

West Sussex Local Economic Assessment

Spatial Area Factsheets

CHICHESTER



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 Chichester 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 Chichester factsheet. These are listed below:

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

Further Information

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Chichester Summary

People

• Resident Population/working age population in 2008	112,000/59%
• 1992-2008 population growth/ 2008-2026 projected growth	+11,200/+11,000
• Residents with Level 4+ qualifications/Low Level qualifications in 2008	32%/32%
• Median weekly earnings of residents/workers in 2010	£346/£360
• Residents/workers employed in 'Higher level' occupations in 2009	51%/46%
• Residents/workers employed in Elementary occupations in 2009	8%/10%
• Economic activity rate/Employment rate in 2009/10	81%/80%
• Unemployment rate/% claiming out of work benefits in 2009	2.7%/7.8%

Place

• Area	78,632 hectares
• Main urban centres	Chichester, Midhurst, Petworth, Selsey
• Households with access to a car in 2001	84%
• Workers who commute more than 30km to work in 2001	12%
• Average residential property price in 2010	£317,456
• Total commercial and industrial floorspace in 2008	854,000 sq.m
• Rateable value per 1,000 sq m in 2008	£78

Economy

• Total value of the economy in 2007 (GVA)	£2.41bn
• GVA per head in 2007	£18,853
• Number of businesses in 2010	6,720
• Businesses in the Financial & Business Services sector in 2008	31%
• Workers employed in the Financial & Business Services sector in 2008	17%
• Businesses in the Public Administration, Education & Health sector in 2008	9%
• Workers employed in Public Administration, Education & Health in 2008	31%
• Business start ups per 10,000 residents in 2010	60.0
• Competitiveness rank (out of 379) in 2010	78
• Sector strengths:	Agriculture (inc. Horticulture); Property; Public Administration

Chichester - People

What this Section Covers

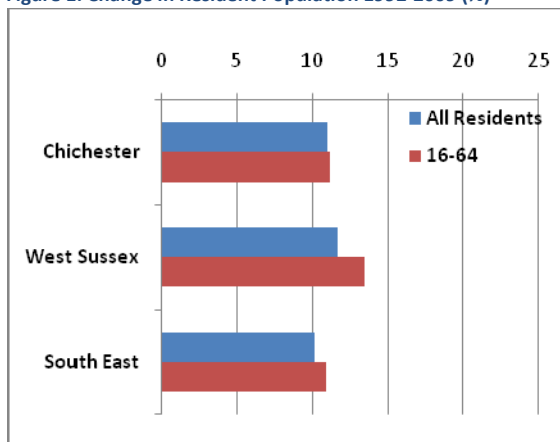
This section focuses on the characteristics of the people who live in Chichester. It sets out the profile and trends of the resident population; their skills and qualification levels; labour market participation rates; the type of jobs that they do; and their average earnings.

Population Trends

In 2008, there were 112,000 residents in Chichester, around 11,000 more than there had been in 1992.

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

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

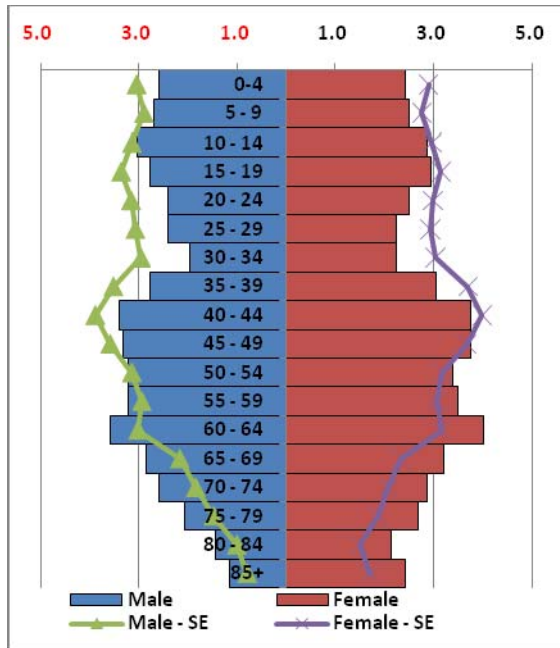


Source: Mid Year Population Estimates ONS via NOMISWEB

Around 59% of Chichester's residents are of working age. This is a lower proportion than in the whole of West Sussex (60%) and the South East region (64%).

