Arun Economic Development Strategy 2020-2025

Economic Profile of Arun

Spring 2019

ARUN
DISTRICT COUNCIL

Contents

INTRODUCTION

This Economic Profile of Arun is based on a comprehensive range of up to date economic, labour market and infrastructure data and highlights key findings to inform the production of the Economic Development Strategy 2019 to 2025.

Methodology

Arun's economic performance has to be set in context. It forms part of the coastal economy of West Sussex as well as the wider sub-regional and regional economies. Comparing Arun's performance with those of other economic geographies helps to see how and why Arun is changing economically, demographically and socially and highlight the differences and similarities with other areas.

For the purpose of this report, we have used five comparator geographies as follows:

- The South-East Region
- The Coast to Capital Local Enterprise Partnership sub-region, comprising the London Borough of Croydon, the city of Brighton and Hove, the seven districts and boroughs of West Sussex, the four east Surrey districts of Epsom & Ewell, Mole Valley, Reigate & Banstead and Tandridge and the East Sussex district of Lewes
- West Sussex County comprising Adur, Arun, Chichester, Crawley, Horsham, Mid Sussex and Worthing
- Greater Brighton comprising Brighton & Hove, Mid Sussex, Lewes, Adur and Worthing
- Coastal West Sussex, comprising Adur, Arun, Chichester and Worthing

To make meaningful comparisons between geographic areas with widely different numerical counts of businesses, populations etc., one of the main metrics used is percentage shares e.g. the percentage of total businesses in a particular business sector in each geography.

Time series data for the most recent five year period have been included where possible and ONS has been used as the primary source of statistics in nearly all cases, although some other government sources of data have also been included.

Arun Economic Profile

Background

Arun lies on the South Coast of England. The three main settlements are Arundel, Bognor Regis and Littlehampton where about 77% of Arun's population of 158,700 live. At the time of the last census, Bognor (including Middleton-on-Sea and Felpham) was the main settlement with 63,885 residents, followed by Littlehampton (including Angmering and Rustington) with 55, 706 while Arundel was a comparatively small town at 3,285.

Although around a quarter of Arun's 221 square kilometres is built up area, the District also includes smaller villages and settlements such as Walberton and Slindon as well as attractive coastline and downland, including part of the South Downs National Park. The river Arun is a major feature bisecting the District and encompassing a range of tidal habitats and special landscape designations

Key sites and attractions include Arundel Castle, , Arundel's mediaeval centre, the seaside resorts of Bognor Regis and Littlehampton, Fontwell racecourse and a variety of natural attractions including part of the South Downs National Park and Pagham Harbour nature reserve. The district has historically been heavily reliant on tourism and more recently, horticulture. Consequently, the district suffers from high amounts of seasonal employment and lacks the presence of many large employers with one or two exceptions, for example Rolls Royce and Bodyshop. Arun has high rates of out-commuting and, in spite of being part of prosperous West Sussex, contains some deprivation. A key aim for the Economic Development Strategy will be to reduce reliance on low value seasonal employment and, building on Arun's locational strengths, to increase the presence of higher skilled jobs closer to home for Arun's residents.

THE ARUN ECONOMY

Overview

In the Coast to Capital Local Economic Partnership (LEP) area, faster growth tends to happen along the M25 growth in the north, in the Gatwick Diamond and along the A23/M23 corridor from London to Brighton. Slower growth takes place in the rural area of West Sussex and the weakest performance is in Coastal West Sussex.

Arun's economic performance generally follows the pattern of Coastal West Sussex as a whole, though on a number of metrics it performs least well out of the four Coastal West Sussex local authorities.

Key points

- Arun has just over 5,300 businesses or 30% of the business population of Coastal West Sussex

- Arun's business creation rates are low at 10.56% of business stock in 2017, below the Coast to Capital average of 11.85%

- Business creation rates per head of working age population, a key measure of local entrepreneurialism, are also consistently lower in Arun than the comparator areas

- Business birth rates are declining and death rates are rising in all the comparator areas but Arun is starting from a base of lower business creation rates and the rates are converging more quickly

- Business survival rates are slightly better in Arun than the comparator areas

- The Arun economy performs reasonably well on growth in the business stock, below the Coast to Capital average but above that of Coastal West Sussex, West Sussex and the South East region. Arun's business population grew by just under 15% between 2014 and 2018. As the birth rate is lower than average, this indicates that more businesses are moving in to the area.

- The growth in the business population has mainly been in micro and small businesses and Arun has fewer medium and large businesses than any of the comparator areas, measured by both employment and turnover

- Arun's sectoral composition is significantly less knowledge-intensive than the comparator areas; construction is the largest sector in Arun whereas in all the comparator areas, the largest sector in percentage terms is Professional Scientific & Technical. Arun also leads on its share of Motor Trades, Accommodation & Food and other lower value sectors

- Conversely, Arun has lower shares of businesses in knowledge intensive-sectors such as Finance & Insurance and Information & Communications. The IT sector is particularly important as it underpins growth in the wider knowledge economy

- Advanced Manufacturing and Engineering (AME) has declined in all the comparator areas over the reference period but at a slightly higher rate in Arun

- Arun has a larger share of Health and Social Care than the five main comparator areas and the sector is growing. However, at local authority level, Worthing has a significantly higher percentage of businesses in this sector

- The Visitor Economy accounts for nearly 11% of Arun's businesses and is second only to Greater Brighton among the comparator areas. In spite of the rise in "staycations" the sector has declined slightly in all areas since 2014.

- In relation to the knowledge economy, there is a familiar Coast to Capital pattern of the Coastal West Sussex authorities (Adur, Arun, Chichester and Worthing) performing below the Coast to Capital average for knowledge economy presence while the high performers are Brighton and Hove and the local authority districts in the north. The more rural districts of Mid Sussex, Tandridge and Horsham fall somewhere in the middle.

- The knowledge economy has a particularly low representation in Arun and does not appear to be growing. Arun's knowledge economy is skewed towards Aerospace and Transport rather than creative, digital and IT sectors as is the case in Brighton and increasingly, Worthing.

- Given the lower value sectoral make up of its economy, it is not surprising that Arun's productivity performance is mixed; total GVA growth and GVA per head are both below average

- However, Arun performs slightly better on GVA per employee, below the Coast to Capital average but above the performance of Worthing, Brighton & Hove and Chichester on this measure

Business creation and survival rates

Arun's business birth rate measured by new businesses as a percentage of active enterprises, at 10.56% in 2017 is below those of the five comparator areas. Figure 1.

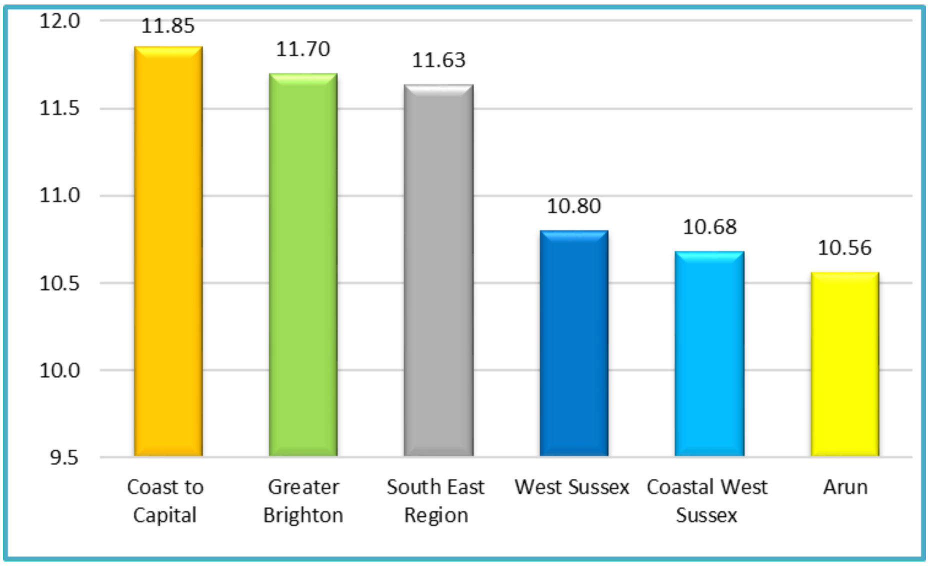

Figure 1: New businesses as a percentage of business stock in Arun and the comparator areas in 2017.
Source: ONS Business Demography

Generally growth in the Coast to Capital LEP area tends to happen along the M25 corridor to the north, in the Gatwick Diamond and down the A23/M23 corridor to Brighton. This holds true for new business creation with West Sussex and Coastal West Sussex underperforming against both the South East regional and Coast to Capital averages on this metric.

Out of the Coastal West Sussex districts, Worthing performs best at business creation. Figure 2.

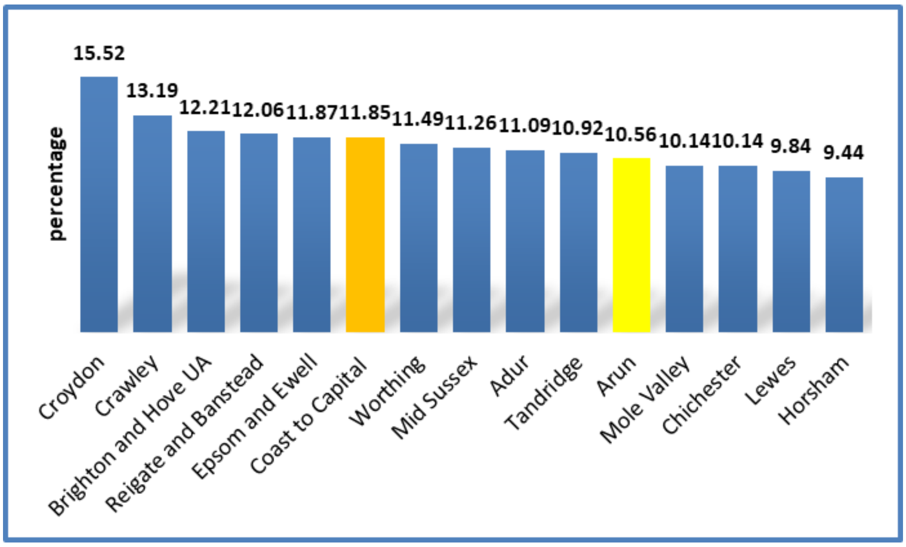

Figure 2: New businesses created as a percentage of active enterprises in Coast to Capital LADs in 2017
Source: ONS Business Demography/Simpson Consulting

Mole Valley runs counter to the trend of high growth in new businesses taking place in the north of the LEP area and along M23 corridor to Brighton, and is the fourth lowest performing local authority in Coast to Capital on this measure. (Mole Valley is an outlier on a number of metrics, probably due to a lack of space for business growth.)

Business Churn Rates

In all the geographies, over the 2013 to 2017 reference period, although there has been a rise in death rates there has also been an overall decline in birth rates. This pattern is evident in Arun, although death rates have varied more than elsewhere over the period. Figure 3. Although high churn rates are seen as sign of economic dynamism, it is not desirable for death rates to overtake birth rates.

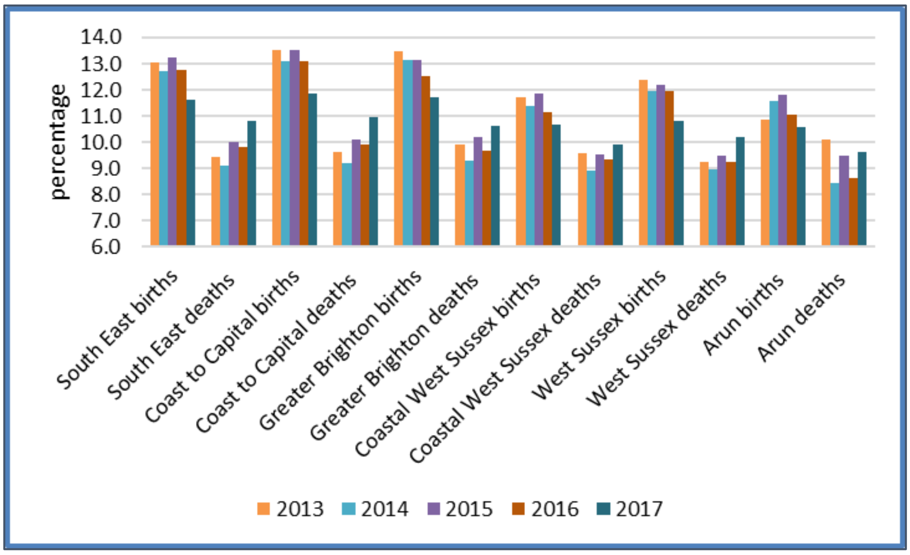

Figure 3: Business births and business deaths as percentage of active enterprises in Arun and the comparator areas 2013-2017

Source: ONS Business Demography/Simpson Consulting

Both birth rates and death rates tend to be lower in Arun than Coast to Capital although the gap appears to have narrowed recently. Figure 4.

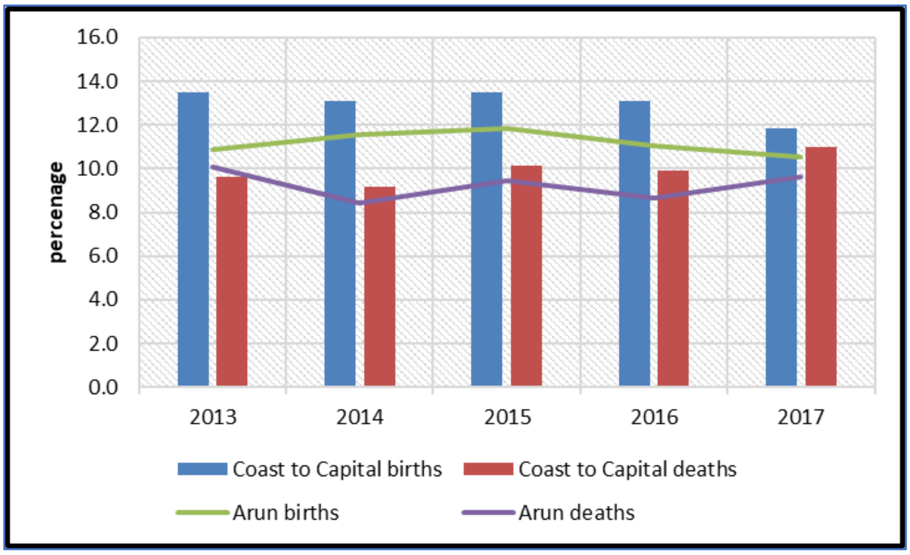

Figure 4: Business births and business deaths as percentage of active enterprises in Arun and Coast to Capital 2013-2017

Source: ONS Business Demography/Simpson Consulting

Business births per 10,000 head of working age population are a good measure of entrepreneurialism in a local economy. Figure 5 shows that Arun has consistently underperformed on this measure during the 2013 to 2017 reference period. The familiar pattern of Coastal West Sussex underperforming while Greater Brighton and Coast to Capital do much better is evident on this metric.

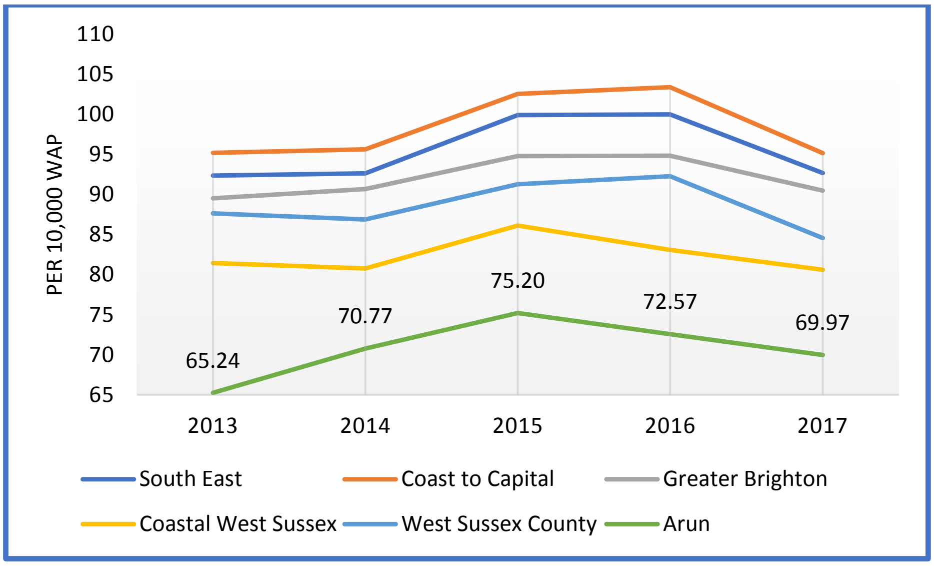

Figure 5: Business births per 10,000 working age population 2013 to 2017 in Arun and the comparator geographies

Source: ONS Business Demography & Mid Year Population estimates/ Simpson Consulting

New business survival

Arun has better five-year business survival rates than any of the comparator areas with over 2% more businesses than the Coastal West Sussex average surviving at 5 years of those businesses born in 2012. However, it should be noted that the total number of business births in Arun in 2012 was 455 so the sample is relatively small. Figure 6.

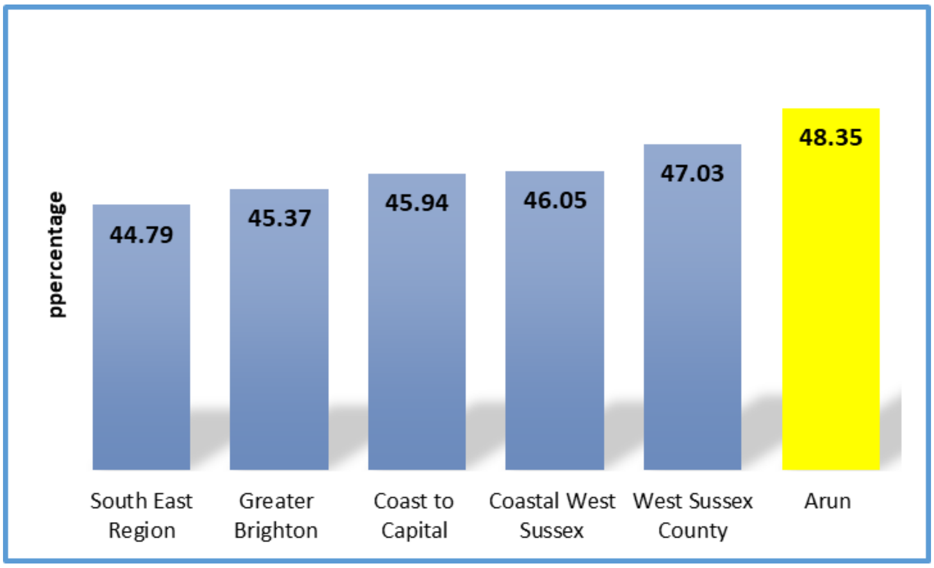

Figure 6: 5-year survival rates of businesses born in 2012 in Arun and the reference geographies

Source: UK Business Demography/Simpson Consulting

Arun appears to have had slightly lower survival rates earlier on and then improved at the four and five year points. Table 1.

