



Business Register and Employment Survey
2016 Update
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EXECUTIVE SUMMARY

The Business Register and Employment Survey (BRES) update has shown that the Coast to Capital region has continued its recovery since the economic crisis of 2008. Employee levels continue to grow and, in comparison to previous years, there has been growth across the region as Croydon begins its recovery and there are improved signs of full time and private sector employee growth.

There are still issues to be addressed however, growth in employees has been slower than the South East region as a whole, Croydon is recovering but employee numbers have not yet returned to 2009 levels, full time employee growth has been concentrated in the Gatwick Diamond and Greater Brighton City region, and since 2009 overall part time employee growth has outweighed full time employee growth.

There are now 793,800 employees in the Coast to Capital region. This has risen by 12,600 (1.6%) in 2014, the highest rise over the last five years. This growth is slower than the South East however, which grew by 2.2% in 2014. Since 2009 there have been an additional 28,300 employees in the Coast to Capital region, a 3.7% rise, which is slower than the South East growth rate of 4.9%

Much of this growth in 2014 came from Croydon, which has begun to see an increase in employees, reversing a trend of four years of declining numbers. In 2014 there were 6,900 additional employees in the Croydon area. This has not recovered all the employees lost since 2009 however.

In 2014 the number of full time employees increased above the 2009 level of employees for the first time in four years. Full time employees increased by 18,800 from 2013, there are now 11,500 more full time employees in the Coast to Capital region compared to 2009.

These full time employee gains have been largely concentrated in the Greater Brighton City region and Gatwick Diamond areas, whereas part time employee growth has been concentrated in the Rural and Coastal West Sussex areas.

Part time employees have grown by 16,900 (6.3%) since 2009, however in 2014 this fell by 6,100, suggesting a shift back to full time roles. Although since 2009 new part time employee growth still outweighs new full time employee growth.

The rebalancing towards the private sector continues, aided by the privatisation of the Royal Mail and a major bank. Since 2009 the number of public sector employees has fallen by 20,800 and the number of private sector employees has risen by 49,100.

Across the broad industries overall employee growth has been strong in the Accommodation and Food service, Professional and Scientific, and Wholesale and Retail Trade industries. However, employee numbers have fallen in the Public Administration, Construction, and Manufacturing industries.

INTRODUCTION

This is a brief report on the labour market in the Coast to Capital region, along with the Area Partnerships¹ and the Local Authority areas. The report focuses on the number of employees, the year on year and overall growth trends, the differences in full time and part time employees, a breakdown by broad industry group, and the split between employees in the public and private sectors.

The recent release of the 2014 data for the Business Register and Employment Survey (BRES) affords the opportunity to look at the changes since 2013 in the labour market and look at the trends of the last six years. The BRES data provides a more accurate picture of the local labour market as it is workplace based, meaning the employees recorded are those that are in the Coast to Capital region, compared to the employment rate where the job may be anywhere in the country.

The report has shown that the Coast to Capital region has continued its recovery since the economic crisis of 2008. Employee levels continue to grow and, in comparison to previous years, there has been growth across the region as Croydon begins its recovery and there are improved signs of full time and private sector employee growth.

There are still issues to be addressed however, growth in employees has been slower than the South East region as a whole, Croydon is recovering but employee numbers have not yet returned to 2009 levels, full time employee growth has been concentrated in the Gatwick Diamond and Greater Brighton City region, and since 2009 overall part time employee growth has outweighed full time employee growth.

EMPLOYEES

The number of people employed in the Coast to Capital region now stands at 793,800 people, this has increased by 3.7% (28,300 people) since 2009. This compares to the 4.9% growth in employees from 2009 to 2014 in the South East.

In the Area Partnerships the Greater Brighton City region has had the largest growth in employees in in the 2009 to 2014 period, growing by 5.5% (14,600 people). West Sussex has the next highest growth at 5% (16,700) and has the highest volume of new employees, in part a reflection of its size. Each of the Gatwick Diamond, Rural West Sussex, and Coastal West Sussex areas grew by 4.7%, although in numerical terms this ranges from 16,200 new employees in the Gatwick Diamond to 7,300 new employees in Coastal West Sussex. In Croydon the number of employees has fallen by 4.7% (5,700 people), but this fall has been reversed somewhat in the last year.

¹ More information on the Area Partnerships is available at the end of the document

	2009	2010	2011	2012	2013	2014
Coast to Capital	765,500	776,700	769,300	778,200	781,100	793,800
Croydon	120,800	119,200	113,700	112,200	108,300	115,100
Greater Brighton City Region	263,900	267,100	266,500	272,200	275,400	278,500
Gatwick Diamond	341,700	346,900	345,800	354,000	354,300	357,900
Rural West Sussex	194,000	199,500	198,600	200,300	202,300	203,100
Coastal West Sussex	154,100	161,900	159,000	158,800	161,500	161,400
West Sussex	334,600	345,300	342,000	346,700	350,300	351,300

Table 1 – Number of Employees 2009-2014; Source: Business Register and Employment Survey 2014/Coast to Capital 2016

In 2014 growth in employees in the Coast to Capital region was lower than the South East and was largely driven by growth in Croydon, in the other Area Partnerships growth has been low, particularly in West Sussex. Growth in the Coast to Capital region was 1.6% in 2014, lower than the 2.2% growth in the South East, this is a much better performance than in 2013 however². This equates to an additional 12,600 people employed in the region in 2014, the highest number seen across the last five years.

