

SQW

Towards an East Sussex Economic
Growth Strategy to 2050

Progress update...
and the emerging
strategic framework

Team East Sussex
29 January 2024



Agenda

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- 3. Establishing the evidence base**
- 4. Consultation and engagement**
- 5. Scenario development: Looking towards 2050**
- 6. 'East Sussex Prosperity': The strategy 'storyboard'**
- 4. Next steps and questions for discussion**

Introduction

Introduction

- This slidepack provides an update on progress in developing the East Sussex 2050 Economic Growth Strategy, for discussion at Team East Sussex on 29 January.
- It also introduces the ‘strategy storyboard’: the high-level, long term, draft strategic themes around which (subject to feedback) the Strategy will be developed.
- Following discussion at TES, the next step will be to produce the first draft of the Strategy. This will be accompanied by two supplementary papers, considering options for delivery and ‘pipeline possibilities’ for interventions over the short-to-medium term.

Questions for discussion

- In considering the contents of this pack, some questions for discussion include:
 - Does the outline framework set out work?
 - Is it sufficiently distinctive?
 - Does it capture the key challenges and ambitions looking ahead to 2050?
 - Are the proposed 'priority areas' the right ones?
 - Will the themes enable Team East Sussex to prioritise activity?
 - How should East Sussex's spatial diversity be reflected?
 - Is the outline framework relevant to the *whole* county – taking account of its towns and rural and coastal dimensions?
 - How should the Strategy address the specific 'sub-county' issues – e.g., the need for sustained investment in Hastings' long-term transformation

Background: Objectives, approach and timetable

2050 Economic Growth Strategy: Objectives

A new East Sussex Economic Growth Strategy was commissioned in summer 2023. Looking towards 2050, this is intended to:

- Provide long-term strategic direction for economic development
- Provide an 'evidence-driven framework' for collaboration
- Enable shared understanding of East Sussex's strengths, weaknesses, challenges and opportunities
- Show where and how projects and programmes can be most successful
- Provide strategic backing for external funding bids
- Provide a pathway to improved economic performance to 2050

The Strategy is also developed in the shorter-term context of the transition from the South East LEP to local areas, the enhanced role for Team East Sussex linked with that, and recent guidance from Government on the development of local economic strategies.

Approach to strategy development

In the context of these objectives, key issues underpinning our approach are:

- The need to ensure a long-term approach – looking beyond current planning policy time horizons and electoral cycles and taking into account a wide range of trends and drivers
- Extensive consultation and engagement, including beyond ‘core partners’
- Strategic view of economic growth – *“defining some meaningful ‘missions’ that partners can get behind”*
- Responding to and reflecting East Sussex’s distinctiveness

At the start of the process, a series of **scoping consultations** highlighted:

- **Focusing prioritisation:** *“A strategy to be used, not to sit on the shelf”*: setting the parameters for shared economic priorities and providing a practical guide to decision-making... but with flexibility to respond to changing opportunities over time
- **Developing a proactive approach to economic development:** Recognising the challenges (especially in relation to productivity) and ensuring an active and coordinated response
- **Ensuring a ‘sub-regional’ voice for East Sussex:** Responding to the changes in sub-national economic development arrangements: providing an opportunity for a stronger voice for East Sussex and taking a county-wide view to supplement strategy at local level
- **Building consensus:** Balancing ‘growth’ and prosperity... but some tensions between the two concepts which the Strategy will need to mediate

