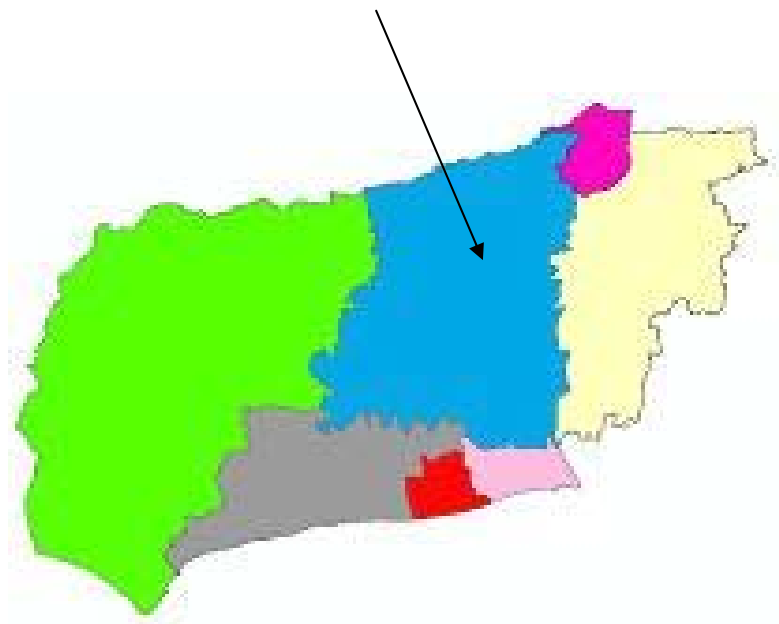


West Sussex Local Economic Assessment

Spatial Area Factsheets

HORSHAM



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 Horsham 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 Horsham factsheet. These are listed below:

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

Further Information

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Horsham Summary

People

• Resident Population/working age population in 2008	129,000/62%
• 1992-2008 population growth/ 2008-2026 projected growth	+20,200/+13,000
• Residents with Level 4+ qualifications/Low Level qualifications in 2008	42%/19%
• Median weekly earnings of residents/workers in 2010	£446/£369
• Residents/workers employed in 'Higher level' occupations in 2009	53%/47%
• Residents/workers employed in Elementary occupations in 2009	6%/6%
• Economic activity rate/Employment rate in 2009/10	83%/77%
• Unemployment rate/% claiming out of work benefits in 2009	7.6%/6.4%

Place

• Area	53,026 hectares
• Main urban centres	Horsham, Billingshurst, Steyning, Storrington
• Households with access to a car in 2001	87%
• Workers who commute more than 30km to work in 2001	14%
• Average residential property price in 2010	£309,047
• Total commercial and industrial floorspace in 2008	971,000 sq.m
• Rateable value per 1,000 sq m in 2008	£75

Economy

• Total value of the economy in 2007 (GVA)	£2.33bn
• GVA per head in 2007	£19,617
• Number of businesses in 2010	7,170
• Businesses in the Financial & Business Services sector in 2008	31%
• Workers employed in the Financial & Business Services sector in 2008	21%
• Businesses in the Public Administration, Education & Health sector in 2008	7%
• Workers employed in Public Administration, Education & Health in 2008	20%
• Business start ups per 10,000 residents in 2010	58.5
• Competitiveness rank (out of 379) in 2010	66
• Sector strengths:	Agriculture, Manufacturing, Property, Construction, Motor Trades

Horsham - People

What this Section Covers

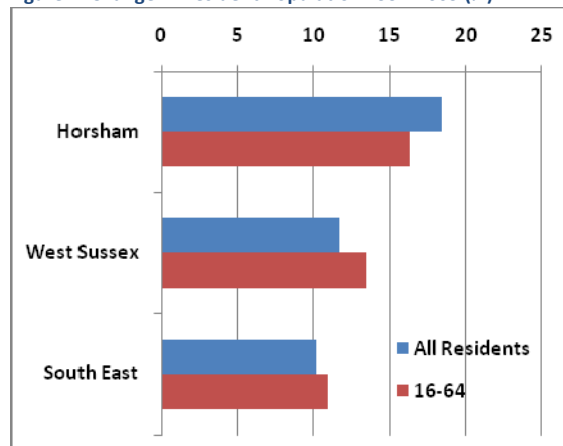
This section focuses on the characteristics of the people who live in Horsham. It sets out the profile and trends of the resident population; their skills and qualification levels; labour market participation rates; the type of jobs that they do; and their average earnings.