However, at the time of the 2001 Census, one third (33%) 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 8,000 residents in Chichester who were aged 80 or over, 5,000 of whom were women.

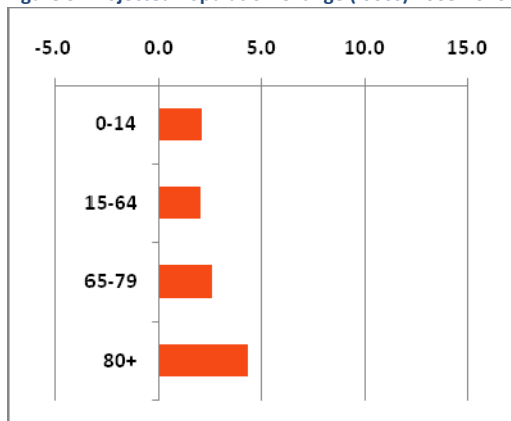
Population Projections

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 than 121,000 residents in Chichester by 2026 – an increase of around 11%.

According to West Sussex County Council estimates two-thirds (63%) 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



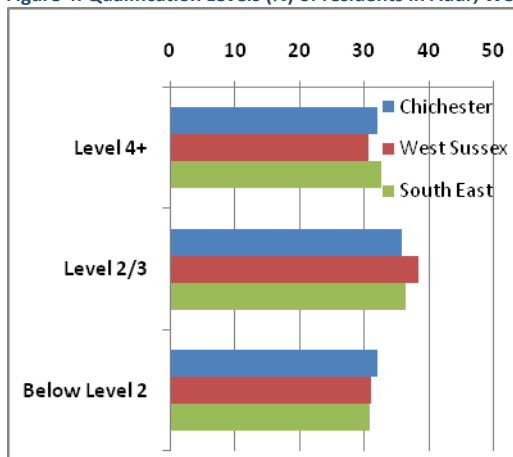
Source: West Sussex County Council

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

Skills and Qualifications

Chichester residents tend to have slightly higher qualification levels than residents across the whole of West Sussex, but marginally below those held by residents across the South East region.

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



Source: Annual Population Survey Jan-Dec 2009

There is some evidence that the population may be more divided by skill/qualification level than some other areas. Chichester has quite a high proportion of residents with high qualifications (Level 4+/Degree) and a high proportion of residents with qualifications below Level 2. Conversely, a low proportion of residents have intermediate level qualifications compared with West Sussex as a whole.

This may make it difficult for some residents to progress through the labour market to higher skilled jobs.

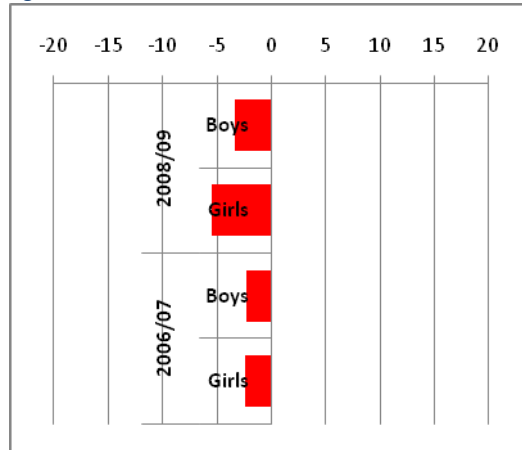
The 2001 Census suggested that employees in Chichester were more likely to hold higher level qualifications than local residents, which may suggest that many higher skilled jobs in the district are taken by people who commute in from other areas.

