

# ARUN DISTRICT COUNCIL

## REPORT TO AND DECISION OF THE ECONOMY COMMITTEE ON 8 JUNE 2021

### PART A : REPORT

**SUBJECT:** ARUN'S ECONOMIC DEVELOPMENT STRATEGY AND FUTURE PRIORITIES

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**DATE:** April 2021  
**EXTN:** 37846  
**AREA:** Economy Group

#### **EXECUTIVE SUMMARY:**

This report describes the work of the Economy Group, sets out the Arun Economic Development Strategy 2020-2025 Action Plan and proposes future priority projects.

#### **RECOMMENDATIONS:**

That the Committee:

1. Approves the Economic Development Strategy 2020-2025 Action Plan (Appendix C) and instructs officers to progress its delivery.
2. Instructs officers to refine the list of priority projects (Appendix D) working through a Members Working Party and develops a prioritisation formula for these projects.
3. Officers estimate the resources (both capital and staffing costs) that may be needed to progress each project and brings a report back to this Committee for further discussion.
4. Officers prepare, in partnership, a concise Town Centre(s) Strategy for 2022-2025.

#### **1. BACKGROUND:**

##### **1.1. Economy Group Responsibilities**

The purpose of the Economy Group is to encourage business growth and investment, increase employment and tackle economic disadvantage in Arun. It aims to reverse physical, economic and social decline in the District and to intervene when the market alone cannot deliver improvement. To effectively deliver this function the service works in partnership with a range of council services and external partners both in the private and public sector (e.g. Coast to Capital Local Enterprise Partnership).

The groups responsibilities are to oversee and support the delivery of:

- Business Support and Enterprise – for example, the provision of Arun Business Partnership, responding to business enquiries for premises and business support, delivering intermediate labour market interventions such as work experience and apprenticeships and bidding for external funds to deliver these.
- Town Centre management in Littlehampton and supporting the Business Improvement District in Bognor Regis.
- Supporting concept development of publicly funded physical regeneration schemes and securing capital grants for their delivery – for example supporting the delivery of public realm improvements in Bognor Regis and Littlehampton.
- Strategic employment sites – promoting their availability and encouraging suitable development and investment, for example Enterprise Bognor Regis.
- Promoting Arun, and its distinct locations, as a tourism destination and helping our hospitality and tourism businesses to develop our local offer. Working with our sub regional partners to better use our resources. We also currently maintain the Sussex by the Sea website which is under review and is detailed in a separate report.
- Maintaining external partnerships with our strategic partners that support economic development

### 1.2. External Funding

The group has led on or contributed to securing significant external funding to support the delivery of the group's core responsibilities and the wider regeneration priorities of the Council. The group continuously looks for external funding that will support the delivery of priority projects in the district. The table in Appendix A provides some examples of the funding previously secured.

### 1.3. Covid-19 Business Support Grants and Distribution

During the 2020 / 2021 COVID-19 lockdown and consequent pandemic restrictions on businesses, central government has issued a range of grants to support businesses. The Economy Group has been responsible for the distribution of some of these and staff (1.5 FTE) have prioritised this work over other planned activities.

Summary details are below:

- **Discretionary Grants R1** - £1,539,000 (all funding allocated with exception of £10k which was later recovered from a duplicate claim)
- **Discretionary Grants R2 to 5** - £4,643,182 (all funding must be paid by March 2022). It is proposed (Cabinet report 17<sup>th</sup> May 2021) that £600,000 of this grant is used on projects to provide wider business support such as Get Online & Upgrade grants, Start Up Grants, Greener Business Grants etc.
- **Reopening our High Streets Safely Fund** - £143,718 (all funding must be spent by March 2022)
- **Welcome Back Fund** - £208,718 (all funding must be spent by March 2022)

Funding claims will be required to be completed after March 2022 so resources for this will be needed until June 2022.

#### 1.4. Our Agreed Economic Development Strategy

The Arun Economic Development Strategy 2020-2025, Creating Our Future, [Economic Strategy & Delivery | Arun District Council](#) and the Arun Economic Profile 2019 (the evidence base) [Economic Strategy & Delivery | Arun District Council](#) was approved by Cabinet in December 2019.