Population Trends

In 2008, there were 129,000 residents in Horsham, around 20,000 more than there had been in 1992.

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

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

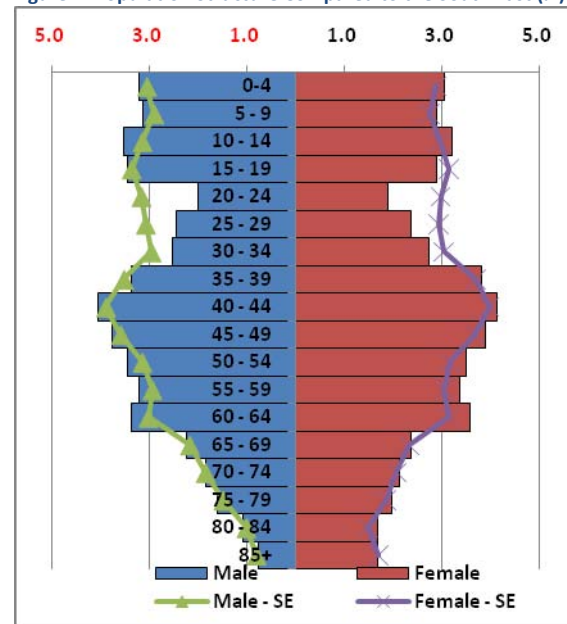


Source: Mid Year Population Estimates ONS via NOMISWEB

Around 62% of Horsham's residents are of working age. This is similar to the proportion in West Sussex (60%) but below that in the South East region (63%) as a whole.

At the time of the 2001 Census, a quarter (25%) of households in the district contained a pensioner – a lower proportion than in West Sussex (30%), but the same as in 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 6,900 residents in Horsham who were aged 80 or over, 4,400 of whom were women.

Population Projections

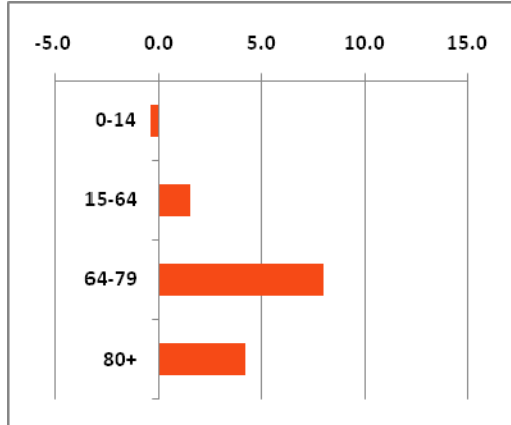
Population projections provide an indication of how the population might change in the future. However, a number of factors influence population changes.

Current projections suggest that there could be around 144,000 residents in Horsham by 2026 – an increase of around 10%.

According to West Sussex County Council estimates, more than 90% of the increase is

expected to be amongst people who are aged 65+ years, whilst 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



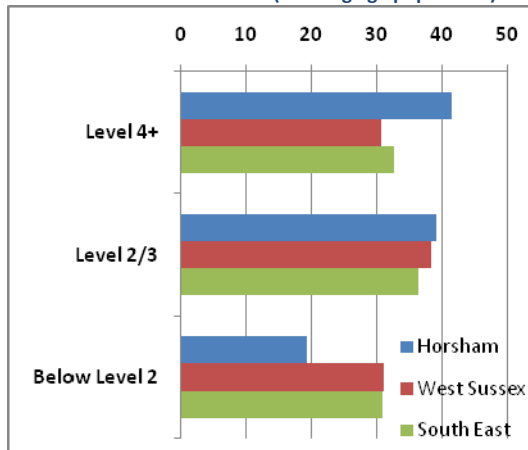
Source: West Sussex County Council

This projected pattern of population growth is similar to that in some other districts in West Sussex. The challenges of an ageing population may be a significant issue in Horsham.

Skills and Qualifications

Horsham residents tend to have much higher qualification levels than residents across the whole of West Sussex and the South East region.

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



Source: Annual Population Survey Jan-Dec 2009

More than four out of ten (42%) of working age residents hold a Level 4 qualification, compared with just 31% in West Sussex as a whole.

Conversely, fewer than one-fifth (19%) of Horsham residents hold no or low level (below Level 2) qualifications, compared with 31% in the county as a whole.

The high skills amongst Horsham's residents mean that many are able to access good quality jobs both within and outside the district.

