

West Sussex Local Economic Assessment

Spatial Area Factsheets

WEST SUSSEX



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 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 West Sussex 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 West Sussex factsheet. These are listed below:

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

Further Information

For further information about the West Sussex Local Economic Assessment, please contact:

Sue Cooper, West Sussex County Council.

Email : sue.cooper@westsussex.gov.uk;

Tel: 01243 777106

West Sussex Summary

People

• Resident Population/working age population in 2008	789,000/61%
• 1992-2008 population growth/ 2008-2026 projected growth	+83,100/+81,600
• Residents with Level 4+ qualifications/Low Level qualifications in 2008	31%/31%
• Median weekly earnings of residents/workers in 2010	£396/£386
• Residents/workers employed in 'Higher level' occupations in 2009	46%/43%
• Residents/workers employed in Elementary occupations in 2009	10%/12%
• Economic activity rate/Employment rate in 2009/10	81%/76%
• Unemployment rate/% claiming out of work benefits in 2009	6.1%/9.0%

Place

• Area	199,086 hectares
• Main urban centres	Crawley, Worthing, Horsham, Chichester
• Households with access to a car in 2001	81%
• Workers who commute more than 30km to work in 2001	12%
• Average residential property price in 2010	£272,405
• Total commercial and industrial floorspace in 2008	6,345,000 sq.m
• Rateable value per 1,000 sq m in 2008	£78

Economy

• Total value of the economy in 2007 (GVA)	15.82bn
• GVA per head in 2007	£20,382
• Number of businesses in 2010	36,415
• Businesses in the Financial & Business Services sector in 2008	29%
• Workers employed in the Financial & Business Services sector in 2008	20%
• Businesses in the Public Administration, Education & Health sector in 2008	8%
• Workers employed in Public Administration, Education & Health in 2008	25%
• Business start ups per 10,000 residents in 2010	49.7
• Competitiveness rank (out of 379) in 2010	n/a
• Sector strengths: Transport & Storage; Manufacturing; Finance & Insurance; Health; Retail	

West Sussex - People

What this Section Covers

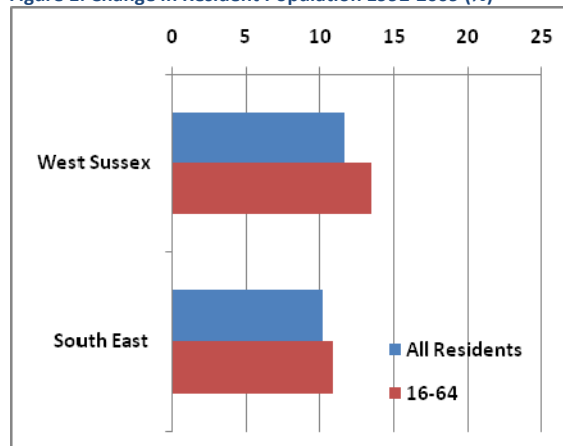
This section focuses on the characteristics of the people who live in West Sussex. It sets out the profile and trends of the resident population; their skills and qualification levels; labour market participation rates; the type of jobs that they do; and their average earnings.

Population Trends

In 2008, there were 789,000 residents in West Sussex, around 83,000 more than there had been in 1992.

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

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



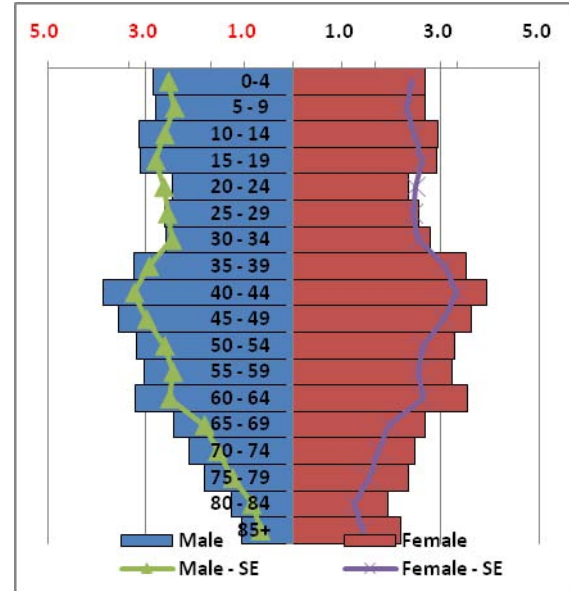
Source: Mid Year Population Estimates ONS via NOMISWEB

Around 60% of West Sussex’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 nearly a third (30%) of households in the county

contained a pensioner – a higher proportion than in the South East (25%) as a whole.

