

South East Coastal Strategy

Draft Framework for a Coastal Strategy

Interim Paper

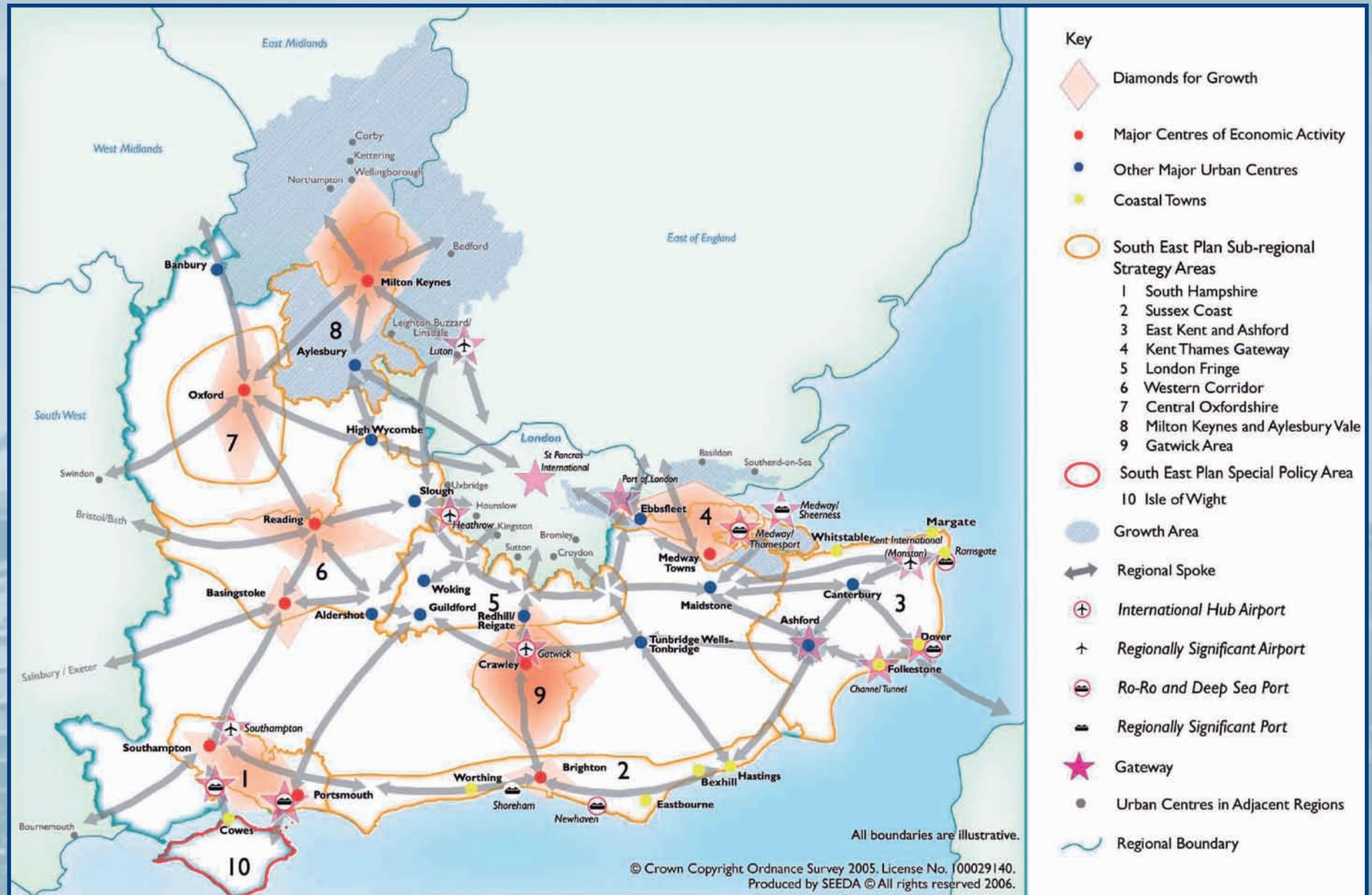


April 2006



The Coastal South East is characterised by some of the country's cleanest beaches, major environmental assets such as the Downs and the Channel Coast, a number of coastal cities and towns each with their own distinctive character and history and world class universities. Yet it is also an area of substantial untapped economic potential, characterised by:

- Low productivity relative to the South East and, in some cases, the UK
- Generally lower economic activity and employment rates
- High concentrations of economic inactivity and higher 'structural' unemployment rates
- Relatively low skills in its workforce
- Lower business density and business start-up rates in most below the UK average
- More traditional industrial activities, including lower value added manufacturing and tourism and seasonal employment
- High dependence on public sector employment, over 80% in places
- A low proportion of employment in knowledge-based sectors, especially in the private sector
- Less favourable demographics: a greater proportion of people already over retirement age and projections of further ageing
- Relatively poor infrastructure and connectivity



Why do we need a South East Coastal Strategy?

The new Regional Economic Strategy (RES) for the South East has identified the South East coast as a treasure chest of economic potential. If we could lift the performance of the South East coastal economy to the UK average we would deliver huge gains for UK plc.

The draft RES takes a fresh look at the strategy for this large and diverse part of the region. Not only is this important for the South East, but for the strategic approach to coastal areas everywhere. On 16th May 2006, the Office of the Deputy Prime Minister (ODPM) is hosting a national conference of coastal cities and towns in Brighton to explore these issues.

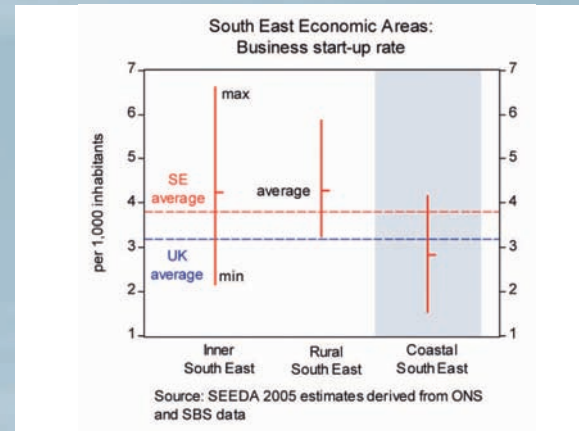
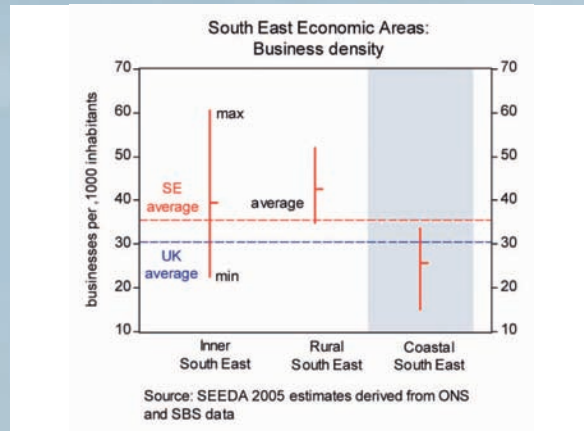
The South East is a large and diverse region, with two consistent themes emerging from the available evidence base. Firstly, the South East is a region that, overall, consistently outperforms the UK average on a wide range of measures of economic wellbeing. Secondly, it is clear that averages can be as misleading within regions as between them. The South East includes a number of underperforming areas, with substantial numbers of individuals and communities achieving below their potential – a potential that is lost to the South East and the UK economy.

The evidence points towards the existence of three broad economic areas that help understanding of the South East economy:

- 1. The Inner South East** – a relatively wealthy core around London, where a strong relationship with a Global City sits alongside centres of economic vitality as strong as any in Europe, delivering much of the region's 'world class' performance.
- 2. The Rural South East** – with well-established market and county towns providing a focal point around which economic activity may cluster and spread, but with networks more effectively developed in the West than in the East, and with dispersed pockets of rural deprivation.
- 3. The Coastal South East** – a less prosperous periphery, with large urban areas offering strong economic potential alongside coastal towns that so far have had mixed success in reinventing themselves.