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

GCSE Attainment

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

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



Source: Neighbourhood Statistics

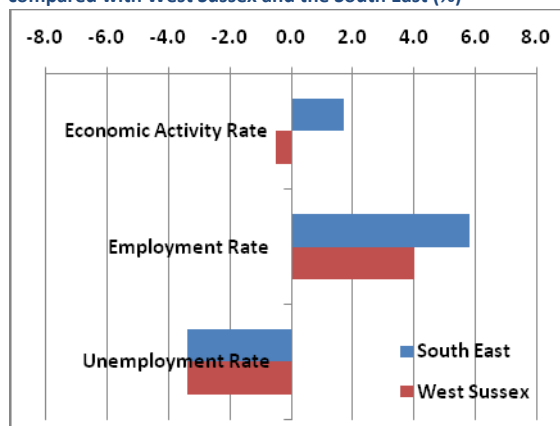
In 2008/09 63% of boys and 69% of girls living in Chichester achieved five A*-C grades at GCSE or equivalent. This compares with 66% and 74% respectively in the South East region as a whole.

Economic Activity

In 2009/10, 53,400 of Chichester's working age residents were economically active. This represents more than four-fifths (81.0%) of the district's working age residents. This is similar to the economic activity rate in West Sussex (81.5%) and above the rate in the South East (79.3%) as a whole.

Males (89%) are much more likely to be economically active than females (73%)¹. This is a pattern in most areas².

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



Source: Annual Population Survey Oct 09-Sept 10

The employment rate (80.3%) is higher than the average for West Sussex (76.3%) and for the South East (74.5%) as a whole.

Estimates suggest that the unemployment data for Chichester is around 2.7%. This is well below the average for West Sussex (6.1%) and the South East region (6.1%).

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

² Source: Annual Population Survey Oct 09-Sept 10.

Furthermore, the proportion of working age residents who were claiming out of work benefits (7.8%) in November 2009 was also lower than in West Sussex (9.0%) and the South East region (9.0%) as a whole.

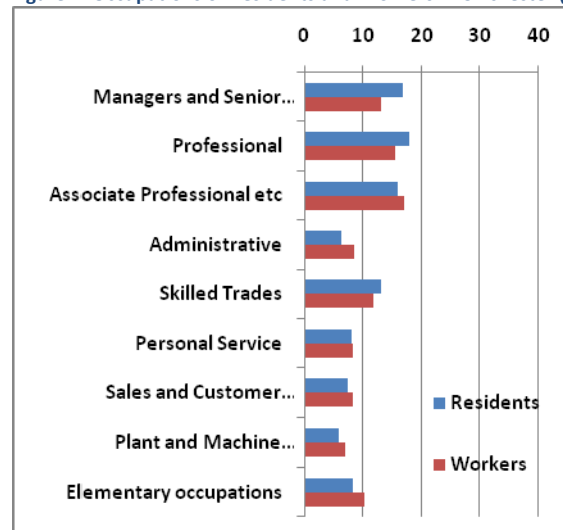
The number of residents claiming out of work benefits increased from 4,700 in November 2008 to more than 5,200 a year later, reflecting the impact that the recession has had on employment in Chichester.

Employment

Nearly three-quarters (73.1%) of Chichester'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 relatively high in the district – 17.1% of residents in employment run their own businesses, compared with 15.5% in West Sussex and 13.9% across the South East as a whole³.

Figure 7: Occupations of Residents and Workers in Chichester (%)



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

Residents in Chichester are more likely to work in 'higher level' occupations, such as Managers & Senior Officials and Professional Occupations than people who work in the district. By contrast, Chichester workers are more likely than residents to be employed in Elementary Occupations; as Process, Plant & Machine Operatives; in Sales & Customer Service Occupations; and in Administrative & Secretarial Occupations. This suggests that many of the district's residents commute out of Chichester to higher level jobs.

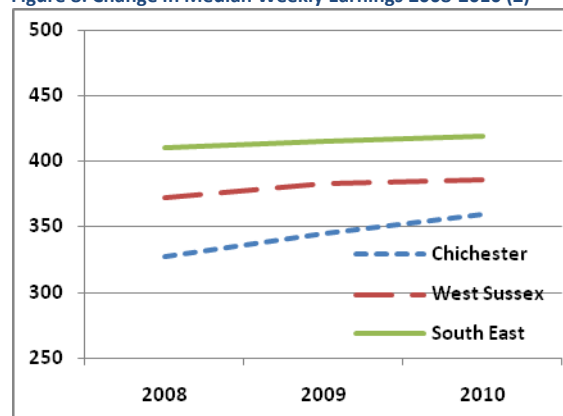
Despite, this, both residents and workers in Chichester are most likely to work as Managers & Senior Officials or in Professional or Associate Professional & Technical Occupations.

