

Brighton & Hove Economic Strategy Refresh

Economic Strategy 2013-18

Draft



On behalf of **Brighton & Hove City Council** and
Brighton & Hove Economic Partnership



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Executive Summary

Introduction

1. Many places claim to be unique or special. The city¹ of Brighton and Hove is truly both. One of the world's first seaside resorts, it is home to globally recognised icons such as the Royal Pavilion, the Brighton Pier and the South Downs National Park. Famous for its vibrant, cosmopolitan lifestyle with a very strong arts and cultural offer, the City is also a major European business conference and tourist destination which attracts around 8.5 million visitors per year and supports established cultural activities such as the Brighton Festival, exhibitions and community based events.
2. The identity of the City is defined by its geography, framed by the Downs and the sea with a building stock which ranges from fine Regency buildings to Victorian terraces, post-war housing estates and office blocks. A world-class university offer provides a highly skilled workforce, which has fuelled knowledge intensive growth through a burgeoning Creative, Digital and Information Technology (CDIT) Sector. The City's strong economic asset base also includes emerging opportunities in environmental industries, the City's proximity to London, Gatwick Airport, two Channel ports within the City Region and good infrastructure links northwards.
3. Its diversity and distinctiveness gives the City a competitive economic edge. Recognised as 'the capital of the UK's rebellious alternative economy'² it has weathered the impact of the Global Financial Crises and flat-lining national economy since 2008 relatively well – it is the third fastest 'recovering city' in the country³ driven by the strong performance of the tourism and cultural offer as well as the maturing of the CDIT businesses. In comparison to elsewhere, financial and business services have held their own in the City and its largest private sector employer in this sector – American Express – has just confirmed its commitment to Brighton & Hove with the construction of 335,000 sq ft of new offices.
4. The city's heritage as the archetypal seaside town, the quality of its residential neighbourhoods, and its contemporary mix of small- and medium-sized businesses in the creative, cultural and tourism sectors together give it a particular character, identity and quality of life. These factors are critical to the city's attractiveness as a place to live, work, study and invest, and hence are key to the city's future local economic development. They must be cultivated in tandem with (rather than be displaced by) other sectoral and strategic managerial interventions in the city.
5. With the age of public sector austerity likely to continue for some time, Brighton & Hove City Council (BHCC) and the City's Economic Partnership (BHEP) commissioned this refresh of the City's Economic Strategy for the period 2013 18. The Strategy responds to prompting for more radical and practical action from local authorities and the wider public sector as lender and investor catalyst, with private sector co-investment and commitment. The constraints of the City's geography and the extent of the travel-to-work area, together with opportunities presented by the dynamics of the wider functional economy, mean that actions need to be applied across the City Region, working closely with partners through the Coast to Capital Local Enterprise Partnership (LEP). This collaboration will be nurtured to the benefit of all within the City and its surrounding area, building upon the potential 'City Deal' between the Government and the City Region.
6. Since its election in 2010, national Government policy has been refocused upon stimulating growth in the economy rather than targeting areas in need of regeneration. The LEPs have

¹ References to the 'City' should generally be taken to mean the City's functional economic area, or emerging City region, and not the administrative boundaries of Brighton & Hove City Council. This Economic Strategy focuses on the role of Brighton & Hove in the City Region and wider Coast to Capital Local Enterprise Partnership area, rather than being a document for formal adoption by the City Region Local Authorities.

² HSBC, *Future of Business* Report 2011.

³ Centre for Cities *Recovery Index* 2013

become a new mechanism for channelling available funding under private sector leadership and a new model of public-private collaboration. With a new EU funding round from 2015 also likely to be focused on growth in an era of austerity, this refreshed Economic Strategy will enable businesses in the wider City Region to position themselves to take best advantage of these policy shifts.

7. The Strategy looks in particular to chart a course towards a low carbon and more sustainable local economy – a future where all people in the City can lead fulfilling and healthy lives efficiently, working towards using a fair share of the earth's resources. Brighton & Hove is the UK's first city to develop and adopt a sustainability action plan which recognises opportunities for growth within the planet's environmental boundaries: One Planet Living. The desire for a more environmentally and socially sustainable economy presents further opportunities for its businesses.
8. The Strategy sets out a number of objectives which seek to build upon the City's economic assets and underpin the emerging City Deal, as well as address the challenges which remain:

Strategic Objectives

- SO1 To enhance Brighton & Hove's distinctive destination and lifestyle offer**
- SO2 To grow quality jobs and business opportunities in higher value and low carbon sectors**
- SO3 To better align jobs skills to projected needs and in support of higher value sectors**
- SO4 To tackle barriers to employment and to create employment opportunities for all**
- SO5 To establish a strong and influential Greater Brighton City Region**

9. The Strategy's Action Plan incorporates a realistically achievable number of transformational projects to drive the evolution of the City's economy.
10. The Economic Strategy refresh has been steered by BHCC and BHEP and developed in consultation with stakeholders in the public, private and community/voluntary sectors. By working together, we can deliver an exciting vision for the future of a strong, prosperous, sustainable and attractive City.

The City today: assets, opportunities and challenges

11. A number of significant assets have been instrumental in helping the City to weather the recent economic storms. These assets fall within the following broad headings:
 - Strength in existing and growth sectors of the economy
 - Workforce creativity, skills and demographics
 - Factors relating to the geography and location of the City
 - Quality of life and ethos of the City

Sectors to drive growth

12. The City's economy is relatively diverse and dominated by small businesses, which gives it a flexibility and dynamism. It has one of the highest business start-up rates in the country. Unfortunately, the rate of business failures is also high and this Strategy needs to ensure that clever and innovative support mechanisms are in place to help the City's entrepreneurs in the difficult period of sustaining and growing new businesses, especially those with high growth potential.
13. The sectors that most stakeholders consider to be important to the City's economy are culture, leisure and tourism and creative, digital and IT. The culture, leisure and tourism industry is important not just as a generator of jobs but also the influx of leisure and business tourist income, coupled with one of the highest rates of engagement in culture amongst residents, underpins the great cultural and artistic offer. The City's overall quality of life offer as a result is enhanced, making it a great place to invest – it was named the third best place to invest in 2012⁴ - and this, together with factors such as its popularity on the annual party political conference scene clearly enables it to punch above its weight.
14. Helped by the weakness of sterling over the past five years, the city's tourism offer has attracted a strong weekend break market but it also has a large number of language schools which, together with overseas students at the two universities, bring significant 'education tourism' to the city; one of the major 'exports' - Brighton & Hove also enjoys a niche for companies involved in outbound tourism some of which have turnovers in excess of £100m p.a. The city's tourism offer is quite diverse with a range of attractions from the typical to the unique and a wide spread of hotels from budget to five star and more restaurants per head of population than anywhere outside London and a particular strength in vegetarian and vegan establishments. With the South Downs National Park on the doorstep and the possibility of international Biosphere Reserve status, there is good potential to grow the market for eco-tourism locally – converting what is often seen as a constraint upon growth, the South Downs, into an advantage.
15. There are further opportunities in the arts and culture through a significant cluster of film related activities in the City (Hove is known as the 'birthplace of film'); and music businesses based upon successful initiatives such as Made in Brighton and The Great Escape, a leading international European music industry conference and expo which takes place in Brighton each May.
16. Whilst numbers employed in CDIT are currently low compared to other sectors, these are generally high skill jobs and they have played an important part in the broadening of the City's economic base and in increasing its international profile. It is also a sector that has significant further export potential and the ability to contribute to the Coast to Capital LEP's internationalisation strategy. The relative contribution of digital companies is growing at over twice the national average and there is significant further growth potential, fuelled by a ready supply of graduates.
17. The City's financial and business services sector has experienced some decline in response to the national and global trends. However, it has held up stronger than in many comparable cities and will continue to play a significant role in the future economy of Brighton & Hove, principally through the contribution of many small & medium sized businesses.
18. The City's economy is also well positioned to take advantage of the growth in the environmental industries sector, by virtue of existing clusters of companies, world class expertise at the two universities and an environmentally aware resident and business population. Cross-City support for environmental initiatives, championed by the City Deal process, could lever growth in this sector, particularly by exploring synergies with CDIT and learning the lessons from its rapid growth and indeed the many success stories already in this sector. There are also potential synergies between the environmental industries, Brighton University's internationally renowned

⁴ Brighton & Hove was identified by the Local Futures Group as the third best local authority area to invest in, research published in December 2012.

Centre for Sustainability of the Built Environment and the local SME construction subsector, through the extensive retrofit challenges faced by the city's aging and hard-to-treat private sector housing stock. Similarly there are opportunities to promote the refurbishment of outdated office stock, much of which was built in the 1970s and 1980s, offering the opportunity to reduce carbon footprint via a more environmentally sustainable solution than demolition and rebuild. Although Brighton & Hove doesn't have the potential to exploit the full range of environmental industries, it has these existing distinct strengths in sustainable buildings to capitalise upon.

19. There is evidence of clustering in a number of emerging sectors across the City region, such as environmental industries including renewable energy generation and its supply chain at Shoreham Port. The Strategy seeks to support growth of these clusters in particular through a network of growth hubs as promoted by the proposed City Deal.

A highly qualified workforce

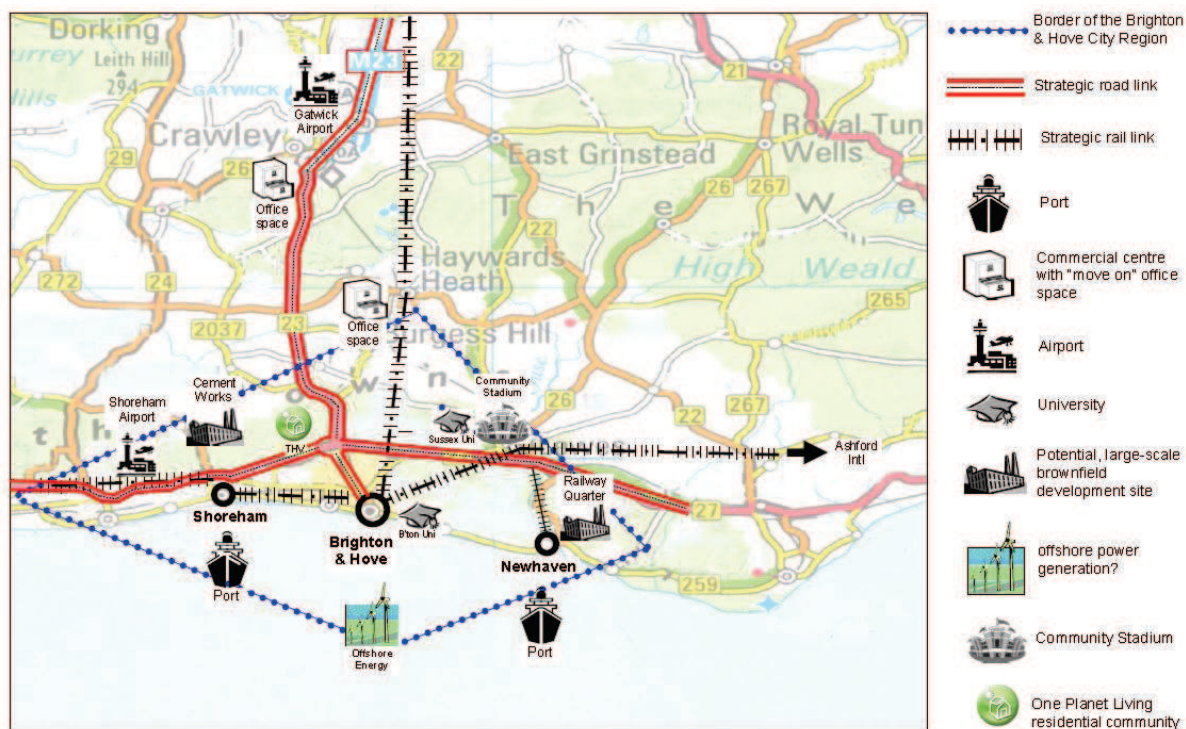
20. The existence of two good universities with high graduate retention has meant that the City has a well-qualified workforce in comparison to the region (it was recently named number one for skills and qualifications by Municipal Journal⁵) and national averages, and the projected change is for a reinforcement of this trend. Workforce skills levels are a significant asset to the City and give it a competitive advantage compared with many other similar places as well as an ability to drive growth in the emerging and high-growth sectors which depend on highly skilled employees: the concept of knowledge intensive growth.

Geography of the City: Brighton & Hove in the wider world

21. The City's functional economic area extends well beyond its administrative boundaries (see figure 1) and this, together with public sector funding restraint and the new landscape for economic development, is driving co-operation with neighbouring local authorities and with the Coast to Capital LEP. The momentum building behind the emerging Greater Brighton City Region will be fundamental to future success of the City's economy and enable it to contribute significantly to UK economic growth. The willingness to cooperate is already evidenced by initiatives like the newly agreed City Deal (see below), the work to establish and international Biosphere Reserve and the Shoreham Harbour joint area action plan promoted by Brighton & Hove City, Adur District and Worthing Borough Councils. There are also supportive working relationships with East and West Sussex County Councils in relation to Energy Recovery Facilities and a Local Transport Board.
22. The Greater Brighton City Deal proposal aims to deliver significant additional economic growth by unleashing the city region's productivity potential in the eco-tech sector. Stronger links will be sought between the universities' research and development expertise and businesses in the sector. The experience of growth in the Creative, Digital and IT sector will be capitalised upon in this respect. It will aim to increase the supply and quality of modern business space, particularly incubator / grow-on space for SMEs and provide a programme of bespoke support and advice to business. A boost will be sought to housing provision across the City Region and an Investment Board will seek to leverage public and private sector funding to grow the City's economy along these priority lines.
23. If Government agrees to the City Deal programme, there will also be a generic package which will apply. Together these will present significant growth opportunities for the City's businesses, whether start-up, existing, or potential relocations to the area.

⁵ Municipal Journal, 7 February 2013.

Figure 0.1 The Greater Brighton City Region and its assets



24. Figure 0.1 demonstrates some of the key attributes of the Greater Brighton City Region, including proximity to London and Gatwick Airport, the ports of Newhaven and Shoreham, opportunities in renewable energy production and maintenance and extensive, prosperous and attractive rural hinterland.

Quality of life and ethos of the City

25. The environment, cultural, tourism and leisure offer as well as the geography of the City combine to give a quality of life of which its residents are proud. The existence of the universities and their student population further contributes to both quality of life and ethos of the City. Cultural disciplines, science and applied technology through the universities assist in fusing the creative with the IT sector and are part of what creates the distinctive offer of the City and its value in making it a great place to locate and invest.
26. Brighton & Hove's business community and political leaders embrace its reputation for being different, seeing it as an asset to be exploited in growing the economy and are prepared to use that reputation to promote the City to the outside world.

