

# West Sussex Local Economic Assessment

## Spatial Area Factsheets

**ADUR**



# Introduction to Spatial Area Factsheets

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## The Local Economic Assessment

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In 2010/11 West Sussex County Council produced the Local Economic Assessment (LEA) for West Sussex, in accordance with requirements set out in the Local Democracy, Economic Development & Construction Act (2009). It:

- Sets out the economic conditions in West Sussex and how they affect businesses and residents;
- Identifies the economic linkages between West Sussex and the wider economy;
- Identifies strengths and weaknesses within the county's economy and its economic challenges and opportunities; and
- Identifies constraints on land to sustainable economic growth.

It is intended that the information in the LEA will be updated on a regular basis, so that there is readily available intelligence to inform local economic development policies and interventions.

## What is in this Spatial Factsheet

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This spatial area factsheet provides a summary of the key data about Adur that is contained within the West Sussex Local Economic Assessment. It has three sections:

- **People.** This focuses on population trends; the skills and qualifications of local residents; labour market participation and the occupations that people work in;
- **Place.** This focuses on the physical characteristics in each area, including transport, housing and the environment;
- **Economy.** This provides information on the business structure, business start ups, sector strengths and economic performance.

Ten other spatial factsheets have been produced in addition to the Adur factsheet. These are listed below:

- Arun
- Chichester
- Crawley
- Horsham
- Mid Sussex
- Worthing
- West Sussex
- Coastal West Sussex
- Gatwick Diamond
- Rural West Sussex

## Further Information

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# Adur Summary

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## People

• Resident Population/working age population in 2008	61,000/61%
• 1992-2008 population growth/ 2008-2026 projected growth	+3,500/+6,600
• Residents with Level 4+ qualifications/Low Level qualifications in 2008	26%/30%
• Median weekly earnings of residents/workers in 2010	£334/£359
• Residents/workers employed in 'Higher level' occupations in 2009	41%/37%
• Residents/workers employed in Elementary occupations in 2009	15%/14%
• Economic activity rate/Employment rate in 2009/10	81%/76%
• Unemployment rate/% claiming out of work benefits in 2009	5.9%/10.9%

## Place

• Area	4,180 hectares
• Main urban centres	Shoreham-by-Sea; Lancing
• Households with access to a car in 2001	77%
• Workers who commute more than 30km to work in 2001	9%
• Average residential property price in 2010	£220,762
• Total commercial and industrial floorspace in 2008	454,000 sq.m
• Rateable value per 1,000 sq m in 2008	£61

## Economy

• Total value of the economy in 2007 (GVA)	£0.85bn
• GVA per head in 2007	£18,048
• Number of businesses in 2010	2,215
• Businesses in the Financial & Business Services sector in 2008	25%
• Workers employed in the Financial & Business Services sector in 2008	16%
• Businesses in the Public Administration, Education & Health sector in 2008	8%
• Workers employed in Public Administration, Education & Health in 2008	26%
• Business start ups per 10,000 residents in 2010	40.6
• Competitiveness rank (out of 379) in 2010	186
• Sector strengths:	Manufacturing (inc. Advanced Engineering); Construction; Retail

# Adur - People

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## What this Section Covers

This section focuses on the characteristics of the people who live in Adur. It sets out the profile and trends of the resident population; their skills and qualification levels; labour market participation rates; the type of jobs that they do; and their average earnings.

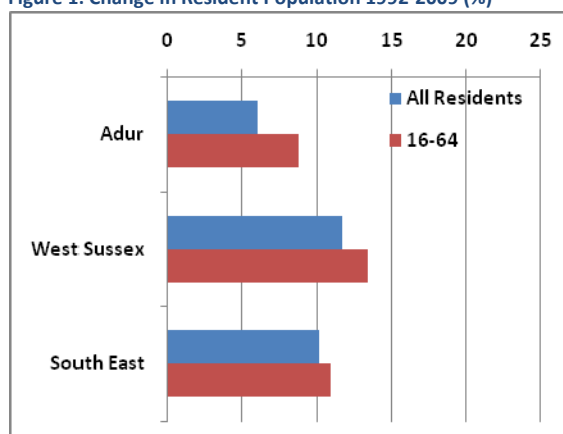
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## Population Trends

Adur has the smallest population of all the districts in West Sussex. In 2008, there were 61,000 residents in Adur, around 3,000 more than there had been in 1992.