Figure 2: Population Structure Compared to the South East (5)



Source: Mid Year Population Estimates ONS via NOMISWEB

In 2008, there were 51,000 residents in West Sussex who were aged 80 or over, 33,000 of whom were women.

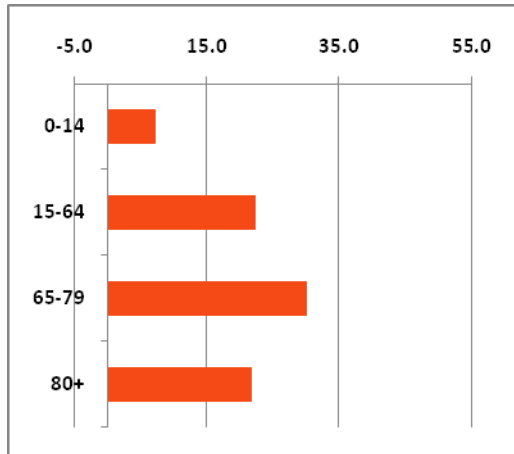
Population Projections

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 around 863,000 residents in West Sussex by 2026 – an increase of around 10%.

According to West Sussex County Council Nearly two-thirds (64%) 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 county over the period.

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



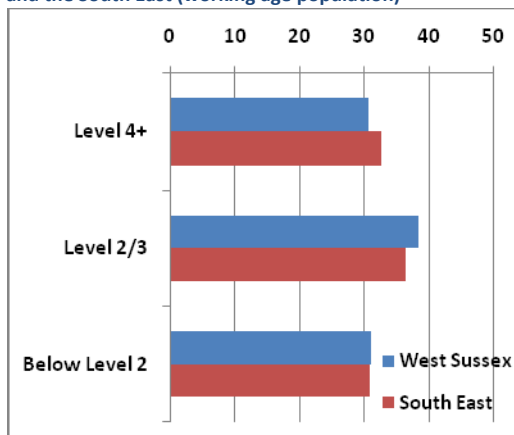
Source: West Sussex County Council

The projected pattern of population growth is not the same in all parts of the county, however. Most areas are projected to see a significant increase in their post-working age populations. However, there is projected to be a significant increase in the working age population in Mid Sussex and Arun.

Skills and Qualifications

West Sussex residents tend to have slightly lower qualification levels than residents across the South East region.

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



Source: Annual Population Survey Jan-Dec 2009

Less than a third (31%) of working age residents hold a Level 4 qualification, compared with 33% in the South East region, as a whole.

Just under a third (31%) of West Sussex residents hold no or low level (below Level 2) qualifications. This is the same proportion as across the South East region 31%.

However, there are large differences in the qualification levels of residents in different parts of the county. In Horsham, for example; more than four out of ten (42%) of residents holds a Level 4 qualification, compared with less than a quarter (23%) of residents in Crawley.

There appears to have been some improvement in the levels of qualifications that are held by West Sussex residents in recent years.

GCSE Attainment

GCSE attainment amongst 15 year old West Sussex residents has improved in recent years. However, in most districts within the county, achievement rates are below the average for the South East region. Amongst both boys and girls, achievement is only higher than the regional average in Horsham and Mid Sussex. There is a particularly large achievement gap in Arun.

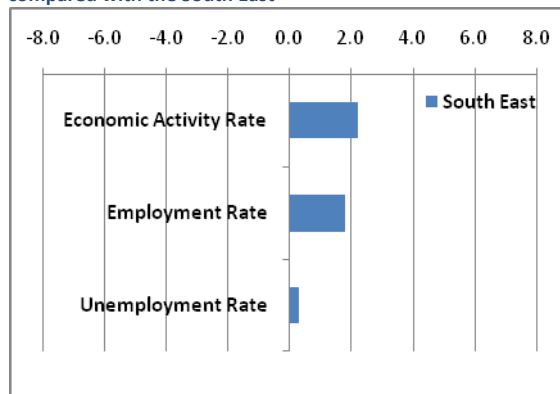
Economic Activity

In 2009/10, 393,000 of West Sussex's working age residents were economically active. This represents just over four-fifths (81.5%) of the county's working age residents. This is slightly higher than the economic activity rate in the South East (79.3%) as a whole.

