

ADUR & WORTHING COUNCILS

Key Decision [~~Yes~~/No]

Adur and Worthing Economic Strategy 2018-2023

Report by the Director for the Economy

Executive Summary

1. Purpose

- 1.1 Earlier this year, the Councils commissioned the development of Economic Profiles for each local authority area, together with the preparation of an Economic Strategy for Adur & Worthing.
- 1.2 Following extensive data analysis, secondary research, stakeholder interviews and consultation, the Economic Strategy for Adur & Worthing 2018-2023 is now attached for Member approval (see Appendix A).
- 1.3 The Economic Strategy focuses on key issues and opportunities, presented under the following three headings:
 - The Power of Place
 - Prosperity and Productivity
 - The Potential of our People
- 1.4 The Strategy includes an Action Plan that is focused on the following three transformational solutions. These ensure that priorities are addressed in a coherent and mutually-reinforcing way, help build resilience, create distinctiveness and deliver significant economic impact.
 - Superconnected Worthing
 - Adur Applied Technologies Centre
 - Technology Futures: Skills for Innovation

2. Recommendations

- 2.1 That the Joint Strategic Committee approve the Adur and Worthing Economic Strategy 2018-2023 and endorse the three transformational solutions recommended in the Action Plan.

3. Context

- 3.1 The Council's last produced an Economic Plan for Adur and Worthing in 2013 which set out six economic priorities and a number of aims intended to help strengthen the local economy and encourage sustainable growth. Although a delivery plan was never developed, a number of specific initiatives were implemented or contributed to, including the Adur & Worthing Business Awards which continue to this day.
- 3.2 Following the launch of the Council's' Economic Plan in 2013, a number of significant new partnership plans emerged the following year, including Coast to Capital's first Strategic Economic Plan (SEP) and the Greater Brighton City Deal. These regional plans, and the partnerships behind them, subsequently shaped priorities and economic investment opportunities, not only for the Councils but also for our businesses and partners, including the County Council and Coastal West Sussex.
- 3.3 The Councils' recent successes in securing investment through the Local Growth Fund is testament to the importance of being a trusted partner, and clearly setting out the Councils' strategic ambitions for the area. Having a forward-looking, evidence-based Economic Strategy that complements the vision and commitments set out in Platforms for our Places, Local Plans and other Council and partner strategies, builds credibility and ensures that the Councils' ambitions for the economy and places of Adur and Worthing are known and understood.

4. Issues for consideration

- 4.1 The Adur & Worthing Economic Strategy has been prepared following extensive analysis of economic data and a comprehensive review of local research, policy and partner strategies. Consideration has been given to the national policy context, including the emerging Industrial Strategy, and the outcome of recent discussions with government officials on the importance of Place in the delivery of local industrial strategies.
- 4.2 The Adur and Worthing Economic Strategy is underpinned by separate Economic Profiles for Adur and Worthing. These draw together key issues, opportunities and trends emerging over a five year period, up to and including the most recently available data. Comparisons are made with different economic geographies, including the Coast to Capital Local Enterprise Partnership area, Greater Brighton, West Sussex, and Coastal

West Sussex. The Economic Profiles have been previously circulated to Members and will form part of a technical annexe to the approved Strategy.

- 4.3 As well as looking at historic data and emerging trends, consideration was given to forward plans, research and insight. Issues and opportunities were explored and tested with key stakeholders, and subsequently expanded and refined through a series of consultation workshops.
- 4.4 Throughout this comprehensive and rigorous process, the aim has been to produce an Economic Strategy that concentrates on the key issues and opportunities for Adur and Worthing, has credibility with partners, and provides a focus on a small number of mutually-reinforcing actions that have the potential to transform the economies of Adur and Worthing, enhance identity and distinctiveness of place, and provide rewarding employment opportunities for local people.
- 4.5 The introductory pages of the Strategy set out an economic vision, explain the concept of 'good growth' and outline the framework and methodology used in its preparation.
- 4.6 The Strategy is then organised into three sections, each covering a number of key topics and the associated issues, opportunities and priorities that emerged from the economic analysis and consultation workshops. The section headings and topic areas are summarised as follows:
 - 4.6.1 **The Power of Place:** including employment space, transport infrastructure, digital connectivity, housing, culture and heritage, and identity and sense of place.
 - 4.6.2 **Prosperity and Productivity:** including business growth, industries, knowledge economy, and productivity.
 - 4.6.3 **The Potential of our People:** including quality of life, workforce, workforce skills, wages and occupations.
- 4.7 An Action Plan draws these strands together in a small number of transformational solutions designed to ensure the priorities for Place, Prosperity and People are addressed in a coherent way. They provide a shared focus for work with our partners, align with other plans and strategies, and are mutually-reinforcing. The solutions, detailed below and at pages 21-23 of the Strategy, are also designed to enhance the distinctiveness and identities of Adur and Worthing, build resilience, and help further inspire and drive change.
 - 4.7.1 **Superconnected Worthing:** through providing gigabit-speed digital infrastructure and imaginative collaborative space for digital and creative companies in the heart of Worthing, to accelerate the

changing identity of the town and make it a leading edge, vibrant exciting place to be.

4.7.2 Adur Applied Technologies Centre: developing our industrial areas in Adur to take advantage of our manufacturing strengths and drive growth and productivity, increase exporting and stimulate innovation through applied technologies.

4.7.3 Technology Futures: Skills for Innovation: championing the development of a learning and skills ecosystem that enables economic growth by increasing the uptake, quality and application of skills, particularly Science, Technology, Engineering and Maths (STEM) skills, at intermediate and higher levels.

5. Engagement and Communication

5.1 Following a procurement process in March 2017, Simpson Consulting was selected to support economic analysis and preparation of an Economic Strategy for Adur and Worthing.

5.2 Early work provided for the collation and analysis of economic data relating to people and work; economic and business performance; infrastructure and connectivity; and community cohesion. Comprehensive databanks have been established, providing 5 years of data, supporting analysis and identification of trends across all economic geographies relevant to Adur and Worthing. These are: Coastal West Sussex, Greater Brighton, West Sussex County Council and Coast to Capital Local Enterprise Partnership.

5.3 Economic Profiles were prepared for Adur and Worthing, drawing on the findings of the data analysis and these, together with a comprehensive literature review, formed the basis of subsequent 1:1 interviews with key stakeholders. These included senior representatives from the local authorities, partnership organisations, and businesses. These structured interviews explored the findings of the analysis, tested the structure and time horizon for the Strategy, and sought to identify emerging opportunities and new ideas that had the potential to make a significant positive contribution to the economies and places of Adur and Worthing.

5.4 Findings from the analysis and key stakeholder interviews were used to help shape a series of consultation workshops held during September 2017. The main purpose of the workshops was to seek validation of the emerging issues and opportunities, refine and prioritise potential interventions, and build ownership and credibility with our partners and businesses. A total of four workshops were held with businesses, partners, Members and officers.

5.5 The research, analysis, interviews and consultation has been drawn together in the attached Economic Strategy. Once considered and

approved by the Joint Strategic Committee, the Strategy will be finalised, published in a visually attractive and accessible format, and disseminated via partnership and business networks.

- 5.6 The three transformational solutions contained in the Action Plan will form the basis of further dialogue with partners and the development of three programme of works which will include more detailed actions, delivery milestones, measures and review dates. In many cases, actions draw on, or directly contribute to, the commitments set out in Platforms for our Places. Monitoring and reporting on both documents will ensure that momentum is maintained, with a review and progress report specifically on the Economic Strategy to be provided at least annually.