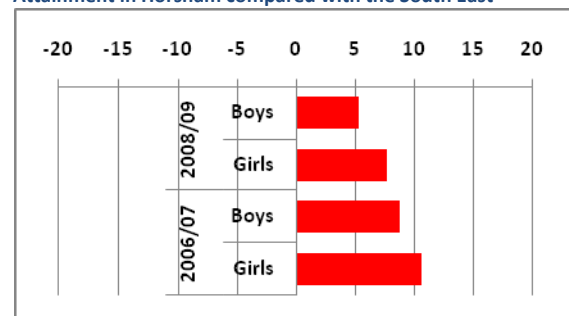
The 2001 Census suggested that employees in Horsham were slightly less likely to hold higher level qualifications than local residents, which may suggest that many people with higher level skills commute to higher level jobs outside the district.

There appears to have been a significant improvement in the levels of qualifications that are held by Horsham residents in recent years.

GCSE Attainment

GCSE attainment amongst 15 year old Horsham residents has improved in recent years. However, the improvements have not been at the same rate as improvements across the South East region as a whole. Achievement amongst the districts boys and girls is still higher than the regional average, but the gap closed slightly between 2006/07 and 2008/09.

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



Source: Neighbourhood Statistics

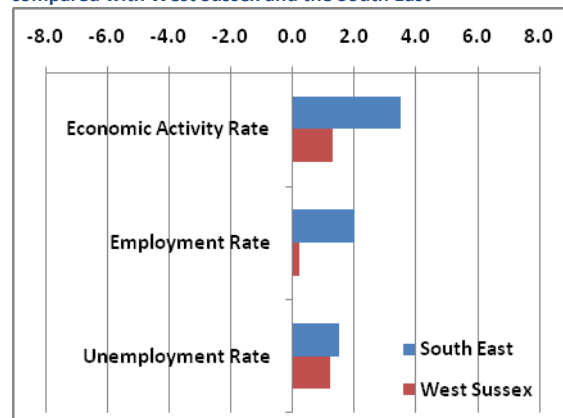
In 2008/09 72% of boys and 82% of girls living in Horsham achieved five A*-C grades at GCSE or equivalent. This compares with 66% and 74% respectively in the South East region as a whole.

Economic Activity

In 2009/10, 67,800 of Horsham's working age residents were economically active. This represents four-fifths (82.8%) of the district's working age residents. This is slightly higher than the economic activity rate in both West Sussex (81.5%) and the South East (79.3%) as a whole.

Males (90%) are much more likely to be economically active than females (76%)¹. This is a pattern in most areas.

Figure 6: Labour Market Participation Rates in Horsham compared with West Sussex and the South East



Source: Annual Population Survey Oct 09-Sept 10

The employment rate (76.5%) in Horsham is also higher than the average for West Sussex (76.3%) and the South East (74.5%).

This suggests that Horsham may have a lower level of residents who are involuntarily workless than many other parts of West Sussex. However, the unemployment rate is 7.6%, higher than in both West Sussex (6.1%) and the South East (6.1%).

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

The proportion of working age residents who were claiming out of work benefits (6.4%) in November 2009 was lower than in West Sussex (9.0%) and the South East region (9.0%) as a whole.

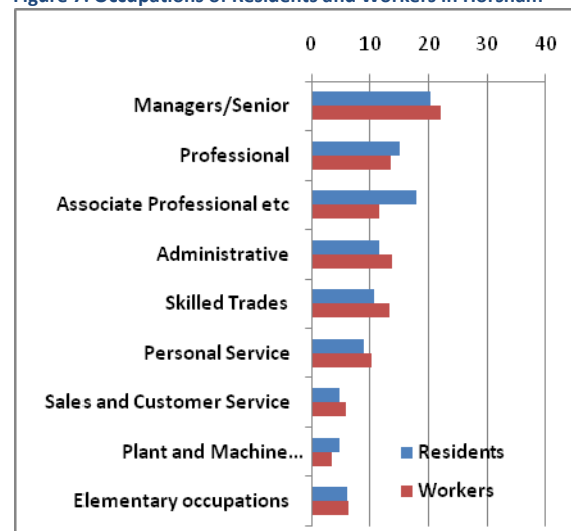
The number of residents claiming out of work benefits increased from 4,500 in November 2008 to more than 5,150 a year later, reflecting the impact that the recession has had on employment in Horsham.

