

Open for Business

**An Economic Strategy
for Arun 2009 - 2026**





Preface

This is an economic strategy for all in Arun District not just the District Council. We need this strategy to maximise the benefits that can come from the substantial housing growth up to 2026 and the regeneration of the West Sussex Coastal Belt.



To establish the key objectives wide consultation took place in 2008 and SQW were appointed as consultants to establish an economic baseline and to deliver this strategy document leading on from the strategic overview 'Open for Business'.



This economic strategy is in line with the Core Strategy of the Local Development Framework and the sustainable community strategy 'Our Kind of Place', with common objectives and time scales and all focus on improving the opportunities for businesses and the quality of life for the residents of Arun District.

The action plan in the Annex is a live document, covers the next three years and will be updated regularly with new evidence such the data from the 2011 census.

We all have a stake in the economic future of the District and to achieve the objectives within this strategy a wide variety of private and voluntary sector agencies, organisations and businesses will need to work together in partnership.

**Norman Dingemans - Arun District Council
Cabinet Member for Economic Development
and Regeneration**



Contents

- 1 Overview of Arun's economy p1
- 2 Looking inside Arun p5
- 3 Looking outside Arun p8
- 4 Key sectors within Arun p11
- 5 The importance of future economic growth within Arun p15
- 6 Arun's economic strengths, weaknesses, opportunities and threats p17
- 7 Vision and targets for economic development p19
- 8 Objectives for economic development p20
- 9 Framework for action p26



1: Overview of Arun's economy



Summary

Arun has a distinctive local economy. There are:

- almost 5,000 VAT registered businesses in Arun
- nearly 46,000 people working in Arun (of whom over 9,400 are self-employed); most of the 46,000 people also live in Arun
- about 76,000 Arun residents of working age of whom 60,400 are in work (some in Arun, but with many working outside the district)

The competitiveness of Arun's economy can be assessed using the "drivers of productivity" framework developed by HM Treasury. The conclusion from this is that Arun performs relatively weakly overall, particularly in relation to skills and enterprise. However insofar as knowledge-based manufacturing is a proxy for innovation, it has strengths on this measure.



Located on the coast of West Sussex, Arun is a distinctive place with a distinctive local economy.

Key Facts

As the backdrop to the Economic Strategy, it is important to establish some key facts.



How many businesses are there in Arun?

At the end of 2007, there were just under 5,000 VAT-registered businesses in Arun. The VAT threshold for business registration is about £68,000; very small businesses with a lower turnover are not therefore included in these figures.

Between 2000 and 2007, the number of VAT registered businesses in the district grew slightly, by about 4%. Over the same period, the number of VAT registered businesses grew by about 6% in the four districts which together comprise Coastal West Sussex (Adur, Arun, Chichester and Worthing) and 14% across the South East.

How many people work in Arun?

When the last Census was completed in 2001, 45,874 people stated that their principal place of work was in Arun. Of these, some 9,410 people were self-employed.

A sample survey of employers (the Annual Business Inquiry or ABI) is completed each year. There are some important differences between the data it generates and those from the Census: ABI relies on employers' returns and therefore it counts jobs rather than workers (and some people have more than one job). Additionally, ABI is sample based and it is therefore subject to



interpretation, particularly at a local scale. The data it generates needs to be used carefully.

Nevertheless, ABI provides a basis for commenting on more recent changes in the local economy. It suggests that the number of jobs in the district rose slightly between 2001 and 2007 (the latest year for which data is available) from 43,520 to 43,910 (an increase of 0.9%).

Across the South East region as a whole, the early years of the current decade saw substantial jobs growth. This pattern was not shared by Arun, or the other districts which together form Coastal West Sussex.

How many of Arun residents work?

The Census tells us that:

- the total population of Arun in 2001 was 140,759
- of these, some 75,816 people (54%) were of working age – defined as between 19-60 years for women, and 19-65 for men
- of the working age population, some 60,404 (80%) were working.



Compared to elsewhere, the working age population is a much lower proportion of the total. Across the South East as a whole, 61% of the population is of working age; this compares to 54% in Arun and 55% across Coastal West Sussex.

What are the occupations of people who live in Arun and work?

Of the working people who live in Arun, just over 29% are “managers and senior officials”, or have “professional occupations”. The corresponding figure across the South East is nearly 32%.

Conversely, “personal service occupations” and “sales and customer service occupations” account for nearly 20% of Arun’s total resident workers compared to 15% of those in the South East.

Patterns of commuting

Overall, Arun is characterised by significant net out-commuting. At the time of the last Census:

- just over 8,000 people commuted into Arun from outside the district
- 22,580 Arun residents commuted to workplaces that were outside the district.

The principal destinations for out-commuters from Arun were the adjacent districts of Chichester and Worthing.



Earnings – and their relationship to commuting

In 2008, median gross weekly earnings for those working in Arun were £404. This compares to £421 for those working in Chichester and £439 for those working in Worthing.

For Arun residents, the figure was £455. Therefore on average, people who work in Arun earn less than residents of the district who work elsewhere.

There are several possible explanations, which are important for the Economic Strategy:

- that people are commuting out of Arun to work because they are able to earn more elsewhere
- that people who work in Chichester and Worthing choose to live in Arun because the costs of living (particularly housing) are lower.
- that there is a low density of jobs in Arun (i.e. lower number of jobs per head of resident population).



Working from home

From the Census, we are able to gain an insight into the number of people who work “mainly at or from home”. In 2001, this accounted for 10.5% of resident workers in Arun, a figure that was similar to Coastal West Sussex (10.6%) and higher than that for the South East (9.9%).



With improvements in broadband connectivity, it is likely that the incidence of homeworking has increased since the Census. This needs to be recognised as an important part of Arun’s economy.

How productive is the economy of Arun?

Over recent years, HM Treasury has developed a framework for considering the competitiveness of local economies. This is based around five Drivers of Productivity. These are: skills, investment, entrepreneurship, competition and innovation. For each of these drivers, we can use data to provide insights into the performance of Arun’s economy.

Skills

At the time of the last Census, 12,230 of Arun’s residents of working age had degree-level qualifications (or above). This was 16% of the total resident working age population. Conversely 16,529 working age residents (21%) had no qualifications.

Compared to elsewhere, this profile is unfavourable. Across Coastal West Sussex, 18% were qualified to degree level or higher and 20% had no



qualifications. The corresponding figures for the South East were 23% and 18% respectively. These figures are based on the 2001 census data and will need to be updated when the 2011 census data becomes available

Investment

Investment is very difficult to measure accurately at a local scale.

One indicator relates to investment in industrial and commercial floorspace, the buildings used by firms for business activities.



Table 1 shows that compared to elsewhere, Arun has a high incidence of factory floorspace and a small proportion of commercial offices within the overall mix. Indeed, Table 1 shows just how different Arun is from the wider South East region in these terms.

Table 1: Composition of industrial and commercial floorspace, 2008 (Source: National Statistics)

	Arun	CWS	SE
Commercial offices	5%	11%	18%
Retail premises	23%	25%	20%
Factories	39%	34%	28%
Warehouses	24%	22%	26%



In terms of recent changes (from 2001-2008), Table 2 suggests that compared to elsewhere, Arun has seen relatively greater increases in commercial office provision, albeit from a very low starting point. As in other areas its factory floorspace has declined over this period.

Table 2: Change in industrial and commercial floorspace, 2001-2008 (Source: National Statistics)

	Arun	CWS	SE
Commercial offices	27%	-3%	8%
Retail premises	-6%	-2%	0%
Factories	-12%	-8%	-9%
Warehouses	51%	28%	9%

Entrepreneurship

In 2007, there were 365 new business VAT registrations in Arun. In 2001, the corresponding figure was 380.