	1 year	2 year	3 year	4 year	5 year
South East Region	91.10	74.90	61.10	52.07	44.79
Coast to Capital	91.61	76.06	62.52	53.07	45.94
Greater Brighton	91.38	76.12	61.87	52.35	45.37
Coastal West Sussex	91.07	75.33	62.95	52.74	46.05
West Sussex County	91.32	76.80	62.80	53.40	47.03
Arun	90.11	73.60	62.60	52.75	48.35

Table 1: 1-5-year survival rates of businesses born in 2012 in Arun and the reference geographies

Source: UK Business Demography/Simpson Consulting

Growth in business stock

Growth in the total number of businesses comes from new business creation and from new companies moving into the area. In 2018, there was a total of 5,330 businesses in Arun, an increase of 14.87% since 2014, greater than the increase in Coastal West Sussex, West Sussex and the South East region as a whole but below that of Greater Brighton and Coast to Capital. As the birth rate is low, this increase is probably due to in migration of businesses in Arun. Figure 7.

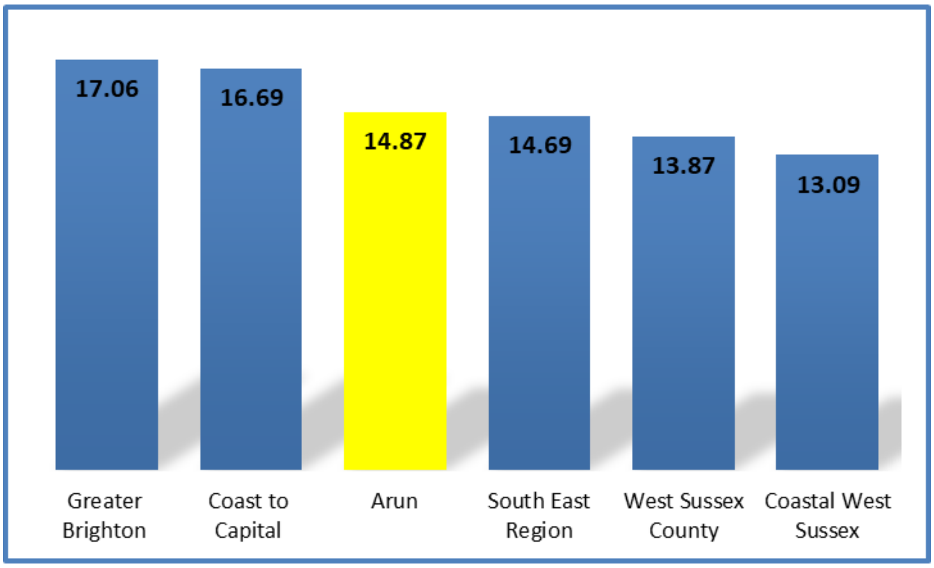

Figure 7: Percentage growth in business stock in Arun and the comparator areas, 2014-2018
Source: ONS UK Business Counts /Simpson Consulting

The higher performance of Coast to Capital on this measure is largely due to exceptional growth rates in the local authority areas of: Croydon; Crawley, Epsom & Ewell; Brighton & Hove and Reigate & Banstead, all of which have seen growth in the business stock well above the South East regional average of 14.69%. Arun performed below the Coast to Capital average but better than the other coastal local authorities and Mid Sussex. Figure 8.

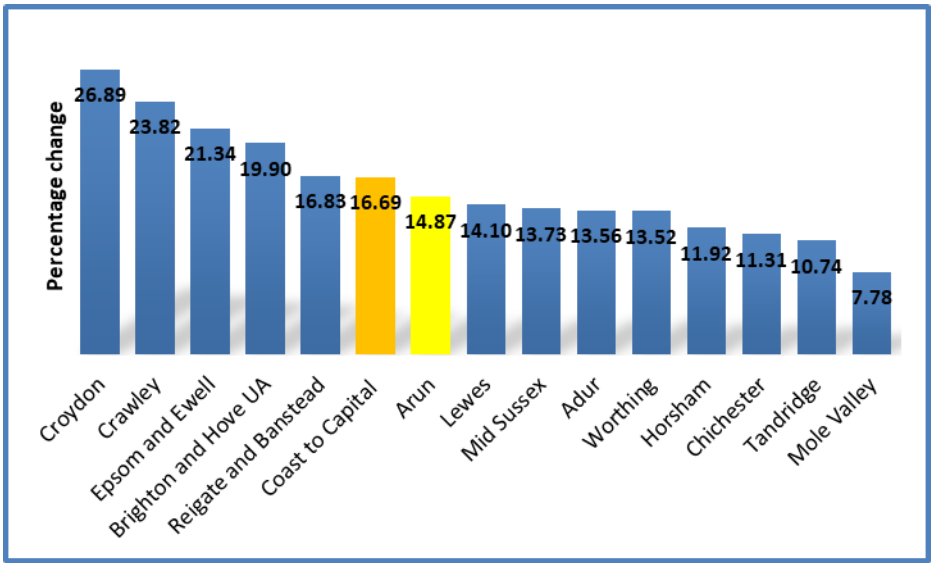

Figure 8: Percentage growth in business stock in Coast to Capital LADs 2014-2018
Source: ONS UK Business Counts/Simpson Consulting

Size of businesses

In all the reference geographies, micro businesses form the majority, making up over 89% of the business population in all areas. However, Arun's business population contains slightly fewer micro businesses than any of the reference geographies but more small businesses (10 to 49 employees), than the other geographies.

Arun has the lowest percentage of both medium (50-49) and large businesses (250+ employees) of the comparator geographies at 0.10% or just 5 businesses. However, the numbers are small and percentages can be changed significantly by the relocation of one or two businesses in or out of an area. Table 2 and Figure 9.

2018	Micro 0-49	Small 10-49	Medium 50-249	Large 250+
South East	89.95	8.18	1.49	0.38
Coast to Capital	90.81	7.59	1.26	0.32
Greater Brighton	89.87	8.33	1.42	0.38
Coastal West Sussex	89.54	8.87	1.36	0.23
West Sussex County	89.68	8.57	1.42	0.33
Arun	89.47	9.18	1.26	0.10

Table 2: Percentage of businesses in each size band in Arun and the comparator geographies in 2018
Source: ONS UK Business Counts/Simpson Consulting

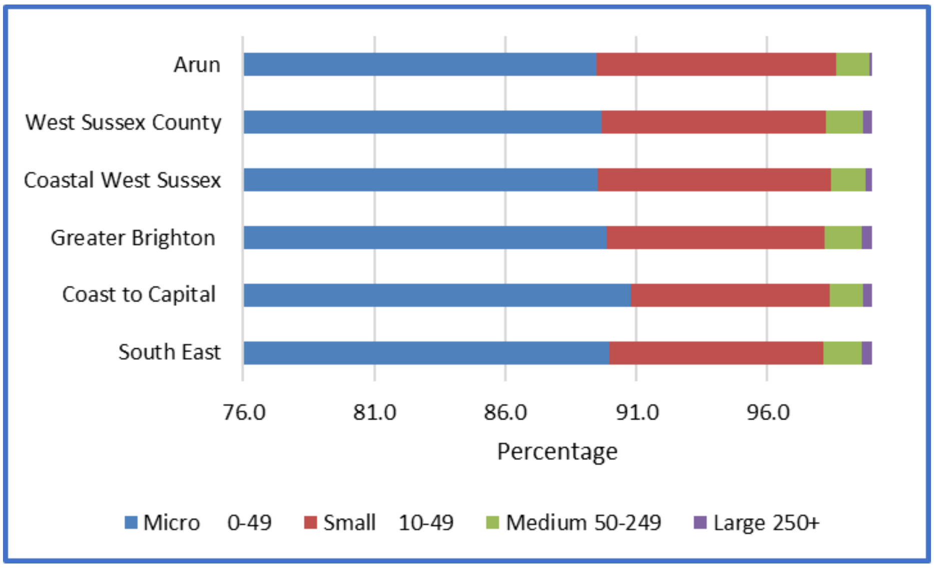

Figure 9: Percentage of businesses by size band in Arun and the reference geographies in 2018
Source: ONS UK Business Activity, Size and Location/Simpson Consulting

The increase in Arun's business stock has been in the micro and small size bands as Table 3 shows.

	Micro 0-49	Small 10-49	Medium 50-249	Large 250+	Total
No. of businesses 2014	4,125	450	60	5	4,640
No. of businesses 2018	4,795	465	60	5	5,330
%age of businesses 2014	89.82	8.88	1.19	0.11	100
%age of businesses 2018	89.47	9.18	1.26	0.10	100

Table 3: No. & %age of businesses in each size band in Arun in 2014 & 2018
Source: ONS: UK Business Activity Size and Location/ Simpson Consulting

Turnover size band

Arun has a slightly higher percentage of businesses in the two lowest turnover bands and noticeably fewer businesses in the £5m and above turnover bands. The difference is particularly marked in the £10m to £50m and the £50m plus turnover bands, reflecting the pattern of Arun's lower percentages of medium and large sized businesses. Table 4 and Figure 10.

	£0-£1m	£1m-2m	£2m-5m	£5m-10m	£10m-50m	£50 m+
South East	91.00	3.99	2.78	1.02	0.91	0.31
Coast to Capital	91.96	3.74	2.49	0.87	0.68	0.25
Greater Brighton	91.70	3.79	2.48	0.87	0.84	0.28
Coastal West Sussex	91.69	4.01	2.66	0.86	0.53	0.19
West Sussex County	91.03	4.00	2.82	1.03	0.84	0.28
Arun	92.12	4.13	2.72	0.75	0.28	0.09

Table 4: Percentage of businesses in each turnover size band in Arun and the comparator geographies in 2018
Source: ONS UK Business Activity, Size and Location/Simpson Consulting

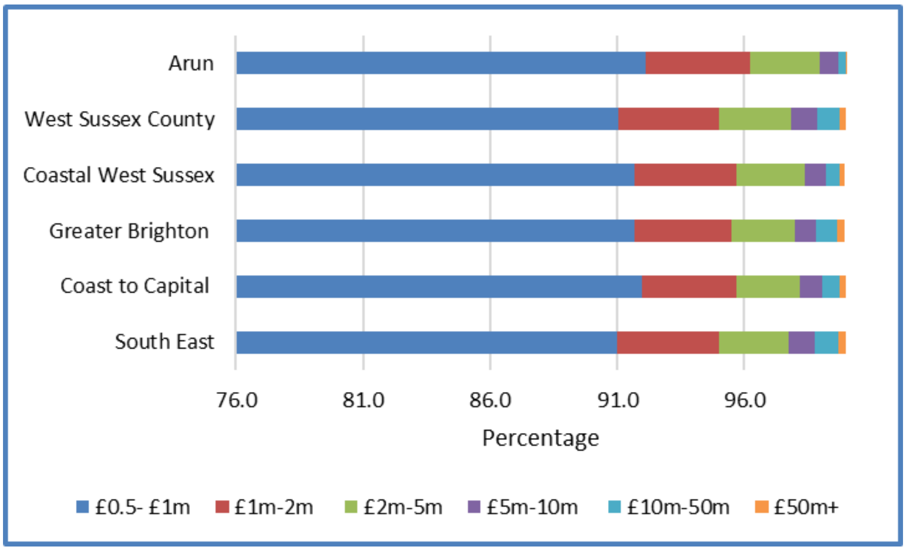

Figure 10: Percentage of businesses in each turnover band in Arun and the comparator geographies in 2018
Source: UK Business Activity, Size and Location /Simpson Consulting

Sectoral Composition

There are some notable differences in sectoral composition between Arun and the comparator areas. *Construction* is the largest sector in Arun but in all other areas, the largest sector in percentage terms is *Professional, Scientific & Technical,* a key source of knowledge economy businesses.

Arun has the lowest percentage of enterprises in this sector of all the comparator areas with 15.65% of businesses compared to 20.08% in the South East region as a whole. Arun also has the lowest percentage share of other knowledge-intensive sectors such as *Education, Finance & Insurance* and, critically, *Information & Communications* which is important as it underpins the rest of the knowledge economy.

As well as Construction, Arun has the highest percentage of *Manufacturing, Accommodation & Food, Health* and *Motor Trades* businesses of the comparator areas. Table 5.

	South East	Coast to Capital	Greater Brighton	Coastal West Sussex	West Sussex County	Arun
Construction	13.47	13.86	12.64	15.34	14.06	**17.06**
Prof. sci. & tech.	20.08	20.15	19.10	17.39	18.95	**15.65**
Biz admin & support	8.72	9.00	8.67	8.36	8.95	**8.15**
Retail	6.72	7.51	8.97	7.61	6.82	**7.87**
Info & comms	11.04	11.01	11.43	7.56	8.90	**6.94**
Arts, ent. & rec.	6.42	6.90	7.67	7.14	6.79	**6.94**
Manufacturing	4.63	4.18	4.28	5.98	5.47	**6.84**
Accomm. & food	4.72	4.97	5.84	5.81	4.82	**6.19**
Health	3.83	4.17	4.19	4.32	3.93	**4.69**
Wholesale	3.71	3.58	3.53	3.60	4.01	**3.66**
Property	3.33	3.35	3.33	3.57	3.36	**3.47**
Motor trades	2.73	2.36	2.04	2.91	2.82	**3.37**
Transport & storage	3.12	2.31	2.28	2.44	2.70	**3.00**
Ag., for. & fish.	2.92	2.21	1.44	3.93	3.79	**2.72**
Education	1.85	1.87	2.05	1.66	1.78	**1.41**
Finance & ins.	2.00	1.96	1.91	1.61	2.04	**1.31**
Mining, quar. & util.	0.42	0.42	0.50	0.44	0.54	**0.37**
Public admin.	0.30	0.17	0.14	0.33	0.29	**0.37**

Table 5: Percentage of businesses in each broad industrial group in Arun and the reference geographies in 2018
Source: UK Business Counts Industry / Simpson Consulting Ltd

Highest %age of businesses
Lowest %age of businesses
KEY

Sectoral change

Over the reference period, there have been some small but significant sectoral changes in the make up of Arun's economy. The knowledge-intensive sectors, *Information & Communications, Professional Scientific & Technical* and *Business Administration & Support Services*, have all increased in percentage share terms although their gains have not been as significant as those of *Construction* which has shown the biggest increase.

Sectors which have declined over the reference period include, *Agriculture, Forestry & Fishing, Manufacturing, Wholesale, Retail* and *Education* as well as *Arts, Entertainment & Recreation.* Figure 11.

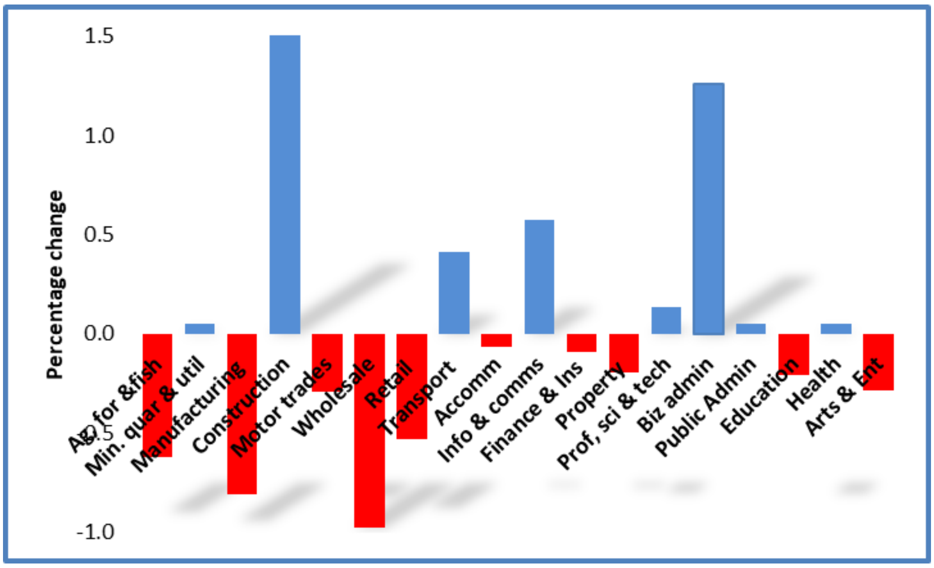

Figure 11: Change by sector in percentage of business population in Arun 2014-2018
Source: ONS UK Business counts/Simpson Consulting

Advanced manufacturing

Advanced Manufacturing & Engineering (AME) has shown a decline in all the areas but Arun, having started from a relatively high base of 5.60% of enterprises in this sector, has shown the largest decline in percentage share between 2014 and 2018 although it still shows a relatively high concentration in comparison to the other areas. Table 6.

	2014	2015	2016	2017	2018	+/-
South East	4.74	4.73	4.73	4.69	4.54	-0.20
Coast to Capital	4.41	4.36	4.31	4.22	4.08	-0.32
Greater Brighton	4.01	3.94	3.89	3.82	3.71	-0.30
Coastal West Sussex	4.85	4.76	4.72	4.60	4.62	-0.23
West Sussex County	5.02	4.93	4.91	4.77	4.68	-0.34
Arun	5.60	5.17	5.12	4.94	4.97	-0.63

Table 6: Change by percentage of business population in the advanced manufacturing sector in Arun and the comparator areas 2014-2018
Source: ONS UK Business counts/Simpson Consulting

In terms of numbers of Advanced Manufacturing businesses, Arun has seen a slight increase from 260 to 265 between 2014 and 2018 in spite of the decrease in percentage share of the AME sector. The local authorities in Coastal West Sussex have all seen a slight increase in numerical terms apart from Worthing. Figure 12.