Following four years of declining employee numbers the trend has begun to reverse in the Croydon area, there was a 6.3% rise in employees in 2014, around 6,900 people. There is still some way to go however, another 5,700 employees are required to return to 2009 levels. In the Greater Brighton City region and the Gatwick Diamond the level of employees rose by 1.1% (3,100 people) and 1% (3,600 people) respectively. In Rural West Sussex and West Sussex as a whole growth was much lower at 0.4% (800 people) and 0.3% (1,000 people) respectively. Coastal West Sussex was the one area that experienced a decline in the number of employees, falling by a slight 0.1% (100 people).

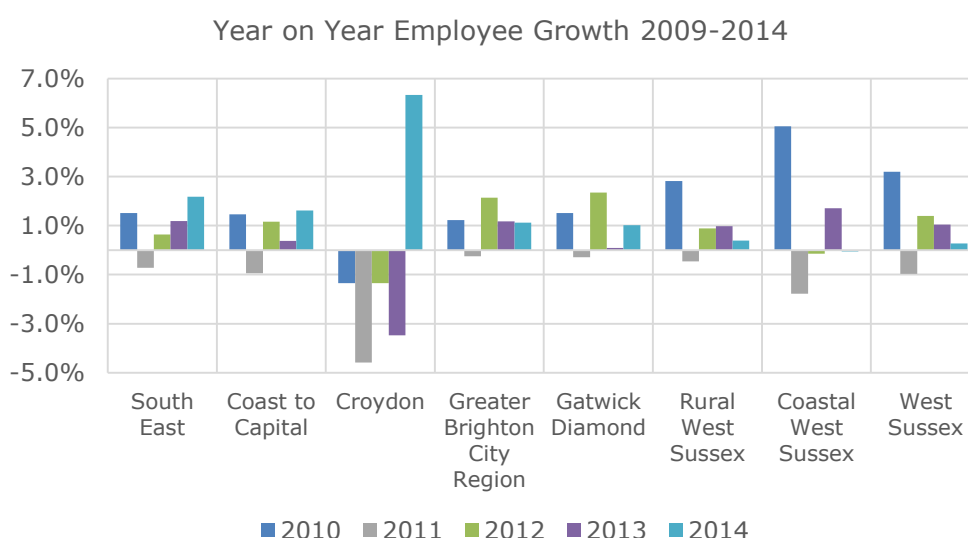


Figure 1 - Source: Business Register and Employment Survey 2014/Coast to Capital 2016

² When growth was 0.4% compared to 1.2% in the South East

In table 2 the year on year growth rates for the Local Authority areas are set out. The main areas for growth in 2014 are Croydon, Lewes (2.9%), Epsom and Ewell (2.3%), Reigate and Banstead (2%), and Tandridge (1.7%). Apart from Lewes these areas are concentrated in the northern half of the Coast to Capital region, with weaker growth in the southern parts. There is some growth in Brighton and Hove and Mid Sussex, but this is below the Coast to Capital regional average and more generally growth is around 0.1%.

	2010	2011	2012	2013	2014
Croydon	-1.3%	-4.6%	-1.3%	-3.5%	6.3%
Adur	0.5%	1.5%	-4.3%	-0.6%	0.1%
Arun	3.6%	-0.3%	1.4%	0.8%	-0.1%
Brighton and Hove	-0.3%	3.3%	2.2%	2.5%	1.1%
Chichester	5.3%	-1.0%	-1.2%	3.3%	-0.3%
Crawley	2.1%	-0.3%	3.9%	1.3%	0.1%
Epsom and Ewell	-1.0%	-0.9%	3.2%	3.2%	2.3%
Horsham	3.0%	0.5%	-3.0%	1.8%	0.6%
Lewes	0.9%	-5.9%	-0.5%	2.2%	2.9%
Mid Sussex	-0.4%	-0.9%	6.3%	-2.0%	1.3%
Mole Valley	4.2%	-0.1%	3.6%	-5.5%	0.2%
Reigate and Banstead	2.4%	-0.9%	1.2%	1.9%	2.0%
Tandridge	-2.3%	0.9%	-0.1%	-0.5%	1.7%
Worthing	8.0%	-5.3%	1.5%	1.4%	0.2%

Table 2 – Year on year employee growth in Local Authority areas; Source: Business Register and Employment Survey 2014/Coast to Capital 2016

In figure 2 the total growth for employees in Local Authority areas from 2009 to 2014 have been set out. This highlights the strong employee growth that has occurred in Brighton and Hove and the work that is still required in Croydon to return to 2009 levels. It also shows that Adur has not performed well since 2009, possibly due to the strong growth in employees in the surrounding areas of Worthing and Brighton and Hove.