Since 1992, population growth in Adur has been slower than in West Sussex as a whole and across the South East region. The number of working age residents has increased at a faster rate than the increase in the population as a whole.

Figure 1: Change in Resident Population 1992-2009 (%)

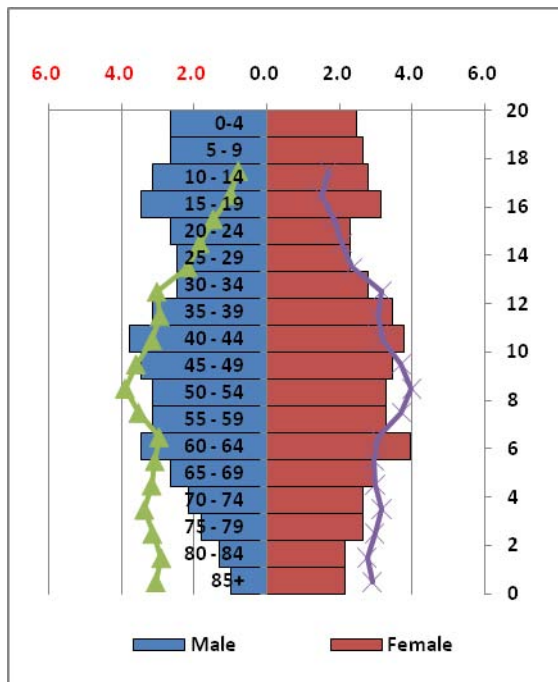


Source: West Sussex County Council

Around 61% of Adur's residents are of working age. This is similar to the level in the county as a whole, but lower than for the South East.

However, at the time of the 2001 Census, nearly one third (32%) of households in the district contained a pensioner – higher than the proportion in both West Sussex (30%) and the South East (25%)

Figure 2: Population Structure



Source: Mid Year Population Estimates ONS via NOMISWEB

In 2008, there were 4,000 residents in Adur who were aged 80 or over, 2,600 of whom were women.

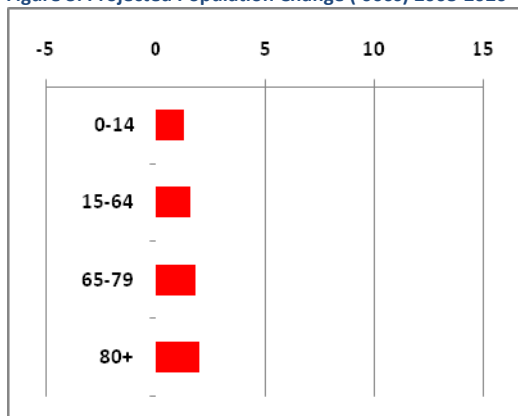
## Population Projections

Population projections provide an indication of how the population might change in the future. However, a number of factors influence population changes.

Current projections suggest that there could be more than 67,000 residents in Adur by 2026 – an increase of around 11%.

According to West Sussex County Council projections, more than half (57%) of the increase is expected to be amongst people who are aged 65+ years. There is projected to be a much smaller increase in the number of working age residents in the district over the period.

Figure 3: Projected Population Change ('000s) 2008-2026



Source: Sub-National Population Projections (2008 based) ONS

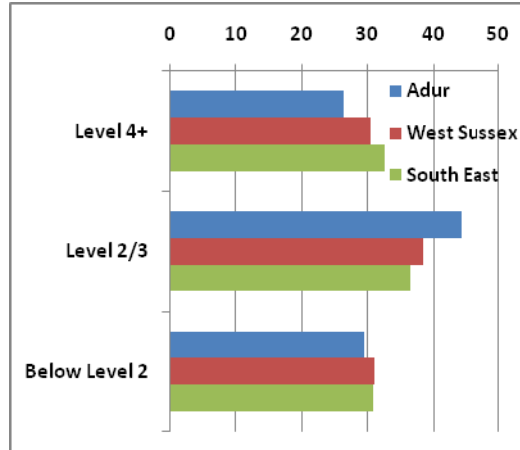
This projected pattern of population growth is similar to that in several other districts in West Sussex and reflects a general trend towards an ageing population.

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## Skills and Qualifications

Adur residents tend to hold lower levels of qualifications than residents in West Sussex and the South East as a whole.

