

Annual Employment Report 2008

The West Sussex Labour Market

March 2008
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1 Introduction

- 1.1 This report has been prepared by the Economic Strategy Group, West Sussex County Council, in order to meet an obligation under the legal agreement between West Sussex County Council, BAA Gatwick and Crawley Borough Council. The report contains the most recent information available relating to the West Sussex local economy and labour market and it is intended that it will inform the discussions relating to the local economy at the next Employment Forum to be arranged by BAA Gatwick.

2 Summary

- 2.1 Nationally, GDP grew in the UK at an above-trend pace of close to 3% through the first three quarters of 2007. However, this growth is expected to become weaker in coming quarters, as weaker activity in the housing market and tighter credit conditions are likely to weaken both investment and consumer demand.¹ The growth rate continues to be driven by the strong service sector though this has seen some downturn over the last quarter. There has been further marginal contraction in manufacturing output growth, though the construction sector continues to grow strongly.
- 2.2 Unemployment levels in the UK remain low compared to historical standards, and the number of unemployed people and the unemployment rate fell in the three month period up to December 2007. The claimant count measures the number of people claiming Jobseeker's Allowance. The figures for January 2008 showed the claimant count level to be the lowest level since June 1975².
- 2.3 The UK continues to enjoy high levels of employment with the inactivity rate and the number of inactive people of working age falling and the number of vacancies rising. The increase in the employment level was mainly driven by employees and full time employment. In terms of the increase in jobs the largest contribution to the increase over the year came from finance and business services, followed by distribution, hotels and restaurants, and construction. The manufacturing and transport and communications sectors saw a fall in the number of jobs.³
- 2.4 When compared to other UK regional economies the South East region has seen higher levels of employment growth than the UK average with higher levels of economic activity and employment rates. The South East region accounts for nearly 16% of the UK Gross Value Added (GVA), the largest share of any of the English regions outside London and has also seen the highest levels of growth in GVA per head over the period 1995-2004 in Great Britain.
- 2.5 West Sussex as a whole has a relatively buoyant economy, though there are significant variations within the county. GVA estimates for 2004 for the county is £13.3 million, some 8% of the regional GVA. GVA per head in 2004 in West Sussex is lower than the UK and regional average. Crawley is estimated to have the highest levels of GVA per head in the county.
- 2.6 West Sussex continues to be a predominately small firm economy with around 73% of businesses employing up to four people, and 86% employing up to 10 people. These small businesses however, employ just over a fifth of all employees in the county, with 50% of the county's employees employed in larger firms which have 50 or more employees. Within the county large firms, employing over 100 employees, are spatially concentrated in a small part of the county, with around a third of them located in Crawley.

¹OECD Economic Outlook 82

² Economic and Labour Market Review, March 2008 ONS

³ ibid

- 2.7 Self-employment is higher in West Sussex than both nationally and regionally and particularly high in Chichester district. A breakdown of job growth by industrial sectors shows a similar pattern to recent trends, with manufacturing employment falling and growth taking place in the service sectors. The fastest growth was in banking, finance and insurance sectors.
- 2.8 As with the regional economy, West Sussex is predominately a service sector economy, with around 85% of employees employed within the service sectors slightly higher than nationally. As expected West Sussex has a higher concentration of employment in transport and communications compared with the national and regional picture due to the presence of Gatwick Airport, which as well as being an important influence on West Sussex impacts on Surrey and the north west part of East Sussex. In Crawley nearly a third of employees are employed in this sector and, understandably, it has the highest proportion of business in the sector.

3 Productivity in West Sussex

GVA Estimates

- 3.1 Gross Value Added (GVA) is used as a measure of economic activity occurring in an area. GVA is similar to GDP (Gross Domestic Product), but excludes taxes and subsidies on products. It is the current basis by which National and Regional Accounts are prepared.
- 3.2 The Office for National Statistics (ONS) has released estimates for the period 1996-2005, at sub regional level for GVA, ('Regional Gross Value Added' December 2007⁴). The figures, shown below, are estimates and may be subject to further revision.

Table 1: GVA estimates for the South East Counties 2005

	£ million	£ per Head (000's)
UK	1096.6	18.2
South East	159.1	19.4
Surrey	24.9	23.1
Berkshire	23.6	29.2
Kent	24.0	14.8
Hampshire CC	22.4	17.8
Oxfordshire	14.0	22.3
West Sussex	13.3	17.4
Buckinghamshire CC	10.4	21.5
East Sussex CC	6.2	12.3
Brighton & Hove	4.3	17.2
Isle of Wight	1.6	11.3

Source: ONS

- 3.3 The latest estimate of GVA for West Sussex was £13,342 million, which contributes around 8.4% of the regional GVA. It is estimated that the service sector contributes around three-quarters of GVA in West Sussex.
- 3.4 GVA is also expressed in terms of £ per head. Whilst Kent has a higher estimate of GVA it has a lower GVA per head than West Sussex. In Buckinghamshire the GVA is lower but there is a higher GVA per head than West Sussex.
- 3.5 From the GVA estimates it is evident that GVA per head has increased in West Sussex since 1996 from £12,314 to £17,405 in 2005 an increase of 41%. This does not compare favourably with the increase of 54% nationally and the larger increase of 63% seen in the South East region. Indeed, over the year 2004-2005 the increase estimated in West Sussex was also lower than that for the UK and for the South East region.
- 3.6 Estimates from Local Futures suggests that in 2004 GVA per head levels were highest in Crawley at £21,370 per head, indeed all three Gatwick Diamond

⁴ <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=14650>

districts (Crawley, Horsham and Mid Sussex) saw higher levels of GVA per head than any of the West Sussex coastal districts. The lowest estimate was in Arun at £14,440 per head.