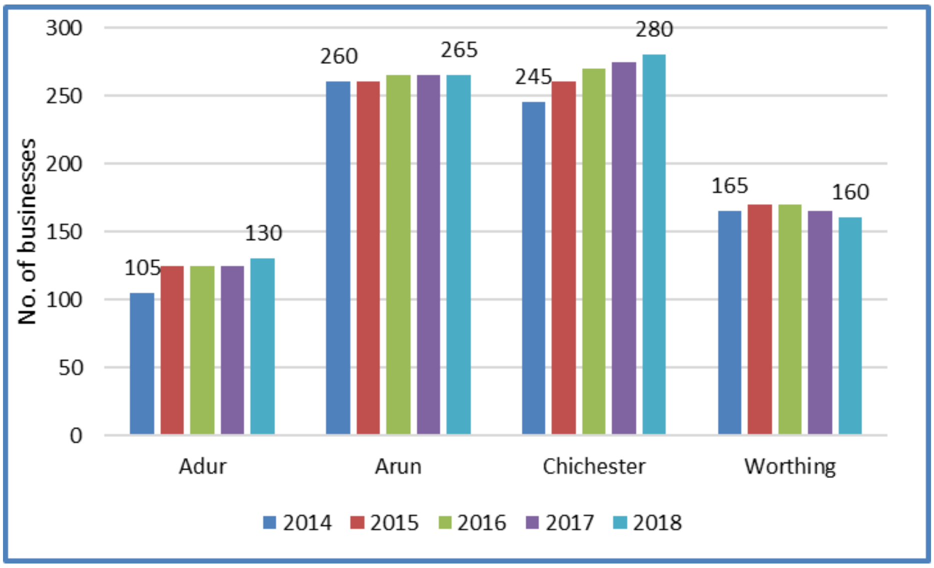

Figure 12: No of Advanced Manufacturing & Engineering businesses in Arun and the other local authorities in Coastal West Sussex between 2014 and 2018.
Source: ONS UK Business Counts /Simpson Consulting

Health and Social Care

Arun has a larger share of Health and Social Care businesses than the comparator areas although it is almost the same percentage of the total business population as in West Sussex as a whole. However, Arun's share appears to be growing whereas that of West Sussex County is declining in common with the other comparator areas. Figure 13.

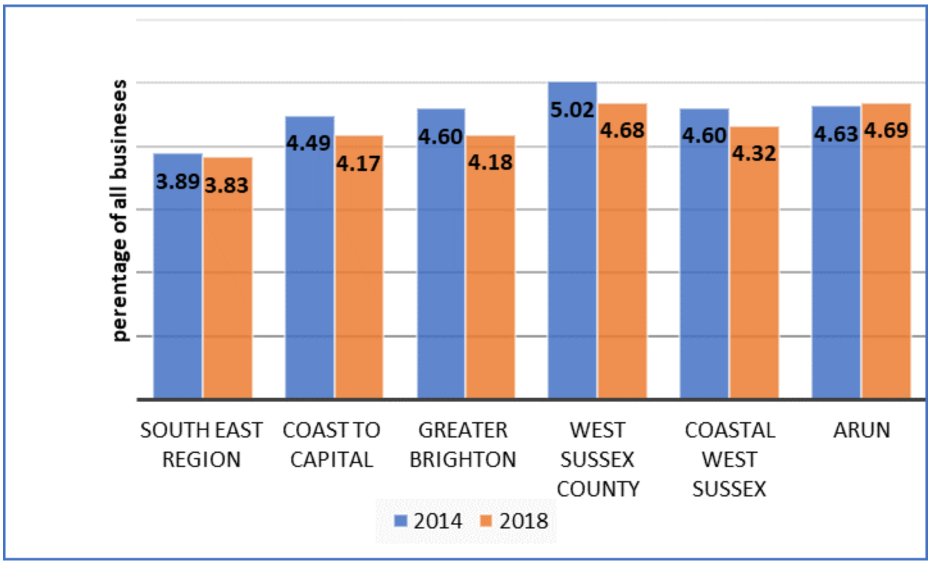

Figure 13: Table 6: Change by percentage of business population in the health and social care sector in Arun and the comparator areas 2014-2018
Source: ONS UK Business counts/Simpson Consulting

Among the seven West Sussex local authority districts, Worthing has by far the largest share of health and social care businesses. Figure 14.

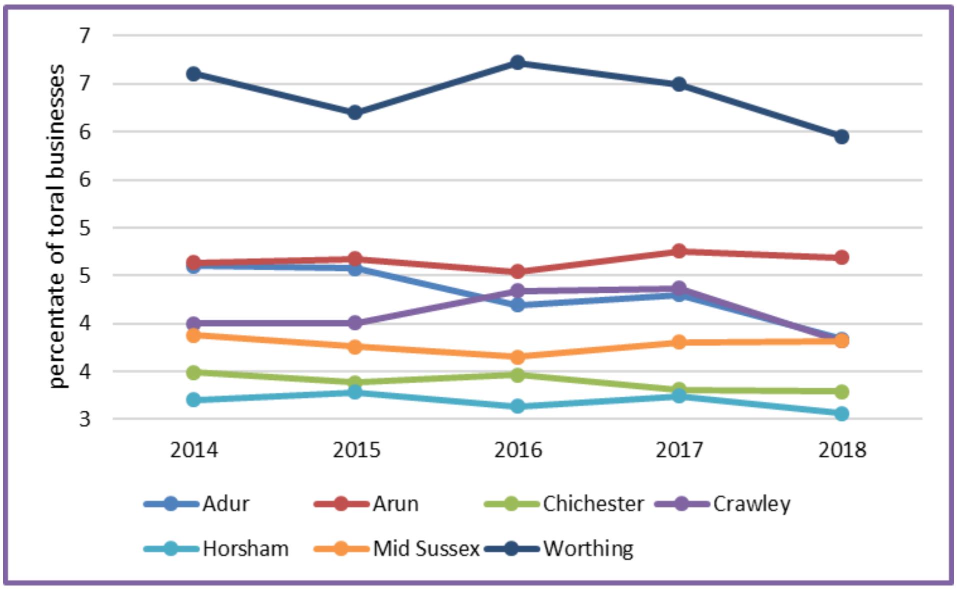

Figure 14: Change in percentage share of health and social care sector in the West Sussex local authorities between 2014 and 2018.
Source: ONS UK Business Counts /Simpson Consulting

The visitor economy

The visitor economy is an important sector in Arun as in the other coastal districts, accounting for 10.98% of all enterprises in Arun in 2018, above the Coast to Capital average of 10.39% but below that of Chichester, Worthing and Lewes. Out of the coastal local authorities, only Adur has a visitor economy sector below the Coast to Capital average. Figure 15.

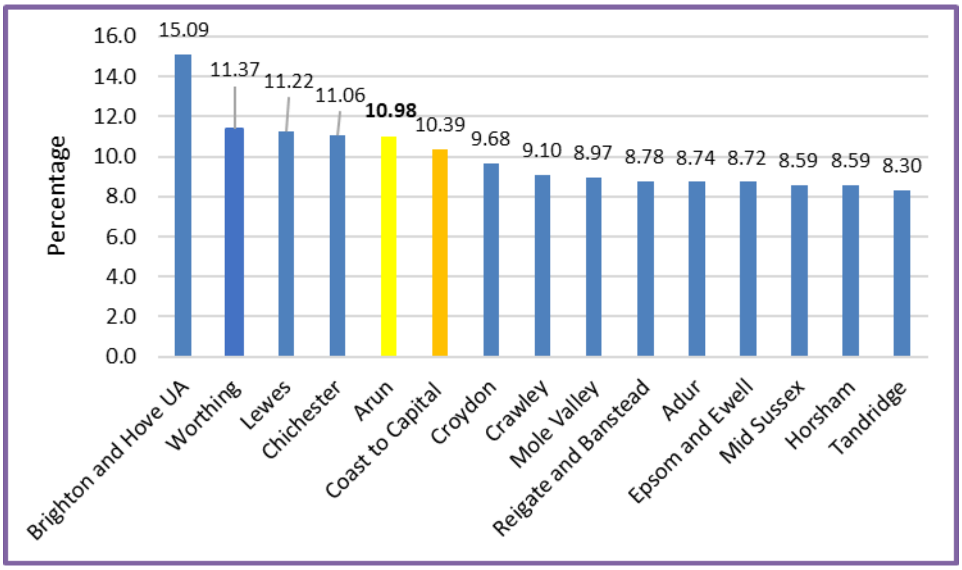

Figure 15: Tourism businesses as a percentage of all businesses in the Coast to Capital local authorities in 2018
Source: ONS UK Business Counts /Simpson Consulting

Arun is second only to Greater Brighton among the comparator areas for the size of its tourism sector. In spite of the rise in "staycations", the sector has declined slightly in all areas since 2014. Table 7.

	2014	2018	=/-
South East	10.20	9.80	-0.40
Coast to Capital	10.71	10.39	-0.32
Greater Brighton	12.18	11.85	-0.32
Coastal West Sussex	11.02	10.80	-0.22
West Sussex County	10.02	9.75	-0.27
Arun	11.31	10.98	-0.34

Table 7: Tourism businesses as a percentage of all businesses in Arun and the comparator areas in 2014 and 2018
Source: ONS UK Business Counts/ Simpson Consulting

The knowledge economy

Arun has just over 500 businesses in the knowledge economy (using the ONS narrow definition) out of its total of 5,330 businesses. Among the comparator areas, Arun has the lowest representation of knowledge economy businesses. At 9.76% of all businesses, this is 30% below the South East regional average. Although the knowledge economy has not grown significantly in any of the comparators between 2014 and 2018, this situation is particularly concerning in Arun as it is starting from such a low base. Table 8.

	2014	2015	2016	2017	2018	+/-
South East	13.59	13.54	13.86	13.97	14.05	0.46
Coast to Capital	13.82	13.52	13.82	13.83	13.81	-0.01
Greater Brighton	14.54	14.08	14.42	14.38	14.25	-0.30
Coastal W. Sussex	10.55	10.20	10.46	10.68	10.63	0.08
West Sussex	11.87	11.58	11.90	12.02	11.85	-0.03
Arun	9.59	9.45	9.76	9.97	9.76	0.17

Table 8: Percentage of businesses in the knowledge economy (ONS definition) in Arun and the reference geographies in 2014 to 2018
Source: UK Business Counts Local Units / Simpson Consulting

There is a familiar Coast to Capital pattern of the Coastal West Sussex authorities (Adur, Arun, Chichester and Worthing) performing below the Coast to Capital average for knowledge economy presence while the high performers are Brighton and Hove and the local authority districts in the north. The more rural districts of Mid Sussex, Tandridge and Horsham fall somewhere in the middle. Figure 16.

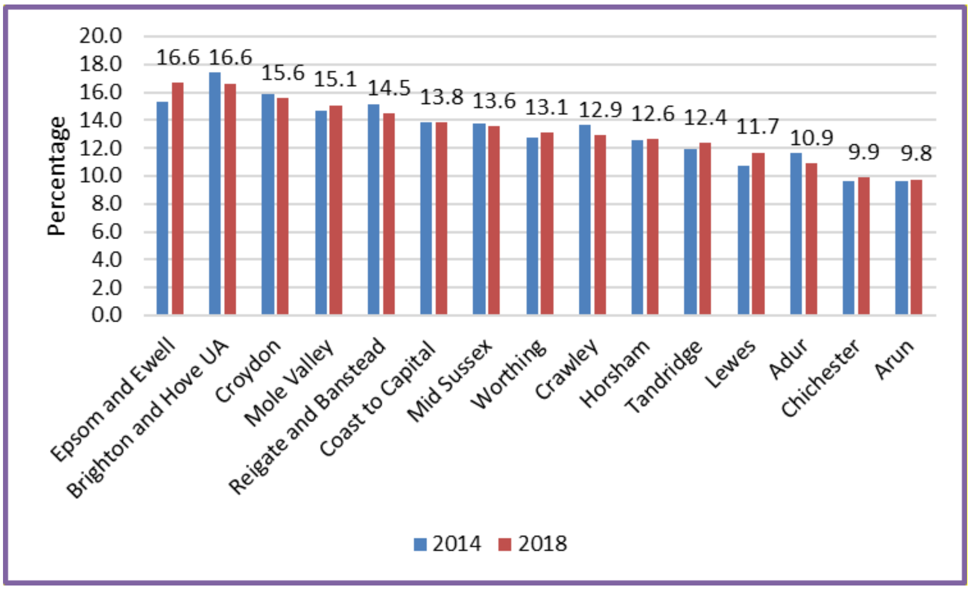

Figure 16. Percentage of businesses in the knowledge economy (ONS definition) in Coast to Capital LADs in 2014and 2018

Source: UK Business Counts Local Units / Simpson Consulting

Knowledge Economy subsectors

The largest knowledge economy subsector in all areas including Arun is *IT Services* which makes up between 43.68% of all knowledge economy businesses in Coastal West Sussex but 50.86% of the knowledge economy in the South East. Arun is in the middle of the range with 46.81% in this subsector. The second largest sector is software in all areas. Table 9.

	Medic/Biotech/Pharms	IT services	Communications	Computing &	Other tech consult	Aerospace &Transport	Creative Content	Software	Fintech .serv.
South East	3.81	50.86	2.10	1.16	17.28	1.79	7.43	12.53	3.04
Coast to Capital	3.32	49.76	2.04	1.08	17.84	1.20	9.36	12.56	2.84
Greater Brighton	3.20	44.90	2.00	1.30	18.50	1.20	12.30	14.20	2.40
Coastal West Sussex	5.53	43.68	2.63	2.11	22.37	3.16	7.63	10.00	2.89
West Sussex County	4.76	48.49	2.20	1.86	19.61	2.09	6.73	10.90	3.36
Arun	3.98	46.81	2.99	1.00	20.92	3.98	6.97	10.36	2.99

Table 9: Knowledge economy subsectors as a percentage of all knowledge economy businesses in Arun and the comparator areas in 2018

Source: ONS UK Business Counts /Simpson Consulting

Arun leads on *Aerospace & Transport* with just under 4% of its knowledge economy in this sector, probably in most part due to the presence of Rolls Royce and its supply chain. Arun and West Sussex as a whole lag on *Creative*

Content and, along with Coastal West Sussex, on *Software*. It is striking how much more "creative" the knowledge economy in Greater Brighton is. Table 9 and Figure 17.

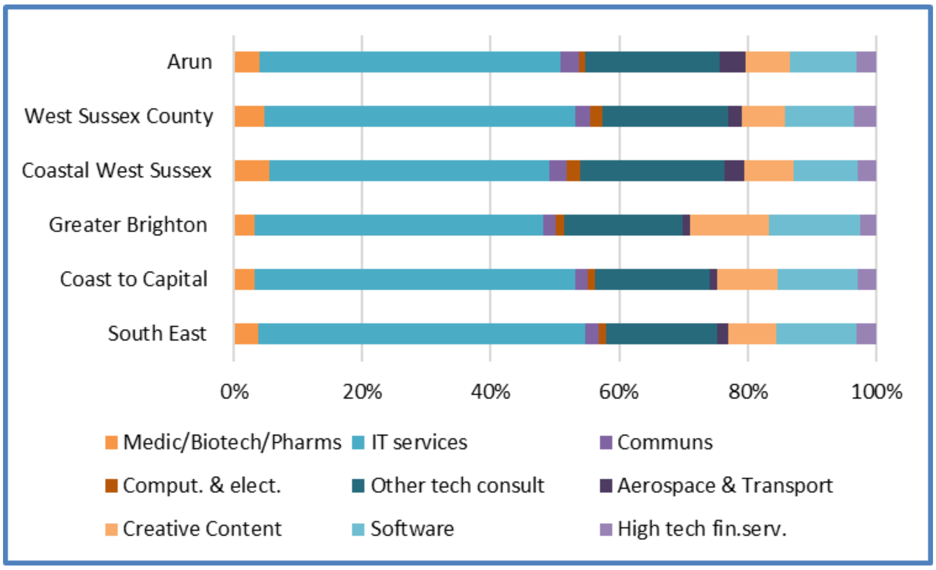

Figure 17: Knowledge economy subsectors as a percentage of all knowledge economy businesses in Arun and the comparator areas in 2018
Source: ONS UK Business Counts /Simpson Consulting

Productivity

Arun accounted for just over 5% of Coast to Capital's total output or £2,549m out of a total of £50,752m in 2016. Arun's total GVA increased by just over 8.89% between 2012 and 2016, the fourth lowest increase over the reference period of all Coast to Capital local authorities. Table 10.

	2012	2013	2014	2015	2016	% +/-
Crawley	3,831	4,157	4,514	4,797	4,977	29.91
Lewes	1,637	1,674	1,789	1,989	2,049	25.17
Brighton & Hove	6,157	6,553	6,889	7,251	7,349	19.36
Horsham	3,033	3,176	3,382	3,531	3,573	17.80
Adur	1,010	1,064	1,055	1,172	1,169	15.74
Mid Sussex	3,173	3,365	3,521	3,587	3,622	14.15
Coast to Capital	44,638	46,620	48,502	49,857	50,752	13.70
Tandridge	1,961	2,050	2,110	2,199	2,225	13.46
Mole Valley	3,133	3,163	3,089	3,408	3,503	11.81
Croydon	6,952	7,004	7,565	7,363	7,727	11.15
Epsom & Ewell	1,823	1,852	1,917	1,992	1,989	9.11
Arun	2,341	2,439	2,409	2,502	2,549	8.89
Chichester	2,909	3,003	3,000	3,098	3,132	7.67
Reigate & Banstead	4,118	4,579	4,615	4,386	4,302	4.47
Worthing	2,560	2,541	2,647	2,582	2,586	1.02

Table 10: Total GVA in Coast to Capital LADs 2012 to 2016 and %age change
Source: ONS GVA Statistics / Simpson Consulting

GVA per head in Arun at £16,235 in 2016 was considerably lower than GVA per head in any of the comparator geographies and, although it is increasing, it is not at a fast enough rate to catch up. Table 11 and Figure 18.