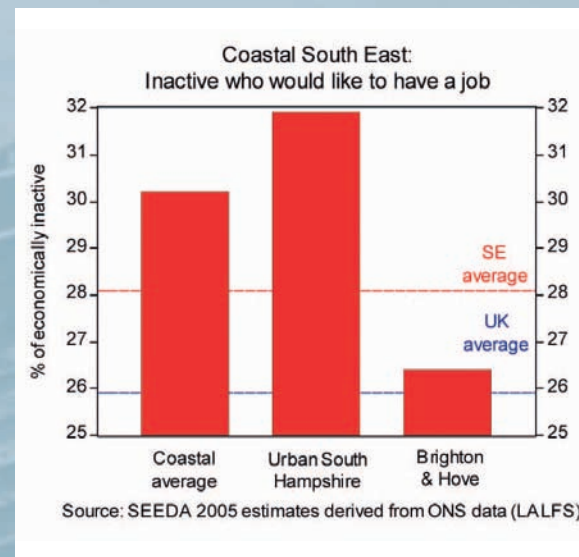
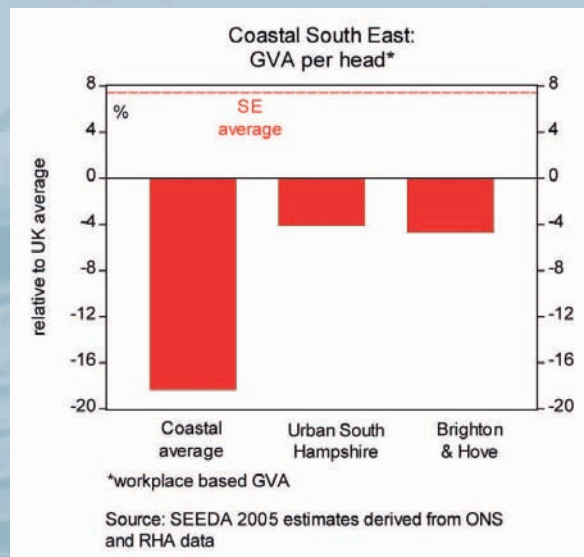
The Coastal South East is also closely associated with the Thames Gateway Growth Area, the largest regeneration project of its type in Europe. The Ashford Growth Area also offers great potential, building on its strategic location as a gateway to Europe.





Within this area Urban South Hampshire (including Portsmouth and Southampton) and Brighton & Hove are diamonds for growth – major centres of economic activity, with the potential to play a key role at the heart of their respective city regions.

Already, the Partnership for Urban South Hampshire has in place ambitious and well-developed plans for growing its economy. In addition the string of pearls – coastal towns which are either transforming themselves or in need of transformation to become major regional assets – comprise Cowes, Worthing, Eastbourne, Hastings & Bexhill, Folkestone, Dover, Ramsgate, Margate and Whitstable.



It is the concentrations of people, employment, built assets, knowledge, transport, networking, creativity, leisure facilities, culture and diversity that give these cities and towns the potential to be economic catalysts. This potential needs to be reinforced by selective infrastructure investment as a stimulus to further economic growth.

The cities and towns of the Coastal South East vary in their economic performance, with differing opportunities and potential for the future. However, each faces the three key challenges that confront the South East as a whole, namely:

- **Global Challenge** – responding to the rise of new economic powerhouses in China and India by raising skills levels, creating a new spirit of enterprise and upgrading the existing economic base.
- **Smart Growth** – driving up productivity by focusing on innovation and creativity, bringing more residents back into work and establishing a skills escalator to achieve more with existing assets.
- **Sustainable Prosperity** – recognising and maximising the competitive advantage offered by quality of life and huge environmental assets, while responding to the challenge of climate change and the need to find new solutions for managing energy, water and waste.



It follows that solutions will need to address the particular issues in each urban area, but key priorities will be to:

- **Strengthen strategic leadership**, encouraging joint working across boundaries in recognition of the need to look at the economy and the effect on its hinterland. Both of the diamonds in the Coastal South East cross Local Authority borders, where already we are seeing strong collective leadership, such as in the Partnership for Urban South Hampshire.
- **Support business start-ups, collaboration** between small businesses and work with businesses on **innovative working practices** and **simplification of business support**. Already the three universities in Urban South Hampshire are collaborating with business on innovation and knowledge transfer through the Solent Synergy Project.
- **Release the enterprise potential of creative and tourism industries** and expand the cultural offer.
- **Raise educational attainment and aspirations**, including a comprehensive approach to enterprise education and improved access to Higher and Further Education.
- **Improve access to workplace learning** for low-skilled, low-paid, low-status workers to enable labour market progression, and work with employers and other support agencies to bring the economically inactive back into work and training.
- **Redevelop brownfield land** ensuring that employment land is retained. Refurbish existing stock and provide new and flexible employment space.
- Create cities and towns where people choose to live by investing in an **urban renaissance**, redeveloping and regenerating key town centres to spearhead the development of the local economy.
- **Improve connectivity** along the coast and with key hinterlands and London. Specific priorities are the South Coast artery (M27/A27/A259), Thames Gateway and Solent-Midlands A34 corridor.
- **Improve the efficiency of connections between the major ports** of Southampton, Portsmouth and Dover **and the rest of the UK** through a series of transformational actions such as the proposed Solent-Midlands rail gauge enhancement.
- Creation of cultural change to **bring back civic pride** amongst all sections of the community and encourage effective and bold leadership through the relevant local, sub-regional and regional processes.
- **Maximise the connectivity along the coast** both in terms of infrastructure and sharing ideas and best practice as part of a larger coastal strategy, including building on best practice from Europe.
- Stimulate the development of wireless Broadband to **transform the way people work** and promote ways of working that reduce the reliance on travel.
- **Market coastal cities and towns** as attractive locations for **inward investment**, stress the improving quality of their 'offer' to potential investors.

How much benefit can we deliver?

The work done by SEEDA and its partners to build the evidence base for the South East RES has demonstrated in stark terms that there is substantial untapped economic potential in the Coastal South East.

Therefore, this is the area where public sector intervention is needed to address causes of economic underperformance. The success of public sector intervention over the long-term could potentially lead to a significant increase in the welfare of the local population, and bring large benefits to the South East economy and the UK plc.

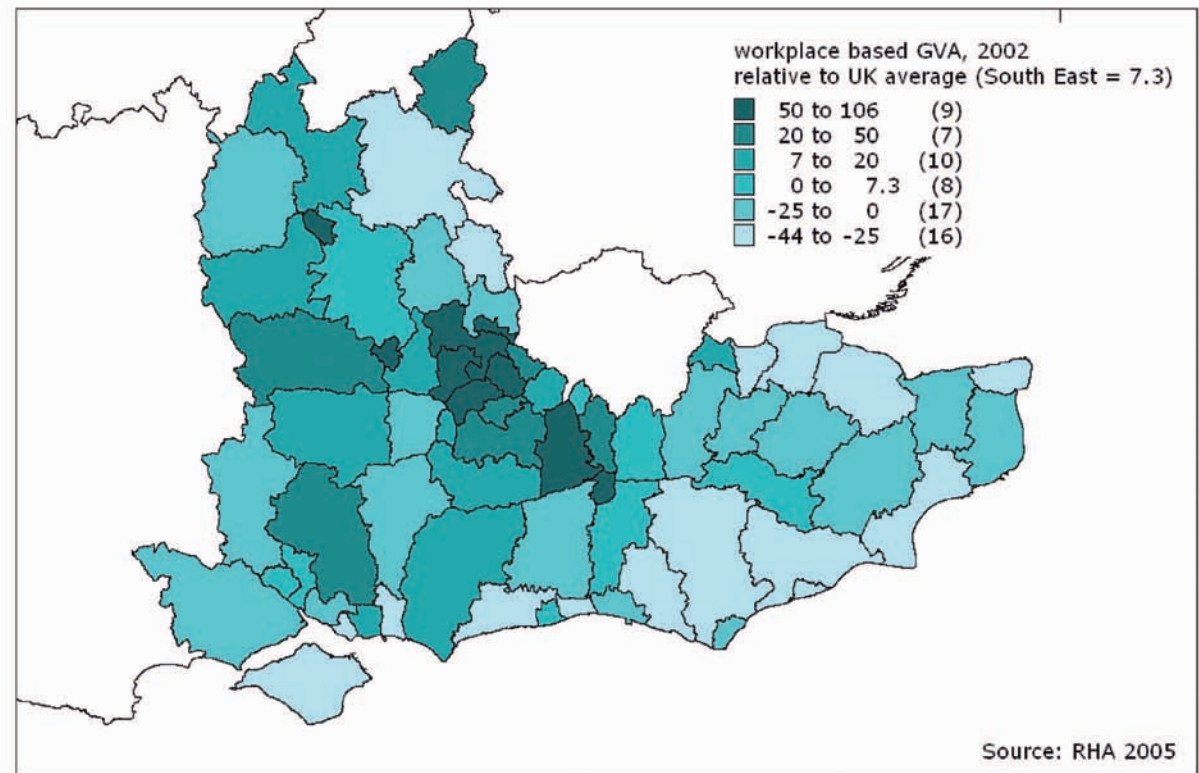
If we could lift the economic performance of the Coastal South East just up to the UK average, SEEDA estimates indicate that we would deliver up to an extra £13 billion GVA per annum to the UK economy by 2016.

