

**Agenda Item No: 6**

**Report to:** Cabinet

**Date of Meeting:** 3rd November 2014

**Report Title:** East Sussex PEER Challenge – “Open for Growth”

**Report By:** Simon Hubbard  
Director of Regeneration

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### **Purpose of Report**

To recommend a response to the Local Government Association (LGA) Peer Review of Economic Development and Support to Business in East Sussex

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### **Recommendation(s)**

- 1. That the Cabinet support the recommendations contained in the report of the LGA Peer Review Team subject to the comments in this report.**
- 2. The development of an Action Plan is supported with decisions in this respect delegated to the Director of Regeneration in consultation with the Leader and Deputy Leader**

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### **Reasons for Recommendations**

In order to allow the Council to work with other partners in Team East Sussex (TES) to implement the report's recommendations.

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### **Introduction & Background**

- Peer challenge is a tool that helps councils review their performance and was developed by local authorities and the Local Government Association (LGA) to replace the previous national performance framework of inspection and assessment. Rather than judging performance against prescribed national criteria, peer challenges are improvement focused with the scope being agreed with the council/s involved and are tailored to reflect their local needs and specific requirements. An 'Open for Growth' peer challenge looks at how councils are supporting their local economy and businesses.
- There are good, positive relationships in place locally between Hastings, Rother, East Sussex, University, Sussex Coast College, Local Business and other

partners involved in supporting economic growth. These are reflected both through the Hastings and Bexhill Taskforce and the Regeneration Company Seachange Sussex. However partnership structures in East Sussex and more locally have grown “organically” and have not been subject to any formal review by partners.

3. It was agreed through the East Sussex Leaders and Chief Executives Group that a joint review of Economic Development/Business Support would be undertaken across the County. It was further agreed that the LGA be asked to undertake this work and the work of the partners be coordinated through a joint officer working party. This was chaired by Rob Cottrill, the Chief Executive of Eastbourne Council, and serviced through East Sussex County Council. Hastings’ contribution was coordinated through Monica Adams Acton, the Head of Regeneration and Planning Policy.
4. The councils identified that the following were the five priority areas for focus:
  - Economic growth
  - Planning
  - Housing
  - Education and training for skills
  - Procurement
5. It was agreed that economic inclusion should be identified as a crucial area for the study. Whilst this was not included in the core brief the issue will be addressed in the Action Plan. Issues of economic inclusion are of high significance in Hastings and elsewhere and are connected to issues of education, skills, health and work readiness.
6. The report considered East Sussex as a whole, rather than on the basis of the functioning local economies found in the Hastings travel to work area, Eastbourne/Wealden and Lewes/Brighton. This approach reflects the county based ‘federated’ structure within the South East Local Economic Partnership but potentially masks the very different natures of the local economies covered by the review.

The review was undertaken in March 2014 with the PEER Team talking with members, others and a variety of stakeholders. A total of around 250 people participated. The report was agreed at officer level in July 2014 and since then work has continued to produce an action plan which reflects the recommendations from the review. The full report is accessible at

<http://www.eastsussex.gov.uk/NR/rdonlyres/DAA37E4C-D46C-4E84-B490-75608548F547/0/EastSussexCouncilsOpenforGrowthPeerChallengeReport.pdf>

7. Section 3 of the Review team's report contains a series of recommendations and these are attached as an appendix to the report. Key recommendations are commented on below.

## **Leadership**

8. The recommendations here are broadly supported with the following comments

- The recommendation for a revised East Sussex Growth Strategy. Shared Intelligence, who undertook work on the SELEP Growth Deal bid, have been commissioned to undertake this work. A draft is expected shortly.
- Commitment to house building is to be warmly welcomed. It is essential however that the housing supply is assessed not just in numerical total build cost, but includes a balance of tenures and values to ensure the range required by the future workforce. Housing is an issue of social justice, but it also supports the working of the wider economy.
- The need to focus upon economic inclusion and opportunity is to be welcomed. However this is not just an issue around skills. In areas of high deprivation a range of barriers exclude many from economic life. Issues of education, skills, poor health and housing are common in many coastal communities and an adequate response must be multi-faceted and long-term. These issues act as an obstacle in attracting inward investment and employment.
- It is agreed that Team East Sussex (TES) – the partnership structure under the SELEP structure – will need to concentrate its limited resources. This should not prevent Hastings (or other areas) seeking other sources of investment or funding outside this structure where they cannot be found within funds under TES influence or control.

## **Team East Sussex (TES)**

9. It is agreed that TES needs to develop its role. There is a need to review the partnerships that underpin TES to drive work locally. It is suggested this Council should continue to place importance on the Hastings and Rother Economic Task Force as a vehicle to coordinate activity within our economic area, in partnership with Rother, ESCC, business, Brighton University, Sussex Coast College and other partners.