Earnings in West Sussex

- 3.7 From the Annual Survey of Hours and Earnings (ASHE - which replaced the New Earnings Survey in 2002) it is evident that gross average weekly earnings for employees working in West Sussex are lower than for Great Britain and for the South East region. However, there are quite significant variations within the county. Earnings tend to be generally lower in the coastal districts. This is a reflection of the types of jobs in this area, with a greater proportion of jobs being in low paid sectors, including retailing, hotels and catering.
- 3.8 In Adur and Crawley the average weekly earnings are higher for those people working in the area than they are for those living in the area. However, for the remaining districts and boroughs and for West Sussex as a whole, the weekly earnings of residents are higher than for those working in those areas. This trend, which is particularly significant in Horsham district, could be a reflection of out commuting of residents to higher paid jobs. In Horsham and Mid Sussex this is likely to be linked to residents working in the Crawley, Surrey and London areas.

Table 2: Gross average weekly pay for all full-time employee jobs 2007

	Total Weekly Earnings Resident in area	Total Weekly Earnings Working in area
	£	£
Great Britain	462.6	462.0
South East	499.6	480.7
West Sussex	477.5	431.2
Adur	397.9	521.6
Arun	389.7	388.5
Chichester	465.2	386.0
Crawley	442.0	466.8
Horsham	602.7	458.8
Mid Sussex	498.3	453.5
Worthing	452.2	425.5

Source: ASHE 2007 (figures are median)

- 3.9 Table 3 compares the mean weekly pay levels for all those in work by gender. There is a significant gender pay gap between men and women in full time employment with, in some cases, women earning only around half of men's weekly pay.

Table 3: Comparison of mean weekly earnings 2007

	Males		Females	
	Earnings: Mean (workplace)	Earnings: Mean (residence)	Earnings: Mean (workplace)	Earnings: Mean (residence)
	£	£	£	
South East	596.0	640.2	347.9	362.7
Adur	538.3	445.2	275.6	302.0
Arun	415.5	493.7	273.5	291.4
Chichester	452.4	584.8	306.4	280.4
Crawley	660.9	564.8	375.8	325.5
Horsham	512.7	803.6	340.0	385.4
Mid Sussex	548.2	640.2	326.0	356.9
Worthing	469.4	520.3	312.1	326.6

Source: ASHE 2007 (Local Knowledge)(figures are mean)

3.10 The change in earnings over time is varied within West Sussex. At county wide level, for those working in West Sussex there has been a lower average increase in earnings than seen in Great Britain and the South East. Adur, Arun, Worthing and Crawley has experienced a higher increase than the rest of the county. The picture is different for those resident in the county where overall earnings have increased at a higher rate and is notably high in Horsham though the figures suggest that earnings for those resident in Chichester have fallen.

Table 4: Change in gross average weekly pay for all full-time employee jobs 2002 to 2007

	Total Weekly Earnings Residents 2002	Total Weekly Earnings Residents 2007	Change in weekly earnings residents 02-07	Total Weekly Earnings Workplace 2002	Total Weekly Earnings Workplace 2007	Change in weekly earnings workplace 02-07
	£	£	%	£	£	%
Great Britain	392.7	462.6	17.8	392.2	462.0	17.8
South East	435.1	499.6	14.8	419.9	480.7	14.5
West Sussex	407.9	477.5	17.1	395.3	431.2	9.1
Adur	399.0	397.9	-0.3	433.4	521.6	20.4
Arun	340.4	389.7	14.5	326.9	388.5	18.8
Chichester	478.4	465.2	-2.8	365.9	386.0	5.5
Crawley	385.4	442.0	14.7	408.0	466.8	14.4
Horsham	478.8	602.7	25.9	434.8	458.8	5.5
Mid Sussex	437.9	498.3	13.8	412.9	453.5	9.8
Worthing	403.1	452.2	12.2	365.9	425.5	16.3

Source: ASHE 2002 & 2007 (figures are median)

4 The West Sussex Workforce

Economic Activity in West Sussex

- 4.1 The most recent figures for economic activity in the county are available from the Annual Population Survey. This survey is a residence based labour market survey, available at local authority level and above, which encompasses population, economic activity (employment and unemployment), economic inactivity and qualifications. It is broken down by gender, age, ethnicity, industry and occupation.
- 4.2 The economically active population is defined as including those people of working age (16-64 for males, and 16-59 for females) who are in work, or are unemployed as a percentage of the total population within those age groups. The table below shows the activity rate along with the employment rate, defined as the proportion of people of working age who are in employment.

