

West Sussex Economic Collaboration

Final Report

About this report

This forms the final report of a piece of work Metro Dynamics has carried out supporting the local authorities of West Sussex. The project brief was to review how the County, District and Borough Councils across West Sussex collaborate on economic development, regeneration and growth and to propose next steps. We have developed a shared evidence base across the West Sussex local economies, identified challenges and opportunities, led a programme of stakeholder engagement, and highlighted areas for collaboration and how to enhance collaboration among local authorities and with stakeholders, partners and businesses.

This report makes recommendations on thematic areas for collaboration based on evidence and stakeholder perspectives, principles for economic collaboration in future, and how we can make this happen including through local authority levers and partnerships.



**A shared evidence base
for West Sussex: what
does the data show?**

Summary messages

- **The economy is successful, but not as much as you might think.** Productivity remains lower than the national average with signs that it is beginning to fall behind the South East and nearby cities are overtaking. A lot of employment is in lower value sectors, and ageing is shrinking the relative size of the working age population. While skill levels are high in some areas they lag in others, and there are some clusters of deprivation.
- **There are significant shared interests but a wide variety of place characteristics across West Sussex.** The challenges of transport connectivity mean economically the whole is less than the sum of the parts. Data from office markets shows the area split in two in the eyes of business.
- **The current context is adding to some of the challenges – but also creating opportunities.** A tight labour market makes it harder to grow sectors, and the challenges of inflation are affecting businesses in many sectors. Development is already difficult in many areas and made harder by the water neutrality requirement, while houses are already very unaffordable in most of the county. A population that is changing via migration from Surrey and Brighton is changing demographics, and greater use of hybrid working creates opportunities in areas with historically high out-commuting.
- **New sectors create the opportunity for growth.** The manufacturing sector has grown significantly, with the opportunity to add more value, and new niche specialisms are emerging. The county has a range of assets which can be leveraged to support prosperity.
- **Complex economic geography** in which there are economic interdependencies between places and distinct characteristics and strengths – including urban, rural and coastal communities.

Productivity and barriers to growth

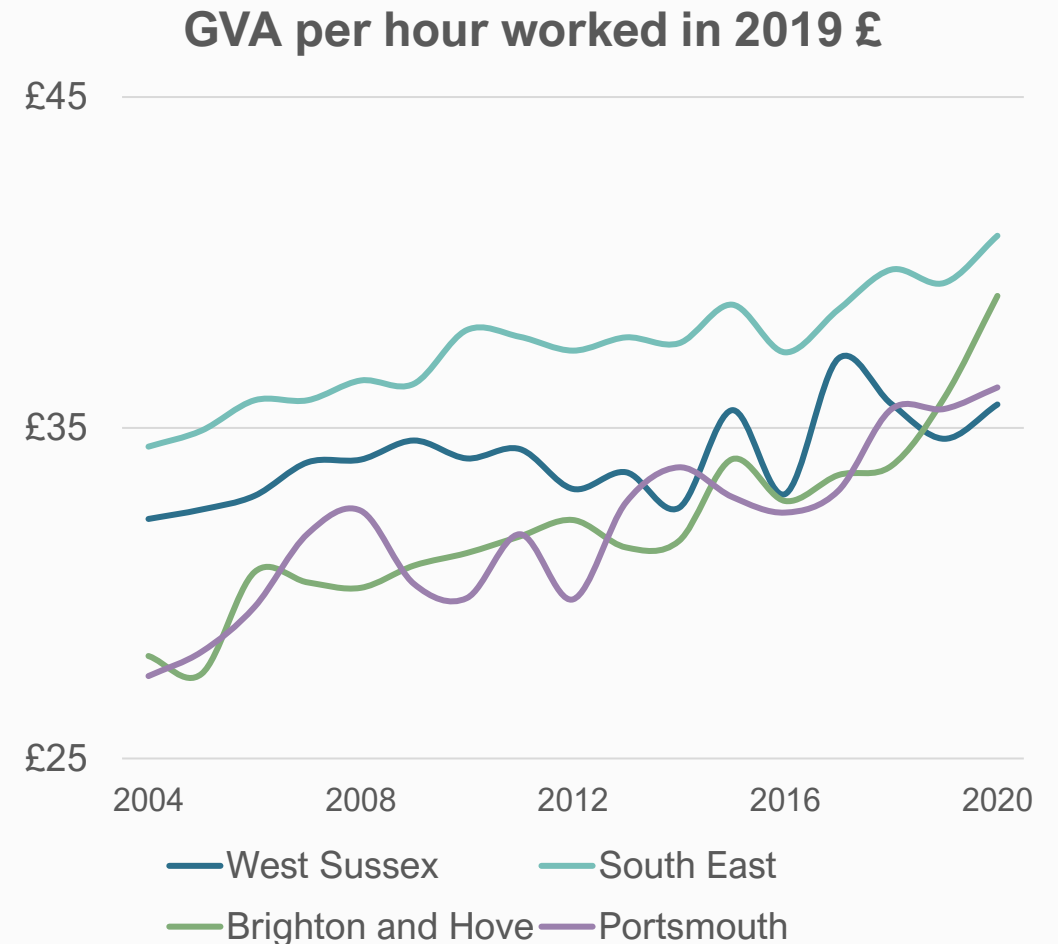
West Sussex's economy is prosperous – but a productivity gap with the South East has widened and there are barriers to growth: lower value sector employment, ageing population, lower skill levels in some areas, and some clusters of deprivation.

While overall GVA output has increased in West Sussex in line with the UK average of around 30% over 10 years, productivity growth in neighbouring cities of Brighton and Portsmouth, and of the South East region overall, is outpacing West Sussex.

There is a significant level of employment in lower value sectors. Health, retail, and business administration are the largest employing sectors, accounting for just under a third of total employment across the county. GVA output from health-related activities is well below the highest value sector – manufacturing.

Crawley and Worthing have the highest productivity levels measured by GVA per job, however, while Worthing's productivity has grown by 33% from 2014-20 driven by manufacturing, levels in Crawley have fallen.

Ageing is shrinking the relative size of the working age population, with an older age profile across the county than nationally. There are some differences between district and borough areas – Arun has the highest proportion of residents aged over 65 at 29%, 15 percentage points higher than the proportion in Crawley – the district with the youngest age profile.