The RES identifies the untapped economic potential of the coastal towns and cities in the South East as one of the three key elements of future sustainable prosperity and will set out a strategy which will include bringing into employment some 40,000 of these current residents of the Coastal South East who are not currently in work to achieve just this.

The coastal areas have a GVA per head 18.4% lower than the UK average, whereas the South East ranges at 7.3% above the national average. A closer look at the demographics shows that the coastal areas tend to have a greater proportion of retired people than the South East, which tends to depress GVA per head estimates. Exceptions are the large urban areas, such as Southampton or Brighton & Hove,

which have greater proportion of younger population. This is also reflected in higher economic activity rates in these areas.

Keeping young people in the coastal region, maximising the potential of the older workforce and providing a high quality of life including cultural activities, learning and employment opportunities is vital to increase the economic potential along the South Coast.



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How do we do it?

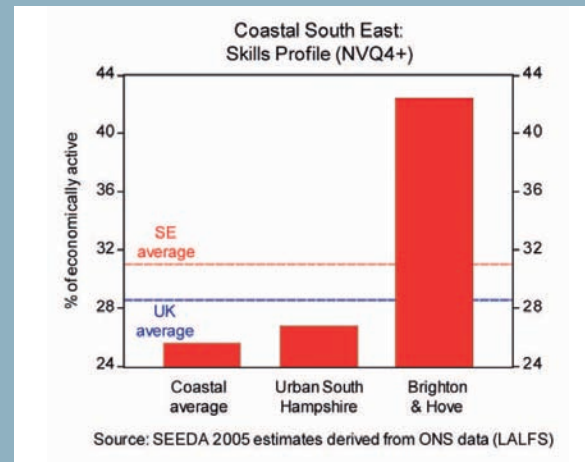
The draft Regional Economic Strategy will establish a framework to guide action and inform decisions. SEEDA will work with its partners on a South East Coastal Strategy that will be published alongside the final RES document later this year.

A comprehensive approach is needed to release the untapped economic potential, including measures to raise skills levels, to provide business support and to improve infrastructure/connectivity.

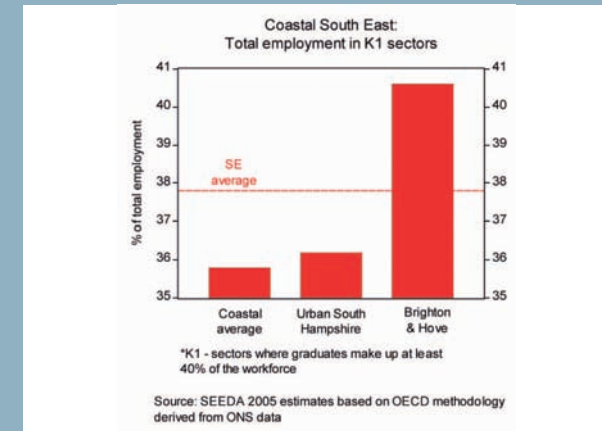
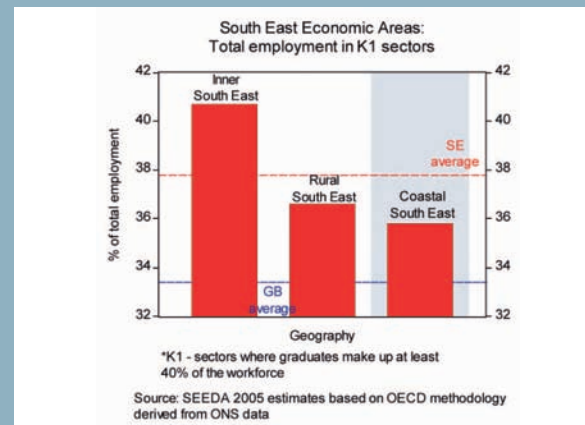
In order to address the diverse potentials and challenges facing the Coastal South East, both overall coherence and a variety of locally-driven approaches will be needed. These must address social and environmental frameworks as well as economic opportunities, embracing new interventions beyond the traditional ones of physical renewal and community support. Instead, the coastal strategy will need to focus on maximising economic potential and the differing opportunities presented by:



- **Skills-led growth** – removing persistent pockets of low skills attainment, providing an escalator of skills and increasing access to higher education.



- **Innovation and creativity-driven growth** – maximising the potential of existing technology clusters, e.g. marine technology, and recognising the increasing importance of high value manufacturing and knowledge-based supply chains.



- **Housing-led growth** – enabling cities and major urban areas, constrained by the sea, to reach their potential by investing in key infrastructure housing development.
- **Connectivity as the basis for growth** – addressing the remaining transport bottlenecks on the South Coast; ensuring efficient global connections to major ports and across the UK; developing and connecting expanding regional airports; and maximising the potential of next generation Broadband.
- **Culture and leisure-based growth** – using the strength of a seaside pleasure culture and its attractiveness to creative industries as a catalyst for wider economic transformation.

Releasing the economic potential of the South Coast can be achieved by building the potential of the existing population and by identifying a few selected **transformational investments** to develop the skills base and support the infrastructure of innovation, enterprise and connectivity.

The strategic priorities for the coastal area are the two diamonds for growth – Southampton & Portsmouth and Brighton & Hove – and the string of pearls – Cowes, Worthing, Eastbourne, Hastings & Bexhill, Folkestone, Dover, Ramsgate, Margate and Whitstable.

Some key transformational investments are well underway:

- Domestic use of the **Channel Tunnel Rail Link** will **transform accessibility** in Kent all the way down to the coast and into London.
- **University Centre Hastings** provides an **escalator of skills** for young people in one of the most deprived communities in England with progression ladders to ensure that all adults can progress in the labour market through flexible training, continuous professional development and opportunities to re-skill.
- The **Creative Media Centre** in Hastings already offers businesses incubation and early support to use this new skills base effectively.
- The **National Oceanography Centre** in Southampton is a **world class centre of excellence** specialising in marine science, earth science and marine technology.

- **Enterprise Hubs** supporting high-tech, fast growing new businesses are operating in the Isle of Wight, Southampton, Solent and Brighton & Hove and form part of a **Global Regions network**.
- A major new high-tech composites research centre at GKN's Isle of Wight facility supported by SEEDA and the DTI.

Other essential transformational investments have been identified:

- **Connectivity improvements** – addressing the remaining bottlenecks along the South Coast and London; the **Solent-Midlands rail freight line enhancement** is one of the major transformational project opportunities currently seeking Transport Innovation Funds.
- **Growing the potential** - Achieving a critical mass for smaller towns in order to provide a wider range of economic opportunities in places such as Whitstable, Hastings & Bexhill, Margate and Dover.
- **Supporting business** – providing employment land, infrastructure and skills for businesses to prosper; four Enterprise Gateways (Shoreham, Newhaven, Romney Marsh and Folkestone) are already active in supporting entrepreneurship in disadvantaged groups and communities.



More than one million people, almost 1/3 of the total population along the South Coast lives in the two diamonds for growth – Urban South Hampshire (26.5%) and Brighton & Hove (8%). Yet the string of pearls is an important asset too. Stringing together the diamonds and pearls of this diverse sub-region to build on each other's strengths and identify and fill the gaps, whether in the economy, the infrastructure or the skills base will be the focus of the coastal strategy.

Where do we do it?