Opportunities of a more sustainable, low carbon, economy

27. A more sustainable economy would mean more of our needs met from local, renewable and waste resources, giving people a high quality of life and using a fairer share of the earth's resources. This could include:
- Developing the imperatives of energy security, resource efficiency and affordability into jobs and new investment for neighbourhoods, the city as a whole, and the wider City Region;
 - Encouraging businesses in the City Region to reduce carbon in their supply chains and develop more local relationships to create economic opportunities and jobs;

- Creating more opportunities for employment at all skills levels in the city, to enable local people to participate in economic activity where they live.
28. The Coast to Capital LEP's analysis and strategic focus is focused on high growth and export orientated businesses. These complement the City Region's growth sector potential which includes:
- Creative, Digital and IT;
 - Globally competitive eco-tech businesses (technologies and services);
 - An emerging sustainable tourism and eco-tourism offer;
 - Advanced Engineering;
 - Financial and Business services;
 - Health and life sciences;
 - Multi faceted research and development capacity with strong cross over between academic and commercial sectors;
29. Other opportunities to accelerate the transition to a more sustainable, low carbon economy include:
- Smart City management systems that improve the quality and delivery of public services at an affordable cost;
 - Smart systems that reduce transport congestion, pollution and are energy efficient;
 - Technology innovation which reduces the need to travel; and
 - Low carbon supply chains, particularly in food and construction.
30. Continued close collaboration with the LEP will therefore benefit business within the Brighton City Region.

Some challenges remain

31. Although there are many assets and opportunities which can underpin growth of the City and City Region's economy, there are also some challenges which must be addressed, as some residents continue to face inequality and worklessness. Child poverty, although no higher than the national average, is unacceptable in a city of opportunity.

Skills

32. The high skills level of graduates has resulted in some people working in roles for which they are over-qualified (sometimes characterised as 'baristas with PhDs') and often not by choice. Coupled with fewer requirements for middle range skills there is less opportunity than elsewhere for people to increase their income as a result of gaining better jobs by upskilling. Of course, the presence of highly qualified employees per se is a good thing – so the effort must be addressed at providing a range of jobs for a range of qualification and skill levels.
33. Despite significant improvement in 2012, there is a need to continue to raise the educational attainment levels of school leavers in the City in general which will also assist in the process of placing people in roles appropriate for their level of skill.

Equity

34. Challenges remain in relation to equity in the economy: in tackling inequality, the 'worklessness' agenda including addressing barriers to employment. Actions are already underway through existing initiatives such as the Living Wage Campaign and renewing Fair Trade City status.

Geography

35. The geography of the City presents challenges in terms of movement of people and goods - in particular along the critical east-west axes across the City Region. Bus patronage has risen at an average of 5% p.a. every year for the past decade but improvements in terms of real-time information, dedicated bus priority lanes and service enhancements must continue or congestion will inevitably become even more of an issue as the economy grows.. The business community views congestion as one of its top concerns and the City's Transport Partnership will need to work effectively to maximise resources for investment and generate efficiency savings.
36. Many actions can only be taken at City Region level or higher so maintaining a close working relationship with the Coast to Capital LEP will be particularly important – especially given the devolution of Department for Transport major scheme funding to Local Transport Boards from 2015 and with £36.3m provisionally available to the LEP for the period 2015/16 – 2018/19.

Housing stock

37. The City faces particular challenges interms of quantity, supply, affordability and quality of housing stock. It is much more likely to be older, in private tenure, in the form of converted flats, and 'hard to treat' in terms of energy efficiency than the national average. This presents a major opportunity for retrofit for construction SMEs, a critical subsector with growth potential, and would generate many positive outcomes – employment for a highly-skilled workforce, a response to the socio-economic challenges of energy policy and cost and in moving along the path to a low carbon economy.
38. The constraint of housing supply also presents real barriers to labour market mobility and restricts the supply of people to take up new job opportunities, driving up the cost base of the City's workforce and holding back growth in the economy. However, it is important to protect employment land for the significant loss of such sites could risk the City becoming a dormitory town for London commuters.
39. The shortage of land within the administrative boundary requires careful allocation and strategic use of every potential development site. With a limited legacy of derelict or vacant sites, the natural boundaries of the South Downs National Park and the sea effectively define and limit the outward expansion of Brighton & Hove. Therefore, the City Plan [Core Strategy], the blueprint for the next 20 years of development, proposes a delicate balance between housing and employment space. It will be important to view separate sites in a holistic way so they can be developed strategically to maximum advantage and provide for a mix of homes to support the growth and maintenance of sustainable communities, to facilitate growth in the economy and make provision for other essential development such as retail and leisure, health, education and other community facilities. The City Plan seeks to do this in a way which respects and enhances the historic, built and natural environment of the City.
40. Similar constraints to development across the City Region mean that there are unlikely to be easy solutions to these issues. In common with the national trend, development is further hampered by the difficulty of accessing finance, or punitive rates charged by lenders.

An Economic Strategy for Brighton 2013-18

41. The Strategy set out below was shaped by the analysis of assets, opportunities and challenges set out above, informed by Government and local policy as well by the emerging collaboration at the City Region level particularly through the City Deal.
42. The Vision for this Economic Strategy is as follows:

Vision for 2018

Brighton & Hove will be on the path towards a resilient low carbon economy, known for its creative, digital, information technology businesses, growing environmental industries & services and supported by more sustainable city infrastructure. The unique cultural offer will raise the presence of the Greater Brighton City Region on the international stage and the benefits of growth will be shared by all.

How do we get there? The strategic objectives

43. In order to deliver this Vision the Strategy is broken down into the five strategic objectives which are set out in the introduction at paragraph 1.1.7. For each of the strategic objectives, we provide below a summary description of what success might look like in 2018. The action plan which accompanies this Strategy contains a suite of projects which will enable the Strategy's objectives to be reached, with the course to success measured by a performance monitoring framework.

SO1 To enhance Brighton & Hove's distinctive destination and lifestyle offer

44. Brighton & Hove's distinctive destination and lifestyle offer is its USP. It is why people want to live in Brighton & Hove and is the basis of creating a city with the skills and investment to deliver economic growth and prosperity. Quality of place therefore matters. Investment in Brighton & Hove's assets and infrastructure needs to continue, to reflect the importance of culture, leisure and tourism whilst broadening the offer - along with developing an international reputation in the environmental industries and providing support for the 'alternative' entrepreneur, as well as social and co-operative enterprise.

What would success look like?

45. Brighton remains a popular place where people want to live;
 - All sectors of Brighton's economy have grown and in particular contributions from creative and digital, environmental industries and advanced manufacturing in the wider economic area;
 - The visitor economy continues to thrive, including year-round conferencing, festivals and eco-tourism focused on the South Downs National Park and the Biosphere Reserve;
 - There are more corporate / blue chip occupiers in the City, both headquarters and R&D divisions without losing the independents;
 - There is a robust and real-time evidence base supporting, monitoring and reporting on the City's key quality of life and sustainability indicators; and

- There will be several iconic developments in place and the highest quality seafront offer will be 'stretched' from the West Pier location through to the Marina.

SO2 To grow quality jobs and business opportunities in higher value and low carbon sectors

46. Under this objective, priority actions will aim to ensure that the economy is driven forward by growth in stronger sectors including specific environmental industries, benefitting from linkages with CDIT and the establishment of a network of growth hubs as envisaged in the City Deal. Business to business and business to customer infrastructure technology and 'know-how' will be strong and growth further facilitated through bespoke business support and mentoring programmes. The potential to grow 'green' business will target growth of the environmental industries sector but equally attempt to broaden the appeal to mainstream business, particularly the construction sector associated with residential and office retrofit. Actions will seek to ensure that there is sufficient high quality office space to meet the need identified in the City Plan and the Employment Land Study Review 2012.

What would success look like?

- Growth in the environmental industries sector has led to the City having an international reputation for low carbon industries based on their high performance and with mainstream business benefitting from spin-off 'greening' of its activities (and cost savings as a result);
- Businesses large and small have embraced the need to reduce their carbon footprint, improve their resource efficiency and are actively engaged in initiatives to do so;
- Research and development activities led by the universities have resulted in spin-off companies being established and a burgeoning cluster in the life sciences;
- New incubator space, business support and mentoring have improved the survival rate of new business;
- The local SME construction sector has been stimulated by the scale and urgency of the city's retrofit challenge, and has expanded, deepened its local supply chains and improved skills; and
- The office stock is rationalised and modernised to meet growth business needs at higher standards of energy and carbon efficiency and with fewer vacancies.

SO3 To better align jobs skills to projected needs and in support of higher value sectors

47. The city has a highly skilled workforce and this is one of its key assets. The strategy will seek to further develop these high level skills as the skills of the workforce and technical expertise in a City region are the most important drivers of knowledge-based industry business location choices. The strategy must also ensure there are jobs to match the skills of the workforce and actions will attempt to address the issue of people working in jobs below their skills levels – placing graduates in graduate level jobs, for instance. But skills development is a factor to raise workforce productivity and increase personal income throughout the occupational spectrum and further measures will seek to provide a range of opportunities at all levels – for example in upskilling for the low carbon economy through retrofit and similar projects.

What would success look like?

- The City remains a key business investment location nationally because of its highly skilled workforce and inward investment flows from this recognition;

- There is a closer alignment of post-graduate qualifications with the skills needs of industry;
- There is a greater range of employment opportunities with lower unemployment and under employment; and
- Fewer people are employed in jobs below the level of their qualifications.

SO4 To tackle barriers to employment and to create employment opportunities for all

48. Under this objective, the aim will be to ensure that all residents can benefit from growth in the City's economy, thus reducing inequality. Targeted measures will seek to continue the rise in educational standards of school leavers, ensure that basic skills levels are higher and address worklessness and the implications of the introduction of the universal benefit cap. Much of this is already being addressed through the City's Employment and Skills Plan and the Economic Strategy recognises the critical role of such activity in delivering growth for all the City's residents. There will be more support for carers who want to work and investment to improve travel to work across the City Region.

What would success look like?

- Ambition amongst educational providers has been raised to drive up attainment across the board;
- Schools and educational facilities have been improved and attainment raised to beyond the national average; and
- There is greater equity in the City, including fewer people living in poverty, support is available for people in accessing employment, such as those with caring responsibilities, the long-term unemployed, people with physical and mental health issues, and other people that currently experience discrimination.

SO5 To establish a strong and influential Greater Brighton City Region

49. Many of the opportunities and challenges require addressing at the level of the City Region – for example in providing land for a balance of employment uses, housing and infrastructure solutions. However, across the City Region there are significant environmental, landscape and infrastructure constraints to development, particularly in the central part of the City Region. Actions under this measure will therefore seek to strengthen the capacity of the emerging City Region institutions and to develop a City Region-wide approach to investment funding and programming.

What would success look like?

- The economy as a whole has grown and GVA exceeds the [regional and] national averages;
- Key strategic development sites identified in the City Plan are well into the delivery phase, including Toads Hole Valley, Preston Barracks and Circus Street, leading to a sharp rise in housing delivery;
- The Biosphere Reserve and South Downs National Park stimulate development of the City Region's offers particularly in terms of a world-class environment, tourism and food;
- Collaboration is mature and effective across the City Region and with the LEP. It transcends changes in political administrations and has resulted in a successful City Deal programme and unlocking of funding including the EU Structural Funds and the Single Local Growth Fund from 2015; and

- The ‘feelgood’ factor is high and people are even more proud to live and work in the City.

Developing the Action Plan

50. Consistent with the City Deal proposal, this strategy identifies the environmental industries sector and the goal of creating a more sustainable city through the use of smart technology, as keys to success. However there is no-one ‘silver bullet’ which will deliver this success. Rather the action plan seeks to deliver on the strategic objectives of the strategy through a range of improvements which in aggregate add up to a winning transformation - what Sir Dave Brailsford, Director of British Cycling, has termed the ‘aggregation of marginal gains’:

“... small improvements in a number of different aspects of what we do can have a huge impact to the overall performance.”⁶

51. Many of the initiatives necessary to achieve these often small but in aggregate transformational improvements are already in play and covered by existing strategies such as the City Employment and Skills Plan and the Sustainability Action Plan. The actions set out in this refresh of the City’s Economic Strategy focus upon a more limited series of actions or projects and in particular a small set of project proposals which could be genuinely transformational for the City’s economy. A range of possible existing and new project ideas was drawn up as set out in Section 5.1.

Prioritising the short list

52. A prioritisation framework (see Appendix D) was then applied to the projects in the long list in order to arrive at a short list of transformational projects which form the focus of the action plan. The criteria in the prioritisation framework include the following:
- Fit with strategic objectives including sustainable development;
 - Desired focus on ‘transformational’ projects not already being taken forward;
 - Outputs and outcomes;
 - Potential funding sources, leverage of private sector investment and value for money.
53. From the application of this framework, the following shortlist was agreed:

Shortlisted Projects

Strategic Objective	Project Description
SO1	Investment in internationally competitive conference facilities
SO2	Green Growth Project Fund
SO2	Eco Tech Growth Hubs
SO3	City Region Skills Escalator
SO4	Citywide Maths Project
SO5	City Region Investment Board

54. There is a detailed proforma at Appendix E setting out the proposed scope of the shortlisted projects, deliverables, outputs and outcomes, funding (including potential leverage) and fit against strategic objectives, including environmental sustainability.

⁶ <http://www.youtube.com/watch?v=uCXz2EAVwd0>

55. These projects have the greatest scope for transformational impacts upon the City's economy. Coupled with the projects in the long-list and the range of existing initiatives covered by each of the five strategic objectives, the City's economy will grow to meet the opportunities and rise to the challenges it faces in the coming five years. At the end of the period, the economy will be stronger and more sustainable. Brighton's residents will be wealthier, there will be less inequality, skills levels will have been raised and collaboration across the City Region will have increased to the benefit of all.
56. The longlist of projects is set out overleaf.

