicated a strong desire for meaningful, co-ordinated pre-application advice. One commented that "I currently just pay lip service and tick the box but I would be prepared to pay extra for a proper pre-application service". There is obvious scope here for the much stronger sharing of best practice, and adopting minimum common approaches and service standards, so that businesses know what to expect and can be re-assured that all councils are striving to offer a consistently high level of support across the county.

The team saw no collective understanding of the existing or potential business/niche clusters in East Sussex. Although there are no large clusters there are certainly micro and niche clusters that need to be better understood and which have significance within functioning economic areas. For example, there are small and growing clusters of vacuum technology based and advanced engineering industries in the county providing valuable jobs and career opportunities. There is an annual survey that gathers valuable intelligence on business needs but there does not appear to be a structured approach to understanding the business sectors and niches and, from this, tailoring a means to work with these.

SELEP has identified important contributors to the employment growth of the area, being: finance and business services, retail, professional services, health and social work, construction, other business services, and distribution, hotels and catering (tourism). In addition there are also other sub-sectors, of which the most important are: cultural and creative industries; agriculture (including wine production); offshore renewables/renewables and education, for example foreign language schools. It will be essential to have a stronger understanding of these sectors and niches to sustain the current and future economy, along with an understanding of their support and growth requirements.

There is an absence of a strategic economic framework to support coherent partnership working. Rather than an organised architecture for economic growth there appears, instead, to be lots of good projects and initiatives but uncertainty as to whether these always align with overarching priorities. It is likely that this lack of coherence is due to the current absence of an agreed set of priorities to deliver economic growth. Team East Sussex could work to provide the necessary coherence.

For example, the team found insufficient growth market focus. So historically there has been a focus on projects to address deprivation (or parts of it) through public funded regeneration programmes. However, this funding is likely to be less readily available and the area will therefore need to set out its 'offer' and 'ask' more clearly. A clear narrative that sets out East Sussex's 'unique selling point' will be important to 'brand' the area and, in so doing, differentiate it from other areas when competing for funding.

There is a lack of a consistent 'narrative' about East Sussex. This needs to be developed and balanced so that it avoids the 'chocolate box' presentation and includes both urban perspectives and the traditional attraction of the countryside. The lack of a narrative could undermine the selling proposition to businesses and inward investment because it is not as clear as it needs to be. Once a narrative is developed, in tandem with an agreed set of economic growth priorities, then the richness of the story will become evident and the area's unique 'offer' and 'ask' clearly set out. This will be essential to inform the 'branding' of the area at county, district or other level according to the market or issue being addressed.

The team were unable to identify an agreed single set of priorities to deliver economic growth across East Sussex. There is an East Sussex strategy from 2012 which is acknowledged to be out of date. It is recognised that this is a major piece of work to be undertaken once the SEP has been submitted and the outcome known. The team regard this as a critically important piece of work that must set out clearly economic growth and

inclusion priorities and be grounded on a pragmatic understanding of what can be implemented and resourced.

Outcomes are notoriously difficult to define and capture and particularly for economic growth where this can be predominantly initiative/project based. However, this will be important in the future to evaluate the benefits of growth investment and to project the future economic profile and changes.

Good work is being conducted with East Sussex Local Forecasting Model and economic impact model. The ESCC 'programme for growth' undertook an economic impact assessment to quantify economic benefits. This estimated that the programme would generate £1.65bn GVA over twenty-five years and that for every £1 of capital investment there was a return of £3.40 GVA generated.

Economic opportunity and inclusion is critical to long-term economic sustainability in East Sussex, and a key challenge will be to ensure that the opportunities and benefits of economic growth are accessible to East Sussex residents. Capturing the benefits of growth is as important to quantify its positive impact and to demonstrate value gained from investment. Growth that does not stimulate local employment and prosperity is of limited value.