Source: Metro Dynamics analysis of ONS GVA per hour worked

A tight labour market

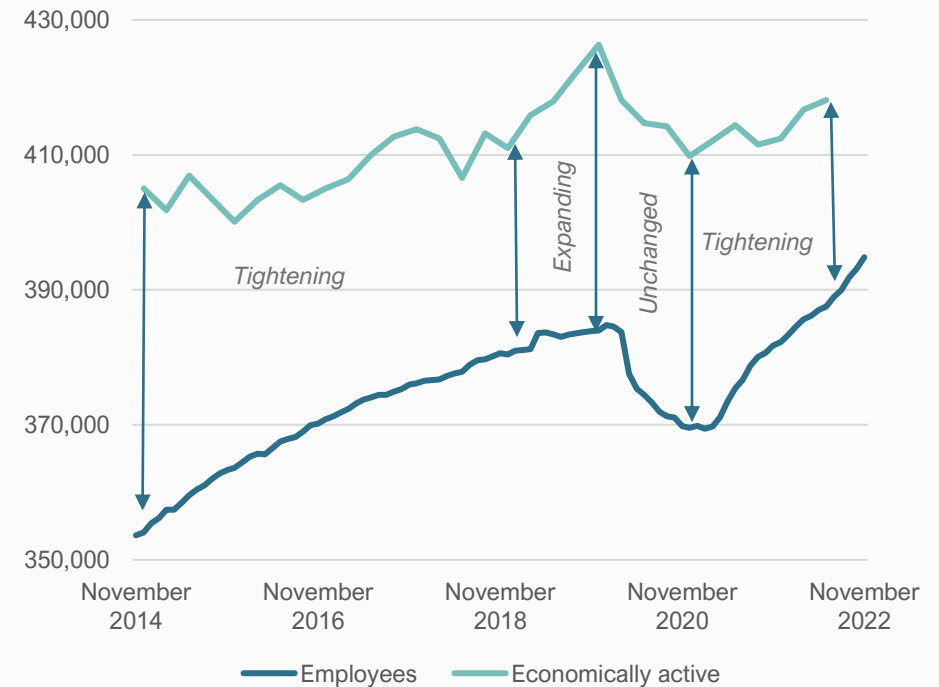
The labour market in West Sussex is tighter now than it has been at any point in the last eight years. Using real-time data from PAYE records, and the proportion of the population that is economically active, the gap indicating potential employment is roughly half what it was in 2014.

The pandemic caused both the number of overall economically active residents and employees to contract. Since the start of 2021, however, the number of employees in the economy has rebounded strongly, while the number of economically active remains below its pre-Covid peak. While we're seeing low unemployment, many businesses are struggling to recruit – compounding skills challenges across sectors.

The economic activity rate is overall higher than the England average in West Sussex. However, in recent years Adur and Chichester have seen economic activity fall below the national level. Horsham has the highest rate of employed residents, followed by Mid Sussex and Arun, with the rate in Chichester, 21.4 percentage points lower than Horsham.

Chichester and Crawley show higher unemployment rates on average than other districts, with Chichester showing a more consistent level of unemployment and Crawley having reduced significantly over the last decade.

Economically active residents vs. employees in West Sussex



Skill level variation

Skills level across the county are largely in line with the national average at NVQ levels 4+ (university level), 3 (A Level), and 2 (GCSE grades 4-9), with more residents at least educated to level 1 (GCSE grades 1-3), and fewer with no qualifications.

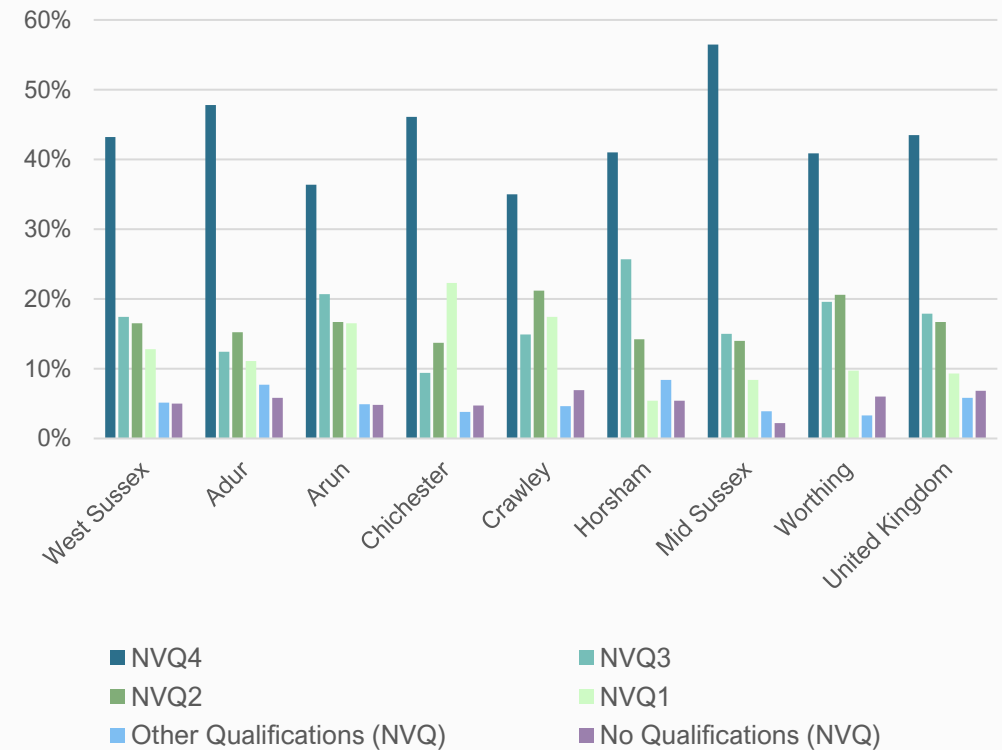
Mid Sussex has notably higher proportion of residents educated to level 4+, at 13 percentage points above the national average, and 9 percentage points above the next district area of Adur.

There is greater variance between district and borough areas in the proportion of people with NVQ levels 1-3 qualifications. Arun, Horsham, and Mid Sussex have more residents educated to level 3 (in line with nationally), with Adur, Crawley, and Worthing to level 2, and Chichester to level 1.