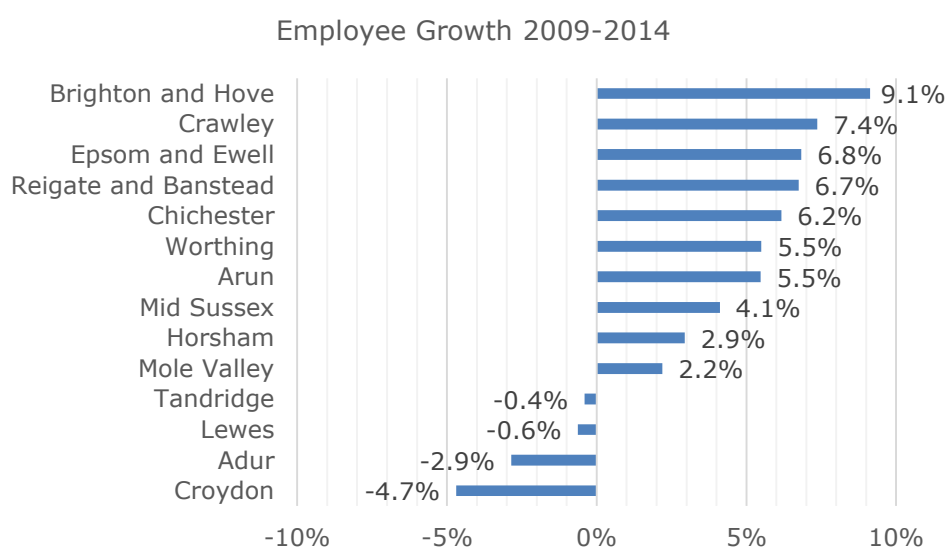


Figure 2 - Source: Business Register and Employment Survey 2014/Coast to Capital 2016

FULL TIME AND PART TIME EMPLOYEES

Previously full time employees had been lower than the 2009 level, down by 7,500 in 2013, but in 2014 this trend has been reversed as full time roles have increased by 11,500 above the 2009 level. Full time employees now stand at 526,200, 66.3% of total employees, a 2.2% rise over 2009 and a 3.7% rise over 2013. This is lower than the South East where full time employees rose by 4.4% over 2009 and by 4.1% over 2013. Despite this rise in full time employees, the number of part time employees has risen faster since 2009.

Part time employees have risen by 16,900 since 2009, a 6.7% rise since 2009, but this has fallen by 2.2% (6,100) since 2013, potentially suggesting some of those gains in full time employees have been from people shifting from part time roles. This rise has been higher than the South East where part time employees have risen by 5.7% since 2009, but the decrease from 2013 was larger, where the South East fell by 1.6%.

In the Area Partnerships each now has an increased number of full time employees over 2009, the exception is Croydon but that has grown significantly over the last year. The Greater Brighton City region has had the largest full time employee growth since 2009, up by 4.4% (7,500 people) and the second largest growth in 2014, up by 3.6% (6,100 people). The area had the second lowest growth in part time employees since 2009 at 7.5% (7,000 people), so whilst growth has been large in part time employees there have been a higher number in full time employees.

In the Gatwick Diamond full time employee growth since 2009 has been 3.3% (7,900 people), the second highest growth rate but the largest volume of full time employees. The area also had the third highest growth in full time employees in 2014 up by 3.4% and the highest volume of new full time employees (8,100 people). Part time employees have risen by 8% since 2009 (8,300 people) the third lowest growth but the second highest volume across the Area Partnerships. The area had the largest drop in part time employees in 2014 both in percentage and volume terms, down by 3.9%, or 4,500 people. At this point a clear gap in the growth of full time employees since 2009 can be seen between the Greater Brighton City Region and the Gatwick Diamond, and the rest of the region.

In Rural West Sussex the number of full time employees has grown by 1.6% (2,100 people) since 2009, the third lowest growth rate across the Area Partnerships. The area also has the third lowest growth rate in 2014, up by 2.5% (3,200 people). Part time employees have grown by 10.7% (6,900 people) since 2009, the third highest growth in percentage and volume terms. From 2013 to 2014 part time employees fell by 3.3% (2,400 people), the second largest fall in percentage terms.

The Coastal West Sussex area had the second lowest growth of full time employees since 2009, growing by 1.2% (1,200 people) and the lowest growth in 2014, where full time employees grew by 1.5% (1,500 people). However, the growth in 2014 has returned the number of full time employees to above 2009 levels. The majority of employee growth has come from part time roles, where they have risen by 11.5% (6,100) since 2009, the second highest of the Area

Partnerships. This level has dropped in 2014, falling by 2.6% (1,600 people) but this is lowest fall across the Area Partnerships.