Table 5: Economic Activity in West Sussex

	Economic Activity rate of persons of working age	Employment rate of persons of working age
Great Britain	78.5	74.2
South East	82.0	78.3
West Sussex	82.2	79.1
Adur	91.2	85.8
Arun	78.2	75.2
Chichester	81.3	76.3
Crawley	81.8	80.6
Horsham	82.3	78.7
Mid Sussex	84.1	81.6
Worthing	81.7	79.2

Source: Annual Population Survey March 2007 (nomis/ONS)

- 4.3 The economic activity rate for the county is higher than nationally and similar to regional levels. Adur has an economic activity rate above the county average and indeed sees the highest rate in West Sussex. Arun's rate is the lowest in the county and corresponds with the lower employment rate. Activity rates and employment rates for Adur and Mid Sussex are above regional average.

Employment status

- 4.4 Results from the Annual Population Survey suggest that there is a greater proportion of self-employed residents, particularly females, in West Sussex than regionally or in Great Britain. The proportion of self-employed tends to be greater amongst the coastal districts.

Table 6: Percentage of Working Age by Status

	West Sussex	South East	Great Britain
% of working age who are employees	68.5	67.3	64.5
% of working age who are self employed	11.5	10.7	9.3

Source: Annual Population Survey 2006 ONS/Nomis

Unemployment

- 4.5 Claimant unemployment levels in West Sussex are low. Table 7 below shows the latest claimant unemployment rates. The unemployment rate in West Sussex is lower than for the South East or Great Britain. Over the last year unemployment fell slightly nationally, in the South East and in West Sussex and in most districts. Only Worthing showed no overall change.

Table 7: Numbers of claimant unemployed (and rate⁵) January 2008		
	Unemployed claimants	rate
Adur	474	1.4%
Arun	1,236	1.6%
Chichester	721	1.2%
Crawley	877	1.4%
Horsham	651	0.9%
Mid Sussex	535	0.7%
Worthing	857	1.5%
West Sussex	5,351	1.2%
South East	68,109	1.3%
Great Britain	806,431	2.2%

Source ONS/NOMIS

- 4.6 The South East, West Sussex and the majority of its districts have a lower proportion of people aged under 24 years who are unemployed claimants, this is possibly a reflection of a greater proportion being in post school education, or on government training schemes, as well as being in employment. Long term

⁵ Rate is the number of claimants as a proportion of resident working age population .

unemployment, that is claimants who have been out of work for over a year, is greater nationally than it is in West Sussex, though there is a higher percentage of over 25s out of work for over 2 years. There is some significant difference between districts in West Sussex.

Table 8: Long Term unemployed Claimants, January 2008

	Aged 24 and under, claiming for over 1 year	Aged 25 and over, claiming for over 1 year	Aged 25 and over, claiming for over 2 years
Adur	1.3%	9.5%	4.4%
Arun	0.2%	10.8%	3.7%
Chichester	1.1%	12.4%	4.2%
Crawley	0.9%	9.6%	3.1%
Horsham	0.8%	11.5%	4.5%
Mid Sussex	1.3%	6.9%	2.2%
Worthing	0.0%	12.9%	4.9%
West Sussex	0.7%	10.7%	3.9%
South East	0.6%	11.3%	3.5%
Great Britain	0.8%	13.3%	4.0%

Source ONS/Nomis

- 4.7 Chichester and Worthing see the highest levels of people aged over 25 years who have been claiming Job Seekers allowance for over a year, both areas experience around 12% of claimants compared with Mid Sussex at 7%. West Sussex appears to have a similar proportion of persons aged under 24 who have been unemployed for more than 12 months (claimant count) as the regional and national average, but in Adur, Chichester, Crawley and Mid Sussex the proportion is considerably higher. It seems that the county has a higher proportion of people aged over 25 years who have been out of work for more than two years than regionally. It must be noted however, that the numbers of claimants are very low in the county.

Qualification levels

Table 9: Qualification⁶ levels of working age persons

Area	% with NVQ1 only - working age	% with NVQ2 only - working age	% with NVQ3 only - working age	% with NVQ4+ - working age	% with other qualifications - working age	% with Trade Apprenticeships - working age	% with no qualifications - working age
Great Britain	13.4	15.7	15.7	32.0	8.4	5.9	9.0
South East	14.3	16.1	16.4	33.8	7.7	5.0	6.8
Adur	19.8	13.8	19.4	30.8	4.9	2.8	8.3
Arun	13.9	18.7	16.3	30.5	6.9	7.1	6.6
Chichester	14.2	10.8	19.4	39.2	3.3	6.0	7.1
Crawley	17.8	22.4	16.1	18.4	13.0	4.8	7.4
Horsham	15.2	16.0	16.0	38.4	4.4	6.6	3.5
Mid Sussex	17.3	17.3	17.6	33.5	4.7	6.5	3.1
Worthing	11.6	17.9	18.4	32.5	9.5	3.3	6.7
West Sussex	15.5	17.0	17.4	32.1	6.6	5.6	5.8

Source Annual Population Survey December 2006 ONS/Nomis

- 4.8 The workforce of West Sussex has a lower proportion of people of working age qualified to NVQ level 4+ than regionally, though it is higher in Chichester and Horsham, Crawley has the lowest proportion of its residents workforce who hold a level 4+ qualification. Adur has the highest percentage of the workforce who have no qualifications although this figure is under the national average.
- 4.9 Information is available on the numbers of people who received job related training in the previous three months. These can be broken down by employment status, sector and age. Table 10 below suggests that those working in the public sector are more likely to receive training than perhaps in other sectors.