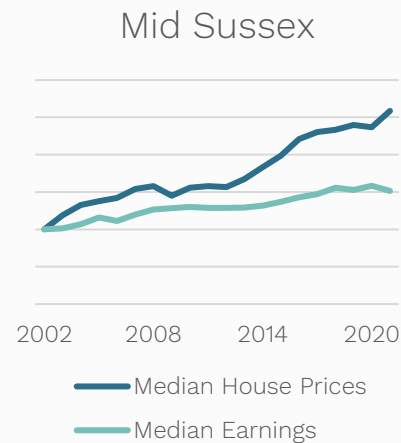
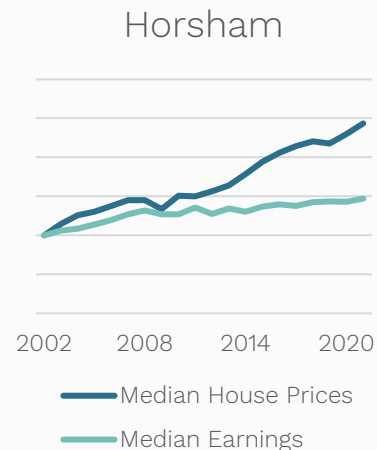
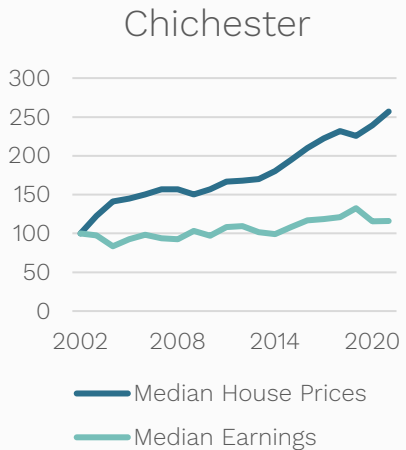
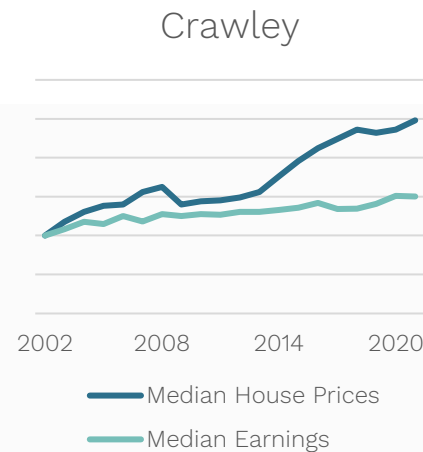
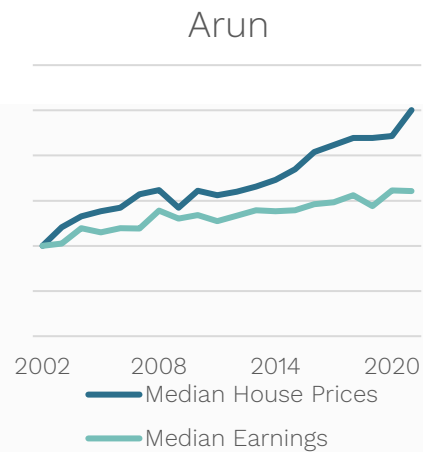
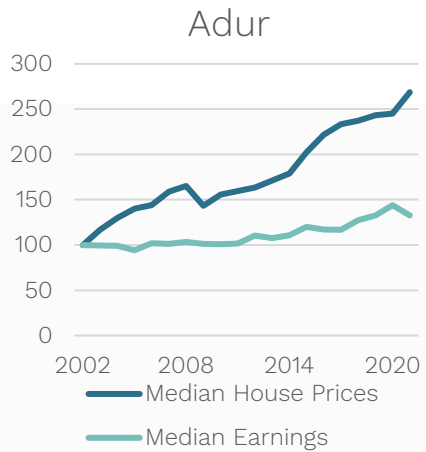
Stakeholders note the importance of fostering high-value skills to support growing sectors such as green technology, advanced engineering, computer programming, and specialised manufacturing. As per the 2019 Employer Skills Survey, the largest number of job vacancies in West Sussex were in either ‘high skill’, or ‘service intensive’ roles.

The county has some pockets of higher deprivation across employment, income, education and health, around urban areas in Crawley, Arun, Worthing and Adur.