³ Source: Annual Population Survey Jan 09-Dec 09 via NOMISWEB

Earnings

Median earnings of people who work in Chichester were £359.50 per week in 2010. This is £32.40 higher than in 2008. However, they are below those in West Sussex (£385.50) and in the South East (£418.60).

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



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

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

Even though median earnings for workers in Chichester are not especially high, they are higher than residents' average earnings. Chichester residents who are in work earn, on average, £346.10 – some £13.40 less per week than Chichester workers' average earnings.

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

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



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

Given the high proportion of residents who are employed in 'higher level' occupations, it is surprising that median earnings in the district are relatively low. It is possible that higher earning residents account for a proportion of self employed workers in Chichester, whilst many of the employee jobs that people do may be in lower-paying sectors of the economy.

Chichester - Place

What this Section Covers

This section focuses on the characteristics of Chichester 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 Chichester 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

Chichester covers an area of 78,632 hectares and covers a larger area than any other district in West Sussex. It has a long coastline, but it is primarily a rural district, with numerous villages and hamlets that are now part of the South Downs National Park. The city of Chichester is the major urban centre in the district, but other towns include Petworth, Midhurst and Selsey.

Chichester has significant historical and cultural assets, including the Chichester Festival Theatre, Chichester Cathedral and the Goodwood Estate and Racecourse.

Transport

Chichester has good transport links to Portsmouth in the west and Brighton & Hove in the east and has reasonable connections to Gatwick Airport and London.

The West Sussex Transport Plan (2011-2026) sets out a vision to achieve an efficient, safe

and less congested transport network across the county. This includes improving the A27 and rail infrastructure, as well as promoting community transport initiatives 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 Chichester 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

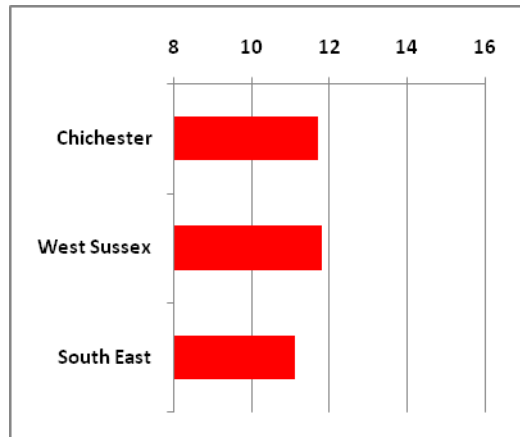
Although more than three quarters (83.6%) of households had access to a car in 2001, this still means that nearly one in six households in the district do not have access to private transport.

More than one in ten (11.7%) of the district's working residents travelled more than 30km to work in 2001. This is similar to the proportion of working residents in West Sussex (11.8%) and the South East (11.1%) who commute long distances.

The major employment centres of Portsmouth and Southampton are accessible from many parts of the district, whilst Guildford and

Crawley are reasonably accessible to people living in the north and east of the district.

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



Source: Census 2001

Housing

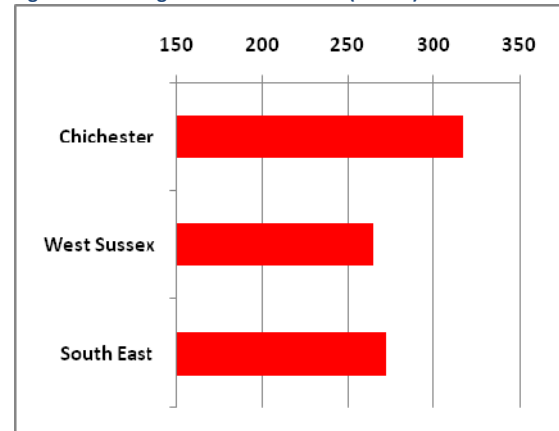
In 2001, 6.8% of households lived in accommodation rented from the Council. This was similar to the proportion for West Sussex (6.6%) and the South East (7.4%), as a whole. Chichester had a reasonably sizeable private rented sector (9.2%) compared with the county average (7.7%).