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Longlist of projects

Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO1: - To enhance Brighton & Hove's distinctive destination	Investment in internationally competitive conference facilities offering year round growth in conference business	Infrastructure improvements and internal upgrade that meet sustainability standards	Improvements and upgrade to highest standards of sustainability providing an exemplar venue of international significance
SO1	Support the infrastructure and business growth elements of the seafront strategy particularly the arches redevelopment by the i360	New business opening and jobs at a key site on the seafront	New affordable and flexible commercial business space
SO1	Development of a year round programme of events that supports a year round visitor offer	A full year's events programme offering more consistent jobs opportunities within the sector	All new events will be impact assessed against sustainability standards
SO1	Rewakening the Royal Pavilion Estate	Creating a coherent RPE to enhance understanding & appreciation of the Estate and deliver a unique mix of cultural experiences	Long term sustainability of the historic buildings and estate
SO1	Film City. Joint initiative between the city council and the University of Brighton to bring together the significant cluster of film related activity in the city	Increase employment in film media and related sectors	Building the cluster will help to attract new business and therefore sustainable jobs
SO1	<i>Made in Brighton</i> : Music industry focussed around maximising the opportunities for local music business	Establish Brighton as a centre for music and develop local sector	Building the cluster will help to attract new business and therefore sustainable jobs

Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO2: - To grow quality jobs and business opportunities	Business & Innovation Support	in higher value and low carbon sectors	Job growth in low carbon sectors
SO2	Eco Tech Growth Hubs; a network of growth hubs to support high growth sectors, linked to University specialisms	CDIT sector job growth	Job growth in low carbon sectors
SO2	Circus Street redevelopment, including new university library and teaching building	Increased employment in eco tech sectors, contribution to sector GVA, closer collaboration between Universities & businesses	Growth in low carbon sectors working with the city's universities to plan for future environmental industries business growth
SO2	Environmental Industries Umbrella Group	New office floorspace to accommodate higher value sectors	Development in accord with OPL principles
SO2	Universal retrofit	Increased employment in eco tech sectors,	Growth in low carbon sectors
SO2	Business Resource Efficiency	Increase employment in construction sector; improved quality of housing stock; reductions in fuel poverty	Reductions in CO2 emissions and waste
SO2	Sustainable materials	Lower Energy Bills	Reductions in CO2 emissions and waste
SO2	Sustainable energy	Lower Energy Bills	Reductions in CO2 emissions and waste

Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO3: - To better align jobs skills to projected needs and in support of higher value sectors SO3	Fully integrated skills & employment pathway for people of all qualification levels	Business led skills provision will drive economic growth and improve productivity across the workforce	Fully integrated skills & employment pathway for people of all qualification levels

Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO4	SO4: To tackle barriers to employment and to create employment opportunities for all Raising Achievement in Maths' - enhancing a city wide project to address an identified area of weakness by placing maths in more applied contexts particularly in relation to business and enterprise	Citywide increase in pupil attainment at key stage 4	Improved employment for local people leading to greater equality in the labour market
SO4	Living Wage Campaign: Increase uptake amongst businesses	Higher proportion of B&H businesses adopting the living wage standards	Increased social equity and a measured contribution to tackling inequality

SO5: To establish a strong and influential Greater Brighton City Region			
Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO5	Unlock key development sites to create business development and innovation space	New Innovation space in the New England Quarter and Preston Barracks	Innovation spaces will support knowledge intensive sector growth
SO5	Unlock development sites to address housing commercial development needs and grow the City's economy	Investment secured for Patcham Court Farm, and the King Alfred Leisure Centre	Sustainable business growth and jobs
SO5	Establish the City Region Investment Board	Secure investment for infrastructure development and training	New sustainable approach to investment combining central and local authority assets with LEP and other private sector investors in order to unlock development
SO5	New Homes for Neighbourhoods	New homes on council owned land and estates	Highest standards of sustainability

Final shortlisted projects

Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO1: - To enhance Brighton & Hove's distinctive destination and lifestyle offer	Investment in internationally competitive conference facilities offering year round growth in conference business	Infrastructure improvements and internal upgrade that meet sustainability standards	Improvements and upgrade to highest standards of sustainability providing an exemplar venue of international significance
SO2: - To grow quality jobs and business opportunities in higher value and low carbon sectors			
SO2	Support the growth of the Environmental Industries sector and help to raise the sector's profile within the region	Increased sector GVA, jobs and business to business/ business to customer sales	Growth in low carbon sectors working with the city's universities to plan for future environmental industries business growth
SO2	Eco Tech Growth Hubs; a network of growth hubs to support high growth sectors, linked to University specialisms	Increased employment in eco tech sectors, contribution to sector GVA, closer collaboration between Universities & businesses	Growth in low carbon sectors working with the city's universities to plan for future environmental industries business growth
SO3: - To better align jobs skills to projected needs and in support of higher value sectors			
SO3	City Region Skills Escalator	Fully integrated skills & employment pathway for people of all qualification levels	Business led skills provision will drive economic growth and improve productivity across the workforce
SO4: To tackle barriers to employment and to create employment opportunities for all			
SO4	Raising Achievement in Maths' - enhancing a city wide project to address an identified area of weakness by placing maths in more applied contexts	Citywide increase in pupil attainment at key stage 4	Improved employment for local people leading to greater equality in the labour market

	particularly in relation to business and enterprise		
SO5: To establish a strong and influential Greater Brighton City Region			
SO5	Establish the City Region investment Board	Secure investment for infrastructure development and training	New sustainable approach to investment combining central and local authority assets with LEP and other private sector investors in order to unlock development

1 The Role of Strategy Refresh

1.1 Refreshing the Strategy

- 1.1.1 Peter Brett Associates (incorporating Roger Tym and Partners), in partnership with Bio-Regional, were commissioned to undertake a refresh of Brighton & Hove's current Economic Strategy. This is timely as the UK and global economic context has changed substantially since the previous strategy was drawn up: the world has endured global financial crises, the UK has been through a double-dip recession and the Eurozone economy has been subject to repeated shocks.
- 1.1.2 With the current age of public sector austerity likely to continue for some time, Brighton & Hove City Council (BHCC) and the City's Economic Partnership (BHEP) commissioned this refresh of the City's Economic Strategy for the period 2013-18. The Strategy responds to prompts for more radical and practical action from local authorities and the wider public sector as lender and investor catalyst, with private sector co-investment and commitment. The timing of the Strategy also coincides with the City Council and its Partners pulling together a bid for City Deal which aims to provide stimulus to the growth of the Greater Brighton City Region.
- 1.1.3 But this is more than just a strategy that focuses on economic growth. It is also predicated on embedding the principles of the One Planet Living Framework. As such the Strategy needs to demonstrate that economic growth and sustainable development are compatible and can be mutually reinforcing. For the OECD (2011), "green growth means fostering economic growth and development, while ensuring that natural assets continue to provide the resources and environmental services on which our well-being relies."
- 1.1.4 Indeed a shift to new technologies encompassing a more sustainable economic path will itself create new opportunities for businesses in Brighton & Hove.

1.2 Approach

- 1.2.1 The method followed a series of five Steps:
- Baseline Analysis
 - Gap Analysis
 - Strategy Development
 - Intervention Priorities
 - Action Plan
- 1.2.2 This report follows through those same steps though in doing so we concentrate on the results of our findings rather than the processes which got us there.

1.3 Consultation

- 1.3.1 The strategy was informed by an extensive consultation process. Initially we consulted key stakeholders in the city to understand what they saw as the key strengths of the city and what they perceived to be the key challenges going forward.
- 1.3.2 An initial draft strategy was then subject to consultation with a wider group of economic stakeholders who contributed to developing the overall priorities of the Strategy. This is an economic strategy for the city as a whole and one that reaches beyond the city to embrace the Greater Brighton City Region.

- 1.3.3 The strategy has also been subject to consultation with the people and communities of Brighton & Hove. An Equalities Impact Assessment has been produced and its conclusions incorporated into this final draft Economic Strategy.

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2 Shifting sands: the new policy context for economic development

2.1 Policy Context

- 2.1.1 Since the previous Economic Strategy was published in 2009, the continuing fragile national economic situation and the raft of new policies introduced after the Coalition Government came into office in May 2010 have meant that the national, regional and local policy context for economic development has been radically changed. A previously strong regional tier of governance and policy-making overseen by the Regional Assembly and SEEDA has gone, with final abolition of the SE Plan now enacted.
- 2.1.2 The Coalition Government's principal focus on deficit reduction is well-documented as is the desire to shift away from dependence upon the public sector to support for a dynamic and growing private sector. As a consequence, the Local Enterprise Partnerships (LEPs) have been created to champion business growth and encourage greater co-operation between the public and private sectors. The role of the LEPs is to be strengthened following the Government's response to the Heseltine Report, No Stone Unturned. The City has good relations with the Coast to Capital LEP and is starting to feel the financial benefit of active engagement with C2C.
- 2.1.3 Government policy is shifting from financial support of areas in need of regeneration towards providing the right policy and fiscal arrangements to facilitate economic growth across the Country – but particularly in the more successful greater South East.
- 2.1.4 National policy has also shifted significantly in favour of city regions as drivers of the national economy, including the second rank of cities nationally, into which Brighton and Hove falls. A significant emphasis has been placed on these second rank cities for future success of the national economy – particularly those such as Brighton & Hove which lie close to London as the most important national economic driver.
- 2.1.5 The recent City Deal process has also stimulated greater co-operation between the City Council and neighbouring authorities within the functional economic area. The Duty to Co-operate enshrined within the Localism Act and the National Planning Policy Framework will drive collaboration further – this is particularly critical given the tight administrative boundaries of the City and surrounding protected areas including the South Downs National Park.
- 2.1.6 The forthcoming review of the EU's structural funds will present opportunities for the City Region as it will undoubtedly seek to focus on several strands of relevance to the Brighton & Hove economy, including fostering enterprise and support for key sectors including environmental goods & services and life sciences. The LEPs will direct EU structural funds, a further rationale for close and effective working with the Coast to Capital LEP.
- 2.1.7 We are likely to see the era of public sector funding restraint continue throughout the life of this Strategy, and as a result public funding to pump-prime investment will be limited. Innovative approaches to public-private collaboration in particular will be necessary and imaginative use of public sector assets, or use of the strong local authority covenant, will feature strongly in such activities.
- 2.1.8 Within this changed national policy context, there are a number of local and wider strategies which have helped to frame this refresh of the City's Economic Strategy. The key ones are summarised in Appendix A at the end of this report.

- 2.1.9 Common themes emerging from these strategies include the need for enhanced economic growth and resilience; sustainable development through better use of natural resources; developing skills; and improving local infrastructure.

2.2 One Planet Living

Introduction

- 2.2.1 Brighton & Hove is currently working towards membership of the 'One Planet Living' initiative and endorsement as the first 'One Planet City', anticipated in 2013. The aim of this initiative is to create a future where it is easy, attractive and affordable for people to lead happy and healthy lives within a fair share of the earth's resources – One Planet Living. One Planet partners commit to becoming places where it is easy for residents to live a One Planet lifestyle should they choose to, by 2025. This commitment entails performance against clear targets for each of ten principles in the One Planet Living framework. It is critical therefore that the city's economic strategy presents a coherent narrative consistent with its commitment to One Planet Living principles, and demonstrates how it will move towards a low carbon economy in this timescale.
- 2.2.2 The ten One Planet principles and their associated targets have been developed to consider the range of environmental, social and economic factors needed to realise such a sustainable future. Society and the economy cannot exist long-term outside a healthy environment; consequently there are four overarching environmental imperatives behind the One Planet initiative:
- Reduce our use of natural resources (i.e. our ecological footprint);
 - Reduce our use of energy (i.e. our carbon footprint);
 - Reduce environmental pollution; and
 - Adapt to the impacts of climate change.

Reduce our use of natural resources: our ecological footprint

- 2.2.3 Ecological footprinting measures our consumption of natural resources in available global hectares of land and sea – that is, its biocapacity. Extensive scientific research tells us that our global footprint now exceeds the planet's ability to sustain its biocapacity by around 50%. If our demands on the planet continue at the same rate, by 2030 we will need the equivalent of two planets to maintain our lifestyles. 'One Planet Living' aims to make it easy, attractive and affordable for people to live within a fair share of the Earth's resources – which, according to current calculations, will be no more than 1.2 global hectares (gha) per person by 2025⁷. In the UK, the current average footprint is 4.9 gha per person, and in Brighton somewhat higher at 5.15 gha per person. This compares to China where it is 2.2 gha per person and USA where it is 8.0 gha per person. As the aim of the One Planet Initiative is to lead the way and achieve the highest levels of sustainability, endorsed One Planet partners in the UK aim for a trajectory resulting in 1.2gha per person by 2025.

Reduce our use of energy: our carbon footprint

- 2.2.4 The *One Planet* Initiative uses 'consumption-based' carbon footprinting to inform a full and holistic picture of what causes our greenhouse gas emissions and the most appropriate strategies for reducing them. Consumption-based emissions are those that arise all the way

⁷ Based on a population of 7.67 billion, a biocapacity of 1.6gha per person and allowing 20% space for wildlife.

through the supply chain. These include not just direct emissions caused by fuel and energy consumption, but also embodied emissions in goods and services purchased (for example food, manufactured items and construction materials). By 2050, a 50-80% reduction in global carbon emissions is needed to stay within acceptable limits of climate change. The UK Committee on Climate Change recommended a 80% target by 2050; this target has been enacted in law through the Climate Change Act 2008, with an interim target of 40% by 2020. As the aim of the One Planet Initiative is to lead the way and achieve the highest levels of sustainability, endorsed One Planet partners in the UK aim for a trajectory resulting in a 90% cut in consumption-based emissions by 2025.

Reduce environmental pollution

- 2.2.5 Avoiding pollution to air, land or water as a result human activity is key to *One Planet Living*, whether it arises from energy generation, construction and refurbishment activities, transport vehicles, or other domestic and non-domestic activities. This involves not only examining pollution in any particular process itself, but also examining the supply chain linkages for the production of materials, equipment, goods and services upstream and downstream of the process in question. While the development of a green supply chain is supported by environmental legislation in many jurisdictions, it is challenged by the difficulty of tracing globalised supply chains, and sometimes by the scope of environmental regulation itself where it simply promotes 'end-of-pipe' technologies. As the aim of the One Planet Initiative is to lead the way and achieve the highest levels of sustainability, endorsed One Planet partners in the UK are required to develop an ongoing and evolving strategy for avoiding pollution to air, land or water as a result of activities associated with the region. All activities should aim to meet international best practice on pollution prevention. Purchasing systems for materials, equipment, goods or food should screen for pollution impacts upstream and choose suppliers with strong environmental track records supporting the emergence of a green supply chain.

Adapt to the impacts of climate change

- 2.2.6 The UK climate is changing as a result of human activity. Across the country, winter rainfall has increased in recent years and summer rainfall has decreased. There has been an increase in average temperatures and mean sea level has risen. Climate projections are telling us that we will experience hotter drier summers, warmer wetter winters, disruption in usual weather patterns and more frequent or intense weather events (e.g. heat waves, droughts, and flooding) and continued rising sea level. This is likely to have an adverse impact on people, agriculture, water quality and availability, biodiversity, human health, buildings and infrastructure, public spaces, soils and the economy⁹. Brighton & Hove City Council's Climate Change Strategy (2011) assesses the vulnerability of the city to current and future climate change, including consideration of the impact of flooding, drought and heatwaves. The community groups, activities and natural resources most vulnerable to climate change are identified and recommendations put forward for adaptation measures. These are integrated in the BHCC Sustainability Action Plan.

Towards a One Planet Economy

- 2.2.7 One Planet Living is a vision of thriving regional economies where we meet more of our needs from local, renewable and waste resources, enabling people to live a high quality of life within their fair share of the earth's resources. Brighton & Hove's Climate Change Strategy (2011) sets out the council and city's approach to realising this vision. The strategy was shaped through extensive informal stakeholder workshops and informed by the Sustainable Community Strategy (SCS), the Council's Corporate Plan and the Environmental Industries

⁸ Climate Change Committee (2010), Climate targets and global emissions trajectories. Available at: <http://bit.ly/fW3ZDV>

⁹ BHCC (2011) Monitoring Outcomes of the Scrutiny Review of Climate Change Adaptation.

Scrutiny Panel (EISP) recommendations. The Climate Change Strategy sets out a concept of a low carbon economy for Brighton & Hove based on the following elements:

- Globally competitive environmental industries sector;
- Energy efficient private, public & third sector organisations;
- Sustainable tourism;
- Well-developed environmental knowledge and skills;
- A reduced need to travel; and
- Low carbon supply chains.

What will such a 'One Planet Economy' look like?

2.2.8 In terms of different economic sectors and infrastructures, it will be one where the environmental imperatives of reducing resource use, energy use and pollution and adapting to climate change are all transformed into economic drivers for neighbourhoods, towns and cities in the region. This can include the expansion of local and regional energy generation at micro- and macro-scales, and the development and deployment of innovative technologies including district heating and biomass. It can include demonstration projects for environmental technologies and services, integrated flows of materials and waste, and sustainable transport networks. This can be translated into the following objectives:

- Greater economic opportunities in environmental technologies and services (including energy, transport, ICT, construction, food);
- Increased long-term resilience of local and regional systems of energy, waste, and transport; and
- Reduced long-term dependence on major national infrastructure and natural resources.