Figure 4: Qualification Levels (%) of residents in Adur, West Sussex & the South East (working age population)



Source: Annual Population Survey Jan-Dec 2009

Most residents in the district are not without qualifications. However, the qualifications that they hold are often at intermediate level (Level 2/3), rather than at a higher level (Level 4/degree level).

This may mean that residents are able to access jobs when the labour market is buoyant. However, many might find it difficult to progress into higher level jobs that pay the salaries and wages that are needed to live in a fairly expensive part of the country.

The 2001 Census suggested that employees in Adur were more likely to hold higher level qualifications than local residents, which may suggest that the higher skilled jobs in the district are often taken by people who commute in from other areas.

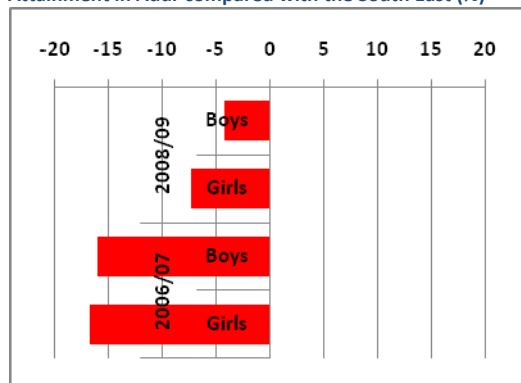
There is some evidence that residents in Adur have become better qualified in recent years.

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## GCSE Attainment

There is evidence that GCSE attainment amongst 15 year old Adur residents has improved significantly in recent years. However, because it has historically been low, achievement amongst both boys and girls remains below the average for the South East region.

Figure 5: Difference between 15 Year Old Residents' GCSE Attainment in Adur compared with the South East (%)



Source: Neighbourhood Statistics

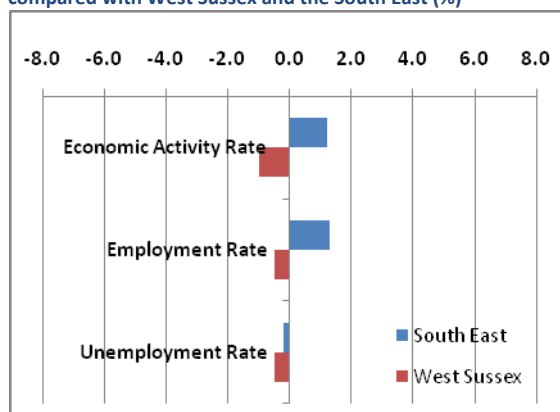
In 2008/09 62% of boys and 67% of girls living in Adur achieved five A\*-C grades at GCSE or equivalent. This compares with 66% and 74% respectively in the South East region as a whole.

## Economic Activity

In 2009/10, 30,100 of Adur's working age residents were economically active. This represents more than four-fifths (80.5%) of the district's working age residents. This is high by national standards and is similar to the economic activity rate in both West Sussex (81.5%) and the South East (79.3%) as a whole.

Males (94%) are much more likely to be economically active than females (68%)<sup>1</sup>. This is a pattern in most areas, but the difference may be more marked in Adur than in many other districts in West Sussex.

Figure 6: Labour Market Participation Rates in Adur compared with West Sussex and the South East (%)



Source: Annual Population Survey Sept 09-Oct 10

The employment rate (75.8%) is slightly lower than in West Sussex (76.3%) and slightly higher than in the South East (74.5%) as a whole.

<sup>1</sup> Note: Source: Annual Population Survey Oct 09-Sept 10. Samples sizes at district level are quite small, so these figures should be viewed with some caution

The unemployment rate is 5.9%. This is similar to the rates in both West Sussex (6.1%) and the South East (6.1%) as a whole.

More than one in ten (10.9%) of Adur's working age residents was claiming out of work benefits in November 2009 – again, a higher proportion than in West Sussex (9.0%) and the South East region (9.0%) as a whole.

The number of residents claiming out of work benefits increased from 3,600 in November 2008 to more than 4,000 a year later, reflecting the impact that the recession has had on employment in Adur.