Percentage of 16-64 Population by Qualification Level

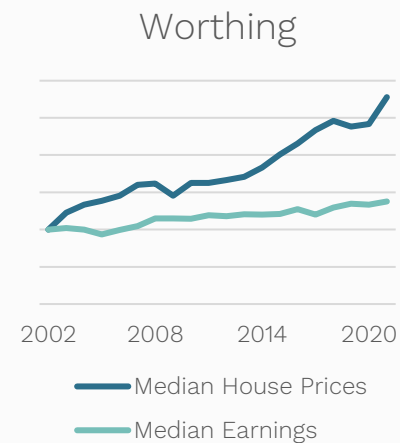


Median House prices and earnings in West Sussex districts, 2002-21. 2002=100

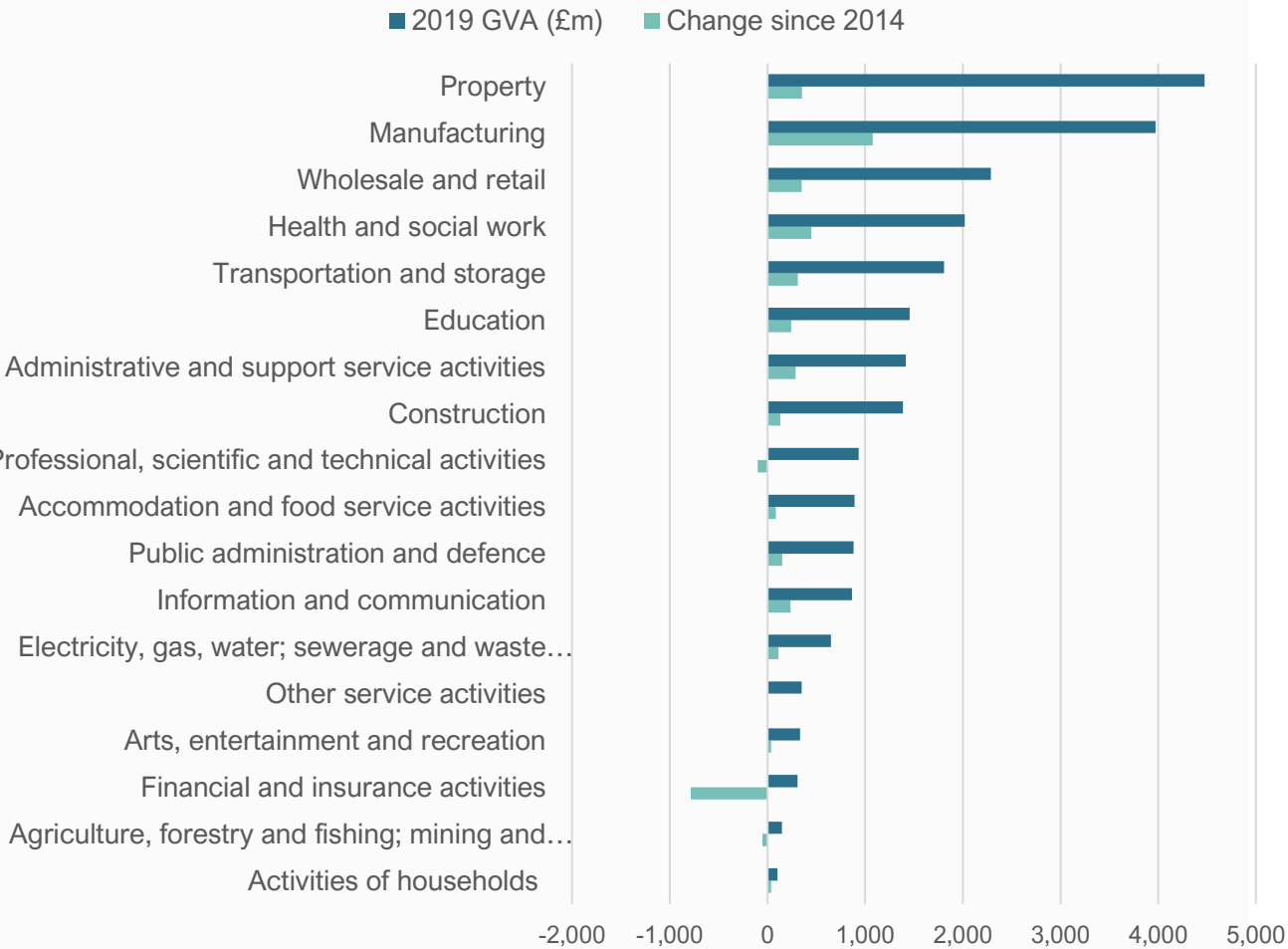


Housing challenge

There is a growing gap between median earnings and house prices with housing becoming significantly less affordable for residents in every district area since 2002. Wage growth has fallen furthest behind housing value growth in Chichester, with weak resident earnings growth of 15% vs. property price growth of more than 150%. Adur and Worthing also have increasing affordability gaps. Development constraints linked to AONB and Natural Park land coverage, as well as Natural England’s recent announcements on water neutrality prevent some housing as well as commercial developments from coming forward. There are also nutrient neutrality issues in the west of Chichester. These barriers add to an unclear policy context from government.



Sector growth trends



A clear sector strength for West Sussex is in manufacturing, the value of which increased significantly from 2014-19, with output has more than doubling. The sector is the eighth largest employer in the county. A key driver has been growth in Worthing, and the highest number of manufacturing jobs are in Crawley and Chichester.

Places within West Sussex host varied subsector specialisms. Worthing has seen growth in chemicals and minerals manufacturing and consumer electronics. Steam generators, electromedical and electrotherapeutic equipment production are specialisms in Crawley and Horsham. Adur shows high specialism in manufacture of electronic industrial process equipment. Arun and Chichester specialise in motor vehicles manufacture.

Adur, Crawley and Worthing show more varied industrial makeup than on average across the county and Great Britain, indicating more potential for specialisation and diversification of future growth sectors.

