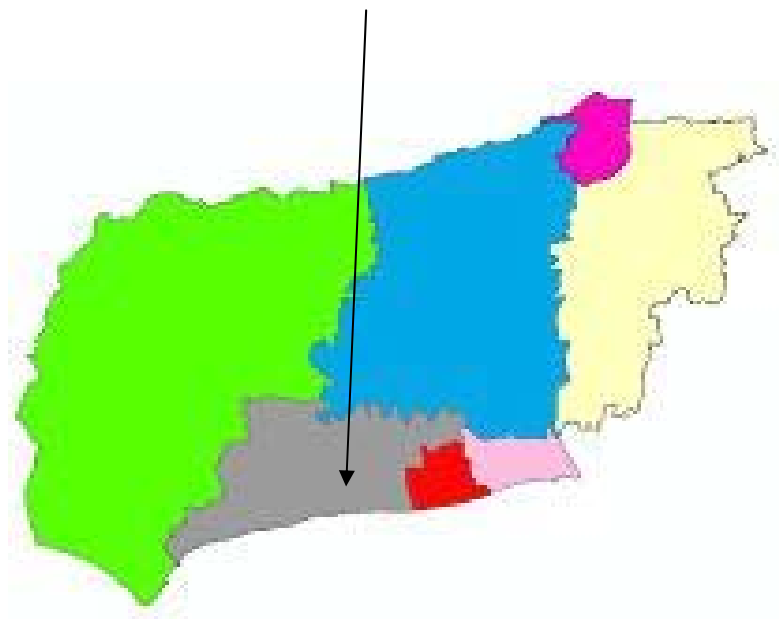


West Sussex Local Economic Assessment

Spatial Area Factsheets

ARUN



Introduction to Spatial Area Factsheets

The Local Economic Assessment

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

This spatial area factsheet provides a summary of the key data about Arun 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 Arun factsheet. These are listed below:

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

Further Information

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For further information about economic development matters in Mid Sussex, please contact:

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Arun Summary

People

• Resident Population/working age population in 2008	150,000/58%
• 1992-2008 population growth/ 2008-2026 projected growth	+19,000/+11,000
• Residents with Level 4+ qualifications/Low Level qualifications in 2008	25%/39%
• Median weekly earnings of residents/workers in 2010	£359/£316
• Residents/workers employed in 'Higher level' occupations in 2009	39%/39%
• Residents/workers employed in Elementary occupations in 2009	9%/12%
• Economic activity rate/Employment rate in 2009/10	78%/71%
• Unemployment rate/% claiming out of work benefits in 2009	9.4%/10.8%

Place

• Area	22,101 hectares
• Main urban centres	Bognor Regis; Littlehampton; Arundel
• Households with access to a car in 2001	78%
• Workers who commute more than 30km to work in 2001	10%
• Average residential property price in 2010	£242,231
• Total commercial and industrial floorspace in 2008	902,000 sq.m
• Rateable value per 1,000 sq m in 2008	£59

Economy

• Total value of the economy in 2007 (GVA)	£1.95bn
• GVA per head in 2007	£16,833
• Number of businesses in 2010	5,470
• Businesses in the Financial & Business Services sector in 2008	25%
• Workers employed in the Financial & Business Services sector in 2008	15%
• Businesses in the Public Administration, Education & Health sector in 2008	10%
• Workers employed in Public Administration, Education & Health in 2008	31%
• Business start ups per 10,000 residents in 2010	36.1
• Competitiveness rank (out of 379) in 2010	250
• Sector strengths:	Agriculture (inc Horticulture); Advanced Engineering; Retail; Health