⁶ No Qualifications : No academic, vocational or professional qualifications.

Level 1: 1+'O' level passes,1+CSE/GCSE any grades, NVQ level 1, Foundation GNVQ

Level 2: 5+'O' level passes,5+CSEs (grade 1). 5+GCSEs (grades A-C), School Certificate, 1+'A' levels/AS levels, NVQ level 2, Intermediate GNVQ

Level 3: 2+'A' levels,4+AS levels, Higher School certificate, NVQ level 3, Advanced GNVQ

Level 4/5: First degree, Higher degree, NVQ levels 4 and 5, HNC, HND, Qualified Teacher status, Qualified Medical Doctor, Qualified Dentist, Qualified Nurse, Midwife, Health Visitor

**Table 10 : Job related training –
All persons who received job related training in the last 13 weeks**

	Great Britain	South East	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	West Sussex
	%	%	%	%	%	%	%	%	%	%
All persons of working age	21.6	23.1	26.8	18.8	18.5	18.4	24.3	21.0	27.8	21.8
25 years – retirement age	21.8	23.4	24.7	17.9	19.9	17.6	23.9	21.2	30.4	21.8
All employees & self emp. of working age	29.0	29.5	32.4	24.7	23.4	23.2	31.5	25.4	35.4	27.6
in managerial & prof. Occups.	36.7	35.5	32.3	34.6	27.7	30.2	36.5	23.9	47.0	32.5
in service industries	31.8	32.0	38.9	28.8	28.2	23.6	34.0	27.0	35.7	30.0
in private services	23.7	24.5	31.1	26.9	22.9	14.3	28.8	20.6	33.2	24.2
in production	21.4	22.0	23.0	19.7	n/a	29.2	21.4	26.6	45.5	23.8
In public sector	45.2	45.9	59.2	31.2	37.3	59.4	45.7	43.4	39.1	42.0
With NVQ Level 4 equivalent and above	39.6	38.4	59.0	31.9	24.0	43.1	34.9	31.9	41.1	35.3
With NVQ Level 3 equivalent and below	24.1	24.9	20.6	22.1	23.6	18.7	29.4	22.7	32.4	24.1
Full-time workers	29.8	30.3	32.3	27.0	23.7	24.8	33.1	24.9	39.5	29.0
Part time workers	26.8	27.2	32.8	19.1	24.3	16.5	26.1	27.7	25.4	24.4