2.2.9 In terms of scale and catchment, it will be one where sufficient city-regional economic integration has been reached to produce a greater range of economic goods and services on a sustainable basis, particularly food, energy, water, tourism, construction materials and waste. This scaling-up of local and regional markets can support competitiveness, quality, and the emergence of centres of excellence in particular sub-sectors where there are the right combinations of local assets, entrepreneurs and institutional support. It can also build the potential for synergies between different sub-sectors to generate a particularly unique offer, for example in eco-tourism. This can be translated into the following objectives:

- More integrated and resilient city-regional supply chains for materials, food and water;
- Integrated city-regional sustainable tourism offer for visitors and locals; and
- Closer alignment of resource footprint with city's functional economic area.

2.2.10 It is also one where the city's quality of life continues to be a key part of its locational offer, helping to develop, attract and retain people. This can be translated into the following objectives:

- Reduced barriers to enterprise, employment and skills; and
- More robust evidence base for the city's quality of life and locational offer.

2.2.11 Although this Strategy is not the sole vehicle for delivering the One Planet Living principles in Brighton & Hove, this concept and objectives for a 'One Planet Economy' can be matched to the OPL principles at city and city-regional scales as set out in Figure 2.1. This table can

therefore be used as an evaluation matrix for the projects and proposals set out in subsequent sections of this document.

Figure 2.1 Evaluation matrix setting out the city's Climate Change Strategy in terms of the One Planet Living framework, and identifying strategic objectives working towards a One Planet Economy.

Strategic Objectives	Brighton city-region	Brighton & Hove city
Working towards a One Planet Economy	Work with regional partners to deliver...	Work with local partners to deliver...
Zero Carbon	Reduced long-term dependence on major national infrastructure and international natural resources	Increased long-term resilience and security of local energy, waste, and transport systems
Zero Waste		
Sustainable Transport		
Sustainable Materials	More integrated and resilient city-regional supply chains for materials, food and water	Greater economic opportunities in environmental technologies and services
Local & Sustainable Food		
Sustainable Water		
Land Use & Habitat	Closer alignment of resource footprint with city's functional economic area	Reduced barriers to enterprise, employment and skills
Equity & Local Economy		
Culture & Community	Integrated city-regional sustainable tourism offer for visitors and locals	Robust evidence base for the city's quality of life and locational offer
Health & Happiness		

2.3 Conclusions

- 2.3.1 From the analysis set out in Appendix A there is a good degree of synergy between the various strategies that apply within the City both vertically (up to the LEP and Government Policy) and horizontally across sectors. Thus this refreshed Economic Strategy builds on a strong tradition of inter-relationships amongst the family of strategies.
- 2.3.2 This high degree of synergy also applies externally to the City Council's administrative boundaries. In some respects this creates opportunities - for example for residential development to meet the City's needs or for the location of lower value, more land-hungry uses outside the BHCC boundaries. But it also represents some competition – in that surrounding areas are also competing for footloose inward investment and these areas also have their own pressures to meet, as well as significant infrastructure or other constraints to development. The collaboration process commenced in response to the 'Duty to Co-operate' set out in the Localism Act is throwing these issues into sharp spotlight. The challenge will be for the emerging governance structure of the City Region to ensure that this collaboration is deepened for the benefit of the communities and local authorities across the area.
- 2.3.3 From the family of strategies outlined in section 3.1 and Appendix A there is clear consensus that the economic strategy needs to:
- Fulfil the function of growing the City's economy whilst preserving what is different and distinctive about Brighton, including its cultural and tourism offer;
 - To capitalise on the opportunities of high-value and low carbon sectors in particular;

- To benefit from the high skills levels in the City, to ensure that everyone is doing a job suited to their level of skill and to support people in accessing employment;
- To bolster the emerging governance arrangements across the Greater Brighton City region and take advantage of the emerging City Deal proposals.

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3 Brighton Today

3.1 Economic Overview

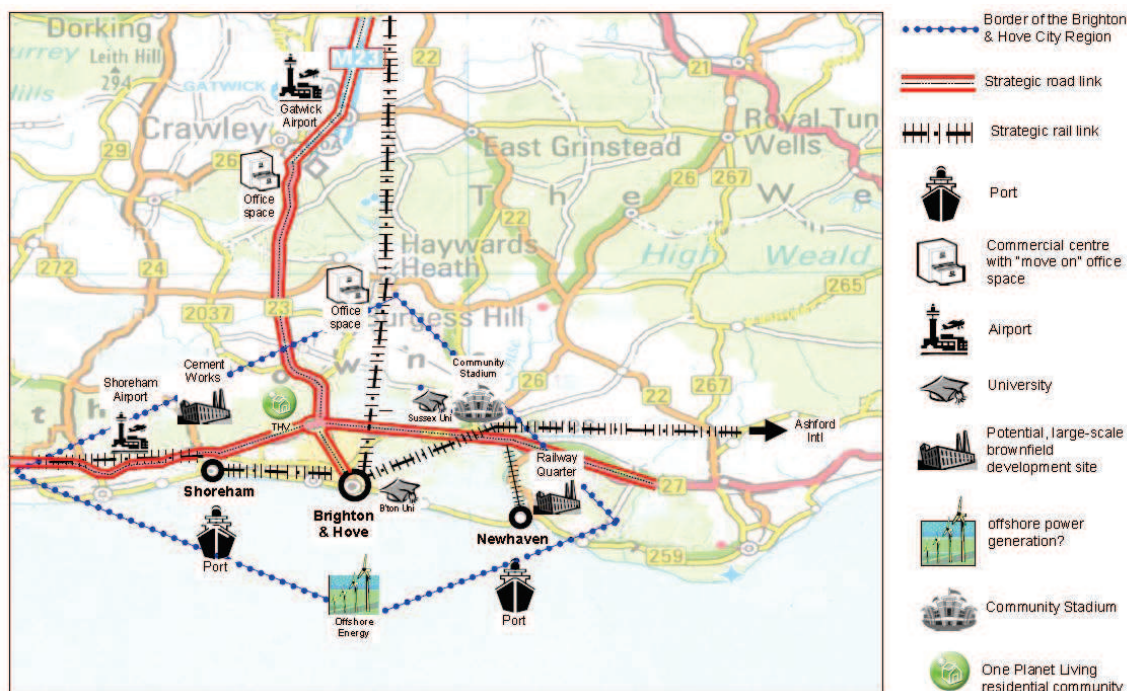
- 3.1.1 The baseline analysis starts with a socio-economic profile of the Brighton and Hove and of the wider City region which forms the functional economic area. We then identify the key economy assets of the city that either do, or potentially could, give it a competitive advantage. We set out how these assets can be nurtured to make them work better for the economic success of the city.
- 3.1.2 We then look at the current trajectory Brighton is on and where it might expect to be if it continues on this path. We try to distinguish where current indicators reflect the current cyclical downturn, and the extent to which there have been real structural changes that will inform the future direction of the local economy. We then set out potential alternative paths to inform the strategy.
- 3.1.3 Following a review of the assets of the City's economy and challenges it faces, we illustrate with reference to case studies what other cities of similar scale and characteristics have achieved. This is not to set to these cities up as templates for Brighton to follow but to illustrate how other cities have successfully raised their economic ambitions and to draw any relevant lessons from how they went about doing this.

3.2 Economic Structure

- 3.2.1 In setting out the economic overview of the city we do not attempt to provide a comprehensive data set as this is covered elsewhere¹⁰. Rather we set the context and highlight some of the key factors that will inform the strategy.
- 3.2.2 We also set the city in the context of the wider City Region which, for the purpose of this analysis is defined as consisting of the local authority districts of Brighton & Hove, Lewes, Adur and Worthing to be consistent with the partnership being established for the City Deal.

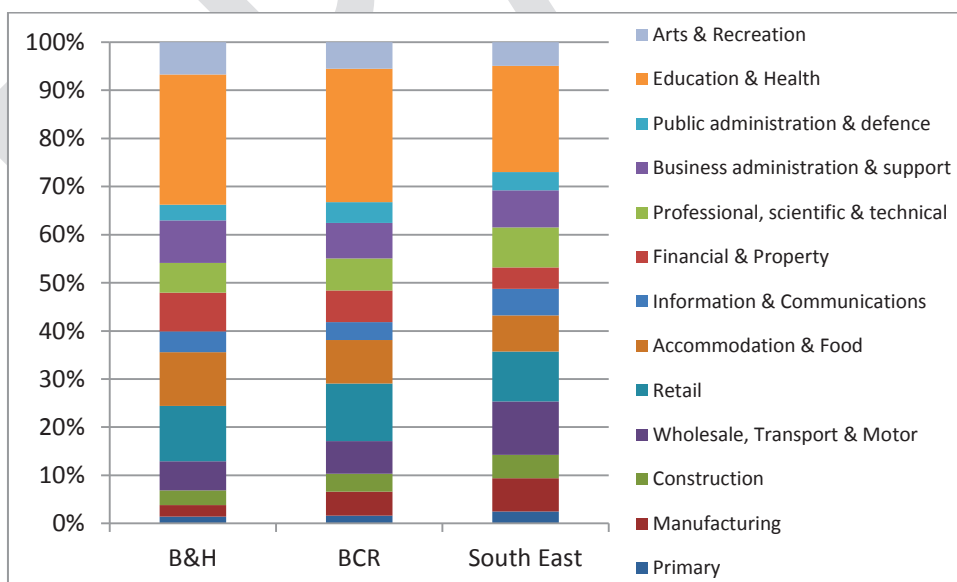
¹⁰ See for example the Brighton & Hove Local Information Service, <http://www.bhlis.org/>

Figure 4.1 City Deal Region and Travel to Work Area



3.2.3 Brighton & Hove has a much lower proportion of employment in industrial activities than the South East as a whole. It has correspondingly higher proportions of activity in service sectors such as ‘Accommodation & Food’ and ‘Education and Health’. If we look at the structure of the city region as a whole then this sits somewhere between that of the city and the South East, demonstrating a wider balance of activity is achieved at the city region level.

Figure 4.2 Employment Structure 2011



Source: BRES

3.2.4 Whilst Brighton & Hove has a service sector economy, it is not in general the higher value services. The sectors in which the city is over-represented and are projected to grow at above the national average rate of growth in employment terms are primarily lower value. These are set out in the table below, which shows projected UK employment growth by sector, the

relative representation (or Location Quotient) of that sector in the city; current levels of employment; and national average wages in the sector.

- 3.2.5 The two exceptions of higher value activity are real estate activities and information and communications, but both are of moderate size in overall employment terms.

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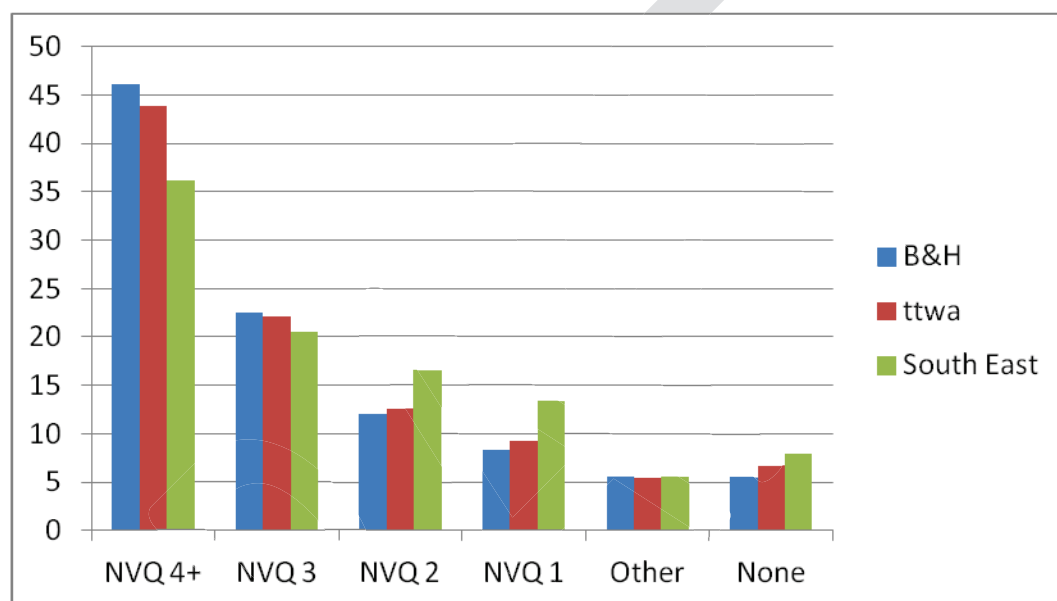
Figure 3.3 Sectoral Mix of Activity in the City

Above Average Growth Under Represented							Above Average Growth Over Represented						
	UK 2011-21	LQ	Emp 2011	Wages		UK 2011-21	LQ	Emp 2011	Wages				
Professional, scientific & technical	2.8%	0.8	7,781	£38,362	Administrative and support service	2.7%	1.1	11,007	£24,939				
Construction	1.1%	0.6	3,760	£30,605	Real estate activities	2.5%	1.1	2,293	£37,832				
Transportation and storage	0.9%	0.5	3,053	£27,182	Arts, entertainment and recreation	2.0%	1.6	4,873	£24,749				
Wholesale and retail	0.8%	0.9	18,938	£21,271	Accommodation and food service	1.0%	1.6	13,908	£16,808				
					Information and communication	0.9%	1.1	5,447	£40,549				
					Other service activities	0.8%	1.3	3,573	£24,749				
Below Average Growth Under Represented							Below Average Growth Over Represented						
	UK 2011-21	LQ	Emp 2011	Wages		UK 2011-21	LQ	Emp 2011	Wages				
Water supply & Waste	-1.1%	0.7	568	£34,175	Financial and insurance activities	0.3%	1.6	7,715	£37,832				
Public administration	-1.4%	0.6	4,055	£30,740	Human health and social work	0.1%	1.1	18,278	£25,547				
Agriculture, forestry and fishing	-1.6%	0.0	40	£20,814	Education	-0.6%	1.4	15,545	£28,981				
Manufacturing	-1.8%	0.3	3,001	£28,531	Electricity, gas, etc	-1.2%	2.3	1,179	£34,175				
Mining and quarrying	-2.7%	0.0	7	£34,175									

Labour Force

3.2.6 The city and its wider hinterland have a highly skilled resident workforce. The proportions qualified to NVQ4+, degree level equivalent are amongst the highest in the country and well above the South East average. This should translate into a strong competitive advantage as skills are the key lever of prosperity¹¹ yet the high skills do not translate into high wages or high value added to the city economy. In part this is explained by workers commuting out to higher paid jobs London and Surrey, but it is also partly explained by workers being employed in occupations below their skills levels. This has a consequential effect on those lower down the skills ladder, with the least qualified being bumped off the bottom and denied entry level opportunities.