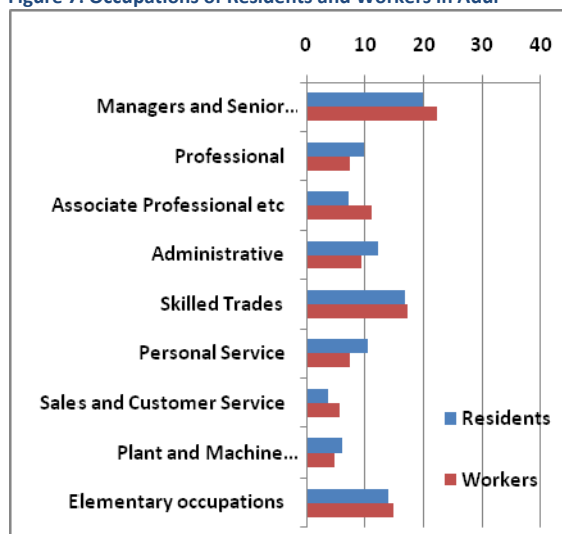
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## Employment

Adur residents who are in work are more likely to be employed full-time than residents in most other districts in West Sussex. Nearly three quarters (74.1%) of residents work full-time compared with 73.2% in West Sussex and 73.4% in the South East region, as a whole.

Levels of self employment are relatively low in the district – just 8.4% of residents in employment run their own businesses<sup>2</sup>, compared with 15.5% in West Sussex and 13.9% across the South East as a whole<sup>3</sup>.

Figure 7: Occupations of Residents and Workers in Adur



Source: Annual Population Survey Jan-Dec 2009 ONS via NOMISWEB

Residents in Adur do broadly similar jobs to people who are employed in the district, although they are more likely to work in Professional Occupations and in Administrative and Secretarial and Personal Service Occupations. However, residents are less likely than workers in Adur to be employed as Managers and Senior Officials, and in Associate Professional & Technical Occupations

However, both residents and workers in Adur are most likely to work as Managers & Senior Officials, in Skilled Trades and in Elementary Occupations. Indeed, more than half of all residents and people who are employed in Adur work in one of these occupations.

<sup>2</sup> Source: Annual Population Survey Jan 2009-Jan 2010

<sup>3</sup> Source: Annual Population Survey Jan 09-Dec 09 via NOMISWEB

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## Earnings

Median earnings of people who work in Adur were £358.60 per week in 2010. This is £31.40 higher than in 2008. However, they are below those in West Sussex (£385.50) and in the South East (£418.60).

Figure 8: Change in Median Weekly Earnings 2008-2010 (£)



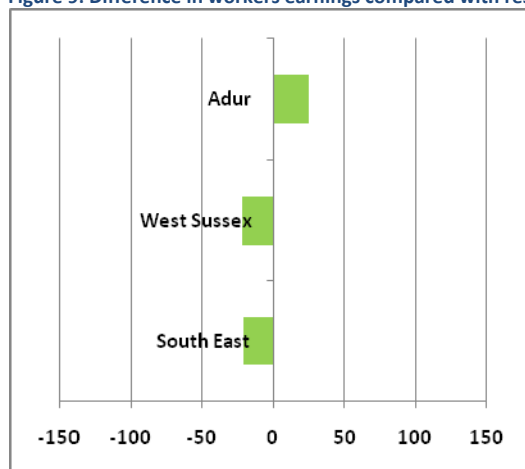
Source: Annual Survey of Hours and Earnings (ASHE) 2008, 2009 & 2010 via NOMISWEB

However, there is some evidence to suggest that the gap between median earnings of workers in Adur and those of West Sussex and the South East may have started to narrow. It is too early to suggest that this is a longer term trend however.

Even though median earnings for workers in Adur are not especially high, they are higher than residents' average earnings. Adur residents who are in work earn, on average, £333.80 – some £24.80 less per week than Adur workers' average earnings.

This is not a pattern that is reflected in either West Sussex or the South East as a whole, where, on average, residents earn more than workers. This is mainly because many areas are strongly influenced by London, in particular, where earnings tend to be much higher.

Figure 9: Difference in workers earnings compared with residents' earnings (£)



Source: Annual Survey of Hours and Earnings (2010) ONS via NOMISWEB

Many residents may not be able to secure well-paying jobs within the district and many may travel outside Adur to intermediate, rather than higher paying, jobs.

# Adur - Place

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## What this Section Covers

This section focuses on the characteristics of Adur as a physical location. It considers issues relating to its geography, transport, housing, commercial land and property; and the environment.