It will be important to build on this in the development of the economic growth strategy so that this can be founded on key milestones and measurable outcomes. It will be vital to measure achievement and to demonstrate the beneficial outcomes linked to significant inward investment. TES should have an important role to regularly monitor strategy delivery and outcome achievement.

4.4 Planning

Planning has a crucial role in delivering economic growth. For East Sussex there is an important balance to be struck in promoting economic growth for sustainable communities, while conserving and enhancing the natural landscape that makes the county unique.

It was apparent to the team that growth has sometimes been seen as a political and a professional 'problem' – particularly on whether growth might spoil the area and where growth should take place and be prioritised. It will be necessary for East Sussex councils to move to shared ownership of a joined-up approach to housing and economic growth. Housing is an essential component of economic growth; economic growth is a priority for all East Sussex councils. Progressing this will need strategic management so that sustainable community growth is achieved, with integrated infrastructure, without losing the intrinsic richness of the East Sussex environment.

This makes the development of Local Plans of great importance in setting out a spatial vision for each council area and for East Sussex as a whole. The Local Plans provide the templates for spatial economic growth and should not be seen as separate from the overall delivery of economic growth. Good progress has and is continuing to be made in developing the Local Plan framework, with adoption already achieved by Eastbourne, Hastings and Wealden with Rother close to adoption and Lewes progressing well (Lewes will be a joint Local Plan with the South Downs National Park Authority). The Local Plan process is a key component for attracting inward investment and supporting growth. The

national focus on housing must be balanced with appropriate employment and infrastructure provision to enable sustainable economic growth. Once Local Plans are adopted, the Development Planning process needs to be supported, including through the appeal process and where historically allocated employment land has been under threat from residential applications.

This importance of a Plan led process is supported by evidence of working together and an increasing realisation of the importance of co-operation, for example:

- The recent establishment of a Strategic Planning Members' Group is major step forward and should provide a sound basis for future policy development
- There is an emerging joined-up approach to infrastructure planning and effective Infrastructure Delivery Plan (IDP) development and a growing awareness of the importance of the Community Infrastructure Levy (CIL).

There is specific evidence of where the planning system has responded rapidly to help secure delivery of a major project. For example, Lewes District Council has worked in partnership with Newhaven Port and Properties and ESCC and the Town Council, to put in place an ambitious Planning Performance Agreement for the Port which will secure an infrastructure investment of £35m that will help to safeguard the port's future.

Although by its nature the plan-making process is slow, the submission of the SEP should be a catalyst for developing a more joined-up approach to housing and economic planning. The section of the SEP dealing with East Sussex will assist in developing a shared strategic view of future economic and housing development, and set out the investment priorities. While it will necessarily take time for the next round of Local Plans to come forward, the East Sussex authorities could use the submission of the SEP as a basis for further developing their joint approach to the delivery of housing and economic development. In the short-term this could involve a changing emphasis in the interpretation of adopted policy and development management and in the longer-term by developing a clearer understanding of where there are direct links between housing provision and job growth. The submission of the SEP may also require the phasing of investment, as set out in Infrastructure Delivery Plans, to be revisited. There may be particular opportunities within functional travel to work areas and housing models for boroughs and districts to co-operate more actively.

The Duty to Cooperate (Localism Act 2011) will become increasingly important and will need both resourcing and strong political partnership working arrangements. The Strategic Planning Members' Group could have an important role on this (this has been an item for discussion already), with it being evident that the Duty is becoming increasingly important for Local Plans' test of soundness. It is clear that a number of East Sussex councils have major constraints on housing growth; with a combination of National Park and AONB being limiting factors. Nevertheless, Wealden, for example, has been able to deliver significant volumes of planned housing within these constraints but such levels of growth cannot be sustained without significant and prioritised infrastructure investment. The Duty can build on the good working relationships across East Sussex to explore how housing numbers might be met by councils working together and what the quid pro quo might be for councils who accept additional housing.