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.

The recommendations approved by Cabinet on 9 December 2019 were.

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

The strategy Action Plan has been developed and updated to reflect the proposed core interventions. The Action Plan identifies activities the Economy Group, other council service areas and partner organisations will lead on to progress the strategy. See Appendix C Arun Economic Development Strategy Action Plan.

It is felt the priorities identified remain valid as we move into economic recovery post the Covid19 pandemic and any impact the restrictions may have had on businesses and the economy. Currently, there have been no closures of local major employers. We have anecdotal reports from businesses of the difficulties they have faced due to enforced temporary closures. Many have shown great resilience and ingenuity in adapting their businesses to the current situation.

Recent surveys of Littlehampton and Bognor Regis town centres indicate that retail vacancy rates have not increased. Full details of the recent audits can be found in Appendix E.

The most tangible and directly measurable change is unemployment rates (those claiming unemployment benefits such as Job Seekers Allowance and Universal Credit) which have risen significantly in the last year. Table 1 below shows the number of claimants (by age) in March 2021. Table 2 shows a time series between March 2019 and March 2021 (6 monthly intervals plus April 2020) for all claimants.

| Table 1   |                 |             |           |           |
|---|-----------------|-------------|-----------|-----------|
| Claimant count by age - not seasonally adjusted (March 2021)                          |                 |             |           |           |
|   | Arun<br>(Level) | Arun<br>(%) | SE<br>(%) | GB<br>(%) |
| Aged 16+  | 5,335           | 6.0         | 5.4       | 6.5       |
| Aged 16 To 17   | 5               | 0.2         | 0.2       | 0.4       |
| Aged 18 To 24   | 890             | 9.1         | 7.8       | 9.1       |
| Aged 18 To 21   | 475             | 8.9         | 7.6       | 9.0       |
| Aged 25 To 49   | 2,825           | 6.7         | 5.8       | 7.1       |
| Aged 50+  | 1,610           | 4.8         | 4.2       | 5.1       |
| Source: ONS Claimant count by sex and age   |                 |             |           |           |
| Note: % is number of claimants as a proportion of resident population of the same age |                 |             |           |           |

| Table 2   |                 |             |           |           |
|---|-----------------|-------------|-----------|-----------|
| Arun Claimant count aged 16+ - Time Series  |                 |             |           |           |
| Month / year  | Arun<br>(Level) | Arun<br>(%) | SE<br>(%) | GB<br>(%) |
| Mar 2019  | 1,725           | 2.0         | 1.7       | 2.6       |
| Oct 2019  | 1,915           | 2.2         | 2.0       | 2.8       |
| Mar 2020  | 2,130           | 2.4         | 2.2       | 3.1       |
| Apr 2020  | 4,450           | 5.0         | 3.9       | 5.1       |
| Oct 2020  | 4,835           | 5.5         | 5.1       | 6.2       |
| Mar 2021  | 5,335           | 6.0         | 5.4       | 6.5       |
| Source: ONS claimant count by sex and age   |                 |             |           |           |
| Note: % is number of claimants as a proportion of resident population of the same age   |                 |             |           |           |
| The age group most impacted is the 18 to 24 year olds. Between March 2020 and March 2021, the claimant count has risen in this age group from 340 (3.5%) to 890 (9.1%). |                 |             |           |           |

Delivering employment support interventions to those people with the greatest barriers to work has been a core element of the service for many years (externally funded) and it is hoped this can continue (subject to external funding being available). The Government have also introduced several employment support interventions, such as Kick Start and Apprenticeships, which are available locally.

Our key sectors of tourism and hospitality have been significantly impacted due to the enforced closures in 2020 but most have reopened and are hoping for a busy 2021 summer season. The main change has been the significant reduction of activity at Gatwick Airport, which, although outside of the Arun district area, local businesses form part of the supply chain and will be affected by the reduced activity. It is unclear currently if or when activity and flights from the airport will fully resume, it may take years to get back to its full capacity, so it is likely this impact will remain for some time to come.