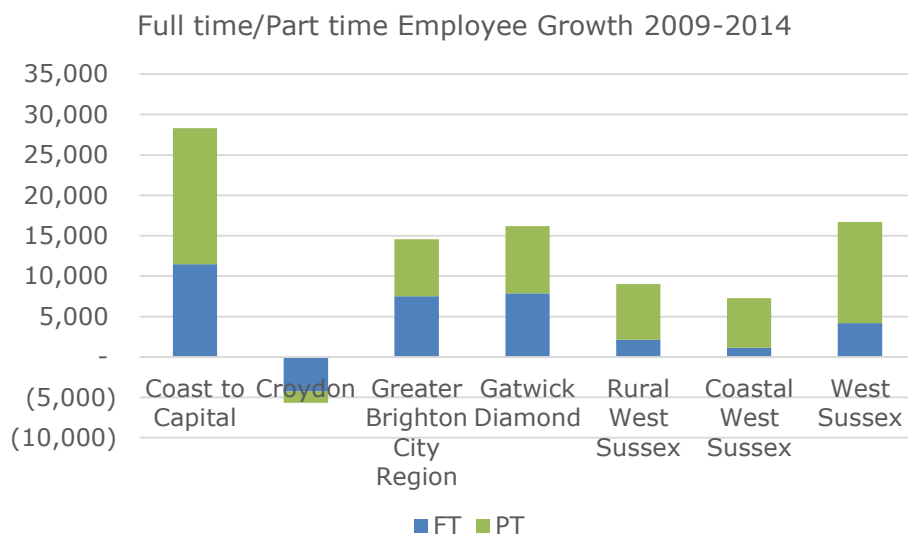


Figure 3 - Source: Business Register and Employment Survey 2014/Coast to Capital 2016

West Sussex as a whole has many of the same characteristics as both Rural and Coastal West Sussex. Since 2009 full time employees have grown by 1.8% (4,200 people), much of which occurred in the last year, when full time employees grew by 2% (4,600 people). Part time employee numbers grew by 11.8% (12,500 people) in the 2009 to 2014 period, and fell by 3% (3,600 people) from 2013 to 2014.

The Croydon area is the one area that has not yet recovered to 2009 levels in either full time or part time employees, although the fall in part time employees was less severe than for full time employees. Full time employees fell by 5.2% (4,300 people) between 2009 and 2014, but have grown strongly in 2014, increasing by 8.1% (5,800 people) since 2013. Part time employees fell by 3.5% (1,400 people) from 2009 to 2014, and rose by 2.9% (1,100 people) from 2013 to 2014. It appears a recovery is underway for the number of employees in the Croydon area, both in full time and part time roles.

To highlight the difference that the last year has made, figure 4 has been taken from last year's report on the same subject³. As can be seen the number of full time employees has shifted from negative to positive across the region, except Croydon but the improvement can be clearly seen.

³ As can be seen there have been some changes to the Area Partnerships over the last year and this is a rough guide only

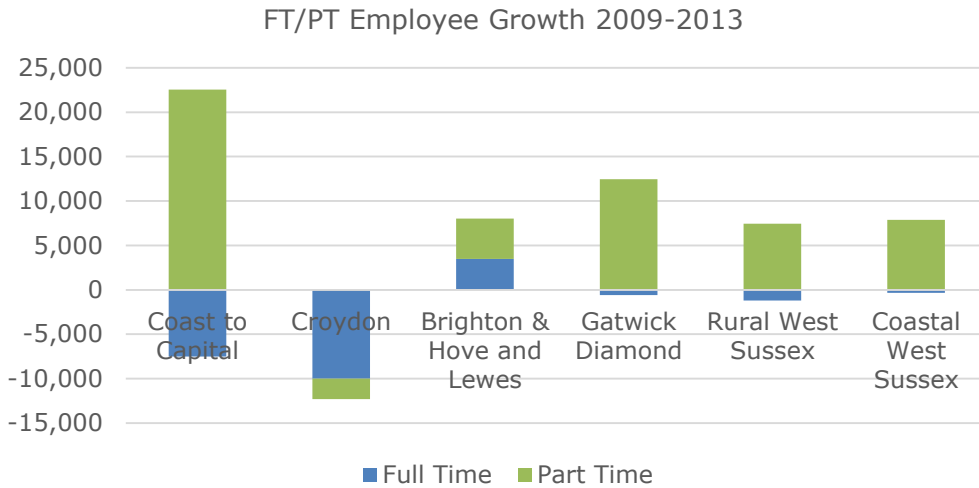


Figure 4 - Source: Business Register and Employment Survey 2013/Coast to Capital 2015

In figure 5 the growth in full and part time employees in each Local Authority area has been set out. The reliance on part time roles for overall employee growth can be seen in Crawley, Chichester, Worthing, Mid Sussex, Arun, Mole Valley, and Lewes. The main areas for full time employee growth are Brighton and Hove, Reigate and Banstead, Epsom and Ewell, and Horsham.