Males (88%) are much more likely to be economically active than females (75%)¹. This pattern is the same in most areas.

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

Figure 5: Labour Market Participation Rates in West Sussex compared with the South East



Source: Annual Population Survey Oct 09-Sept 2010

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

West Sussex as a whole may have similar levels of involuntarily workless as the South East region. This is reflected in the unemployment rate, which at 6.1% is the same as the South East (6.1%).

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

The number of residents claiming out of work benefits increased from 38,750 in November 2008 to more than 43,900 a year later, reflecting the impact that the recession has had on employment in West Sussex.

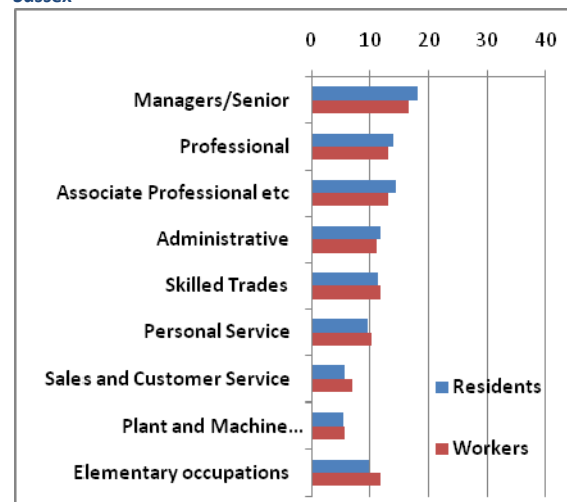
Employment patterns are not the same across the county, however. Levels of out of work benefit claimants are highest in Worthing (11.7%) and lowest in Mid Sussex and Horsham (both 6.4%).

Employment

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

Nearly one in six (15.5%) of residents in work are self employed. This is higher than the average for the South East region (13.9%), but disguises significant differences within the county. In Horsham (19.4%) and Mid Sussex (19.2%) nearly one in five working residents run their own businesses. However, in Crawley (7.8%) and Adur (8.4%), the proportions of self employment are much lower.²

Figure 6: Occupations of Residents and Workers in West Sussex



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

Overall, residents in West Sussex do similar occupations to people who work in the county. However, there are slightly more workers employed in lower level occupations such as Elementary Occupations Sales & Customer Service Occupations and Personal Service Occupations. By contrast West Sussex residents are slightly more likely than its workers to be employed in higher level occupations, such as Managers & Senior Officials; Professionals and in Associate Professional & Technical Occupations.

This pattern probably reflects the accessibility of London to some parts of the county, which enables some better skilled residents to access higher level jobs in outside the county.

Residents in Mid Sussex, Horsham and Chichester are most likely to work in higher

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

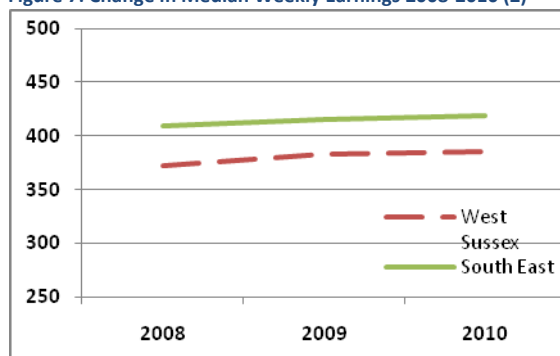
level jobs, whilst residents in Crawley are most likely to work in lower level occupations.

the reverse is the case. The difference is widest in Horsham, where residents' weekly median earnings are £77.20 more than those of people who are employed in the district.

Earnings

Median earnings of people who work in West Sussex were £385.50 per week in 2010. This is £13.40 higher than in 2008. Median earnings are lower in West Sussex than they are in the South East (£418.60) as a whole.

