

Economy Reset Plan:

Partner Briefing and Engagement

August 2020

NOTE: This document was sent to key partners and stakeholders in August. Feedback was requested on the County Council's approach to the economic situation arising from COVID-19, and on the proposed reset priorities set out in the document. The deadline for feedback was 1 September 2020.

Introduction

- ❑ As we move beyond the immediate response to the COVID-19 crisis, the extent of the impact of the pandemic on the county's economy, businesses and workforce is increasingly evident and fast-changing.
- ❑ [Economy snapshot reports](#) give some insight into the current picture. In June, the number of out of work claimants aged 16+ was over 2.5 times those in March at just under 26,000; over 35,000 have claimed the Government's financial support for the self-employed; and over 125,000 employees have been furloughed – 31% of the resident workforce aged 16+ in work.
- ❑ The Council recognises the economy, business and skills `reset journey` will be complex, multi-faceted and phased over time. The Council is committed to playing its full part in addressing the challenges we face and taking opportunities to boost economic activity.
- ❑ Strong partnerships and a collaborative approach will be vital. We will work with key partners including the Districts and Boroughs, the C2C LEP, business organisations, and the education sector.
- ❑ Cabinet has endorsed a draft Economy Reset Plan, providing the framework for the Council's economy activities. We are seeking feedback on the Reset Plan, and particularly on the Council's proposed areas for focus in the short to medium term to stimulate economic activity, as set out in this document.

The Council's approach

We propose to adopt the following principles to underpin the approach to the Council's Economy Reset Plan:

- ❑ led by **Cabinet** and forming part of a single integrated corporate plan
- ❑ guided by **Government strategy** and continuing to influence its development
- ❑ focussed on the future for West Sussex and **priority outcomes**
- ❑ guided by **evidence and intelligence** on the impact of Covid-19
- ❑ based on creating and nurturing **stronger partnerships** whilst recognising each organisation will be responsible for its own approach
- ❑ ensuring the **County Council plays a leading role** in recovery where appropriate, including through its own activities
- ❑ ensuring we are making the **best use of resources** and securing value for money.

Economy Reset Plan Framework

The themes for the proposed Economy Reset Plan have been developed from:

- ❑ what we know so far from evidence and intelligence on the impact of COVID-19 on the economy, businesses and residents
- ❑ what we have learnt through the response to the COVID-19 crisis
- ❑ our agreement on new areas of focus, to address where the economy has been particularly adversely affected or where there are opportunities
- ❑ an initial review and re-set of the Council's current Economic Growth Plan 2018-2023 activities.

The themes will provide the framework for where we will:

- ❑ focus our own efforts and resources, including immediate activities to stimulate economic activity
- ❑ build or support strategic alliances and partnerships to act
- ❑ lobby for support nationally, regionally and locally.

The [draft Economy Reset Plan](#) has **nine themes**:

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;

Themes 8 - 9 focus on the **opportunities we are keen to embrace** around digital infrastructure and the application of digital technology to boost business productivity and enhance digital skills; and the importance of embedding climate change and the environment in the reset approach.

The themes largely reflect those in the current [Economic Growth Plan 2018-2023](#) and have added relevance now. When formally adopted the Economy Reset Plan will supersede the current Economic Growth Plan.



Reset Priorities to 2021

The nine reset plan themes are wide-ranging and varied, providing the framework for the Council's economy activities in the coming years. We need to make choices about where we will **focus our efforts and resources in the short to medium term - at least a year** - to support and stimulate economic activity.

The Council proposes to focus on five areas as follows:

1. Maximising opportunities to support businesses and business start-ups during the initial recovery phase



The business landscape is multi-faceted and evolving. We are seeing business start-up rates declining; businesses closing or struggling to survive, with workers being made redundant; businesses re-opening

and adapting to `new normal` conditions; and some businesses thriving and recruiting in COVID-19 market conditions. Many organisations have a contribution to make in supporting businesses and creating the conditions to encourage start-ups. The County Council will ensure we play our part.

We will:

- Ensure current business support programmes where we are partners respond to COVID-19 by supporting businesses and start-ups, initially through the University of Chichester led

Hot House Programme with funding from the European Regional Development Fund (ERDF) and West Sussex local authorities.

- Launch *The Track* in Bognor Regis in September 2020 with the operators Town Square Spaces, creating a co-working space and community for creative and digital start-ups and micro enterprises, and re-set the creative digital sector programme.
- Work with local universities on new business programmes that will support COVID-19 recovery, focussing on business innovation and productivity, and the low carbon sector (subject to the final approval of ERDF bids).
- Take a proactive approach to further Government support for businesses, working with the LEP Growth Hub and the Districts and Boroughs, and lobby around the funding gap arising from the end to EU business support and innovation funding as we leave the European Union.
- Promote and support the new *Area in Action Portal* developed by the co-working community in the county, by providing a place for Sussex businesses to work together and spend locally.
- Promote workforce well-being as set out in the Annual Public Health Report 2019/20 'Good jobs for good health'.
- Deliver Department for Transport (DfT) funded Emergency Active Travel Fund schemes to enhance sustainable travel choices on key commuting routes and around town centres, and maximise opportunities from further funding rounds.