Seven out of ten houses in the district were either owned with a mortgage or owned outright in 2001 – a lower proportion than in West Sussex (76%) and the South East (73%) as a whole. A relatively high proportion (39%) of properties in the district were owned outright (without a mortgage).

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

The average price of a house in June 2010 was £317,456. This is the highest of all the districts in West Sussex and well above the county and South East averages. Average house prices are 11.9 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 Chichester, making it the least affordable district in the County.

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



Source: Land Registry of England & Wales

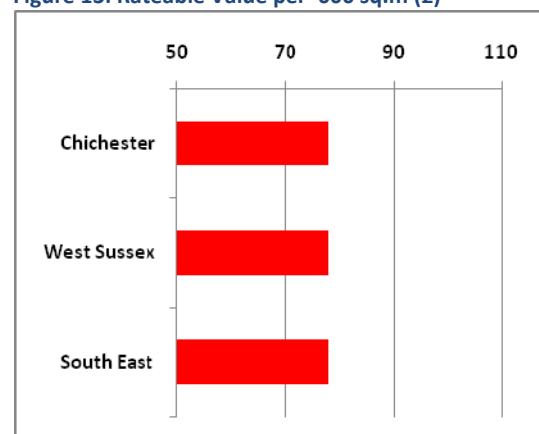
Commercial Land and Property

In 2008, there was 854,000 sq m of commercial and industrial floorspace in Chichester. This included 476,000 sq m of industrial space; 134,000 sq m of office space and 197,000 sq. m of retail space.

There is a strong emphasis on growing the creative economy in Chichester. However, there is considered to be a shortage of suitable, high quality commercial floor-space.

The rateable value of commercial accommodation in Chichester is similar to that 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

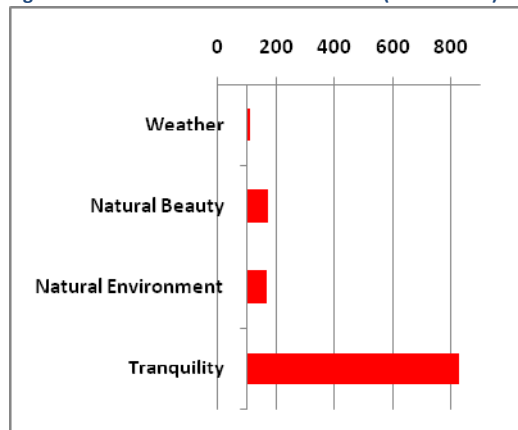
In 2008, the rateable value in Chichester was £78 per 1000 sq.m, the same as the average across both West Sussex and the South East region.

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)



Source: Local Futures

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

According to each of these measures, Chichester scores above the average for Britain. The district is particularly strong by the 'Tranquility' measure, with an index score of 831.

Air quality across West Sussex is generally considered to be good. However, the area around the A27/A286 Stockbridge

Roundabout, the A286 at Orchard Street and part of St Pancras in Chichester have been identified as Air Quality Management Areas. West Sussex County Council has identified addressing climate change as a key priority, particularly along the coastal areas. Per capital 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 to all households.