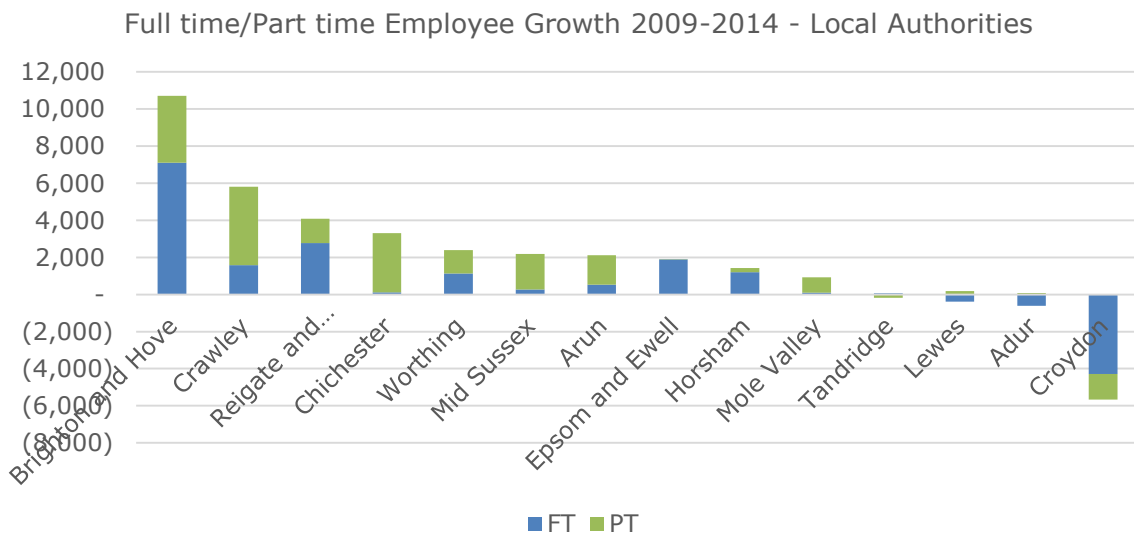


Figure 5 - Source: Business Register and Employment Survey 2014/Coast to Capital 2016

EMPLOYEES BY INDUSTRY

The majority of industries have experienced growth in employees in the last six years, with a handful of industries particularly sensitive to economic downturns having had declines in the number of employees over this period.

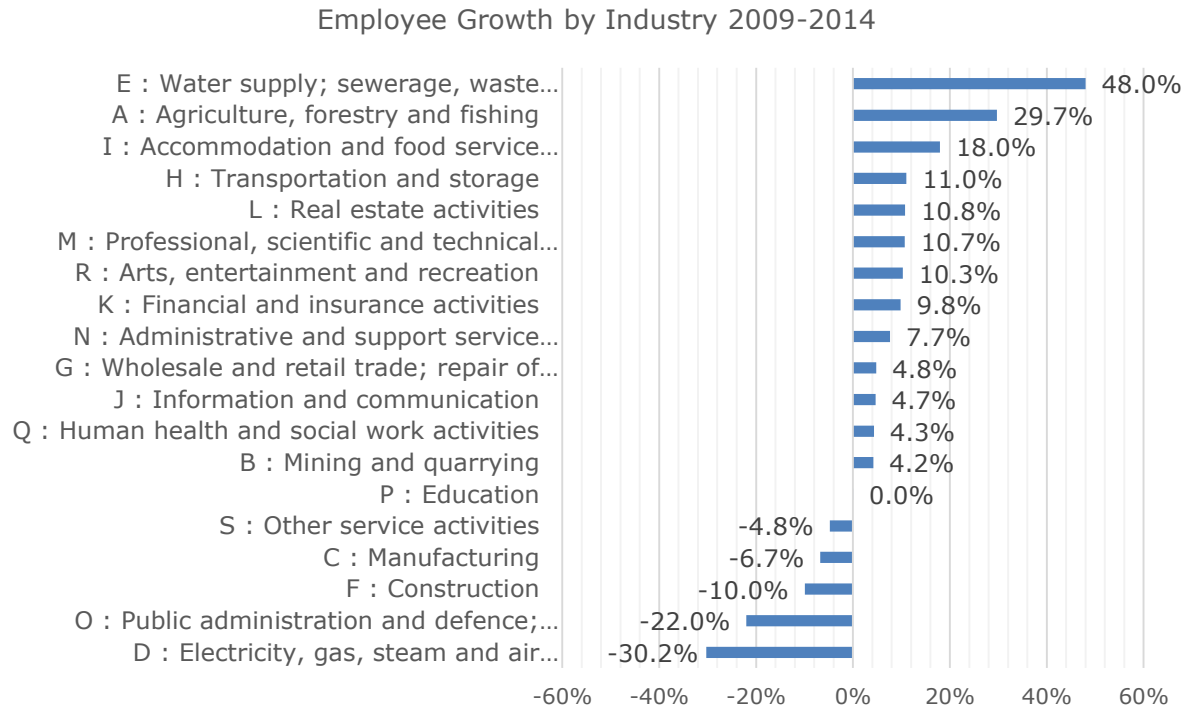


Figure 6 - Source: Business Register and Employment Survey 2014/Coast to Capital 2016

The 'water supply and sewage and waste management' and agricultural industries have experienced strong growth, although by looking at figure 7 the volume of new employees for these industries is small. Industries that are identified as having high growth in both percentage and volume terms are 'accommodation and food services', 'transportation and storage', 'professional, scientific, and technical activities', and 'financial and insurance activities'.

