

Council Priority: Sustainable Economic Growth – Recovery Plan

National and Local Context

1. The UK Gross Domestic Product (GDP) was down by 3.9% by quarter one 2020 when compared to quarter 1 in 2019. The International Monetary Fund (IMF June 2020) predicts that the world economy will shrink by 3% the worst since the Great Depression of the 1930's and it predicts huge falls in GDP for 2020 of 6.5% for the UK.
2. The Gross Value Added (GVA) for this District declined by 35 per cent at the peak of lockdown. Although the impact on the District's GVA is significant, it is less severe than in other parts of the County. Estimates by the Centre for Progressive Policy suggest that Mid Sussex is the second least impacted district in West Sussex (after Worthing), with an estimated decline in GVA of 35 per cent, compared to 42 per cent in Crawley and 40 per cent in Horsham.
3. Nationally, Mid Sussex ranks 247 out of 382 districts for the impact of the pandemic on GVA, placing it amongst the 35 per cent least affected districts. By comparison, Crawley ranks 57 out of 382, placing it amongst the 15 per cent most affected, and reflecting its economic dependence on Gatwick Airport.
4. The aviation sector and wider supply chain are amongst the most exposed. Whilst business like Gatwick Airport Limited (GAL) and the major airlines can apply for the large business interruption loan scheme that is likely to be insufficient to safeguard jobs. GAL employs 24,000 staff on site and has a supply chain of around 80,000 jobs nationally. Some key supply chain businesses are located in the District (CAE in Burgess Hill for example). Of the surrounding districts, Mid Sussex is home to the third largest share of workers at Gatwick airport. However, overall dependency of residents on the airport for direct employment is comparatively low. Approximately 1,550 Mid Sussex residents are employed at Gatwick Airport, representing just 2 per cent of the District's workforce.
5. It is also well documented that the Covid-19 pandemic has accelerated what was already a challenging landscape for the 'High Street', with some reports suggesting changes that were predicted to take 5 years to come to fruition are now expected to be seen in 5 months as shopping habits change and people get used to shopping online.
6. Nationally, the British Retail Consortium reports that the lockdown has cost non-food retailers £1.8bn in lost sales each week and that many retailers will not bounce back. It is too early to assess the impact on non-retail businesses operating in the district. If these businesses do not survive, there will be a further reduction of people using our high streets impacting on spend further during recovery. However, with home working ongoing this could result in longer term changes in commuting patterns and, a reduction in out-commuting and potentially more shoppers in our towns.
7. The Institute for Fiscal Studies estimates that 10,560 jobs in Mid Sussex are in 'shut down' industries. Whilst this is a lower proportion of jobs (18.5%) than the West Sussex average (21.7%) Mid Sussex still has 29% of its work force furloughed (18,000) which raises significant concerns. Analysis of the job furlough scheme by the Office of National Statistics states that 24 per cent of residents in Mid Sussex are in jobs most 'at risk' from the impacts of Covid-19. Since the pandemic the Job Centre has recorded an increase in the claimant count from 2,800 clients to 5,800 as at June this year.

8. Covid-19 has also had unprecedented impacts on household finances, personal wellbeing and health. However, it difficult to predict the nature and scale of the impact on households at this stage, existing data suggests that inactivity and unemployment will rise quickly, with low-paid workers most at risk, particularly when the Government support such as furloughing comes to an end. The District is already experiencing a significant increase in unemployment, from March 2020 where unemployment has risen from 1.3 per cent to 3.9 per cent in May.
9. Throughout the pandemic the Council has been responsible for rolling out immediate support and advice to businesses and residents and it is anticipated that there will continue to be pressure to provide this support for the next two to three years.
10. Economic recovery and growth is a key government priority and they have made it clear that supporting the development industry will be a key part of this.
 - (i) The government's economic recovery strategy focuses on the following themes:
 - (ii) Backing innovation and research and development;
 - (iii) Green recovery: How to capture economic growth opportunities from the shift to net zero carbon emissions;
 - (iv) How to make the UK the best place in the world to start and scale a business;
 - (v) Increasing opportunity through skills and apprenticeships;
 - (vi) How to secure high value inward investment.

Financial Support to Businesses

11. Since the start of the lockdown this Council has provided the following funding to support residents and businesses:
 - (i) £22.95m for over 1,564 businesses in the Retail, Leisure & Hospitality sector has already been awarded as a business rates payment holiday for 2020/21.
 - (ii) £367k to nurseries in business rates relief, giving them a business rates payment holiday in 2020/21.
 - (iii) Over £25m of business grants paid to nearly 2,000 businesses and organisations.
 - (iv) £1.463m Discretionary Business grants have been awarded. The criterion for the expanded Business Rate grants scheme has been developed in partnership with other councils across West Sussex.
12. Despite this financial help it is apparent that there are many businesses affected by Covid-19 who have not received any Government help and many businesses are struggling to pay business rates. A review of business rates is planned by the Government later this year and this is a significant risk to this Council with the potential loss of rates retention income.