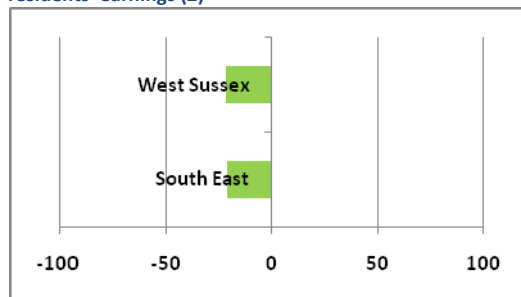
Figure 7: Change in Median Weekly Earnings 2008-2010 (£)



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

Weekly median earnings of workers are lowest in Arun (£315.90) and are highest in Crawley (£494.60). Median earnings for workers in West Sussex are slightly lower than residents' median earnings – this is a similar pattern to the South East region, as a whole. West Sussex residents who are in work earn, on average, £395.50 per week – some £10.00 more per week than West Sussex workers' average earnings.

Figure 8: Difference in workers earnings compared with residents' earnings (£)



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

In Crawley (+£69.70); Chichester (+£13.40) and Adur (+£24.80) workers earn more than residents in the district. In all other districts

West Sussex - Place

What this Section Covers

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

Geography and Location

West Sussex covers an area of 199,086 hectares. Chichester (78,632 ha) is the largest district in the county and Worthing (3,248 ha) is the smallest.

West Sussex is located on the south coast of England, between Brighton & Hove and East Sussex to the East and Portsmouth and Hampshire to the west.

Its largest urban centres are Worthing, Crawley, Horsham and Chichester. However, it is a county that is noted for its coast line; its outstanding countryside and its rural living. In April 2011, large parts of the county became part of the South Downs National Park.

Transport

Many parts of West Sussex have good transport links to London and to national and international markets via Gatwick Airport, which is located in Crawley. To the west of the county, there are good links to Portsmouth and Southampton.

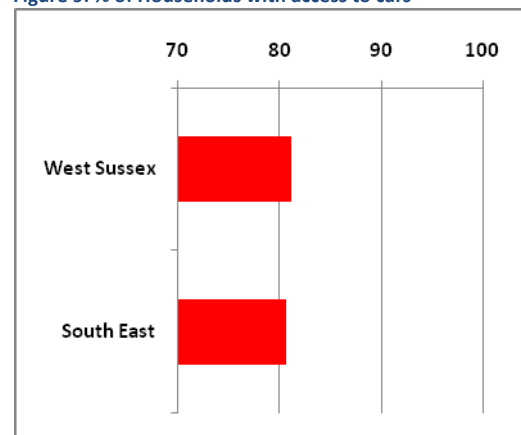
However, some parts of West Sussex are quite isolated and the east-west transport links are widely recognised as problematic and lack of good public transport can mean that

vulnerable people in rural communities are at risk of being isolated.

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 West Sussex are slightly more likely to have access to a car than residents across the South East, as a whole.

Figure 9: % of Households with access to cars



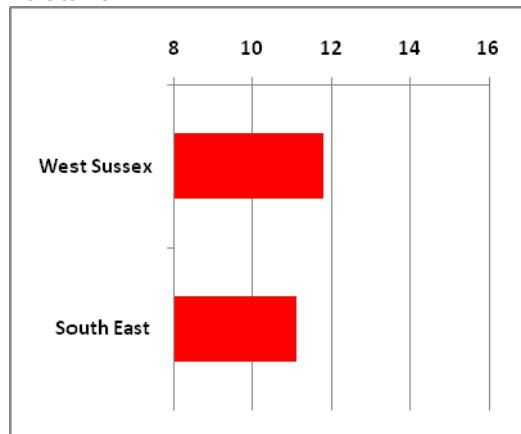
Source: Census 2001

Although a high proportion (81.1%) of households had access to a car in 2001, this still means that nearly one in five households in the county did not have access to private transport.

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

There are significant differences within the county, however. Working residents in Horsham (14.4%) are most likely to travel long distances to work, whilst those in Adur (9.2%) are least likely to do so.

Figure 10: % of Residents in Work who Commute 30km or more to work



Source: Census 2001

Housing

In 2001, 6.6% of households lived in accommodation rented from the Council. This is below the average for the South East (7.4%) region, as a whole. Home ownership (either outright or with a mortgage) is higher in West Sussex (76%) than in the South East, (73%).