Arun - People

What this Section Covers

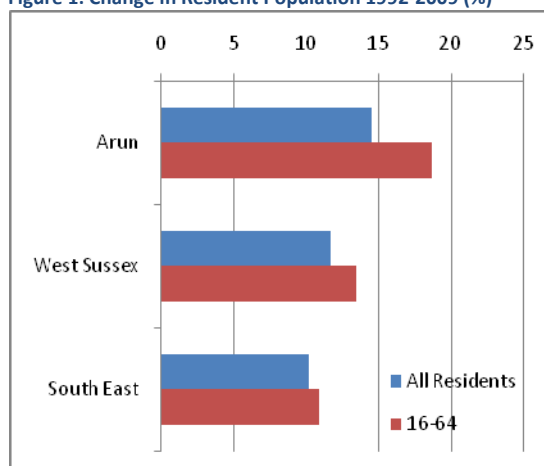
This section focuses on the characteristics of the people who live in Arun. It sets out the profile and trends of the resident population; their skills and qualification levels; labour market participation rates; the type of jobs that they do; and their average earnings.

Population Trends

Arun has the largest population of all the districts in West Sussex. In 2008, there were just under 150,000 residents in Arun, around 19,000 more than there had been in 1992.

Since 1992, population growth in Arun has been faster 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 (%)



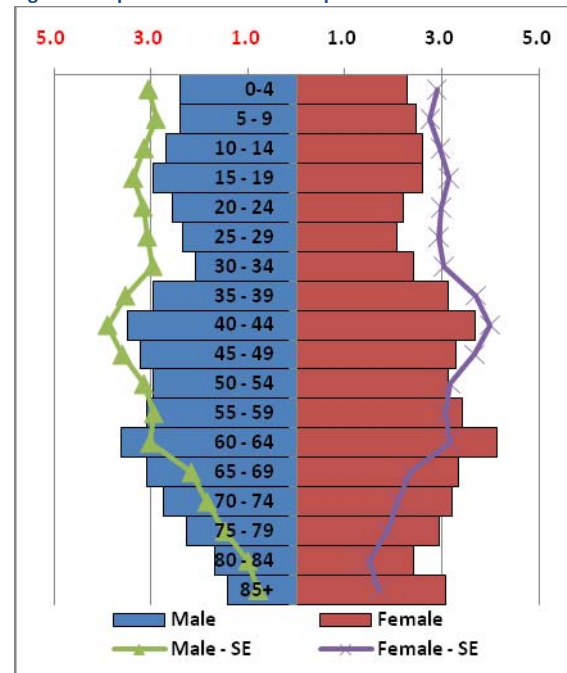
Source: Mid Year Population Estimates ONS via NOMISWEB

Around 58% of Arun's residents are of working age. This is a lower proportion than all the other districts in the county.

However, at the time of the 2001 Census, more than a third (36.5%) 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 Compared to the South East %



Source: Mid Year Population Estimates ONS via NOMISWEB

In 2008, there were just under 13,000 residents in Arun who were aged 80 or over, 8,000 of whom were women.

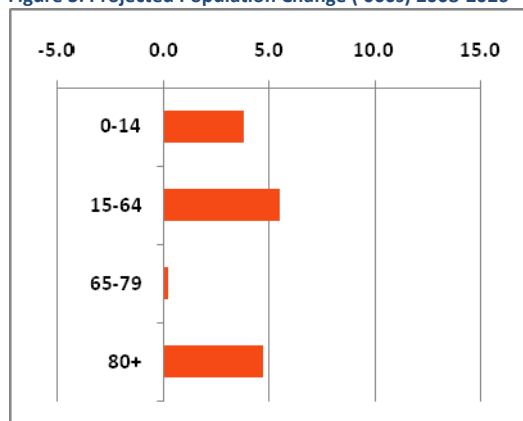
Population Projections

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 around 160,000 residents in Arun by 2026 – an increase of around 11%.

According to West Sussex County Council projections, Arun is expected to see a sizeable increase in the number of residents in all age groups, except for 65-79 year olds.