Work plan and timetable

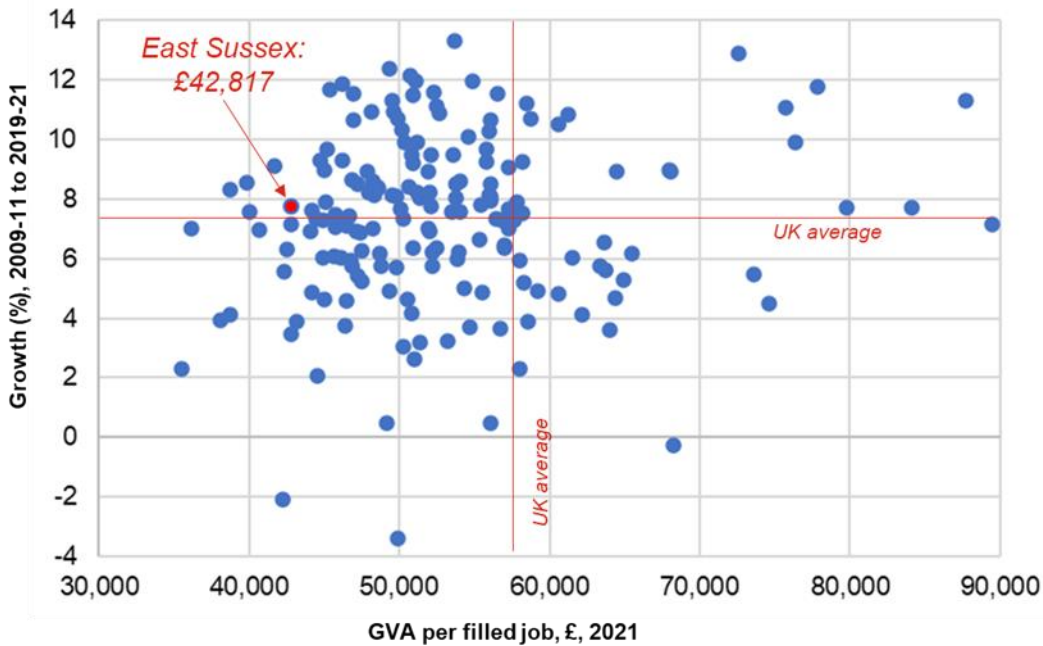


Establishing the evidence base

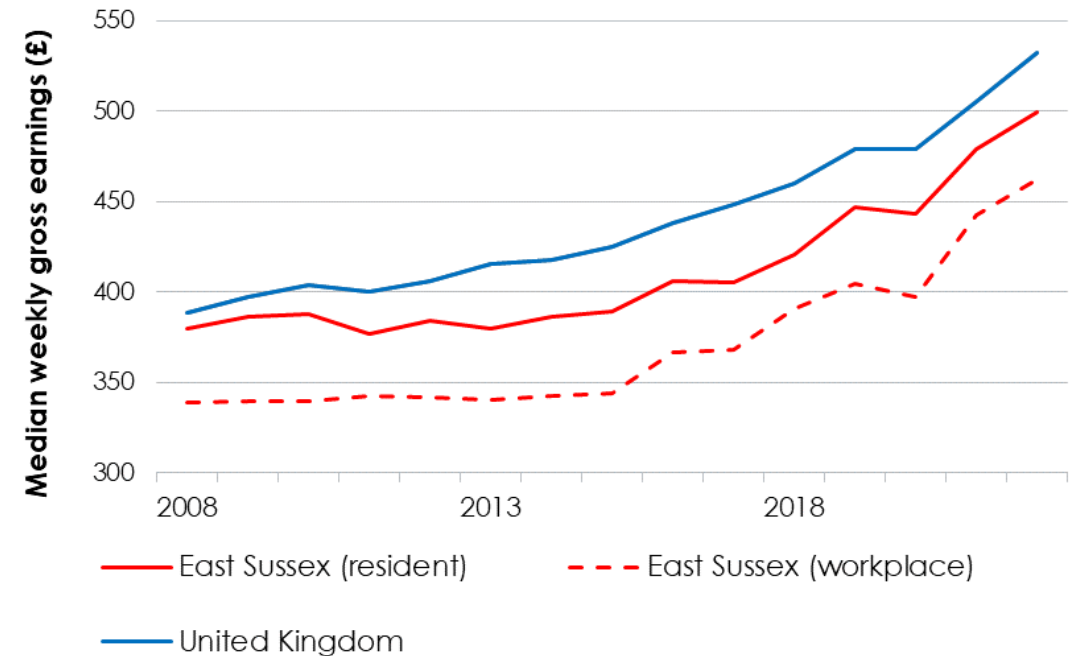
Clarifying the economic challenge

An early phase of work involved a review of economic intelligence. In 'big picture' terms, this highlights East Sussex's outstanding environmental and quality of life assets, but raises significant challenges in terms of productivity and pay:

The 'value' the economy generates (GVA per job) is relatively low...