6. Financial Implications

- 6.1 There are no direct financial implications arising from the approval of the strategy. However, if any of the initiatives contained within the Action Plan cannot be funded from within existing budgets or from external funding, then they will need to be considered further by members and additional budget identified.

7. Legal Implications

- 7.1 Section 111 Local Government Act 1972 provides that the Council shall have the power to do anything [(whether or not involving expenditure, borrowing, or lending of money or the acquisition or disposal of any property or rights) which is calculated to facilitate, or is conducive or incidental to the discharge of any of their functions.

Background Papers

Adur & Worthing Economic Plan 2013-2023
Coast to Capital Strategic Economic Plan, 2014
Greater Brighton City Deal, 2014
Adur Economic Profile, 2017
Worthing Economic Profile, 2017

Officer Contact Details:-

Lynda Dine
Head of Place & Investment
lynda.dine@adur-worthing.gov.uk
07748 633276

Sustainability & Risk Assessment

The priorities and proposals contained in the Strategy have been developed through an extensive consultation process with our partners and are intended to support the growth of economic resilience and sustainability. Delivery of the transformational solutions and the specific actions that result will be subject to further consultation and development of detailed project proposals that will be tested for sustainability and subject to risk assessment.

1. Economic

The purpose of the Strategy is to ensure that the economic challenges and opportunities for Adur and Worthing are known and understood. The actions proposed are designed to capitalise on strengths, tackle weaknesses, build distinctiveness, and provide learning and employment opportunities for local people that are rewarding, physically, mentally and financially.

2. Social

2.1 Social Value

The Strategy seeks to ensure that local people have access to learning, skills development and employment opportunities that match their aspirations, are close to where they live and enable them to increase their earnings and improve their quality of life.

2.2 Equality Issues

Matter considered, no issues identified. However, delivery of the Strategy will require that the impact of individual projects or interventions are considered from an equality perspective.

2.3 Community Safety Issues (Section 17)

Matter considered, no issues identified.

2.4 Human Rights Issues

Matter considered, no issues identified.

3. Environmental

Matter considered, no issues identified.

4. Governance

The proposals contribute to the delivery of many commitments in Platforms for our Places and specifically the following for Our Financial Economies:

Commitment 1.1 - Driving growth in the business sectors across Adur & Worthing

Commitment 1.2 - Enhance our role as a 'trusted partner' for local business

Commitment 1.3 - Develop further our capacity to secure investment, inc building our reputation and maintaining and developing key relationships

Commitment 1.4 - Use the Council's land and buildings to support our financial and social economies

Commitment 1.5 - Champion the development of a learning and skills ecosystem that enables economic growth

Commitment 1.6 - Investment in and delivery of major projects and infrastructure

Commitment 1.9 - Creating places that businesses wish to invest in and sustain

Commitment 1.10 - Supporting the development of the skills and experience necessary to support local business

Commitment 1.11 - Promote an adaptive and creative approach to delivering spaces needed to meet the demands of start-ups and growing businesses

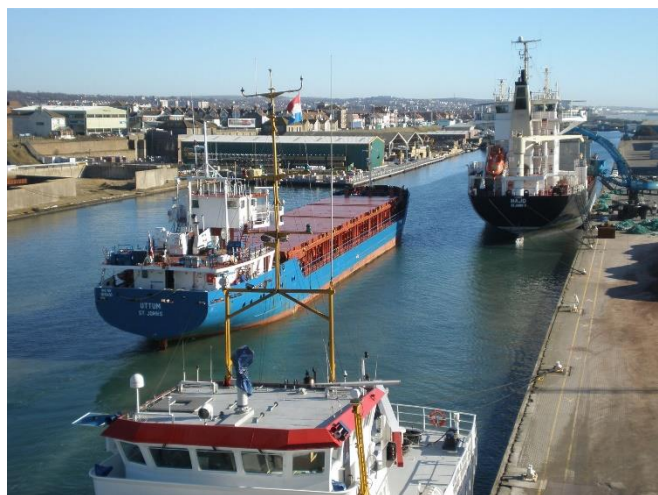
More broadly the Strategy aligns with Local Plans and other Council and partner strategies - existing and emerging.

The development of an evidence-based Strategy in consultation with our partners and local businesses enhances the Councils' reputation and credibility. The issues, opportunities and priorities for the economies of Adur and Worthing are clearly articulated and will help inform the contribution the Councils can make to economic partnerships, and provide a rationale for future investment asks and prioritisation of resources.

Adur and Worthing Economic Strategy 2018-2023



ADUR & WORTHING
COUNCILS



Adur and Worthing Economic Strategy 2018 to 2023

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Adur and Worthing: getting set for growth

Adur and Worthing lies at the heart of the South Coast between Chichester and Brighton. Between these two very different cities, Adur and Worthing Councils, together with our partners, are forging a new identity for our area. This will make the most of our strengths as an increasingly popular business location with great transport and digital connections, a popular seaside destination for visitors and a place whose residents enjoy an enviable quality of life.

Companies such as Ricardo, Rayner Lenses and Glaxo Smith Kline, Lemo Electronics, Infinity Foods and Higgidy Pies recognise the advantages of being in Adur and Worthing and a growing number of companies are choosing to locate here. We encourage this growth, and intend to provide an excellent operating environment for business, create more high-value local employment opportunities and ensure the prosperity of our people.

What kind of growth do we want?

This is not about growth at any price; we are committed to “**good growth**” that balances economic success with the best quality of life for our people, sustains our natural assets and the environment and continues to attract increasing numbers of visitors.

Our economic strategy sets out ambitious plans for how we will achieve this good growth. It is based on a rigorous understanding of our economic performance on four main dimensions:

1. **Economic and business performance**
2. **People and work**
3. **Infrastructure and connectivity**
4. **Community cohesion**

The statistical **evidence** which we used as the basis of our analysis is held in a databank. The detailed **analysis** of the data is in two Economic Profiles, one for Adur and one for Worthing. We consulted widely on our **emerging findings** with businesses, stakeholders, partners and Members and asked **three strategic questions**:

1. **How can we achieve balanced growth in a constrained environment?**
2. **How can we capitalise on our place and its positive attributes?**
3. **How can we exploit digital technologies to create a unique competitive advantage?**

¹Platforms for our Places. Adur and Worthing Councils 2017

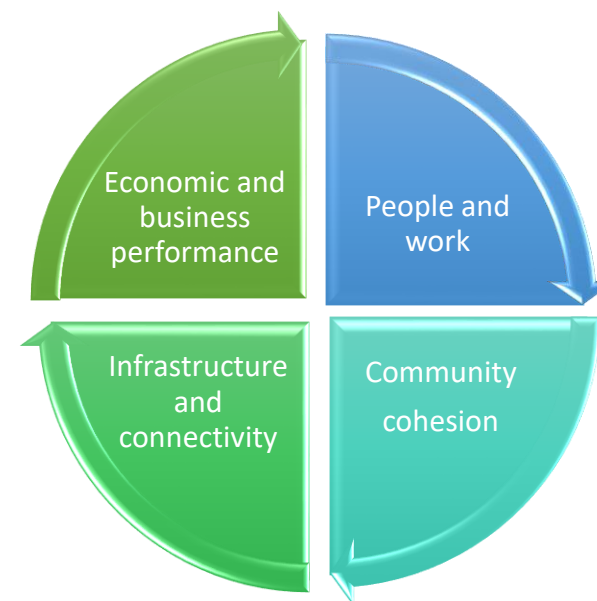


Figure 1: The four dimensions of the evidence base underpinning our analysis

In this Economic Strategy, we identify a small and focused set of priorities where we, working with our partners, can add value and make a real difference. Other initiatives and commitments in other plans such as Platforms for our Places are still very valid but are not repeated here¹.