There is an important role for the Strategic Planning Members' Group to develop this further and thought may need to be given to strengthening the political support this needs. For example, this could be by the involvement of Leaders and agreement on how the governance of decision-making in each district can support the Group and enable key decisions to be made.

Local Plans are often driven by the response to housing need but housing provision needs to be linked more clearly to economic growth objectives so that the two work in balance. Authorities should use their collective understanding of the area's economic growth potential, in terms of scale, type and location, as a key driver for future housing provision across East Sussex. Accepting the major environmental constraints in some parts of the area, this could nonetheless lead to a change in the pattern of housing provision if greater strategic emphasis is placed on growth in the local economy.

Creative approaches will be needed to protect valuable employment allocations, for example by site purchase and joint development. This will be important to resist developer pressure to convert these sites into housing development.

Although some councils have established quality standards for planning services, development management performance in respect of performance, standards and customer experience is variable, across county. The opportunity should be taken to review services across the county with a view to production of agreed best practice guidelines. This needs to be addressed so that applicants can not only see that councils are 'open for business' but also that they can have confidence that the planning service received will be broadly consistent across the county. The opportunity is to create a reputation for a consistent county-wide planning services working to quality standards, for example: pre-application advice; earlier Member involvement in controversial applications; early clarity on s106; monitoring performance on business applications, which would contribute to raising planning performance. It may be useful for planning services to devise a set of 'open for business' metrics that could include quantitative measures, for example determination times of applications along with more qualitative measures, for example on the number of jobs created, local labour agreements attached to major developments.

The commercial world is often frustrated by the lack of speed and drive in delivering a planning permission. Moving from enabling to pro-actively enabling, especially on larger schemes, should be the aim with all statutory agencies. Effective, integrated pre-application advice and the speedy delivery of S106 and legal agreements should be the aim across all councils to achieve delivering a planning permission capable of speedy implementation.

It may be worth building on current planning officer networking arrangements to establish a body to mirror the Strategic Planning Members' Group that could provide a professional spatial voice to support the delivery of sustainable, economic-led growth. There are examples of this elsewhere, for example PUSH (Promoting Urban South Hampshire) <http://www.push.gov.uk/> (although this is based on a shared local economy and infrastructure). In some areas that formerly had Growth Point status, such as Exeter/East Devon and Teignbridge, joint delivery arrangements have been retained to bring forward strategic developments, including main employment sites and the delivery of key infrastructure investment.

4.5 Housing

There is an East Sussex Housing Group Officers, which includes representation from registered social landlords (RSLs) and from County Council services, such as Children's and Adults' services. This is good practice that enables a strategic housing view to be taken to coordinate housing related services and support.

House building is starting to pick up. The annual average is circa 1,400 dwellings a year, with more than 30 per cent of completions being for affordable housing.

There were examples of enhanced service delivery achieved through innovative work conducted by councils to address housing priorities. In particular, work following early adoption of Core Strategies (Local Plans) has enabled significant housing and economic growth to be delivered. Other examples of specific projects include:

- joint funding (Hastings – the borough council and the Homes and Communities Agency (HCA) working together)
- affordable housing at Compass Point, Bexhill (council and HCA funding)
- 64 new build council dwellings in Wealden nearing completion for handover, with a further phase planned, and 163 affordable homes delivered in the district in 2012/13
- a key site development at North Street, Lewes (including housing, community infrastructure, a health centre and extra care housing)
- a joint venture at Eastbourne with the Arm's Length Management Organisation, for the council's housing stock, working with the council to buy sites to build a mix of: market housing for outright sale; rented housing and affordable housing. Funding comes from the Housing Revenue Account (HRA) financial 'headroom' and council taking advantage of borrowing at lower interest rates.

A notable feature of these schemes is how they have been developed to leverage external funding. This practice could be productively extended where councils might consider mechanisms to convert land or capital to work in partnership to leverage funding for housing development. This could be arranged as investment to realise an income stream while, at the same time, addressing council priorities and adding social value. Collective working, across local authority boundaries, offers real opportunities especially as the 'scaling up' of joint venture proposals could make these viable for external investors, which it might not be for individual authorities.