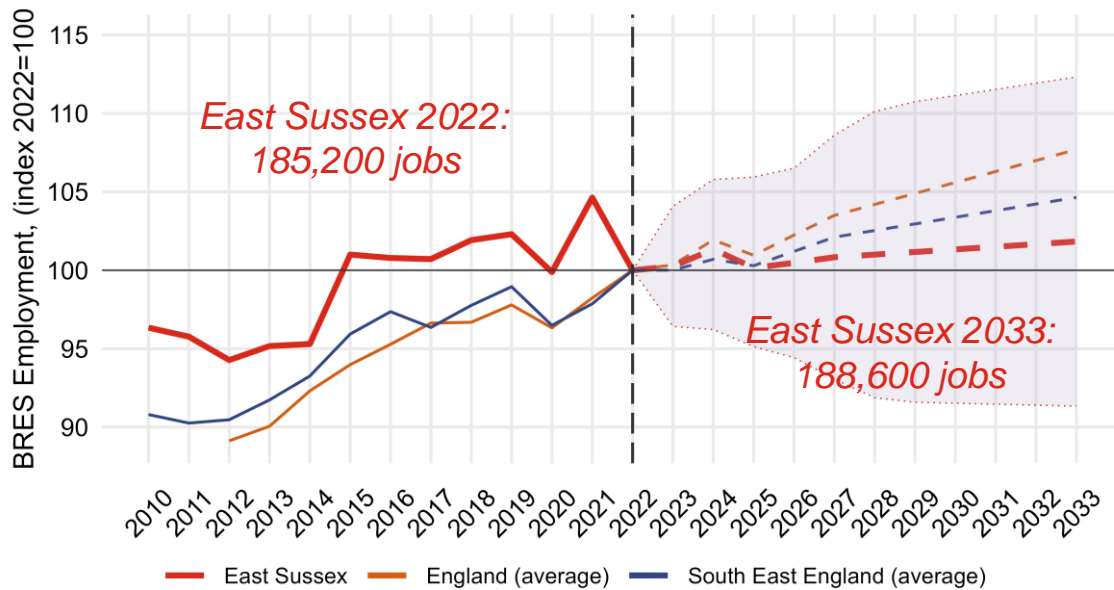
... and this translates into a 'pay gap' for people who are living and working locally



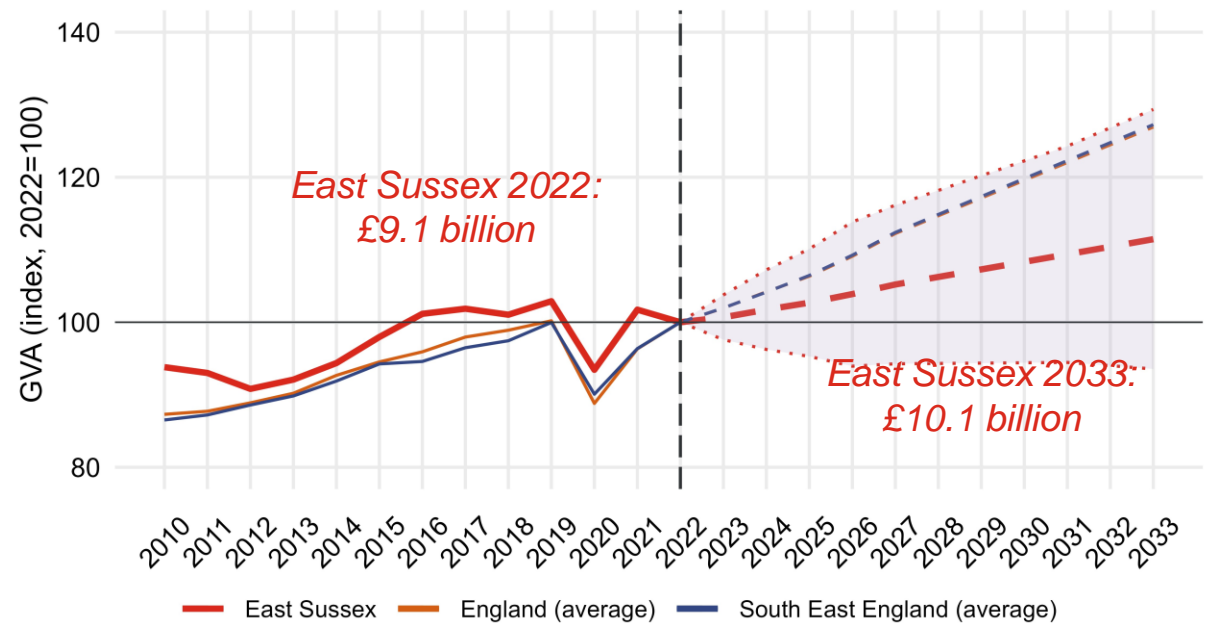
Baseline forecasts: if current trends continue...