Of those industries that have declined since 2009 both 'construction' and 'public administration and defence' have had large declines in both percentage and volume terms. In particular 'public administration and defence' has had a large fall in employee numbers, down by 8,900 people, following cuts to the public sector by the government. The 'manufacturing' industry has also had a notable fall in the number of employees, down by 2,700 people, largely in full time roles.

Full time/Part time Employee Growth by Industry 2009-2014

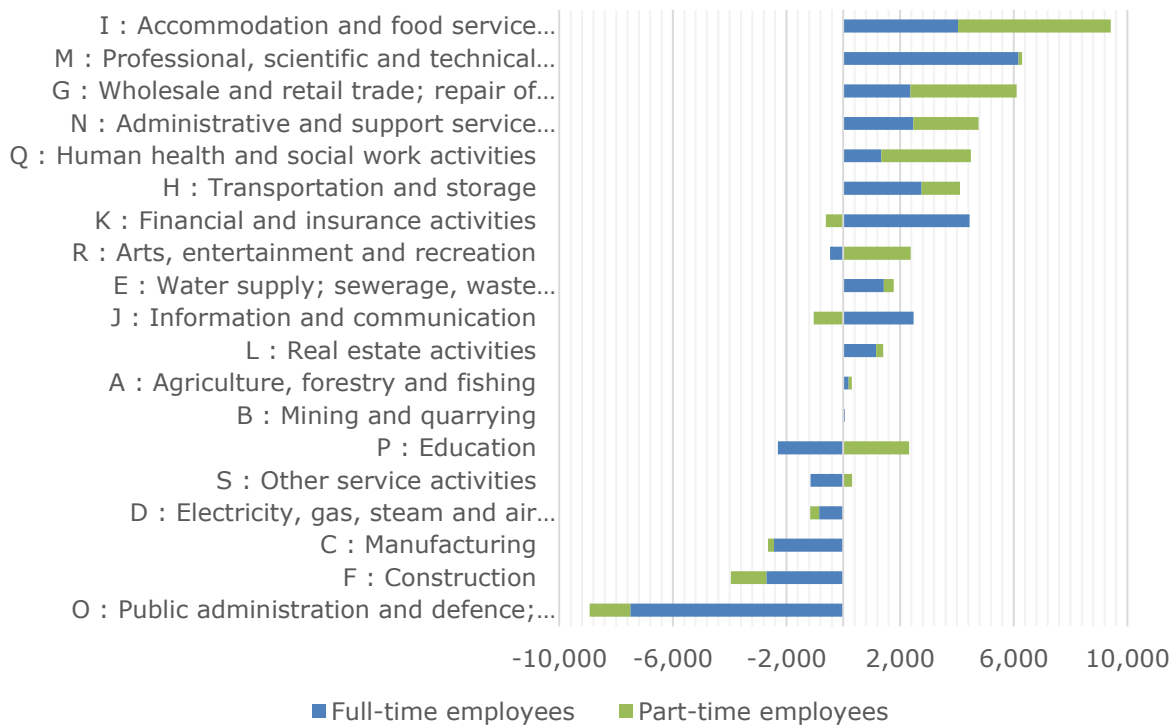


Figure 7 - Source: Business Register and Employment Survey 2014/Coast to Capital 2016

Much of the part time employee growth is found in generally lower skilled industries that are traditionally characterised by flexible job roles and higher staff turnover, whereas the industries where the majority of employee growth has come from full time roles are generally higher skilled. Full time employees have had the larger volume of losses in industries that have had a net decline in employees since 2009, in particular the 'public administration and defence' industry. The 'education' industry is notable for having no net change in overall employees since 2009, but appearing to shift full time roles to part time roles, the 'arts and entertainment' is the only other industry to have solely part time employee growth, but to a net positive effect.

PUBLIC/PRIVATE EMPLOYEES

The shift from public to private jobs has continued steadily over the last five years and across the region. This does come with some caveats however, some of the shift has come from the reclassification of higher education institutions as private sector in 2012 and the privatisation of the Royal Mail and a major bank in 2014. This has led to public employees making up 15.7% of total employees (124,800 employees), down from 19% in 2009. There are 20,800 fewer employees in the public sector, a 14.3% decrease since 2009. The private sector now accounts for 84.3% (669,000 employees) of the total, it has grown by 49,100 employees since 2009, a growth rate of 7.9%.

The shift from public to private employees has been quicker than the South East but the South East still has a lower share of public employees (15.1%) and a higher share of private employees (84.9%). Growth in private sector employees

has also been faster in the South East, where they grew by 8.3% from 2009 to 2014.

In Croydon the number of public sector employees has decreased by 15.3% from 2009 to 2014, this equates to 4,300 employees. It should be noted that in 2014 public sector employees grew by 10%, Croydon was the one Area Partnership to have a rise in public sector employees in 2014. In the private sector employees fell by 1.5% from 2009 to 2014, around 1,400 employees. However, in 2014 this rose by 5.4% (4,700 employees), the highest growth rate across the partnerships that year.