Regulatory Support and Advice to Businesses

13. In addition to this direct financial support the Council is working with businesses to understand the impact and to provide support to businesses and has:

- (i) Held regular liaison meetings with business associations, the Chamber of Commerce and businesses;
- (ii) Implemented a package of measures to ensure the re-opening of our High Streets safely. This has included a comprehensive business-facing campaign; the creation of a “Mid Sussex is open”; and a comprehensive package of public-facing communications;
- (iii) Implemented public realm changes in the three town centres and five largest villages including signage to remind people of the importance of social distancing;
- (iv) Provided advice and assistance to 71 new food businesses;
- (v) Provided food operators with a ‘Covid-19 lockdown’ guidance special, which focuses on helping food businesses come out of lockdown;
- (vi) Assisted pubs, social clubs and other licensed premises to open safely.

Support for the Development and Construction Industries

14. The pandemic and subsequent lockdown restrictions have had an impact on the housebuilding and construction industry, requiring the Council to consider how these sectors can be supported by the planning process in recovery. The Council’s roles in these areas include:
 - (i) As Local Planning Authority (LPA), in setting local planning policy, determining planning applications, ensuring compliance with planning permission and using compulsory purchase powers where appropriate;
 - (ii) As Housing Authority, liaising with Registered Providers and private developers to secure affordable housing;
 - (iii) As a landowner; and
 - (iv) As a partner and community leader in the Burgess Hill Growth Programme.
15. The Government recognises the importance that the Planning System will play in the economic recovery and since the beginning of the crisis has repeatedly emphasised the need for Local Planning Authorities to do all they can in ‘keeping the planning system running’, including policy making and the determination of planning applications.
16. At the start of the pandemic the Government introduced a temporary relaxation of some procedures and planning requirements, including:
 - (i) Permitted development changes from restaurants, drinking establishments to takeaway for a period expiring 23rd March 2021;
 - (ii) A temporary relaxation of planning enforcement for overnight deliveries for food and essential products;

- (iii) Increased flexibility for construction site working hours - the Government expects local planning authorities to approve requests to temporarily extend construction working hours, where they are controlled by planning condition, unless there are compelling reasons not to. There have been 12 formal requests to date;
 - (iv) Extension of the 'life' of planning permissions enabling development to commence following delays caused by the pandemic. This affects 65 planning permissions totalling 365 units in Mid Sussex;
 - (v) Flexible approach towards consideration of triggers for S106 payments. The Council has developed a protocol with WSCC to deal with these in a consistent manner and to date with have formally agreed to one request and are actively considering four others.
 - (vi) Temporary changes to the statutory publicity requirements, including newspaper publicity and neighbour notification. This allows for other reasonable steps to be taken to publicise planning applications, for example, using social media and other electronic communication;
 - (vii) In addition, the government has introduced a number of changes to the planning system to help facilitate and support the continuation of the construction and development industries and these are being formalised through legislation.
17. The Business and Planning Act 2020 sets out minor changes to formalise the fast track route to amending planning restrictions on construction working hours and extending the life of certain planning permissions to be extended.
18. On 20th July the government introduced radical changes to the 1987 Use Class Order which will take effect on 1st September 2020. Amongst the changes include the introduction of a new Class which is intended to offer more flexibility within town centres.
19. The government has also introduced new permitted development rights which came into effect on 1st August 2020 and which allow for additional development, including upwards extensions, subject to a prior approvals process.
20. On 6th August 2020 the Government issued the Planning for the Future White Paper which proposes a radical review of planning processes with the aim to streamline planning decisions. The intention of the White Paper is to encourage sustainable development, delivered faster and without the current 'obstructions' in the current system. These proposals if enacted will have the potential to dramatically impact on the Council's planning service. Responses on the White Paper are required by 29th October 2020. This, together with the impact of the pandemic will result in the need to review the planning service and to reevaluate the review of the District Plan and some of the emerging policies in the District Plan.
21. Since the start of lockdown in March 2020, the total number of new planning applications submitted has fallen by 17%. Although the Council has received 479 planning applications in the first quarter of 2020/21 there has been a reduction in application fees in the first quarter of 48% as there has been a reduction in the number of applications for large housing and commercial schemes.

22. The development industry relies upon expedient and timely decision making to provide certainty for financial investment and delivery of development. The future focus in relation to recovery will be on how the Council can streamline and support the planning process to be as efficient and effective as possible to ensure we are not a barrier to development.