Over this period, the rate of business registration (i.e. business registration as a proportion of stock) declined from 8.7% in 2001 to 8.1% in 2007. In 2007,



the rate of business registration was 8.4% across Coastal West Sussex and 10.0% across the South East.

Another way of measuring entrepreneurship is by considering the number of business registrations in relation to the size of the resident population. On this measure too, Arun performs relatively weakly. In 2007, it saw 2.5 business registrations per 1,000 residents. The corresponding figures for Coastal West Sussex and the South East were 3.0 and 3.8 respectively.

Innovation

Innovation is another driver of productivity that is very difficult to measure accurately.

One proxy measure relates to the incidence of knowledge-based activity within a local economy. In 2007, there were 1,830 knowledge-based manufacturing jobs in Arun, just over 4% of the total. In Coastal West Sussex, the corresponding figure was 3% and in the South East, it was closer to 2.5%. On this measure, then, Arun out-performs its comparators.

Arun fares less well in terms of knowledge-based services. This group of activities accounts for 1% of total employment. The corresponding figures for Coastal West Sussex and the South East are 2.1% and 4.5% respectively.

Competition

The final “driver of productivity” is competition and a reasonable local proxy is business density: the overall stock of businesses per head of the resident population.

Overall, Arun has 31 businesses for every 1,000 people living in the district. This compares to 36 across Coastal West Sussex and 39 across the South East region.



2: Looking inside Arun



Summary

As a district, Arun has a distinctive economic geography. The two largest settlements are Bognor Regis and Littlehampton. Together these account for about half of the district's resident population (on a strict definition of the two towns) and well over 80% if their wider urban areas (and adjoining settlements) are taken into account fully. Neither of the towns is locally dominant in terms of employment but whereas commuting flows to and from Bognor Regis are roughly equal, there is net out-commuting from Littlehampton. Overall though, the economy of Littlehampton is somewhat more buoyant with a higher incidence of higher order occupations and historically lower levels of unemployment (although rates of unemployment have risen sharply in both towns over recent months). Sectoral structures are slightly different. Both retain a high incidence of manufacturing activity when compared to the regional average and tourism remains a key sector. For both Bognor Regis and Littlehampton, comprehensive regeneration strategies have been developed and detailed masterplanning work has either been completed or is underway. These form the main focus for economic development and regeneration work in the district.

The area immediately to the north of the coastal belt is less developed, but includes a number of large 'commuter' villages (the 'Five Villages' and Angmering) and a significant concentration of employment uses at Ford. The historic town of Arundel is located at the gateway to the proposed South Downs National Park. Across this part of the district, economic performance is relatively strong, and the incidence of older people in the population is high.

In understanding how the economy of Arun functions, there is a need to acknowledge that the district itself is diverse. The coastal location of the district's two largest settlements, Bognor Regis and Littlehampton, shapes their economic character. The areas to the north, comprising the 'Five Villages' (Barnham, Eastergate, Westergate, Yapton and Walberton) and Angmering are predominantly residential 'commuter' settlements offering relatively limited employment. The area to the north of the A27 is much more rural and will mostly fall within the newly designated South Downs National Park from 2011. At the gateway to this area is the historic town of Arundel, which is a major focus for tourism and a significant visitor destination.



Bognor Regis

Key facts

At the time of the last Census, the population of Bognor Regis was about 31,000. This represents approximately a quarter of Arun's total population. If Bognor Regis is considered together with immediately neighbouring settlements, the total urban population is closer to 60,000.

At the time, about 44% of the town's residents were in employment. Of these, almost 70% worked within Arun and 8% worked mainly at, or from, home. Chichester District was the principal destination for out-commuters from Bognor Regis: in 2001, over 2,600 of the town's residents travelled to work there.

The Census indicates that the total number of people working in Bognor Regis in 2001 was close to 14,000. Of these, just under 15% were self employed.

Overall, the total number of people working in Bognor Regis was very similar to the number of residents of the town in employment suggesting that in-commuting and out-commuting were virtually in balance. As the biggest town within the district however, Bognor Regis would be expected to operate more as a magnet for employment.

Amongst Bognor Regis' resident working population, 18.5% had occupations as 'managers and senior officials' or 'professionals'. This was lower than for Arun as a whole and for other towns within Coastal West Sussex.

The sectoral profile of employment within Bognor Regis is quite distinctive. The biggest sector is health & social care (20% of employee jobs), followed by business & professional services (15%) and retailing (15%).

In April 2009, nearly 5% of Bognor Regis' resident population of working age was claiming Jobseekers' Allowance. This figure was noticeably higher than for Arun as a whole (3%). Between 2004 and 2008 it had typically ranged from 2-3%.

Recent developments and opportunities

Within Bognor Regis, there have been some important economic investments in recent years. Two in particular stand out and are important in relation to the Economic Strategy:

- Butlins has been operating in Bognor Regis for many years but opened an 160-room hotel in the last three years and a second 200 room £20m spa hotel in August 2009. Further and more significant investment in additional hotels and leisure attraction is planned
- Within Bognor Regis, there is a campus of the University of Chichester.





Currently there are around 1,000 students based at the campus, but the intention is to increase this to 2,400 by 2016. Curricular changes will accompany this expansion, including the growth of the School of Enterprise, Leadership and Management. Anticipated investment of at least £8m is planned for the site

Within Arun, Bognor Regis is a major focus for regeneration. Key to this is the Bognor Regis Masterplan. This sets out a long term vision and spatial framework to bring forward key development opportunities valuing at £100m plus in and around the town centre including the adoption of a Seaford Strategy. Major housing development is also planned around the northern edge of the town, this includes further employment opportunities at Oldlands Farm.



Littlehampton

Key facts

Littlehampton is a marginally smaller town than Bognor Regis: its resident population numbered 25,500 in 2001. Within the wider built-up area comprising Littlehampton, Rustington & East Preston, the population totalled about 45,000.

Littlehampton is also distinctive in having a relatively younger population. Some 79% of its population is below retirement age, compared to 77% in Bognor Regis, 75% in Shoreham and 73% in Worthing (town).

Of the 14,700 people of working age living in Littlehampton at the time of the Census, about 11,500 were working. Like Bognor Regis, just under 70% worked in Arun and 8% worked mainly at, or from, home. The principal workplace destination for out-commuters from Littlehampton was, however, Worthing (district).

The total workplace population of Littlehampton in 2001 was 9,700. Overall, the implication is that there were about 1,800 more out-commuters from the town than in-commuters to it.

Amongst Littlehampton's resident working population, 20.3% had occupations as 'managers & senior officials' or 'professionals'. This was higher than for Bognor Regis (18.5%), but lower than for other Coastal West Sussex towns like Worthing (27.2%) and Shoreham (25.8%).

In terms of its sectoral profile, the largest sectors in Littlehampton (measured in terms of their share of employee jobs) are retailing (18%) and manufacturing (15%).

Over the last five years, the proportion of Littlehampton's working age population claiming Jobseekers' Allowance has typically been significantly



lower than has been the case for Bognor Regis. However data from April 2009 point both to a substantial increase and also a convergence: 4.2% of Littlehampton's working age population was claiming Jobseekers' Allowance compared to 4.9% in Bognor Regis.

Recent developments and opportunities

As with Bognor Regis, a comprehensive regeneration strategy is emerging for Littlehampton. This is guided by the Littlehampton Vision which was prepared by a wide range of local partners in 2005.