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

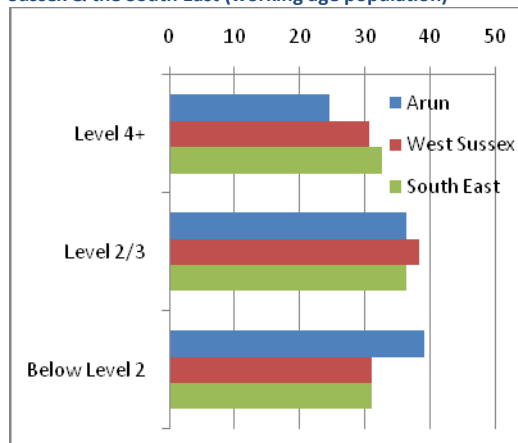


Source: West Sussex County Council

Skills and Qualifications

Arun 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 Arun, West Sussex & the South East (working age population)



Source: Annual Population Survey Jan-Dec 2009

A high proportion of Arun residents have qualifications below Level 2 (39%) and only a small proportion (24%) hold higher level qualifications (Level 4/degree).

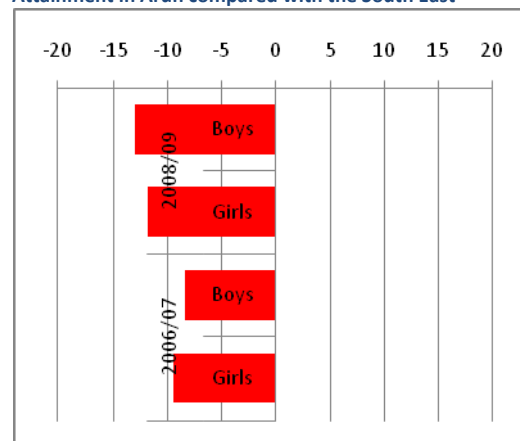
The 2001 Census suggested that employees in Arun were no more likely than local residents to hold higher level qualifications, which may reflect the low value of many of the jobs in the district.

There is some evidence that there has been an increase in the proportion of Arun residents holding a Level 4 qualification in recent years in Arun have become better qualified in recent years.

GCSE Attainment

GCSE attainment amongst 15 year old Arun residents has improved in recent years. However, this has not been at the same rate as improvements in the South East region as a whole. This means that the achievement gap between 15 year old Arun residents and 15 year olds across the region as a whole has increased.

Figure 5: Difference between 15 Year Old Residents' GCSE Attainment in Arun compared with the South East



Source: Neighbourhood Statistics

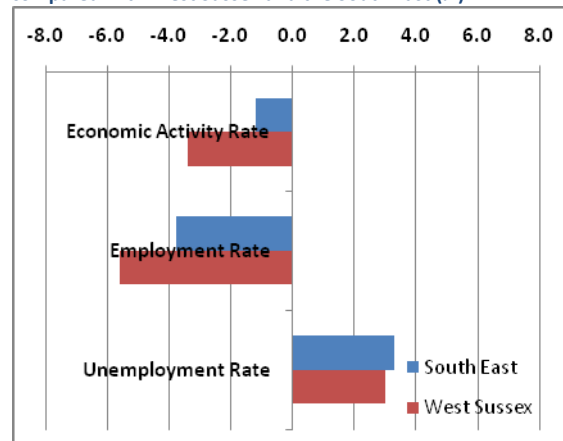
In 2008/09 53% of boys and 62% of girls living in Arun achieved five A*-C grades at GCSE or equivalent. This compares with 66% and 74% respectively in the South East region as a whole.

Economic Activity

In 2009/10, 66,300 of Arun's working age residents were economically active. This represents more than three-quarters (78.1%) of the district's working age residents. This is below the economic activity rate in both West Sussex (81.5%) and the South East (79.3%) as a whole.

Males (83%) are more likely to be economically active than females (72%)¹. This is a pattern in most areas, but economic activity amongst Arun's working age males appears to be particularly low.

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



Source: Annual Population Survey Oct 09-Sept 10

The low level of economic activity is also reflected in the employment rate (70.7%), which is much lower than in both West Sussex (76.3%) and the South East (74.5%) as a whole.

This suggests that Arun has a higher level of involuntary worklessness than many other parts of West Sussex. This is reflected in the unemployment rate, which at 9.4% is the highest in West Sussex.

