

Brighton & Hove City Council

Cabinet

Agenda Item 30

Subject: An Economic Plan for Brighton & Hove 2024-27

Date of meeting: 18 July 2024

Report of: Cabinet Member for Finance and City Regeneration

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Ward(s) affected: All

Key Decision: Yes

Reasons Key: Is significant in terms of its effects on communities living or working in an area comprising two or more electoral divisions (wards).

For general release

1. Purpose of the report and policy context

1.1 This report is to seek approval from Cabinet for the Economic Plan for Brighton & Hove, which strongly aligns with core outcomes 1, 2 and 3 of the Council Plan 2023-27, as explained in Table 1 below.

2. Recommendations

2.1 Cabinet agrees to recommend to Full Council that the Economic Plan (attached as Appendix 1) is adopted as part of the delivery of the Council Plan 2023-27.

3. Context and background information

3.1 In the six years since the Economic Strategy (2018-2023) was written, there have been fundamental changes in both the national and local economy. A new plan is needed to respond to a significantly different economic and political environment, to enable the city to be in a stronger position to respond to new challenges and opportunities. The aim is to support our residents and businesses in line with the Council Plan.

3.2 An Economic Plan for Brighton & Hove has been developed for the city as a whole providing a common goal and purpose that partners and stakeholders can work towards. This has been informed by extensive engagement (see Section 5) and will help support the delivery of Outcome 1 (a city to be proud of) in the Council Plan 2023-2027, as well as Outcome 2 (a fair and inclusive city) and Outcome 3 (a healthy city where people thrive). Delivering a fairer, greener and more productive economy strongly aligns with specific goals within the Council Plan as shown in Table 1 below.

Table 1: Alignment with the Council Plan 2023-2027

Outcome 1: A city to be proud of	
Investing in our city	Alignment with Economic Plan
Grow a diverse and sustainable city economy	<ul style="list-style-type: none"> The Economic Plan sets out eight key 'imperatives' to grow the city's economy over the next ten years, with a specific focus on actions that can be taken forward to 2027. The Plan specifically seeks to support micro and SMEs to scale and grow, creating more jobs for city residents and building increased community wealth.
Promote and protect what makes Brighton & Hove unique	<ul style="list-style-type: none"> The Plan highlights the role of Brighton & Hove as a vibrant, creative destination, reflecting the importance of the visitor and creative economies to the city and celebrating entrepreneurship, and identifying opportunities for growth. The Economic Plan identified the opportunity to better celebrate Brighton & Hove and promote the city to external investors that will contribute to economic growth.
Outcome 2: A fair and inclusive city	
An inclusive and fairer city	Alignment with Economic Plan
Work to reduce inequality	<ul style="list-style-type: none"> The Plan recognises that the city has areas of deprivation and communities that need to be supported to increase involvement in development of the economy.
Outcome 3: A healthy city where people thrive	
A better future for children and young people	Alignment with Economic Plan
Work with partners to deliver ambitious employment, training and apprenticeship opportunities	<ul style="list-style-type: none"> Building a stronger and more inclusive labour market is a key aspect of the Plan. It is recognised that this will be achieved through collaboration with partners and supporting the development and delivery of the emerging City Skills and Employment Plan.

- 3.3 In addition to the Council Plan, the new Economic Plan complements and aligns with other council strategies and policy documents, including the emerging City Skills and Employment Plan (aligning with the focus on 'building a stronger and more inclusive labour market') and the draft Housing Strategy (aligning with emerging actions to decarbonise council homes as a key component of the wider economy, as well as shared priorities around promoting economic and social wellbeing within our estates and neighbourhoods).
- 3.4 The new strategy will cover three years from 2024 to 2027. It includes priorities for the city's economy and an Action Plan that builds upon the city's economic strengths. It seeks to capitalise on opportunities for growth and areas of shared economic identity across the Greater Brighton City Region.
- 3.5 The final draft version of the Economic Plan is attached as Appendix 1. The plan is supported by an Action Plan which proposes a set of focused actions for the first year of delivery. This is attached as Appendix 2. The Plan's development has been informed by a robust Evidence Base (Appendix 3). An Equalities Impact Assessment (EIA) has also been prepared to accompany the Economic Plan.

Our Approach

- 3.6 A robust and extensive consultation exercise was undertaken with a broad range of stakeholders, comprising thematic sector-focused groupings, two engagement sessions focused on some of the city's more deprived communities, one-to-one/group interviews, presentations to the Brighton & Hove Economic Partnership and submissions from organisations and individuals in the private, public and third sectors. In total, it is estimated that over 300 stakeholders have been engaged in the plan's development, which is a significantly greater number than in 2018 and reflects the desire to engage as widely as possible during plan development.
- 3.7 The Evidence Base provides a snapshot of available data on the performance of the Brighton & Hove economy, the challenges the city faces as well as the opportunities that exist for growth. The Evidence Base highlights that Brighton & Hove has brilliant small businesses and, in the last five years, has seen an increase in larger employers.
- 3.8 The number of jobs in our digital and creative sectors has grown by over 35% since 2015 and the survival of new businesses is high, with 44% of new businesses surviving over 5 years. This resilient, digitally enabled small business community is at the heart of the city's competitive advantage looking into the future.
- 3.9 The city's visitor economy has bounced back from the impact of Covid and Brighton & Hove's brand has been boosted by an internationally renowned football club, growing tech conferences and a broadening festival offer. Brighton & Hove has all of the ingredients to be one of the best small cities in the world.

