

ARUN DISTRICT COUNCIL

REPORT TO AND DECISION OF CABINET ON 9 DECEMBER 2019

PART A : REPORT

SUBJECT: Arun Economic Development Strategy 2020-2025
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REPORT AUTHOR: Denise Vine, Group Head of Economy DATE: 13 November 2019 EXTN: 37846 PORTFOLIO AREA: Economy

EXECUTIVE SUMMARY:

This report presents the new Arun Economic Development Strategy 2020-2025, Creating our Future, and the Economic Profile for Arun 2019 (the evidence base).

The Strategy priorities are based on the conclusions and findings of the evidence base. The document identifies a range of opportunities for each priority that will support and progress economic development in Arun.

RECOMMENDATIONS:

It is recommended that Cabinet:

- a) supports the vision, themes, priorities and opportunities identified in the Arun Economic Development Strategy 2020-2025.
- b) supports the preparation of an action plan to progress the delivery of the strategy priorities and opportunities.

1. BACKGROUND:

- 1.1. The last Economic Development Strategy: "Arun: Open for Business" was produced in 2009 and, although many of the characteristics of our local economy, such as key sectors, have not changed, the context in which we now operate is significantly different. A new Arun Economic Development Strategy was therefore commissioned in 2018 to cover the period 2020 to 2025.
- 1.2. The first step was the production of a detailed evidence base, looking at the performance of the local economy, labour market, social and physical infrastructure. As well as providing an in-depth understanding of our local area based on the latest statistical data, this highlighted key characteristics and issues which are contained in the draft Arun Economic Profile 2019 (Appendix 1).

- 1.3. These findings were presented to partners, stakeholders and businesses in two consultation workshops. The issues were discussed and priorities for action identified and agreed. The results of the economic analysis and consultation were then developed into the draft Arun Economic Development Strategy 2020 – 2025 – Creating our future (Appendix 2).
- 1.4. A Member's workshop was held on 26 June 2019 to present the Economic Profile and core themes from the draft Economic Development Strategy to inform new Members of this work and provide an opportunity for them to discuss the findings.
- 1.5. During November 2019 the draft strategy and evidence base was circulated to Members and partners for comment.
- 1.6. The Economic Profile of Arun is based on a comprehensive range of up to date economic, labour market and infrastructure data and highlights key findings to inform the production of the Arun Economic Development Strategy 2020-2025.
- 1.7. The key points arising from the Arun Economic Profile 2019 in relation to the **economy** are:
 - Arun has relatively low business creation rates
 - The new business birth rate is declining, and closure rates are rising
 - On the other hand, Arun tends to have better survival rates for new businesses
 - There are probably too many micros and small enterprises and not enough medium and large ones which could make Arun more vulnerable in a downturn
 - Arun has seen recent good growth in the business stock, probably due to more businesses moving in to take advantage of the reasonably priced employment space available as nearby areas reach capacity
 - The makeup of the business base shows a significantly less knowledge intensive structure with fewer businesses in sectors such as Information & Communications and Financial Services than areas such as Worthing and, further afield, Coast to Capital and the South East.
 - Conversely, Arun has relatively high concentrations of construction, motor trades, visitor economy, health and social care businesses
 - There is however, an opportunity to build on the Advanced Manufacturing and Engineering sector
 - Productivity performance is mixed with low growth in output but reasonably high GVA per worker

1.8. The key points arising from the Arun Economic Profile 2019 in relation to the **population and labour market** are:

- Population forecasts show a relatively high growth rate for Arun
- There will be a forecast 22,000 more people to accommodate by 2031, 19,000 of whom will be over 60 years of age
- There are low rates of workforce qualifications at all levels in Arun but particularly Level 4+
- The occupational profile for Arun residents skewed towards the lower, less skilled occupational groups
- Both resident and workplace wages are low in Arun
- The employment rate is variable indicating that there is a high level of insecure employment
- It all points to a low value, low skills, low wage labour market

1.9. The key points arising from the Arun Economic Profile 2019 in relation to **social cohesion, housing infrastructure and wellbeing** are:

- Unemployment has been falling in Arun as elsewhere, but this can disguise insecure and part time employment
- There is evidence of deprivation and Arun is in the bottom half of the Index of Multiple Deprivation on 5 measures
- Arun is a net exporter of labour and experiences a high net loss 18,421 workers each day, resulting in a very high number of commuting movements and contributing to congestion
- Arun out commuters also tend to work further from home than those of neighbouring areas
- The demand for housing is growing with 12,000 more households to accommodate by 2031
- Housing becoming less affordable and now stands in a ratio of 10:1 for median house price to median earnings
- Household income is relatively low in Arun
- Nevertheless, Arun residents' rate themselves higher on life satisfaction, wellbeing and happiness and lower on anxiety than the comparator areas, testifying to the quality of life

1.10. The strengths, opportunities and challenges emerging from the Economic Profile 2019 have been taken forward to develop the vision, themes and priorities in the Arun Economic Development Strategy 2020-2025: Creating our Future and are summarised below. The vision, themes and priorities are also set-out in Appendix 3.