There are innovative housing models elsewhere that the East Sussex councils might learn from. For example, Manchester City Council is building homes for sale and for market rent with HCA funding and in partnership with the Greater Manchester Pension Fund. Hackney London Borough Council is building new council homes for social renting through a programme funded by HRA 'headroom', cross-subsidy, rental income and shared ownership sales. The LGA and PAS would be happy to direct East Sussex to these and other examples.

Good work is being conducted to address housing market failure, in particular the imbalance of private rented sector housing and the quality of this stock, for example in Hastings - Seven Streets, St Leonards. This work is important as the comparatively cheaper accommodation in coastal towns encourages inward migration and can "funnel"

need into these areas. It is estimated that 58 per cent of the East Sussex population live in coastal urban areas.

The private sector rented sector housing imbalance is a feature of many coastal towns in the area particularly in Hastings, and there is an opportunity to work on this collectively and share good practice. This could include licensing of Houses in Multiple Occupation (HMOs); inspection programmes across regulatory services, including Fire and Rescue Services; and active liaison through landlord forums. The latter are important to improve housing standards, and to enable homelessness discharge into the private sector.

A SELEP report, commissioned by the Coastal Communities Group, viewed housing market failure as an opportunity as, “housing is relatively cheap (hence viability issues) and development land is relatively available. Development of professionally managed market rented housing alongside homes for sale and affordable homes would boost the overall output of homes and meet a real need.”

However, a coherent, shared vision and understanding of housing as an economic generator across East Sussex has not yet been articulated. Across England it is not uncommon to see housing, and housing numbers, driving Local Plans. The challenge for councils and strategic planners is to get the balance between housing provision and economic growth including, with integrated infrastructure, so that the contribution of each works to deliver the sustainable communities of the future. This will be important and should be tied into the work to develop an East Sussex economic growth strategy. The councils should commit to housing growth that delivers the mixed tenure and housing type required to complement and enhance business and employment growth.

In the week following the peer challenge the Chancellor of the Exchequer announced a budget which places a heavy emphasis on housing, including:

- Help to Buy– the equity loan scheme will be extended to March 2020 with an extra £6bn to help a further 120,000 households purchase a home
- Builders' Finance Fund – Government will provide a £500m recoverable Builders Finance Fund to provide loans to SME developers for sites of 15 to 250 units. Funding is available in 2015/16 and 2016/17 and will unlock 15,000 housing units stalled due to difficulty in accessing finance. The prospectus is due later this year.
- Estate Regeneration - Government will establish a £150m loan fund to kick-start the regeneration of some of the worst housing estates, with expressions of interest invited from private sector developers. Funding is available from 2015.
- Custom Build - Government will consult on a new 'Right to Build' to give custom builders a right to buy a plot from councils. Government will be seeking a small number of councils to act as vanguards to test the model. A new £150m Serviced Plots loan fund (2014/15 to 2018/19) will help provide up to 10,000 serviced plots for custom build. Councils will need to work with contractors or builders to access the fund and will also look to make the Help to Buy equity loan scheme available for custom build.

These present some opportunities for East Sussex that could be developed.

The burgeoning ageing population for East Sussex has significant implications for future housing and social care provision for older people. ESCC has a comprehensive 'Pathways to support and independence: a strategy for supported housing and housing support in East Sussex 2013 – 2018' with a detailed action plan to support delivery.

However, East Sussex councils have an opportunity to recognise and shape a market for housing needs for older people that would: deliver social benefit; address strategic housing priorities; and provide councils with a return on investment. The provision of housing for older people is a rapidly increasing private sector market. There is no reason why councils should not move into this to offer residents quality housing while maintaining independent living, through assisted care technology and warden support arrangements. This could be founded on a partnership between councils and developers but could also involve Housing Associations, Clinical Commissioning Groups and the East Sussex Health and Wellbeing Board.