2. Progressing skills and employment activities in response to the significant impact of COVID-19 on the labour market and residents



The impact of COVID-19 on people cannot be underestimated. The education, skills and employment landscape are being severely impacted, including opportunities for school leavers, apprenticeship

provision, the impact on further and higher education, and graduate employment. Many out of work are experienced, highly skilled individuals across a wide age profile. There were gaps in the labour market pre COVID-19 and some new opportunities have emerged. A collaborative effort will be needed to respond to the challenges and opportunities.

We will:

- Adopt a corporate response to skills and employment and play our part in creating employment opportunities through the Government's Plan for Jobs and use of the apprenticeship levy.
- Explore the potential for a strategic coalition of partners and business to identify and address the significant education, engagement, employment and skills challenges arising from COVID-19, with the potential for collaboration across Sussex and the LEP area.
- Commission expert support to help us establish the County Council's skills and employment activities and partnerships focussing on the working age population, including a re-set of the mature workforce programme, and with a consideration of green skills and digital skills.

3. Supporting Crawley and the wider Gatwick Diamond in response to the impact of the aviation crisis on the economy, businesses and residents

Aviation is one of the sectors most affected by COVID-19, with an unprecedented impact on Gatwick airport and its associated workforce, businesses, supply chain and passengers. The area's economy is particularly exposed with a lack of resilience in the wider economy when the airport is adversely affected by international events impacting on air travel. Economic recovery is likely to take time and considerable support.

We will:

- Participate in partnership activities to address the Gatwick Diamond economic situation with the LEP, the Gatwick Diamond Initiative, and the Districts and Boroughs, to include the potential to reduce the reliance on Gatwick in the longer term.
- Engage proactively with Gatwick Airport Ltd to consider the Council's role in supporting the airport's position and respond accordingly.
- Support the Crawley Recovery Taskforce and Recovery Board led by the Borough Council, including the Government's Towns Fund activities linked to the Crawley Growth Deal.
- Use the County Council's levers to stimulate investment including through the procurement of a development partner for Horsham Enterprise Park, and through the Growth Deals with the Districts and Boroughs.



4. Supporting and reviving the visitor economy, one of the hardest hit sectors in the county



Tourism and hospitality have been hit hard. The economic value of tourism to the county is estimated at 2.05bn, and it also does much to define the character and distinctiveness of the area, helping to attract and retain businesses, employees and enterprising people.

As the sector starts to re-open and restore consumer confidence, the impact of the loss of much of the peak season and questions about the viability of operations under `new normal` conditions remain. The Experience West Sussex tourism partnership has been highly proactive, and this remains a key commitment.

We will:

- Host and support the Experience West Sussex partnership to support the urgent needs of the sector due to Covid-19, with a focus on countywide leadership and destination resilience; business survival and resilience support; and marketing to align with Government and Visit Britain messaging
- Enhance the Partnership's marketing and communication activities through resident `discover local` communications
- Support the partnership to report on the impact of COVID-19 on the county, to underpin lobbying for the sector and any opportunities to secure funding for the destination, potentially pan Sussex to capitalise on the Sussex brand.

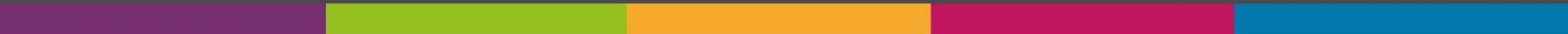
5. Ensuring a countywide acceleration in the adoption and use of digital technology by businesses, and a focus on digital skills

The pent-up demand for digital technology has increased exponentially with Covid-19, and in some areas the digital divide has been highlighted. It is generally assumed demand will continue to increase and that shifts in consumer and worker behaviour will remain. The County Council's strategic focus with partners is on full fibre infrastructure and a strategic roll out plan is progressing. Now is the time to accelerate work to maximise the adoption and use of digital technology by businesses, and to help drive a step change in digital skills – this will act as a key platform for the four other areas of focus.

We will:

- Kick start a programme of work with the District and Boroughs to stimulate the adoption of digital technologies and skills among non-digital businesses and residents, including the potential to focus on specific sectors or settings
- Continue to work with the Districts and Boroughs on the strategic direction of the County's digital strategy, including digital infrastructure, assets, and open market review mapping
- Work with DCMS to deliver the West Sussex Rural Gigabit Voucher top up scheme.





Through the five areas of focus, we will ensure we:

- ❑ Secure opportunities to support the aims of the Council's adopted **Climate Change Strategy**, embedding climate change and the environment in the reset approach
- ❑ Understand and respond to the impacts on residents and workers with **protected characteristics**, in response to indications some members of the community are more adversely affected than others.
- ❑ Maintain and deliver capital investment commitments to contribute to economic recovery through the **Growth Deals with the Districts and Boroughs**, the Strategic Transport Investment Programme (STIP), and the Council's wider capital programme
- ❑ Continue to work with Government and partners to progress **strategic transport improvements** including the Brighton Main Line and the A27
- ❑ Recognise and respond to the **spatial dynamics** across rural, coastal and Gatwick diamond economies working with the spatial area partnerships.