Source: Annual Population Survey 2006 ONS/Nomis

Deprivation

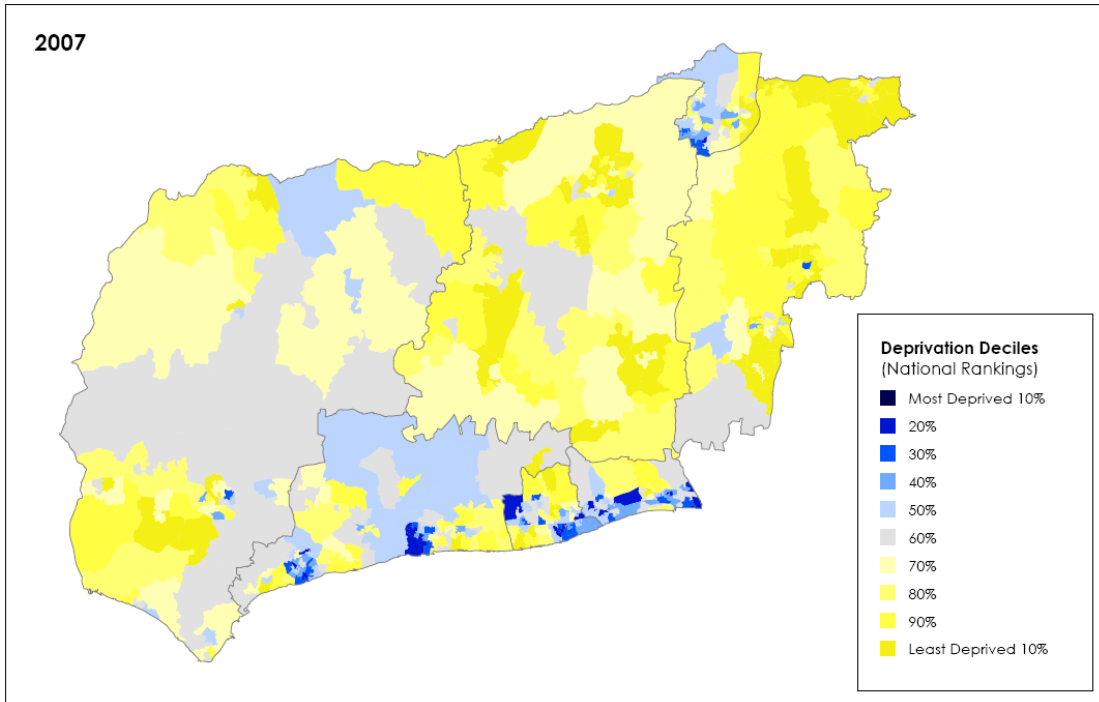
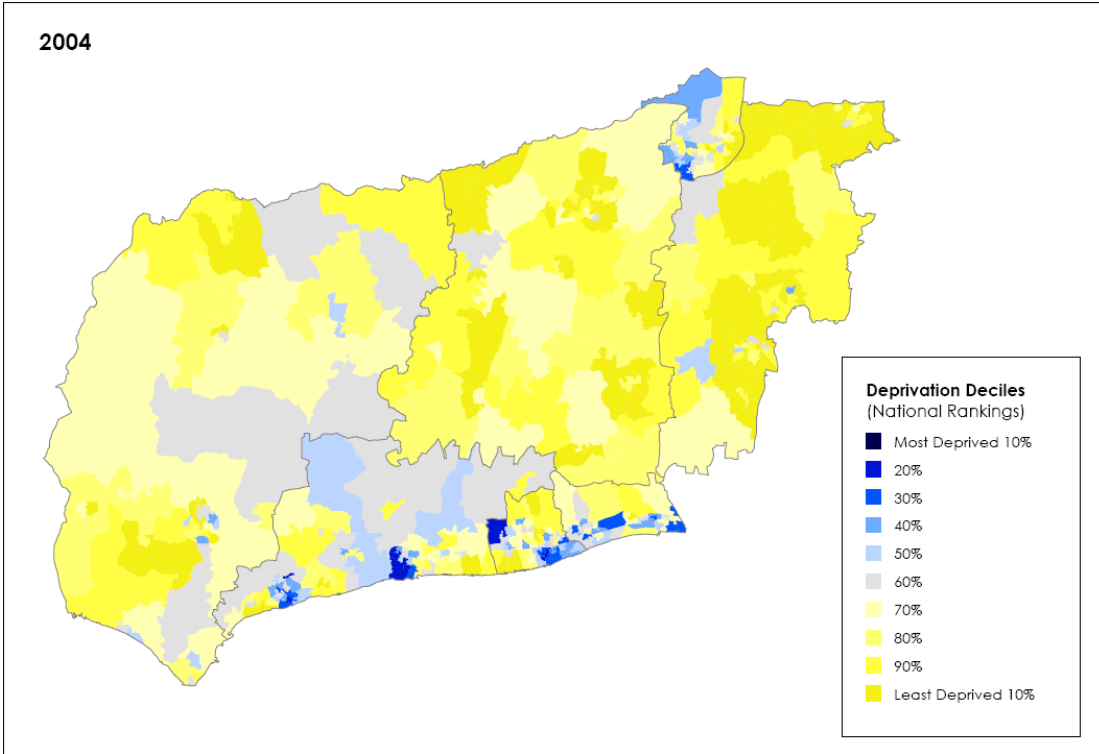
- 4.10 The Indices of Deprivation 2007 was published by the Department for Communities and Local Government (DCLG) in December 2007. The output is, as in 2004, published by Lower Super Output Area (LSOA) and the index is made up of seven SOA level Domain Indices which are: income; employment; health deprivation and disability; education, skills and training; barriers to housing, and services; living environment and crime.
- 4.11 DCLG have stated that given the similarities between methodologies and indicators used in 2004 and 2007, it is possible to compare deprivation across the two indices. Data have been released at county, local authority and lower super output area (LSOA) level. Most of the data used to calculate the 2007 index relates to 2005.
- 4.12 In 2007, West Sussex ranked 130 out of 149 counties (1 being the most deprived 149 the least). In 2004, West Sussex ranked 133rd suggesting that in *relative terms* West Sussex has become more deprived. This is in line with neighbouring authorities (except for Surrey which remained at their 2004 ranking). Note the indices examine *relative* deprivation so between 2004 and 2007 all areas could have improved in absolute terms (for example in relation to income or employment) but some areas may have improved more than others.
- 4.13 All Local Authority areas in West Sussex (except Mid Sussex) have become relatively more deprived when compared to their positions in 2004. Adur has fallen the largest number of places down the rankings (has become relatively more deprived), a fall of 41 places; this is third largest fall in England, after Barnet and the Isles of Scilly.
- 4.14 There is a marked difference between the Local Neighbourhood Improvement Areas (LNIAs), as defined in the West Sussex Local Area Agreement⁷, and non LNIA areas; the LNIA areas experienced an increase in the number of LSOAs within the most 20% deprived in England.
- 4.15 Further work will be undertaken on the sub domains of the index – for example on child and older person poverty (which will be carried out following release of the population denominators from the DCLG) and the sub domains of the education, barriers to housing and services and living environment domains.

⁷ There are 5 LNIAs in the county: –
Shoreham = Southlands, Eastbrook, Mash Barn and Churchill wards
Littlehampton = River, Ham, Wick with Toddington wards
Bognor Regis = Marine, Hotham, Pevensey, Orchard, Bersted wards
Crawley = Broadfield North and South, Bewbush, Langley Green wards
Worthing = Heene, Central, Selden, Northbrook, Durrington wards

Index of Multiple Deprivation - Overall Deprivation Rankings

Rankings shown by Super Output Area

Source: Department of Communities and Local Government)



(Produced by J Clay WSCC/WS Public Health Observatory, Dec 2007)

5 Employment of the local workforce by industrial sector

Industrial Sector

5.1 The Annual Population Survey, 2007, is the latest data that gives a detailed breakdown of the employment of the resident workforce. The majority of the workforce is employed in the service sector, particularly in the public administration, education and health sectors and retail sectors. Chichester and Worthing have a higher proportion of residents working in agricultural employment than regionally or nationally, accounted for by the growing horticultural industry along the coast. As expected a greater proportion of West Sussex residents are employed in the transport sector, particularly in Crawley due to the presence of Gatwick Airport which also influences the proportion of employment in this sector in Horsham and Mid Sussex.

