

8. UPDATE ON THE ECONOMIC DEVELOPMENT STRATEGY REFRESH

REPORT OF: Assistant Chief Executive
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Wards Affected: All
Key Decision: No
Report to: Scrutiny Committee for Leader, Resources and Economic Growth
13th June 2017

Purpose of Report

1. The purpose of this Report is to provide the Scrutiny Committee for Leader, Resources and Economic Growth a progress update on the refresh of the Economic Development Strategy, seek the Committee's views on the draft vision and priority themes identified and inform the Committee of the next steps in the work programme.

Recommendation

2. **The Committee is requested to:**
 - **Note progress made to date in refreshing the Economic Development Strategy**
 - **Provide comments on the draft vision and priority themes set out in Annex D; and**
 - **Note the next steps detailed in paragraph 11**
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Background and Summary of progress made to date

3. A robust Economic Development Strategy is critical to ensure that the District maximises the benefits of economic growth for all its residents. The previous refresh of the Strategy was in 2013, since which the economic, strategic and policy contexts have all changed significantly. The production of a refreshed Economic Development Strategy has therefore been identified as a flagship activity for the Council.
4. The Member Working Group for Economic Development (membership list at Annex A) has met twice to take forward work on the refresh of the Economic Development Strategy. The first meeting was held in January where there was a wide-ranging discussion on issues affecting growth in the District. This discussion provided the initial direction for Officers to take forward work on the draft vision and priority themes, which was then presented at the second meeting.
5. Underpinning the work on vision and priority themes is the development of a comprehensive economic profile of the District, building on the "This is Mid Sussex" document published alongside the 2013 Economic Strategy. This profile will contain key datasets relating to, amongst other things, housing, workforce, commercial premises (including office and retail space) and businesses and will provide the baseline data for assessing the performance of the Economic Development Strategy. A draft of this document will be presented to this Committee in November, alongside the draft refreshed Strategy, prior to submission to Full Council for approval.

6. Two stakeholder events have been held – a workshop for Mid Sussex District Councillors and a workshop for Parish/Town Councils. Both events were well attended – sixteen Councillors attended the first workshop and representatives from all three Town Councils and four Parish Councils attended the second. The discussions endorsed the approach taken by the Member Working Group and the feedback and input from these events (summarised at Annex B) has informed further the development of the vision and priority themes.
7. Officers have also planned a series of one-to-one discussions with key stakeholders, including leading businesses, retailers and relevant public authorities (list at Annex C), which will provide further evidence.

Overview of draft vision and themes

8. The previous economic vision was “A strong Mid Sussex economy, where business profits fully from economic growth and where our residents have the opportunity to work within their communities”. Discussions with the Working Group suggested that there should be more of a focus on business growth and that we should be more aspirational on behalf of our residents. The Working Group also suggested that the vision should reflect the attractiveness of the District as a place to live and work. In response to these comments, Officers developed the following draft vision: “Mid Sussex: an attractive place for businesses and people to grow and succeed.”
9. In order to structure the strategy and assist with the development of a focused suite of actions that will help the District achieve the overarching vision, the Working Group identified four key themes – places, premises, people and promotion.
 - **Places:** delivering a place where businesses and people can grow and succeed requires a high quality environment that contains the right mix of retail, leisure and employment needs for the District’s population, business parks that encourage businesses to locate and remain, along with effective infrastructure (including digital).
 - **Premises:** for businesses to start-up and grow the District needs to offer a variety of high quality premises that encourage entrepreneurship, incubation and also the retention and relocation of high value added businesses that can offer opportunities for the District’s residents.
 - **People:** ensuring that the District’s residents have the opportunities to benefit from, and contribute to, economic development requires a focus on skills and business support.
 - **Promotion:** the continued economic development of the District will require a pro-active approach to marketing the benefits of the District in order to attract high quality businesses and talented people.
10. Each headline theme, with the exception of “promotion” is subdivided and supported by targeted actions. The detail of the themes is at Annex D.

Next steps

11. The three key priorities for work over the coming months are:
- Continue to road test the draft vision and priority themes with stakeholders
 - Finalise the economic profile for the District
 - Develop a detailed action plan along with appropriate indicators that can be used to monitor progress

Financial Implications

12. This progress report does not have any financial effects. When the draft strategy is submitted to this Committee it will be accompanied by a report on any financial implications.

Risk Management Implications

13. It is not considered that this progress report carries any risks. A full assessment of risk management implications will accompany the submission of the draft strategy to this Committee.

Equality and Customer Service Implications

14. There are none associated with this progress report but ensuring equality for businesses and economic opportunities for all residents will be a central theme of the new strategy. A full Equalities Impact Assessment will be prepared alongside the Economic Development Strategy.