Arun has the highest proportion of properties that are owned outright (42%), whilst Crawley has the lowest (23%).

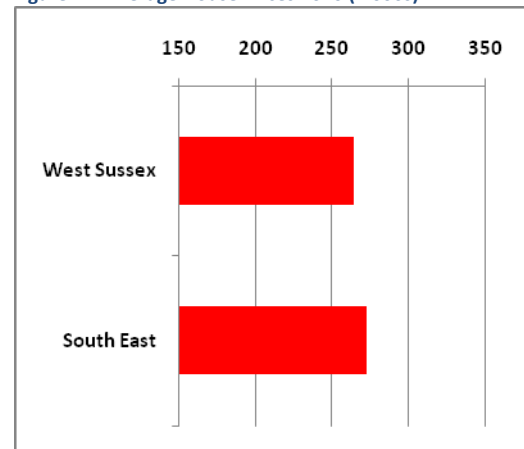
In common with other parts of the South East, house prices in West Sussex have increased rapidly over the past decade.

The average price of a house in June 2010 was £264,572, which is slightly below the South East average (£272,405).

However, this disguises significant differences within the county. Average house prices are highest in Chichester (£317,456) and Horsham (£309,047) and lowest in Crawley (£197,897). Overall, house prices are 9.5 times residents' annual average full-time earnings and 9.9 times those of people who work in the

county. This makes West Sussex less affordable than the South East average.

Figure 11: Average House Prices 2010 (£'000s)



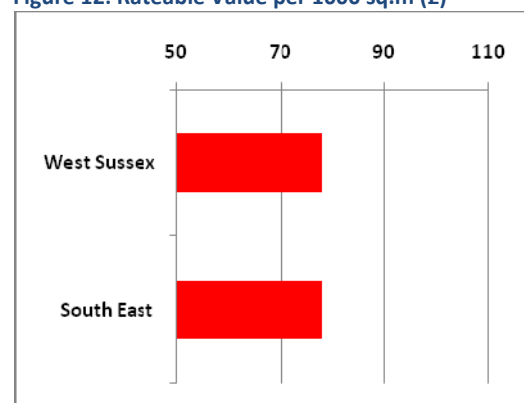
Source: Land Registry of England & Wales

Commercial Land and Property

In 2008, there was 6,345,000 sq m of commercial and industrial floorspace in West Sussex. This included 3,466,000 sq m of industrial space; 1,320,000 sq m of office space and 1,305,000 sq. m of retail space.

The rateable value of commercial accommodation in West Sussex is the same as that for the South East region as a whole.

Figure 12: Rateable Value per 1000 sq.m (£)



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

In 2008, the rateable value was £75 per 1000 sq.m, in 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.

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

Most districts in the county score above the national average (GB=100) on most of the measures. Worthing and Crawley score below average on the Tranquillity, Natural Environment and Natural Beauty measures; whilst Horsham scores below average on Natural Beauty only and Adur on Tranquillity only. All districts score above average on the Weather measure.

Air quality across West Sussex is generally considered to be good. However, there are a number of areas that have been declared as Air Quality Management Areas. These include:

- The A259 at Shoreham High Street and at Southwick;
- The area around the A27/A286 Stockbridge Roundabout in Chichester;
- The A286 at Orchard Street in Chichester;
- Part of St. Pancras;
- The area around the A283 at Storrington High Street and West Street;
- The A27/A24 junction at the Grove Lodge roundabout in Worthing.

There are also 'hotspots' along the A272 at Cowfold; and junction of the A273/B2166 in Hassocks and in the area around Gatwick Airport.

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.

West Sussex - Economy

What this Section Covers

This section focuses on West Sussex'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, West Sussex's economy was worth around £15.82bn – around 9% of the West Sussex economy. Productivity levels (as measured by GVA per head) in West Sussex are below the average for the South East region as a whole.

Figure 13: GVA per head Estimates – 2007 (£'000s)



Source: Local Futures Ltd

GVA per head was £20,382 in West Sussex in 2007 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 county. Furthermore, the same estimates suggest that productivity increases between 1997 and 2007 (+55%) were below the South East (65%) average.