The Committee is asked to approve the Action Plan (Appendix C) and instruct officers to progress its delivery.

For easy reference the graphic overleaf illustrates the focus and priorities of the Economic Development Strategy.

# “Our vision is to create a dynamic, competitive and sustainable place to live, work and do business”

## Our building blocks for economic development:



## Creating our future together through:

**Shaping our places** for people to live, work and visit

Attracting investment and success giving businesses the space and support to grow and prosper

**Putting people centre stage:** healthy, happy, prosperous lives

## Our ambition:

is for Arun to be a globally-connected business location with thriving towns and villages each with a strong identity, offering enough affordable, well-designed housing, connected by first class transport and digital infrastructure

is for Arun to have a dynamic, diverse and growing business base with strong local supply chains and a wide range of employment opportunities for our people

is that all our people have the aspiration, access to skills, qualifications and employment opportunities to achieve their potential, and that our people enjoy happy, long and healthy lives with high satisfaction rates with less risk of crime and deprivation

## Our priorities:

- o Town centre regeneration
- o Employment space
- o Housing
- o Infrastructure

- o A growing business population
- o New business creation
- o Growing micro businesses into SMEs
- o A strong and innovative knowledge economy
- o A diverse and balanced range of sectors

- o A skilled and qualified population
- o Live and work locally
- o High aspirations and achievement for young people
- o Higher disposable household income
- o High happiness and life satisfaction rates

## 1.5. Our Approach to Partnership

An important function of the group is maintaining external partnerships with our strategic partners that support economic development in Arun and West Sussex. Working effectively and meaningfully with our strategic partners is crucial to delivering successful economic development interventions in Arun. The action plan, that supports our economic development strategy, identifies a number of actions that our partners are responsible for delivering and that the Council will support.

The recognition of these partnerships is therefore very important. The table in Appendix B details the principle partnerships that are currently in place and, where relevant, the financial contributions made to them. Some examples of current partnership activity are below.

### 1.5.1. WSSC Recovery Reset Strategy

West Sussex County Council (WSSC) published its Recovery Reset Strategy earlier this year. It sets out the priority issues that the County Councils pandemic recovery plan will focus on. Funding from the WSSC Economic Recovery Fund will be allocating funds to support themes in Start-Up, micro and SME business support, Employment & Skills, Digital Adoption, High Streets, Tourism & Hospitality and Innovation. These align with the priorities in the Arun Economic Development Strategy and Action Plan. Council officers work closely with WSSC officers and will support the development of the funding opportunities.

### 1.5.2. Coastal West Sussex Partnership (CWSP)

The CWSP has recently prepared a white paper to bring into focus the challenges and emerging opportunities for the local economy as the country comes out of the pandemic. It identifies five key themes on which to build the future of the Coastal West Sussex region. These are:

- Digital and physical infrastructure – improving connectivity across and beyond the coastal area
- Space – making the best use of land to provide good quality homes and employment space
- Skills – raising aspirations to learn new skills for the jobs of the future
- Promotion of the region (including culture and the visitor economy) to attract visitors, investors and new businesses to the area
- Sustainable growth – promote, encourage and enable activities that help address the climate change crisis

These align with the Arun Economic Development Strategy priorities and Action Plan and we will continue to work with the partnership to progress these themes.

### 1.5.3. Coast to Capital (C2C) LEP

The C2C has recently asked for expressions of interest for projects that will develop the regional economy post pandemic. Nigel Lynn, as Chair of Sussex Tourism and Culture Recovery Group, has submitted a bid on behalf of the group to support tourism in Sussex and implement a Recovery and Resilience Programme.

The Sussex Tourism and Culture Recovery Group (STCRG) is working collectively and with a broad range of partners and stakeholders to focus on where collaborative activities across Sussex can add real value and strengthen the shared commitment to support, represent, rebuild and revive the sector.

The collaborative work will include strategic development of the sector and the potential to maximise the Sussex brand opportunity at this critical time, raising our shared profile with visitors and potential funders and investors. This proposal aligns with the Arun Economic Development Strategy priorities and is supported in the Action Plan.