Furthermore, more than one in ten (10.8%) of Arun'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 8,400 in November 2008 to more than 9,400 a year later, reflecting the impact that the recession has had on employment in Arun.

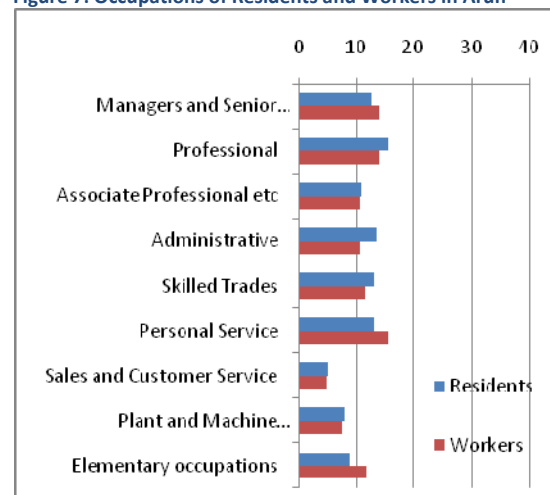
Employment

¹ Note: Samples sizes at district level are quite small, so these figures should be viewed with some caution

Arun residents who are in work are less likely to be employed full-time than residents in all other districts in West Sussex. Just over two-thirds (67.8%) 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 high in the district – 17.3% of residents in employment run their own businesses, compared with 15.5% in West Sussex and 13.9% across the South East as a whole².

Figure 7: Occupations of Residents and Workers in Arun



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

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

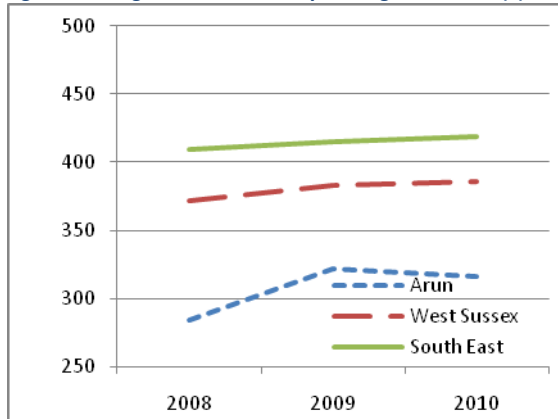
Residents in Arun are most likely to work in Professional Occupations, whilst the district's workers are most likely to be employed in Personal Service Occupations.

² Source: Annual Population Survey Jan 09- Dec 09 ONS via NOMISWEB

Earnings

Median earnings of people who work in Arun were £315.90 per week in 2010. This is £31.90 higher than in 2008. However, median earnings in Arun are well below the average in all other districts in West Sussex.

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



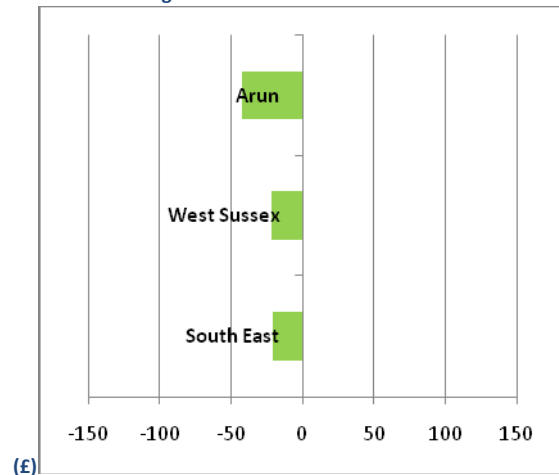
Source: Annual Survey of Hours and Earnings (ASHE) 2008, 2009 & 2010 via NOMISWEB

Median earnings across West Sussex are £385.50 per week and in the South East region they are £418.60 per week.

Earnings for workers in Arun are well below median earnings of the district's working residents. Arun's working residents earn, on average, £358.70 – some £42.80 more per week than people who work in the district.