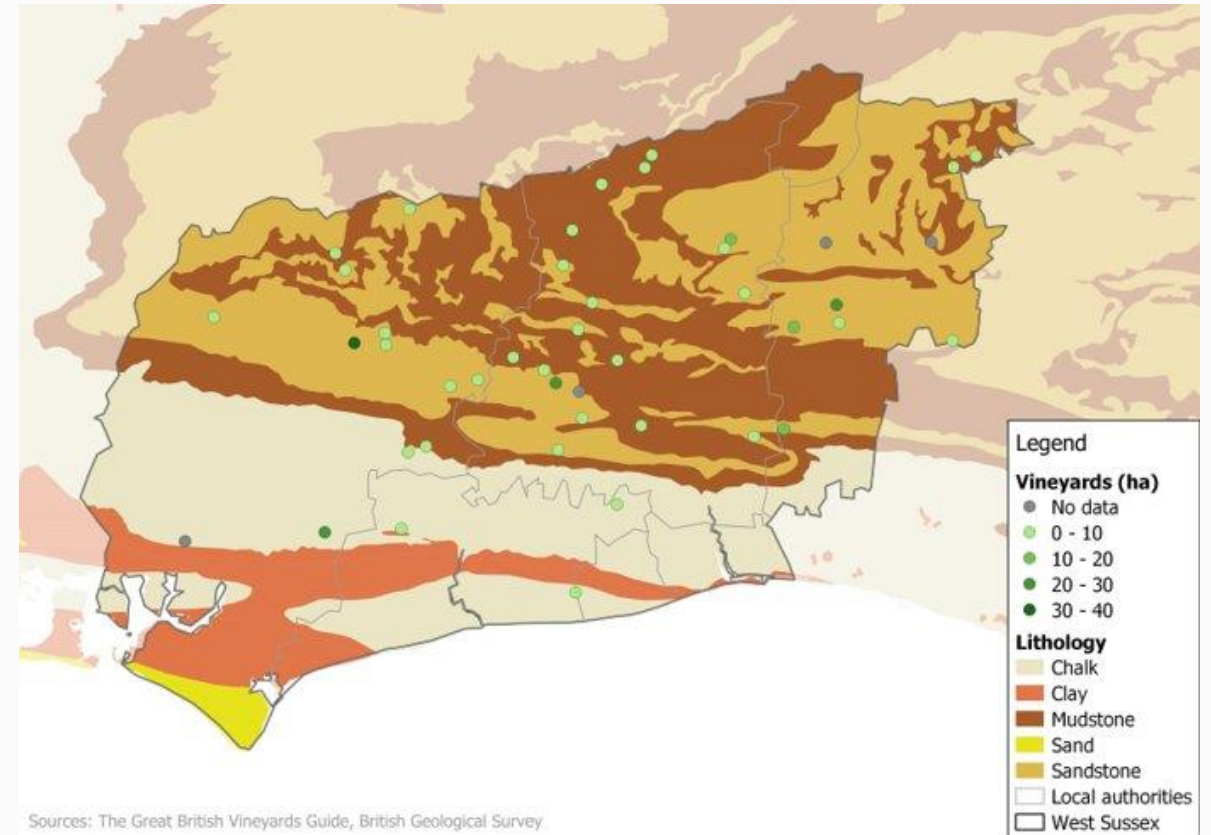
Emerging sectors and opportunities

A tight labour market and challenges of inflation are affecting businesses in many sectors and making it more difficult for them to grow and invest. But despite some constraints, new sectors are creating opportunity for growth.

The viticulture sector is quickly growing, due in large part to environmental conditions. The county has the third largest area of land allocated for vineyards in England (321 hectares), after only Kent and Hampshire. Sussex has recently been approved as a formal Protected Designation of Origin (PDO) for wine, adding further value to the product.

Adding value in the visitor economy is another notable opportunity with West Sussex's abundant natural capital and creative potential. The sector is showing positive prospects, albeit with changes in visiting patterns post-Covid. While the number of International trips to West Sussex is steadily increasing since 2012, the average number of nights per trip has decreased. This reflects a gradual trend towards shorter holiday breaks.

The domestic visitor economy is stable, albeit lower than a recent peak. The two district areas that are most involved in tourism are Arun and Chichester. Visitor spend per trip is the highest in Arun, trending above the national average.



Diverse economic geography

West Sussex has a complex economic geography in which there are economic interdependencies and shared interests between places and distinct characteristics and sector strengths – including urban, rural and coastal communities. The economy is diverse with local specialisms in transport and logistics, agriculture and horticulture, and retail. The overall GVA output of the county grew by 30% over last 10 years, with recent growth driven by a doubling in manufacturing output since 2014. The data in the table shown below presents the indexed change in GVA output of different industries across the seven districts and borough areas. Manufacturing growth has been driven by Arun, Chichester, and Horsham. Whilst health growth has been driven by Crawley, and logistics growth in Arun.

Industry section		Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing
Manufacturing	Manufacture of food, beverages, textiles and clothing	86.8	60.8	99.3	80.4	101.3	114.3	103.9
	Manufacture of metals, electrical products and machinery	140.4	96.5	99.3	134	97.3	138.7	139.6
	Manufacture of wood, petroleum, chemicals and minerals	138	168	175.4	70.3	169.2	86.4	73
	Other manufacturing, repair and installation	66.7	110.5	80.8	121.1	86.4	105.5	59.9
Construction	Civil engineering	197.8	96.8	166.8	84.6	153.8	114.3	137.1
	Construction of buildings	135.1	137.4	124.2	191.4	134.7	139.1	132.1
	Specialised construction activities	114.9	103.6	90.4	94.6	103.8	102.4	99
Health	Human health and residential care activities	110.3	111	102.5	129.6	116.4	110	128.6
	Social work activities	52.7	128.3	72.8	97.7	94.6	87.2	98.5
Transport	Land, water and air transport	94.5	50.4	106.9	106.4	99	83.7	78.4
	Warehousing, transport support, postal and courier activities	102.7	255.1	87.7	101.3	150.2	191.5	75.5

Stakeholder perspectives

From engagement with external partners and stakeholders across West Sussex including business leaders, public sector partners, and skills providers, between January and March 2023, the below strengths, opportunities and challenges were identified.

Growth, investment and sector opportunities

- There are strong sectoral opportunities in manufacturing specialisms, viticulture green tech, and creative industries.
- Although creative industries in West Sussex have growth potential, they aren't effectively coordinated and lack specialism.
- There are companies with evident growth potential that are constrained by planning blockages and competing priorities over land use and employment space.
- Small businesses are impacted by the cost of doing business, energy crisis, and recruitment challenges.
- Universities want to increase knowledge transfer to the business base.

Skills and workforce

- There is a need for a more integrated approach to a comprehensive skills plan for the county.
- Green technology, sustainability, and IT are key areas with increasing demand for skills.
- Education and skills providers are interested in co-designing courses with employers.
- Education and skills providers are working towards delivering skills in shortage areas and places with increasing demand including in technical, engineering and digital skills.
- It is important to support growing micro-businesses as they create attractive employment opportunities for graduates.

Natural capital and net zero

- West Sussex has abundant natural capital with rural and coastal strengths, but the rural and coastal economy needs a more proactive approach.
- There are unique county advantages in driving sustainability through the visitor economy, horticulture, and place-branding.
- Businesses are interested in working towards net zero, decarbonisation, and environmental sustainability but require support from LAs to explore the benefits and costs of various net zero technologies.
- There is an opportunity to increase electric vehicle charging at employment sites e.g. at Lancing Business Park.

Connectivity

- The condition of roads and pavements, parking facilities, and congestion issues are some of the key areas where LAs should intervene to support business growth.
- Issues on A27 have direct impact on businesses in West Sussex. Business community should be engaged on coastal route congestion.
- West Sussex transport priorities include improvements along coastal routes, better rail connectivity, improved north-south connections, progressing towards decarbonisation, integrated funding for transport, and supporting electric vehicles.

An aerial photograph of a large, dense crowd of people, likely at a public event or festival. The image is overlaid with a semi-transparent blue filter. The text "Areas for economic collaboration" is centered in the middle of the image in a white, bold, sans-serif font.