#### 1.6. Corporate Priority Projects

Appendix D lists priority projects and project opportunities that have been previously identified.

It is proposed that a Members Working Party is convened to refine the list of priority projects (Appendix D) and develop a prioritisation formula, based on a criteria such as deliverability and impact, for these projects to allow the council to plan future activities.

Officers will then estimate the resources (both capital and staffing costs) that may be needed to progress each project and prepare a report that would be brought to a future meeting of the Committee for members to consider.

#### 1.7. Town Centre(s) Strategy

The Leader of the Council has identified the need to develop clear improvement strategies for our town centres that set out 'what we want our places to be and to gain investment' to achieve this.

A report - Innovating Our High Streets - Town Centre Regeneration Approaches - was previously presented to Cabinet on 8th October 2019. This report provided expert views and guidance on how to innovate and regenerate our Town Centres, including The Grimsey Review, and reflected on the experiences of other successful town centre regeneration strategies.

It was agreed that a support budget of £60k (match funded by the town councils) would be budgeted for our three Town Centres to support events in partnership with other organisations. The COVID 19 pandemic restrictions have delayed the delivery of this but the funding remains available.

The council has prepared, over time, a range of strategic documents and master plans, that support town centre regeneration. Some of these are listed in the background documents.

There is clearly a need, particularly as our town centres recover from the economic impact of the pandemic and adjust to new shopping behaviours and approaches, to rethink how best the council can support our town centres and what actions are needed to bring about real change and improvement. The committee is asked to recommend that officers prepare, in partnership with a range of partners, a concise Town Centre(s) Strategy for 2022-2025 that will establish what our vision is for our town centres and identify tangible interventions to progress this.

## 1.8. Future Funding Opportunities

The group continuously looks for external funding opportunities that support the council's regeneration aspirations. Current examples of this are below.

### 1.8.1. Levelling Up Fund

The funds core objective is improving local communities by investing in local infrastructure that has a visible impact on people. The fund will achieve this by focusing on:

- Town centre and high street regeneration, including remediation and repurposing of vacant and brownfield sites;
- Improving local transport connectivity and infrastructure, including upgrades to local bus, road and cycle infrastructure; and
- Maintaining and regenerating cultural, heritage and civic assets.

A bid to the Levelling Up Fund was submitted on 17 June 2021 for improvements to Littlehampton seafront and the Alexandra Theatre in Bognor Regis.

### 1.8.2. UK Community Renewal Fund

To help local areas prepare for the introduction of the UK Shared Prosperity Fund in 2022, the UK Government is providing funding in 2021/22 through the £220m UK Community Renewal Fund. West Sussex County Council has been designated by Government as a lead authority for the UK Community Renewal Fund and we are in discussions with them to develop suitable projects.

Funded projects must deliver activity that is in line with the UK Community Renewal Fund Prospectus and aligned with at least one of these investment priorities:

- investment in skills
- investment for local business
- investment in communities and place
- supporting people into employment

## 1.9. Resources

The Action Plan and Priority Projects list are our aspiration for what we want to do but our ability to deliver these will depend on the resources available and the scale of the proposals.

The team currently consists of 4.7 FTE permanent posts, one post (0.7hrs) is currently vacant, and two additional temporary posts, one ending in August 2021 and the other in March 2022.

The Economic Development Strategy Action Plan (Appendix C) identifies a range of interventions that will support the delivery of the Arun Economic Development Strategy. It should be noted that at the current time some activities have no or limited resources allocated to them. This will naturally impact on our ability to progress these projects.



Other priorities, that have emerged following the pandemic and the response to this, i.e. issuing grant funding such as the Discretionary Grants, Reopening Our High Streets Fund and Welcome Back Fund are not included in the Action Plan as these are one off interventions and resources have been reprioritised to focus on these emergency activities. The group has also led on other non-planned interventions such as the temporary closure of Pier Road in Littlehampton for public safety reasons.