	2012	2013	2014	2015	2016	%+/-
Greater Brighton	23,201	24,235	25,319	26,273	26,507	14.25
South East	25,642	26,412	27,279	28,137	28,683	11.86
Coast to Capital	22,951	23,745	24,475	24,945	25,161	9.63
Coastal W. Sussex	20,313	20,665	20,636	21,001	21,002	3.39
Arun	15,462	15,958	15,598	16,066	16,235	5.00

Table 11. GVA £s per head in Arun and the reference geographies 2012-16 and %age change
Source: ONS GVA Statistics Balanced Method / Simpson Consulting

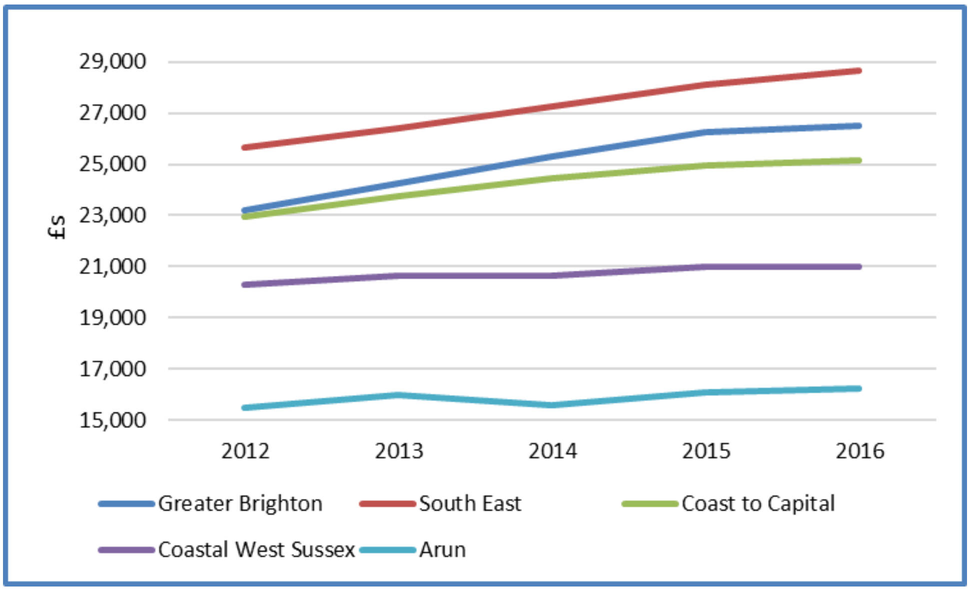

Figure 18: GVA £s per head in Arun and the reference geographies 2012-16 and %age change
Source: ONS GVA Statistics / Simpson Consulting

GVA per head is not strictly a measure of productivity since it is arrived at by dividing the total output for the area by the total population of all ages. It is influenced by commuting flows and population density. For example, the City of London has very high rates of in-commuting but a relatively small resident population so the GVA per head is comparatively high.

Conversely, areas with high out-commuting tend to have lower rates of GVA per head since the GVA generated by those workers will be attributed to the areas in which they work. Job density is also a factor since, in areas with low job density, there are lower proportions of workers to add to the GVA total.

This weak performance on GVA per head in Arun is likely to be due in a large part to the very high level of out-commuting in the District. At the time of the last census in 2011, Arun had a net loss of 18,421 workers on a daily basis or 28% of those in employment at the time. (See travel to work patterns). Combined with this, Arun is an area of low job density with a ratio of 0.53 jobs to working age population compared to 0.68 in Coast to Capital and 0.73 in the South East as whole in 2017.

A better measure of productivity is GVA per worker. These statistics are not released by ONS at district and borough level but calculations show that Arun performs somewhat better on GVA per employee (i.e. those employed in Arun) although below the Coast to Capital average. On this metric, there has been a small decline in Arun, rather than a gain, over the reference period. Table 12.

	2012	2013	2014	2015	2016	change
Mole Valley	68,109	73,558	71,837	75,733	77,844	14.29
Tandridge	63,258	66,129	68,065	68,719	69,531	9.92
Croydon	62,071	64,852	65,783	63,474	66,043	6.40
Horsham	60,660	63,520	66,314	65,389	64,964	7.09
Epsom and Ewell	65,107	63,862	63,900	62,250	64,161	-1.45
Reigate & Banstead	66,419	72,683	71,000	64,500	63,265	-4.75
Mid Sussex	56,661	61,182	62,875	61,845	61,390	8.35
Coast to Capital	57,375	59,162	60,552	60,141	59,920	4.43
Adur	56,111	59,111	58,611	58,600	58,450	4.17
Lewes	54,567	54,000	55,906	55,250	56,917	4.31
Arun	57,098	58,071	57,357	56,864	55,413	-2.95
Worthing	56,889	55,239	57,543	57,378	55,021	-3.28
Brighton & Hove	50,057	51,598	53,820	54,112	53,642	7.16
Crawley	46,157	48,906	53,106	56,435	53,516	15.94
Chichester	51,035	50,050	50,847	51,633	51,344	0.61

Table 12: GVA per employee in the Coast to Capital local authorities 2012 to 2016
Source: ONS GVA statistics (balanced method) / Simpson Consulting

GVA per worker is influenced by sector as some sectors are more productive than others. Arun's lower presence of the knowledge economy and higher presence of lower value sectors such as tourism.

PEOPLE AND WORK

Overview

Arun's population is both growing and ageing at significant rates. The labour market shows signs of a low skills, low wage structure which is a key factor in Arun's less than optimal economic performance.

Key points

- Arun had a population of 158,700 in 2017 made up of 76,200 males and 82,400 females. 87,900 or 55.4% were of working age (16-64), compared to 61.8% of the South East's population being of working age. This reflects Arun's relatively older age profile.

- The rate of Arun's population growth has been slightly below that of Coast to Capital but it is forecast to be the highest of all the comparator areas in percentage terms between 2016 and 2031

- During this period, Arun's population is forecast to increase by a further 14% or 22,016 more people, rising from 157,287 in 2016 to 179,303 by 2031, a rate of growth 56% higher than that of the South East as a whole

- In terms of age profile, it is complex picture; the percentage of very young children will decline, while that of 10 to 24 year olds grow, 25 to 34 year olds will decline and 35 to 54 year olds will increase. The percentage of older working age 45 to 54 year olds will tend to decline while that of 55 to 59 year olds will increase.

- It is striking just how much increase there will be in the older population of 60 and above with the greatest increases in percentage terms of the over 80s.

- In summary in Arun in 2031, there will be:
    - 3,623 more children and young people aged 0 to 24
    - 1,061 fewer working age people aged 25 to 60
    - 19,452 more people aged 60 and over

- Arun's workforce is underqualified. Arun has lower percentages of its working age population qualified at each level than all of the comparator geographies including West Sussex and Coastal West Sussex as a whole.

- The difference is particularly striking at NVQ3+ and NVQ4+. Only 23.9% of Arun's workforce is qualified at NVQ4 and above, 35% below the Coast to Capital rate of 44.3%.

- Linked to this, Arun's residents are less likely to be employed in the top occupational groups and more likely to be employed in the lower occupational groups. Arun has the second lowest percentage of residents employed in *Group 1: Managers, Directors and Senior Officials*

- Notably higher percentages of Arun's residents are employed in the bottom four occupational groups, *Group 6: Caring, Leisure and Other Service Occupations; Group 7: Sales and customer service occupations; Group 8: Process, plant and machine operatives* and *Group 9: Elementary occupations*

- In Coast to Capital, Arun resident's median weekly wages are the lowest of all the local authorities and at the bottom with the other Coastal West Sussex local authorities

- Arun also has the lowest median weekly workplace wages of the Coast to Capital local authorities, 38% below those of Crawley, the leading local authority for workplace pay

- Together with the skills and occupational profiles, it points to a **low-value, low-skills labour market** locally

- Arun has the highest percentage of employees in *Agriculture, Forestry & Fishing* among the comparator areas, reflecting the strong presence of the horticultural sector in the district. Arun also leads on the proportion of employment in *Motor Trades, Retail* and *Accommodation & Food*

- Arun has the lowest proportion of jobs in the knowledge-intensive sectors of Information & Communications, Finance & Insurance, and Professional, Scientific & Technical

- Arun's employment rates have varied considerably during the reference period and have gone from the highest to the lowest, taking a substantial dip in 2015 with some limited recovery since then. This could indicate there are a lot of insecure jobs.

Population

Between 2000 and 2017, Arun's population grew by 13.11% or 18,400 people below the Coast to Capital average growth rate of 14.02% and the South East rate of 13.64%. Arun's was the seventh highest growth rate in the Coast to Capital local authorities. Table 14.

	2000	2017	Growth No.	Growth %
Epsom & Ewell	67,200	79,500	12,300	18.30
Mid Sussex	126,900	148,300	21,400	16.86
Reigate & Banstead	125,500	146,400	20,900	16.65
Brighton & Hove	248,800	288,200	39,400	15.84
Horsham	121,500	140,100	18,600	15.31
Croydon	334,200	384,800	50,600	15.14
Coast to Capital	1,778,600	2,027,900	249,300	14.02
Arun	140,300	158,700	18,400	13.11
Chichester	106,400	120,200	13,800	12.97
Worthing	97,800	109,600	11,800	12.07
Crawley	100,000	111,700	11,700	11.70
Lewes	91,600	102,300	10,700	11.68
Tandridge	79,000	87,300	8,300	10.51
Mole Valley	80,000	87,100	7,100	8.88
Adur	59,400	63,700	4,300	7.24

Table 13. Population growth in the Coast to Capital local authorities 2000 to 2017
Source: ONS population estimates /Simpson Consulting

Between 2016 and 2031, Arun's population is forecast to increase by a further 14% or 22,016 more people rising from 157,287 in 2016 to 179,303 by 2031. This is the fastest rate of growth of all the other geographies and 56% higher than the forecast South East regional growth rate. Figure 19.

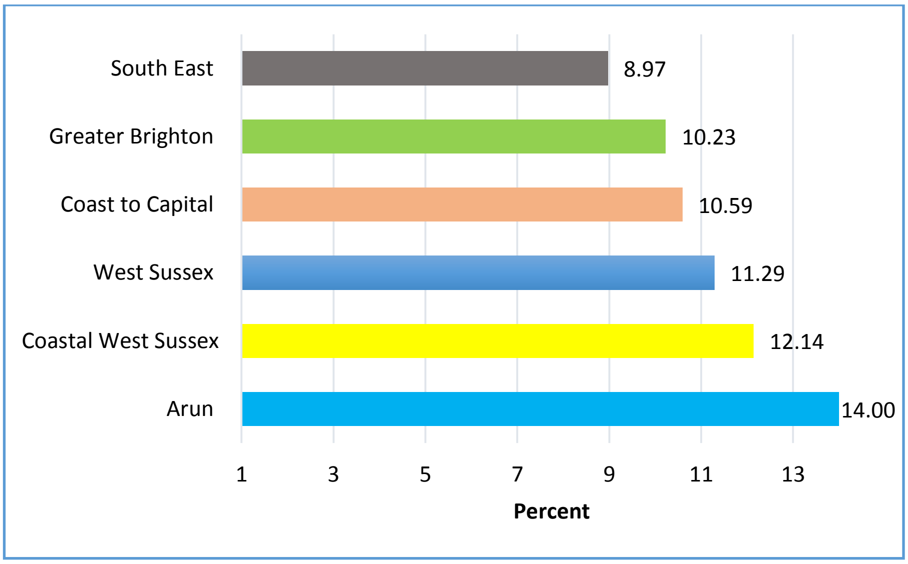

Figure 19: Projected population growth in Arun and the comparator areas 2016 to 2031
Source: ONS Population Estimates /Simpson Consulting

In terms of the age profile, Figures 20 to 22 illustrate the changing demographics between now and 2031 with a broadly similar pattern in all comparator areas. (For simplicity, only the South East, Coast to Capital, West

Sussex and Arun have been shown.) The percentages of very young children will decline, while 10 to 24 year olds will also see growth. Figure 20.

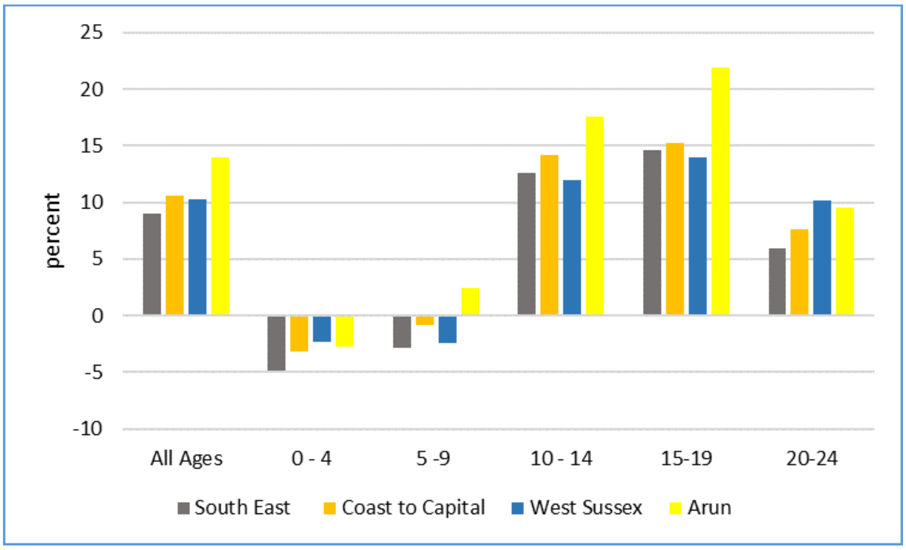

Figure 20: Forecast percentage change in all ages and those age 0-24 in the South East, Coast to Capital, West Sussex and Arun 2016 to 2031
Source: ONS Population Forecasts/Simpson Consulting

25 to 34 year olds will decline in all areas and 35 to 44 year olds will increase, although Arun will see a smaller decline in the percentage of 30 to 34 year olds and a comparatively larger increase 35 to 44 year olds. The older working age population of 45 to 54 year olds will tend to decline but it will rise again in the 55 to 59 year olds. Figure 21.

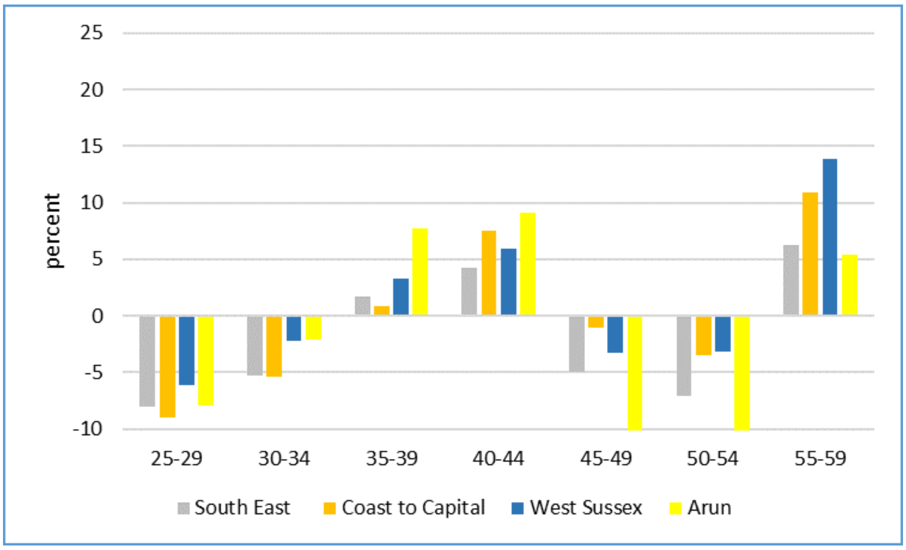

Figure 21: Forecast percentage change in those age 20 to 59 in the South East, Coast to Capital, West Sussex and Arun 2016 to 2031
Source: ONS Population Forecasts/Simpson Consulting

It is striking just how much increase there will be in the older population of 60 and above with the greatest increases in percentage terms in the over 80s in all areas. Figure 22.

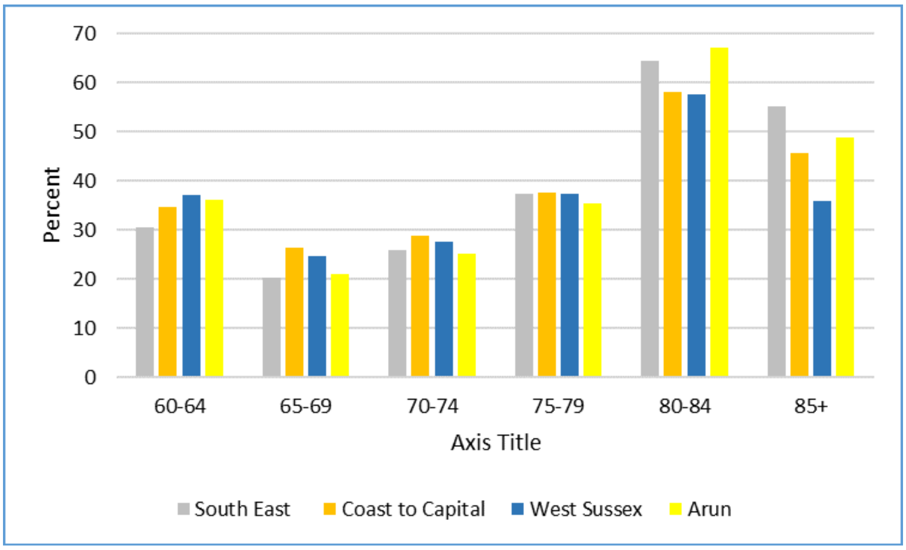

Figure 22: Forecast percentage change in those age 65 and over in the South East, Coast to Capital, West Sussex an Arun 2016 to 2031
Source: ONS Population Forecasts/Simpson Consulting

In numerical terms, the figures for Arun are in Table 15.