Sustainable Economic Growth – Recovery Plan 2020/21 and 2021/22

SHORT TERM	
1.	Create a positive planning environment to attract inward investment:
(i)	Adopt a Masterplan for Haywards Heath to guide and optimise development;
(ii)	Prioritise progress on strategic development sites including the Science and Technology Park, Burgess Hill Growth Programme and the Northern Arc Strategic Development;
(iii)	Work with developers to ensure the optimisation of sites in line with the District Wide Design Guide;
(iv)	Work with developers to maximise and accelerate delivery of affordable housing by exploring opportunities to increase affordable housing provision on strategic sites, accelerate delivery and robustly challenge developers request to reduce affordable housing provision;
(v)	Prioritise applications for all commercial and major housing development;
(vi)	Enter into Planning Performance Agreements with developers to provide certainty over timeframes for consideration and determination of planning applications;
(vii)	Respond positively to requests to renegotiate Section 106 agreements and requests to amend conditions regarding construction working hours;
(viii)	Work with developers to review planning processes to improve efficiency;
(ix)	Review the Planning Application Validation 'Local List' to provide certainty to the development industry when submitting planning applications.
2.	Promote Mid Sussex District to new businesses and investors:
(i)	Launch a marketing strategy of Mid Sussex to capitalise early on investment opportunities, especially those sectors with the greatest growth potential.
3.	Support Business Investment, Change and Development:
(i)	Encourage early delivery of additional high-quality employment floorspace by working closely with promoters and developers of allocated employment sites and safeguarded existing employment sites;
(ii)	Support retailers in re-orienting their business models and approach to commerce to better respond to the economic climate;
(iii)	Update the Council's Discretionary Business Rates policy for 2020/21 to make best use of Council resources;

(iv)	Launch the micro-business grant scheme to allocate £72k to support approx. 40 businesses to adapt to the post pandemic environment;
(v)	Support local businesses to aid their continuation and recovery by signposting details of government grant funding and services on the Council's webpages and through the work with the District's three Business Associations;
(vi)	Support restaurants, bars, takeaways and other licensed premises to successfully operate safely under Covid-19 guidance by providing local contextual advice specific to their business.
4. Deliver the infrastructure necessary to enable businesses to flourish:	
(i)	Deliver the Council's Full Fibre digital connectivity projects to stimulate connectivity and innovation across the district. This includes over 80km of fibre, running through the district, funded through grants of £9.5m. The aim is to accelerate fibre and mobile connectivity deployment to towns, villages and rural communities. The work will connect the growth and innovation zones within the area, stimulating innovation and business growth;
(ii)	Continue to work with retailers, high street businesses, town and parish councils on implementing Government's Reopening High Streets Safely Fund;
(iii)	Maximise all opportunities to secure external government grant funding to support businesses, innovation and research and development, green infrastructure and digital connectivity;
(iv)	Refocus the economic and community grants budget by adding £300k in the current year. The purpose would be to support businesses and the local community with Covid-19 recovery. This would be administered by the Council's Cabinet Grants Panel, as currently. Criteria for the grants will be developed.
(v)	Support WSCC to deliver the Emergency Active Travel Fund to deliver an extension of cycle lanes in East Grinstead;
(vi)	Actively participate in the Government's fundamental review of business rates.
MEDIUM TERM	
5. Support the economy through planning:	
(i)	Agree an Action Plan to unblock delays to issuing implementable planning permissions and ensuring sites with planning permission and allocated sites are developed at pace.

6. Create a Positive Environment to enable our Town and Village Centres to Flourish:

- (i) Develop an Interim Policy Statement for town centres, to support mixed use development, including additional residential above ground floor commercial uses, in advance of the District Plan review;
- (ii) Support towns centres by working with partners to bid for grant funding which supports economic recovery of town centres including the government's Future High Street Fund and the new 'Towns Fund';
- (iii) Run a training programme to support retailers and the food and beverage sector in re-orienting their business models and approach to commerce;
- (iv) Recommence food hygiene inspection programme prioritising high risk premises to ensure businesses operate safely and provide consumer confidence through their Food Hygiene Rating scores;
- (v) Develop proposals for networks of walking and cycling routes and improvements to public transport to encourage alternative modes of sustainable transport and active travel and to deliver wider public realm enhancements;
- (vi) Adopt and implement the Council's Parking Strategy.

7. Directly Support Economic Recovery:

- (i) Refocus the economic and community grants budget by adding £300k in the current year. The purpose would be to support businesses and the local community with Covid-19 recovery. This would be administered by the Council's Cabinet Grants Panel, as currently. Criteria for the grants will be developed.
- (ii) Develop an interim Economic Recovery Plan based on the pillars in the Government's economic recovery plan with an emphasis on support for those sectors significantly impacted.

LONG TERM

- (i) Explore the use of Local Development Orders (LDOs) to allow minor retail or commercial development or changes of use including temporary uses/works, without the need for further planning permission;
- (ii) Review the District Plan with a focus on allocating additional housing and commercial development and developing policies to encourage intensification of employment uses and town centre regeneration;

- (iii) Respond to the Government's economic recovery strategy by revising and merging the Economic Development and Sustainability Strategy to direct an emphasis on support for those sectors most significantly impacted and on driving a green recovery. It is proposed that this work will be overseen by a Member working group.