Other Material Implications

15. There are no legal implications as a direct consequence of this progress report.

Background Papers

Mid Sussex Economic Development Strategy (refreshed 2013)

The Report to the Scrutiny Committee for the Leader, Resources and Economic Growth 28th February 2017.

Membership of Working Group

Cllr Ash-Edwards (Chair)

Cllr Barrett-Miles

Cllr Cherry

Cllr Clarke

Cllr de Mierre

Cllr Mrs Hersey

Cllr Walker

Cllr Wilkinson

Cllr Wyan

Economic Development Strategy District Council Members Workshop 9 May 2017**Notes from the Places Theme discussion group****Key points:**

- Need to attract inward investment to deliver growth
- Some businesses have left the district due to poor quality offices and commercial premises and also the lack of freehold properties available
- Mid Sussex is at risk of becoming a succession of dormitory towns/villages rather than a dynamic, progressive, entrepreneurial place where businesses want to locate
- Lack of affordable housing is pushing people out of the District
- Council needs to allocate more land for employment
- The different characters of the three main towns should be capitalised on in terms of a retail offering e.g. Haywards Heath as a “boutique” style location, Burgess Hill as standard major retail and East Grinstead with a tourist focus
- Pease Pottage has the largest recycling centre in the region – should capitalise on this somehow
- Rail connectivity affected by poor service from Southern Rail
- Digital infrastructure needs to be delivered across the whole District
- Need to maximise potential of retired residents and look for ways to retain their spending power in the District (perhaps by helping them downsize to smaller properties).
- Need to work with WSCC to improve use of their land as well as the District’s land

Notes from the Premises Theme discussion group**Key points:**

- Need to define the right areas in the District for economic use development:
 - Brown field sites utilised first
 - Don’t undermine the natural assets of the District with unsympathetic buildings
 - Industrial areas focused around Burgess Hill
 - HH and EG primarily office and service industry sectors
- Hotel requirements focused on the industry groups requiring more hotel rooms. E.g. flight training companies in BH.
- Currently business visitors spend (restaurants, bars, taxis, etc) is being lost from the District. More hotels in the District would help to retain that spend and support/boost the local economy.

- Conference facilities will also require major car parking facilities and catering capability. The issue is being felt across the District and not just in Burgess Hill. As with hotel facilities, the spend is being lost to other areas and not contributing to the local economy as it should.
- Analysis of what type of retail development is relevant to each main town in the District is required. Large centres with national names v's more boutique style.
- Excellent Broadband provision is a critical part of providing business premises in the District. This is particularly true of rural locations where many technical and digital companies could be based.
- Should include some work in the Premises theme on which business sectors should be encouraged.

Current sectors identified are :

- Life Sciences
- Aviation
- Financial Services

Are there any other groups or clusters that we could include? Let's not alienate other industry groups who we could support.

Notes from the People Theme discussion group

Key points:

- Agree with the proposed draft action, especially ensuring that everyone has the opportunity to benefit from economic growth
- Education is a big pull for new businesses to locate here - developing the right educational culture is important. Also need to attract young people with talent.
- All our residents benefiting includes targeting early years and people coming back to the workplace, for example there needs to be greater support for women getting back into work after children start at school - more jobs/retraining/mentoring opportunities
- Quality of 16-18 year old education needs to improve
 - The Haywards Heath 6th Form College closure opens up the possibility of a new STEM focused 6th Form College on that site
 - Need to encourage other Technical Colleges to set up in the District and encourage schools to teach technical skills that can lead to successful apprenticeships
 - Can Free Schools fill the gap?
- Promotion of STEM skills could be helped through a STEM-focused primary school
- Need to teach people how to set up a business, e.g. evening classes for people wanting to learn how to start their own business. Mentoring for new businesses would also be helpful.

- Need better links between businesses and schools to help education/training providers understand what skills are needed from an early age and to help develop entrepreneurial culture. Better links will also help improve/expand work experience opportunities (there may be a Council role for organising this)
- Open4Business events provide an opportunity to include young people and develop work experience opportunities
- Need to identify what skills incoming businesses are looking for
- Retraining into technology jobs
- Networking opportunities for home workers as well as larger businesses/business associations
- Potential for the Council to take a similar approach to supporting businesses as it does for the Health and Wellbeing service- taking referrals and signposting to appropriate business support e.g. for homeworkers and start-ups.
- Low business rates for business start-ups should be considered
- “Carried interest” in business set ups by the Council would help the Council secure financial gain from the businesses it supports