Age	2016	2021	2026	2031	No. +/_	% +/-
All Ages	157,287	164,910	172,386	179,303	22,016	14.00
Age 0 - 4	8,011	7,825	7,820	7,796	-215	-2.68
Aged 5-9	8,193	8,639	8,407	8,396	203	2.48
Aged 10-14	7,443	8,600	8,993	8,750	1,307	17.56
Aged 15-19	7,453	7,594	8,749	9,082	1,629	21.86
Aged 20-24	7,322	6,983	7,002	8,023	701	9.57
Aged 25-29	7,794	7,572	7,201	7,177	-617	-7.92
Aged 30-34	7,745	8,199	7,977	7,586	-159	-2.05
Aged 35-39	7,940	8,364	8,770	8,555	615	7.75
Aged 40-44	8,577	8,573	8,964	9,359	782	9.12
Aged 45-49	10,723	9,245	9,236	9,626	-1,097	-10.23
Aged 50-54	11,088	11,320	9,920	9,940	-1,148	-10.35
Aged 55-59	10,310	12,000	12,216	10,873	563	5.46
Aged 60-64	10,034	11,526	13,419	13,649	3,615	36.03
Aged 65-69	12,427	11,213	12,901	15,028	2,601	20.93
Aged 70-74	10,733	12,756	11,654	13,445	2,712	25.27
Aged 75-79	8,303	10,171	12,150	11,242	2,939	35.40
Aged 80-84	6,301	7,020	8,742	10,530	4,229	67.12
Aged 85+	6,890	7,310	8,258	10,246	3,356	48.71

Table 14: Forecast numerical change by 5 year age band in Arun between 2016 to 2031
Source: ONS Population Forecasts/Simpson Consulting

In summary in Arun in 2031, there is forecast to be:
- 3,623 more children and young people aged 0 to 24
- 1,061 fewer working age people aged 25 to 60
- 19,452 more people aged 60 and over

Ethnicity

According to the 2011 Census, Arun had the least ethnically diverse population of all the Coast to Capital local authorities at 3.0%, well below the average of 14.6%. By contrast, Croydon's ethnic minority population was 45% and Crawley's was 20%. Figure 23.

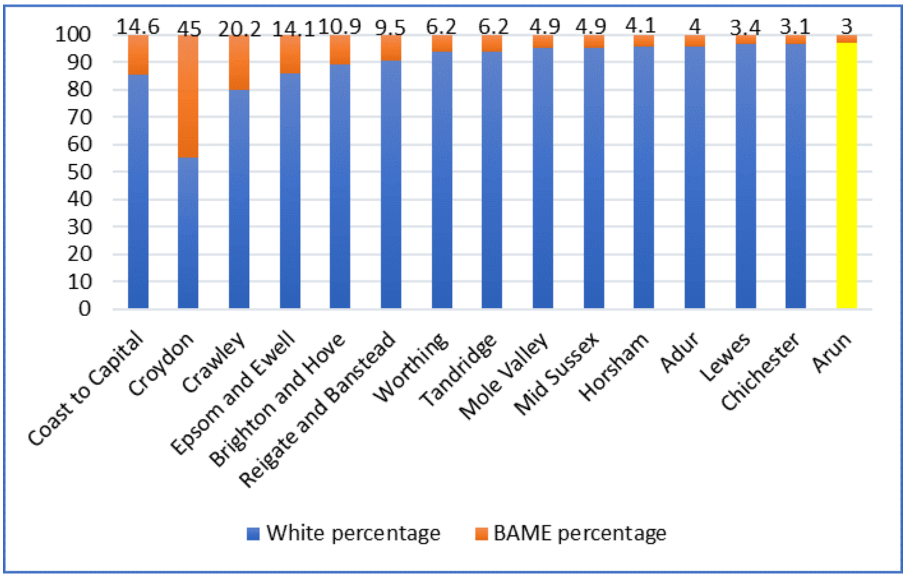

Figure 23: BAME as a percentage of population in Coast to Capital local authorities in 2011

Source: ONS Census 2011/ Simpson Consulting

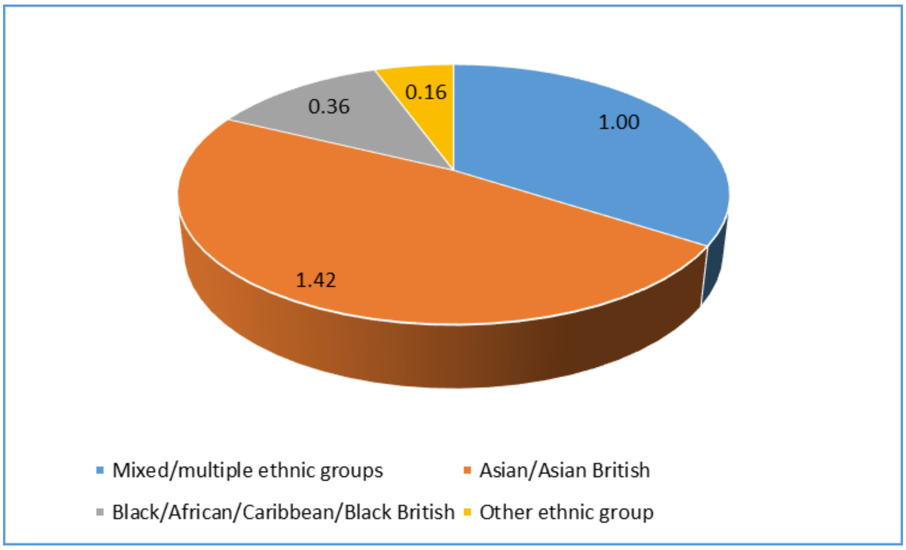

Figure 24: Breakdown of the 3.0% BAME population in Arun in 2011.

Source: ONS Census 2011/ Simpson Consulting

Working Age Qualifications

Arun has a lower percentages of its working age population at each level than all of the comparator geographies including West Sussex and Coastal West Sussex as a whole.

The difference is particularly striking at NVQ3+ and NVQ4+. Only 23.9% of Arun's workforce is qualified at NVQ4 and above, 35% below the Coast to Capital rate of 44.3%. At NVQ3+, Arun's workforce is 24% below the Coast to Capital average. This points to a low skills workforce which will limit people's chances of gaining rewarding employment but also can deter businesses from investing in the area. Figure 25 and Table 16.

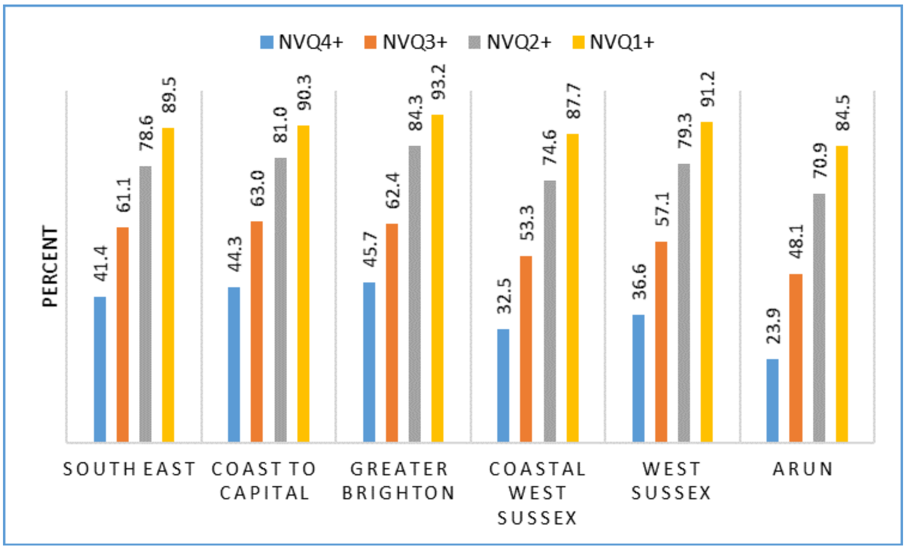

Figure 25: Working age population qualifications at Level 4+. 3+.2+,1+ in Arun and the comparator areas in 2017

Source: ONS Annual Population Survey/ Simpson Consulting

2017	NVQ4+	NVQ3+	NVQ2+	NVQ1+
South East	41.4	61.1	78.6	89.5
Coast to Capital	44.3	63.0	81.0	90.3
Greater Brighton	45.7	62.4	84.3	93.2
Coastal West Sussex	32.5	53.3	74.6	87.7
West Sussex	36.6	57.1	79.3	91.2
Arun	23.9	48.1	70.9	84.5

Table 15: Working age population qualifications at Level 4+. 3+.2+,1+ in Arun and the comparator areas in 2017

Source: ONS Annual Population Survey/ Simpson Consulting

Arun has seen a decline in higher level qualifications of 3.1% between 2013 and 2017 at a time when the Coast to Capital local authorities, apart from Chichester and Tandridge, have seen an increase. Figure 26.

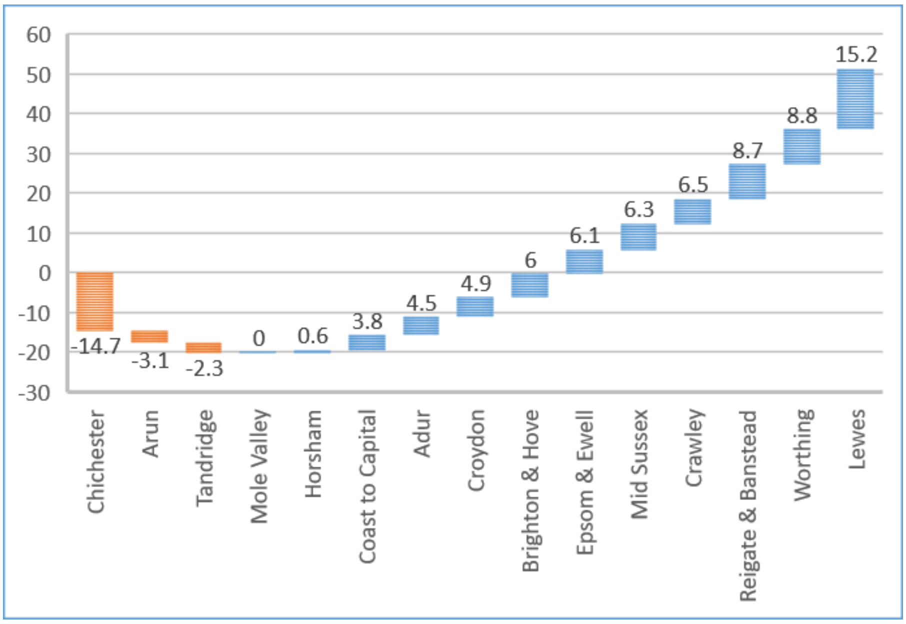

Figure 26: Percentage increase in NVQ4+ qualifications in Coast to Capital between 2013 and 2017.

Source: ONS Annual Population Survey /Simpson Consulting

There is a similar pattern for Level 3+ qualifications with Arun showing a decrease of 1.7% when most other local authorities have shown an increase. Figure 27. Arun has also show decreases in the percentage of working age population qualified at NVQ Level 2+ and Level 1+.

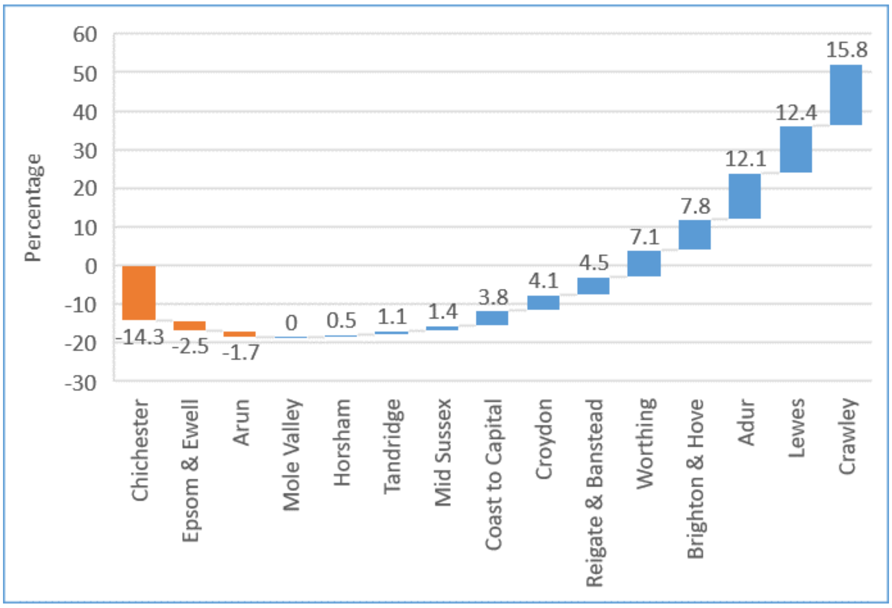

Figure 27: Percentage increase in NVQ3+ qualifications in Coast to Capital between 2013 and 2017.

Source: ONS Annual Population Survey /Simpson Consulting

Employment by occupational groups

Arun's residents are less likely to be employed in the top occupational groups and more likely to be employed in the lower occupational groups. Arun has the second lowest percentage of residents employed in *Group 1: Managers, Directors and Senior Officials,* (somewhat surprisingly behind Greater Brighton where the average is brought down by the low percentage employed in Group 1 in Worthing). Arun has a significantly lower percentage of residents employed in *Group 2: Professional Occupations* and is the lowest performer on *Group 3. Associate Professional and Technical Occupations*; although broadly similar to Coastal West Sussex as a whole.

In the middle groups, *Group 4: Administrative and Secretarial Occupations* and *Group 5: Skilled Trades Occupations*, Arun's performance is broadly consistent with the comparator areas.

However, notably higher percentages of Arun's residents are employed in the bottom four occupational groups, *Group 6: Caring, Leisure and Other Service Occupations; Group 7: Sales and customer service occupations; Group 8: Process, plant and machine operatives* and *Group 9: Elementary occupations.* Together with the skills profile, it all points to a low value, low skills labour market locally. Table 17 and Figure 28.

Group	1	2	3	4	5	6	7	8	9
South East	12.3	22.2	15.4	10.7	9.8	8.8	6.8	4.9	8.6
Coast to Capital	13.1	23.3	15.3	11.2	8.2	10.3	6.4	3.7	8.1
Greater Brighton	10.1	25.6	15.9	11.3	8.5	10.7	6.7	3.0	8.0
Coastal W Sussex	13.7	17.9	11.3	10.3	10.5	10.7	9.2	4.9	11.4
West Sussex	12.2	19.8	13.6	12.3	9.8	11.1	7.8	4.1	9.0
Arun	11.7	15.5	10.6	11.1	8.8	7.7	11.3	6.9	16.4

Table 16. Employment by occupational group in Worthing, the South East, Coast to Capital, Greater Brighton, Coastal West Sussex and West Sussex.
Source: ONS Annual Population Survey 2016 /Simpson Consulting

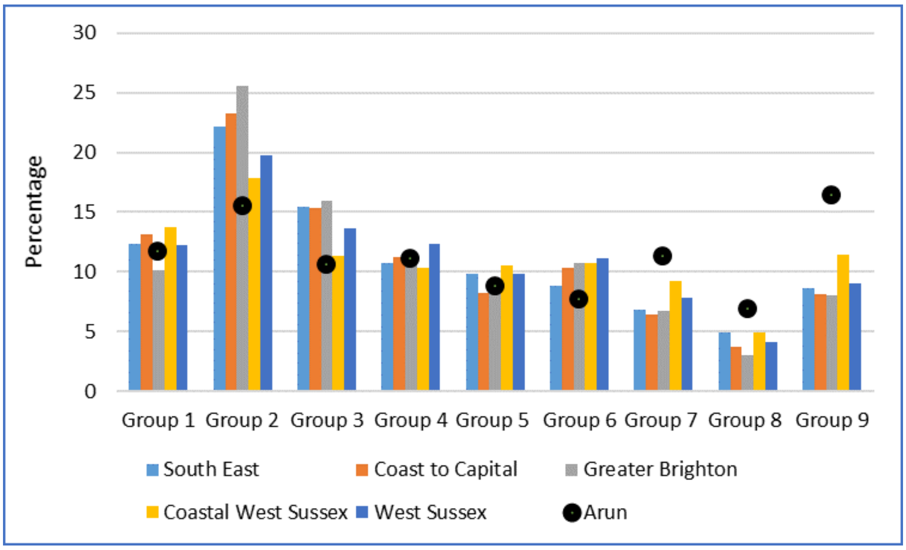

Figure 28. Percentage of resident workforce in employment by occupational group in Arun and the comparator areas in 2017
Source: ONS Annual Population Survey /Simpson Consulting

Key to occupational groups
Group 1: Managers, Directors and Senior Officials
Group 2: Professional Occupations
Group 3: Associate Professional and Technical Occupations
Group 4: Administrative and Secretarial Occupations
Group 5: Skilled Trades Occupations
Group 6: Caring, Leisure and Other Service Occupations
Group 7: Sales and customer service occupations
Group 8: Process, plant and machine operatives
Group 9: Elementary occupations

Wages

Residents' median wages in Arun tend to be lower than those of the comparator areas although they have been rising more steeply over the past five years and, for a brief period in 2016, they overtook the Coastal West Sussex average slightly. However, recently they appear to have dropped again and in 2018 were 16% lower in Arun than the South East region. Figure 29 and Table 18.