Figure 4.3 Percentage of Resident Qualifications by highest NVQ Level

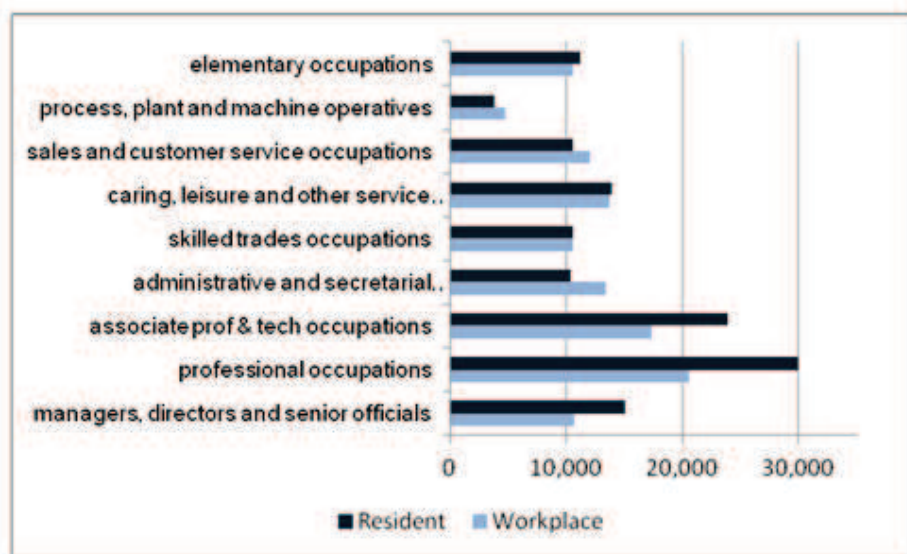


Source: APS

3.2.7 A large part of this skilled workforce is exported to higher value occupations elsewhere. Whilst for the lower value occupations the numbers of resident and workplace jobs are fairly well balanced the city exports workers in the managerial, professional and associate professional occupations. There was a net outflow of approximately 20,000 workers in these three occupational categories in 2012. Or to put it another way, whilst 53% of the city's residents work in these three higher occupational categories, only 43% of the city's jobs are in these three categories.

¹¹ See Leitch Review

Figure 4.4 Resident and Workplace Employment by Occupation

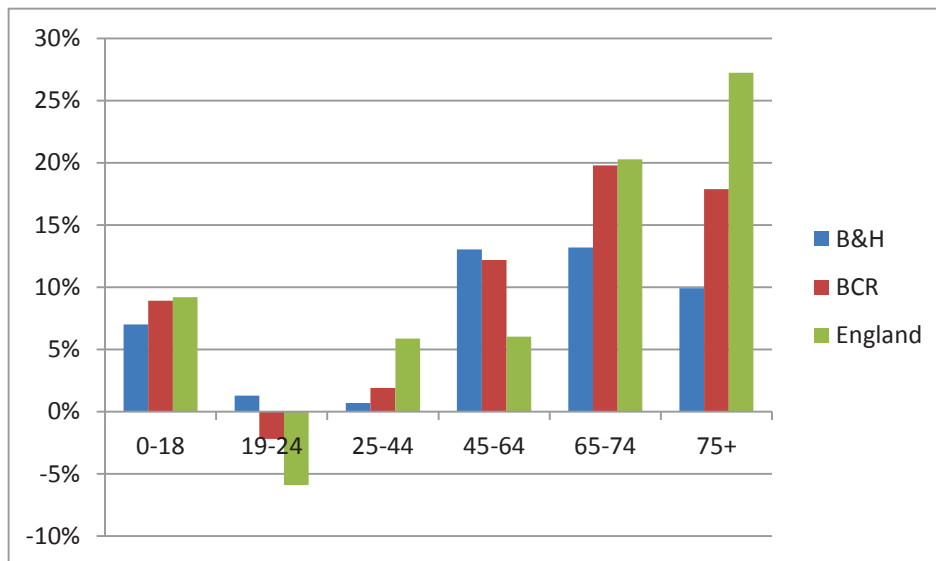


Source: APS

- 3.2.8 Despite having a very well qualified resident population, a more disappointing picture emerges when looking at educational attainment data. Here the city under-performs the national and regional average. In 2011 the proportion of pupils at end of Key Stage 4 achieving 5+ GCSEs of grade C or higher was 71.9% compared to 79.3% for the South East and 80.1% for England¹². Whilst the proportion achieving this level has been growing in the city the performance gap with the regional and national average has been widening. This problem appears to be a Secondary schools issue as the same gap is not evident at Key Stage 2. For the future workforce it suggests a position where a segment of local school leavers may struggle to find good jobs giving the competition from the highly skilled workforce that is attracted to the city.
- 3.2.9 The demographic profile, and changes to this, functions as one of the key drivers of growth for a local economy. In this regard the city has a favourable population profile. The latest sub-national population projections from the ONS show a projection population increase of 8,000 for the strategy period 2013-18, a 3% increase in just five years, although the long run projection 0.6% p.a. is below the average for England of 0.8% p.a.
- 3.2.10 More notably the working age population of the city is projected to increase 5,000 between 2013-18 (2.7%) with a particular growth in the 45-64 age group. This is on top of the increase of 15,000 already identified in the 2011 Census. This should provide particularly good medium term opportunities for the city as this is the age cohort with the highest disposable income thus providing demand for the consumer services sectors.
- 3.2.11 The way the City region works can be seen with reference to the population profile. Whilst the City has quite a distinctive growth pattern the inclusion of the wider City regional works to smooth the growth to a more traditional pattern.

¹² Neighbourhood Statistics

Figure 4.5 Projected Population Change by Age Group 2011-21



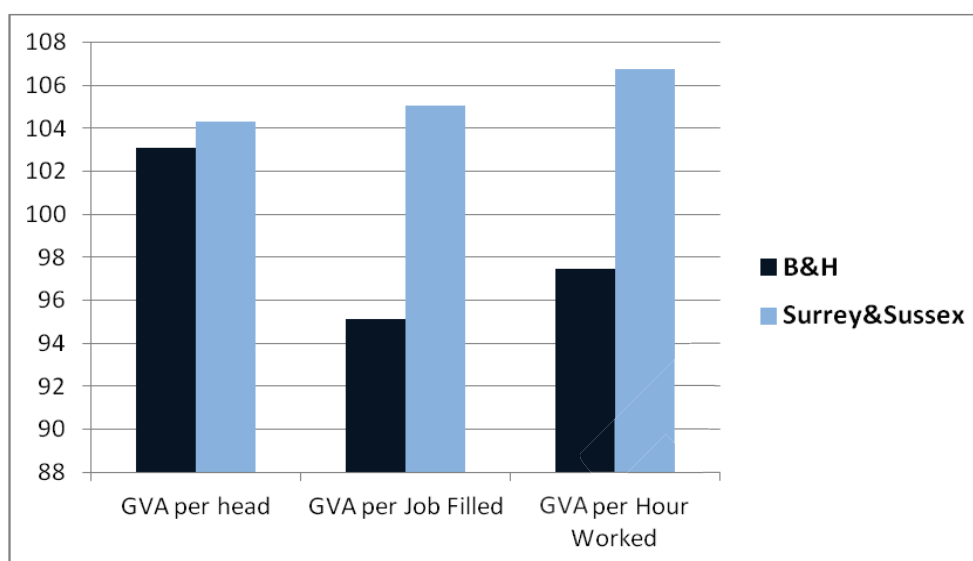
Source: ONS

3.2.12 Whilst the city's population is projected to grow against the national trend for 19-24 year olds, due to the student population, the city is anticipated to have very low growth amongst the 25-44 age band, which is possibly a result of lack of affordable housing and thus recent graduates and first time buyers look beyond the city's boundaries to find more affordable housing within the wider city region.

The Productivity Gap

3.2.13 Yet despite its highly skilled workforce and high rate of business start-ups the city under-performs in terms of its productivity. Measured in terms of GVA per head for resident population Brighton & Hove is above the national average. Yet this does not reflect the output of the city and, if measured in terms of GVA per job, or GVA per hour worked the city is well below the national average. The situation is even more stark when compared with the wider sub-region of Surrey & Sussex, which shows the city's productivity as 10% below that of the wider sub-region. If this gap were made up it would add around £500m p.a. to the City's GVA.

Figure 4.6 Productivity 2009



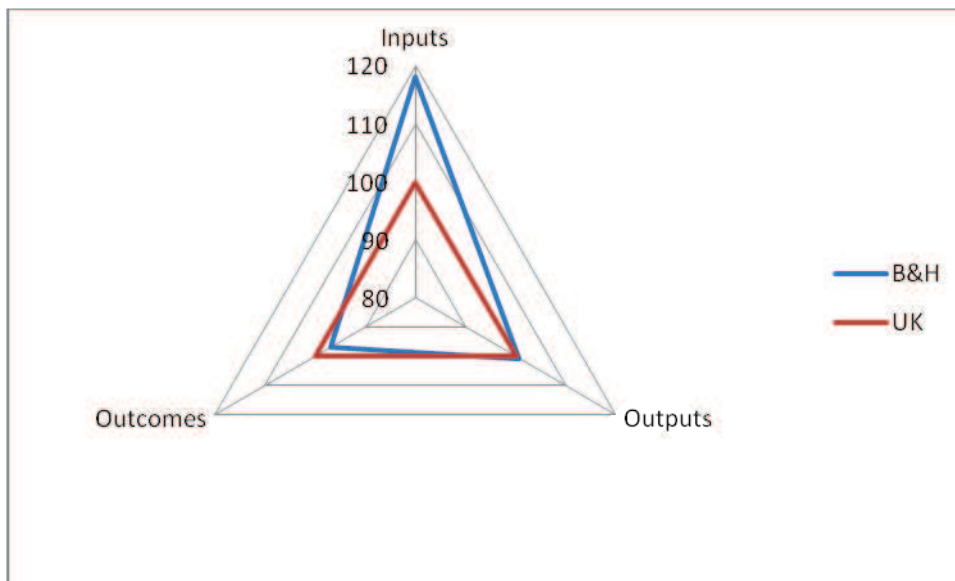
Source: ONS

3.2.14 There are long running structural factors that the city must tackle. The Brighton & Hove economy reveals low levels of productivity and competitiveness. This is illustrated in the UK Competitiveness index which shows that despite having a high level of assets as measured by its inputs (such as workforce skills and new business start-ups) being nearly 20% above the UK average, in terms of outcomes (such as wage levels and unemployment rates) it actually ranks some 4% below the national average. Although recent work produced by Brighton & Hove City Council shows significant improvement since 2009 compared to others similar urban areas¹³, it should be doing better. Research published by the Spatial Economics Research Centre¹⁴ found that the composition of the workforce explains more than half, and in some cases much more than half of the apparent differences in areas' wage disparities, which raises further questions about the reasons for the low levels of productivity in the city.

¹³ Greater Brighton City Deal, Policy Proposal Paper.

¹⁴Spatial Economics Research Centre

Figure 4.7 Brighton & Hove ranked on the UK Competitiveness Index



Source: UKCI

3.2.15 The competitiveness of the wider city region does not look much stronger although for the city region the inputs are lower than those which Brighton & Hove is blessed with.

	Inputs	Outputs	Outcomes
B&H	118.1	100.6	96.9
Lewes	104.9	95.3	99.5
Adur	98.5	97.7	91.1
Worthing	99.7	104.0	97.4

Source: UKCI

3.2.16 Yet despite the low levels of productivity the Brighton & Hove economy has proved itself resilient in the face of the recent economic downturn.

3.3 Assets and Challenges

3.3.1 A number of significant assets have been instrumental in helping the City to weather the recent economic storms. These assets fall within the following broad headings:

- Strength in existing and growth sectors of the economy
- Workforce creativity, skills and demographics
- Factors relating to the geography and location of the City
- Quality of life and ethos of the City

Sectors to drive growth

3.3.2 The City's economy is relatively diverse and dominated by small businesses, which gives it a flexibility and dynamism. It has one of the highest business start-up rates in the country. The rate of business failures is also high. There is an entrepreneurial spirit with people willing to take risks and this Strategy needs to ensure that clever and innovative support mechanisms

are in place to help the City's entrepreneurs in the difficult period of sustaining and growing new businesses, especially those with high growth potential.

- 3.3.3 The sectors that most stakeholders consider to be important to the City's economy are culture, leisure and tourism and creative, digital and IT. The culture, leisure and tourism industry is important not just as a generator of jobs but also the influx of leisure and business tourist income, coupled with one of the highest rates of engagement in culture amongst residents, underpins the great cultural and artistic offer. The City's overall quality of life offer as a result is enhanced, making it a great place to invest – it was named the third best place to invest in 2012¹⁵ - and this, together with factors such as its popularity on the annual party political conference scene clearly enables it to retain prominence.
- 3.3.4 Helped by the weakness of sterling over the past five years, the city's tourism offer has attracted a strong weekend break market but it also has a large number of language schools which, together with overseas students at the two universities, bring significant 'education tourism' to the city; one of the major 'exports' - Brighton & Hove also enjoys a niche for companies involved in outbound tourism some of which have turnovers in excess of £100m p.a. The city's tourism offer is quite diverse with a range of attractions from the typical to the unique and a wide spread of hotels from budget to five star and more restaurants per head of population than anywhere outside London and a particular strength in vegetarian and vegan establishments. With the South Downs National Park on the doorstep and the possibility of international Biosphere Reserve status, there is good potential to grow the market for eco-tourism locally – converting what is often seen as a constraint upon growth, the South Downs, into an advantage.
- 3.3.5 There are further opportunities in the arts and culture through a significant cluster of film related activities in the City (Hove is known as the 'birthplace of film'); and music businesses based upon successful initiatives such as Made in Brighton and The Great Escape, a leading international European music industry conference and expo which takes place in Brighton each May.
- 3.3.6 Whilst numbers employed in CDIT are currently low compared to other sectors, these are generally high skill jobs and they have played an important part in the broadening of the City's economic base and in increasing its international profile. It is also a sector that has significant further export potential and the ability to contribute to the Coast to Capital LEP's internationalisation strategy. The relative contribution of digital companies is growing at over twice the national average and there is significant further growth potential, fuelled by a ready supply of graduates.
- 3.3.7 The City's financial and business services sector has experienced some decline in response to the national and global trends. However, it has held up stronger than in many comparable cities and will continue to play a significant role in the future economy of Brighton & Hove, principally through the contribution of many small & medium sized businesses.
- 3.3.8 The City's economy is also well positioned to take advantage of the growth in the environmental industries sector, by virtue of existing clusters of companies, world class expertise at the two universities and an environmentally aware resident and business population. Cross-City support for environmental initiatives, championed by the City Deal process, could lever growth in this sector, particularly by exploring synergies with CDIT and learning the lessons from its rapid growth and indeed the many success stories already in this sector¹⁶. There are also potential synergies between the environmental industries, Brighton University's internationally renowned Centre for Sustainability of the Built Environment and the local SME construction subsector, through the extensive retrofit challenges faced by the

¹⁵ Brighton & Hove was identified by the Local Futures Group as the third best local authority area to invest in, research published in December 2012.

¹⁶ For example, see <http://www.brightonbusiness.co.uk/html/ni20090403.425404.htm>

city's aging and hard-to-treat private sector housing stock. Similarly there are opportunities to promote the refurbishment of outdated office stock, much of which was built in the 1970s and 1980s, offering the opportunity to reduce carbon footprint via a more environmentally sustainable solution than demolition and rebuild. Although Brighton & Hove doesn't have the potential to exploit the full range of environmental industries, it has these existing distinct strengths in sustainable buildings to capitalise upon.

- 3.3.9 There is evidence of clustering in a number of emerging sectors across the City region (such as environmental industries including renewable energy generation and its supply chain at Shoreham Port). The Strategy seeks to support growth of these clusters, in particular through a network of growth hubs as promoted by the proposed City Deal.

A highly qualified workforce

- 3.3.10 The existence of two good universities with high graduate retention has meant that the City has a well-qualified workforce in comparison to the region (it was recently named number 1 for skills and qualifications by Municipal Journal¹⁷) and national averages, and the projected change is for a reinforcement of this trend. Workforce skills levels are a significant asset to the City and give it a competitive advantage compared with many other similar places as well as an ability to drive growth in the emerging and high-growth sectors which depend on highly skilled employees: the concept of knowledge intensive growth.