The South Coast contains a number of sub-regional economies, defined by coastal towns, ports and areas of outstanding natural beauty. Historically these sub-regions were dependent on their relationship with London. The three main sections broadly speaking mirror the counties along the South Coast:

1. Hampshire and the Isle of Wight
2. West & East Sussex
3. Kent



1. Hampshire and the Isle of Wight (Solent area)

The **Hampshire coastal area** is focused by the Partnership for Urban South Hampshire (PUSH), an area that features a high urban concentration and as such can be described as a city region on par with Bristol or Nottingham. Three Enterprise Hubs – Isle of Wight, Southampton and Portsmouth – support businesses in this area. Leading companies in environmental technologies are based in the towns along the South Coast as well as suppliers to the world's automotive and aerospace manufacturers in a strong technology cluster on the **Isle of Wight**. The marine industry has an important role to play in coastal regeneration with an increasing importance of high value manufacturing and knowledge-based supply chains. These small and medium-sized companies have potential to attract highly skilled workforce and to increase productivity with a move towards knowledge-based occupation. Therefore, whilst it is important to improve the marine leisure sector, it is also vital to ensure that sufficient waterfront sites are retained for (non leisure) marine uses to support the further growth of marine industries.

Work has already been undertaken to increase the cultural offer in this area. In Portsmouth for example, the Spinnaker Tower (attracting 250,000 visitors during the first six months of its opening), the historic dockyard and Gunwharf Quays demonstrate how a range of offers can be made to improve the quality of life in an area. Portsmouth is also one of the city-growth pilot areas in the UK. City growth is a market-based approach that puts business and business leaders at the heart of urban

revitalisation recognising that sustainable economic development in deprived areas will only be achieved by building a competitive business environment that generates jobs, income and wealth opportunities.

At Millbrook a Combined Heat and Power (CHP) project will demonstrate how sustainable prosperity can be achieved by using environmental technologies.

Important assets of this area are the Ports (Southampton and Portsmouth) and Southampton airport (1.5 million passengers in 2005, three million ppa by 2015 rising to six million ppa by 2030). These international gateways are crucial to support economic activity in this area. Effective and integrated infrastructure needs to provide multi-modal capacity to enable goods and people to move efficiently to and from these gateways. The major ports along the south coast play a crucial role as pipelines for the vast majority of goods servicing the South East and indeed the UK. A **transformational investment** in this area will therefore be the **Solent-Midlands rail freight line enhancement** to allow for smooth flows of global container traffic important to UK plc. This cross-regional project is currently subject to a bid to the Department for Transport by a consortium of SEEDA, Advantage West Midlands (AWM), Associated British Ports (ABP) and Network Rail under the productivity strand of the new Transport Innovation Fund (TIF).

2. West & East Sussex

The **Sussex coast** is centred on the Brighton & Hove diamond with a historical and popular seafront, a strong cultural sector and excellent links to London and Gatwick airport as international transport gateway. Plans to revitalise the Brighton Centre will improve the retail offer, hence opening up more business opportunities and increasing the quality of life. The Sussex coast area is also shaped by large areas of outstanding natural beauty and a scenic coastline in which a number of smaller towns – Worthing, Eastbourne and Hastings & Bexhill as part of the string of pearls – are located. These smaller seaside towns are important assets for the region as well as their residents. They can re-invent themselves as leisure and tourist destinations as a catalyst for wider regeneration. These places can attract a substantial amount of marine-based leisure tourism.



Innovation is supported by two Enterprise Gateways (Adur and Newhaven) and three Enterprise Hubs (Brighton & Hove, Eastbourne and Hastings & Bexhill) providing incubation space for innovative business start-ups and offering specialist advice.

The restricted (180°) geography of the coastal area creates particular challenges for growing populations. Brighton, for example, has to look outside its own boundaries to identify appropriate land for housing development to serve the city and its region. There may be real opportunities to create new homes and employment space at **Shoreham Maritime**.

One **transformational investment** already underway is the delivery of the sustained economic development of **Hastings & Bexhill** based on its Five Point Plan, supported by ODPM funding through SEEDA and by all the local partners and starting with the skills and business base.

3. Kent

The **Kent coastal area** is predominantly rural. Dover Port plays a substantial national access role where 60% of all UK trade and traffic goes to the continent. Also the Channel Tunnel Rail Link is a major infrastructure asset of this region and the economy should be enabled to take greater advantage of CTRL (people and freight) with a major access point at Ashford International and the nearby freight terminal. The future domestic use of CTRL by 2009 will transform accessibility for this area, a major opportunity to improve economic performance.