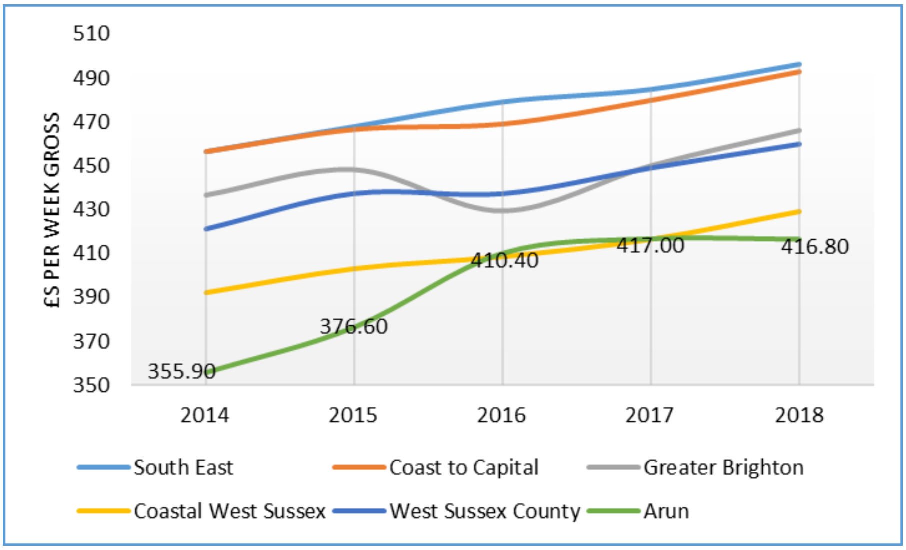

Figure 29: Resident median weekly wages (full and part-time) in Arun and the comparator areas 2014-2018

Source: Source: ONS Annual Survey of Hours and Earnings (ASHE), Resident Analysis 2018 / Simpson Consulting

	2014	2015	2016	2017	2018
South East	456.50	467.90	479.10	484.80	496.20
Coast to Capital	456.50	466.60	469.10	479.90	492.90
Greater Brighton	436.48	448.03	429.25	449.90	465.97
Coastal West Sussex	392.38	403.33	408.80	416.73	429.38
West Sussex	421.10	437.40	437.30	449.10	460.00
Arun	355.90	376.60	410.40	417.00	416.80

Table 17: Resident median weekly wages (full and part-time) in Arun and the comparator areas 2014-2018

Source: Source: ONS ASHE, Resident Analysis 2018 / Simpson Consulting

In Coast to Capital, Arun resident's median weekly wages are the lowest of all the local authorities and in a group at the bottom with the other Coastal West Sussex local authorities. Figure 30.

Arun's median weekly wage is nearly 29% below that of the leading local authority, Reigate and Banstead. The "M25 effect" is clear to see among the leading local authorities on this metric. Residents with the requisite skills can commute from these areas to the better paid jobs in the capital.

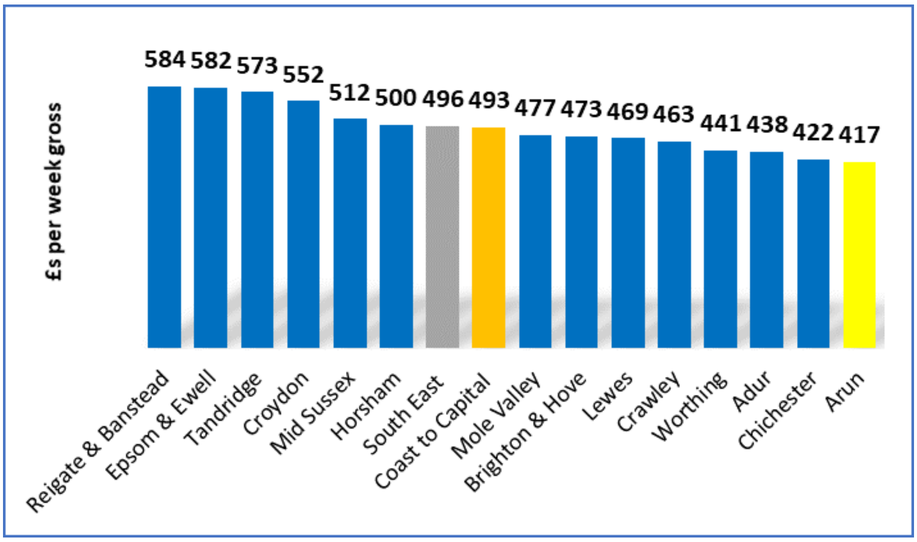

Figure 30: Resident median weekly wages (full and part-time) in the Coast to Capital local authorities and the South East in 2018

Source: ONS Annual Survey of Hours and Earnings Resident Analysis 2018/Simpson Consulting

Arun also has the lowest median weekly **workplace** wages of the Coast to Capital local authorities, 38% below those of Crawley, the leading local authority for workplace pay. Figure 31.

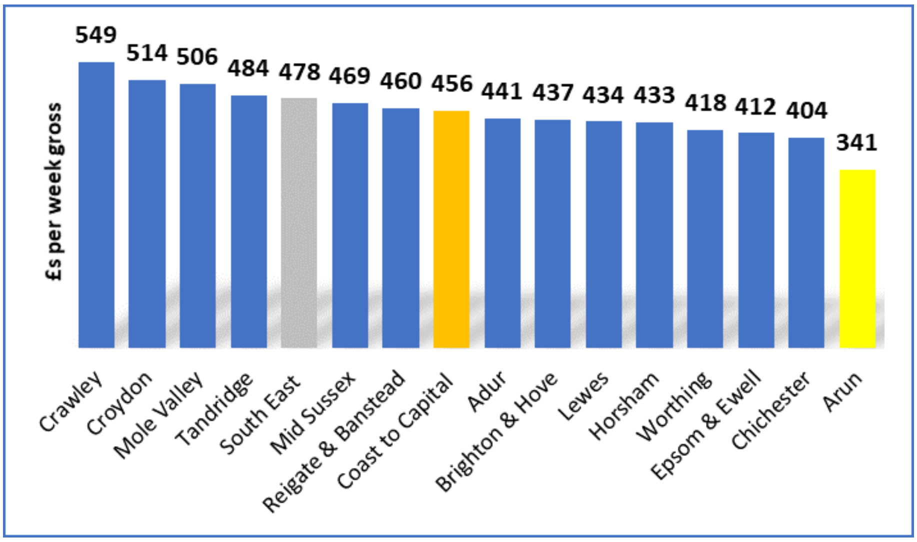

Figure 31: Workplace median weekly wages (full and part-time) in Coast to Capital local authorities and the South East in 2018

Source: ONS Annual Survey of Hours and Earnings Workplace Analysis 2018 / Simpson Consulting ONS / Simpson Consulting

The local authority area that scores best on median workplace wages out of the Coastal West Sussex local authorities is Adur, nearly on a par with Coast to Capital, reflecting its better paid manufacturing jobs and lower reliance on low value sectors such as tourism and retail. Brighton & Hove, Lewes and Horsham are all below average due to local economies where lower value sectors prevail and Epsom and Ewell is third from the bottom, reflecting the high percentage of retail businesses in the Borough. Figure 31.

Workplace wages tend to be lower than residents' wages in areas with high commuting rates as better skilled workers can commute out to higher paid employment elsewhere. The gap is particularly apparent in the M25 corridor with high rates of commuting to London, for example Reigate & Banstead, Epsom & Ewell and Tandridge (although interestingly, not in Mole Valley where workplace wages are higher than the Coast to Capital and South East averages.) In Coastal West Sussex districts, there tends to be a smaller gap, although not in Arun which has low median resident and even lower workplace wages. Figure 32.

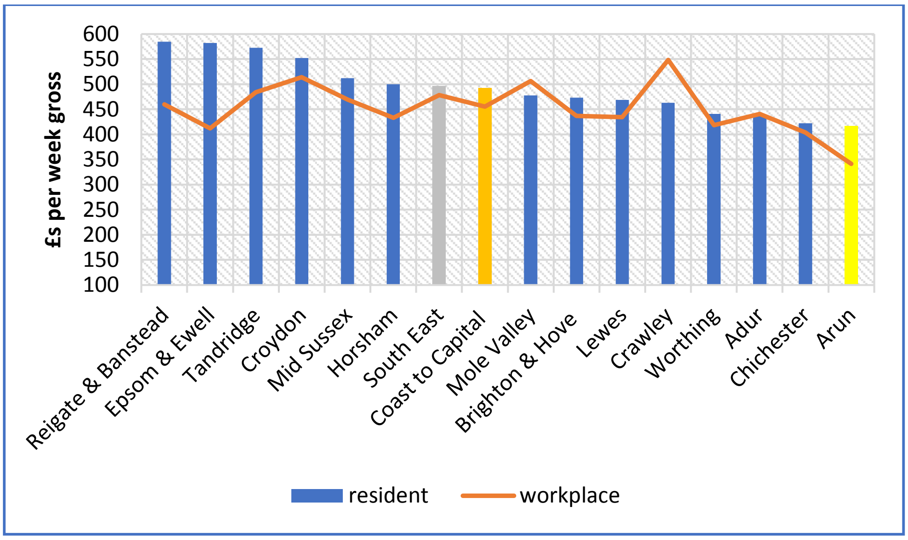

Figure 32: Resident and workplace median weekly wages (full and part-time) in Coast to Capital local authorities and the South East in 2018
Source: ONS Annual Survey of Hours and Earnings Workplace Analysis 2018 / Simpson Consulting ONS / Simpson Consulting

Employment by sector

Arun has the highest percentage of employees in *Agriculture, Forestry & Fishing* among the comparator areas, reflecting the strong presence of the horticultural sector in the district. Arun also leads on the proportion of employment in *Motor Trades, Retail and Accommodation & Food.* Table 19.

	South East	Coast to Capital	Greater Brighton	Coastal W Sussex	West Sussex	Arun
Ag., for. & fish.	0.83	0.82	0.25	1.98	1.30	2.70
Mining, quar. & util.	1.36	1.41	1.77	1.41	1.56	1.29
Manufacturing	6.11	4.69	5.06	7.91	7.01	6.47
Construction	5.46	5.16	3.80	4.52	4.42	5.39
Motor trades	1.92	1.64	1.52	1.69	1.82	1.94
Wholesale	4.56	3.87	3.54	3.39	4.68	3.78
Retail	9.74	10.43	10.38	11.86	10.65	15.10
Transport & storage	4.58	5.04	7.59	2.54	7.27	2.70
Accomm. & food	7.26	7.50	7.85	8.47	8.05	10.79
Info & comms	5.85	4.34	4.05	2.82	3.38	1.94
Finance & ins.	2.83	4.34	4.56	2.54	3.12	2.16
Property	1.63	1.76	1.52	2.26	1.82	1.51
Prof. sci. & tech.	7.92	7.15	6.08	5.08	5.97	3.78
Biz admin & support	8.62	8.91	10.13	6.78	9.61	8.63

Table 18: Percentage of employment in each broad industrial group in Arun and the reference geographies in 2017

Source: UK Business Register and Employment Survey / Simpson Consulting Ltd

KEY

Highest %age of employment	
Lowest %age of employment	

Unfortunately, Arun has the lowest proportion of jobs in the knowledge intensive sectors of *Information & Communications, Finance & Insurance,* and *Professional, Scientific & Technical.* Not only does this point to a lack of knowledge intensity but also indicates why wages and productivity tend to be lower in Arun. It all points to a low skills equilibrium where low workforce skills attract businesses with low skills demand and a cycle is created.

Employment rates

Arun had a lower employment rate among the working age population in 2017 than all the other comparator geographies. Figure 33.

(In contrast, nearby Worthing had a higher employment rate than any of the comparator areas at 83.8% in 2017.

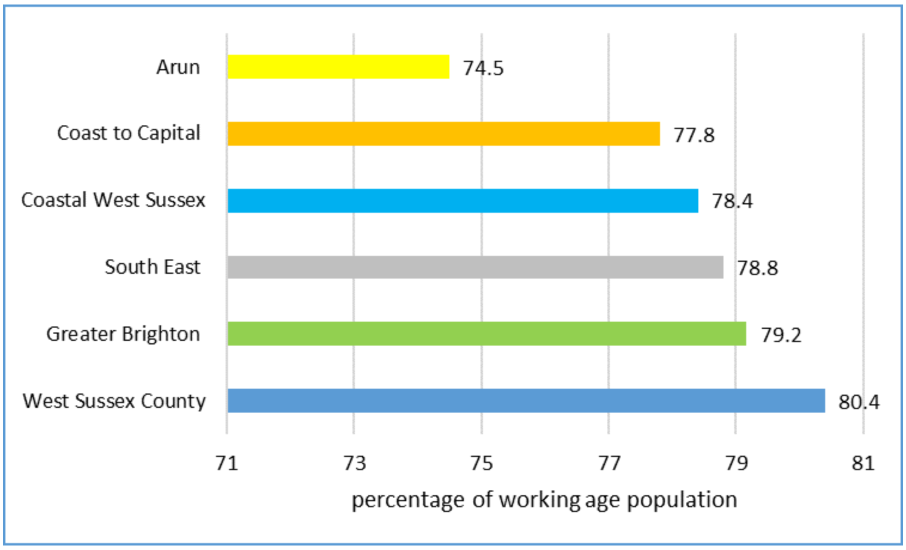

Figure 33: Employment rates in Arun and the comparator areas in 2017
Source: ONS Annual Population Survey /Simpson Consulting

Arun's employment rates have varied considerably during the reference period and have gone from the highest to the lowest, taking a substantial dip in 2015 with some limited recovery since then. This indicates an unstable labour market with a higher level of insecure jobs. Figure 34.

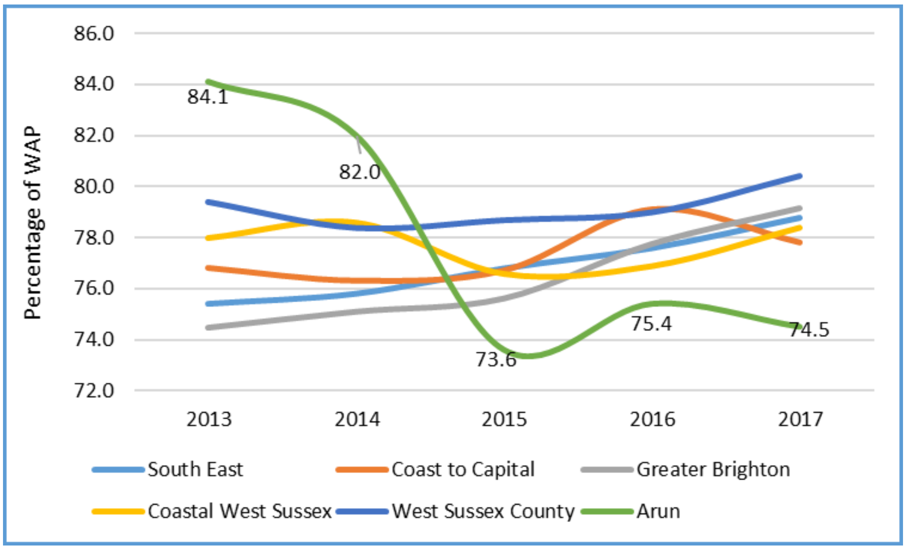

Figure 34: Percentage change in employment rates among the working age population in Coast to Capital districts 2012 to 2017
Source: ONS Annual Population Survey 2016 /Simpson Consulting

Self-employment

.	2013	2014	2015	2016	2017	Median
Mid Sussex	10.3	11.1	12.6	13.3	17.1	*12.6*
Horsham	15.3	12.8	10.9	13.9	16.4	*13.9*
Brighton & Hove	13	13.4	13.6	15.1	15.0	*13.6*
Chichester	11	17	22.3	22.1	14.8	*17.0*
Tandridge	23.7	21.5	12.8	15.8	13.6	*15.8*
Croydon	11	11.4	11	12.8	13.2	*11.4*
Reigate & Banstead	15.4	12.9	13.7	13.6	12.7	*13.6*
Coast to Capital	12.2	12.7	13.1	13.6	12.6	*12.7*
Worthing	13.4	13.8	13.6	16.7	11.2	*13.6*
Lewes	14.5	14.6	15.4	18.2	10.8	*14.6*
Arun	8.7	10.8	10.9	6.2	10.3	*10.3*
Epsom & Ewell	10	12.9	7.2	11.7	9.9	*10.0*
Mole Valley	11.8	10.9	10.6	13.6	8.9	*10.9*
Adur	13.5	10.8	10.6	11.1	8.2	*10.8*
Crawley	3.8	8.8	20.1	8.1	7.3	*8.1*

Table 19. Self- employment rates as a %age of all employment in Coast to Capital LADs 2013 to 2017

Source: ONS Annual Population Survey 2016 /Simpson Consulting

Arun's self employment rate of 10.3% in 2017 is below average for Coast to Capital at 12.6% and the South East at 11.8%.

However, self-employment rates do vary quite considerably as they are influenced by the degree willingness of employers to take on employees as well as the tax regime and other factors. The median rate (or mid point in the range) has therefore been included which shows Arun again performing below average. Table 20.

SOCIAL COHESION

Overview

Arun faces a number of issues in terms of quality of life and health. However, In spite of lower household incomes, high housing costs, higher than average out-commuting rates, higher mortality and lower life expectancy rates, Arun residents are happier, more satisfied with life and have lower anxiety levels than the comparator areas.

Key points

- Unemployment rates are low in all areas, including Arun, and have fallen over the reference period. At the end of 2017, Arun's unemployment rate was 3.3% compared to 2.9% in West Sussex and 3.1% in Coastal West Sussex.

- Arun is ranked in the bottom half of English local authorities on 5 out of the 10 measures on the Index of Multiple Deprivation. These are*: employment, education skills and training, health deprivation and disability, barriers to housing and services, income deprivation affecting children*

- Adur is less deprived than Brighton & Hove, Croydon or Adur local authorities all of which are ranked in the bottom 50% on 8 out of 9 measures

- Arun is a net exporter of labour. At the time of the last census, 8,973 people commuted into Arun from other areas and 27,394 or 42% of the employed workforce commuted out on a daily basis resulting in a net population decrease of 18,421 in Arun.

- The most popular destinations for Arun residents who commute out are Chichester (46%), Worthing (25%) and Horsham (8.25%)

- Arun residents are least likely along with Chichester to work close to home with a commute of less than 5 kilometres

- Arun residents, together with Adur's, have the highest percentages of people travelling between 20 and 39 kilometres to their place of work

- Between 2016 and 2031 there will be 12,000 more households requiring accommodation in Arun

- Factors include not only population growth through in-migration etc. but also the ageing population which means more single dwellings are required

- In Arun as in the other comparator areas, houses are continuing to become less affordable and the median house price to median residents wage ratio stood at 10.36 in Arun in 2017

- In all the comparator areas, Gross Disposable Household Income (GDHI) has risen over the reference period but in 2017 at £20,731 in Arun it remains persistently lower than in any of the comparator areas

- Mortality rates are higher and both male and female life expectancy is lower in Arun than in the comparator areas

- Arun residents rate themselves slightly higher on life satisfaction, feelings of life being worthwhile and happiness than the comparator areas and have lower anxiety levels

Unemployment

Unemployment rates have varied over the 2013 to 2017 reference period. Arun has followed the generally downward trend as the economy recovered from the effects of the 2008 economic downturn. At the end of 2017, Arun's unemployment rate was 3.3% compared to 2.9% in West Sussex and 3.1% in Coastal West Sussex. It was below Coast to Capital and Greater Brighton but very slightly above that of the South East region. Table 21 and Figure 35.