1.11. Our vision for Arun is to create a dynamic, competitive and sustainable place to live, work and do business. To do this we will capitalise on Arun's advantages and address its challenges to continue to grow, attract and retain more businesses, people and investment.

1.12. Our themes, or building blocks for the economic development strategy, are:

Arun: future places - Shaping our places: for people to live, work and visit

Arun: a business success story - Attracting investment and success: giving businesses the space and support to grow and prosper

Arun: prosperous and happy communities - Putting people centre stage: supporting our people to live healthy, happy, prosperous lives

1.13. Each theme in the strategy begins with a brief contextual overview, followed by the key trends and drivers of change. Based on the evidence base data several priorities have been identified with opportunities for intervention.

1.14. The priorities and opportunities for intervention are listed below:

Arun: future places – **Priorities**

Town centres: our opportunities

- *Review and develop masterplans for Bognor Regis and Littlehampton town centres that will ensure their prosperity and sustainability*
- *Develop ambitious regeneration plans for the Regis Centre and Hothampton council-owned car park sites in Bognor Regis*
- *Progress redevelopment of the council-owned St Martin's car park.*
- *Optimise the opportunities offered by the seafronts, seafront greens and waterfront sites in Bognor Regis and Littlehampton*
- *Build on Arundel's cultural, leisure and town centre amenities to secure its future as a vibrant visitor destination*
- *Support Business Improvement Districts and town centre management*
- *Facilitate a range of public events to increase footfall and visitor numbers*

Employment space: our opportunities

- *Protect existing employment sites and resist conversion to housing*
- *Promote Enterprise Bognor Regis as a strategically important employment site*
- *Support the growth of employment in the Littlehampton EGA by supporting harbour and marina development, leisure, hotels, cafes and restaurants*
- *Continuing to support the Bognor Regis EGA by supporting employment space for the creative cluster, knowledge-based employment, cultural and leisure sector*
- *Adapting to changes in the retail sector and town centres by supporting the repurposing of former retail units for footfall-led activity such as food and drink, office, leisure, cultural, residential and social destinations*
- *Promote Arun as a business investment location*

Housing: our opportunities

- Plan for, and support, strategic housing development that strengthens communities and links people to employment, transport and services
- Support repurposing of buildings to provide new homes in strategic locations, e.g. redundant retail in upper storeys or on the periphery of town centres where this will help to bring new life into town centres or under-used rural buildings that cannot be used for business accommodation.

Transport: our opportunities

- Support transport development that reduces the need to travel to work by car and promote the use of vehicles that use low carbon energy
- Give residents and visitors the choice of walking or cycling through better infrastructure and linking towns, coast and country
- Support strategic and local improvement of the road and rail network that reduce congestion and delay for businesses and workers such as A27 Arundel bypass and A29 realignment

Digital Connectivity: our opportunities

- Complete the Gigabit West Sussex project and continue to work in partnership to deliver a county wide connectivity strategy
- Ensure all parts of the district are working towards having access to full fibre broadband.
- Prepare a Digital Infrastructure Strategy for Arun
- Work with partners to bid for funding to deliver better digital infrastructure in Arun

Green Infrastructure: our opportunities

- Progress the Littlehampton to Arundel riverside cycle-way
- Work with green and sustainable businesses e.g. identify R & D funding and cluster development
- Support the implementation of the West Sussex Energy Strategy

Arun: a business success story – Priorities

A growing business population: our opportunities

- Protect our employment space so our local businesses can grow and expand
- Provide more and better jobs for local people, reduce out-commuting and attract more young people to the area
- Encourage new businesses to move into our area, capitalising on overspill from nearby districts where employment space is in short supply
- Conserve existing employment space and provide new premises that meets the need of vibrant young innovative businesses e.g. co-working and creative spaces

New business creation: our opportunities

- Provide business start-up support to new and micro businesses
- Support and deliver business networks, such as the Arun Business Partnership
- Support the creation of new business incubator space for start-ups and small move-on units
- Work with our partners to up-skill our businesses to ensure they remain competitive and enterprising
- Provide grants to small businesses to support innovation and growth