Looking ahead, **baseline forecasts** anticipate relatively slow growth in employment and GVA. Some of this is linked with slower growth in the 'working age' population – but forecast growth is also lower than in 'comparator' areas in West Sussex and Dorset. Note that these are simply 'baseline forecasts' – a data-driven indication of how the economy is *likely* to grow, not how it necessarily *ought* to grow.

Employment: national and regional comparisons



GVA: national and regional comparisons

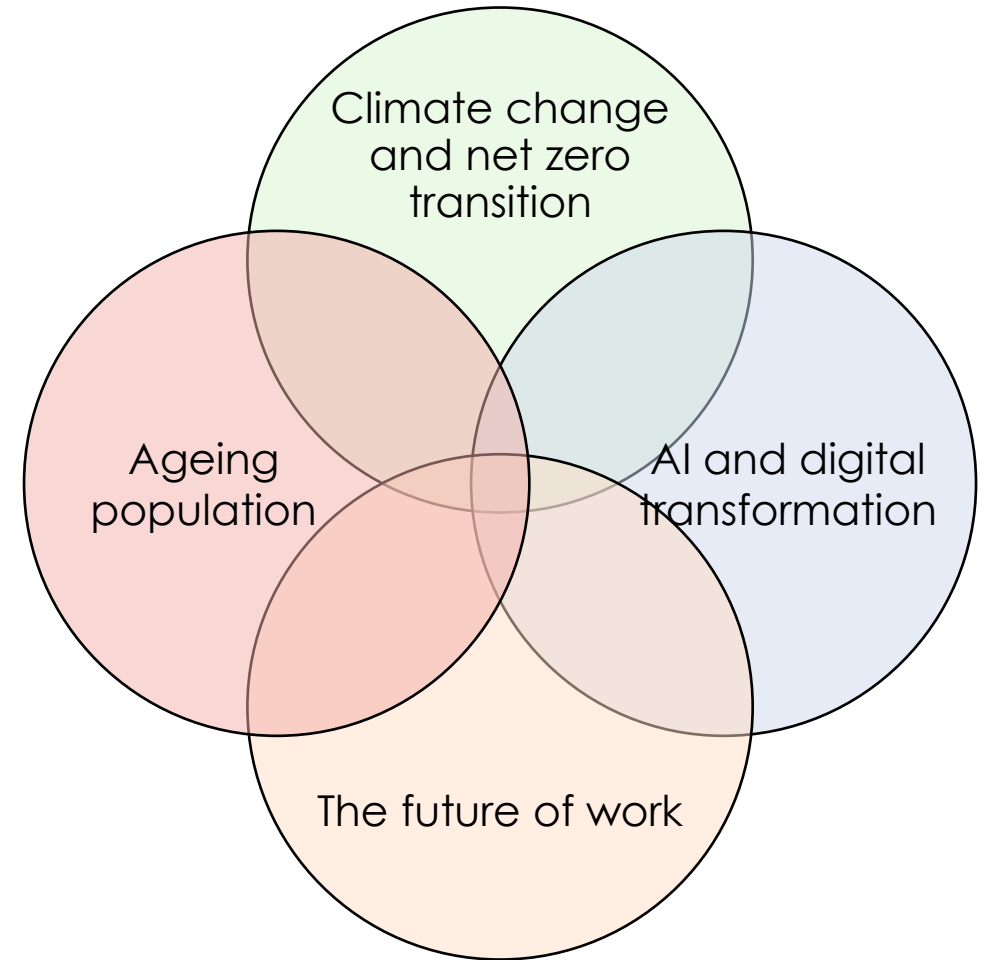


Source: SQW Regional Dynamic Spatial Forecasting model (RDSFM).

Longer term transformational trends

Beyond these baseline forecasts, we have identified four **'transformational themes'** that will influence the whole of the economy, and scope for improved living standards, over the next three decades. These are illustrated in the diagram, and are all:

- **Long-term:** Transformational 'structural' changes that will impact all aspects of the economy over the next 30 years.
- **Universal:** The themes apply *everywhere*.... But *how* they apply depends on the local asset base, composition of the business stock, population characteristics, etc.
- **Interconnected:** Each theme combines with the others - e.g., digitalisation provides solutions to the challenges of an ageing population and helps to lower the carbon footprint. So although each theme is distinct, they overlap.
- **Societal:** All four themes impact on all aspects of life. But we're especially focused on how they might impact the economy and support long-term productivity growth and economic resilience.



Consultation and engagement

The engagement process

To discuss these themes and to provide further insight, a process of engagement took place during November and December. This involved:

Five 'area-based' workshops

In-person workshops were held in each district, involving local authority, business and voluntary sector stakeholders, aimed at identifying local strengths and challenges

Each workshop was informed by a 'District Profile', summarising relevant data and strategies.

Topic-based workshops