The Vision identifies opportunities to develop, enhance and better integrate the town centre, Littlehampton Harbour and the seafront. Detailed master planning, relating to a number of key sites and key developments, is underway. This includes proposals for additional retail facilities within the town centre and proposals for an increase in leisure use for the harbour and waterfront areas.



Arundel

Key facts

Arundel is situated in the northern part of the district and is a small town with a population of about 3,500 people. An historic town dominated by its cathedral and its castle, it is located at a major bridging point over the River Arun at the foot of the South Downs.

Recent developments and opportunities

Arundel is an important visitor destination in its own right, although it is constrained by environmental and historical designations. Whilst these challenges might restrict population growth within the town, there are significant opportunities for further economic development in relation to its importance as a visitor destination. For example Arundel has potential to host one of the main offices linked to the new South Downs National Park. Retail businesses, consisting of mainly independent and unique shops and the growing contemporary food and drink sector also contribute considerably to the local economy.

Arundel is relatively well connected when compared to Bognor Regis and Littlehampton with access both to mainline railway services and to the A27 trunk road.



The rest of Arun - rural villages and the coastal plain

Key facts

Across this area, key characteristics include:

- A relatively elderly population: over a third of the resident population is above retirement age
- A higher incidence of home working: over 12% of the working population in this part of Arun works at, or mainly from, home
- A greater incidence of higher order occupations among the resident working population: in this area, 'managers and senior officials' account for over 18% of the resident working population, a figure which is higher than for the South East region as a whole
- A different sectoral mix: compared to Bognor Regis and Littlehampton, the 'rest of Arun' has relatively more employee jobs in construction and fewer in public administration & defence.



The 'Five Villages', located in the west of the district, and Angmering in the east. These are predominantly 'commuter' settlements, which offer limited employment. However, the area around Ford contains a concentration of employment uses, focused on the Ford Lane Business Park and Rudford Industrial Estate. The most significant employer across much of the coastal plain is the horticultural glasshouse industry, which benefits from the combination of good quality agricultural land and high sunshine hours.

3: Looking outside Arun



Summary

Arun's economic development prospects and opportunities need to be understood within their broader spatial context. Most immediately, this means recognising the nature and extent of inter-connections with immediately adjacent areas within Coastal West Sussex – particularly Chichester to the west, and Worthing and Shoreham to the east. Across this area, there is certainly competition – for workers, businesses, and economic activity. Many of the towns within Coastal West Sussex are facing similar economic challenges and for this reason, there is also a strong rationale to collaborate and co-operate, particularly with regard to the opportunities and potentials linked to identified key sectors. There is also a need to look even further afield. The South East Plan and Regional Economic Strategy set out an ambitious growth strategy for the South East region. Significant economic and population growth is planned for Urban South Hampshire and – to a lesser degree – both Brighton & Hove and the Gatwick Diamond. Over the lifetime of Arun's Economic Strategy, this could change the economic geography of the South East. It therefore constitutes an important component of the wider context for future economic development within Arun.



In economic terms, Arun cannot be considered in isolation. Economic life is intrinsically embedded in networks of inter-relationships, many of which spill across administrative boundaries.

The clearest example is patterns of commuting: over 8,000 people commute to workplaces in Arun from their homes outside the district while over 22,600 Arun residents commute to workplaces which are outside of Arun.

Other examples are less easy to quantify. They include tangible supply chain links between businesses; illustratively, a manufacturing firm in (say) Bognor Regis may buy key inputs from another business located in (say) Brighton. Intangible links relate, potentially, to processes of knowledge exchange (perhaps through publications), flows of capital (through banks and other institutions), and so on.

It is this network of flows that provides the wider backdrop to economic activity within Arun. The ability of Arun's businesses to operate convincingly within it, is key to their overall competitive performance and to their future prospects.

Arun... within Coastal West Sussex

Arun's sub-regional context is clearly defined with regard to Coastal West Sussex – a coastal area that extends, broadly, from Selsey in the west to Shoreham in the east.

The area as a whole has a resident population in excess of 400,000 people. It can claim about 160,000 employee jobs and approaching 15,000 VAT registered businesses. It therefore constitutes a sizeable sub-regional economy.

Importantly in the context of the Economic Strategy, commuting flows both into and out of Arun are largely contained within the geography of Coastal West Sussex. Arun's prospects in economic development terms do therefore need to be properly understood within the context of Coastal West Sussex.

Coastal West Sussex has been recognised as an important economic sub-region, and is developing strategies for economic and skills growth. The sub-region comprises the five coastal towns of Shoreham, Worthing, Littlehampton, Bognor Regis and Selsey, which fall within the four local authorities of Adur Arun, Chichester & Worthing. Chichester city itself lies outside the defined Coastal West Sussex area, but is a significant economic focus for the west of the area. Chichester, like Arundel, is an historic and leading cultural centre and a cathedral city. The city also has a university, and maintains a strong profile in terms of secondary education. Through Chichester Harbour it is a focus for sailing and other maritime economies. Currently there is significant commuting from the western side of Arun (including Bognor Regis) into Chichester and on average wage levels (at district level) are noticeably higher.

Worthing is the largest town in the Coastal West Sussex area and is also an important employment destination. It is a significantly larger retail centre than either Bognor Regis or Littlehampton and its town centre is a Business Improvement District.

In Adur, Shoreham is the principle town, and Shoreham harbour is identified in the South East Plan as a Strategic Development Area with the potential for 10,000 homes and employment provision.

There is a recognition within the Coastal West Sussex economic sub-region that it is important for the four local authorities to work together collaboratively for economic growth, rather than in competition.

The challenges facing the Coastal West Sussex sub region are also underpinned by the transport infrastructure deficits with the primary trunk road (the A27) and railway running from east-west across Coastal West Sussex requiring substantial investment.

A number of economic sectors however, have particular strengths at a sub-regional scale for example tourism and horticulture. Across Coastal





West Sussex, these sectors are facing similar opportunities and threats and therefore there is a strong rationale for a collaborative and collective response.

Arun... within a wider sub-national context

As well as immediately adjacent areas, economic development plans and aspirations for Arun need to be informed by planned developments further afield. In some cases, these are on a scale which will change the economic geography of the South East, if the aspirations of the South East Plan and Regional Economic Strategy are realised. For Arun the following areas are especially important.

Brighton & Hove

Brighton & Hove, together with its immediate hinterland is home to 400,000 people. It has a workforce of more than 200,000 people. It is one of nine 'Diamonds for Investment and Growth' identified in the South East region and is also a growth point.

Recent economic growth within the area has been driven by a strong financial and business services sector. The role of the area as a major centre of culture is well established and it is also a significant tourism destination, based on its cultural offer, coastal location and proximity to London.

Additionally, Brighton & Hove performs very strongly in terms of its local skills base. There are two major local universities and over a third of the resident working age population hold degree level qualifications.

Looking to the future, the intention is that over 11,000 net additional dwellings should be provided over the period of the South East Plan. In effecting its wider growth ambitions, links to developments at Shoreham Harbour are, potentially, significant.

Gatwick Diamond

The "Gatwick Diamond" describes the broad area around Gatwick Airport and Crawley, and including towns like Horsham, Reigate, Redhill, East Grinstead, Burgess Hill and Haywards Heath. It is estimated that overall, this area is home to more than 640,000 people, with a workforce in excess of 360,000.

Sectorally, the economy of the Diamond is driven by linkages with London and strong international connectivity via Gatwick Airport. The transport sector, particularly wholesale, warehousing and logistics, has acted as a driver of growth in recent years, alongside growing financial and business services sectors.



