

Report to Cabinet

November 2020

West Sussex County Council Economy Reset Plan 2020-2024

Report by Executive Director Place Services

Electoral division(s): All

Summary

The County Council's Economic Growth Plan 2018-2023 set out the Council's priorities and opportunities for economic growth in West Sussex. Work has progressed over the past two years and positive outcomes have been achieved. With the emergence of COVID-19 it has been agreed to `reset` the Economic Growth Plan to provide the framework for the Council's response to the significant impact of the pandemic on the economy, businesses and residents.

An Economy Reset Plan has been developed for the period 2020 – 2024. It draws on the existing Economic Growth Plan and reflects those areas where additional focus is required to respond to the impact of the pandemic. The plan will be progressed within current corporate budget allocations and will support the case for additional external funding should it become available.

Cabinet is requested to endorse the Economy Reset Plan 2020-2024 for formal adoption, and to confirm it will supersede the current Economic Growth Plan 2018-2023.

Recommendations

- (1) That Cabinet approves the adoption of the West Sussex County Council Economy Reset Plan 2020-2024 (Appendix A).
 - (2) That Cabinet confirms the Economic Growth Plan 2018-2023 has been superseded by the Economy Reset Plan 2020-2024.
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Proposal

1 Background and context

- 1.1 COVID-19 is having a significant impact on the county's economy, businesses and workforce. There is evidence the impacts vary across the county and between business sectors. Although there are some examples of business

growth and wider investment during the pandemic, the overall economic position is of great concern and the numbers of people out of work is increasing.

- 1.2 The Council responded to the immediate economic crisis arising from the pandemic, for example by providing information for residents and businesses through corporate communication channels, and through highways and transport support for the re-opening of high streets. The Council has also engaged in lobbying with MPs and Government to make the case for West Sussex where there are significant impacts including from the aviation crisis, and the pressures on the adult social care market.
- 1.3 A corporate approach across the Council is required, led by Cabinet. The Council's role is mainly one of leadership and championing the county. Many partners and organisations will be involved in economy reset and recovery, including the Districts and Boroughs, the C2C Local Enterprise Partnership, business and trade representative organisations, trade unions, MPs, business community networks, further and higher education, and the voluntary sector. The Council will create and nurture strong partnerships to progress priorities.
- 1.4 The Economy Reset Plan has been developed over six months, and has involved a review of the `business as usual` Economic Growth Plan 2018-2023 activities, a consideration of Government strategy and approach to the economy, the development of priority themes and headline actions informed by evidence and intelligence on the impact of the pandemic, engagement with our main partners and stakeholders on the proposals, and scrutiny of the draft plan by the Performance and Finance Scrutiny Committee.
- 1.5 The main changes from the draft Economy Reset Plan considered by Cabinet in July are an update to the evidence and intelligence on the impact of COVID-19 to reflect the latest position, a refresh of the current position and the County Council's response for each of the nine themes to reflect what has happened between July and November, the introduction of `headline actions to March 2022` reflecting progress made in refining the reset activities from July and incorporating feedback from partners, and a refresh of how government could help to ensure the Council's `ask` is current.
- 1.6 The economic landscape is highly fluid, reflecting the uncertainty around the public health situation. When the work on the Economy Reset Plan began, it was predicted there would be a swift bounce back for the economy and that reset activities would support recovery over the winter. The situation is now more uncertain, with new national restrictions introduced from 5 November to 2 December and Government announcing restrictions are likely to be in place until March 2021. For many businesses, enterprises, employees, and the self-employed/freelancers, the winter period is bringing significant challenges and the Council will do what it can to respond.

- 1.7 The economy reset plan will need to be a `live` document as the impact of COVID-19 on West Sussex businesses, employers and the workforce evolves over time.

2 Proposal details

- 2.1 The proposal is to adopt the Economy Reset Plan 2020-2024 in support of the Council's commitment to ensuring a sustainable and prosperous county. The Economy Reset Plan is a County Council plan, rather than a countywide plan. It reflects where the Council is well placed to respond to the challenges facing the broader economy due to COVID-19.
- 2.2 It is clear the economy will not be the same as it was before the pandemic, and so the Reset Plan recognises some of the Council's economy activities have or will need to be refreshed or changed. There is also a need for new areas of focus to address where the economy has been particularly adversely affected and where there are opportunities to support recovery.
- 2.3 The Economy Reset Plan has nine priority themes. These provide the framework for where the Council will focus its efforts and resources, build or support strategic alliances and partnerships, and lobby for attention nationally, regionally and locally. Themes 1 – 3 reflect the spatial economic challenges for Crawley and the wider Gatwick Diamond, and for the coastal and rural economies; themes 4 - 5 focus on the fundamental platforms of business start-ups, existing businesses, and employment and skills; themes 6 - 7 focus on two key sectors hit hard, the visitor economy, with links to hospitality, and the health and social care market, under considerable strain from COVID-19; and themes 8 - 9 focus on the opportunities the Council is keen to embrace around digital infrastructure and the application of digital technology and the importance of embedding climate change and the environment in the reset approach.
- 2.5 The headline actions for each theme reflect the pre-COVID `business as usual` activities, and where the Council has agreed new or additional focus is required including on:
- Crawley, the wider Gatwick Diamond economy and the businesses and people severely impacted by the aviation crisis and current position with Gatwick Airport
 - skills and employment reflecting the significant impact COVID-19 is having on jobs, the self-employed and those seeking to enter the labour market in the county
 - the needs of some sectors including the adult social care market, and tourism and the visitor economy
 - progressing work with District and Borough partners to accelerate the adoption and application of digital technology and skills to help address challenges and progress opportunities
 - opportunities to embed a zero-carbon and `nature-based` solutions approach within the planning and decision-making for economic recovery.
- 2.6 In the short term over the winter, the Council will continue to work with partners to maximise any opportunities to support businesses and residents

through Government support; continue to lobby government on key issues affecting West Sussex; continue to invest through the capital programme in major infrastructure projects; support `buy local` activities and campaigns including for the festive season; and prepare reset and recovery activities for 2021.