Finally, councils seeking to derive community benefit from approved development depend upon professional and specialist expertise to understand developer operating margins and viability. There would be benefit in councils contributing towards a shared Valuer, with commercial expertise to advise on development viability, S106 planning gain and CIL. This will be essential to evaluate proposed development and derive community benefit. Additionally this expertise would assist councils in working on joint venture partnerships with commercial partners.

4.6 Infrastructure

The transport infrastructure for East Sussex is generally regarded as inadequate. There are no motorways and only short stretches of dual carriageway. Although geographically only a short distance to London this is made more difficult by slow train and road times. This is exacerbated by the increasing trend of out-commuting where nearly one in four of residents in employment travel outside the county to work. Consequently East Sussex has held aspirations for county-wide transport infrastructure improvements. However, in a climate of severely constrained public sector spending, these aspirations will need to be reined in and decisions made on which are the most important of these for shorter-term delivery and those to be deferred to a later date.

This will be an uncomfortable message for some parts of East Sussex where there are compelling cases for infrastructure improvement. However, it is a message that needs to be heeded and it will require some difficult decisions to be taken. Not to do so will dilute the infrastructure 'ask' for East Sussex and what can be realistically delivered.

It will be necessary to avoid concentrating on the inadequacies of infrastructure and 'talking the county down'. There needs to be a recognition and promotion of existing infrastructure strengths such as the proximity to Gatwick, links to mainland Europe, high speed broadband developments and good logistics services which already operate.

The East Sussex councils are working on a joint Infrastructure Development Plan (IDP) in support of their Local Plans. A template for strategic infrastructure delivery, developed jointly by a number of the East Sussex councils, is now being adopted throughout the county. This joint approach will provide consistency and link funding streams through to delivery. Such consistency is a positive step, but it may be that a greater emphasis on

economic growth and inclusion could lead to some changes in phasing and the prioritisation of investment. As part of this process, ESCC will need to ensure that economic growth objectives are directly reflected in the priorities for transport investment identified in the Local Transport Plan.

East Sussex partners recognise the importance of having 'shovel ready' schemes in the event of SELEP programme slippage. This has been a strength in the past where funding has come to the area because such schemes have been ready for implementation. It is understood that this will be important to maximise investment in the future, especially in the event of SELEP programme slippage.

The high speed broadband programme (connecting 97 per cent of the county) will be important for business connectivity. [The cost of £34m is met by contributions from ESCC (£15m), Broadband Delivery UK (£10.4m) and BT (£9m).] The programme of implementation is ahead of schedule; in particular, fibre relay boxes are becoming operational in some rural areas. Work is still needed to stimulate take-up of high speed broadband by business and the wider community to enable the remaining 3 per cent to be covered by associated broadband communications options. At the same time there is a need to consider contingency arrangements to address any gaps as there is a commitment for 100% premises coverage by 2018.

Mobile phone coverage was reported to the team as patchy across significant rural and urban areas and will need addressing with the mobile phone providers. Lack of adequate coverage could deter some potential business start-ups.

There are good examples of supported development and new infrastructure. The Bexhill to Hastings link road has cost circa £113m and not only improves the transport links to Hastings and north to the A21 but is creating new opportunities for a new High School and Vocational Skills Centre, a substantial new community to the north of Bexhill-on-Sea with 1,200 new homes and 50,000m² of commercial space. Similarly the Newhaven Port demonstrates strong partnership and political working to deliver a Clean Tech Growth Hub to capitalise on opportunities associated with E.ON's operations and maintenance base for the Rampion wind farm; Veolia's Energy Recovery Facility; and the new University Technology College for the marine and environmental engineering sector. However, there is a question on the possible future cessation of Newhaven to Dieppe crossing which would present a potential economic loss and risk.