Where possible, information that is specific to Adur has been provided. However, there are a number of issues relating to transport and the environment, in particular, that relate to West Sussex, as a whole.

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## Geography and Location

Adur covers an area of 16 sq. Miles and neighbours the conurbation of Brighton & Hove. Its major urban centres are Shoreham, Southwick and Fishersgate, to the east of the River Adur; and Lancing and Sompting to the west. Much of the district is now part of the South Downs National Park.

Shoreham Airport is the oldest licensed airfield in the United Kingdom and Shoreham Harbour has a thriving port and provides a major regeneration opportunity for the Sussex coast.

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## Transport

Adur has good transport links to Worthing in the west and Brighton & Hove to the east and has reasonably good connections to Gatwick Airport and London.

The West Sussex Transport Plan (2011-2026) sets out a vision to achieve an efficient, safe and less congested transport network across

the county. This includes improving the A27 and rail infrastructure, as well as promoting community transport initiatives community and encouraging a modal shift to more sustainable forms of transport.

Good transport is important to promoting sustainable economic development and social inclusion. Residents in Adur are less likely to have access to a car than residents across West Sussex and the South East as a whole,

Figure 10: % of Households with access to cars



Source: Census 2001

Although more than three quarters (76.5%) of households had access to a car in 2001, this still means that nearly one in four households in the district do not have access to private transport.

However, there is evidence to suggest that residents in Adur do not travel as far to work as residents in many other parts of West Sussex. Just 9.2% of working residents travelled more than 30km to work in 2001, compared with 11.8% of working residents in West Sussex and 11.1% in the South East as a whole.

The relatively low proportion of long-distant commuters may be because Adur is relatively well positioned in relation to major employment centres, such as Brighton & Hove and Worthing.

Figure 11: % of Residents in Work who Commute 30km or more to work



Source: Census 2001

Figure 12: Average House Prices 2010 (£'000s)



Source: Land Registry of England & Wales

## Housing

In 2001, Adur (11%) had a high proportion of households living in accommodation rented from the Council compared with West Sussex (6.6%) and the South East (7.4%), as a whole. By contrast, the private rented sector was comparatively small.

However, around four-fifths (78%) of housing in the district was either owned with a mortgage or owned outright in 2001 – a higher proportion than in West Sussex (76%) and the South East (73%) as a whole.

In common with other parts of the South East, house prices in Adur have increased rapidly over the past decade.

The average price of a house in June 2010 was £220,762 and there are strong links between the Brighton & Hove and Adur housing markets.

Although average house prices are still well below the average in West Sussex and the South East, it represents 10.4 times the annual gross full-time earnings of people who are living in the district and 10.7 times the earnings of people who work in Adur.

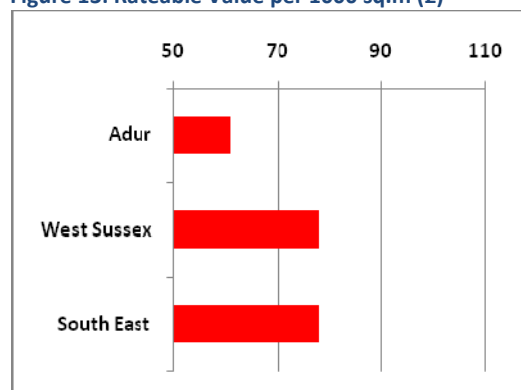
## Commercial Land and Property

In 2008, there was 454,000 sq m of commercial and industrial floorspace in Adur. This included 307,000 sq m of industrial space; 44,000 sq m of office space and 89,000 sq. m of retail space.

Home based businesses are seen to be a significant part of the local economy, but there is considered to be limited move-on accommodation for growing businesses.

Business accommodation in Adur is relatively affordable compared with many other parts of West Sussex.

Figure 13: Rateable Value per 1000 sq.m (£)



Source: Local Knowledge, Commercial & Industrial Floorspace and Rateable Value Statistics

In 2008, the rateable value in Adur was £61 per 1000 sq.m, compared with £78 across both West Sussex and the South East region.