Four online workshops were held focused on the 'transformational themes' identified earlier (net zero and climate change, ageing population, future of work and AI and digital transformation).

Each workshop was informed by a topic paper summarising the economic and policy context.

'People's voice' focus groups

- Two focus groups were held with:
- a group of students at East Sussex College, Eastbourne
 - staff at a private sector employer in Newhaven

These sought to gain wider perspectives from groups who may not normally engage in strategy development.

Further engagement also took place with Business East Sussex, Skills East Sussex, local authority officers and private sector employers

Feedback from the engagement process

A report on the consultation and engagement process has been produced. Key points:

- Four transformational themes all recognised as important, although with an especially **strong emphasis on climate change and net zero transition** as the fundamental challenge looking forward to 2050
- **Diversity across the county**, and the need for different emphases in different places... with (especially) distinctive and long-standing challenges in Hastings
- Perceptions of a **disparity between 'wealth' and 'income'**, which presents challenges for the future – and which is borne out in pay and affordability data
- While East Sussex enjoys superb 'quality of life' assets, **opportunities are not always seen as available locally...**
- ... but a **large and diverse small and micro business base**, with different levels of ambition...
- ... and there are **important emerging areas of growth and opportunity** (the vacuum manufacturing cluster, large creative economy, growing concentrations of 'digital' businesses)
- **'Supply side' pressures are acute**, especially in relation to skills and workforce availability and access to employment land (less focus on transport infrastructure, although A27 pressures highlighted)
- **Mixed views on the concept of 'economic growth'**, especially given the quality and scale of environmental assets – underpinned by perspectives on sustainability and distributional issues