There is a clear consensus around the importance of a limited number of deliverable strategic transport investments that would best support future economic growth. If funding for these key schemes is not secured, or is delayed, authorities will need to consider the extent to which an alternative package of smaller scale transport investment schemes could help to unlock the area's economic potential in the short- to medium-term.

Councils will need to carefully review how they integrate economic growth into their transport, housing and planning functions. This could be achieved by having proper regard to the SEP strategy (and subsequent East Sussex economic growth strategy) in the planning process; the prioritisation of transport investment and the next iteration of the LTP; and in district/borough housing investment plans. It would be sensible for councils sharing housing and economic interests to co-ordinate more closely their planning policy functions. Alternatively, this could be achieved via a shared strategic spatial development

framework for the area – setting out what needs to be delivered, through which mechanisms and by whom.

As an example, the Greater Norwich Development Partnership (GNDP) has produced a Joint Core Strategy which brings together transport, housing and the economy www.gndp.org.uk

4.7 Educating and training for skills

ESCC is drafting a corporate skills and training strategy which recognises many of the problems and issues that the area is working to address. This strategy prioritises engagement, retention, progression, connectivity and includes employer involvement in shaping the training offer and tackling disengagement. It is an important development and will need the involvement of schools, colleges and the range of other partner providers to deliver its objectives. Therefore it will be important to share the draft strategy and consult with partners on this. The strategy should recognise the different opportunities and challenges in the county and identify appropriate initiatives in response to these. It will be important that there is a strong commitment to delivery, responsive to local need and works hand in hand with local partners.

This strategy and action plan will need to agree the working relationship with the current East Sussex Adult Learning and Skills Partnership Board, which includes representatives from further and higher education, the voluntary sector, Job Centre Plus etc.) and also from the Economic Development and Skills Team that reports to the SELEP Advisory Group. There is keen local interest at borough and district level and potential benefits to be achieved in harnessing this. It is also worth examining the potential to build on successful employability and workforce skills development initiatives that have operated in some borough and districts.

Some councils are set to increase their intake of apprentices matched by an increase also in the private sector. For example, ESCC currently has 20 apprenticeships and is aiming to increase this to 150 in coming years. The intention is that for large contracts let by the council, there will be a requirement that contractors take on a number of apprentices. This is encouraging and should be coordinated to be extended further. It would appear that local councils could have an important brokering role on this and more widely in matching the unemployed with training and job opportunities. This will build on some of the activities already taking place at a local level, including the Local Enterprise Apprenticeship Platform in Lewes District and Own Grown in Hastings and Rother. This should be extended to Sea Change Sussex and future delivery mechanisms that might be set up.

The evidence that councils, leading on apprenticeships, stimulate the private sector to also increase their take-up, could be enhanced by the recent budget announcement to extend the Apprenticeship Grants for Employers (AGE) scheme. This will provide £85m for 2014-2015 and 2015-2016 for over 100,000 grants to employers and £20m for post-graduate apprenticeships. TES could lead by example in adopting a challenging apprenticeship target, which all organisations and businesses across the county could be encouraged to contribute towards, with this backed by a strong local media campaign. This will, however, need to link with existing activities and should be co-ordinated through the existing Apprenticeships in East Sussex Strategy Group (administered by ESCC).

In Hastings, the University of Brighton will be expanding its intake from 800 to 2,000 students, specialising in a number of high tech. disciplines. This is significant for the number of students who will contribute to that part of the East Sussex economy and also for the training provided that should be aligned to what current and future employers see as the key clusters and sectors of the East Sussex economy. The University of Brighton will be an important economic partner to discuss such issues as housing and integration of students along with the current and future sectoral development in the area's economy. Furthermore the emerging University Technical College in Newhaven will link with emerging high value sectors of the economy.