- 2.7 The Economy Reset Plan will have a performance framework to ensure the Council can monitor progress and report on benefits. Corporate performance indicators will be agreed as part of the next iteration of the Council's Reset Plan, which will be in February 2021 alongside the budget. Performance indicators will include contextual economic indicators in support of the corporate priority outcomes and project-specific indicators arising from the Economy Reset Plan actions.

3 Other options considered (and reasons for not proposing)

- 3.1 The Economy Reset Plan priority themes and headline actions have been developed from a full consideration of where the Council is best placed to respond to the impact of COVID-19 on the economy.

4 Consultation, engagement and advice

- 4.1 **External** – key partners and stakeholders were engaged on the draft Economy Reset Plan in August and were asked for feedback on the proposed priority themes and emerging activities. These included the Districts and Boroughs, the Coast to Capital Local Enterprise Partnership, the South Downs National Park Authority, the three West Sussex Area Economic Partnerships, and business representative organisations. The draft plan was also shared with key partners and stakeholders relevant to priority themes including education and skills partners, neighbouring upper tier authorities, and sector specialist bodies. Extensive feedback was received with partners broadly welcoming the draft plan. Feedback also highlighted where partners would like additional attention or focus, including for start-ups and micro-entrepreneurs, town centres, digital infrastructure in rural areas, and on a more robust role around employment and skills. Where there was consensus in the feedback and the Council can respond, the areas for additional focus are included in the headline actions.
- 4.2 More broadly the Council has engaged community groups, undertaken research with residents to understand the effects of Covid-19 and what they need going forward, and involved almost 50 local partners in workshops to shape the four key priorities and outcomes for the corporate reset plan, underpinned by climate change. These activities have also informed the Economy Reset Plan.
- 4.3 **Councillors** - The Performance and Finance Scrutiny Committee considered the draft Economy Reset Plan at its meeting in September 2020. The Committee broadly supported the approach and priority themes. The Committee highlighted support for the promotion of high-spend tourism activities such as vineyards and restaurants, the encouragement of incoming investment, and the promotion of high-level skills. These are reflected in the headline actions in the plan. The Committee also requested milestones for progress, with performance and accountability measures, so that Members can gauge progress and achievements. A performance framework for the plan will be adopted which will align with this request.

5 Finance

5.1 The adoption of the Plan will have no cost implications to the County Council. The headline actions will be achieved within existing budgets and through external funding already secured or committed. Efforts will be made to attract additional external funding to support the plan's priorities.

(a) **How the cost represents good value**

The adoption of the Plan will have no cost implications to the County Council.

(b) **Future savings/efficiencies being delivered**

None

(c) **Human Resources, IT and Assets Impact**

None

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
Uncertainty about the extent of the impact of the pandemic on the economy may delay or affect reset activities, risking the achievement of the intended benefits.	The Reset Plan development has taken into consideration the wider economic situation as far as possible. `Business as usual` activities have been refreshed or changed as appropriate, and new areas of focus will be designed to be flexible and able to respond to the fluid situation.
Uncertainty around the future trading relationship with the EU, and how this may impact on economic and business recovery.	The Reset Plan development has taken into consideration the wider economic situation as far as possible. Support for businesses around exiting the EU is being promoted. Any changes needed to the Reset Plan actions will be considered as the future relationship with the EU is confirmed.
Financial pressures resulting in a reduction in budget and resource to deliver the plan.	The Reset Plan is led by Cabinet and will be supported by a robust performance framework to ensure the wider benefits to businesses and residents are understood. This will inform decisions on budget allocations in the future.
Lack of support from partners to aspects of the plan.	The Reset Plan actions focus on where the Council is well placed to respond to the wider economic challenges facing the county. The Council is committed to a strong partnership approach and will be working hard to collaborate effectively with partners.

7 Policy alignment and compliance

7.1 Legal implications

There are no legal implications identified as a result of this proposal.

7.2 Equality duty and human rights assessment

The Economy Reset Plan sets out the importance of ensuring the Council fully understands and responds to the impacts on residents and workers with protected characteristics, including age (with the potential for young people to be disproportionately affected); sex (for example women are more likely to work in sectors most hit by the pandemic including retail, hospitality and tourism jobs); and race (with data from the UK and overseas showing that the COVID-19 virus has a disproportionately significant impact on black and Asian ethnic minority people). The Plan sets out a range of headline actions to enhance equality and opportunity in the county, and it will be vital to monitor and review these as the situation evolves on the implications of the pandemic on people's lives and work.

7.3 Climate Change

One of the priority themes in the Economy Reset Plan is focussed on embedding climate change and the environment into the reset approach. A range of commitments and headline actions are included which will contribute to the Council's stated ambition to be Carbon Neutral by 2030, including through a focus on supporting and growing our green economy.

7.4 Crime and Disorder

There are no crime and disorder implications identified as a result of this proposal.

7.5 Public health

There are no direct public health implications identified as a result of this proposal. The Economy Reset Plan activities will be fully consistent with public health advice and guidelines for businesses, residents and visitors during the pandemic. Public health messages will be communicated through business networks and communities.

7.6 Social value

There is not a direct procurement arising from this report. The headline actions may involve procurement activity in due course, which would follow appropriate governance including a consideration of social value. The overall Economy Reset Plan is seeking to improve the economic wellbeing of West Sussex, with associated social and environmental benefits.

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Appendices: Appendix A: West Sussex County Council Economy Reset Plan 2020-2024

Background Documents: None