Areas for economic collaboration

Areas for economic collaboration

Boosting productivity growth, investment and innovation

- Supporting growth and innovation in sector strengths and emerging industries
- Unblocking barriers to business growth and investment
- Creating a more strategic opportunity for private, institutional investors to invest in West Sussex

Enhancing natural capital and transitioning to net zero

- Setting rural and coastal development plan, green priorities, and marine conservation plan to support West Sussex's natural capital
- West Sussex' rurality, coast and sea are unique selling points for the visitor economy
- Transitioning businesses to net zero

Skills, recruitment and retention

- Better linkages between local authorities, educational institutions/skill providers, and professional needs of businesses
- Integrated skills development plan

Improving connectivity

- Better digital and transport connectivity within the county and into the wider region, reduced congestion in the coastal routes, and improved road conditions around business parks

Boosting productivity growth, investment and innovation

Context

- **Productivity** remains lower than the national average and is falling behind the South East and nearby cities. A lot of **employment** is currently in lower value sectors.
- **High cost of doing business**, energy pressures, inflation and interest rates particularly affecting small businesses.
- **Sector strengths and growth opportunities** – in employment and value – in manufacturing, engineering, health and the visitor economy. Manufacturing output has more than doubled since 2014. There are opportunities to add more value, and support new niche specialisms that are emerging. Emerging sectoral opportunities in the creative industries, GreenTech, viticulture and horticulture.
- **Universities** are keen to work closely with the business base to support knowledge transfer and foster innovation.
- **Ageing** is shrinking the relative size of the working age population and **skilled graduates** from the area are moving out to London and other cities, restricting growing businesses and placemaking.

Boosting productivity growth, investment and innovation

Areas for collaboration	To consider
<p>Supporting businesses to be able to grasp opportunities for growth, investment, job creation, and innovation</p>	<ul style="list-style-type: none"> • Promoting West Sussex as a prime location for business and investment. • Providing support to businesses setting up, expanding or relocating. • Extending specialist knowledge, support and opportunities for growth to businesses. • Building a central information and support hub for all businesses in West Sussex for advising, referring and bringing people together. • Supporting – with universities – businesses to innovate and invest in R&D.
<p>Creating a strategic, larger scale opportunity for private and institutional investors in West Sussex</p>	<ul style="list-style-type: none"> • Seeking opportunities to leverage increased private and institutional investment in the area – building on the business rates pool. • Developing a strong inward investment service to drive sector growth.
<p>Developing or evolving strategic partnerships to support growing sectors</p>	<ul style="list-style-type: none"> • Developing or evolving sector partnerships to understand opportunities. • Leveraging opportunities in the manufacturing sector by recognising local specialisms. • Capturing emerging opportunities in manufacturing specialisms, GreenTech, viticulture, the visitor economy, and creative industries. • Engaging with business on specialist needs for employment space, infrastructure, and access to specific skills and talent. • Leveraging opportunities in the creative sector in seaside towns like Worthing, Littlehampton, and Bognor Regis. • An example to build on is the Sussex Visitor Economy Initiative (SVEI), developed by recognising the opportunities that cross-county working brings to support growth of the visitor economy.
<p>Efficient use of space through integrated planning on housing and infrastructure</p>	<ul style="list-style-type: none"> • Drawing together planning and economic development strategy and collaborating to ensure the right commercial and residential space, infrastructure, housing supply, high street vibrancy in the right places for growth.

Boosting productivity growth, investment and innovation

Outcomes



Increased growth, GVA and productivity – achieving value growth trajectory

Increased number of high value jobs in high productivity sectors



Increase in high growth businesses

More business investment opportunities realised



Developed infrastructure projects to support growing sectors

Increased innovation and R&D spending in industries

Skills, recruitment and retention

Context

- **The labour market in West Sussex is tighter now** than it has been at any point in the last eight years. While this is good in causing low unemployment, businesses are struggling to recruit
- There is a large volume of **employment in low productivity sectors**. Health, Retail, and Business administration, largest employers, accounting for just under a third of total employment.
- There is a spread of vacancies across occupational groups however the **highest number of vacancies are seen in high skill roles**, accounting for 28.5% of all vacancies.
- Stakeholders note a **desire for a coherent approach for skills planning**.
- There is a **lower than average educational attainment at school and adult skill levels in some places**.
- Tight labour market with **persistent recruitment challenges** for businesses
- Growth in manufacturing is increasing the **demand for skills in emerging sectors such as green tech, advanced engineering, specialist manufacturing, etc.**

Skills, recruitment and retention

Areas for collaboration	To consider
<p>Partners working together to boost business engagement in careers and skills provision</p>	<ul style="list-style-type: none"> • Developing a vehicle for West Sussex that works closely between skills providers, employers and the public sector, with a joint skills hub and several programmes aimed at responding to local labour market and economic opportunities. • Convening skills leaders from across the county to problem-solve around skills mismatches and define skills objectives. An example of this in practice is the Lancashire Skills and Employment Hub, which functions as an engine behind the Skills and Employment Board comprising senior skills leaders across the public and private sector. The hub works with a wide range of partners to deliver priorities.
<p>Promoting college and university assets (nursing, digital, tech park, green skills) for vocational and specialist education</p>	<ul style="list-style-type: none"> • Forging collaboration between the local authorities, educational institutions and large employers in West Sussex to develop vocational and skills training centres where there are specific sector needs and opportunities – e.g. in manufacturing and engineering skills, driving net zero, creative and digital skills, health and care, and a green visitor economy. • This builds on the opening of the new School of Nursing at the University of Chichester.
<p>Focusing school engagement and access to apprenticeships in places with lower educational attainment</p>	<ul style="list-style-type: none"> • Boosting careers service to link closely to the current skills landscape and subcounty opportunities for progression out of school. • Making information on apprenticeship vacancies more accessible and providing bespoke application support to learners applying from disadvantaged areas.
<p>Developing a skills and talent pipeline for shortage roles including in social care, engineering and digital</p>	<ul style="list-style-type: none"> • Building collaboration between businesses requiring skills that are in shortage and university and skills providers to create placements through understanding acute needs now and working together on recruitment campaigns.
<p>Ensuring housing and infrastructure supports students and learners to stay and work in the local economy</p>	<ul style="list-style-type: none"> • Developing a county level cohesive economic vision that considers the housing and infrastructure strategy for West Sussex as well as the skills plan.