Employment

Just under three-quarters (73.3%) of Horsham's working residents are employed full-time. This is similar to the proportion who work full-time across West Sussex (73.2%) and the South East (73.4%) region.

Levels of self employment are the highest of all the districts in West Sussex – 19.4% 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 Horsham



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

Residents in Horsham are more likely to work as Professionals and in Associate Professional & Technical Occupations than people who

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

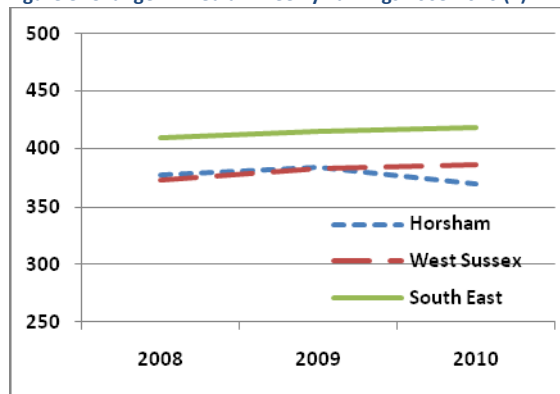
work in the district. By contrast, Horsham workers are more likely than residents to be employed as Managers & Senior Officials and in a range of intermediate level occupations, including Administrative Occupations; Skilled Trades; Personal Service Occupations; and Sales & Customer Service Occupations. This suggests that many of the district's residents commute out of the district to higher level jobs.

Overall, both residents and workers in Horsham are more likely to be in 'higher level' occupations than people who live and work in many other districts in West Sussex.

Earnings

Median earnings of people who work in Horsham were £369.00 per week in 2010. This is £7.80 lower than in 2008. Median earnings are lower in Horsham than they are in both West Sussex (£385.50) and the South East (£418.60) as a whole.

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



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

Median earnings of workers in Horsham have fallen at a time when there has been a modest increase in average earnings amongst workers in West Sussex and the South East recently.

Median earnings for workers in Horsham are much lower than residents' median earnings. Horsham residents who are in work earn, on average, £446.20 per week – some £77.20

more per week than Horsham workers' average earnings.

This pattern is reflected in both West Sussex and the South East as a whole, but not to the same extent as in Horsham. It is possible that the high levels of self-employment in Horsham offset the comparatively low-paying nature of many of its employee jobs.

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



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

The low median earnings of workers in Horsham may reflect the relatively low value added nature of parts of the local economy.

Horsham - Place

What this Section Covers

This section focuses on the characteristics of Horsham 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 Horsham 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

Horsham covers an area of 53,026 hectares and is one of the larger districts in West Sussex. It is located within the Gatwick Diamond and has borders with all the other districts in West Sussex, except Worthing. Horsham town is its most significant urban centre, but it also includes places such as Billingshurst, Steyning and Storrington.

However, Horsham is also a rural district with dozens of villages and hamlets set within the countryside between the South Downs and the Weald.

Transport

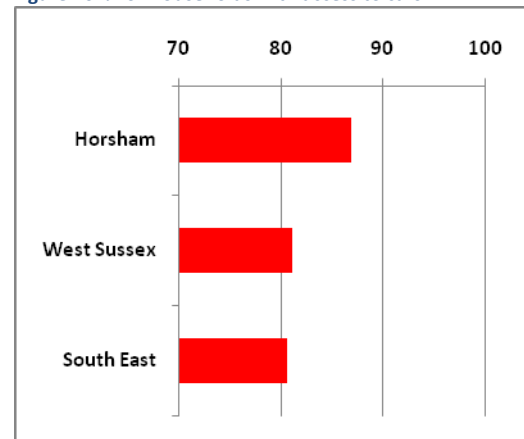
Horsham has good transport links to London and to national and international markets via Gatwick Airport, which is located in the neighbouring borough of Crawley.

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 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 Horsham are more 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 a high proportion (86.9%) of households had access to a car in 2001, this still means that nearly one in eight households in the district did not have access to private transport.

Around one in seven (14.4%) of the district's working residents travelled more than 30km to work in 2001. This is higher than the proportion of working residents in West Sussex (11.8%) and the South East (11.1%) who commute long distances.

The relatively high level of long distance commuting amongst Horsham's residents may reflect a lack of large numbers of good quality local jobs and the accessibility of more significant employment centres, such as Crawley, Croydon and London.