There are three employment hubs developing. Own Grown is a Hastings initiative and is a good example of a local project extended to operate across the Hastings and Rother area. The programme includes an Own Grown 1066 Pledge Apprenticeship initiative and brokered arrangements between potential apprentices and employers, involving Job Centre Plus, Sussex Coast College, the National Apprenticeship Service and Own Grown brand. The Eastbourne Employability Hub is a pilot with the Borough Council, ESCC and Job Centre Plus to provide a central resource on jobs, skills in demand, assistance in preparing for employment, and training, education and career information and guidance. Included in the target client cohort are 16-18 and 19-24 year NEET groups. The Local Enterprise and Apprenticeship Platform (LEAP) Lewes initiative also seeks to broker arrangement between potential apprentices and employers. This is a good example of successful partnership working, bringing together training providers, voluntary and community groups, employers and young people. LEAP also provides support for aspiring entrepreneurs providing extensive training and mentoring for business pre-starts.

ESCC's Connexions 360 website for young people is a helpful tool for young unemployed people <http://www.connexions360.org.uk/Pages/default.aspx> offering support, advice and signposting. This should have an important role in the action plan to deliver the above skills and training strategy.

As in many places, the range of partners involved in skills and training are many and the coordination of services poor. One quote obtained onsite was, "lots of avenues, no real coordination between the avenues" and "lots of strategy, so little delivery". This will be important to address and the skills and training strategy should make improving partnership coordination a priority – building on the work being done through the Apprenticeships in East Sussex Strategy Group and others.

Again as in many places the curricula of schools and some further education organisations are still too demand and funding-led. There is an essential coordinating role to establish the skills and training needs for the current economy and to project what these might be for the future. Identified skills and training needs must then form the basis for delivery by providers and will require councils and business representatives to engage with the Skills Funding Agency to agree a core set of skills and training priorities.

The ability of business and employers to influence and shape the training curricula of further and higher education providers will be essential for the new skills and training strategy and a good example of this is the University Technical College at Newhaven which is focusing on marine engineering and sustainability. Another example is the Sussex Coastal College which is aligning a number of courses to local job demand, for example vacuum technology.

The nature of the East Sussex economy means that there is a lack of large employers to drive systematic business engagement with the education and skills sector. With the preponderance of small and medium size enterprises (SMEs) it is essential that the views of SMEs can be captured to help to make these necessary links. It is equally essential that support and brokerage projects, for example LEAP and Own Grown, continue to support SMEs in engaging with skills, such as apprenticeships, in the local area.

Levels of self-employment are high in East Sussex, with Wealden and Rother having the highest levels in the SELEP area. The importance of the self-employed to the local economy, and particularly as they may expand to become SMEs, emphasises the importance of training and skills to both nurture entrepreneurial activity and to direct potential self-employers to support, advice and funding. Again LEAP reflects this need and offers potential for expansion across the East Sussex economy.

Some councils appear not to be making the most of procurement and planning agreements to secure local jobs and training. An example of this is Local Labour Agreements where the planning authority reaches an agreement on large development to invest in skills training and support. This could be CV development; psychometric testing and other training to assist the local population gain the skills to apply for jobs resulting from that development. This could form part of an approach that the council facilitates to get young people, and out of work adults, ready for future jobs. The LGA and PAS are able to provide examples of council that have used such agreements. The challenge will be to overcome the dichotomy that those areas of the county where land values (and hence planning gain) are low are often those with the highest levels of unemployment.

Another example is from mapping commercial economic sectors across East Sussex so that supply chain gaps might be revealed. East Sussex councils and partners could then promote these as commercial opportunities that could be supported by Business Centres offering high quality and flexible facilities for business start-up and growth.

4.8 Procurement

The Public Services (Social Value) Act 2012 requires public bodies to consider how goods and services they purchase/commission might improve the economic, social and environmental well-being of the area.

The inclusion of procurement as an essential part of the East Sussex economic growth strategy recognises the importance of public/private/third sector expenditure in supporting the local economy and the important role that councils have in how they exercise their spending power. For example, ESCC will have significant spend for goods and services, which creates the opportunity to influence markets.