East Kent has significant clusters of deprivation and there is a lack of an independent labour market. Major employers in Kent include world class research and manufacturing at Pfizer at Sandwich. Enterprise Gateways in Folkestone and Romney Marsh as well as an Enterprise Hub in Canterbury assist local start-ups to grow and to improve competitiveness and productivity.

The South East's seaside towns enjoy a **distinctive character** which can be the basis of an attractive offer – a real USP – to commuters and businesses alike. The strength of a visitor economy and attractiveness to creative industries can be a powerful catalyst for new growth. Cultural activities can help to develop skills and confidence among those who have been economically inactive for long periods. Successful and sustainable communities cannot be achieved through investment in physical infrastructure alone and a strong **cultural offer** in a locality makes a key contribution to the quality of life, making it a desirable place to live, work, play, visit and do business. Strong partnerships can be built with support from the Arts Council and English Heritage. **Transformational investments** are being made in this area in **Margate, Folkestone and Dover**.

Connecting the South Coast – Transformational Infrastructure Investments

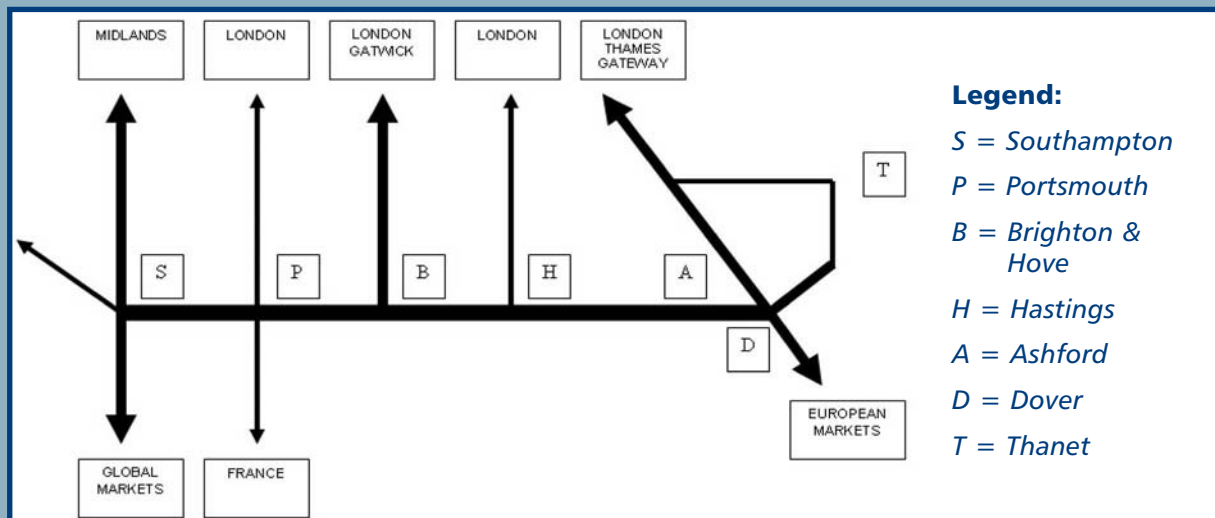
To bring all these components together connectivity along the South Coast is needed. The focus for **transformational infrastructure investment** along the South Coast needs to be on the following:

- Develop the A27/A259 as an effective artery for the sub-region by completing a number of **town by-passes** to provide better regional connectivity and reduce congestion
- Build upon the first phase of an **integrated rail service from Brighton, via Hastings to Ashford** and fast to London on CTRL domestic
- Develop **public transport schemes** (bus, light rail or water based) which are suitable for specific locations, such as Southampton, Gosport and Portsmouth, Brighton & Hove, Hastings & Bexhill



But it is equally important to link the South Coast to its hinterland and the wider South East region; here the primary focus needs to be:

- **Hindhead** to unblock the A3 corridor between South West London, Guildford and the Portsmouth economy
- Maintain **direct rail services between the South Coast** (from the east and the west) to Gatwick airport and to Croydon
- Completing the **dualling of the A21 to Hastings**
- Removing the **freight access bottlenecks around the Port of Dover** (testing the commercial viability of **reconnecting the Port of Dover to the railway network** will be part of the European-funded IMPACTE project).





SEEDA would welcome your comments and views on the development of this strategy, please contact:

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