This pattern is reflected in both West Sussex and the South East as a whole. However, it is much more marked in Arun, which suggests that the district's higher earning residents tend to travel to better paying jobs outside the district.

Figure 9: Difference in workers earnings compared with residents' earnings



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

This pattern of earnings suggests that there may be insufficient good quality, well-paying jobs in Arun.

Arun - Place

What this Section Covers

This section focuses on the characteristics of Arun 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 Arun 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.

Geography and Location

Arun covers an area of 22,101 hectares and is located on the West Sussex coast, between Worthing to the east, Chichester to the west and Horsham to the north and is bisected by the River Arun. Its major urban centres are Bognor Regis, Littlehampton and Arundel and it has a host of small villages and hamlets, many of which are now part of the South Downs National Park.

It is a key visitor destination and, along with Chichester, is home to a nationally significant horticultural sector.

Transport

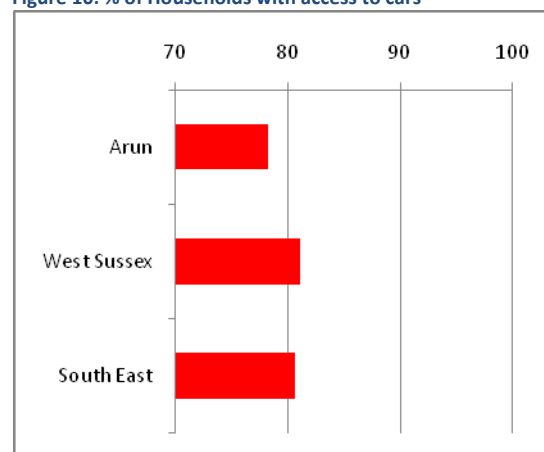
Transport links to and from many parts of Arun can be difficult, although both the A27 and the train lines link the north of the district to Chichester and Portsmouth to the west and Worthing and Brighton & Hove to the east.

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. Despite the rural nature of much of the district, residents in Arun 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 (78.3%) of households had access to a car in 2001, this still means that more than one in five households in the district do not have access to private transport.

There is evidence to suggest that residents in Arun do not travel as far to work as residents in many other parts of West Sussex. Just 10.1% 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.

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



Source: Census 2001

Housing

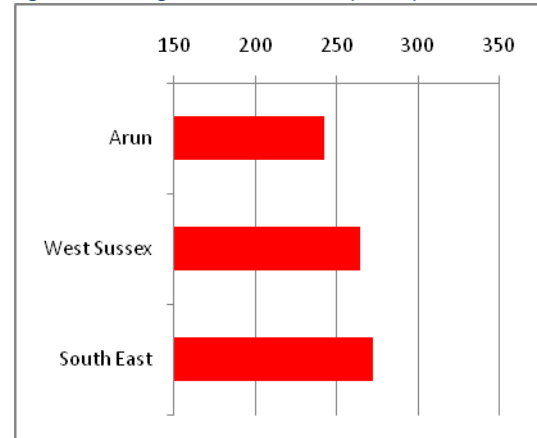
In 2001, Arun (5.8%) had a fairly low proportion of households living in accommodation rented from the Council compared with West Sussex (6.6%) and the South East (7.4%), as a whole. By contrast, the private rented sector (8.6%) was comparatively large.

However, nearly nine out of ten (89%) of housing in the district was either owned with a mortgage or owned outright in 2001. Indeed, houses in Arun were more likely to be owned outright - without a mortgage (42%) - than in any other district in West Sussex.

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

The average price of a house in June 2010 was £242,231. Although average house prices are still 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 10.9 times the earnings of people who work in Arun.