	2013	2014	2015	2016	2017
South East	5.7	4.8	4.2	4.0	3.2
Coast to Capital	5.8	5.4	3.5	3.8	4.3
Greater Brighton	6.1	5.1	4.7	4.4	3.5
Coastal West Sussex	5.2	4.3	3.8	4.2	3.1
West Sussex County	5.4	4.5	2.6	2.7	2.9
Arun	4.6	4.2	3.8	4.4	3.3

Table 20: Unemployment rates in Arun and the comparator areas 2013 to 2017
Source: ONS Model Based unemployment/Simpson Consulting

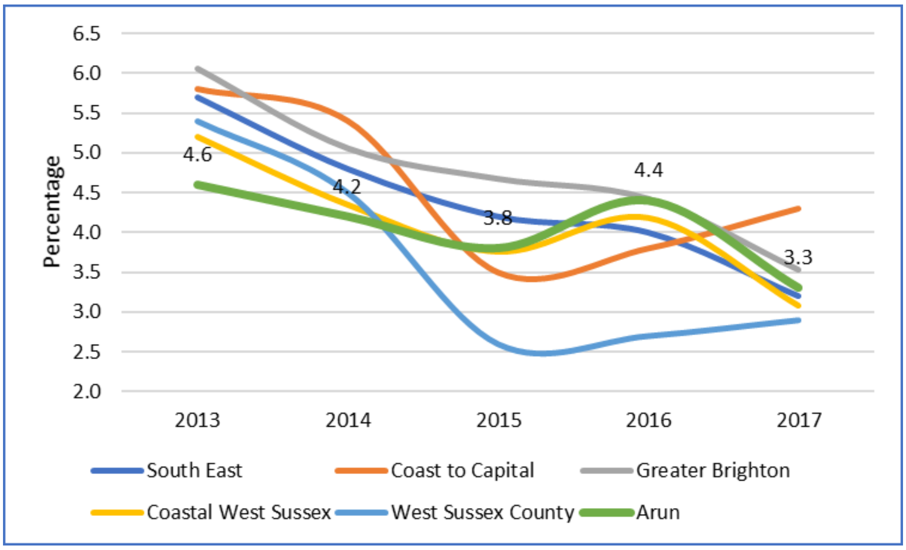

Figure 35: Unemployment rates in Arun and the comparator areas 2013 to 2017
Source: ONS Model Based unemployment/Simpson Consulting

Unemployment has fallen in all local authority districts in Coast to Capital between 2013 and 2017 including Arun which has seen a fall of 1.3%, below the Coast to Capital average of -1.5%. At the end of 2017 there were an estimated 2,400 unemployed people in Arun, a fall of 1,100 since 2013. Table 22.

	Fall in no.s	Fall %age
Crawley	-2,200	-4.6
Worthing	-1,200	-3.0
Brighton & Hove	-4,000	-2.7
Adur	-800	-2.6
Chichester	-1,500	-2.5
Lewes	-1,000	-2.4
Reigate & Banstead	-1,100	-1.6
Epsom & Ewell	-600	-1.5
Coast to Capital	-14,700	-1.5
Horsham	-1,,000	-1.4
Arun	-1,100	-1.3
Croydon	-2,100	-1.3
Tandridge	-600	-1.1
Mole Valley	-600	-1
Mid Sussex	-800	-0.9

Table 21: Change in unemployment in Coast to Capital local authorities between 2013 and 2017

Source: ONS Model based unemployment 2016 /Simpson Consulting

Deprivation

Arun's was ranked 150th on the Index of Multiple Deprivation in 2015 out of 326 local authorities. It is ranked in the bottom half (i.e. a ranking of 163 or less) of English local authorities on 5 out of the 10 measures marked in pink in Table 23. These are:

- Employment 151
- Education skills and training 84
- Health deprivation and disability 134
- Barriers to housing and services 145
- Income deprivation affecting children 159

Adur is less deprived than Brighton & Hove, Croydon or Adur local authorities all of which are ranked in the bottom 50% on 8 out of 9 measures..

Table 22: Rank of Coast to Capital local authority districts on the 10 Indices of Deprivation 2015

	IMD - Rank	Income - Rank	Employment - Rank	Education, Skills and Training - Rank	Health Deprivation and Disability - Rank	Crime - Rank	Barriers to Housing and Services - Rank	Living Environment - Rank	Income Deprivation Affecting Children Index (IDACI) - Rank	Income Deprivation Affecting Older People (IDAOPI) - Rank
Brighton and Hove	109	122	150	192	99	104	56	49	148	50
Croydon	91	72	117	207	155	21	14	94	57	117
Adur	150	146	145	53	136	144	245	123	146	155
Arun	174	164	151	84	134	183	145	263	159	206
Chichester	231	236	245	238	237	279	88	167	240	260
Crawley	151	139	177	65	179	83	39	318	122	126
Horsham	295	299	295	300	300	285	47	260	300	316
Mid Sussex	321	319	316	282	320	264	198	286	317	315
Worthing	172	165	138	149	117	150	320	99	185	170
Epsom and Ewell	313	311	309	310	307	201	202	198	298	314
Mole Valley	305	317	305	306	301	294	132	191	316	321
Reigate and Banstead	292	279	286	267	285	181	137	267	264	302
Tandridge	284	283	276	249	278	108	183	256	270	309
Lewes	201	178	172	165	204	242	108	250	181	224

Source DCLG English Indices of Deprivation 2015 /Simpson Consulting

Travel to work

Arun is a net exporter of labour. At the time of the last census, 8,973 people commuted into Arun from other areas and 27,394 or 42% of the employed workforce commuted out on a daily basis resulting in a net population decrease of 18,421 in Arun. The most popular destinations for Arun residents who commute out are Chichester (46%), Worthing (25%) and Horsham (8.25%). Figure 36.

58% of Arun residents work in Arun itself while a further 19,464 or 29.85% of the workforce works somewhere along the coast; those working in Arun itself plus those working along the coast in Adur, Brighton and Hove, Chichester Portsmouth and Havant account for nearly 88% of Arun employment. Very few of the total workforce (0.79%) commute to central London and just over 4.7% travel to the Gatwick Diamond areas of Horsham, Mid Sussex and Crawley for work. Table 24.

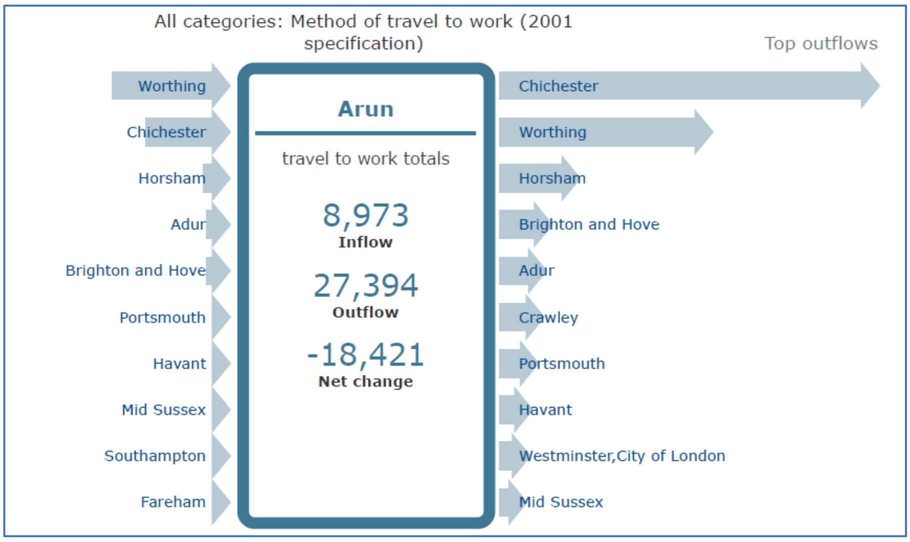

Figure 36: Arun commuting inflow and outflow patterns
Source: ONS Census 2011/ Simpson Consulting

Outflow destination	%age of all outflow	Number
Chichester	38.52	10,551
Worthing	20.93	5,733
Horsham	6.89	1,887
Brighton and Hove	3.89	1,065
Adur	3.29	902
Crawley	3.00	823
Portsmouth	2.41	661
Havant	1.87	512
Westminster, City of London	1.56	426
Mid Sussex	1.19	326
Total outflow to top 10	83.54%	22,886
Remainder to other places	16.46%	4,508
Total outflow	100%	27,394

Table 23: Top ten places of work for Arun residents in employment
Source: ONS Census 2011/ Simpson Consulting

Arun residents are least likely, along with Chichester residents, to work close to home with a commute of less than 5 kilometres. Worthing and Brighton residents are more likely to be able to work close to home. Arun and Adur residents have the highest rates of travel between 20 and 39 kilometres to their place of work. Figure 37.

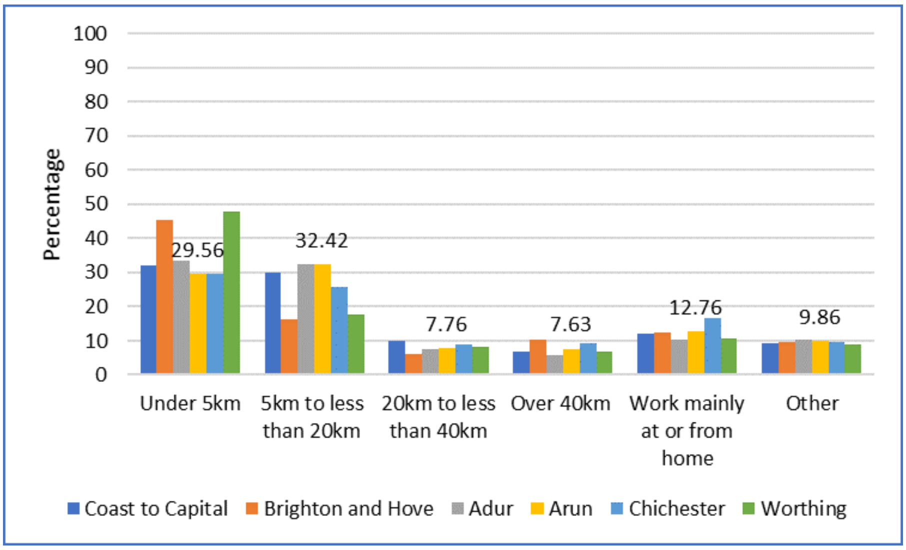

Figure 37: Distance travelled to work in the coastal local authorities and Coast to Capital (Data labels are for Arun)
Source: Census 2011 /Simpson Consulting

Housing demand and affordability

In common with the comparator areas, Arun is set to see a rise in the number of households. Between 2016 and 2031 there will be 12,000 more households requiring accommodation in Arun. Factors include not only population growth through in-migration etc., but also the ageing population which means more single dwellings are required. Arun's predicted growth rate is nearly 17% which is above that of all the comparator areas and over 4% above that of the South East as a whole. Table 25.

	2016	2021	2026	2031	%age + 2016-31
South East	3,705	3,850	4,007	4,159	12.25
Coast to Capital	842	877	917	956	13.55
Greater Brighton	630	660	693	726	12.91
Coastal West Sussex	199	208	219	229	15.34
West Sussex	362	378	397	415	14.75
Arun	70	73	77	82	16.93

Table 24: Projected growth in no.s (thousands) and percentages of households in Arun and the comparator areas 2016-3031
Source: ONS household projections for local authorities in England 2016 / Simpson Consulting

The effect of the ageing population on household growth can be clearly seen in Figure 38 where the growth in households in Arun is concentrated in the 55 and over age bands.

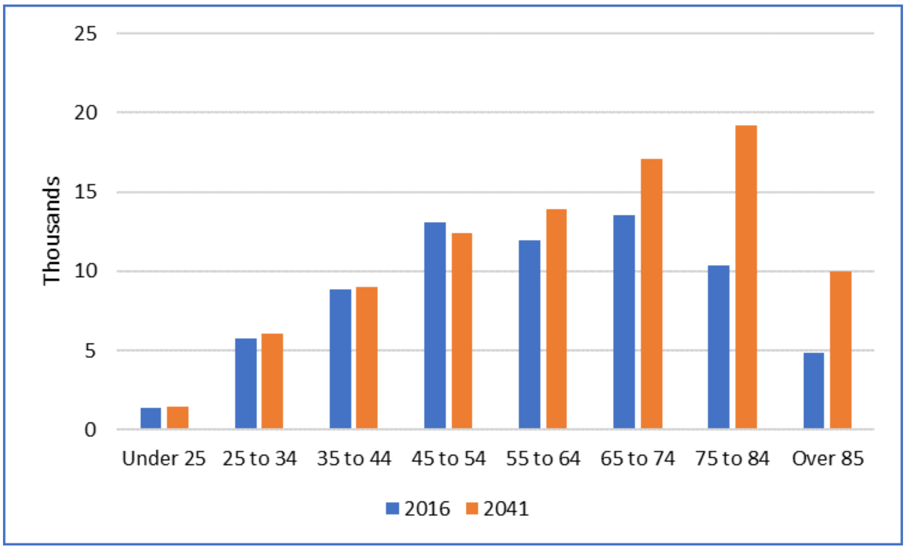

Figure 38: Growth in households in Arun between 2016 and 2041 by age group (thousands)
Source: ONS Household projections by age and district, mid-2016 and mid-2041/ Simpson Consulting

In Arun as in the other comparator areas, houses are continuing to become less affordable and the median house price to median residents wage ratio stood at 10.36 in Arun in 2017. In other words, a medium priced house costs over 10 times the median or mid point salary for Arun residents. Figure 39 and Table 26.

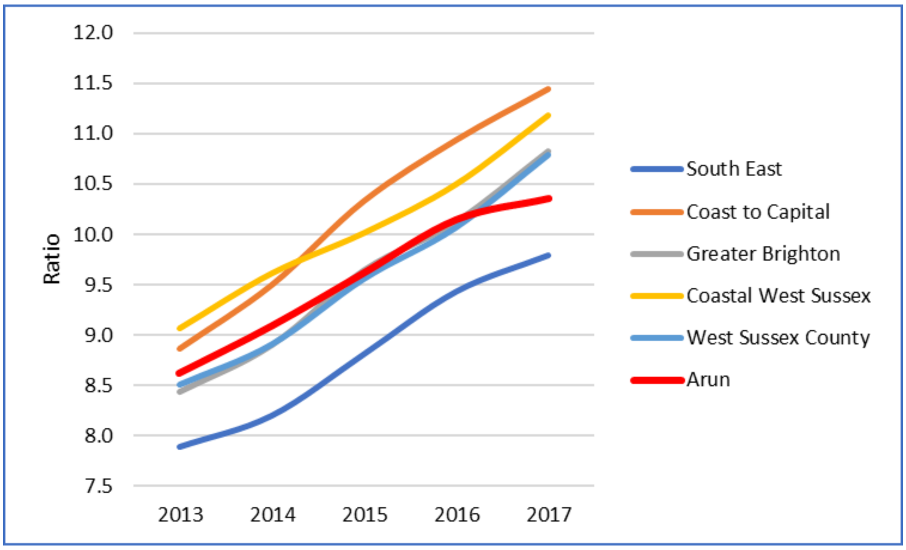

Figure 39: Median house price to median residents' wages in Arun and the comparator areas 2013 to 2017.
Source: ONS House price statistics / Simpson Consulting

	2013	2014	2015	2016	2017
South East	7.89	8.20	8.81	9.43	9.79
Coast to Capital	8.86	9.50	10.33	10.93	11.44
Greater Brighton	8.44	8.91	9.65	10.12	10.82
Coastal West Sussex	9.07	9.62	10.02	10.50	11.18
West Sussex County	8.51	8.91	9.56	10.07	10.79
Arun	8.62	9.09	9.62	10.15	10.36

Table 25: Median house price to median residents' wages in Arun and the comparator areas 2013 to 2017.
Source: ONS House price statistics / Simpson Consulting

Household income

Gross Disposable Household Income (GDHI) is a useful measure of relative wealth. It is a measure of the amount of money that that people have available for spending or saving after taxes, social contributions and benefits have taken effect. (GDHI covers areas and does not provide measures relating to actual households or family units.) GDHI statistics show that in all the comparator areas, the amount of disposable household income has risen over the reference period but in 2017 at £20,731 in Arun it was lower than in any of the comparator areas. Table 27 and Figure 40.

	2013	2014	2015	2016	2017
South East	19,998	20,678	21,026	22,313	22,375
Coast to Capital	20,370	21,088	21,352	22,736	22,767
Greater Brighton	19,376	20,095	20,351	21,617	21,568
Coastal West Sussex	18,890	19,653	19,846	21,340	21,384
West Sussex County	19,865	20,616	20,815	22,100	22,073
Arun	18,407	19,164	19,264	20,679	20,731

Table 26: Gross Disposable Household Income in Arun and the comparator areas 2013 to 2017
Source: ONS Gross Disposable Household Income (GDHI) / Simpson Consulting

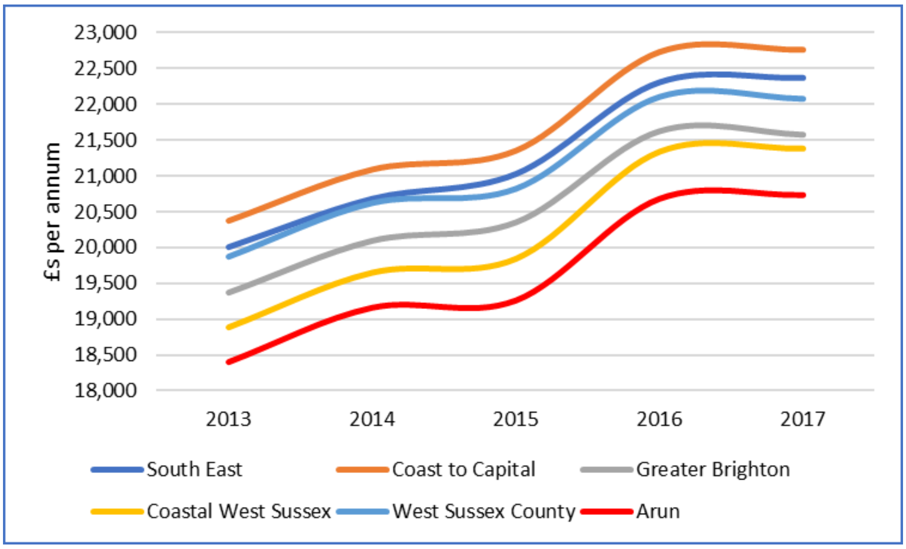

Figure 40: Gross Disposable Household Income in Arun and the comparator areas 2013 to 2017

Source: ONS Gross Disposable Household Income (GDHI) / Simpson Consulting

Mortality rates

Mortality rates tend to vary year on year as Figure 41 shows. The average mortality rate for each year is represented by the black line and, over the reference period, shows that Arun has tended to be slightly above average or above average each year in relation to the five comparator areas.