Skills, recruitment and retention

Outcomes



Enhanced skill levels in the adult population

Increased economic activity

Increased resident earnings



Enhanced alignment between vocational needs of businesses and skills training

Increased skills provision in areas of rising demand: GreenTech, digital, creative skills



An integrated approach among providers, local leaders and employers on skills planning

Retained skilled talent and graduates in the local economy

Improving connectivity

Context

- **Road congestion** is constraining commuting and connection between employment sites
- **Lack of reliability on rail services and bus services** haven't recovered since Covid
- Rise in hybrid working and a reduction in commuting to London have highlighted gaps in local public transport and digital infrastructure
- There is strong progress on digital infrastructure and connectivity but with remaining **areas of low digital access**.
- **Chichester, Horsham, Mid Sussex, and Worthing show very little 5G coverage**, with very little change in capacity from 2021 to 2022.

Improving connectivity

Areas for collaboration	To consider
<p>Working as a county with subgroups such as coastal areas, rural communities, and Gatwick Diamond region on congestion and connectivity challenges and opportunities</p>	<ul style="list-style-type: none"> • Developing subregional partnerships based on shared opportunities, challenges, and strategic geography to work on connectivity issues that are distinct to the subregion. For instance, enhancing connectivity from Gatwick Diamond region into the county; improving connectivity between rural areas and key towns; and addressing congestion issues on A27.
<p>Using business voice to promote visibility of connectivity projects with Transport for the South East (TfSE), Government departments and Building Digital UK (BDUK)</p>	<ul style="list-style-type: none"> • Establishing a strong business voice in West Sussex to bring attention to and act on connectivity issues that are directly impacting business growth. • Working with business leaders to help promote and deliver connectivity needs for the county.
<p>Implementing Integrated Transport Plan for the South East and emerging Active Travel Plan</p>	<ul style="list-style-type: none"> • Supporting and promoting West Sussex priorities in TfSE’s strategy to create an integrated and sustainable transport system that makes the South East more productive and competitive, improves the quality of life for all residents and protects and enhances natural and built environment.
<p>Effective implementation of Digital Initiatives in the new economy plan</p>	<ul style="list-style-type: none"> • Collectively getting behind innovative digital strategies and developing clear implementation plan for them. For instance, strategically implementing Gigabit vouchers ‘top-up’ scheme targeted at the hard-to-reach communities to lessen digital divide. • Accelerating commercial investment in digital infrastructure.

Improving connectivity

Outcomes



Reduced journey times

Increased digital coverage and speeds

Improved road conditions and connectivity to employment sites



Stronger collaboration between relevant bodies at the subregional, county, and the wider South East region, engaged in the improvement of coastal routes

Enhancing natural capital and transitioning to net zero

Context

- West Sussex's **rurality, coast and sea** are unique selling points for the visitor economy
- Businesses want to transition energy generation to support net zero
- West Sussex has **abundant Natural Capital** with land covered by AONB, National Park, SSSI, or European designation sites.
- There is deprivation in access to services across rural communities.
- West Sussex has opportunities in rural, marine, and wine tourism. Also, strong biodiversity and plant habitats is seen across much of West Sussex making it an attractive destination for nature and wildlife exploration.
- Some business growth efforts have been stalled due to water neutrality issue, particularly in Horsham, Crawley, Chichester, and some parts of Arun.

Enhancing natural capital and transitioning to net zero

Areas for collaboration	To consider
<p>Working with the business community to understand energy transition requirements and opportunities and to promote net zero schemes</p>	<ul style="list-style-type: none"> • Producing a toolkit to guide businesses on Net Zero technologies and connecting to local strategies on energy and infrastructure. • Developing appropriate programmes to support businesses in Net Zero transition as well as promoting existing initiatives such as 'Let's Go Net Zero' so that more businesses can take advantage of the programmes.
<p>Promoting tourism, local food and drink, horticulture produce exports</p>	<ul style="list-style-type: none"> • Developing a high value green tourism development plan that leverages natural assets and sectorial opportunities in West Sussex. • Working with sectors such as horticulture and the visitor economy and with the Environment Agency and DEFRA to contribute to natural capital and biodiversity.
<p>Preserving natural environment, coast and sea while supporting communities to access services and employment sites</p>	<ul style="list-style-type: none"> • Developing an integrated environmental conservation plan that takes into account the concerns and priorities of rural West Sussex, Coastal areas, and the sea.

Enhancing natural capital and transitioning to net zero

Outcomes



Reduced carbon emissions

Creation of high-value jobs in the visitor economy

Preservation and promotion of West Sussex's natural capital and rurality



Better connected communities

Increased national and international recognition of West Sussex's unique natural assets and local food and drink offering



How can we make this happen?

Stakeholder views on collaboration

From engagement with external partners and stakeholders across West Sussex including business leaders, public sector partners, and skills providers, between January and March 2023, the below priorities for future collaboration with local authorities were identified.

Business voice

Partners and stakeholders expressed a desire to see a joined-up voice and vision for the economy of West Sussex. Private sector and public sector partners are enthusiastic to work closely with local authorities and leaders across the county to develop the strategic voice for economic growth and realise projects.

Integrated skills development plan

Universities and skills providers are keen to be a part of a forum that brings together all key parties to discuss skills and economic prosperity plan for the county. Stakeholders expressed that at present there is a lack of collaborative working among local authorities and institutions involved in skills planning and development, highlighting that resources are sometimes spent on things that are already known.

Partnership with businesses for inward investment

Businesses shared that it is important to develop a county-wide investment strategy and establish an attractive investment proposition. The opportunity of growth at Gatwick highlights the need for coordinated development of an inward investment service leveraging an international brand.

Sub-regional collaboration

Stakeholders point to the importance of identifying and collaborating on subregional issues noting that the region has a complex economic geography, including various urban, rural, and coastal communities, with varied characteristic, opportunities and challenges that require subregional working.

Pan Sussex collaboration

Stakeholders expressed that they saw value in collective working at Sussex-level to unlock the progress in major infrastructure, sector opportunities and promotion of place potential. The varied specialisms in West Sussex's economy – including across manufacturing, creative industries, the visitor economy – mean that sector support could benefit from cross-county engagement to drive innovation, ideas, and investment.