Looking to the future, an ambitious strategy for economic growth has been developed by the Economic Partnerships for Surrey and West Sussex. This includes objectives in relation to:

- levels of business creation, survivability, productivity and growth
- a 'skills escalator' which engages individuals at the entry level, provides progression routes and local access to higher level qualifications and increases the output of individuals with higher level skills within the area, matched to the needs of key sectors
- the level and rate of new investment in high economic growth business activities
- transport accessibility to, from and within the area.

South Hampshire

Driven forward by the Partnership for Urban South Hampshire (PUSH) and encompassing the two cities of Southampton and Portsmouth, and their surrounding sub-regions, this area has moved forward over recent years. South Hampshire features strongly in both the Regional Economic Strategy and South East Plan. It has been identified as a Diamond for Investment and Growth and as a Growth Point, and Southampton and Portsmouth are both Regional Hubs (Policy SP2) and Centres of Significant Change (Policy TC1).

Within this overall context, PUSH has pursued a robust and ambitious economic growth strategy. Its principal aim is to raise the GVA growth rate from about 2.7% per annum in 2006 to 3.5% per annum in 2026. Across South Hampshire, the intention is to support the growth of businesses in advanced manufacturing, business services, logistics and distribution, and to create 59,000 new jobs in these sectors.

The South Hampshire growth programme includes within it two Strategic Development Areas, at Hedge End and north of Fareham. In the medium term, these should form significant and sizeable growth locations with provision for 6,000 and 10,000 net additional dwellings respectively.

4: Key sectors within Arun



Summary

An analysis of employment data from the Annual Business Inquiry suggests that Arun has particular strengths in relation to four distinctive sectors:

- Horticulture
- Knowledge-Based Manufacturing
- Tourism
- Health and Social Care.

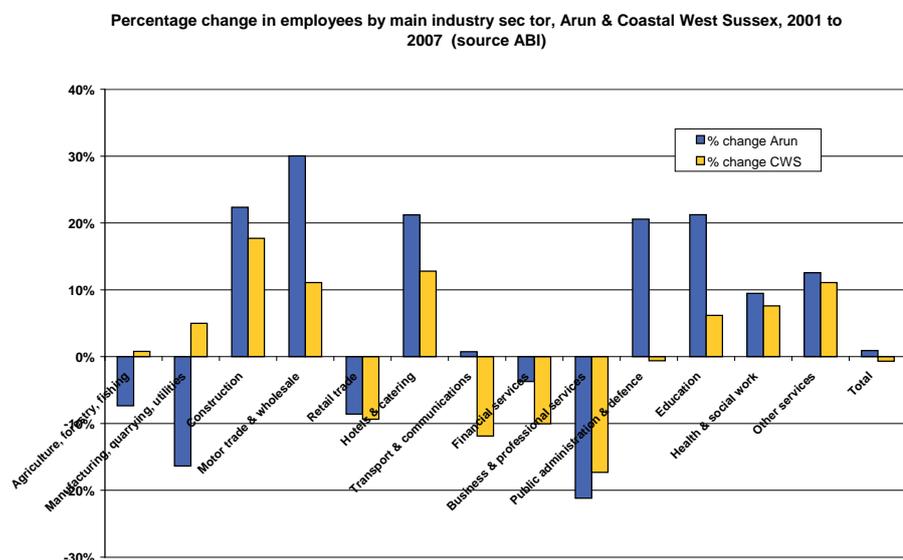
Each of these sectors has particular requirements which need to be recognised and addressed, if the underlying growth potential is to be realised.

What are Arun's key sectors?

In framing an Economic Strategy for Arun, it is important to be clear about the district's sectoral strengths and to understand these in contexts which are local, sub-regional (Coastal West Sussex), and more generally. Taken together, Figures 1 and 2 provide a basis for identifying Arun's key sectors.

Figure 1 shows the percentage change in the number of employee jobs in Arun and Coastal West Sussex from 2001-2007 (the latest year for which we have data). It shows that for Arun, the fastest growth has been in construction, motor trade and wholesale, hotels and catering, public administration and defence, and education. With the exception of public administration and defence, all of these sectors have grown in Coastal West Sussex, albeit more slowly.

Figure 1: Employee jobs by main industry sector in Arun and Coastal West Sussex: Percentage change from 2001 to 2007 (Source: Annual Business Inquiry)



From Figure 1, the biggest job losses in Arun have been in business and professional services, a sector which has also declined across Coastal West Sussex as a whole.

However, Figure 1 says nothing about how important specific sectors are locally: growth of 20% could mean +1 job or +1,000 jobs.

One perspective on the relative importance of different sectors in Arun is provided by Figure 2. It shows which sectors are relatively concentrated in Arun such that there are more jobs than we would typically expect to find on average elsewhere.

'Location quotients' (LQ) provide a measure of relative patterns of sectoral specialisation. A LQ of 1.0 means that the number of jobs in a particular sector in Arun is exactly what you would expect given the sectoral structure of the regional economy. A higher LQ signifies a degree of local specialisation compared to the regional average.

Figure 2: Location Quotients for employee jobs by main industry sector in 2007 (Source: Annual Business Inquiry)

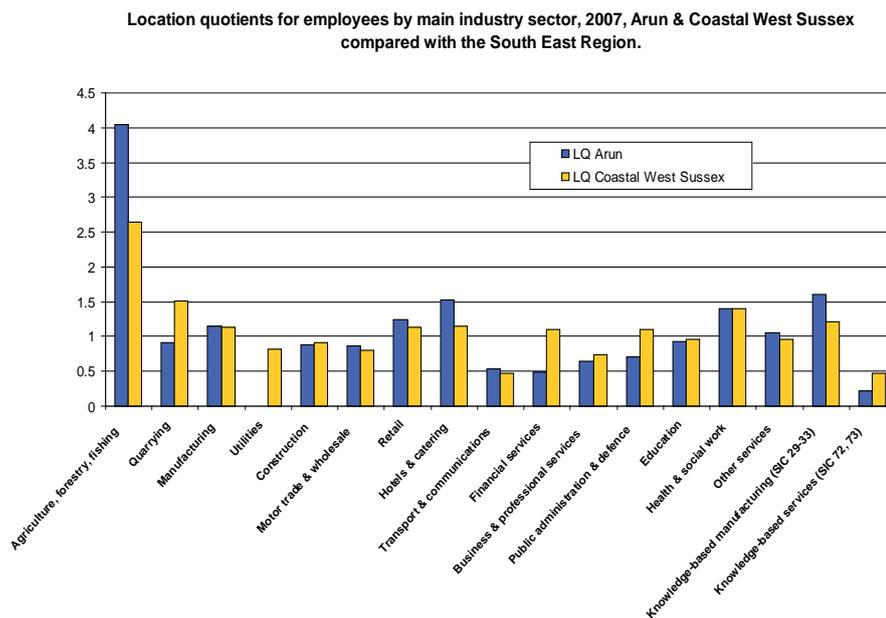


Figure 2 provides LQs for key sectors for both Arun and Coastal West Sussex, relative to the South East as a whole. It suggests that Arun has relative specialisms in four broad sectors: agriculture, forestry & fishing; manufacturing; hotels & catering; and health and social care.

From Figure 1 it was clear that the latter two sectors have seen recent jobs growth. Insofar as past performance is a guide to the future, this suggests a strong relative and absolute foundation for moving forward.

Agriculture, forestry & fishing and manufacturing are two sectors in which



Arun has a strong relative concentration of employment but in a context of past local decline. However investigating the data further suggests that it is horticulture and knowledge-based manufacturing that are Arun's particular strengths.