Our Vision for Adur and Worthing

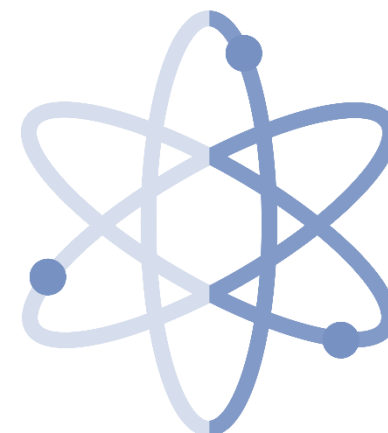
At the heart of our vision for Adur and Worthing is our ambition to create an exceptionally dynamic and distinctive coastal society balancing:

- A growing, resilient and more **productive economy** across Adur and Worthing
- **A high quality of life** for all Adur and Worthing's local communities, including plenty of **rewarding jobs** for our residents, access to high quality **education and training** along with a range of **affordable housing** to rent and buy
- **Digital connectivity** that leads the region and reliable, affordable, **efficient transport** that supports growth and productivity
- A sustainable, **natural and physical environment** of which Adur and Worthing citizens can be proud

and a major say for local people in how this is delivered

Digital transformation

Creating exceptional results to achieve our vision will depend on the smart application of digital technology to unleash the potential of our businesses, people and place and become one of the best-connected communities in the South East.



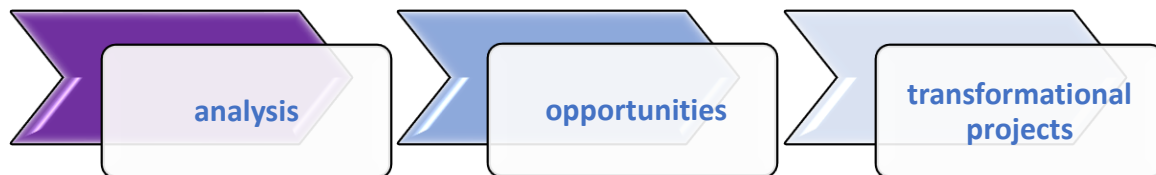
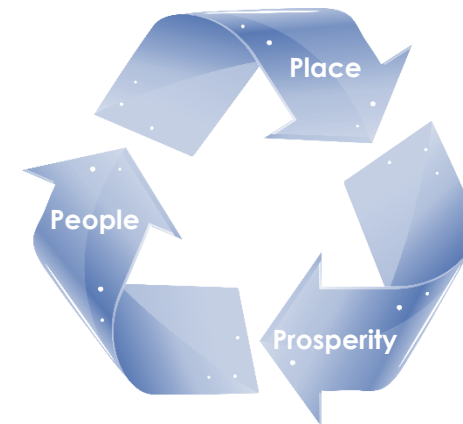
Our model for growth

We intend to **expand our horizons** beyond how the economy is performing to make sure that we achieve the right balance between growth, quality of life and the environment.

Or to put it another way, we will frame our strategy around achieving transformational outcomes founded on our three Ps of:

- The **Power** of **Place**: creating the environment, sense of identity, culture and infrastructure for success
- **Prosperity** and **Productivity**: building a strong economy with a growing base of high value businesses
- The **Potential** of our **People**: providing a high quality of life including access to skills and jobs

For each of our 3 Ps, we identify the **key strengths and challenges**² in Adur and Worthing. We then draw on the opportunities that exist to help shape our **priorities and interventions** that will make a positive difference. Our Action Plan focuses on a number of **transformational projects** which will deliver “**good growth**” and strengthen the distinctiveness and identities of Adur and Worthing.



The timeframe for our key actions is 2018 to 2023. However, recognising that the next five years are going to be uniquely challenging, our Strategy is set within a longer-term time horizon to 2030.

² Our analysis of is based on the extensive data contained in our databank and the analysis of our performance in our economic profiles.

The Power of Place

The competition for **business investment** is intense and we know we need a strong identity so that we don't lose out to our better-known neighbours, Brighton and Chichester. We aim to create a place that is the **preferred choice for businesses** to locate in, for people to live in and visitors to enjoy. We have challenges facing us but also many opportunities to create a thriving Adur and Worthing, known in its own right as a great place to be.



The Power of Place: key points

- Our **employment space** is under pressure from welcome growth in new and expanding businesses and from competing demands for more housing. Some of our existing industrial areas are outdated and may not attract and retain the sort of high value employment we want to encourage. We need to think big to meet our aims for growth and economic change.
- The **transport infrastructure** problems in our area are well known and affect our competitiveness. Although some improvements are planned, we must continue to press for more. **Digital connectivity** is reasonably good, but our growth ambitions depend on its being exceptional. We have a major opportunity to drive economic change through digital transformation.
- Growing numbers of people want to live in our area and there are some signs of a younger population moving in, but this popularity comes a price and **housing** is rapidly becoming **unaffordable** for many people. We will take the lead to ensure mixed developments on key sites press ahead rapidly
- Our **cultural offer** is alive and developing but could be better known outside our area. We can build on the economic and social benefits this offers to grow our **visitor economy** and enhance the **quality of life** for our residents.
- Similarly, our **towns and villages** have much to offer but we need to continue working to establish a **stronger identity**, revitalise our town centres and retail areas, capitalise on major sites in Worthing and improve the public realm to make the most of our assets including the seafront.

Employment space

Our businesses are growing; between 2010 and 2016 our stock of **businesses grew by 17%** compared to a growth rate of 13% in Coastal West Sussex as a whole³. We know from our consultation with businesses⁴ that good quality commercial units are in short supply, much of our existing stock is outdated and there is a lack of premises for expansion and inward investment. In Worthing, we will need an up to 122,940 sq. metres of additional floorspace, by 2023, just over a quarter of which would be offices and the remainder industrial class⁵. In Adur, the demand until 2031 is forecast at 67,162 square metres net⁶. Approximately 40% of this is forecast to be for B1 a/b or office and R&D.

These floorspace requirements could require up to 33 hectares of land to be found, but, in our area, land for development is in short supply and, while we benefit from our attractive coastline and access to the South Downs National Park, we are also constrained by them. Together with the need for substantially more housing, and the accelerated loss of employment space due to Permitted Development Rights (PDR), this adds up to a significant challenge.

Opportunities: We are going to have to think big to **meet current demand** for employment space in our area and supply sufficient **new space** to attract more inward investment and meet our **ambitious growth targets**. Our major sites, including Decoy Farm and Shoreham Airport, could go some way to filling the gap. We will take the lead in **driving these forward** as quickly as possible.