Geography of the City: Brighton & Hove in the wider world

- 3.3.11 The City's functional economic area extends well beyond its administrative boundaries (see figure 1.1) and this, together with public sector funding restraint and the new landscape for economic development, is driving co-operation with neighbouring local authorities and with the Coast to Capital LEP. The momentum building behind the emerging Greater Brighton City Region will be fundamental to future success of the City's economy and enable it to contribute significantly to UK economic growth. The willingness to cooperate is already evidenced by initiatives like the newly agreed City Deal, the work to establish an international Biosphere Reserve and the Shoreham Harbour joint area action plan promoted by Brighton & Hove City, Adur District and Worthing Borough Councils. There are also supportive working relationships with East and West Sussex County Councils in relation to Energy Recovery Facilities and a Local Transport Board.
- 3.3.12 The Greater Brighton City Deal proposal aims to deliver significant additional economic growth by unleashing the city region's productivity potential in the eco-tech sector. Stronger links will be sought between the universities' research and development expertise and businesses in the sector. The experience of growth in the Creative, Digital and IT sector will be capitalised upon in this respect. It will aim to increase the supply and quality of modern business space, particularly incubator / grow-on space for SMEs and provide a programme of bespoke support and advice to business. A boost will be sought to housing provision across the City Region and an Investment Board will seek to leverage public and private sector funding to grow the City's economy along these priority lines.
- 3.3.13 If Government agrees to the City Deal programme, there will also be a generic package which will apply. Together these will present significant growth opportunities for the City's businesses, whether start-up, existing, or potential relocations to the area.

Quality of life and ethos of the City

- 3.3.14 The environment, cultural, tourism and leisure offer as well as the geography of the City combine to give a quality of life of which its residents are proud. The existence of the

¹⁷ Municipal Journal, 7 February 2013.

universities and their student population further contributes to both quality of life and ethos of the City. Cultural disciplines, science and applied technology through the universities assist in fusing the creative with the IT sector and are part of what creates the distinctive offer of the City and its value in making it a great place to locate and invest.

- 3.3.15 “Quality of place – particularly natural, recreational, and lifestyle amenities – is absolutely vital in attracting knowledge workers and in supporting leading-edge high technology firms and industries. Knowledge workers balance economic opportunity and lifestyle in selecting a place to live and work. Given that they have a wealth of job opportunities, knowledge workers have the ability to choose cities and regions that are attractive places to live as well as work¹⁸. Brighton has the ingredients and it now has the ambition to become one of Europe’s fastest growing economic city regions.
- 3.3.16 Brighton & Hove’s business community and political leaders embrace its reputation for being different, seeing it as an asset to be exploited in growing the economy and are prepared to use that reputation to promote the City to the outside world.

Opportunities of a more sustainable, low carbon, economy

- 3.3.17 A more sustainable economy would mean more of our needs met from local, renewable and waste resources, giving people a high quality of life and using a fairer share of the earth's resources. This could include:
- Developing the imperatives of energy security, resource efficiency and affordability into jobs and new investment for neighbourhoods, the city as a whole, and the wider City Region;
 - Encouraging businesses in the City Region to reduce carbon in their supply chains and develop more local relationships to create economic opportunities and jobs;
 - Creating more opportunities for employment at all skills levels in the city, to enable local people to participate in economic activity where they live.
- 3.3.18 The Coast to Capital LEP’s analysis and strategic focus is focused on high growth and export orientated businesses. These complement the City Region’s growth sector potential which includes:
- Creative, Digital and IT;
 - Globally competitive eco-tech businesses (technologies and services);
 - An emerging sustainable tourism and eco-tourism offer;
 - Advanced Engineering;
 - Financial and Business services;
 - Health and life sciences;
 - Multi faceted research and development capacity with strong cross over between academic and commercial sectors;
- 3.3.19 Other opportunities to accelerate the transition to a more sustainable, low carbon, economy include:

¹⁸ Richard Florida

- Smart City management systems that improve the quality and delivery of public services at an affordable cost;
- Smart systems that reduce transport congestion, pollution and are energy efficient;
- Technology innovation which reduces the need to travel; and
- Low carbon supply chains, particularly in food and construction.

3.3.20 Continued close collaboration with the LEP will therefore benefit business within the Brighton City Region.

Some challenges remain

3.3.21 Although there are many assets and opportunities which can underpin growth of the City and City Region's economy, there are also some challenges which must be addressed, as some residents continue to face inequality and worklessness. Child poverty, although no higher than the national average, is unacceptable in a city of opportunity.

Skills

3.3.22 The high skills level of graduates has resulted in some people working in roles for which they are over-qualified (sometimes characterised as 'baristas with PhDs') and often not by choice. Coupled with fewer requirements for middle range skills there is less opportunity than elsewhere for people to increase their income as a result of gaining better jobs by upskilling. Of course, the presence of highly qualified employees per se is a good thing – so the effort must be addressed at providing a range of jobs for a range of qualification and skill levels.

3.3.23 Despite significant improvement in 2012, there is a need to continue to raise the educational attainment levels of school leavers in the City in general which will also assist in the process of placing people in roles appropriate for their level of skill.

Equity

3.3.24 Challenges remain in relation to equity in the economy: in tackling inequality, the 'worklessness' agenda including addressing barriers to employment. Actions are already underway through existing initiatives such as the Living Wage Campaign and renewing Fair Trade City status.

Geography

3.3.25 The geography of the City presents challenges in terms of movement of people and goods - in particular along the critical east-west axes across the City Region. Bus patronage has risen at an average of 5% p.a. every year for the past decade but improvements in terms of real-time information, dedicated bus priority lanes and service enhancements must continue or congestion will inevitably become even more of an issue as the economy grows. The business community views congestion as one of its top concerns and the City's Transport Partnership will need to work effectively to maximise resources for investment and generate efficiency savings.

3.3.26 Many actions can only be taken at City Region level or higher so maintaining a close working relationship with the Coast to Capital LEP will be particularly important – especially given the devolution of Department for Transport major scheme funding to Local Transport Boards from 2015 and with £36.3m provisionally available to the LEP for the period 2015/16 – 2018/19.

Housing stock

- 3.3.27 The City faces particular challenges in terms of quantity, supply, affordability and quality of housing stock. It is much more likely to be older, in private tenure, in the form of converted flats, and 'hard to treat' in terms of energy efficiency than the national average. This presents a major opportunity for retrofit for construction SMEs, a critical subsector with growth potential, and would generate many positive outcomes – employment for a highly-skilled workforce, a response to the socio-economic challenges of energy policy and cost and in moving along the path to a low carbon economy.
- 3.3.28 The constraint of housing supply also presents real barriers to labour market mobility and restricts the supply of people to take up new job opportunities, driving up the cost base of the City's workforce and holding back growth in the economy. However, it is important to protect employment land for the significant loss of such sites could risk the City becoming a dormitory town for London commuters.
- 3.3.29 The shortage of land within the administrative boundary requires careful allocation and strategic use of every potential development site. With a limited legacy of derelict or vacant sites, the natural boundaries of the South Downs National Park and the sea effectively define and limit the outward expansion of Brighton & Hove. Therefore, the City Plan [Core Strategy], the blueprint for the next 20 years of development, proposes a delicate balance between housing and employment space. It will be important to view separate sites in a holistic way so they can be developed strategically to maximum advantage and provide for a mix of homes to support the growth and maintenance of sustainable communities, to facilitate growth in the economy and make provision for other essential development such as retail and leisure, health, education and other community facilities. The City Plan seeks to do this in a way which respects and enhances the historic, built and natural environment of the City.
- 3.3.30 Similar constraints to development across the City Region mean that there are unlikely to be easy solutions to these issues. In common with the national trend, development is further hampered by the difficulty of accessing finance, or punitive rates charged by lenders.

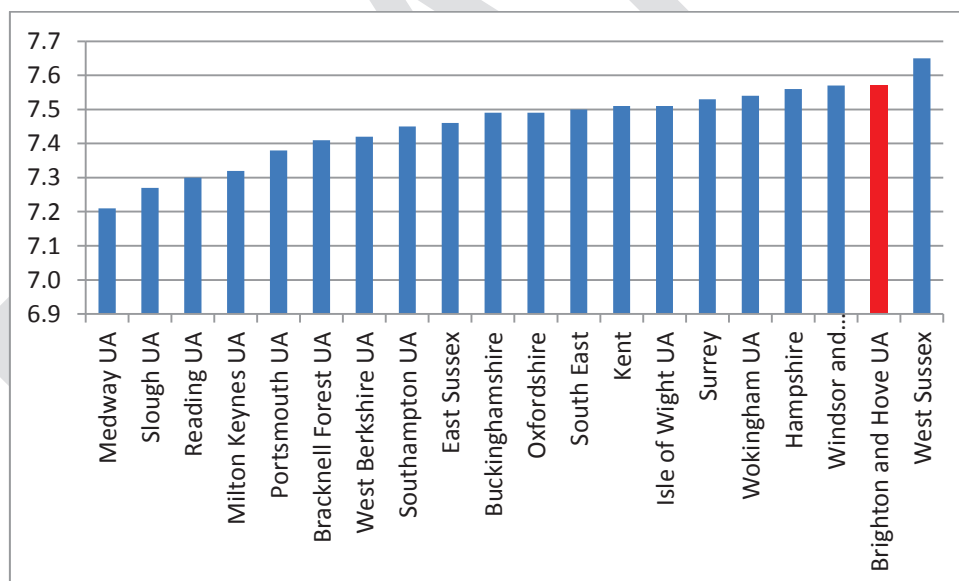
3.4 Indicators of Sustainable Economic Welfare

- 3.4.1 As we have noted Brighton is not a conventional city and its success should not necessarily be measured in conventional ways.
- 3.4.2 We have noted above how Brighton under-performs in terms of GDP and how this seems partly at odds with Brighton being a successful city in terms of being a place where people want to live. In part this may be due to GDP being an inadequate measure of overall economic well-being.
- 3.4.3 GDP is a monetary measure and it is a measure of output. It measures what people produce not what they consume and it captures only market transactions of goods and services. So, for example, to the extent that people are self-sufficient in producing goods and services for their own consumption these will not be captured in GDP. Neither does it capture non-market leisure activity such as walking along the beach.
- 3.4.4 GDP as a measure also contains no distributional element. This increase in GDP can be achieved by increasing incomes of those at the top end of the income scale whilst leaving those low down unaffected. There was some evidence from the last economic boom of a decoupling of the relationship between overall GDP growth and average wages. A report by the TUC noted that over the period 2000-08 labour productivity increased by 1.6% p.a. on average but real wages over the same period only rose by 0.9% p.a.
- 3.4.5 There have been many attempts to establish better or alternative measures of economic activity. Some try to adjust for GDP to take account of factors that GDP does not measure

well, such as quality of services. Others try to introduce wider indicators such as sustainability factors. The Human Development Index, for example incorporates measures on education.

- 3.4.6 One of the most prominent recent exercises of this nature was a commission set up by the former President of France Nicolas Sarkozy. The Sarkozy Commission came up with 12 recommendations (see Appendix B) in an attempt to produce more rounded measures.
- 3.4.7 But despite its short-comings GDP is still an important indicator as it does measure economic output and that is what is used to provide people with material well-being. It is also favoured by the Government and the EU so it is likely to remain a significant measure.
- 3.4.8 There are very few of these measures that have been universally developed and applicable down to the city level so it is difficult to measure how broadly Brighton might compare on such indices. The city may have attained a level of maturity and economic balance with which it is satisfied. The so-called Easterlin paradox states that beyond a certain level of GDP the relationship between income and reported levels of happiness declines markedly.
- 3.4.9 The UK has started to experiment with measures of subjective wellbeing. On these indicators Brighton scores higher than the national average. On one of the four subjective measures, that of Life Satisfaction, Brighton & Hove has the second highest average score of any of the South East authorities, second only to West Sussex.

Figure 4.8 Average Score for 'Life Satisfaction'



- 3.4.10 Brighton has for many years as an economy underperformed in terms of traditional measures such as GDP. But because GDP is an inadequate measure of economic welfare this may not be fully recognising the economic value of the city and at worst risks sending misleading policy signals.
- 3.4.11 The answer is the city needs to truly work out what its overall policy goals are and then work out what measures it needs to monitor in order to track progress towards these goals. But this will require stability and broad agreement over what those outcomes should be and also over what other measures should be. We don't believe it would be a fruitful exercise to try and achieve that consensus as part of this project, but it can form part of the work programme of this strategy.

3.4.12 One of the great values of GDP for all its other limitations is that it provides a clear measure that enables places to be benchmarked against each other both nationally and internationally. And it is still clear that Brighton could achieve a significantly higher output given its level of resources.

3.5 Benchmarking Brighton

3.5.1 For the purposes of this study, it is useful to clarify what economic success could look like for Brighton & Hove. We can do this by identifying cities comparable in terms of size, economy and character, whose local economic development strategy Brighton & Hove can reasonably aspire to emulate in the medium term – particularly in ‘Eco-tech’ related sectors. By focussing this search on European cities, we can also identify potential future partnership opportunities for knowledge exchange and joint funding bids. Such benchmarking should be considered indicative rather than definitive, as Brighton & Hove’s distinctiveness makes direct comparisons difficult: it is a seaside city much more than a port city; a regional centre but not an administrative capital; an economic centre driven more by SMEs than by major employers, and so on.

Criteria for selection

3.5.2 To enable reasonable and useful comparison, each potential comparator city should have the following characteristics:

- Primary urban centre in a small city-region (i.e. not part of an extended conurbation);
- High quality of life, particularly in terms of access to natural landscape resources (e.g. sea, mountains, etc.);
- Distinctive identity, particularly in terms of culture, character, and way-of-life;
- Service sectors dominant in the local economy, e.g. tourism, creative sector, ICT, etc.; and
- Strong local universities and research institutes, with identified specialisms and spin-offs.

3.5.3 Using the above methodology, three cities were selected:

- **Freiburg (Germany)** - Green City, BioTech Region
- **Graz (Austria)** - Design Capital, EnviroTech Region
- **Montpellier (France)** – Mediterranean Technopole

3.5.4 A detailed profile of each of these cities is set out in Appendix C covering economic sectors and institutions and case studies of key local and regional projects.

3.5.5 The key lessons drawn from these profiles are summarised below.

Lessons for Brighton & Hove

3.5.6 Each of the cities cited has benefitted from strong regional policies on the part of state, national and/or federal government, and from a wide range of regulatory and direct powers available to local and city-regional government. Little of these structural factors is currently replicable in England, nevertheless the following lessons can be drawn from the comparator cities:

- **Use a strong sectoral focus to bring together private, public and research partners** with clear goals, shared governance, dedicated development agencies, and programmes focussed on delivery (Freiburg, Montpellier, Graz).
- **Network or ‘bundle’ existing research and production assets** in the city-region and beyond to create centres of excellence, make optimal use of previously existing infrastructure and contacts to industry (Graz), or to fill structural gaps in local expertise or capacity (Freiburg, Montpellier);
- **Concentrate high-tech facilities and support services** in a particular area (Freiburg, Graz) and, ideally, close to major research facilities and ancillary facilities including public transport (Montpellier);
- **Provide a platform for sector-specific events** by using the city’s conference and trade-show facilities (Montpellier), and establish city-regional prize funds to foreground local success and innovation (Freiburg);
- **Use the city and city-region as a demonstrator project** for locally-developed technologies and applications through procurement policies, asset development and joint ventures (Freiburg, Graz); and
- **Continue to develop the city’s character and quality of life as a key part of the locational offer** to attract, develop and retain a highly-skilled workforce (Freiburg, Montpellier, Graz).¹⁹

3.5.7 Strength of leadership is common to all these places and although the legislative and regulatory context is different in each there are common threads in relation to delivering strong executive decision making, having a strong link from strategy through to action and tailoring the strategy to the area’s assets and potential.