Table 11: Percentage of working residents by industrial sector

	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	West Sussex	South East	England
Agriculture, forestry, fishing etc	n/a	1.4	3.0	n/a	2.2	2.1	2.6	1.9	1.2	1.1
Manufacturing	17.3	17.1	10.9	8.7	15.7	6.2	9.7	12.0	11.7	13.2
Construction	12.0	8.2	5.8	7.5	6.0	8.0	4.8	7.3	7.7	8.0
Distribution, Hotels and Restaurants	16.9	21.1	22.2	26.5	18.2	12.3	13.1	18.6	18.6	18.9
Transport, and Communications	6.8	4.7	4.3	20.9	7.7	11.0	7.2	9.1	7.3	6.9
Banking, Finance, and Insurance	18.3	9.4	15.2	14.2	21.4	27.4	18.2	17.9	18.8	16.5
Public administration education and health	19.1	30.8	29.1	16.6	22.4	26.9	34.9	26.0	27.0	27.7
Other services	8.7	5.8	9.5	4.7	6.3	4.9	5.9	6.3	6.4	6.2

Source: Annual Population Survey March 2007 Nomis/ONS

Employment of residents by Occupation Groups

5.2 The Annual Population Survey gives a breakdown of employed residents by occupational status. There is a greater proportion of residents employed in the personal service and sales and customer services occupation groups in West Sussex than in the South East. The South East region has a greater proportion of residents in the managerial, professional and technical occupations than nationally, as does West Sussex though the county has a lower proportion employed in these groups than the regional average.

Table 12: Percentage of working residents by occupation groups

	West Sussex	South East	Great Britain
Managerial and senior officials	17.1	17.5	15.1
Professional	13.0	14.0	13.0
Associate professional & technical	15.2	15.4	14.3
Admin and secretarial	11.5	12.4	12.0
Skilled trades	10.5	10.0	10.9
Personal service	9.4	8.0	8.1
Sales and customer Service	7.5	7.2	7.6
Process, plant and Machine operatives	5.0	5.2	7.2
Elementary occupations	10.6	10.2	11.5

Source: Annual Population Survey 2007 Nomis/ONS

6 Employment in West Sussex

Breakdown of employment by industrial sector

- 6.1 The 2006 Annual Business Inquiry (ABI) is a national business survey and provides the latest detailed employment count - that is the number of employees in employment, for local areas down to ward level. Breakdowns are available by male/female, full/part time and industrial sector.
- 6.2 Table 13 below shows the proportion of employees in employment by industrial sector. Agriculture and fishing is not included, much of the employment in this sector, along with construction sector is made up by self-employment which is not included in the ABI. The service sectors predominate, with a greater proportion of employees employed in the transport and communications sector due to the presence of Gatwick Airport, as expected this is most significant in Crawley. Adur and Arun continue to have a higher proportion of employees in manufacturing jobs than the county average or regionally and nationally. Chichester and Worthing have a higher proportion of jobs in the public sectors due to the location of the County Council in Chichester, and the Primary Care Trust in Worthing.

Table 13: Percentage of employees by sector in 2006

	Great Britain	South East	West Sussex	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing
Energy & Water	0.6	0.5	0.5	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Manufacturing	10.9	8.9	9.8	14.3	10.1	9.2	9.3	11.9	8.8	7.7
Construction	4.8	4.5	3.6	6.1	3.6	4.3	1.5	5.3	4.3	2.6
Distribution Hotels & Restaurants	23.7	24.7	24.1	25.8	29.6	25.3	21.1	25.4	23.3	21.7
Transport & Communications	5.9	6.0	9.8	2.8	3.3	2.6	31.7	3.6	3.6	2.7
Banking, Finance, Insurance etc.	21.4	24.3	21.3	18.2	15.0	17.5	21.7	24.4	24.9	24.3
Public Administration, Education & Health	27.1	25.6	25.5	28.5	31.2	33.6	11.6	21.8	27.1	36.5
Other Services	5.3	5.2	4.8	4.2	5.1	5.7	2.0	7.0	7.0	3.6

Source: Annual Business Inquiry, 2006, ONS/NOMIS

- 6.3 The ABI was introduced in 1998 and replaced the former Annual Employment Survey (AES), because of inconsistencies in data collection and methodologies, comparison over time is difficult. In 2003 there were further discontinuities arising from the introduction of a new industrial classification system making comparisons with recent years also difficult. However, in considering changes in employees over time, it would appear during the period 1998-2005 annual average employment change was higher than it had been during the period 1991-1998. The number of employees in Crawley and Worthing remained fairly static. It must be stressed however, that the figures from the 2006 ABI are, to date, the preliminary figures and may be subject to review.