Shoreham Port courtesy of Shoreham Port Authority

³ Source: ONS UK Business Counts Industry. See also Adur and Worthing Economic Profiles for more information

⁴ Consultation workshops September 2017 and also Worthing Economic Research and Employment Land Review April 2016 NLP

⁵ Worthing Economic Research and Employment Land Review April 2016. NLP

⁶ Adur Employment Land Review – update report 2014 GL Hearn

Infrastructure

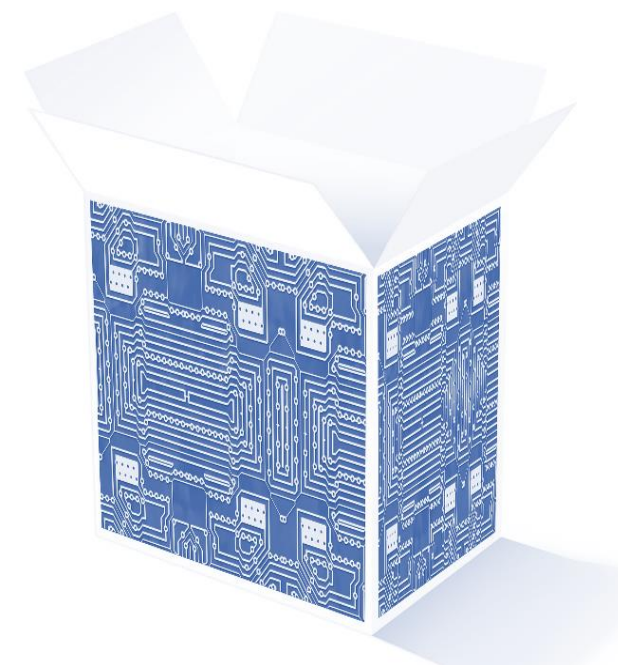
Poor connectivity inhibits economic growth. The weaknesses in the A27 are a factor in the underperformance of Coastal West Sussex. Its dual function, as the only strategic road route along the Coast and also as a local route with multiple junctions, adds to the pressure. Stretches of the A27 in our area are single carriageway. **Congestion, unreliable journey times, and poor air quality** are just some of the results of this infrastructure deficit that our residents and businesses experience. Our rail network is also under strain and operates at capacity at peak times. Journey times along the coast are slow with few through trains.

Opportunities: There are no simple solutions, but a recent consultation has been carried out on **improvements to Worthing and Lancing A27 junctions** with a budget of £50m to £100m⁷. As it seems unlikely that major rail improvements will be undertaken, the A27 will continue to be the main means of travel across our area and as such, it is important for our economy that improvements are secured. Whilst road transport will continue to be of paramount importance, the role of **green alternatives such as cycling and walking** could be extended.

Digital Connectivity

Digital connectivity drives economic performance to a greater extent than ever before. **99% of premises** in our area now have access to **superfast broadband** and achieve average download speeds of **40 megabits per second**. Our mobile voice and data connectivity are generally good within our urban centres although rural coverage is still an issue.

Opportunities: to stay ahead of the game and continue to outperform other parts of the coastal economy, we are leading on the development of **gigabit-speed fibre across our area** to make us one of the best-connected areas in the South East. We intend to **lead the way on digital transformation** for all aspects of our economy.



⁷ A27 Worthing and Lancing Improvements Scheme Public Consultation July to September 2017
Highways England

Housing

Our high quality of life and growing economy means that increasing numbers of people want to live here. Our **population is forecast to grow by 21% by 2039**⁸ giving rise to a need for more than 12,000 new homes in Adur and Worthing by 2030⁹.

This growth is partly a result of “**longshore drift**” as Brighton and Chichester have become more expensive. Demand from the wider south east and London is also apparent in the area, fuelling house price inflation.

Our growing popularity comes at a cost and housing in our area is increasingly becoming unaffordable. In Adur, a mid-priced house now costs over 11 times the median wage¹⁰.

Opportunities: Some of our housing need will be met from **major developments** already in the pipeline but we also need **radical solutions** to meet growing demand; to provide houses people can afford to and to attract a young and diverse workforce.

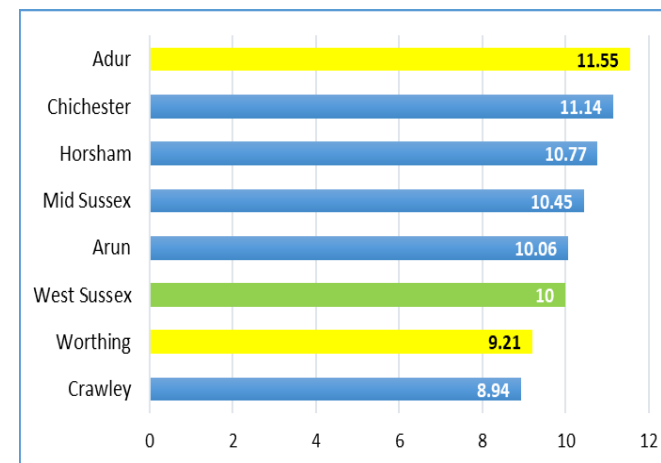


Figure 2: Median House Price to Median Earnings 2016
Source: ONS House Price Statistics Residence Based

⁸ Source: ONS population projections

⁹ Source: ONS What homes where?

¹⁰ Source: ONS Ratio of median house price to median residence based earnings

¹¹ Source: Housing Matters Strategy 2017 to 2020. Adur and Worthing Councils

Culture and heritage

A strong and vibrant cultural offer is vital if we want to attract **visitors** to come to our area, but it is also part of our **identity, sense of place and quality of life for our residents**. In the words of our cultural strategy: “it is much more than a visitor offer, it is about connections, self-expression, relationships and world view.” We have **many cultural assets** including theatres, artists and makers, a growing creative industry, a range of festivals, art galleries and museums as well as a rich architectural heritage that includes over 330 listed buildings in Adur and Worthing. There is a **commitment to culture**, but it could be better known outside our area.

Opportunities: Our cultural offer is rich and varied but currently underplayed. There are major opportunities to **build on our vibrant cultural offer to maximise its economic and social benefits**. This could be through, for example, promoting our theatres, festivals and architectural attractions to a wider audience, encouraging our creative sector and supporting the artistic community to help develop a stronger identity for Adur and Worthing.

Our **visitor economy has scope for expansion**, working with partners to broaden our accommodation offer, to promote our underplayed attractions better, to capitalise on our proximity to the South Downs National Park and opportunities for “active tourism” and further develop our evening and night-time economy. Our proximity to Greater London and key air and sea gateways into the UK offer additional opportunities.



Connaught Theatre Worthing



Ropetackle Arts Centre Shoreham

Identity and a sense of place

Our **towns have much to offer** but can lose out to our better-known neighbours, Brighton and Chichester. Town centres are at risk as never before from online and out-of-town shopping, a projected fall in domestic consumption and changing demographics, including the ageing population. **Investing** in our town centres to **create a vibrant experiential offer** and a **strong sense of place** will be crucial. In Adur, Shoreham town centre, the harbour and village centres of Southwick and Lancing need upgrading to provide a more attractive environment. Public access to, and experience of, Adur's many natural assets of river, countryside and coast could also be improved.¹²

In Worthing, there are a number of **major sites in key locations** in the town which are in **urgent need of development** to provide more retail, housing, leisure and commercial space and to radically improve visually sensitive areas of the town. **The seafront**, which is Worthing's major visitor economy asset, requires improvement to the public realm as does the high street where the physical quality of the retail units is often substandard. The visitor experience on entering Worthing by road is compromised by a long inward journey with no clear indications of the distance to, or location of, the town centre and seafront and lacking a 'sense of arrival'.

Opportunities: There are opportunities for **investment and development in Adur** at Shoreham harbour for housing and jobs, at Shoreham airport and at New Monk's farm. **Worthing's key strategic sites** include Union Place, the Civic site, Grafton, Stagecoach and Aquarena, along with Teville Gate. These sites have the potential to **transform the town centre**, increase employment, improve the retail offer and greatly enhance the sense of identity of the town. Defining the visitor journey and **improvements to the seafront** will put **Worthing on the map** as the perfect place to enjoy the great English seaside, taking advantage of the recent renaissance of the British Coast.



Shoreham Harbour



Worthing Beach

¹² Adur Local Plan 2016

Prosperity and Productivity

In our region, fast growth happens along the M25 and the A23/M23 corridors and the coastal economy can get left behind. Economically, **we perform well compared to some of our coastal partners** but not as well as the growth corridor areas, including Brighton and Hove. We aim to make sure we don't get left behind by **developing key sectors** and exploiting new ones, **growing our knowledge economy** and **supporting our businesses to grow** and create high-value jobs.