There are some excellent procurement initiatives supporting the growth agenda. The Procurement Hub and Procurement Portal provide a good basis for greater public /private/ third sector partnership working. Other arrangements include the Improvement and Efficiency South East (IESE) partnership with Eastbourne Borough and Lewes District Councils and the shared service arrangement between Hastings Borough, Rother District and Wealden District Councils.

The team also encountered a number of specific areas of good practice, such as: the SPACES initiative's asset management and contract alignment; 'Build East Sussex' supply chain management aimed at partnering principal contractors with local construction businesses; and the TRAC apprenticeship initiative. These have helped harness local buying power, created business opportunities for local companies, which might otherwise not have existed, and boosted apprenticeship provision.

However, it will be important to ensure that procurement activities are focused on where they will have the most chance of success, in supporting local businesses, and employment creation, rather than chasing overall targets, which is a characteristic of current working arrangements.

Procurement training and support is limited and disjointed between the public and private sector suppliers and it would be helpful to better coordinate its provision between the different agencies in an East Sussex wide programme to improve accessibility for SMEs and make the best use of the limited resources that are available.

Smarter procurement practice should involve more public/private/ third sector partners. More could be done to harness local spending power by coordinating/amalgamating partner procurement to support local suppliers and get better deals. Many people met by the team expressed a willingness to work together on this and just a 1 per cent increase in local spend would have a major impact on the local economy.

Smarter working would also be achieved by standardising procurement requirements through the Procurement Hub – procurement procedures and rules, tender thresholds, insurance requirements, contract packages and a 'tell us once' approach would make it easier for SMEs to do business. Creating an East Sussex part of the joint procurement portal, to make it more relevant to local purchasers and suppliers, would promote a local ownership of the initiative and a procurement focus. The LGA and PAS would be able to direct East Sussex to councils that have advanced good practice in this field.

FOLLOW-UP SUPPORT

1. To aid the review/updating of Local Plans, the development of the East Sussex economic growth strategy and encourage further development of cooperation between councils on the allocation of housing and employment across the county.

Soon to be published: [PAS Guide to Objectively Assessed Need and housing targets](#)

This guidance note will help councils to understand how to calculate the objectively assessed need and housing targets within their area. It includes up to date advice based on recent Local Plan examinations. This can be used by councils on a self-serve basis. PAS expects also to be able to facilitate a discussion for a group of councils and to provide support in relation to discussions on the Duty to Cooperate.

2. To support the development of an improved pre-application offer across all the councils

The LGA and PAS have worked with a cross-sector group to agree a set of 10 commitments that set out a framework for effective pre-application discussions. http://www.pas.gov.uk/web/guest/publications/-/journal_content/56/10180/5862911/PUBLICATION

PAS area currently completing a suite of supplementary best practice notes that set out advice on how these commitments should be implemented by local planning authorities. Importantly this includes advice on the engagement of councillors in pre-application discussions. These will be launched through a series of workshops in May and June 2014.

The LGA have a suite of case studies that look at how effective partnership with developers and the community at pre-application stage has resulted in delivery of developments to be proud of. http://www.pas.gov.uk/web/guest/publications/-/journal_content/56/10180/5862856/PUBLICATION

3. To help develop a quality performance framework that will monitor how the planning decision making system is working.

PAS has developed a series of tools and templates to help councils to set up a system that will assess the effectiveness of development management services to make the decisions that enable sustainable developments to be delivered in a way that customers value. http://www.pas.gov.uk/web/pas-test-site/events-and-support2/-/journal_content/56/332612/5730199/ARTICLE

4. Not all councils manage their planning services in the same way. Wolverhampton City Council have developed a way of working in their development management service that has been designed to provide more active support for applicants and encourage investment in line with the economic growth plans. http://www.pas.gov.uk/web/pas-test-site/improvement-store/-/journal_content/56/332612/6011793/ARTICLE



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