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



Source: Land Registry of England & Wales

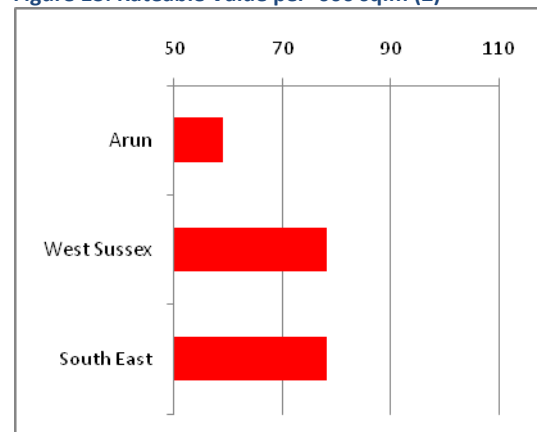
Commercial Land and Property

In 2008, there was 902,000 sq m of commercial and industrial floorspace in Arun. This included 566,000 sq m of industrial space; 71,000 sq m of office space and 207,000 sq. m of retail space.

There is considered to be a shortage of quality sites for B1-B8 uses in the district and the role of retail in Arun is seen to be a key issue.

Business accommodation in Arun is more affordable than in any other district in West Sussex.

Figure 13: Rateable Value per '000 sq.m (£)



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

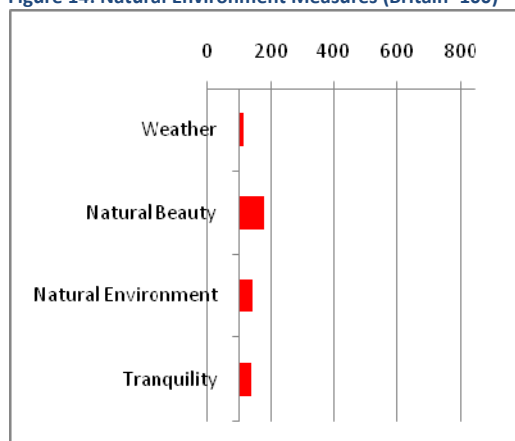
In 2008, the rateable value in Arun was £59 per 1000 sq.m, compared with £78 across both West Sussex and the South East region.

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)³



Source: Local Futures

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

According to each of these measures, Arun scores above the average for Britain. The district is particularly strong by the 'natural beauty' measure, with an index score of 177.

Air quality across West Sussex is generally considered to be good. Arun District Council has not declared any areas as Air Quality Management Areas, although there is an air quality 'hotspot' on the A27 adjacent to Arundel Railway Station.

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.

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.

³ Note: This scale has been used to allow the figure to be compared with the same figure in other factsheets

Arun - Economy

What this Section Covers

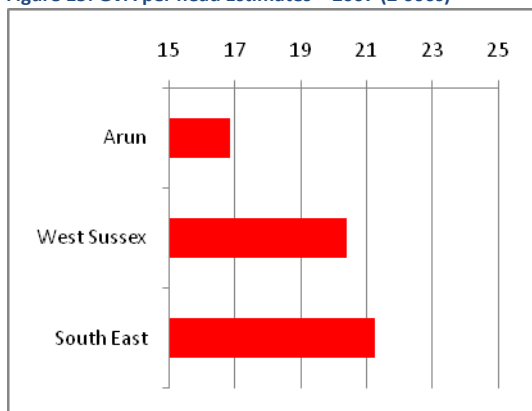
This section focuses on Arun's economy. It considers its economic performance, its business and employment structure, business dynamism and sector strengths. It concludes by providing commentary on employment forecasts.

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, Arun's economy was worth around £1.95bn – just over 12% of the West Sussex economy. However, productivity levels (as measured by GVA per head) in Arun are the lowest of all the districts in West Sussex and well below that of the South East region as a whole.

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



Source: Local Futures Ltd

GVA per head in Arun in 2007 was estimated to be £16,833, compared with £20,382 in