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



Source: Census 2001

Housing

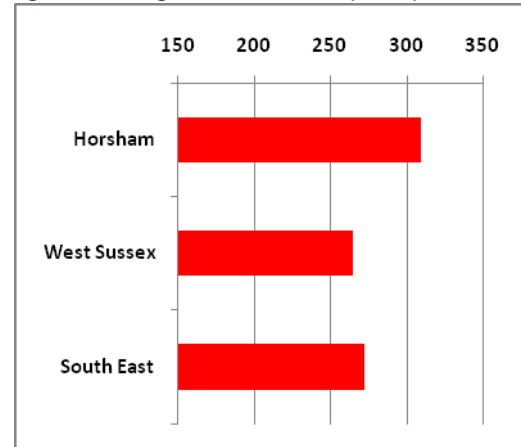
In 2001, 3.7% of households lived in accommodation rented from the Council. This is amongst the lowest of all districts in West Sussex and below the average for the County (6.6%) and the South East (7.4%) region, as a whole. Horsham also had a small private rented sector (6.6%) compared with the county average (7.7%).

More than three-quarters (78%) of houses in the district were 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 Horsham have increased rapidly over the past decade.

The average price of a house in June 2010 was £309,047. This is amongst the highest of all the districts in West Sussex and well above the county and South East averages. Average house prices are 10.2 times the annual gross full-time earnings of people who are living in the district and 13.5 times the earnings of people who work in Horsham, making it amongst the least affordable districts in the County.

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



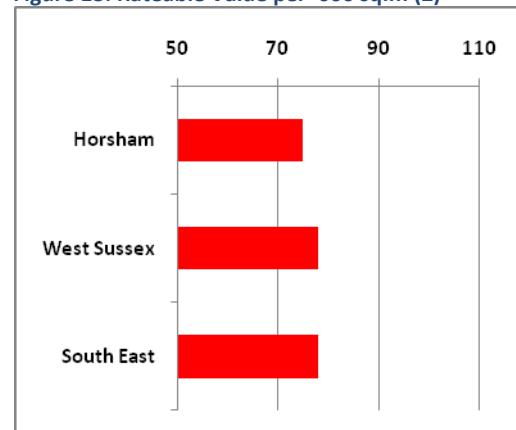
Source: Land Registry of England & Wales

Commercial Land and Property

In 2008, there was 971,000 sq m of commercial and industrial floorspace in Horsham. This included 565,000 sq m of industrial space; 191,000 sq m of office space and 168,000 sq. m of retail space.

The rateable value of commercial accommodation in Horsham is slightly lower than in West Sussex and the South East region as a whole.

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



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

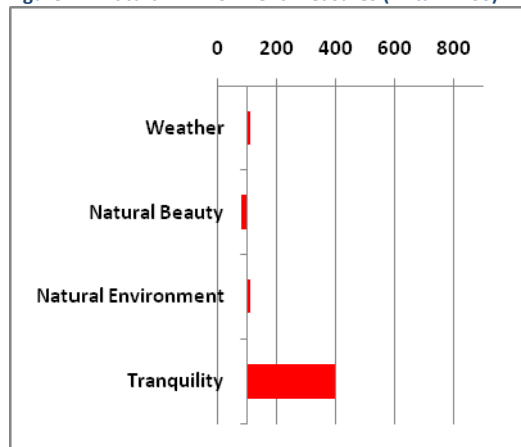
In 2008, the rateable value in Horsham was £75 per 1000 sq.m, compared with £78 across both West Sussex and the South East region.

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.

Horsham scores above the average for Britain by all measures, except the 'Natural Beauty' measure. The district scores particularly strongly on the 'Tranquillity' measure, with an index score of 398.

Air quality across West Sussex is generally considered to be good. However, the area around the A283 at Storrington High Street and West Street has been declared as an Air Quality Management Area. There is an additional air quality 'hotspot' on the A272 at Cowfold.