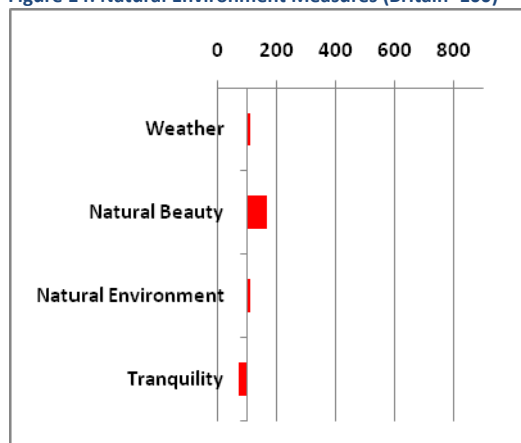
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## Environment

West Sussex as a whole has a high quality natural environment, with the South Downs National Park now covering around 40% of land in the county.

It is difficult to measure the natural environment so that areas can be compared with each other. However, an Index developed by Local Futures has attempted to do this by using Natural Environment Measures.

Figure 14: Natural Environment Measures (Britain=100)<sup>4</sup>



Source: Local Futures

This index uses four measures: weather, natural beauty, natural environment; and tranquillity.

According to each of these measures, Adur scores above the average for Britain. The district is particularly strong by the 'natural beauty' measure, with an index score of 169.

Air quality across West Sussex is generally considered to be good. However, the A259 at Shoreham High Street and Southwick have been identified as Air Quality Management Areas.

West Sussex County Council has identified addressing climate change as a key priority, particularly along the coastal areas. Per capita greenhouse gas emissions in West Sussex are just below the regional average. Agreed actions include promoting environmentally responsible land use and protecting environmentally designated sites.

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## Broadband Connectivity

Broadband connectivity is becoming an increasingly important feature of everyday living for both residents and businesses.

However, there are a number of mainly rural areas in West Sussex that do not have broadband connections and in some of those that do, connections can be poor and/or slow.

Initiatives are being explored to increase broadband speeds to all households to more than 2Mbps by 2012 and to more than 15Mbps by 2018.

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<sup>4</sup> Note: This scale has been used to allow the figure to be compared with the same figure in other factsheets

# Adur - Economy

## What this Section Covers

This section focuses on Adur's economy. It considers its economic performance, its business and employment structure, business dynamism and sector strengths. It concludes by providing commentary on employment forecasts.

## Economic Performance

Across West Sussex, recent economic performance, as measured by Gross Value Added (GVA) has been modest compared with regional averages. Prior to the 2008/09, there was a strong reliance on the public sector for growth and, in common with other areas, West Sussex faces challenges in responding to the deficit reduction programme and in supporting private sector-led growth.

In 2007, Adur's economy was worth around £850m – just over 5% of the West Sussex economy. However, productivity levels (as measured by GVA per head) in Adur are below the average for West Sussex and the South East region as a whole.

Figure 15: GVA per head Estimates – 2007 (£'000s)



Source: Local Futures Ltd

GVA per head in Adur in 2007 was estimated to be £18,048, compared with £20,382 in West Sussex and £21,248 across the South East region as a whole. This reflects the lower

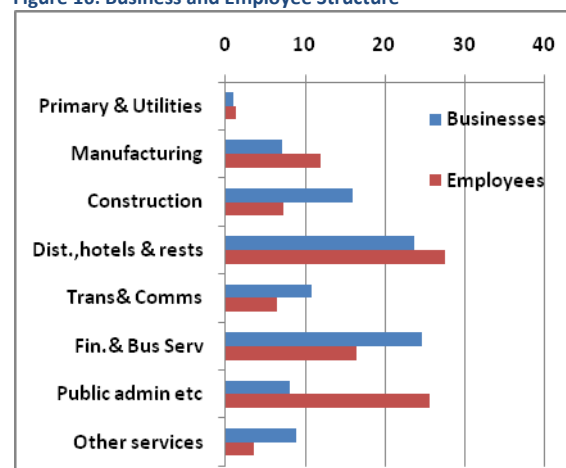
value added activity of many of the jobs in the district. Furthermore, the same estimates suggest that productivity increases between 1997 and 2007 (+37%) were amongst the lowest in the county.

Economic resilience depends heavily on the competitiveness of an economy, in terms of the products and services that it provides and the knowledge and intellectual capital of its labour force. According to the UK Competitiveness Index, Adur is ranked 186<sup>th</sup> out of 379 districts in terms of its competitiveness. This puts it in the 50<sup>th</sup> percentile, but within West Sussex, only Arun is considered to be less competitive.