Chichester - Economy

What this Section Covers

This section focuses on Chichester'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, Chichester's economy was worth around £2.41bn – just over 15% of the West Sussex economy. However, productivity levels (as measured by GVA per head) in Chichester 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 Chichester in 2007 was estimated to be £18,852, compared with £20,382 in West Sussex and £21,248 across

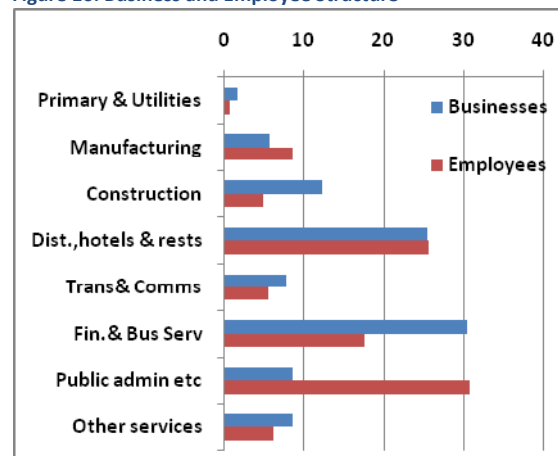
the South East region as a whole. This reflects the lower value added activity of many of the jobs in the district. Furthermore, the same estimates suggest that productivity increases between 1997 and 2007 (+43%) were below the county average.

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, Chichester is ranked 78th out of 379 districts in terms of its competitiveness. This puts it in the 21st percentile, making it more competitive than other districts on the West Sussex coast.

Businesses and Employment

In 2010, there were 6,720 businesses in Chichester. This is 19% 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

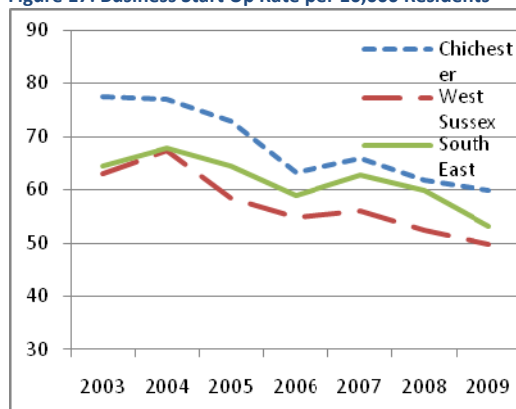
The Financial & Business Services sector accounts for nearly a third (31%) of all

businesses, but provides only around one in six (18%) jobs in Chichester. By contrast, just one in twelve 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 Chichester businesses (26%) and provides a significant amount of the district's employment (26%).

Business Start up Rates

In 2009, there were 60.0 new businesses per 10,000 residents in Chichester. This is much higher than the average for West Sussex (49.7), but is still well below the rate of business formation of the early 2000s.

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



Source: Office for National Statistics

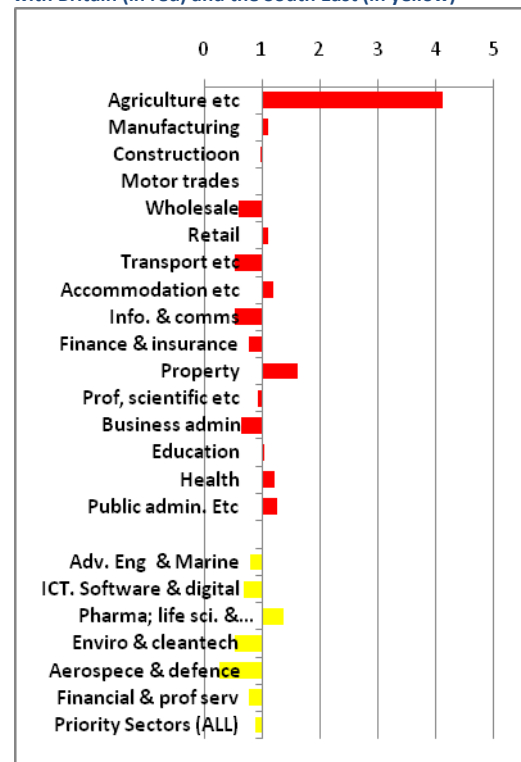
Employment Strengths

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

Chichester has local concentrations in Agriculture, Forestry & Fishing (including Horticulture) and, to a lesser extent, in Property, Health and Public Administration & Other Services. In terms of regional priority sectors, there are local concentrations in Pharmaceuticals, Life Sciences & Health Services. By contrast, Chichester is under-represented in Information & Communications; Business Administration & Support Services, Wholesale; Transport & Storage and Finance & Insurance.

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.