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 This scale has been used so that the figure can be compared with the same figure in other factsheets

Horsham - Economy

What this Section Covers

This section focuses on Horsham'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, Horsham's economy was worth around £2.33bn – just under 15% of the West Sussex economy. Productivity levels (as measured by GVA per head) in Horsham 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 Horsham in 2007 was estimated to be £19,617, compared with £20,382 in West Sussex and £21,248 across

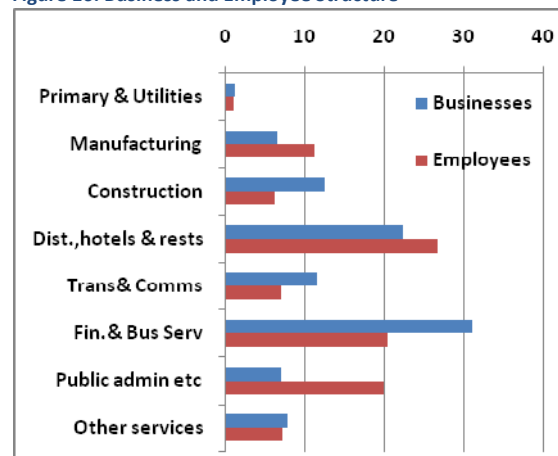
the South East region as a whole. This reflects the lower value added activity of many of the jobs in the district. Furthermore, the same estimates suggest that productivity increases between 1997 and 2007 (+49%) were below the county average.

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, Horsham is ranked 66th out of 379 districts in terms of its competitiveness. This puts it in the 18th percentile, making it more competitive than most other districts in West Sussex.

Businesses and Employment

In 2010, there were 7,110 businesses in Horsham. This is 20% 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

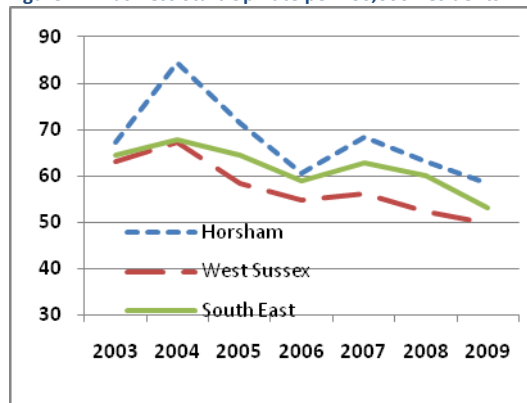
The Financial & Business Services sector accounts for nearly a third (31%) of all

businesses, but provides only a fifth (20%) of jobs in Horsham. By contrast, just one in fourteen businesses are in the Public Administration, Education & Health sectors, but they provide one in every five (20%) of all local jobs. As with most other areas, the Distribution, Hotels and Restaurants sector accounts for a large proportion of Horsham businesses (22%) and provides a significant amount of the district's employment (27%).

Business Start up Rates

In 2009, there were 58.5 new businesses per 10,000 residents in Horsham. This is higher than the average for West Sussex (49.7) and the South East (53.1) but is well below the rate of business formation in the district of the early 2000s.

Figure 17: Business Start Up Rate per 100,000 Residents



Source: Office for National Statistics

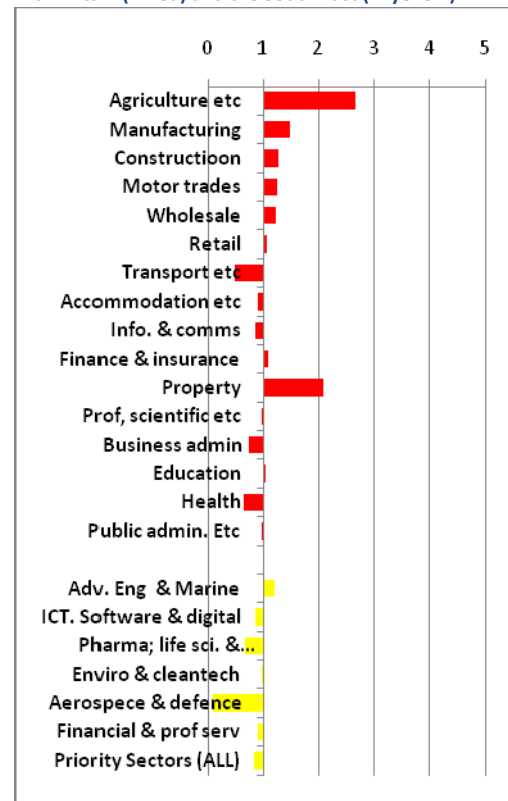
Employment Strengths

It is useful to understand local economic strengths by comparing the distribution of employment in sectors in Horsham 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 Horsham in Figure 18, below.

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



Source: Annual Business Inquiry 2008

Horsham has strong local concentrations in a number of sectors, notably Agriculture, Forestry & Fishing; Property; and Manufacturing. In terms of regional priority sectors, there are local concentrations in Advanced Engineering. By contrast, Horsham is under-represented in Transport, Business Administration and Health.

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.