Table 14: Annual Average Percentage Change in employees in employment⁸

	AES %	ABI %
	1991-1998	1998-2005
Adur	2.2	13.1
Arun	3.4	7.6
Chichester	3	2.3
Crawley	1.7	9.9
Horsham	4.6	7.6
Mid Sussex	2.7	1.2
Worthing	1.8	5.5
West Sussex	2.7	6.6
Central WS	2.8	6.5
Coastal WS	2.7	5.8
South East	2.3	9.8
Great Britain	1.1	8.8

Source: Annual Employers Survey, 1991 – 1998, Annual Business Inquiry 1998-2005 (nomis)

6.4 The table below considers changes over the seven years from 1998-2005 within the industrial sectors amongst the districts within West Sussex.

Table 15: Percentage Change in employees in West Sussex 1998 – 2005

	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing
Manufacturing	-7.7	-10.0	-26.9	-21.8	6.3	-22.9	-7.9
Construction	26.7	-6.3	-13.2	-5.3	-38.5	-3.9	-13.2
Distribution, Hotels and Restaurants	21.3	0.5	16.3	9.6	16.8	16.6	16.7
Transport and Communications	69.1	23.0	-9.9	11.4	-9.7	27.6	17.0
Banking, Finance, Insurance etc	36.1	31.1	26.7	22.5	22.2	-24.2	-14.9
Public admin, education & health	0.0	19.4	-3.6	29.8	17.4	16.8	13.1
Other Services	7.4	10.3	19.9	20.4	2.8	9.1	15.8

Source Annual Business Inquiry 1998-2005, ONS

⁸ Agriculture, farming, and fishing along with the energy and water industries have been excluded from Tables 14 & 15 as farming and fisheries have not been included in the data sets and the energy and water industries employ only a very small number of employees.

Employees by Status

- 6.5 According to the 2006 Annual Business Inquiry there are around 338,500 employee jobs in West Sussex, around 51% are held by females. There are around twice as many full time employee jobs than part time and of the part time jobs around three quarters are held by women.
- 6.6 The highest proportion of female employees are employed in the public admin, education and health sector, and the highest proportion of males in distribution, hotels and restaurant sector which accounts for about a quarter of all employee jobs in the county. The distribution, hotels and restaurant sector, and public admin, health and education account of the greatest proportion of part time employee jobs.

Table 16: Percentage of employees by status and industry in West Sussex in 2006

	Male Full time	Male part time	Female full time	Female part time	Male	Female	Total persons	Full time workers	Part time workers
Agriculture and fishing	0.7	0.2	0.9	0.2	0.6	0.6	0.6	0.8	0.2
Energy and water	1.0	0.0	0.4	0.1	0.8	0.2	0.5	0.7	0.1
Manufacturing	16.6	3.1	7.4	2.5	14.5	5.2	9.8	12.9	2.7
Construction	6.9	1.3	1.3	1.2	6.0	1.3	3.6	4.6	1.2
Distribution, hotels and restaurants	20.7	44.6	19.2	29.4	24.4	23.8	24.1	20.1	33.1
Transport and communications	13.0	9.0	8.9	5.6	12.3	7.4	9.8	11.3	6.4
Banking, finance and insurance, etc	24.6	17.2	23.0	14.7	23.4	19.3	21.3	23.9	15.3
Public administration, education & health	12.5	18.2	34.3	40.6	13.3	37.1	25.5	21.3	35.1
Other services	4.2	6.4	4.6	5.6	4.5	5.0	4.8	4.3	5.8

Source: Annual Business Inquiry, 2006, ONS/NOMIS

Table 17: Percentage change in employees by status and industry in West Sussex 1998 to 2005

	Male Full time	Male part time	Female full time	Female part time	Male	Female	Total persons	Full time workers	Part time workers
Agriculture and fishing	-0.7	-41.6	3.9	-4.0	-3.8	2.5	-0.8	1.4	-16.3
Energy and water	75.3	64.3	65.3	325.3	74.9	95.0	80.2	72.8	210.1
Manufacturing	-16.1	57.0	-18.5	-1.9	-14.7	-15.1	-14.9	-16.6	10.1
Construction	-13.6	-69.9	-26.4	21.8	-16.3	-4.6	-14.7	-14.7	-14.7
Distribution, hotels and restaurants	7.7	28.9	-0.4	20.3	13.5	11.9	12.6	4.5	22.8
Transport and communications	21.4	99.5	-23.9	57.6	27.6	-8.7	11.8	3.0	72.4
Banking, finance and insurance, etc	-0.9	56.3	-3.8	24.3	5.2	5.4	5.3	-2.0	33.3
Public administration, education & health	24.9	-18.3	33.0	-4.0	12.7	11.3	11.6	30.2	-5.9
Other services	18.7	25.9	-0.2	8.1	20.5	4.1	11.6	10.6	13.3

Source: Annual Business Inquiry, 1998 & 2005, ONS/NOMIS

7 Business in West Sussex

7.1 West Sussex is a small firm economy, with around 86% of firms employing up to 10 employees. This follows the regional trend. There are more larger firms of over 100 employees in the Gatwick Diamond districts (Crawley, Horsham and Mid Sussex) than there are in the coastal districts, these tend to be within the distribution, hotels and restaurants, the banking, finance, and business services sector, and public admin. Whilst only 1.3% of firms in West Sussex employ over 100 employees, around 38% of all employees in West Sussex are employed in these sized firms. This proportion is higher in the Gatwick Diamond districts where 39% of employees are employed in firms of 100 employees or more, compared with 33% of employees in the Coastal Districts Sub area. The table below shows the distribution of firms by size and sector in West Sussex.