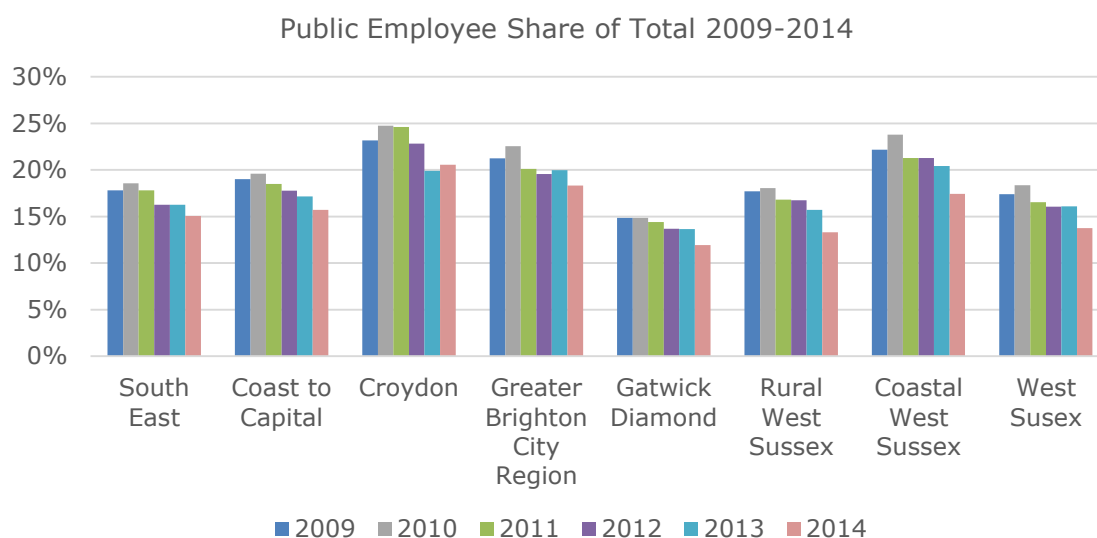


Figure 8 - Source: Business Register and Employment Survey 2014/Coast to Capital 2016

In the Greater Brighton City region public sector employees fell by 9% (5,000 employees) from 2009 to 2014, the lowest across the Area Partnerships. In the private sector employees rose by 9.4% (19,600 employees), this is the fourth highest growth percentage and the third highest by volume.

Public sector employees fell by 15.8% (8,000 employees) from 2009 to 2014 in the Gatwick Diamond, the fourth largest drop in percentage terms and the second highest by volume. In the private sector employees grew by 8.3% (24,200 employees) the second lowest increase, a reflection of the larger employment base in the area, and the second largest by volume when including West Sussex in the comparison of Area Partnerships.

In Rural West Sussex the largest fall in public sector employees in percentage terms can be found, they fell by 21.3% (7,300 employees) from 2009 to 2014. In volume terms the fall is the third highest. In the private sector there was a 10.3% (16,400 employees) rise in employees, the second highest in percentage terms and fourth largest by volume.

In the public sector in Coastal West Sussex there was a 17.7% (6,000 employees) fall in employees, the second highest in percentage terms and fourth highest by volume. Private sector employees have risen by 11.1% (13,400 employees) the highest in percentage terms in the 2009 to 2014 period.

In West Sussex public sector employees fell by 17.1% (10,000 employees), the third highest fall when compared to the Area Partnerships and the highest by volume. Much of this fall (8,000 employees) occurred in 2014. In the private sector employees increased by 9.7% (26,700 employees), the third highest by percentage and the largest by volume when compared to the Area Partnerships.

2014	Public Employee Share	Private Employee Share
South East	15.1%	84.9%
Coast to Capital	15.7%	84.3%
Croydon	20.6%	79.4%
Greater Brighton City Region	18.3%	81.7%
Gatwick Diamond	11.9%	88.1%
Rural West Sussex	13.3%	86.7%
Coastal West Sussex	17.4%	82.6%
West Sussex	13.7%	86.3%
Croydon	20.6%	79.4%
Adur	13.8%	86.2%
Arun	13.0%	87.0%
Brighton and Hove	18.2%	81.8%
Chichester	16.5%	83.5%
Crawley	9.2%	90.8%
Epsom and Ewell	17.3%	82.7%
Horsham	10.0%	90.0%
Lewes	22.3%	77.7%
Mid Sussex	13.3%	86.7%
Mole Valley	9.2%	90.8%
Reigate and Banstead	16.5%	83.5%
Tandridge	9.2%	90.8%
Worthing	23.9%	76.1%

Table 3 – Public and Private Employee share of total employees 2014; Source: Business Register and Employment Survey 2014/Coast to Capital 2016

In terms of total share the Area Partnership with the biggest fall in public sector employees from 2009 to 2014 was the Coastal West Sussex area, where the share fell by 4.8%. This is followed by Rural West Sussex (down 4.4%), West Sussex (3.7%), the Gatwick Diamond and the Greater Brighton City region (both down by 2.9%), and Croydon (2.6%).