Cultivating distinctiveness

3.5.8 In addition to benchmarking Brighton in terms of local economic development, it is useful also to clarify what success could feel like for Brighton & Hove. The city’s heritage as the archetypal seaside town, the quality of its residential neighbourhoods, and its contemporary mix of small- and medium-sized businesses in the creative, cultural and tourism sectors together give it a particular character, identity and quality of life. These factors are critical to the city’s attractiveness as a place to live, work, study and invest, and hence are key to the city’s future local economic development. They must be cultivated in tandem with (rather than be displaced by) other sectoral and strategic managerial interventions in the city.

3.5.9 However, relatively few cities have developed a truly strategic city-wide approach to cultivating distinctiveness. More often such initiatives are focussed in particular neighbourhoods or localities, led by the community, arts and/or business sectors, and tolerated or benignly neglected on the part of city authorities and other stakeholders. Three rare examples of strategic approaches to cultivating distinctiveness on a city-wide basis are presented below²⁰:

- Community-led distinctiveness: Seattle’s Department of Neighborhoods;
- Culture-led distinctiveness: the “Keep Austin Weird” campaign; and

¹⁹ This final point is further developed in the following section.

²⁰ Note, however, that each of these city-regions is substantially larger than Brighton & Hove: Seattle 2.65m, Austin 1.66m, Berlin 4.30m (OECD 2008). Hence each enjoys much greater scope and resources to develop such bespoke city management strategies.

- Business-led distinctiveness: Berlin's "Urban Pioneers" policies.

3.5.10 Each of these examples refers to much larger cities with greater resources and strong metropolitan identities, nevertheless the following lessons can be drawn from the comparator cities:

- Distinctive city policies – e.g. for neighbourliness, 'weirdness' or temporariness – should **respond to existing local character, conditions and interests**, rather than simply overlaying or imposing ideas from elsewhere;
- Each of these approaches is structured directly or indirectly to **perform an important role in local economic development** through supporting local businesses, business sectors and/or the city's quality of life;
- Each of these examples transcends consultation and participation to **invite citizen co-production** of locally distinctive solutions, with significant support from the local authority;
- All the examples **provide a permissive and enabling framework** for action by neighbours, cultural entrepreneurs and businesses, structure partnership approaches between citizens and the private sector;
- Each of the examples help the city to communicate its distinctiveness to citizens and investors new, old and potential , in a way that is easy to **integrate as part of the city marketing strategy**; and
- Character and quality of life are at the heart of each of these examples, and demonstrate ways to **retain and develop these qualities while the city grows** and inevitably changes.

4 Vision and Strategic Objectives

4.1 Vision for Brighton & Hove 2018

- 4.1.1 We used the preceding analysis of assets, challenges and opportunities to devise a vision for the city's economy in 2018 that is specific to Brighton & Hove and reflects what we believe the city wants to achieve.

Vision for 2018

Brighton & Hove will be on the path towards a resilient low carbon economy, known for its creative, digital, information technology businesses, growing environmental industries & services and supported by more sustainable city infrastructure. The unique cultural offer will raise the presence of the Greater Brighton City Region on the international stage and the benefits of growth will be shared by all.

4.2 Strategic Objectives

- 4.2.1 In order to achieve this Vision we have defined a number of Strategic Objectives, into which actions and projects have been placed. The Strategic Objectives respond to the policy context, assets and challenges, and are as follows:

SO1 To enhance Brighton & Hove's distinctive destination and lifestyle offer

SO2 To grow quality jobs and business opportunities in higher value and low carbon sectors

SO3 To better align jobs skills to projected needs and in support of higher value sectors

SO4 To tackle barriers to employment and to create employment opportunities for all

SO5 To establish a strong and influential Greater Brighton City Region

- 4.2.2 For each of the Strategic Objectives, we set out below the rationale for actions, a description of what success will look like in 2018 and suggestions of the range of interventions.

SO1: To maintain Brighton's distinctive destination and lifestyle offer

- 4.2.3 Brighton & Hove's distinctive destination and lifestyle offer is its USP. It is why people want to live in the city and is the basis for creating a city with the skills and investment to deliver economic growth and prosperity. Quality of place therefore matters. Fuelled by labour mobility and increasing personal wealth, many households will have a growing choice as to where they live. These households contain the highly qualified workers that Brighton has successfully attracted and retained "Quality of place – particularly natural, recreational, and lifestyle amenities – is absolutely vital in attracting knowledge workers and in supporting leading-edge

high technology firms and industries. Knowledge workers balance economic opportunity and lifestyle in selecting a place to live and work. Given that they have a wealth of job opportunities, knowledge workers have the ability to choose cities and regions that are attractive places to live as well as work”.²¹

4.2.4 Flows of economic activity are accelerated and more footloose than ever. Traditionally, economic productivity was determined by location (such as natural endowment and property offers), and technology and corporate strength; but since the 1980s/90s, telecoms mean that physical location matters less – and place-based socio-cultural externalities matter more.²² In this highly competitive environment, it is important that Brighton embeds quality economic activity as deeply as possible in the local economy.²³

4.2.5 This shift is further accelerated by the emergence of the internet. Continued investment in the infrastructure to support faster broadband speeds will be necessary in the City, as with all successful places in future, together with three more aspects of these positive externalities:

- The ability to provide locations and context for face-to-face contact – such as a retail offer
- To provide for social and cultural interaction – such as, cafes, restaurants, theatres
- The ability to concentrate labour markets and expertise.²⁴

What would success look like in 2018?

- Brighton remains a popular place where people want to live;
- All sectors of Brighton’s economy have grown and in particular contributions from creative and digital, environmental industries and advanced manufacturing in the wider economic area;
- The visitor economy continues to thrive, including year-round conferencing, festivals and eco-tourism focused on the South Downs National Park and the Biosphere Reserve;
- There are more corporate / blue chip occupiers in the City, both headquarters and R&D divisions without losing the independents;
- There is a robust and real-time evidence base supporting, monitoring and reporting on the City’s key quality of life and sustainability indicators; and
- There will be several iconic developments in place and the highest quality seafront offer will be ‘stretched’ from the West Pier location through to the Marina.

4.2.6 Priority areas for intervention will include:

²¹ Florida, R (2000) *Competing in the age of talent: quality of place and the new economy*

²² Gordon, I presentation to GEMACA
http://www.lse.ac.uk/collections/LSELondon/events/gemaca/Gordon_presentation.ppt

²³ There is some debate about whether it is sensible to say that geographical entities can be said to “compete”. Krugman argues that geographical entities do not compete as if they were ‘Coke and Pepsi’; the analogy is false, as countries have no profit and loss account and effectively function as customers of each other.

²⁴ Amin and Thrift (1992) Neo-Marshallian nodes in Global Networks *International Journal of Urban and Regional Research* v16 p 571-587

- Brighton Re-Invented – 21st century, year-round, business conferencing, retailing & cultural destination
 - Investing in the assets, from providing modern(ised) intelligent workspace to the re-awakening of the Royal Pavilion Estate
 - Stretching the seafront (from the West Pier to the Marina)
 - New Eco-Tourism offer
 - Equipping social & cooperative enterprise for growth
 - Film City
 - Global branding - Made in Brighton
- 4.2.7 Key measures under this Strategic Objective will include tourism spend per visitor, dwell times, and resident satisfaction as well as the alternative indicators of economic wellbeing discussed in the previous chapter.

SO2 To grow quality jobs and business opportunities in higher value and low carbon sectors

- 4.2.8 Brighton has relatively low, but growing, productivity as established in the previous chapter. It needs to lock itself into a new technological growth path. But the city has wider sustainability objectives and thus wishes to ensure this new technological growth path is based on low carbon technologies.
- 4.2.9 James Simmie in a paper for the National Endowment on Science and Technology and the Arts (NESTA)²⁵ puts the role of innovation and change at the centre of explanations of why areas have performed in the way that they do. He suggests that the economic future of places rests to a certain extent on its historic economic “path”. Places are therefore said to be “path dependent”. But equally, there are points when places lose momentum as a result of rising external competition or an internal decline in dynamism. This is the “path decay” phase.
- 4.2.10 According to Simmie, places become path dependent because²⁶
- there are (originally) profits to be made – which leads to firms and consumers being locked-into repetitive patterns of production and consumption, and hence this limits the opportunity for new products and services to make it to the market.
 - Technological (and capital) “lock-in” occurs, where areas are tied to existing technologies;
 - Institutional inertia which includes Governmental, organisational or cultural systems that lag behind economic change. Simmie points out that the development of economies is not just the result of economic factors but also simultaneous “technological, socio-cultural and institutional developments”.

²⁵ Simmie et al (2008) *History matters: Path dependence and innovation in British city-regions*

²⁶ Simmie et al (2008) *History matters: Path dependence and innovation in British city-regions* (5)

- 4.2.11 However, in comparison to many areas the Greater Brighton City region does not have a legacy as a result structural economic change (for example there are no large derelict former manufacturing sites). There is the opportunity for the City to lock itself into a new higher path dependency based on a new wave of technologies – and this is evidenced by the recent strong growth trend. If it misses this wave the City risks being locked into its existing path and risks entering the ‘path decay’ phase.
- 4.2.12 So, it can be seen that the success of the City Deal proposal to develop a network of growth hubs to support high growth sectors, linked to university specialisms would be just this shift to a higher path dependency. The result of this change will be to deliver higher incomes for Brighton residents without negative environmental impact.

What would success look like in 2018?

- Growth in the environmental industries sector has led to the City having an international reputation for low carbon industries based on their high performance and with mainstream business benefitting from spin-off ‘greening’ of its activities (and cost savings as a result);
- Businesses large and small have embraced the need to reduce their carbon footprint, improve their resource efficiency and are actively engaged in initiatives to do so;
- Research and development activities led by the universities have resulted in spin-off companies being established and a burgeoning cluster in the life sciences;
- New incubator space, business support and mentoring have improved the survival rate of new business;
- The local SME construction sector has been stimulated by the scale and urgency of the city’s retrofit challenge, and has expanded, deepened its local supply chains and improved skills; and
- The office stock is rationalised and modernised to meet growth business needs at higher standards of energy and carbon efficiency and with fewer vacancies.

4.2.13 Priority areas for intervention will include:

- Developing a network of growth hubs, to support high growth sectors, linked to university specialisms;
- Support to business networking & R&D in growth sectors including creative, digital & IT and environmental industries & services;
- City Region Growth Accelerator: a bespoke, locally delivered business innovation support programme;
- Exploring opportunities to develop a regional business cluster in ‘Life science’;
- Strengthening business to business & business to customer infrastructure technology & ‘know-how’;
- Stimulating the retrofit construction industry;
- Bespoke government business support & mentoring programmes

4.2.14 Key measures under this Strategic Objective will include the number of additional jobs in the target sectors and the failure rate of new businesses.

SO3 To better align jobs skills to projected needs and in support of higher value sectors

4.2.15 Skills are the key lever of prosperity. Incomes for low skilled labour will fall. Treasury research notes that, over recent decades, there has been a “striking [negative] shift in the employment and earnings prospects of workers with low skills.”²⁷ Unskilled people will find that labour demand for their skills falls, eroding their wage bargaining power.²⁸ Work from the International Monetary Fund concludes that technological improvements (not globalisation) generate these inequalities. Effective use of technology requires a skilled workforce, reducing equality by driving up the wages of the skilled relative to the unskilled. In developed economies, skills premiums will rise, and downward pressure on the incomes of the low-skilled will continue.²⁹

4.2.16 What this highly skilled workforce will deliver is the attraction of leading edge businesses. Providing the right environment for knowledge-intensive jobs will be important. Whilst the public sector cannot necessarily make investments in knowledge intensive industries, it can help to facilitate the creation of environments where this investment can take place, particularly through the universities.

4.2.17 The skills of the workforce and technical expertise in a region are the most important drivers of knowledge-based industry business location choices.³⁰ This is because highly skilled or specialised staff are sourced sub-regionally (as opposed to locally for less skilled staff). The effective labour market for any company is geographically extended by a high quality transport system, which enables companies to be within reach of a larger labour pool within any given commuting time. Developing as a city region can offer this wider and deeper labour pool.

What would success look like in 2018?

- The City remains a key business investment location nationally because of its highly skilled workforce and inward investment flows from this recognition;
- There is a closer alignment of post-graduate qualifications with the skills needs of industry;
- There is a greater range of employment opportunities with lower unemployment and under employment; and
- Fewer people are employed in jobs below the level of their qualifications.

4.2.18 Priority areas for intervention will include:

- Graduate & post graduate placement schemes

²⁷ p8 HM Treasury and DWP (2001) *The Changing Welfare State: Employment Opportunity for All*, London: HM Treasury and DWP.

²⁸ *Helping workers to navigate in 'globalised' labour markets*, OECD Policy Brief, June 2005 and OECD Labour Markets: A Mountain or a Molehill? Chapter 1, OECD Economic Outlook 2005.

²⁹ IMF *World Economic Outlook 2007*

³⁰ quoted DfT (undated) *The Importance of Transport on Business' Location Decisions 91*

- Maintaining the competitiveness of the city as a University destination
- Meeting employer demand for skills – City Region Skills Escalator. A fully integrated skills and employment pathway for people to provide a range of upskilling opportunities through the job spectrum
- Retaining the Graduates
- Skills for the Low Carbon economy
- Local control over regional training contracts to provide bespoke training & skills programmes to meet business requirements.

4.2.19 The key indicators to measure success under this Objective will be the numbers of NVQ4+ qualified workers employed in the city and the rate of productivity.

SO4 To tackle barriers to employment and to create employment opportunities for all

4.2.20 Brighton has relatively low employment rates and despite having a high skilled workforce has a segment of its workforce that is low skilled. The secondary school attainment rate has increased in recent years, but there remains a segment of the workforce that is low-skilled.

4.2.21 The trend in the relationship between skills levels and inequality is relatively clear: pressures from globalisation and the closely associated process of technological change will erode the pay of the lowest skilled. Globalisation and technological change will drive underlying pressures on relative incomes. Unskilled people will find that labour demand falls, eroding their wage bargaining power. In developed economies, skills premiums will rise, and pressure on the incomes of the low-skilled will continue.^{31 32}

4.2.22 Treasury research states that “A key economic driving force behind these trends [in worklessness] has been a striking shift in the employment and earnings prospects of workers with low skills.”³³ The collapse in demand for unskilled workers is not confined to Britain, but is common across the industrialised world.

4.2.23 The aim of this objective is to provide all residents with a foot on the employment ladder and ensure all Brighton residents are able to share in growth. Compared to a person with no skills, research has shown that Level 1 numeracy skills equate to a 2-3 percentage point improvement in the chance of being employed whilst Level 1 literacy can lead to a 10 percentage point higher probability of being employed³⁴.

³¹ Helping workers to navigate in ‘globalised’ labour markets, OECD Policy Brief, June 2005 and OECD Labour Markets: A Mountain or a Molehill? Chapter 1, OECD Economic Outlook 2005.