## Businesses and Employment

In 2010, there were 2,215 businesses in Adur. This is 6% of the total business stock in West Sussex. Some sectors have large numbers of businesses, but provide a small number of jobs whilst in other sectors, the reverse is the case. This is shown in Figure 16.

Figure 16: Business and Employee Structure



Source: Annual Business Inquiry 2008

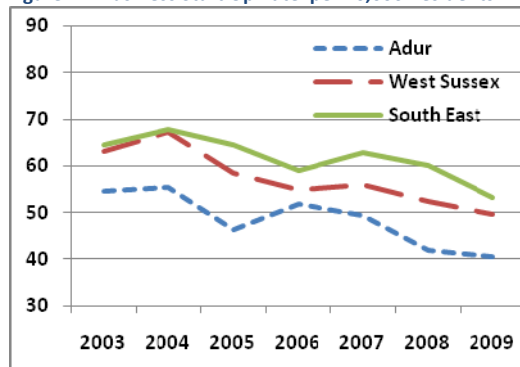
The Financial & Business Services sector accounts for a quarter (25%) of all businesses, but provides only around one in six (16%) jobs

in Adur. By contrast, just one in twelve businesses are in the Public Administration, Education & Health sectors, but they provide more than a quarter (26%) of all local jobs. As with most other areas, the Distribution, Hotels and Restaurants sector accounts for a large proportion of Adur businesses (24%) and provides a significant amount of the district's employment (28%).

## Business Start up Rates

In 2009, there were 40.6 new businesses per 10,000 residents in Adur. This is a low business start up rate compared with most other districts in West Sussex and represents a fall in the rate of business formation since the early 2000s.

Figure 17: Business Start Up Rate per 10,000 Residents



Source: Office for National Statistics

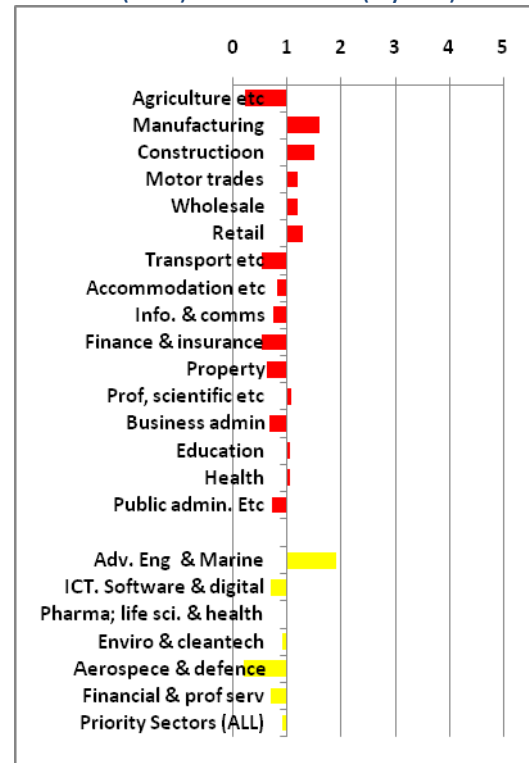
## Employment Strengths

It is useful to understand local economic strengths by comparing the distribution of employment in sectors in Adur with the national (or regional distribution).

This is done using Location Quotients (LQ). Any LQ above 1.0 shows a local concentration and any below 1.0 shows an under-representation.

This is shown for Adur in Figure 18.

Figure 18: Sector Strengths (Location Quotients) compared with Britain (in red) and the South East (in yellow)



Source: Annual Business Inquiry 2008

Adur has strong local concentrations in manufacturing and construction and, to a lesser extent, in motor trades, wholesale and retail. In terms of regional priority sectors, there are clear local concentrations in Advanced Engineering in the district. By contrast, service sector employment is under-represented in Adur. This is particularly the case in terms of Finance & Insurance; Transport & Storage (despite the presence of Shoreham Airport and the Shoreham Port); Property; and Business Administration.

## Employment Forecasts

It is difficult to predict the path of the economy. However, according to the West Sussex LEA, pre-recession forecasts suggest that employment growth would be mainly in the financial and business services and public sectors. Given the Government's deficit reduction plans, it seems unlikely that non-market services will be a driver of growth in the short to medium term.