Scenario development: Looking towards 2050

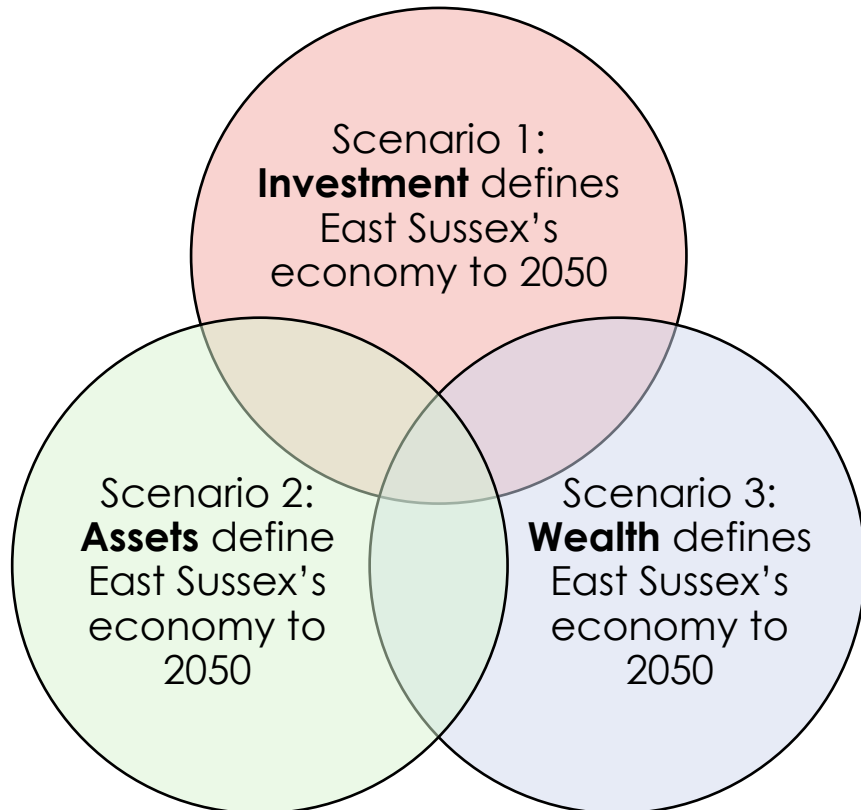
Towards 2050: Scenarios

Based on the current economic evidence and analysis of the four transformational themes, we have developed three '**narrative scenarios**'. These are not intended to be 'predictions' – instead, they are stylised views of how the county's economy might develop over the long term.

A number of factors underpin all four:

- **Net zero** targets are a national imperative and will drive transformational change in all aspects of the economy.
- **Climate change** risks (especially flood risk) are highly significant and will impact future growth.
- East Sussex's important **environmental designations** (e.g., South Downs National Park and the High Weald AONB) are protected, and this protection is likely to be enhanced over time.
- The **average age of the population** will increase over time (although the lifetime migration patterns are quite complicated, and may vary under different scenarios)
- Patterns of **work** will continue to evolve, but more people will need to work for longer
- **Digital transformation** will continue apace, although the precise range of products and services, and the impact they will have, is unknown at this stage.

Towards 2050: Scenarios



In **Scenario 1**, economic growth is supported by higher levels of public and private investment (e.g., in connectivity, industries with growth potential and targeted regeneration, consistent with sustainability objectives)

In **Scenario 2**, economic growth is supported by the expansion of East Sussex's small businesses and existing assets, with 'growth' rooted in the community and opportunities developed from the county's environmental assets

In **Scenario 3**, economic growth is supported by the consequences of wealth within the county – as desirability as a place to live drives a growing service economy

The three scenarios are not mutually exclusive. But striking the right balance between the them will be important to the sustainability of future strategy

Strategy storyboard: The outline strategic framework

The outline strategic framework

Taking the three scenarios into account, we have set out a 'strategy storyboard' – the overall framework for the 2050 Economic Growth Strategy.

Referred to as '**East Sussex Prosperity**', this includes:

- An overall goal (a definition of where the economy should be in 2050)
- Some defining principles that should underpin all activity to support economic growth
- Key themes: areas of focus for the long term
- 'Areas for action' to guide activity

At this stage, the framework is at high level, and will be developed further subject to feedback from Team East Sussex.