³² Recent work from the International Monetary Fund attempts to separate the process of globalisation from technological change. It concludes that it is technological change, rather than the capital flows released by globalisation, that generate inequalities. Effective use of technology requires a skilled workforce, worsening inequality by driving up the wages of the skilled relative to the unskilled. See IMF *World Economic Outlook 2007*

³³ p8 HM Treasury and DWP (2001) *The Changing Welfare State: Employment Opportunity for All*, London: HM Treasury and DWP.

³⁴ The returns to academic, vocational and basic skills in Britain, McIntosh, Dearden, Myck and Vignoles, (2000) *Skills Task Force Research Paper 20* – quoted in Leitch Review

- 4.2.24 Clearly, though, training programmes on their own are not likely to be sufficient in overcoming equity problems. Research by the IES for DWP concluded that, “while training can be an important ingredient in any labour market programme designed to help low qualified people find work, it is unlikely to be successful on its own. It needs to be offered in combination with other measures such as support with finding jobs or job placements, perhaps more general career support and advice and, for women in particular, affordable and accessible childcare. Furthermore, the training does perhaps need to be more tailored to local labour market needs.”³⁵
- 4.2.25 Research has identified the issues facing those young adults who are not in education, employment or training (NEET). NEETS are 20 times more likely to commit a crime and 22 times more likely to be a teenage mother. NEETS are estimated to cost the taxpayer an extra £100,000 over the course of their lifetime. As a result, one experienced commentator on this issue has argued that “the potential paybacks for really making a difference to this group exceed the payback you can get from almost any other area of public spending.”³⁶
- 4.2.26 This is a particular issue for Brighton & Hove as research of the 53 largest towns and cities in the Great Britain has placed the city in the High NEET category, with more than 18% of young people aged 16-24 classified as NEET in 2009-10 compared to an average for urban GB of 16.1% - the city ranked 18th out of the 53 cities.³⁷
- 4.2.27 Across the City Region, the responsibilities of carers (of both children and adults) are a significant barrier preventing people from working. Accessing transport for work can also be problematic and effective City Region-wide travel planning can help to address this issue.

What would success look like in 2018?

- Ambition amongst educational providers has been raised to drive up attainment across the board;
- Schools and educational facilities have been improved and attainment raised to beyond the national average; and
- There is greater equity in the City, including fewer people living in poverty, support is available for people in accessing employment, such as those with caring responsibilities, the long-term unemployed, people with physical and mental health issues, and other people that currently experience discrimination.

4.2.28 Priority areas for intervention will include:

- Raising educational achievement through pioneer initiatives (e.g. maths because of the importance of the STEM subjects to high growth businesses)

³⁵ The impact of learning on unemployed, low qualified adults: a systematic review – Institute for Employment Research- Department for Work and Pensions Research Report No. 375

³⁶ news.bbc.co.uk/1/hi/magazine/4158696.stm. Geoff Mulgan became director of the Young Foundation in September 2004. Between 1997 and 2004 he had various roles in government including director of the Government’s Strategy Unit and head of policy in the Prime Minister’s office. He is credited with the discovery of NEETS as a distinct group

³⁷ *Off the Map*, the geography of NEETS, The Work Foundation, November 2011, <http://www.theworkfoundation.com/Assets/Docs/Off%20the%20map%20-%20PEF%20snapshot%20FINAL.PDF>

- Engage employers with schools in shaping pathways to employment
- Enable those out of work to compete in the labour market by ensuring they have the necessary basic skills
- Regional employment travel to work planning & investment
- New affordable housing investment supporting working households
- A 'New Deal' for carers who want to work - ensuring the supporting infrastructure is available to enable workers with caring responsibilities to access job opportunities.

4.2.29 The measures of success will include employment rates and indicators such as child poverty rates (as they are a good proxy for wider inequality in communities).

SO5 To establish a strong and influential Greater Brighton City Region

4.2.30 This Strategic Objective is somewhat different in that it does not derive directly from the City's existing vision but rather is a recognition that the solutions do not lie exclusively within the city's boundaries. Brighton has a functional economic area that extends beyond its boundaries and that there is a need to grow the institutions to match. As demonstrated by Cheshire and Magrini (2005), where administrative boundaries are smaller than the economic areas affected by any decision, economic development can suffer³⁸.

4.2.31 Having the area function better as a city region will help. The BIS paper on Local Growth (2010) cites a, "recent study looking at agglomeration of cities in Great Britain suggests that a doubling in the working-age population within an area is associated with a 3.5 per cent increase in productivity in the area."³⁹ But as the BIS report later notes, "Agglomeration is not simply a matter of size and urban density but of the economic roles and linkages between places."⁴⁰

4.2.32 Local authorities cannot do much, if anything, to

- Affect macro-economic environment, business regulation, carbon markets, higher education;
- Pay for direct intervention (e.g. real-world projects or programmes) in the economy. The days of significant regeneration budgets are effectively over.

4.2.33 But local authorities can be genuinely effective if they

- Plan and regulate entrepreneurially: get the regulations they do control – particularly planning – to be genuinely business friendly, proactive, and pro-development
- Use the new General Power of Competence entrepreneurially - engage in innovative activity to help stimulate growth by beginning to join up new revenue streams, powers

³⁸ Cheshire, P. and Magrini, S. (2005). European Urban Growth: throwing some economic light into the black box. Paper presented to 45th European Regional Science Association Congress, Amsterdam
<http://ideas.repec.org/p/wiw/wiwsa/ersa05p13.html>

³⁹ Puga, D. (2010) The Magnitude and Causes of Agglomeration Economies. Journal of Regional Science. 50(1): 203-219 <http://onlinelibrary.wiley.com/doi/10.1111/j.1467-9787.2009.00657.x/full>

⁴⁰ Understanding Local Growth – BIS (2010)

and local assets, together with a more proactive, longer-term role in development. 'The new General Power of Competence has the potential to create the space where innovative and proactive attitudes to these challenges could be rewarded – with those authorities who are prepared to accept a greater degree of risk or take a more long term stake in local developments, now able to do so more easily'.

- Use new revenue streams entrepreneurially: Community Infrastructure Levy, New Homes Bonus, Housing Revenue Account
- Lead and manage networks entrepreneurially: governance networks matter to growth, improving competitiveness is “a collaborative process involving multiple levels of government, companies [and] educational institutions...a large number of factors impact on competitiveness and hence only a broad coalition can hope to improve [it].”

4.2.34 The draft Brighton & Hove City Deal proposal⁴¹ sets out a range of possible asks of Government with corresponding commitments from the City Region partners. Should the City Deal proceed, success will be dependent upon the adoption of an entrepreneurial approach as discussed above.

What would success look like?

- The economy as a whole has grown and GVA exceeds the [regional and] national averages;
- Key strategic development sites are well into the delivery phase, including Toads Hole Valley, Preston Barracks and Circus Street, leading to a sharp rise in housing delivery;
- The Biosphere Reserve and South Downs National Park stimulate development of the City Region's offers particularly in terms of a world-class environment, tourism and food;
- Collaboration is mature and effective across the City Region and with the LEP. It transcends changes in political administrations and has resulted in a successful City Deal programme and unlocking of funding including the EU Structural Funds and the Single Local Growth Fund from 2015 ; and
- The 'feelgood' factor is high and people are even more proud to live and work in the City.

4.2.35 Priority areas for intervention will include:

- Delivery of the key strategic sites in public sector ownership
- Consolidate City Region leadership governance & Investment Board
- Devise & implement a £ multi-million, 10 year City Region investment programme
- Devise & implement a City Region business growth & investment communications strategy
- Define distinct spatial roles for the component parts of the Greater Brighton City Region

4.2.36 Success will be measured by effective co-operation with neighbouring authorities; having clearly defined spatial roles within the city region and by the establishment of a City Region Investment Programme.

⁴¹ Greater Brighton City Deal, Policy Proposal Paper, draft May 2013.

5 Developing the action plan

- 5.1.1 Consistent with the Greater Brighton City Deal proposal, this strategy identifies the environmental industries sector and the goal of creating a more sustainable city through the use of smart technology, as keys to success. This approach is informed by lessons from the study of comparator cities Freiburg, Graz and Montpellier, where a strong sectoral focus has enabled public, private, and research partners to be brought together with clear goals, shared governance, dedicated development agencies, and programmes focused on delivery.
- 5.1.2 The experience from Graz also suggests making optimal use of existing infrastructure, production assets, research capacity and sectoral networks, rather than committing to the creation of new resources from scratch. This can also enable different locations and settlements to gradually develop specialised roles in building the capacity of the environmental industries sector in the city-region as a whole. All three comparator cities have built this specialist sectoral capacity by concentrating new high-tech facilities and support services in a particular location or development.
- 5.1.3 It is critical to identify those aspects that have the potential to support transformational change in the city economy, and concentrate efforts here. For Montpellier, this involved providing a platform for sector-specific events by using the city's existing conference and trade-show facilities. For Freiburg, it meant providing a modest amount of seed capital to establish a city-regional prize fund to showcase success and innovation of existing local enterprises. For Graz, it meant using the city and city-region as a demonstrator project for locally-developed technologies and applications by modifying procurement policies, development existing assets and extending joint ventures.
- 5.1.4 However there is no-one 'silver bullet' which will deliver this success. Rather the action plan seeks to deliver on the strategic objectives of the strategy through a range of improvements which in aggregate add up to a winning transformation - what Sir Dave Brailsford, Director of British Cycling, has termed the 'aggregation of marginal gains':
- "... small improvements in a number of different aspects of what we do can have a huge impact to the overall performance."⁴²*
- 5.1.5 Many of the initiatives necessary to achieve these often small but in aggregate transformational improvements are already in place. They are set out in a range of existing strategy documents such as the City Employment & Skills Plan and the Sustainability Action Plan.
- 5.1.6 The actions set out in this refresh of the City's Economic Strategy also respond to the austerity agenda and the reduced availability of public (and private) sector funding. They therefore focus upon a more limited series of actions or projects and in particular a small set of project proposals which could be genuinely transformational for the City's economy. A range of possible existing and new project ideas was discussed and considered by the client and consultancy team, as set out in the table below.

⁴² <http://www.youtube.com/watch?v=uCXz2EAVwd0>

Longlist of projects

Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO1: - To enhance Brighton & Hove's distinctive destination and lifestyle offer			
SO1	Investment in internationally competitive conference facilities offering year round growth in conference business	Infrastructure improvements and internal upgrade that meet sustainability standards	Improvements and upgrade to highest standards of sustainability providing an exemplar venue of international significance
SO1	Support the infrastructure and business growth elements of the seafront strategy particularly the arches redevelopment by the i360	New business opening and jobs at a key site on the seafront	New affordable and flexible commercial business space
SO1	Development of a year round programme of events that supports a year round visitor offer	A full year's events programme offering more consistent jobs opportunities within the sector	All new events will be impact assessed against sustainability standards
SO1	Rewakening the Royal Pavilion Estate	Creating a coherent RPE to enhance understanding & appreciation of the Estate and deliver a unique mix of cultural experiences	Long term sustainability of the historic buildings and estate
SO1	Film City. Joint initiative between the city council and the University of Brighton to bring together the significant cluster of film related activity in the city	Increase employment in film media and related sectors	Building the cluster will help to attract new business and therefore sustainable jobs
SO1	<i>Made in Brighton</i> : Music industry focussed around maximising the opportunities for local music business	Establish Brighton as a centre for music and develop local sector	Building the cluster will help to attract new business and therefore sustainable jobs

Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO2: - To grow quality jobs and business opportunities	Business & Innovation Support	in higher value and low carbon sectors	Job growth in low carbon sectors
SO2	Business & Innovation Support	CDIT sector job growth	Job growth in low carbon sectors
SO2	Eco Tech Growth Hubs; a network of growth hubs to support high growth sectors, linked to University specialisms	Increased employment in eco tech sectors, contribution to sector GVA, closer collaboration between Universities & businesses	Growth in low carbon sectors working with the city's universities to plan for future environmental industries business growth
SO2	Circus Street redevelopment, including new university library and teaching building	New office floorspace to accommodate higher value sectors	Development in accord with OPL principles
SO2	Environmental Industries Umbrella Group	Increased employment in eco tech sectors,	Growth in low carbon sectors
SO2	Universal retrofit	Increase employment in construction sector; improved quality of housing stock; reductions in fuel poverty	Reductions in CO2 emissions and waste
SO2	Business Resource Efficiency	Lower Energy Bills	Reductions in CO2 emissions and waste
SO2	Sustainable materials		Sustainable Procurement
SO2	Sustainable energy	Lower Energy Bills	Reductions in CO2 emissions and waste

Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO3: - To better align jobs skills to projected needs and in support of higher value sectors SO3	Fully integrated skills & employment pathway for people of all qualification levels	Business led skills provision will drive economic growth and improve productivity across the workforce	Fully integrated skills & employment pathway for people of all qualification levels

Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO4	SO4: To tackle barriers to employment and to create employment opportunities for all Raising Achievement in Maths' - enhancing a city wide project to address an identified area of weakness by placing maths in more applied contexts particularly in relation to business and enterprise	Citywide increase in pupil attainment at key stage 4	Improved employment for local people leading to greater equality in the labour market
SO4	Living Wage Campaign: Increase uptake amongst businesses	Higher proportion of B&H businesses adopting the living wage standards	Increased social equity and a measured contribution to tackling inequality

SO5: To establish a strong and influential Greater Brighton City Region			
Strategic Objective	Project Description	Outcome	Contribution to economic sustainability
SO5	Unlock key development sites to create business development and innovation space	New Innovation space in the New England Quarter and Preston Barracks	Innovation spaces will support knowledge intensive sector growth
SO5	Unlock development sites to address housing commercial development needs and grow the City's economy	Investment secured for Patcham Court Farm, and the King Alfred Leisure Centre	Sustainable business growth and jobs
SO5	Establish the City Region Investment Board	Secure investment for infrastructure development and training	New sustainable approach to investment combining central and local authority assets with LEP and other private sector investors in order to unlock development
SO5	New Homes for Neighbourhoods	New homes on council owned land and estates	Highest standards of sustainability

5.2 Prioritising a short list

- 5.2.1 A prioritisation framework was then applied to the projects in the long list in order to arrive at a short list of transformational projects which form the focus of the action plan. The criteria in the prioritisation framework include the following:
- Fit with strategic objectives including sustainable development and the *One Planet Living* Framework;
 - Desired focus on ‘transformational’ projects not already being taken forward;
 - Outputs and outcomes;
 - Potential funding sources, leverage of private sector investment and value for money.
- 5.2.2 The following table sets out brief details of each of the projects in the long-list. The prioritisation matrix detailing the scoring of projects is at Appendix D. There is also detailed proforma at Appendix E setting out the proposed scope of the above shortlisted projects, deliverables, outputs and outcomes, funding (including potential leverage) and fit against strategic objectives, including the One Planet Living principles.

Table 6.2: Final Shortlisted Projects

Strategic Objective	Project Description
SO1	Investment in internationally competitive conference facilities
SO2	Green Growth Project Fund
SO2	Eco Tech Growth Hubs
SO3	City Region Skills Escalator
SO4	Citywide Maths Project
SO5	City Region Investment Board

- 5.2.3 These projects have the greatest scope for transformational impacts upon the City’s economy. Coupled with the projects in the long-list and the range of existing initiatives covered by each of the five strategic objectives, the City’s economy will grow to meet the opportunities and rise to the challenges it faces in the coming five years. At the end of the period, the economy will be stronger and more sustainable. Brighton’s residents will be wealthier, there will be less inequality, skills levels will have been raised and collaboration across the City Region will have increased to the benefit of all.

PBA / Bioregional Consultancy Team

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