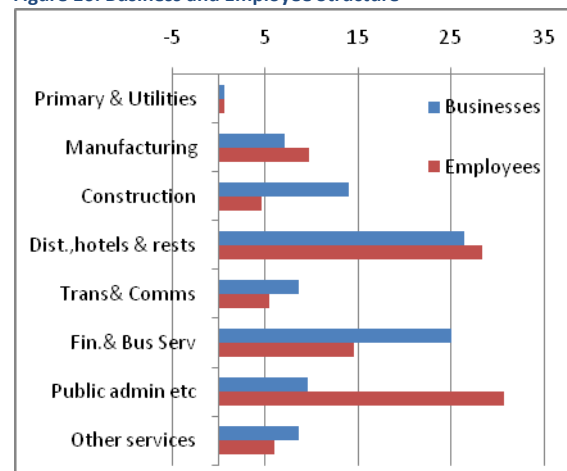
West Sussex and £21,248 across the South East region as a whole. This reflects the lower value added activity of many of the jobs in the district. Furthermore, the same estimates suggest that productivity increases between 1997 and 2007 (+28%) were the lowest in the county.

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, Arun is ranked 250th out of 379 districts in terms of its competitiveness. This puts it in the 66th percentile and it is considered to be the least competitive district in West Sussex.

Businesses and Employment

In 2010, there were 5,470 businesses in Arun. This is 15% 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



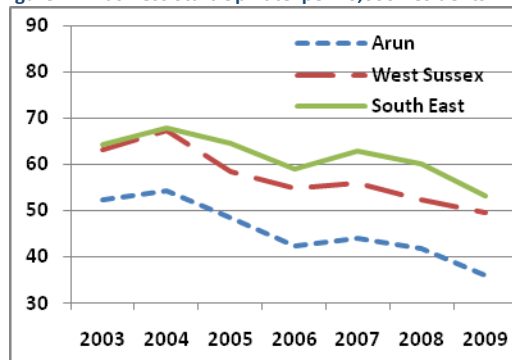
Source: Annual Business Inquiry 2008

The Financial & Business Services sector accounts for a quarter (25%) of all businesses, but provides only around one in six (15%) jobs in Arun. By contrast, just one in ten businesses are in the Public Administration, Education & Health sectors, but they provide nearly a third (31%) of all local jobs. As with most other areas, the Distribution, Hotels and Restaurants sector accounts for a large proportion of Arun businesses (26%) and provides a significant amount of the district's employment (28%).

Business Start up Rates

In 2009, there were 36.1 new businesses per 10,000 residents in Arun. This is the lowest business start up of all the 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

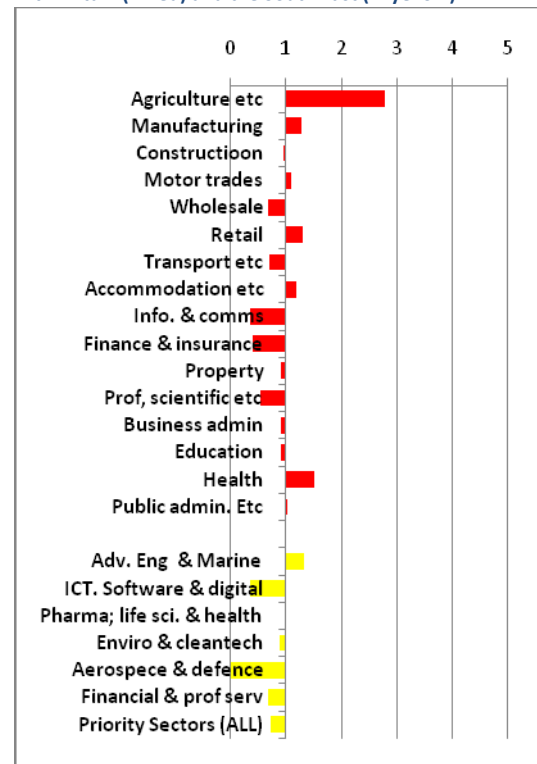
Employment Strengths

It is useful to understand local economic strengths by comparing the distribution of employment in sectors in Arun 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 Arun 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

Arun has particularly strong local concentrations in Agriculture, Forestry & Fishing (including Horticulture) and in Health Services. In terms of regional priority sectors, there are local concentrations in Advanced Engineering in the district. By contrast, most service sector employment is under-represented in Arun. This is particularly the case in terms of Finance & Insurance; Information & Communication; and Professional, Scientific & Technical services.

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.