How do other places collaborate?

There are examples from other counties and two-tier areas in the South East where economic collaboration is formed around structured engagement with business and local authority levers:

Buckinghamshire Business First acts as a vehicle closely working between skills providers, employers and the public sector, with a joint skills hub and several programmes aimed at solving local labour market issues. It operates independently, but works in partnership with the Council, the LEP, and several other organisations.

Team East Sussex is the de-facto economic growth board for East Sussex with primary aim is to drive forward economic growth and prosperity with the following key functions: Strategic direction and oversight; Pipeline development and capital programme oversight; Project consideration (prioritisation); Lobbying and promotion; Engagement; and SELEP activities. Team East Sussex forms a subregional board under the South East Local Enterprise Partnership (SELEP), allowing decision-making and project prioritisation at a local level.

Oxfordshire Growth Board functions as a strategic hub to attract funding to support local economic, housing and infrastructure development efforts in a way that is inclusive and maximises local social and environmental benefits. It's core membership includes 6 Councils of Oxfordshire. It also includes co-opted associate members from OxLEP, Oxfordshire Skills Board, Universities Representative, OXLEP Business Representatives, Homes England Representative, DEFRA Agencies Representative, as well as Buckinghamshire, Oxfordshire, and Berkshire West Integrated Care Board Representatives.

Hertfordshire Growth Board responds to growth challenges facing the county through collaborative discussions and creative problem solving across the priority areas of focus. The 2019 Growth Board priorities were: infrastructure, housing, economy, and strategic planning for good growth. The Growth Board is made up of Hertfordshire's 10 District and Borough Councils, Hertfordshire County Council and Hertfordshire Local Enterprise Partnership.

Principles for collaboration

Government has committed to a timeline for **LEP function integration into local authorities across England**. This calls for embedding of a strong, independent, and diverse local business voice in local decision making, developing strategic economic plans in partnership with local leaders, and delivering a number of functions on behalf of government departments.

West Sussex should form a joint voice to government in response, to create and promote shared vision for the local economy.

We recommend that local authorities agree a set of principles for economic collaboration in future:

- **Create and promote a shared vision for the local economies**
- **Unlock regional, county, and subcounty opportunities** by identifying interlinking issues and priorities and supporting collective projects at the right spatial level
- **Embed the business voice** and partnerships with universities, public sector partners in local economic strategy
- **Grow the size of the prize** by creating genuinely new opportunities and increasing strategic ambition
- **Provide a forum for collective strategic work on priorities** and back transformational projects among local authorities and partners
- **Promote the county to investors** and leverage in funding that wouldn't be available without it
- **Ensure alignment of West Sussex's strategic plans** across economic, environmental, skills-related, connectivity, housing, energy and infrastructure

Local authority roles and levers

Chief Executives have discussed as part of this work the role and levers that local authorities have and should focus on in West Sussex for economic collaboration, and identified that:

Local authority roles should include:

- **Providing stability for investment** – this will mean understanding the sectors we want to engage and growth trends, convening new business voices, bringing together groups of businesses sharing common ideas (not necessarily common problems).
- **Ensuring the right infrastructure supports innovation, clusters of businesses and sectors.** For example, a recent local issue has been a decline in value for commercial land, deterring new development – new and growing businesses need support for employment space.
- **Supporting inclusive growth for residents** – improving employability delivery with DWP, encouraging better job and career path creation in lower value sectors – especially hospitality and social care, and using own levers as employers and commissioners of services.

Important local authority levers to pull include:

Services

- Social care – making more of NHS engagement at a Sussex level with social care commissioning at county level to improve services and better jobs.
- Business support – opportunity to reset the approach following Government decision on future of Growth Hub funding.
- Careers Hub - agreement that the County Council will host the county-wide service.

Renewable energy infrastructure

- Engagement on water issue with utilities – through planning powers.
- Combining strategic and local level activity – e.g. small place projects in development that can be scaled up with supporting infrastructure. There could be serious DBT and Department for Energy Security and Net Zero (DESNZ) interest.

Place promotion and economic development at district level

- Leveraging the business voice through local relationships to promote to national partners – investors and government.
- This will happen by articulating West Sussex's economies, developing narrative that goes deeper into sectors and opportunities across the county, creating and accessing networks and events (e.g. Sussex Expo as a forum), and developing investment propositions.

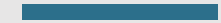
Business rates pool

- Need to develop technical and strategic resource to maximise the use and impact of the fund – and bring forward more strategic projects, name propositions, and then study feasibility and pump prime investment.

Working with stakeholders and partners

Chief Executives have discussed as part of this work the role and partnerships local authorities should have with stakeholders and partners, and agreed that:

- **Businesses and investors should be engaged to support developing propositions for investment**, consideration should be given to the best time to involve and partner with them. Local authorities should understand where are there specific investment plans and funding bids in the area that are already underway. (e.g. Gatwick's plan for a second runway, Sussex Visitor Economy Partnership (SVEP) bid and Create Growth programme.
- **Innovation partnerships will be important for growth** – they don't necessarily need to be around locally grown innovation, but could aim to disseminate innovation happening elsewhere among businesses in the county. They would develop a network, share ideas, and provide infrastructure for implementation. Partnership would bring together business, academics, and investors. This could be developed for specific sectors and / or issues in the local economy. There may be more that can be developed from partnership between local authorities and universities who are keen to expand knowledge transfer activity.
- In the context of LEP integration, more **direct relationships between local authorities and government departments** (the Department for Business and Trade (DBT) and DLUHC) will need to be developed to replace both economic strategy and funding delivery functions.
- **Businesses are keen to be more involved in issues around skills and the labour force**. Chambers of Commerce are now more important in skills – with responsibility for Local Skills Improvement Plans (LSIPs) currently in development. Skills and labour force issues are acutely felt in the NHS and social care at the moment – we should collectively look at this as a priority sector. Local authorities want to see closer connection between skills providers and quality education responding to employer needs. Partners should together make more of skills assets – e.g. Brighton and Hove FC training ground.



**3 Waterhouse Square
138 Holborn
London
EC1N 2SW**

020 3865 3082



**Orega
1 Balloon Street
Manchester
M4 4BE**

0161 413 6440