Growing micros businesses into SMEs: our opportunities

- Work with the education providers and employers to match and supply the pipeline of skilled people they need
- Support the delivery of business to business networks
- Support the creation of small move-on units on easy in easy out terms
- Work with partners to facilitate training, business advice and R & D opportunities

A strong knowledge economy: our opportunities

- There are opportunities to build on these existing businesses through links to the specialist knowledge base in local universities and to nearby innovation centres of excellence
- Developing products quickly, using universities and other intermediaries
- Our strengths in advanced manufacturing and the presence of nearby universities with significant expertise in supporting SME research and development provide opportunities for Arun to grow existing businesses

A diverse and balanced range of sectors: our opportunities

- Arun's emerging strength in manufacturing provides an opportunity for growth working with partners to develop the Advanced Manufacturing and Engineering sector
- Support our tourism sector and promote Arun as a major visitor destination
- Work closely with our horticultural sector to overcome workforce recruitment issues
- Target higher skilled/value businesses to locate in Arun to help retention of higher skilled residents and to reduce the need for out-commuting
- Support the delivery of new, modern employment space at Enterprise Bognor Regis and other sites to attract and grow more higher value businesses, for example, creative and digital industries

Arun: prosperous and happy communities - Priorities

A skilled and qualified population: our opportunities

- Work with our partners and other learning providers to increase take-up of learning provision, particularly in key sectors and at higher academic levels
- Support the promotion of Science, Technology, Engineering, Arts & Mathematic (STEAM) subjects
- Encourage and help businesses to employ apprentices
- Promote initiatives that deliver education and skills provision to meet employer needs and helps those with the greatest barriers to work

Live and work locally: our opportunities

- Work with local employers to understand the skills gaps and barriers to local recruitment and encourage more locally supportive working practices
- Engage with local education and training providers to enlist their help in overcoming barriers to local working and filling skills gaps among learners and reduce out-commuting

High aspirations and achievements for young people: our opportunities

- Work with our priority sectors, including manufacturing and tourism, which can offer opportunities for young people to progress through apprenticeships.
- Continue to work with our partners including West Sussex County Council and Coastal West Sussex to promote STEM skills to young people through initiatives such as STEMfest

Higher disposable household income: our opportunities

- Our priorities for skills and business development will extend economic opportunities and aim to increase wages for our residents and longer term, will have a positive effect on household incomes
- Providing more affordable housing to rent and buy will help to increase the amount of money people have available and the prosperity of the area will be improved

High happiness and life satisfaction: our opportunities

- Build on the high level of life satisfaction and happiness in Arun and conserve what people value about our area.
- Ensure there is a wide range of cultural and leisure opportunities in our area
- Protect our natural assets

1.15. When the vision, themes, priorities and opportunities of the strategy have been approved the next stage will be to prepare a detailed action plan to take forward the opportunities with clear objectives and measures for each. Progress of the tasks and activities in the action plan will be reviewed annually.

1.16. The Strategy will also be produced in a shorter version for external use.

2. PROPOSAL(S):

It is proposed that Cabinet:

- 2.1. supports the vision, themes, priorities and opportunities identified in the Strategy.
- 2.2. supports the preparation of an action plan to progress the delivery of the Strategy priorities and opportunities.

3. OPTIONS:

- 3.1. To approve the vision, themes, priorities and opportunities identified in the Strategy and the preparation of an action plan.
- 3.2. To not approve the Strategy.

4. CONSULTATION:

Has consultation been undertaken with:	YES	NO
Relevant Town/Parish Council	Yes	
Relevant District Ward Councillors	Yes	
Other groups/persons (please specify)		
5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES: (Explain in more detail at 6 below)	YES	NO
Financial	N/A	
Legal	N/A	

Human Rights/Equality Impact Assessment	N/A	
Community Safety including Section 17 of Crime & Disorder Act	N/A	
Sustainability	N/A	
Asset Management/Property/Land	N/A	
Technology	N/A	
Other (please explain)		

6. IMPLICATIONS:

6.1. This strategy will provide the framework around which the Council will decide its economic development priorities for the next 5 years. It will enable the Council to focus its resources and ensure effective partnership working to deliver our priorities.

7. REASON FOR THE DECISION:

7.1. Based on the economic profile evidence for Arun, the document identifies the priorities and opportunities the Council should be focusing on to deliver economic development effectively and efficiently for the next five years.

8. EFFECTIVE DATE OF THE DECISION: 18 December 2019

9. BACKGROUND PAPERS:

Remember to list background papers and insert required links

Equality Impact Assessment [please delete if not required]