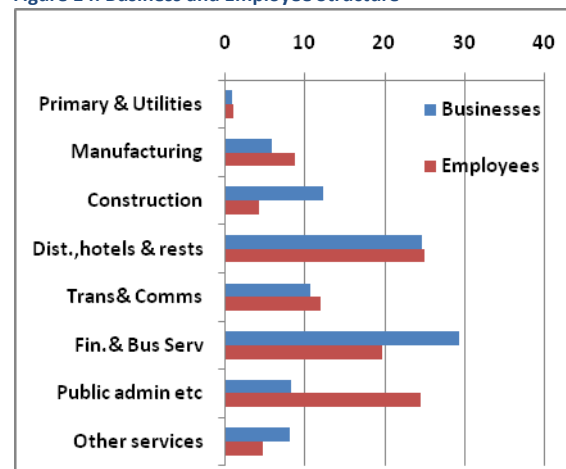
Economic resilience depends heavily on the competitiveness of an economy, in terms of the products and services that it provides and the knowledge and intellectual capital of its labour force. According to the UK Competitiveness Index, Mid Sussex is the most competitive district in the county, ranked 55th out of 379 districts, whilst Arun is the least competitive, ranked 250th.

Businesses and Employment

In 2010, there were 36,415 businesses in West Sussex, nearly four out of ten (39%) of which were based in just two districts – Horsham and Mid 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 14: Business and Employee Structure



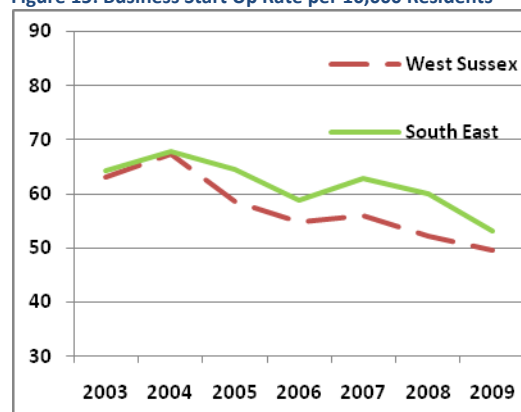
Source: Annual Business Inquiry 2008

The Financial & Business Services sector accounts for well over a quarter (29%) of all businesses, but provides only a fifth (20%) of jobs in West Sussex. By contrast, just one in twelve businesses are in the Public Administration, Education & Health sectors, but they provide more than a quarter (25%) of all local jobs. As with most other areas, the Distribution, Hotels and Restaurants sector accounts for a large proportion of West Sussex businesses (25%) and provides a significant amount of the district's employment (25%).

Business Start up Rates

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

Figure 15: Business Start Up Rate per 10,000 Residents



Source: Office for National Statistics

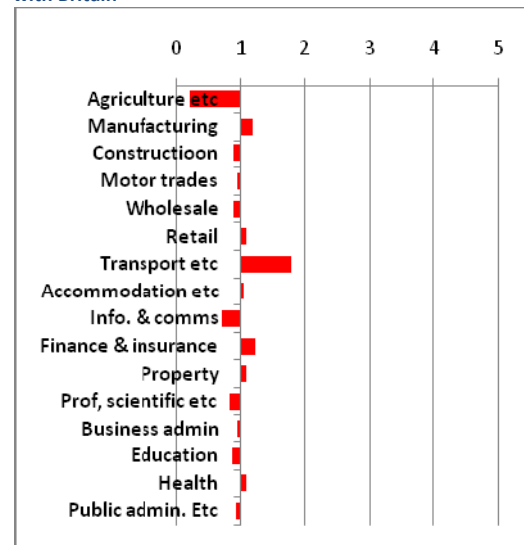
Employment Strengths

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

Figure 18: Sector Strengths (Location Quotients) compared with Britain



Source: Annual Business Inquiry 2008

West Sussex has strong local concentrations in a number of sectors, notably Transport & Storage; Finance & Insurance; and Manufacturing.

Within West Sussex, individual districts have their own concentrations, including Agriculture, Forestry & Fishing (including Horticulture) in Arun, Chichester and Horsham; Health in Worthing and Arun; Property in Horsham, Chichester & Mid Sussex; Finance & Insurance in Worthing and Mid Sussex; Manufacturing in Adur, Arun & Horsham; and Transport & Storage in Crawley.

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.