Table 18: Percentage of Businesses by size of workplace⁹ and sector in West Sussex 2006

	Number of employees							Total firms
	1 - 4	5 - 10	11 - 24	25 - 49	50 - 99	100 - 199	200 +	
Agriculture and fishing	0.7	n/a	n/a	n/a	n/a	n/a	n/a	0.7
Energy and water	0.1	n/a	n/a	n/a	n/a	n/a	n/a	0.1
Manufacturing	6.3	8.0	8.3	8.3	10.4	10.1	14.9	6.9
Construction	11.9	5.6	4.2	3.3	n/a	n/a	n/a	9.9
Distribution, hotels and restaurants	22.2	39.4	38.3	27.5	19.7	18.1	15.3	25.7
Transport and communications	3.8	4.0	4.4	5.1	5.9	8.9	13.5	4.1
Banking, finance and insurance, etc	41.0	22.3	17.6	14.3	18.2	22.2	22.8	35.3
Public administration, education & health	4.3	12.1	21.0	35.4	38.1	31.5	28.8	8.6
Other services	9.6	7.9	5.3	4.9	4.5	n/a	n/a	8.7
TOTAL % of FIRMS BY SIZE	73.2	12.6	7.6	3.5	1.8	0.7	0.6	100

Source: Annual Business Inquiry 2006, ONS/NOMIS

The table below shows the distribution of employees by firm size and sector in West Sussex. Around 23% of the county's employees are employed in small

⁹ This information is from the number of data units from the ABI, a data unit is similar to a workplace and here is used as a proxy for the number of firms

firms, employing up to 10 people but nearly 40% of employees are employed in large firms of over 100 employees.

Table 19: Percentage of Employees by Business Size

	Size of businesses							Total firms
	1 - 4	5 - 10	11 - 24	25 - 49	50 - 99	100 - 199	200 +	
Agriculture and fishing	0.5	n/a	n/a	n/a	n/a	n/a	n/a	0.6
Energy and water	0.1	n/a	n/a	n/a	n/a	n/a	n/a	0.5
Manufacturing	6.8	8.0	8.4	8.4	10.4	10.1	12.6	9.8
Construction	10.5	5.7	4.2	3.1	n/a	n/a	n/a	3.6
Distribution, hotels and restaurants	26.9	39.8	37.6	26.8	19.5	17.5	14.5	24.1
Transport and communications	4.1	4.0	4.4	5.1	6.2	9.2	21.1	9.8
Banking, finance and insurance, etc	35.7	21.9	17.3	14.2	17.9	21.6	20.7	21.3
Public administration, education & health	5.3	12.3	22.3	36.0	38.4	33.0	27.8	25.5
Other services	10.1	7.9	5.1	5.1	4.2	n/a	n/a	4.8
Total employees by firm size	13.4	9.7	12.9	12.7	12.7	10.3	28.3	100

Source: Annual Business Inquiry 2006, ONS/NOMIS

VAT Registered Businesses

- 7.2 VAT data is produced by the Department of Trade and Industry based on VAT information, received from HM Revenue & Customs. VAT Stock is the number of enterprises registered for VAT at the start of the year and is an indicator of the size of the business population.
- 7.3 Stocks of VAT registered businesses, at the start of 2006, indicated that the highest proportion of firms within the county are within the real estate sector. This includes: estate agencies, renting of goods, computer and related activities, research and development and other business activities such as book keeping, finance consultancy, business management consultancy. Around 20% of firms within West Sussex are within the wholesale and retailing sector though is higher in some of the districts.
- 7.4 As expected the transport and communication sector is highest in Crawley and attributed to Gatwick airport, though this does not seem to have a knock on effect on adjacent districts of Horsham and Mid Sussex.
- 7.5 Adur has the highest proportion of manufacturing firms of all the districts in the county.

Table 20: VAT Registered business by sector breakdown and Local Authority Area 2006

Industry	Adur	Arun	Chichester	Crawley	Horsham	Mid Sussex	Worthing	West Sussex
Agriculture; fishing	2.1	3.9	9.3	0.8	6.6	4.1	0.9	4.8
Mining; energy/water	0.0	0.1	0.1	0.0	0.1	0.1	0.2	0.1
Manufacturing	11.6	9.6	7.6	6.7	8.6	7.1	7.4	8.2
Construction	17.6	14.9	11.0	12.2	10.9	11.0	14.1	12.4
Wholesale & retail	22.0	21.4	19.4	18.5	18.3	16.9	22.2	19.3
Hotels & restaurants	5.4	7.6	6.3	5.7	4.5	4.6	8.5	5.9
Transport & comms	4.8	3.7	2.8	10.3	3.4	3.4	3.6	4.0
Finance	0.9	0.7	0.7	1.1	0.8	1.5	1.3	1.0
Real Estate	25.9	27.9	32.4	36.8	37.2	39.7	31.5	34.1
Public admin; other	8.9	8.6	8.6	6.3	8.4	9.9	8.6	8.6
Education; health	0.9	1.7	1.8	1.5	1.4	1.7	2.0	1.6

Source: VAT registrations, NOMIS