Understanding more about Arun's key four sectors (knowledge-based manufacturing, health and social care, horticulture and tourism) is fundamental as the basis for a future-facing Economic Strategy.

Horticulture in Arun

Although official data sources indicate that there has been a decline in the horticultural sector, the scale of employment is actually very difficult to measure with any precision. This is because employment is strongly seasonal and there is extensive (and probably under-reported) use of transient and/or migrant workers. However there are opportunities for this to be a high growth area and these need to be investigated.

Levels of demand for horticultural products are set to rise, a fact that is now being acknowledged by Defra. The reasons for this include increasing concerns about healthy eating; demands for high production standards and traceability; and anxieties in relation to excessive food miles. Demand for garden plants is also strong. Within this overall context, the continuing weakness of £sterling is reducing the competitiveness of imported products and improving prospects for domestic producers, including those located in Arun.

Through the Economic Strategy, there is a need to identify actions and interventions that might support the sector's development locally. Looking ahead, two issues need attention.

First, the sector's recent success has depended largely on migrant or transient workers. The evidence suggests that overall, migrant workers have had a positive impact on the local economy, both directly (through employment) and indirectly (through spend).

For Arun's horticultural businesses, it is important that these workers are encouraged to stay in the district. All sorts of implications and imperatives follow, including language training and access to other services. It is equally important however, that all workers within this sector are given the opportunity to improve their skills to encourage them to be permanent and active participants in the local economy.

Second, the availability and cost of energy and water are crucial in relation to the competitiveness of the sector. This may result in a continuing rationalisation of the sector, with more output produced by fewer, larger, operations. It could result in demand for larger sites for horticultural uses. In

this context, it is important that the relationship between local growers and Arun District Council continues to be a positive and constructive one.

Knowledge-based manufacturing in Arun

Although employment within this sector has declined in absolute terms, there is still a distinct local concentration in Arun.

What has changed is the approach of central government towards the sector. Following the credit crunch, the focus of policy attention has shifted dramatically away from financial and business services and towards a resurgence of industrial activity. This includes commitments to develop the manufacturing sector with a focus, inter alia, on knowledge-based manufacturing (aerospace, composite materials, and so on).

There are a number of advanced engineering/manufacturing firms within Arun, hence Arun's businesses ought to be well placed to respond. There are a number of strategies in place to help businesses improve their profile, including support from the Innovation and Growth teams, although the lack of strong access routes is a serious issue. In addition there is no flagship, major site which is readily visible from the strategic road network.

Tourism in Arun

In employment terms, the size of the tourism sector is difficult to measure. However various estimates point to around 4,000 jobs linked to the sector, mostly in Hotels & Catering and therefore it is clearly a substantial part of the local economy.

Within Arun there are three distinct tourism offers:

- Bognor Regis, with seaside tourism and an established evening, pub/bar and club-based leisure economy: Within Bognor Regis, there has been substantial investment in tourism in recent years, most notably linked to Butlins. Increasingly this appears to be integrated with the town's wider offer and the amenities it is able to provide.
- Littlehampton, with marine-based tourism, focused on the harbour and waterfront: Littlehampton too has seen some significant investments over the recent past, most notably the East Bank Development including the Look and Sea visitor attraction and smaller but high profile enterprises such as the East Beach Café.
- Arundel, with its heritage offer (cathedral and castle) and its links to the South Downs: Arundel focuses on its cultural and historical attractions but also its specialist retail economy.





In all cases, there is a need to continue to improve the quality of the visitor experience and to increase the value of visitors to the local economy, by encouraging them to stay longer and spend more locally.

With regards to Arun's tourism offer in Bognor Regis and Littlehampton, comprehensive plans for town centre regeneration and improvements to the respective seafront and waterfront areas, are being advanced through master-plans in the two towns.

In addition, there is a need to continue to encourage and promote higher quality in tourism businesses, through National and Regional Quality Schemes and Awards. There is also a need to position and market Arun's distinctive tourism offer in the wider context of tourism across Coastal West Sussex as a whole.

Health and Social Care in Arun

Arun has a relatively high proportion of older people and projections suggest that this proportion is set to grow further, both absolutely and relative to elsewhere.

Health and social care is a significant part of the local economy and it is important that the Economic Strategy responds positively. Specifically, there is a need to:

- acknowledge and respond to the needs of the sector in relation to skills and labour supply, both in terms of carers and managers
- consider the scope for more extensive local supply chain connections, perhaps through sourcing more food locally, in order to maximise local multipliers
- recognise the fact that effective and high quality nursing and care homes and care services need to be sensibly located – ideally in thriving communities, rather than in suburbs and edge-of-town locations.
- Consider access issues to basic, local services (retail, health, etc.) which can be an issue in Arun for all members of the community. The location of services has a significant bearing on the extent to which independent and healthy living is possible.

5: The importance of future economic growth within Arun

Summary

During the “boom” years of the current decade, the economy of Arun grew, but the rate of growth was really quite slow: 390 net additional jobs were created between 2001 and 2007. Recent work suggests that during 2009, Arun will lose 1,125 jobs – about three times more than it created during the “boom” years. All of this suggests that previous projections relating to employment growth in Arun were over optimistic. Against this backdrop, it is important that Arun adopts a positive and proactive Economic Strategy, for three key reasons:

- First, there is a need for more local jobs to address the already high levels of net out-commuting and increase the job density which is lower than the national average
- Second, there is an imperative to create more, higher quality jobs, to respond to current weaknesses
- Third – and looking more to the future – there is a need to generate additional jobs to meet the demands of planned housing growth. The danger otherwise is even greater levels of net out-commuting on roads that are already badly congested.

How might the economy of Arun change in the future?

Over the recent past, Arun’s economy has performed steadily. Its growth has not been spectacular, but nor has it been disastrous. Although the number of jobs in Arun grew only marginally between 2001 and 2007 (by 390 jobs or 0.9%), rates of unemployment were very low over this period.

Trend-based forecasts published by Experian in 2006 suggested that 6,500 net additional jobs would be created within the district between 2006 and 2020; a linear extrapolation to 2026 would increase the figure to almost 9,000.

However these figures pre-date the current recession. They also appear rather optimistic given the scale of recorded growth between 2001 and 2007 (+390 jobs).

There are no other, more recently produced economic forecasts for Arun that are in the public domain.

More recent forecasts exist for other areas and these obviously take some account of the impact of recession. Informed by these, a speculative adjustment to Experian’s 2006 forecasts would suggest something in the order



of 5,000 net additional jobs in Arun over the period 2006-2026.

However this may be too optimistic. Recent work commissioned by West Sussex County Council and completed by Local Futures suggests that within the 2009 calendar year, Arun is likely to see job losses numbering 1,125 – some 2.6% of the employment base. This would, if true, total three times as many jobs as were created between 2001 and 2007.

The economy of Arun, like that of most other local areas is affected by the current recession.

Why bother with a medium-long term strategy to increase rates of economic growth?

Against this backdrop there are three key reasons why a medium-long term strategy for economic growth important

1. As demonstrated in Sections 1 and 2, Arun currently is characterised by substantial net out-commuting. For reasons of sustainability, a positive and proactive approach is needed to encourage job creation locally.

2. There are real concerns about the quality of local jobs. It was shown in Section 1 that workplace-based earnings in Arun are low, and that a good proportion of residents with higher level skills and/or in higher level occupations are commuting out of the district to work. Arun needs a better mix of jobs and within this more, higher quality, higher skilled jobs.