Prosperity and Productivity: key points

New **business creation** rates are relatively good compared to some of our neighbours, but we have some way to go to match the Coast to Capital Local Enterprise Partnership (LEP) area. The same can be said for **growth in our business base**, although five-year survival rates are better than average for, the LEP area.

While we have **strengths in manufacturing, construction, health and care, arts and leisure and the visitor economy**, there is scope to grow the value of businesses in these sectors. There are opportunities for support and growth, including in manufacturing where high value manufacturing holds the key to future success. We will encourage all sectors to take up and apply technology, skills and innovation to increase productivity.

Our **visitor economy** also has capacity for growth and we can build on our **place, identity and cultural** offer to increase our attractiveness to visitors as well as taking advantage of developments such as Digitourism.

Our **knowledge economy** and tech sectors are small by comparison with neighbouring areas, but we can attract more businesses in these sectors to locate and grow here if we provide the right operating environment.

Similarly, our **productivity** is below average but opportunities to focus on **digital technology, innovation and exporting** could make an impact.

Business Growth

We are relatively **good at creating new businesses**; in 2015, Adur's business creation rate was nearly 12.7% of its stock and in Worthing it was only slightly lower at 12.5%, both outperforming the West Sussex and Coastal West Sussex rates¹³. We have some way to go, however, to match the performance of fast growth areas such as Brighton and Hove (14.3%) and Crawley (16.4%)¹⁴. Both Adur and Worthing's five-year survival rates for new businesses are better than average for Coast to Capital; five-year survival rates for businesses born in 2010 were 43.2% in Adur and 44.3% in Worthing compared to 42.9% for the LEP area.

It is a similar picture on **growth in the business base**; during the period between 2010 and 2016, as we came out of the economic downturn of 2008/9, we saw a **17% net increase in the number of businesses in Adur and Worthing's**, a healthy performance. However, compared to neighbouring Brighton and Hove's increase of 27% over the same period, or the very fast growth areas such as Croydon in the north of our LEP area, we have not done particularly well.

Opportunities: Our performance on business creation, survival and growth is relatively good but we want to do even better. We will need to supply the things that all businesses want, irrespective of sector: a range of good quality **premises**, efficient **transport** infrastructure, ultrafast and reliable **digital connectivity**, access to **people with the right skills**, business to business **networking, supply chains** and **services**.

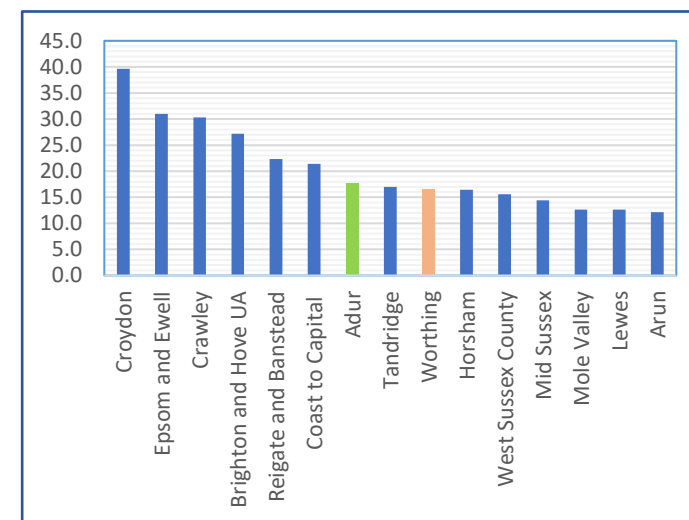


Figure 3: Percentage growth in business stock 2010-16
Source: ONS UK Business Counts: Enterprises

¹³ Source: ONS Business Demography.

¹⁴ Source: ONS UK Business Demography

Our industries

There are notable but **complementary differences** between Adur and Worthing. Our economy is also different from the wider region. **Adur** has significantly more **manufacturing, construction, wholesale, motor trades and mining, quarrying & utilities** businesses while **Worthing is more dependent on services** including professional, scientific & technical, accommodation & food and retail. **Adur** has the **largest comparative share of manufacturing** in our **LEP region** at over 7% of businesses in the District.

Health and care is a growing sector in all areas but is particularly **strong in Worthing**, making up nearly 7% of its total businesses.

We also have strengths in **Arts, Leisure & Entertainment** and **Accommodation & Food**.

Opportunities: Our **large manufacturing base** is a strength that we can build on, particularly in Adur where it is a significant contributor to total output. **High value manufacturing** holds the key to the future success of the sector and we can work university partners in Brighton and Chichester to support Advanced Manufacturing and Engineering.

Our **health and care** sector is vital to our quality of life and is growing and there are opportunities in care to apply **digital and smart technologies** to develop a leading-edge care sector in our area.

Our **marine sector** is small but given our coastline and **Shoreham Port**, we may have opportunities to develop it. Currently a small number of fishing boats use the Port, but following Brexit, the UK is expected to see growth in the fishing industry if, as expected, the UK leaves the 1964 London Fisheries Convention. Leisure marine may also offer room for growth.

The **visitor economy** also offers an opportunity for development given the expected rise in staycations, our strengths in **arts, leisure and entertainment** and the focus of our local partners on developing this sector; as well as our own priorities to improve our destination and identity.

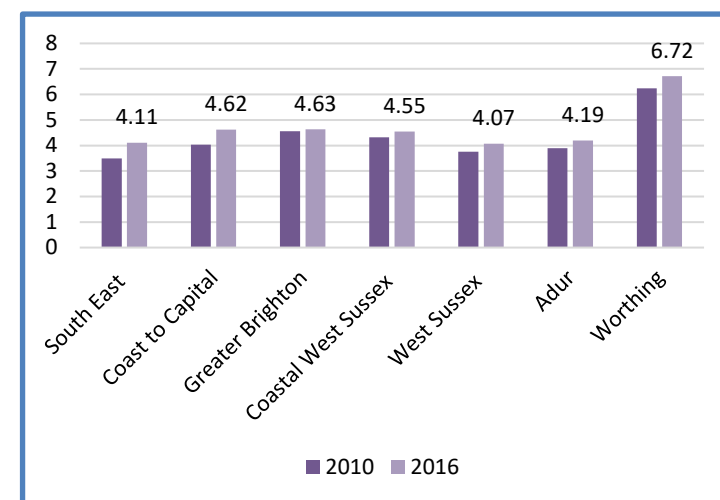


Figure 4: Health sector businesses %age of total 2010-2016

Source: ONS UK Business Counts Industry



Ricardo at Shoreham

Knowledge economy

ONS defines the knowledge economy as: “those businesses that generate wealth by utilising a knowledge specialism¹⁵ “. The knowledge-intensive business base in Adur and Worthing is relatively modest, in spite of the presence of some **global companies** such as Ricardo and Glaxo Smith Klein who fall into this category. In both Adur and Worthing, the **knowledge economy** makes up **10% of businesses**, which is slightly better than Coastal West Sussex as a whole, but notably below its percentage of the business base in the high growth areas along the M25 and A23/M23 corridor. In Brighton and Hove, it accounts for nearly 16% of the total.

The importance of **digital technology** in driving business performance and productivity gains across the economy continues to grow and the **technology sector** is a crucial part of the knowledge economy. Adur and Worthing's **tech sector** businesses are **growing fast** and there is potential to exploit strengths in digital and IT, but we are still behind Greater Brighton and the wider region in the size of our tech sector overall.