#### 1.9.1. Resourcing Issues

- Littlehampton Town Centre Regeneration post ends August 2021 – limited further support available for this activity.
- Economic Regeneration Officer post vacant but funding is being used to support Littlehampton public Realm Project Management to Sept 2021. This also impacts on our ability to deliver the action plan activities, follow up on funding opportunities and completing bids.
- Economic Regeneration Officer (temporary 0.8 post until March 2022) – no funding after this date.
- Major projects – limited / sporadic resources available to progress these. Need for dedicated development implementation / project management.

### 2. PROPOSAL(S):

- 2.1. The committee approves the Economic Development Strategy 2020-2025 Action Plan (Appendix C) and instructs officers to progress its delivery.
- 2.2. Instructs officers to refine the list of priority projects (Appendix D) working through a Members Working Party and develop a prioritisation formula for these projects.
- 2.3. Officers estimate the resources (both capital and staffing costs) that may be needed to progress each project and brings a report back to this Committee for further discussion.
- 2.4. Officers prepare, in partnership, a concise Town Centre(s) Strategy for 2022-2025

### 3. OPTIONS:

To support the recommendations, reject them or seek alterations.

### 4. CONSULTATION:

| Has consultation been undertaken with:                      | YES      | NO |
|---|----------|----|
| Relevant Town/Parish Council (for previous decisions)       | <b>x</b> |    |
| Relevant District Ward Councillors (for previous decisions) | <b>x</b> |    |
| Other groups/persons (please specify)                       |          |    |
| Some Ward Cllrs have changed since decisions were made      |          |    |

| 5. ARE THERE ANY IMPLICATIONS IN RELATION TO THE FOLLOWING COUNCIL POLICIES:<br>(Explain in more detail at 6 below) | YES      | NO       |
|---|----------|----------|
| Financial   | <b>x</b> |          |
| Legal   |          | <b>X</b> |
| Human Rights/Equality Impact Assessment   |          | <b>x</b> |
| Community Safety including Section 17 of Crime & Disorder Act   |          | <b>x</b> |
| Sustainability  |          | <b>x</b> |
| Asset Management/Property/Land  | <b>x</b> |          |
| Technology  |          | <b>x</b> |
| Other (please explain) Officer resources  |          | <b>X</b> |

**6. IMPLICATIONS:**

Financial:

Legal:

Land:

Officer resources: Limited officer resource is currently allocated to the Action Plan and proposed projects. There may not be available capacity within relevant departments to facilitate delivery of these projects.

**7. REASON FOR THE DECISION:**

To progress the delivery of the Arun Economic Development Strategy 2020–2025 Action Plan, identify and prioritise future project opportunities and a town centre(s) strategy for Arun will contribute to the regeneration of Arun.

**8. BACKGROUND PAPERS:**

[Regeneration in Bognor Regis | Arun District Council](#)

Bognor Regis Master Plan  
<https://www.arun.gov.uk/download.cfm?doc=docm93jjjm4n3619.pdf&ver=3286>

Bognor Regis Business Improvement District <https://lovebognorregis.co.uk/bognor-regis-business-improvement-district/>

Bognor Regis Seafront Strategy  
<https://www.arun.gov.uk/download.cfm?doc=docm93jjjm4n3630.pdf&ver=3298>

Bognor Regis Seafront Delivery Plan  
<https://www.arun.gov.uk/download.cfm?doc=docm93jjjm4n10082.pdf&ver=9998>

[Regeneration in Littlehampton | Arun District Council](#)

Littlehampton Vision

<https://www.arun.gov.uk/download.cfm?doc=docm93jjim4n7821.pdf&ver=7561>

Waterfront Strategy

<https://www.arun.gov.uk/download.cfm?doc=docm93jjim4n7822.pdf&ver=7562>

9 ideas for Littlehampton

<https://www.arun.gov.uk/download.cfm?doc=docm93jjim4n7820.pdf&ver=7560>

Innovating our High Streets – town centre regeneration approaches – Oct 2019  
(Public Pack) [Agenda Document for Cabinet, 07/10/2019 17:00 \(arun.gov.uk\)](#)

Bill Grimsey website - <http://www.vanishinghighstreet.com/>

The Grimsey Review 2 <http://www.vanishinghighstreet.com/wp-content/uploads/2018/07/GrimseyReview2.pdf>