As an aside it is important to reflect in this context on the discussion of key sectors in Section 4. Three of the four key sectors are characterised by low pay and generally low skills. However, they are also the sectors in which Arun currently has relative strengths. The reason for profiling them in the Economic Strategy is that Arun needs to support their future development in a direction that is consistent with its own wider economic development objectives. Part of this is likely to involve up-skilling, and as appropriate, movement along the value chain. (i.e. higher quality, higher skilled jobs)

3 As set out in the South East Plan, Arun is set for substantial further housing growth. In the period to 2026, the intention is that provision should be made for 11,300 net additional dwellings. About half of these will be built on already identified sites, mainly within or on the edge of Bognor Regis and Littlehampton. Whilst the remainder will be accommodated on new greenfield sites to be identified through the Arun Local Development Framework.

Some jobs growth will be achieved simply as a result of housing and population growth: more people means more employment in local services like education, retail and health. However, endogenous jobs growth of this nature typically accounts for 25-40% of what is needed and hence

other sources of jobs growth will also be essential. Moreover, unless the comprehensive regeneration schemes for both Bognor Regis and Littlehampton are implemented fully, there is a danger that some population-related jobs will be lost to centres outside the district such as Chichester and Worthing.

Unless significant numbers of jobs – some of which need to be of a high quality – are created, Arun’s main economic centres of Bognor Regis and Littlehampton will continue to struggle economically relative to other areas. This is likely to cause even greater levels of out-commuting on roads that are already congested.

Given Arun’s track record with regard to past jobs growth and the fragility it has demonstrated in the current recession, the scale of the challenge should not be underestimated.

For all of these reasons, a proactive and incisive strategy for economic development is essential for Arun.



6: Arun's economic strengths, weaknesses, opportunities & threats

Strengths

- Clear relative and absolute strengths in a number of sectors – notably horticulture, engineering and knowledge-based manufacturing, tourism, and health and social care
- Substantial recent business investments within Arun provide a tangible sign of confidence in the local economy , for example the significant expansion of Butlins and the University of Chichester campus at Bognor Regis
- Until the beginning of 2009, the economy of Arun has remained relatively stable.
- Relatively high incidence of homeworking suggests that the new forms of economic activity are already a feature of the economy
- In Arundel and other areas of the district, 'managers and senior officials' account for over 18% of the resident working population, a figure which is higher than for the South East region as a whole
- Knowledge-based manufacturing businesses provide some good and relatively well paid jobs and is providing evidence of innovation within the local area
- Arun offers a good quality of life with access to both the coast and the South Downs
- Costs of living are less in Arun than in neighbouring areas, particularly Chichester
- Significant evidence of increased enterprise activities for young people within local education providers in Arun

Weaknesses

- Both Bognor Regis and Littlehampton are currently failing to perform as economic hubs; they are being comprehensively out-performed by towns elsewhere, particularly Chichester
- Levels of net out-commuting are high, with substantial numbers of Arun residents travelling to work outside the district
- Incidence of higher level skills and higher level occupations within the resident working population is relatively low
- Limited provision of high quality and high profile sites and premises appropriate for leading edge knowledge-based manufacturing firms

- The population of working age is a relatively small proportion of the total
- Arun's transport infrastructure is congested and slow
- High incidence of economic activities that are poorly paid and require mainly low level skills
- The density of businesses (i.e. number of businesses per resident) is relatively low
- Limited external awareness of Arun – “is it a Scottish island?”

Opportunities

- Expansion of the Bognor Regis campus of the University of Chichester will bring increased numbers of students into the town across a broadening curriculum (which includes enterprise, leadership and management)
- The proposed South Downs National Park will give the area a higher profile and present particular opportunities for Arundel
- There are opportunities to develop the environmental economy
- The major regeneration schemes planned for both Bognor Regis and Littlehampton will contribute significantly to the vibrancy of the town centres, and their respective seafront and waterfront areas.
- Relatively low cost of employment land and premises (compared to elsewhere in the South East) presents opportunities for inward investment, if appropriate sites can be identified and made available
- Further opportunities surround the development and promotion of a pan-Coastal West Sussex tourism offer, Sussex by the Sea, and portfolio of 'products'
- Healthy eating campaigns and concerns about provenance – plus Defra's concerns about food supply, present opportunities for the horticulture sector, particularly when the exchange rate is weak
- Recently, central government's policy of promoting a resurgence in industrial activity aligns with some of Arun's underlying economic strengths including knowledge-based manufacturing.

Threats

- Concern about potential competition as a result of significant economic and housing growth planned in areas nearby, particularly at Shoreham and, further afield, in Brighton & Hove, Gatwick Diamond, and South Hampshire
- Adjacent areas are being more proactive in responding to the growth needs of some key sectors

- Some anxiety that the migrant workers (on which some key sectors have come to rely) might not stay within the district
- A danger of economic development programmes stalling will fail to respond to the scale of Arun's challenges
- Rapid population growth is anticipated, particularly amongst older age groups; there is a concern that Arun will acquire even more of a dormitory character with a focus on older people
- Growth of the coastal towns tourism and leisure economy has historically been based on lower socio-economic groups which has implications for the towns' image
- In the context of increasing pressure on public investment, Arun will not be perceived as a central Government priority.

If plans for economic growth are not developed across Coastal West Sussex as a whole, the investment priorities linked to a genuine functional economy will be overlooked.

7: Vision and targets for economic development

Vision for the economy of Arun

In its publication, 'Open for Business' and following consultation with the local business community Arun District Council has agreed a simple, but challenging, vision for the growth of the district's economy:

To create a vibrant, competitive and sustainable place to live, work and do business

Underpinning this vision is a series of targets. These are summarised in Table 3.

Where possible, indicators are attached to the targets in Table 3 and a baseline position is established. This should assist in the future monitoring of the Economic Strategy's progress towards implementation. In due course, quantified targets will need to be agreed in relation to the key indicators.

Table 3: Targets for economic development, with indicators and baselines (where possible)

Target	Indicator(s)	Baseline	Year	Source
1: Increase skills levels of the working age population	% of the working age population qualified to NVQ Level 4/5	16.1%	2001	Census
	% of the working age population with no qualifications	21.8%	2001	Census
2: Increase the number of higher skilled employment opportunities	Number of workplace jobs for managers and senior officials	7,200 (n.b. big margins of error)	2007/08	Annual Population Survey
3: Address the shortage of affordable housing	[Indicator to be defined]	53	2007-08	ADC Planning Dept
4: Reduce the level of out-commuting	Scale of overall net out-commuting from Arun	14,500	2001	Census
	Scale of overall gross out-commuting from Arun	22,580	2001	Census
5: Improve the district's business and community infrastructure	[Indicator to be defined]	N/A	N/A	N/A
6: Increase the level of visitor and retail spend	Total value of visitor spend in Arun	£209m	2007	Tourism SE Research Unit
	[Indicator needs to be defined for retail spend]	N/A	N/A	N/A



8: Objectives for economic development

Summary:

In order to deliver the vision set out in Section 7, six objectives have been identified by Arun District Council, following extensive consultation with their partners and the business community. These objectives comprise the core of the Economic Strategy. If these objectives are pursued consistently over the period to 2026, the overall vision ought to be achievable. The six objectives are:

- Improve education, skills and employability of the local population
- Increase business competitiveness and growth – with a focus on Arun's existing businesses
- Encourage the level and rate of new investment, particularly in high growth sectors, with a focus on new start-ups and inward investors
- Maintain and improve business infrastructure – with a focus on virtual connectivity, and land and premises
- Maintain and improve the area's infrastructure, facilities and physical environment
- Maintain and improve transport networks across the district and wider area.

In 'Open for Business', Arun District Council has identified six objectives for economic development. Through these, the vision set out in Section 7 will be delivered and the accompanying targets will be achieved. Consistent with the vision, the intention is that by 2026, Arun's economy should be far more sustainable in environmental terms.