A Vision for Economic Growth

- 3.10 Together, this research has led to the creation of an Economic Plan covering three years with the aim to build on Brighton & Hove's strengths and adapt to a better future, delivering an economy that is fairer, greener and more productive. This is supported by an initial 12-month Action Plan that sets specific activities to commence the journey to achieving the ambitions of the new Economic Plan and provides the foundation for how the council and its partners will engage to support, diversify, adapt and grow the economy of Brighton & Hove over the next three years.
- 3.11 The Economic Plan seeks to recognise the challenges the city faces, as well as the shared ambition of our partners to work differently to reflect this context. It is developed around the idea of a new economy for Brighton & Hove, a ten-year journey to becoming a city which is more competitive, productive, fairer, and greener.
- 3.12 It recognises that the city is well placed to thrive in activities which will be critical to the UK and that this can be undertaken in a way which is more inclusive and equitable, accelerating our journey to net zero. It is underpinned by Community Wealth Building principles, and the ambition to

see a just transition and greater social purpose embedded in the approach to the economy.

- 3.13 The Plan identifies the areas where there is potential and headroom for economic growth and new investment; aspiring for the city to be world renowned in existing and emerging strengths. It promotes the scaling of small businesses, alongside new approaches to celebrating and marketing the city. Importantly, it recognises the missed opportunities created by inequality and the ambition to enable more of the city’s communities to be more active in our economy.
- 3.14 It is important to note that the Economic Plan will not be delivered solely by Brighton & Hove City Council. It is underpinned by new partnerships and approaches, which explicitly challenge and evolve from how we have worked in the past. It recognises that Brighton & Hove should define its own economic future, that we are a genuinely unique city in the national context and that this can work to our advantage.
- 3.15 The Plan also looks beyond the shorter term, identifying eight longer-term drivers to guide economic thinking. These 10-year ‘imperatives’ are considered vital for delivering economic growth, creating prosperity and improving quality of life, and are set out in Table 2 below.

Table 2: Longer Term Drivers for Economic Prosperity

By 2027 Brighton & Hove will have a fairer, greener, and more productive economy	
Our Strategic Journey	By 2027 we will have...
Capitalise on our digital comparative advantage	Worked with existing companies (including micro and freelance) to better focus Brighton & Hove’s role in a future economy, whilst helping to de-risk diversification, decarbonisation and growth
Build community involvement as a response to poverty and economic inequality	Given local people greater opportunity to influence neighbourhood economies as a foundation for greater participation in Brighton & Hove’s economy
Decarbonise and create a more regenerative economy	Ensured that decarbonisation is an acknowledged priority across our economy, creating a more circular and regenerative economy for the city
Build a stronger, more inclusive labour market	Ensured residents and employers benefit from the provision of employment and skills support which is linked directly to the needs and opportunities within the local economy
Celebrate our city and welcome investment	Radically improved our external proposition, international profile and investor experience, to deliver enhanced levels of investment in the city
A world-leading creative destination worthy of the UK’s best small city	Celebrating and promoting our role as a creative destination; altering perceptions and protecting core visitor, seafront, leisure, sport, green spaces heritage and creative & cultural assets
Build new knowledge partnerships to benefit all of our communities	Developed a closer three-way relationship between universities, council and business. Driving knowledge exchange and tackling the city’s prevailing challenges
Thrive within a city region with a clear economic identity	Created a shared economic vision with our neighbours and a shared long-term plan of action for the City Region economy