Economic Development Strategy Town/Parish Councils Workshop 15 May 2017

Issues preventing towns realising their full economic potential

- Transport infrastructure constrains movement in/out of towns and around towns. Radical measures are needed, suggestions included –
 - o Greater encouragement of home-working
 - o Pedestrianise town centres
 - o Implementation of park & ride schemes
 - o Decreasing town centre pavements to allow for parking lay-bys without impacting traffic flow
- Car-parking is an issue – both for employees and customers. Having appropriate car-parking options is also important for the parishes to attract custom, rather than have people simply drive through. Better enforcement of parking restrictions would help
- Lack of sufficiently fast broadband in towns and rural areas
- Limited allocations of employment land combined with the high land value of residential development compared to employment development make it difficult to secure land for new employment purposes
- Permitted development
- Lack of start-up space
- Retail hubs need to be attractive destinations

Issues around the type/size of business premises available

- In East Grinstead, the retail space in the town centre is constrained by a conservation area.
- Need a mix of retail spaces, but key issues raised in the context of retail space included –
 - o whether we want to be offering the larger spaces required by national retailers
 - o Whether boutique offerings will still be viable with recent rise in business rates
 - o Major out of town facilities don't deliver benefits to the nearby towns
 - o Need anchor stores to attract people
- The three towns need to complement each other (whilst still retaining their unique identities) rather than compete
- Office accommodation is too old and not fit for purpose

Issues preventing local businesses attracting local employees with the right skills

- Restaurants/pubs struggling to attract people with the right skills
- Ensuring good quality training for apprentices is important
- Lack of a 6th Form College in the District means that school leavers are leaving the District, also means it is very difficult for residents in rural areas with poor public transport to attend a sixth form
- Lack of vocational training
- Lack of affordable housing makes it difficult for people to live in the district on lower incomes.

List of organisations for bilateral discussions

- Burgess Hill businesses:
 - Edwards
 - Roche
 - CAE
 - AMEX
 - Rockwell
 - AV trade
- East Grinstead businesses:
 - ILG (International Logistics Group)
 - Caravan Club
 - Thermo Fisher
- Haywards Heath businesses
 - FlowServe
 - 1st Central
- Business organisations:
 - EGBA
 - BHBPA
 - HHBA
 - Sussex Chamber of Commerce
 - Federation of Small Businesses
- Public sector organisations
 - Gatwick Diamond Initiative
 - Coast 2 Capital LEP
 - West Sussex Rural Partnership
 - West Sussex County Council
 - Neighbouring District Councils
 - Greater Brighton Economic Board

Draft Vision and Priority Themes

Suggested vision

“Mid Sussex: an attractive place for businesses and people to grow and succeed.”

Priority Themes

The Priority Themes underpinning the Vision focus on places, premises, people and promotion:

Places

- Ensuring that Mid Sussex attracts inward investment and deliver growth by providing the best environment for running a business through:
 - Improving the three town centres to meet the retail, leisure and employment needs of the growing population building on the centres distinctive and complementary offers;
 - Ensuring village centres provide the range of facilities to meet local needs;
 - Supporting improvements to the business parks to ensure that they provide an attractive environment which encourages retention and relocation of businesses;
 - Delivering a mix of housing types and tenure to allow employees to live near their place of work;
 - Working with partners to secure improvements to infrastructure which ensure excellent strategic accessibility and which enables efficient movement to and around the District;
 - Providing high quality digital infrastructure. In particular the extension of high speed broadband to support the development and growth of rural businesses; and
 - Protecting and enhancing the District's built and natural environment.

Premises

- Ensuring a mix of premises is available to encourage entrepreneurship, incubation, retention and relocation of businesses to Mid Sussex by:
 - Facilitating the supply of quality industrial and office space to meet demand across the District;
 - Supporting the development of centres of excellence and clusters of specialist industries (including tourism);
 - Supporting the development of hotel and conference facilities to meet the needs of visitors business community (and support the tourist industry); and
 - Ensuring the sufficient supply of quality retail space to meet demand across the District and to support opportunities to diversify the offer of the centres.

People

- Ensuring that everyone has the opportunity to benefit from economic growth by:
 - Enabling our residents to have access to opportunities to develop the skills, including in the STEM subjects, they need to succeed
 - Working with education and training providers to ensure they are aware of the skills required to access jobs in the growing employment sectors;
 - Securing a higher educational presence in the District;
 - Delivering sufficient apprenticeships to meet demand;
 - Providing a supportive framework to encourage business start-ups; and
 - Providing business to business networking opportunities.

Promotion

- Ensure the continued economic success of Mid Sussex the Council by pro-actively marketing the District's competitive advantages and offer.