In this Section, the objectives are described which, for the most part, apply across Arun. In some cases, however, objectives are especially relevant to one or more of the key sectors (Section 4) and/or to particular places within the district (Section 2).

1: Improve education, skills and employability of the local population

The key facts set out in Section 1 provided ample evidence that steps need to be taken to improve levels of education, skills and employability among Arun's resident population.



It is noted, for example, that a relatively low proportion of Arun's working age population has degree-level qualifications. In addition the number of people claiming benefits through Jobseekers' Allowance has risen sharply. In part, this is a function of the current economic downturn, but it is a challenge for Arun. It is also noted that levels of entrepreneurship are relatively low within the district. Evidence from elsewhere suggests that young people's attitudes towards business and enterprise are often shaped at school, making this a significant action to be encouraged and supported.

Looking ahead, rapid population growth is likely within Arun, particularly among older age groups. With changes to pension arrangements, more of these people will need to work for longer. For Arun to thrive, it is important that they have the skills to do so effectively. Potentially, the older workforce constitutes an extremely valuable resource for local businesses.

The evidence also suggests that there are groups within the population with particular needs in terms of education and skills. The strategy will incorporate actions that deliver basic skills programmes including English language skills for vulnerable minority groups.

As we saw in Section 2, the Bognor Regis campus of the University of Chichester is set for substantial expansion. It will be important that more local people are encouraged to participate in higher education. In addition, steps will be taken to encourage more graduates from providers of higher and further education to start (or resume) their working lives within the district.

At the same time, within Arun, there is significant deprivation and evidence of labour market exclusion. Spatially, this is concentrated in, although not restricted to, the urban areas of Bognor Regis and Littlehampton. In building a foundation for sustainable economic growth in the period to 2026, it will be important that steps are taken to address what is often deep-seated and inter-generational deprivation. Across the district, more opportunities are needed to encourage full and meaningful economic participation.

Priorities for Action

In response to these different issues, three priority action areas have been identified. These are:

- 1-1: Creating positive links between business and education – all the way from primary to higher education
- 1-2: Improving community-based learning to (re-)equip local adults to (re-) enter the workforce and progress at work
- 1-3: Responding to deep-seated issues surrounding worklessness and economic participation.

2: Increase business competitiveness and growth – focusing on existing businesses

Within Arun, there are currently approaching 5,000 VAT registered businesses. There is also a sizeable number of micro-enterprises which fall below the threshold for VAT registration.

In terms of the district's future economic competitiveness, these existing firms are one of Arun's greatest assets. Where firms have the ambition to grow, actions ought to be taken to support this process (both directly and indirectly). Actions relating to infrastructure are considered under later objectives; here the focus is on internal business operations.

Across England, there is evidence to suggest that firms are reluctant to invest fully in the development of their workforce. Generally, this is because it can be expensive and because firms worry that a more trained workforce is also a more mobile one. The challenges are especially acute among small and micro businesses. The government has launched various initiatives to encourage firms to engage in workforce development, most recently Train to Gain. Across Arun's existing businesses, there is a need for a greater engagement in initiatives of this type.

Through the Economic Strategy, it is also important that more businesses are actively encouraged to develop new products and processes and to become "innovation active". In this context, there may be particular opportunities arising from curriculum developments at the Bognor Regis campus of the University of Chichester. Another route to innovation and learning is more informal business networks. There are already some active and important ones (e.g. West Sussex Growers' Association) in the horticulture sector.

Within this overall context, the district's tourism sector presents a series of challenges and opportunities. Although there has been significant recent investment in the sector across the district, there remains a large number of small tourism-based businesses which are operating in highly seasonal, and very competitive markets. There is a need to pursue business development with these tourism businesses and encourage them to take part and benefit from the wider business support networks. The sector as a whole needs to be supported and promoted often on a wider spatial scale and it is likely that Coastal West Sussex or the Rural Partnership will provide methodology to support these actions.

Priorities for Action

In response to these different issues, four priority action areas have been identified. These are:

- 2-1: Encouraging Arun's businesses to invest in the development of their

existing staff and to engage in wider networks of business support

- 2-2: Improving wider business sustainability
- 2-3: Identifying high growth businesses within Arun
- 2-4: Supporting the development of Arun's tourism businesses
-

3: Encourage the level and rate of new investment, particularly in high growth sectors – focusing on new enterprises and inward investment

Alongside its existing businesses, Arun must take steps to be genuinely “Open for Business” in relation to new investors. The two key sources that Arun must respond . positively to are:

Formation of new start-up businesses

First, Arun needs to become a place in which new business formation, through enterprise and business start-up, is even more actively encouraged and supported.

It is noted in Section 1 that rates of new business over the VAT threshold are currently relatively low. Therefore it is important to market Arun as a stable but innovative and supportive district to do business. In part it is about education and skills (Objective 1) and in part it is about business infrastructure (Objective 4). Actions are also needed to support new and developing businesses. In this context, there are a number of important assets including the growing population of new retirees and a positive approach to homeworking, which is already well established within the district. This would support both new business creation and labour market participation rates.

Inward investment

Second, Arun needs to be “Open for Business” in the context of potential inward investors.

Competition between districts and areas for inward investment is fierce, so Arun needs to be realistic about its economic development ambitions. However it is an important part of the mix. In this context, actions and attitudes with regard to employment land and premises (Objective 4) and wider regeneration ambitions (Objective 5) are very important if Arun is to capitalise on the high quality of life it is able to offer potential investors.

Whether the route to securing new business activity within Arun is inward investment or new business creation or both, it is important that the district

is alert to potential opportunities in high growth sectors. Just at the moment through the government's policy relating to "new industry, new jobs", there is real enthusiasm for low carbon business activities. As well as economic prosperity, these can contribute significantly to targets linked to emissions of carbon dioxide and sustainability.

Within Arun, there are some opportunities in this context, particularly if this can be linked to the district's existing specialisms in knowledge-based manufacturing (which is currently a priority within the government's "new industry, new jobs" initiative). Whilst there is intense competition within this key growth sector, Arun is reasonably well placed. It needs to develop a creative proposition in response.

Priorities for Action

In response to these different issues, three priority action areas have been identified. These are:

- 3-1: Understanding new and emerging opportunities for economic growth in Arun (especially new sectors)
- 3-2: Supporting entrepreneurship and business start-up
- 3-3: Promoting Arun to inward investors

4: Maintain and improve business infrastructure

With access to both the south coast and the South Downs, Arun provides an outstanding quality of life. For Arun's economy to thrive, it needs a 21st Century business infrastructure. Objective 4 includes two key elements: broadband connectivity, and sites and premises (key issues relating to transport are addressed under Objective 6).

Digital connectivity is a critical infrastructure for modern business. It enables businesses across the globe to communicate with each other, exchange information and do business quickly at very little cost. It is one reason why the incidence of homeworking has grown so rapidly, particularly in areas like Arun in which the road and rail network needs improvement.

Looking to the future, it is vital that Arun's digital connectivity is able to perform well. In the years ahead, we are likely to see Next Generation Broadband. The economics of provision will ensure that this is rolled out first to major urban areas (as there are more consumers, and hence subscribers, per exchange). Steps will need to be taken to ensure that Arun and its businesses do not lose out.

Another key infrastructure that is absolutely vital for economic development surrounds the provision of sites and premises, both now and in the future.

Currently, this is a major challenge in Coastal West Sussex and specifically in Arun, and one that is compromising the pursuit of both Objectives 2 and 3.