Opportunities for an Evolving Economy

- 3.16 The make-up of the economy is changing and we need to consider and adapt to the type of activities which might thrive in the future. The Centre for Cities (with HSBC) has identified a definition of a new economy, based on 47 technologically advanced sectors which they believe will be of critical importance to the UK. They say: “the new economy encompasses knowledge-intensive sectors at the very forefront of new technologies and innovations including software, robotics, telecommunications and gaming. Fuelling these sectors is central to improving the UK’s productivity and prosperity, and to the development of the national economy.”
- 3.17 In relative terms, Brighton & Hove is very well placed to capitalise on this. The city has more clustering of new economy activities than other UK cities and falls behind only London, Reading, Milton Keynes and Cambridge in terms of the concentration of new economy firms.
- 3.18 This, along with high rankings on perception, enterprise and inward investment assets suggests that the raw materials exist for the city to evolve, grow and to be a much more significant contributor to the UK economy, as well as for local jobs, skills and growth.
- 3.19 However, the route to a more prosperous Brighton & Hove will not be achieved purely by backing these emerging strengths.
- 3.20 Brighton & Hove needs to seek balance, supporting both new and existing sectors which already employ local people in accessible, established jobs. The visitor economy, alongside cultural and creative sectors, is well-established, collectively employing tens of thousands of residents, contributing to the identity of our city.
- 3.21 Similarly, the city’s education sector is a comparative strength, bringing new people and ideas to the city, as well as supporting significant employment. These sectors play an important role both in supporting an ecosystem which is attractive to inward investment and growth, celebrating Brighton & Hove and welcoming more new people and perspectives to the city.
- 3.22 Brighton & Hove’s recent and historic success is underpinned by proximity to major international gateways (Gatwick Airport, Shoreham and Newhaven Ports) to the city, delivering visitors, freight and investment. This will continue to be a foundation in the city’s evolution. The ability, to meet and trade will remain, critical and Brighton & Hove’s ability to operate as a genuinely accessible global hub, should remain a competitive advantage.
- 3.23 It is essential that the city focuses upon the economic opportunities alongside tackling inequality and navigating the climate crisis – a new fairer, greener and more productive economy.

4. Analysis and consideration of alternative options

- 4.1 No alternative options were considered.
- 4.2 It was considered vital to prepare an Economic Plan for the city to reposition itself and remain competitive, particularly in light of the cost-of-living crisis and the new and existing opportunities and challenges facing the economy.
- 4.3 The development of a new Economic Plan also aligns with government guidance following the integration of LEP functions within Upper Tier Local Authorities. This requires the council to develop a local economic plan that analyses the competitive advantages and challenges of local areas, alongside opportunities for growth over a 10-year period¹.

5. Community engagement and consultation

- 5.1 It is important the Economic Plan is owned by partners and stakeholders from across the City and City Region.
- 5.2 A robust and extensive consultation exercise was undertaken with a broad range of stakeholders, comprising thematic sector-focused groupings, two engagement sessions focused on some of our more deprived communities, one-to-one/group interviews, presentations to the Brighton & Hove Economic Partnership and submissions from organisations and individuals in the private, public and third sectors. In total, it is estimated that over 300 stakeholders have been engaged in the plan's development, which is a significantly greater number than in 2018.

6. Financial implications

- 6.1 There are no direct financial implications arising from the recommendation in this report. The cost of developing the Economic Plan has been funded from existing Economic Development budgets. Any financial implications associated with the delivery of the actions set out in the Plan will be assessed within relevant future reports or business cases and appropriate approval for funding will be sought where required.

Name of finance officer consulted: John Lack Date consulted: 13/06/2024

7. Legal implications

- 7.1 There are no direct legal implications arising from this report.

Name of lawyer consulted: Siobhan Fry Date consulted: 17/06/2024

¹ [Guidance for local authorities delivering business representation and local economic planning functions - GOV.UK \(www.gov.uk\)](https://www.gov.uk/guidance/guidance-for-local-authorities-delivering-business-representation-and-local-economic-planning-functions)

8. Equalities implications

- 8.1 A key principle in the Economic Plan is to promote inclusive growth in the city. An Equalities Impact and Outcome Assessment (EIA) has been prepared for the Economic Plan identifying where work can be effectively focused to maximise benefits for diverse and vulnerable groups. The Council will oversee and monitor progress of the Economic Plan and the supporting Action Plan against the EIA.

9. Sustainability implications

- 9.1 The Economic Plan will contribute towards the City Council's ambitions in response to the climate crisis. The Plan has a 10-year imperative to prioritise decarbonisation and create a more circular economy as a robust response to climate change. Its key principle is to ensure business support and engagement activity has some focus on the transition to net zero, working with larger businesses, investment partners and anchor institutions to continue to mainstream this work within our economy.

10. Health and Wellbeing Implications:

- 10.1 Studies have repeatedly linked unemployment to the deterioration of health. Improving the economic prospects of the city's residents through the development of an Economic Plan that seeks to create a fairer, greener and more productive economy is likely to contribute to improving the well-being of the city's residents. A key element of the plan is to promote inclusiveness and reduce inequalities across the city in relation to economic growth.

Other Implications

11. Crime & disorder implications:

- 11.1 Studies have repeatedly linked unemployment to rising crime and the deterioration of health. Improving the economic prospects of the city's residents through the development of an Economic Plan may contribute to reducing crime and anti-social behaviour.

12. Conclusion

- 12.1 Cabinet is asked to recommend to Full Council the adoption of the Economic Plan and associated Action Plan. This provides a work programme to progress the city towards a fairer, greener and more productive economy, working together with external partners to grow the city's economy and create wealth for our communities.

Supporting Documentation

1. Appendices

1. An Economic Plan for Brighton & Hove: Fairer, Greener, More Productive 2024-2027

2. Supporting Action Plan covering the first 12 months
3. Brighton & Hove Evidence Base – to inform the development of the Economic Plan

2. Background documents

1. Equalities Impact Assessment