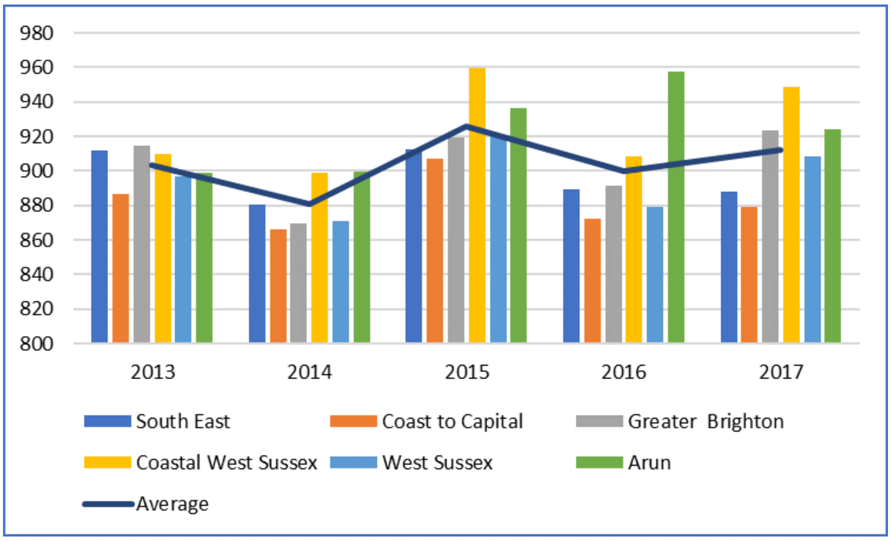

Figure 41: Mortality rates: deaths per 1,000 population in Arun and the comparator areas 2013-2017

Source: ONS Births, deaths and marriages / Simpson Consulting

Among the comparator areas, Coastal West Sussex has tended to see the highest death rates over the period with the exception of 2013. Within Coastal West Sussex, Worthing has tended to have the highest mortality rates. Table 28.

	2013	2014	2015	2016	2017
Coastal West Sussex	910	899	960	908	949
Adur	929	903	990	861	959
Arun	899	900	937	958	924
Chichester	842	826	920	843	866
Worthing	970	967	993	972	1,047

Table 27: Mortality rates: deaths per 1,000 population in Coastal West Sussex 2013 -2017

Source: ONS Births, deaths and marriages / Simpson Consulting

Life expectancy

Life expectancy tells a similar story. Both male and female life expectancy rates are below the Coast to Capital average in Arun and the other Coastal West Sussex local authority districts apart from more affluent Chichester which is above average. Table 29.

	Male	Female
Coast to Capital	80.7	84.3
Croydon	80.3	83.6
Brighton and Hove	79.0	83.5
Adur	80.2	83.6
Arun	79.8	83.8
Chichester	81.1	85.0
Crawley	80.8	83.9
Horsham	81.4	84.5
Mid Sussex	81.4	85.0
Worthing	79.2	83.2
Epsom & Ewell	81.7	85.7
Mole Valley	82.4	85.0
Reigate & Banstead	81.2	84.4
Tandridge	80.7	83.7
Lewes	81.1	85.7

Table 28: Life expectancy for males and females born 2012 to 2014 in Coast to Capital local authority districts

Source: ONS Population statistics / Simpson Consulting

Activity levels

Arun has what could be described as a moderately active population with one of the lowest percentages in the top bracket for physical activity undertaking at least two and a half hours per week but a higher than average percentage taking a medium amount of physical exercise and a more or less average percentage taking in the least active bracket. Figures 42 to 44.

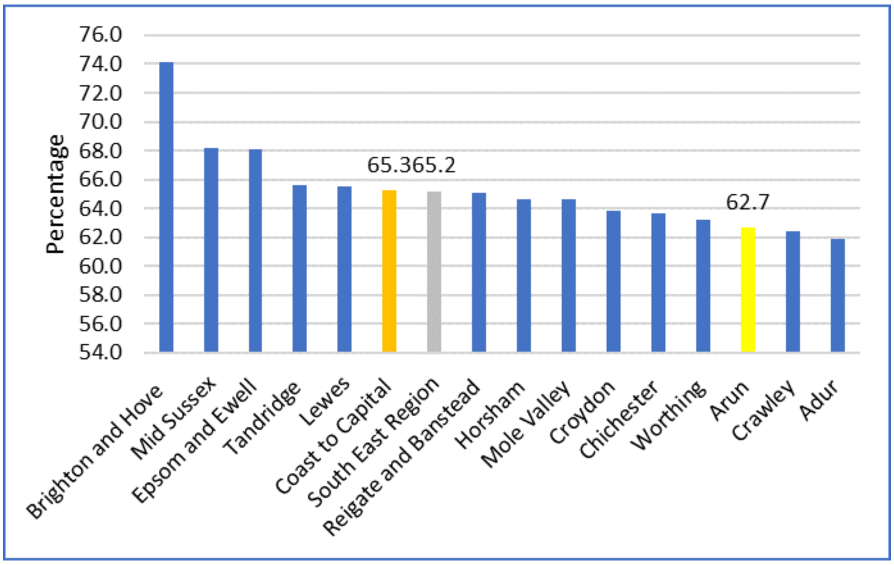

Figure 42: Percentage of population undertaking at least 150 mins of physical activity per week

Source: Sports England / Simpson Consulting

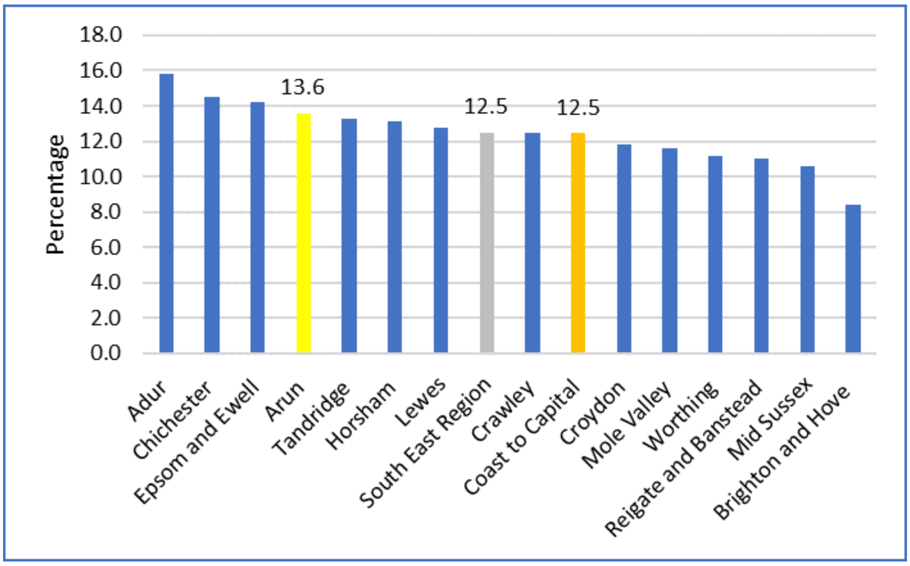

Figure 43: Percentage of population undertaking between 30 and 149 mins of physical activity per week

Source: Sports England / Simpson Consulting

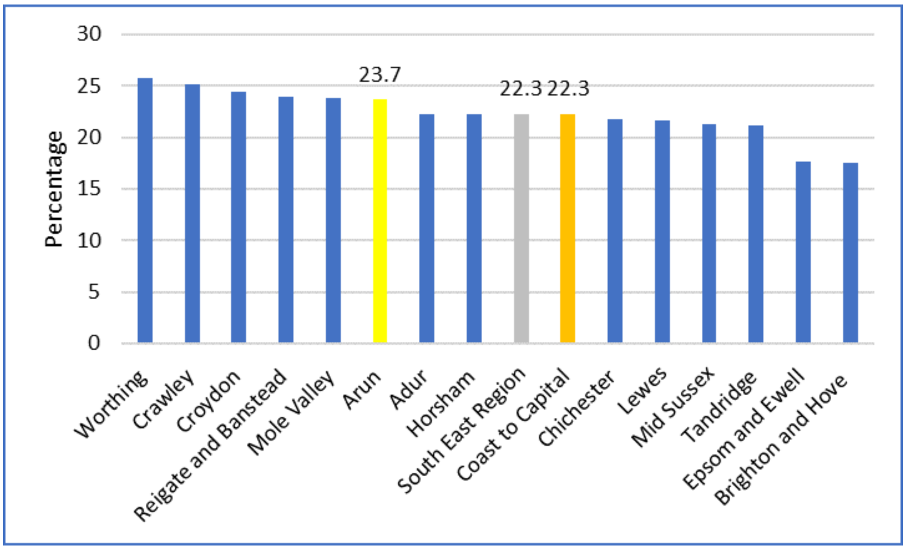

Figure 44: Percentage of population undertaking less than 30 mins of physical activity per week

Source: Sports England / Simpson Consulting

Life satisfaction

Arun residents rate themselves slightly higher on life satisfaction, feelings of life being worthwhile and happiness than the comparator areas and have lower anxiety levels. Figure 45.

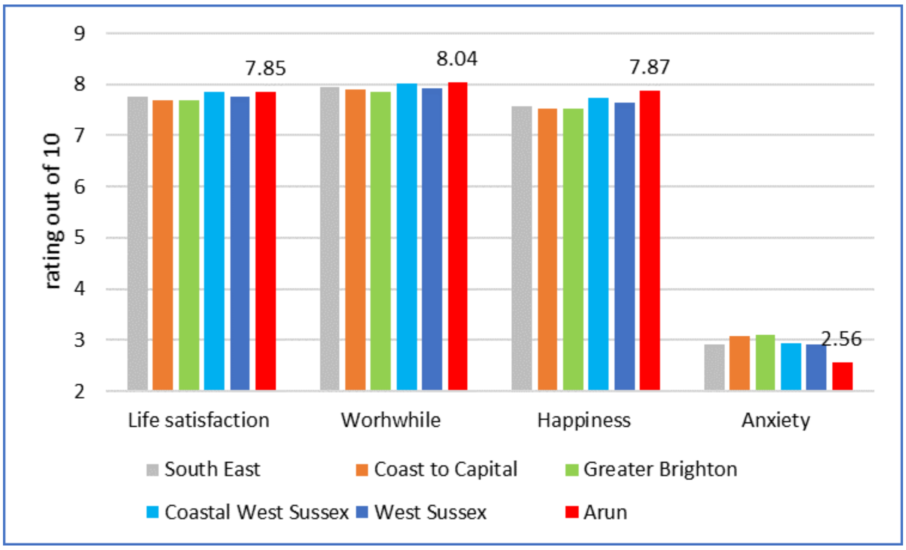

Figure 45: Ratings out of 10 for life satisfaction, feelings of life being worthwhile, happiness and anxiety in Arun and the comparator areas in 2017

Sources: ONS Life satisfaction / Simpson Consulting

ANNEX A: Sector definitions

1. Tourism –The definition in the ONS document "Measuring Tourism" has been used with the 2007 SIC codes as follows:

Table 1: International definition of tourism related industries defined on the basis of UK SIC07 codes (5Digit). Industry	SIC 2007 code	Industry	SIC 2007 code
Railway passenger transport.	49100	Transport Equipment Rental	77110
Road Passenger transport	49320		77341
49390		77351	
Water Passenger transport	50100	Sporting and recreational activities	77210
50300		92000	
Air Passenger transport	51101		93110
51102		93199	
Accommodation for Visitors	55100		93210
55201		93290	
55202		Country-specific tourism characteristic activities	82301
55209		82302	
55300		Cultural Activities	90010
55900		90020	
Food and beverage serving activities	56101		90030
56102		90040	
56103		91020	
56210		91030	
56290		91040	
56301			
56302			
68209			
68320			

2.. Horticulture – There is no official definition and the following definition has been used:
01.13 : Growing of vegetables and melons, roots and tubers
01.14 : Growing of sugar cane
01.16 : Growing of fibre crops
01.19 : Growing of other non-perennial crops
01.21 : Growing of grapes
01.22 : Growing of tropical and subtropical fruits
01.23 : Growing of citrus fruits
01.24 : Growing of pome fruits and stone fruits
01.25 : Growing of other tree and bush fruits and nuts
01.26 : Growing of oleaginous fruits
01.27 : Growing of beverage crops

01.28 : Growing of spices, aromatic, drug and pharmaceutical crops
01.29 : Growing of other perennial crops
01.30 : Plant propagation

Supplement with the farmed area for fruit and veg by LA
https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june

3. Tech Sector. The following definition used by Technation (formerly e-skills UK) has been used
26 : Manufacture of computer; electronic and optical products
27 : Manufacture of electrical equipment
58 : Publishing activities
59 : Motion picture; video and television programme production; sound recording and music publishing activities
60 : Programming and broadcasting activities
61 : Telecommunications
62 : Computer programming; consultancy and related activities
63 : Information service activities

4. Advanced manufacturing and engineering. (AME) The following ONS definition has been used

Industry
7112 : Engineering activities and related technical consultancy
331 : Repair of fabricated metal products, machinery and equipment
265 : Manufacture of instruments and appliances for measuring, testing and navigation; watches and clocks
282 : Manufacture of other general-purpose machinery
20 : Manufacture of chemicals and chemical products
30 : Manufacture of other transport equipment
261 : Manufacture of electronic components and boards
332 : Installation of industrial machinery and equipment
263 : Manufacture of communication equipment
271 : Manufacture of electric motors, generators, transformers and electricity distribution and control apparatus
289 : Manufacture of other special-purpose machinery
291 : Manufacture of motor vehicles
264 : Manufacture of consumer electronics
279 : Manufacture of other electrical equipment
281 : Manufacture of general purpose machinery
292 : Manufacture of bodies (coachwork) for motor vehicles; manufacture of trailers and semitrailers
262 : Manufacture of computers and peripheral equipment
266 : Manufacture of irradiation, electromedical and electrotherapeutic equipment
273 : Manufacture of wiring and wiring devices
274 : Manufacture of electric lighting equipment
284 : Manufacture of metal forming machinery and machine tools
293 : Manufacture of parts and accessories for motor vehicles
267 : Manufacture of optical instruments and photographic equipment
275 : Manufacture of domestic appliances
283 : Manufacture of agricultural and forestry machinery

21 : Manufacture of basic pharmaceutical products and pharmaceutical preparations	*Table 29*
268 : Manufacture of magnetic and optical media	
272 : Manufacture of batteries and accumulators	

6. Knowledge economy: There are several definitions: the most commonly used being the broad definition:
18 : Printing and reproduction of recorded media
26 : Manufacture of computer; electronic and optical products
58 : Publishing activities
59 : Motion picture; video and television programme production; sound recording and music publishing activities
60 : Programming and broadcasting activities
61 : Telecommunications
62 : Computer programming; consultancy and related activities
63 : Information service activities
64 : Financial service activities; except insurance and pension funding
65 : Insurance; reinsurance and pension funding; except compulsory social security
66 : Activities auxiliary to financial services and insurance activities
69 : Legal and accounting activities
70 : Activities of head offices; management consultancy activities
71 : Architectural and engineering activities; technical testing and analysis
72 : Scientific research and development
73 : Advertising and market research
74 : Other professional; scientific and technical activities
85 : Education

However, this results in very high numbers of businesses being classified as KE. The more focussed ONS definition below is more specific and has been used in this report.

	71122 Engineering related scientific and technical consulting activities
	71200 Technical testing and analysis
	74100 Specialised design activities
	74901 Environmental consulting activities
Aerospace & Transport	28110 MF of engines and turbines, except aircraft, vehicle and cycle engines
	28120 MF of fluid power equipment

	28131 MF of pumps
	28132 MF compressors
	28150 MF of bearings, gears, gearing and driving elements
	29100 MF of motor vehicles
	29201 MF of bodies
	29202 MF of trailers and semi•trailers
	29310 MF of electrical and electronic equipment for motor vehicles
	29320 MF of other parts and accessories for motor vehicles
	30110 Building of ships and floating structures
	30120 Building of pleasure and sporting boats
	30200 MF of railway locos
	30300 MF of air and spacecraft and related machinery
	30400 MF of military fighting vehicles
Creative Content	59111 Motion picture production activities
	59112 Video production activities
	59113 Television programme production activities
	59120 Motion picture, video and television post production activities
	59200 Sound recording and music publishing activities
	18201 Reproduction of sound recording
	18202 Reproduction of video recording
	18203 Reproduction of computer media
Software	58210 Publishing of computer games
	58290 Other software publishing
	62011 Computer programming activities
	62012 Business and domestic software development
	63120 Web portals
High tech financial services	64301 Activities of investment trusts
	64302 Activities of unit trusts
	64303 Activities of venture and development capital companies
	64304 Activities of open-ended investment companies
	64305 Activities of property unit trusts
	64306 Activities of real estate investment trusts
	64921 Credit granting by non-deposit taking finance houses and other specialist consumer credit grantors
	64992 Factoring
	64999 Financial intermediation not elsewhere classified
	65300 Pension funding