Arun has a shortage of high profile employment sites. Section 4 shows that within the district there are numerous knowledge-based manufacturing firms. In economic development terms, they are a real asset, particularly given the policy thrust of the government's "new industry, new jobs" initiative. In conversation with firms within the sector, it is clear that the amount of move-on accommodation is limited, and this can stifle economic growth for local businesses. Similarly this might discourage inward investment if businesses felt there was little opportunity for future expansion and growth. ...

It is also clear from Section 4, that the horticultural sector has significant growth potential. Outside Arun, provision is being made for larger scale horticulture operations (in response to the economics of production linked especially to the costs of energy and water resources); high profile examples exist in neighbouring Chichester and in Thanet ("Thanet Earth"). Arun needs to consider seriously the needs of its horticulture sector in relation to sites and premises, both now and looking to the future.

Arun has a large proportion of businesses that are SME's or smaller, and for these businesses the provision of premises is also critical. Rather than seeing this as a problem, even greater entrepreneurialism could be achieved through the appropriate provision of small business units and managed workspace on flexible lease terms. Ideally, this should be located close to where people live and any new development should consider this. In addition, nurturing small businesses ought to be part of the regeneration model and in this context, there is potentially a critical role for both Bognor Regis and Littlehampton.

Priorities for Action

In response to these different issues, three priority action areas have been identified. These are:

- 4-1: Maintaining and developing 21st century connectivity
- 4-2: Matching the provision of business sites and premises to business needs.
- 4-3: Ensuring that the planning decisions of today are aligned with the economy's future needs in terms of sites and premises

5: Maintain and improve the area's infrastructure, facilities and physical environment

Arun will only succeed in its economic development ambitions if it becomes a place in which people want to live and work. While the district has much to

offer in terms of its natural environment for example its coastline and access to a new National Park, its urban areas are currently underperforming.

To achieve its economic development vision, Arun needs Bognor Regis and Littlehampton to be vibrant and confident towns: places where people choose to live and work. In both cases, they must operate as magnets for economic life, attracting both businesses and workers, and the investment that follows. The regeneration of the two towns is therefore fundamentally important in terms of Arun's wider economic aspirations.

Bognor Regis has been the subject of a comprehensive master-planning process and a similar exercise is underway in Littlehampton. In both cases, the focus is on the town centres and the need to energise these, particularly through a clearer and more creative integration with the seafront, and waterfront areas

Plans for new developments to accommodate large numbers of additional houses must be advanced in this context, as an integral part of the mix. The danger otherwise is that

- new houses simply accommodate people who work outside the district, thereby exacerbating the current labour market imbalance
- endogenous ("population related") jobs that might have been created within Bognor Regis and Littlehampton are lost as local services are sourced from elsewhere.
- rather than resolving some of the underlying economic challenges, accelerated housing growth actually compounds them.

Priorities for Action

In response to these different issues, two priority action areas have been identified. These are:

- 5-1: Using physical regeneration to equip Bognor Regis and Littlehampton for a strong economic role within Arun
- 5-2: Ensuring that Arun makes wider planning decisions that are consistent with sustainable economic growth

6: Maintain and improve transport networks across the district and wider area

Currently, Arun's prospects for economic growth – driven by both existing businesses (Objective 2) and new ones (Objective 3) – are compromised by a poor transport infrastructure.

Currently, journey times, by both road and rail, could be improved and there

are frequent delays. For businesses in some key sectors, the transport network is proving a real challenge. In supplying supermarkets, for example, horticulture firms are given 15 minute “windows” to deliver their products. In this context, congestion on the A27 is not just inconvenient; it threatens the overall business.

In terms of specifics, the A27 crosses the district from east to west and it is the principal trunk road along the south coast. There are particular challenges in the vicinity of Arundel and a by-pass is urgently needed.

More generally, there is a need to effect a modal shift and to discourage people from only car use. Walking and cycling need to be part of the mix, as do improvements to public transport. In planning for the regeneration of both Bognor Regis and Littlehampton, steps will need to be taken to improve sustainable transportation within and between the two towns.

Priorities for Action

In response to these different issues, three priority action areas have been identified. These are:

- 6-1: Lobbying for key transport improvements
- 6-2: Encouraging investment in transport improvements
- 6-3: Encouraging more sustainable transport solutions

9: Framework for action

Summary:

In order to deliver the objectives set out in Section 8, a framework for action is needed. This has two main elements. First, there is an action plan which identifies clear interventions that can and should be taken. The action plan will be a live document which will be regularly refreshed. The current draft is presented in an Annex. Second, there is a need to embrace some wider delivery imperatives of which two are especially important:

- given the scale of the challenge, the physical regeneration and growth of Bognor Regis and Littlehampton must embrace ambitions for economic growth (and vice versa): neither will succeed in isolation
- partners within Arun need to recognise the district's functional connectivity in relation to the rest of Coastal West Sussex. Many of the key objectives relating to sustainable economic growth are best pursued at the sub-regional scale and resources ought to be marshalled appropriately in response.

The objectives identified in Section 8 are challenging and demanding. If Arun is to achieve the economic development vision by 2026 these objectives are vitally important. The vision is:

To create a vibrant, competitive and sustainable place to live, work and do business

All six objectives demand action.

Action plan

Some steps can be taken quickly and through specific and defined actions.

In the Annex, actions have been summarised which are either planned or on-going and will contribute to the delivery of the strategy.

Many of these involve Arun District Council – and it will be important that the full weight of the Council's resources is brought to bear.

However, even in the short term, the strategy is not just for the Council to deliver.

This is an economic strategy for Arun not for Arun District Council. The delivery of objectives will depend on a wide variety of agencies and organisations (including the third sector) as well as the business community itself. All of these parties have a stake in Arun's economic future and they will all need to contribute positively.

The action plan presented in the Annex is a live document. It will be revisited and refreshed regularly.

Wider delivery imperatives

The interventions set out in the Annex are important, but they are not sufficient. As well as specific actions, there are some wider and more structural delivery imperatives that are fundamental.

First, it is critically important that the objectives identified in Section 8 are pursued in an integrated fashion alongside the ambitious plans for physical regeneration in both Bognor Regis and Littlehampton.

Physical regeneration without economic growth will be like an engine without fuel: it will go nowhere. And this maxim works in both directions: Arun's Economic Strategy will be wholly undeliverable unless it is well integrated into physical plans for the two towns.

The reasons for this have been outlined already. Arun needs two vibrant towns that function as engines of economic growth, and the fact there is currently net out-commuting is testimony to the nature and scale of the challenge. Both towns need clear roles as towns: they need to be providing key local services to their own residents, and to people from elsewhere in the district and further afield.

Second, ambitions for economic development in Arun need to be pursued in the wider context of ambitions for economic growth and regeneration across Coastal West Sussex.

Functionally, Arun is part of Coastal West Sussex: travel to work patterns and shared sectoral specialisms demonstrate this convincingly. In planning for its economic future, this functional connectivity needs to be harnessed.

Arun in general and with specific reference to Bognor Regis and Littlehampton needs to be an assertive player within a Coastal West Sussex context. It also needs to link with initiatives in neighbouring districts particularly where they demonstrate high levels of potential growth, for example Shoreham Harbour. This can only be achieved through collaborative working, particularly at the sub-regional level.

This method of working relates specifically to Arun's key sectors and how the districts collectively can encourage growth. Moreover, the case for A27 improvements will be much stronger if it is made with reference to a sub-region of 400,000 people than a district of 140,000.

It should also be noted that the next decade might see a serious reduction in public sector resources which will make maximising leverage and developing collaborative working even more vital.