In almost every Local Authority area private jobs have grown whilst public jobs have fallen, the exception being Croydon, although it had experienced growth in 2014 in both sectors and the fall has mainly been in the public sector. Chichester is notable for the decrease in public sector employees, which has fallen by 30% (4,100 employees) and is the largest decline in percentage terms and only just behind Croydon in volume terms. This is likely due to the fact West Sussex County Council has its main offices in Chichester and has experienced significant cutbacks.

In Adur, Lewes, and Tandridge the number of new private sector employees have not been enough to offset the losses in public sector employees. Both Tandridge (28%) and Adur (25.6%) also have the largest declines in public sector employees behind Chichester. Chichester also has the largest percentage increase in private sector employees (18.5%), followed by Brighton and Hove (13%), Epsom and Ewell (12.2%), Reigate and Banstead (11.8%), and Crawley (10.8%).

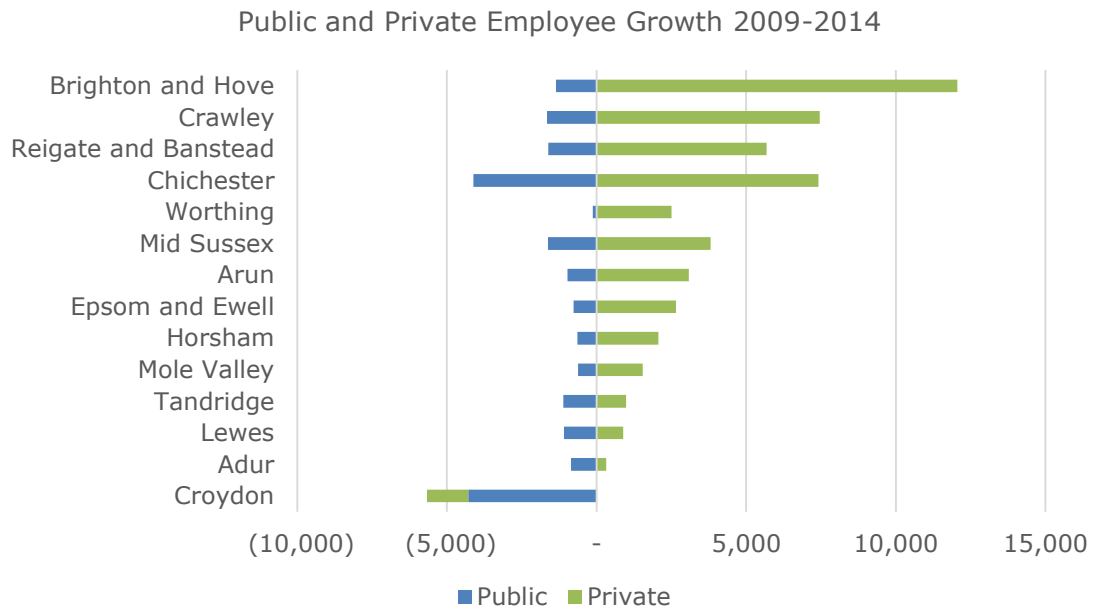


Figure 9 - Source: Business Register and Employment Survey 2014/Coast to Capital 2016

Area Partnerships:

For data purposes these partnerships have been built up using the Local Authority areas that they cover, a list is below. It should be noted that some of these partnerships overlap and some Local Authority areas are counted in both, for this reason the Area Partnership data will not add up to the Coast to Capital regional data. The Gatwick Diamond, Rural West Sussex, and Coastal West Sussex all have areas that overlap.

It should also be noted that in Rural West Sussex the Arun and Mid Sussex Local Authorities are not classified as rural and that data for Rural West Sussex includes the urban centers within those Local Authorities. Currently there are no regularly updated datasets for locations below Local Authority level, which makes it impossible to provide up to date data for strictly rural areas. This necessitates the use of the broader Local Authority areas to make up Rural West Sussex.

Similarly Chichester is largely rural but is also part of the Coastal West Sussex Partnership and as such those rural areas are included in data for Coastal West Sussex.

Brighton & Hove and Lewes has now been expanded to reflect the Greater Brighton City Region, this involves further overlaps of Local Authority Areas. Mid Sussex is now in Rural West Sussex, the Gatwick Diamond, and the Greater Brighton City Region, and Adur and Worthing are now both in the Coastal West Sussex partnership and the Greater Brighton City Region.

Croydon	The Greater Brighton City Region	The Gatwick Diamond	Rural West Sussex	Coastal West Sussex
<ul style="list-style-type: none">•Croydon	<ul style="list-style-type: none">•Brighton and Hove•Lewes•Adur•Mid Sussex•Worthing	<ul style="list-style-type: none">•Crawley•Epsom and Ewell•Horsham•Mid Sussex•Mole Valley•Tanbridge•Reigate and Banstead	<ul style="list-style-type: none">•Arun•Chichester•Horsham•Mid Sussex	<ul style="list-style-type: none">•Adur•Arun•Chichester•Worthing