Opportunities: Our knowledge economy is growing and will be greatly helped by the provision of more suitable **high-tech premises**, for example at Shoreham Airport and Decoy Farm where we have the opportunity to create leading-edge business parks, as well working with partners to improve skills. Our plans for a **gigabit superhighway** will ensure our businesses have connectivity to match the best, while opportunities for a digital hub in our area will support growth in our tech sector, as well as across the wider economy.

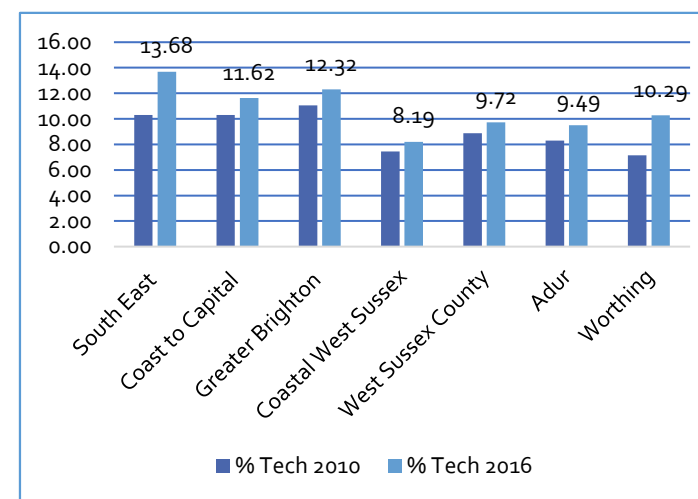


Figure 5: Percentage of businesses in the technology sector (ONS definition) 2010 and 2016.

Source: ONS UK Business Counts: Industry

¹⁵ This includes Medical devices, pharmaceuticals and biotechnology, IT services, communications, computing and advanced electronics, other technical services, aerospace and transport, creative content, software, high tech financial services.

Productivity

Productivity depends on factors relating to industry sector, levels of investment, application of technology, availability of skills and levels of innovation, as well as market conditions. Productivity tends to be **lower in coastal economies** and, although both **Adur and Worthing** have recently done better in terms of **productivity growth** than Coastal West Sussex as a whole, this has largely been driven by an improving position in Adur.

Adur's productivity grew by more than 15% between 2010 and 2015, whilst Worthing's total output grew by just 1.83% between 2010 and 2015, the lowest growth rate in Coast to Capital. It is a similar story on Gross Value Added (GVA) per head which grew by nearly 11% in Adur over this period but declined slightly in Worthing.

Opportunities: We can't influence many of the factors driving productivity growth but our plans for **ultrafast broadband** will be crucial in helping businesses to innovate and maximise their potential, regardless of sector. We also know that the increasing the proportion of businesses in our more **knowledge- intensive** and **high-value manufacturing sectors** will help.

Exporting businesses tend to be more productive and to grow faster¹⁶ but we know from partners' business surveys that **fewer** of our businesses are **regular exporters**¹⁷. Given the likelihood of increased support for exporting by Government due to the UK's departure from the EU in 2019, we may have an opportunity to support and encourage more businesses to **grow through international trade**. The majority of **Shoreham Port's** trade is currently imports of timber and aggregates. However, there could be opportunities to turn this round and use it as an **export channel**, working with Coast to Capitals' export hub.

Growth will be digitally driven - new research¹⁸ confirms that innovation and particularly digital **technological innovation drives growth**. The Government's recent review of industrial digitisation estimates that the adoption of digital technologies in the manufacturing sector alone could add £455bn to the UK economy¹⁹ over the next decade.



We will be at the forefront of digitally driven growth, not just by putting in the infrastructure but also by using digital technology and innovation to deliver every aspect of our strategy including economic prosperity and business growth.

¹⁶ Source: Attitudes & Barriers in SMEs To International Trade Coast to Capital

¹⁷ Source: Greater Brighton and West Sussex Business Survey 2014

¹⁸ Source: Technological Innovation, Resource Allocation and Growth :May 2016 A. Seru et al.

¹⁹ Source: Made Smarter Review 2017 response to the Industrial Strategy Green Paper

The Potential of our People

Our businesses require a skilled and productive workforce, but we have broader aims for maximising the potential of our people. We aim for all our citizens to have high levels of **well-being and life satisfaction** and to ensure working people have a wide range of **well-paid employment opportunities and skills** to access them.



The Potential of our People: key points

Our **quality of life** on measures of well-being, life expectancy and health is generally high but there are pockets of deprivation, particularly in parts of Adur where evidence supports our priorities for improving education and skills.

Employment rates are high and unemployment is low. Self-employment rates are high in Worthing, possibly reflecting the growing creative sector with its freelance culture.

The **skills** of our working age residents are a matter of concern, particularly at degree level and above (NVQ4+). In Adur, there are additional challenges with lower levels of intermediate skills.

Wages are lower than county and regional averages and there is a higher than average percentage of residents in Adur employed in the least skilled **occupations**.

To attract and grow higher value, more knowledge and technology-intensive businesses, we will need to focus on **improving workforce skills**, particularly **Science, Technology, Education and Maths (STEM) and digital skills**. This will require working with education and skills providers and businesses, particularly in our priority sectors.

Quality of life

Our people generally rate their quality of life highly; in 2016 Adur and Worthing residents gave a score of **7.5 out of 10 for both happiness and well-being**²⁰. In Worthing, life expectancy is broadly on a par with West Sussex at 83 years for females and 79 years for males. It is slightly lower in Adur where it is 80 years for both sexes.

Employment rates are high and **unemployment rates are low**. In 2016, 4.4% of working age people in Adur and 4.0% in Worthing were unemployed.²¹ In spite of our generally good scores on quality of life indicators, there is **some deprivation** in our area. Adur is in the bottom half of England's local authorities on 9 out of 10 deprivation indices and the bottom quintile for education and training. Worthing is ranked in the bottom half on five out of 10 measures. **Crime rates are lower** than in Coast to Capital, particularly in Adur; there were 63.6 crimes per 1,000 population in the LEP area in 2016, while in Adur there were 49.1 and in Worthing, there 62.7 per 1,000 population.

Opportunities: We can be proud of the quality of life we have on offer and continue to promote it as a reason for businesses and skilled people to locate here. The relative deprivation in Adur supports our argument for a move to a higher wage higher skills economy and the relatively higher crime rates in Worthing suggest we may need to do more to develop the evening economy and make the town centre safer.



²⁰ Source: ONS Measuring National Well Being Statistics 2016

²¹ Source: ONS Unemployment statistics model based.

Our workforce

We do well on **employment**. Both Adur and Worthing's employment rate is just over 80% of those of working age in 2016/17, similar to West Sussex, higher than the South East rate of 78% and **significantly above Brighton & Hove's** employment rate of 74.4%.

Workers in Worthing are relatively entrepreneurial with **1 in 5 people** of working age being **self-employed**, perhaps reflecting a higher proportion of creative occupations. By comparison, Adur's self-employment rate of 14.8% of the working age population is below the West Sussex average of 16.1% as at 2016²²

Opportunities: Our high employment rate is a sign of a relatively strong economy and a **work-orientated and employable resident population** which is a draw for businesses wishing to locate in our area. High employment and low unemployment mean that employers may struggle to recruit new people which could make them more receptive to taking on Apprentices and upskilling their workforces.

Our good track record on **self-employment** gives an opportunity for us to encourage more self-employed people to **set up companies** and grow their businesses.

Workforce skills

A skilled and productive workforce is one of the most important parts of our offer to businesses and a crucial element in getting more businesses to locate here and grow. In **Worthing**, working age residents are relatively **well qualified at the lower and intermediate levels**, NVQ 1+ and NVQ 2+ and NVQ3+. However, in Worthing achievement falls away at Level 4+, degree level and above, although there are signs that this is improving with an increase of 8.7% in higher level qualifications in the last five years. In **Adur**, working age residents are **less well qualified at both intermediate levels** (NVQ2+ and NVQ3+) and significantly less well qualified at **higher levels** (NVQ4+).