10. There is a strong push for an East Sussex “narrative” and this clearly resonates with the SELEP county-based approach to economic development. However Hastings has a strong and distinctive set of opportunities and challenges and it can be argued that this is in many ways is stronger now (and in the future) than a county one. It is also believed that for some industry sectors a Sussex and Brighton image may be stronger than an East Sussex one. It will be necessary to ensure that the Council and its partners operate in a way which maximises the benefits from work at County, SELEP, UK and European levels. This means a pragmatic approach according to the target of any future initiative.

## **Partnership Working**

11. There are four points arising from this section that require comment.

- It is to be welcomed that the structure of TES will be reviewed to ensure greater involvement by the third sector, business and community agencies.
- There is already a very healthy relationship with Rother District Council in relation to planning policy matter under the “Duty to Cooperate”. Currently HBC’s core strategy has been found sound and the two councils are working together to try and ensure approval of the second core document that will make up each council’s new Local Plan.
- Joint work on “branding” has begun at officer level. Hastings will be working with other councils on a joint prospectus but at this stage it is not possible to assess the value of this work. It is not intended to abandon or reduce marketing at Hastings or 1066 level. In fact this will be strengthened to focus on the 2016 celebrations of the Battle of Hastings and to promote our Hastings offer.
- There is clearly a need to encourage joint marketing of arts/cultural activity, food and accommodation in a way which will appeal to higher value culturally focused visitors. There is strong support for this from cultural organisations seeking to improve their performance and turnover. It is appropriate to take a balanced view of where advantage lies and to promote an offer in a way which will motivate potential customers. There will need to be a flexible approach on this issue without an insistence on a single “right” way forward.

## **Business Focus**

12. SELEP and its federated structures are intended to be business led and focused. It is not clear that other local councils or training providers have yet met the needs of employers sufficiently well.

- The commitment to tourism and culture as a key part of the local growth agenda is to be welcomed.
- There is a commitment to ensure business engagement with providers which is also to be welcomed. However there is a danger that the Annual Business Survey may not emphasise enough the concerns about skills expressed by many employers. These are not just about technical skills but about attitudes to work and the level of employability in the local workforce. In an area of predominantly small and medium business there is an urgent need to examine how the quality and depth of this engagement can be continued.
- The decision to review and evaluate the progress of LOCATE East Sussex is supported.

### **Commentary**

13. It is believed that this is the first time that such a review has been carried out over a “two tier” county area. Given the very wide differences between parts of the county this must have been an enormously challenging task for the LGA team.

14. This exercise was very interesting and beneficial for those who took part and exposed the challenges to both growth and inclusion that exist. An example of this is clearly housing where, despite Government “carrot and stick”, the planning process has not provided the housing growth that is generally supported in principle but often opposed at a local level.

15. The report offers a useful affirmation of the value of partnership in East Sussex and should increase the pressure for even more cooperative working. The report should therefore be welcomed.

16. Two caveats appear to be required. First, the push to a county wide approach could damage the value of work based in local communities and economies. Second, the need for action to address economic inclusion must be consistently asserted. This message can sometimes be lost given the higher levels of prosperity enjoyed in many parts of the county (including parts of Hastings). Economic exclusion is an issue in Eastbourne, Newhaven, Bexhill and in smaller pockets in rural areas and growth needs to be accompanied by opportunity for people in these communities and with various skill levels.

## **Implications**

17. The LGA report in itself does not carry implications for the council. Future working arrangements may result in the more effective use of funds and staff, but this cannot be judged at this point. The Council should use its resources in a way which will deliver the most benefits for local residents and for businesses that offer employment opportunity and growth to the Borough.

## **Conclusion**

18. That, subject to the issues identified in this report, the Cabinet should support the recommendations of the LGA report and agree that a decision regarding the subsequent Action Plan should be delegated to the Director of Regeneration in consultation with the Leader and Deputy Leader of the Council.

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### **Wards Affected**

All

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### **Area(s) Affected**

All

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### **Policy Implications**

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness

Crime and Fear of Crime (Section 17)

Risk Management

Environmental Issues

Economic/Financial Implications ✓

Human Rights Act

Organisational Consequences

Local People's Views

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### **Background Information**

Appendix 1 – Recommendations from the LGA Peer Review Group report entitled: Investment (open for growth) Peer Challenge, East Sussex councils, 10-14 March 2014 Report – Section 3, pages 8 - 9

Peer Challenge report: <http://www.eastsussex.gov.uk/NR/rdonlyres/DAA37E4C-D46C-4E84-B490-75608548F547/0/EastSussexCouncilsOpenforGrowthPeerChallengeReport.pdf>

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