East Sussex prosperity: Outline framework

Overall goal: Where do we want to get to?

In 2050, East Sussex will be a place where people live and work well. It will be characterised by well-paid work and good opportunities; innovative and thriving businesses; and an excellent quality of life in an outstanding natural environment

Defining principles

- *Our economy will achieve net zero carbon by 2050*
- *The principles of the circular economy will shape what we do*

Key themes:

- *Appropriately harnessing investment, assets and wealth*
- *Building on existing strengths...*
- *'Rebalancing' East Sussex's economy towards more productive, local employment and business growth*

A county of opportunity and ambition...

... for new and growing businesses, particularly in key sectors
... for young people starting out
... for adaptable lifetime careers

A county of creativity and innovation...

... leveraging the value of our creative, cultural and environmental assets
... where there's space to develop new ideas and do things differently

Business

People

Places

Tangible priority areas to define actions

Innovation and agility for long-term prosperity

Translating the framework into strategy

In 2050, East Sussex will be a place where people live and work well. It will be characterised by well-paid work and good opportunities; innovative and thriving businesses; and an excellent quality of life in an outstanding natural environment

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Business

People

Places

Innovation

From the core themes to action in relation to...

Business

- Developing a flourishing micro-business environment...
- ... and enabling firms with ambition to scale up
- Attracting responsible and higher-value investors
- Building business resilience to climate change, technology transformation and changing workforce dynamics

through...

- Ensuring the right land and premises for growth
- Developing business networks – locally and in relation to East Sussex's emerging and nascent clusters
- Targeted support for innovation and growth

Translating the framework into strategy

In 2050, East Sussex will be a place where people live and work well. It will be characterised by well-paid work and good opportunities; innovative and thriving businesses; and an excellent quality of life in an outstanding natural environment

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Business

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Places

Innovation

From the core themes to action in relation to...

People

- Building opportunities for young people to stay and develop careers in East Sussex
- Attracting a skilled workforce, including through 'returners' to the county
- Enabling good, rewarding work throughout working lives

through...

- Understanding and responding to industry demand
- Support for progression in work
- Working with employers to optimise the effectiveness of the changing workforce
- Rebalancing cost pressures – especially in relation to housing

Translating the framework into strategy

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Business

People

Places

Innovation

From the core themes to action in relation to...

Places

- Capitalising on, while protecting and enhancing, East Sussex's environmental assets and designated landscapes
- Making the most of the county's cultural and creative opportunities
- Enabling all parts of East Sussex to thrive
through...
- Balance between 'county-wide' priorities and local differentiation, recognising the county's diversity (coastal, rural, urban)....
- and a long-term focus on transforming Bexhill and Hastings, linked with the principles of the outline framework
- Targeted investment in connectivity to optimise economic potential

Translating the framework into strategy

In 2050, East Sussex will be a place where people live and work well. It will be characterised by well-paid work and good opportunities; innovative and thriving businesses; and an excellent quality of life in an outstanding natural environment

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Business

People

Places

Innovation

From the core themes to action in relation to...

Innovation and agility for long-term prosperity

- Across all elements of the Economic Growth Strategy, long-term prosperity will mean *driving* and *adapting* to change, in relation to:
 - Business activity (new sectors, products, markets and business types and changing processes)
 - Sustainability (new solutions to energy and environmental management)
 - Changing workforce demands and ways of working
- Building networked 'innovation ecosystems' in the East Sussex context

Next steps and questions for discussion

Next steps

- Following feedback from Team East Sussex, the next step is to prepare a first draft of the Strategy
- This will be accompanied by two supplementary documents, looking towards Strategy implementation in the shorter term:
 - Delivery options 'route map' paper
 - Analysis of pipeline possibilities

Questions for discussion

- Does the outline framework for '*East Sussex Prosperity*' work?
 - Is it sufficiently distinctive?
 - Does it capture the key challenges and ambitions looking ahead to 2050?
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Research, analysis and advice on economic and social development

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