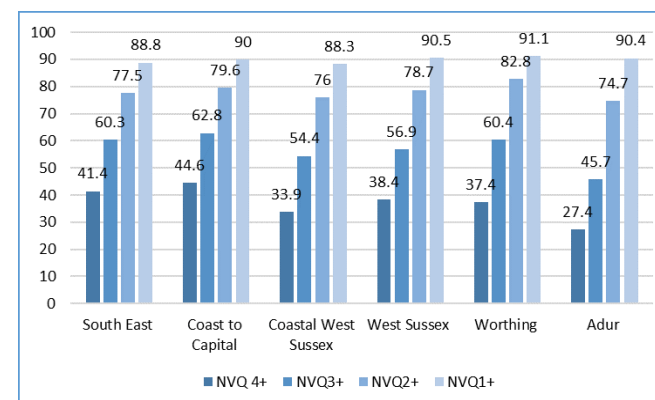


Figure 6: Qualification levels by percentage of working age population in 2016:

Source: ONS Annual Population Survey

²² Source: ONS Annual Population Survey

Adur and Worthing Economic Strategy 2018-2023

Unfortunately, in Adur the last five years has seen only a small (1.1%) increase in the percentage of residents achieving a higher-level qualification, the lowest rate of increase in Coast to Capital. This indicates a low skills economy in Adur, perhaps with weaker demand for higher level skills from the business base.

Opportunities: There are signs that shortages of intermediate and higher level skills, particularly STEM skills, are already constraining growth in our area. There is an opportunity to work with partners, including universities and colleges with dedicated facilities, to upskill the workforce to meet the needs of the higher value businesses we want to attract.

Wages

There is a correlation between wages and skills/qualifications levels and **Adur and Worthing residents** have **lower wages** than the county or regional averages. **Workplace wages** are also **lower** than residence based earnings, highlighting the need to increase productivity and grow high value jobs in the economy. Adur and Worthing residents with high level skills are likely to be commuting out of the area to higher paid employment.

Occupations

Worthing has a higher than average percentage of residents employed in **Professional, Associate Professional and Technical occupations** (Groups 2 and 3)²³ and a lower than average percentage employed in Caring, Leisure and Other Service Occupations (Group 6). This correlates with the findings for wages and skills/qualifications and indicates that many of the **lower paid service jobs** are filled by **in-commuters**. In comparison, **Adur** has a high percentage of residents employed in **Caring Leisure and other Service Occupations** (Group 6) and a lower percentage in Associate Professional and Technical occupations, (Group 3). This is consistent with Adur's lower skills profile.

²³ Key to occupational groups

Group 1: Managers, Directors and Senior Officials;

Group2: Professional Occupations;

Group 3: Associate Professional and Technical Occupations;

Group 4: Administrative and Secretarial Occupations;

Group 5: Skilled Trades Occupations

Group 6: Caring, Leisure and Other Service Occupations

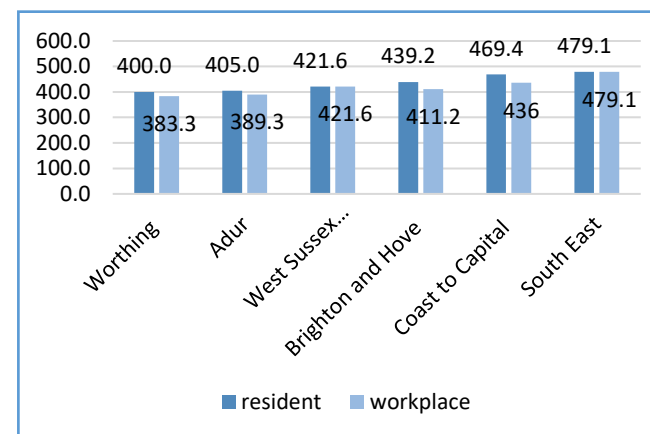


Figure 7: resident and workplace wages £s 2016
Source ONS Annual Survey of Hours and Wages

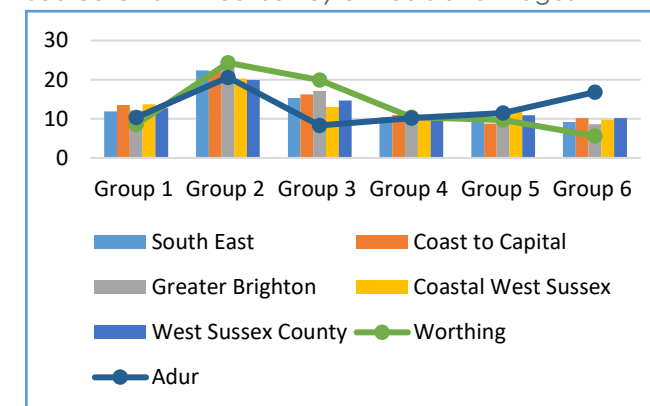


Figure 8: Employment by Occupational Group 2016.
Source: ONS Annual Population Survey

Action Plan: three transformational solutions 2018-2023

Adur and Worthing, individually and together, have strengths and challenges. Our analysis has drawn out the priorities and opportunities that exist, and informed our proposals for a small number of transformational solutions which we will work to deliver over the next five years²⁴. These proposals help answer the three strategic questions that emerged early in the process²⁵ and will ensure that we address our priorities for Place, Prosperity and People in a coherent way. Our three transformational solutions will provide a shared focus for work with our partners, positively align with other plans and strategies, and ensure that individual actions are mutually-reinforcing and provide a benefit that is greater than the sum of the parts. Our solutions will enhance the distinctiveness and identity of our places, build momentum and resilience, and inspire businesses, partners and our people to join in and help drive change.

Superconnected Worthing

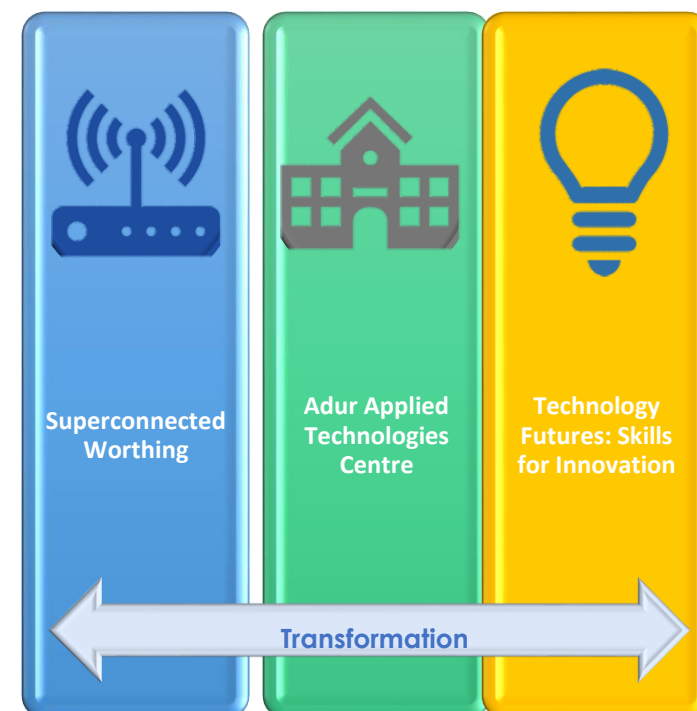
Through providing gigabit-speed digital infrastructure and imaginative collaborative space for digital and creative companies in the heart of Worthing, we will accelerate the changing identity of the town to make it a leading edge, vibrant exciting place to be.

Adur Applied Technologies Centre

We will develop our industrial areas in Adur to take advantage of our manufacturing strengths to drive growth and productivity, increase exporting and stimulate innovation through applied technologies.

Technology Futures: Skills for Innovation

We will champion the development of a learning and skills ecosystem that enables economic growth by increasing the uptake, quality and application of skills, particularly Science, Technology, Engineering and Maths (STEM) skills at intermediate and higher levels.



²⁴ Our Action Plan will be monitored, and progress reviewed annually, to accommodate change and respond to new opportunities as they emerge.

²⁵ The three strategic questions are:

1. How can we achieve balanced growth in a constrained environment?
2. How can we capitalise on our place and its positive attributes?
3. How can we exploit digital technologies to create a unique competitive advantage?

Superconnected Worthing

Businesses are reinventing themselves through the application of digital technology giving rise to new business models, utilising the “big four” digital innovations of mobile, social media, cloud and big data. Platform-based businesses are changing the shape and structure of the economy through new ways of adding value, for example Uber, the taxi company with no vehicles, Amazon, the global retailer with no shops and Airbnb, the holiday letting company with no property. Our Economic Strategy is based on the idea of progress through digital transformation and we will lead the way in Worthing to create a place that has innovation and digital technology at its heart.

Through providing ultrafast digital infrastructure and imaginative collaborative space for digital and creative companies in the heart of Worthing, we will accelerate the changing identity of the town to make it a leading edge, vibrant exciting place to be.

Current state 2018	Target State 2030
<ul style="list-style-type: none"> • A small but growing creative and digital sector in Worthing • Colonnade House pilot creative space is beginning to become known as a creative and digital hub. • Good digital connectivity but not outstanding • Plans for gigabit-speed fibre and 5G test bed 	<ul style="list-style-type: none"> • A large creative and digital sector which is part of Worthing's new identity, attracting more businesses to locate and more skilled people to live here • Significantly extended digital creative space at the heart of the town and reaching out to the seafront, increasing the appeal of the town as a vibrant, exciting place • Ultrafast broadband and 5G mobile lead makes us the place to be for business innovation, growth and productivity
Key actions 2018 to 2023	
Extend Colonnade House creative hub to increase employment space and enable creative and digital businesses to locate in the town centre	
Support planning applications and further use of our own buildings to support open innovation, new business models and collaborative workstyles	
Establish a Digital Hub and network, to provide specialist business support for creative, digital and other priority sectors	
Install ultrafast broadband to drive a new wave of growth and enable public and private sector transformation	
Work with partners, including Greater Brighton, to develop a 5G outdoor testbed in Worthing as part of the Government's 5G Innovation Network	
Ensure improvements to the public realm incorporate and accelerate innovation and connectivity, to support town centre regeneration and the visitor experience	
Deliver the vision in our Seafront Investment Plan, connecting spaces, enhancing our cultural offer and creating an enviable quality of life that strengthens identity and distinctiveness	

Adur Applied Technologies Centre

All businesses need a digital strategy or risk being out of business as technological advances continue to drive seismic shifts in the economy. Our large manufacturing sector offers a transformation opportunity to move to advanced manufacturing through the application of technology, innovation and skills. Adur has a number of employment locations suitable for encouraging clustering that could provide on-site specialist skills and innovation support. Shoreham Port, currently almost exclusively import-based, could provide export opportunities for advanced manufacturing and engineering businesses if the right linkages are made.

We will develop our strength in manufacturing to drive value, growth and productivity, increase exporting and stimulate innovation through applied technologies

Current state 2018	Target State 2030
<ul style="list-style-type: none"> • Our manufacturing sector is larger than average but is not highly productive and many small and medium enterprises (SMEs) operate in low tech markets • Advanced, high value manufacturing and engineering is underdeveloped although there are some leading edge and global companies here • There are a number of business parks that require upgrading and reconfiguration to make best use of space. Shoreham airport, in particular, lacks good quality high tech accommodation, although there is scope for expansion and re-use of space here. 	<ul style="list-style-type: none"> • A Centre for Applied Technologies has been established in Adur, offering access to incubation space and testing facilities for new and growing businesses • Links to universities with Advanced Manufacturing research and innovation expertise are embedded • Specialised business support provided on-site, with businesses transitioning to higher value manufacturing and lean production through regular use of Knowledge Transfer Partnerships, networking, investment advice and links to STEM skills providers • Adur is known for achieving exceptional growth in high value manufacturing, attracting more investment and growing its distinct identity
Key actions 2018 to 2023	
Develop and implement a clear and agreed strategy to sustain and grow high value manufacturing at Shoreham Airport, including links with Northbrook MET's specialist onsite aeronautical and automotive training centre	
Work with partners, including Universities, to create a specialist business support offer. To include: Knowledge Transfer Partnerships, innovation support and high level STEM skills provision	
Promote and facilitate business access to specialist support, encouraging the transformation of business and manufacturing processes to drive high value growth, clustering and supply chain efficiencies	
Explore opportunities to facilitate investment in new and upgraded manufacturing floorspace on existing business parks and/or the creation of incubation space(s) and testing facilities in locations across Adur	
Proactively promote Adur as a destination for innovative and high value manufacturing	
Work with partners and businesses to maximise export opportunities, including through the Port	

Technology Futures: skills for innovation

The knowledge economy is an increasingly significant driver of productivity and growth; since 1978 it has contributed 66% of all UK growth and 7.3m new jobs²⁶. Employment in the knowledge economy means greater demand for more knowledgeable and highly skilled workers. We have an opportunity to transform skills in our area through increasing employer engagement and forging strong links with universities, colleges and specialist providers to increase skills provision, distribution and exchange of knowledge and ensuring that there are sufficient Science, Technology, Engineering and Maths (STEM) skills in the workforce.

We will champion the development of a learning and skills ecosystem that enables economic growth by increasing the uptake, quality and application of skills by learners of all ages, and particularly Science, Technology, Engineering and Maths (STEM) skills at intermediate and higher levels.

Current state 2018	Target State 2030
<ul style="list-style-type: none"> • Our workforce skills levels are too low, particularly at degree level and above and also at intermediate and technical level • There are signs of a low wage low skills economy in some areas and sectors in Adur and Worthing • Higher value businesses report skills shortages, particularly in STEM subjects • Although we have good FE provision in our area and access to universities nearby, strategic links and employer dialogue could be better • STEM subjects in some of our schools are not attracting sufficient numbers of students 	<p>A healthy, self-reinforcing skills “ecosystem” characterised by:</p> <ul style="list-style-type: none"> • Rising workforce skills which match the regional average at intermediate and higher level. • Accessible STEM skills provision for all, particularly technology skills, and greater take up of STEM skills in our schools and education institutions • Increased skills in our key sectors, AME, tourism and hospitality, care, construction and retail through more effective and relevant provision • Knowledge Transfer Partnerships and other initiatives provide strong linkages between businesses, universities and research institutes.
<p>Key actions 2018 to 2023</p>	
<p>Explore the potential to trial new approaches to skills development and learning, particularly in relation to the application of digital and applied technologies</p>	
<p>Develop initiatives that target funding, resources and expertise to help businesses upskill their workforces, including through better awareness and use of apprenticeships</p>	
<p>Support the expansion of STEM outreach activities, working with partners to inspire and encourage more young people to pursue STEM subjects and careers</p>	
<p>Work with Further and Higher Education institutions to develop skills for our key sectors and facilitate business awareness and participation in Knowledge Transfer Partnerships</p>	

²⁶ The UK Knowledge Economy C Levy The Work Foundation