Coast to Capital

Local Industrial Strategy

Draft Economic Profile

Revised version
February 2020

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Introduction

Context

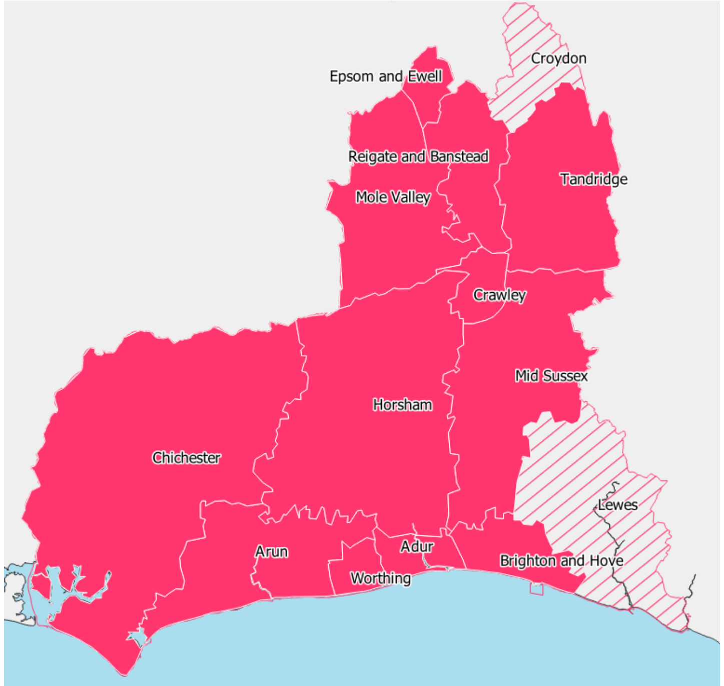
Following the UK Government's publication of its Industrial Strategy in 2017, it was announced that all LEPs across the country would be encouraged to develop a Local Industrial Strategy (LIS), to help 'build on local strengths and deliver on economic opportunities' while also identifying 'priorities to improve skills, increase innovation and enhance infrastructure and business growth.'[1]

Coast to Capital is currently developing its LIS and Hatch Regeneris has been commissioned to provide an up-to-date and comprehensive socio-economic evidence base to support this.

This evidence base builds on the analysis set out in *Gatwick 360°* Coast to Capital's Strategic Economic Plan. It provides a new layer of analysis at a more local level.

Note: It is important to note that the Croydon and Lewes local authority areas have been excluded from the statistical analysis at the Coast to Capital level (where possible), given recent boundary changes to LEP areas. However, they are still presented at local authority level within the evidence base given their historic and ongoing strategic economic importance to the Coast to Capital area.

Study Area



1. HM Government (2017) Industrial Strategy: Building a Britain Fit for the Future

Introduction

Study Approach

This economic profile collates a broad range of intelligence on the socio-economic position of Coast to Capital over the past five years. It draws on a range of both publicly and privately accessible socio-economic datasets and sources, including:

- Office for National Statistics (ONS) Annual Population Survey
- Office for National Statistics (ONS) Mid year Population Estimates
- Office for National Statistics (ONS) Business Register and Employment Survey (BRES)
- Office for National Statistics (ONS) UK Business Count
- Office of Communications (Ofcom)
- CoStar

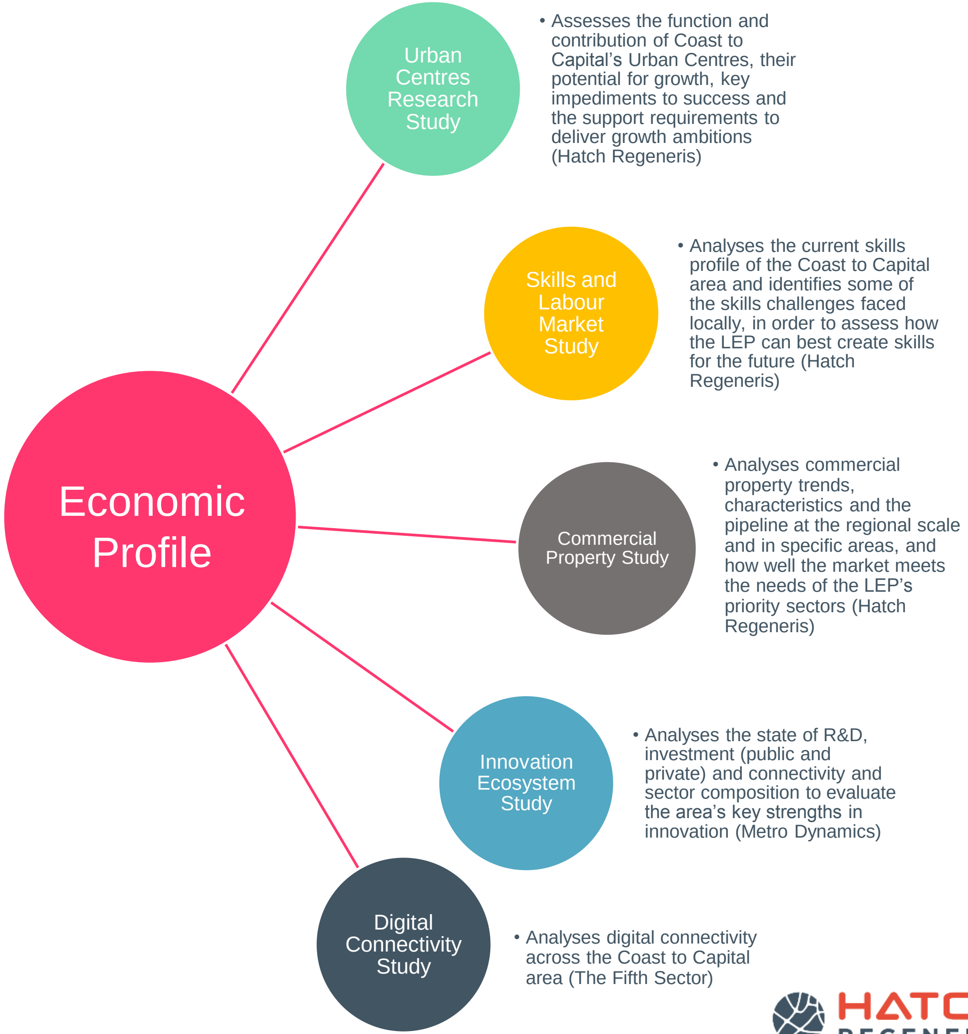
In order to synthesise the findings, the evidence has been structured around the following themes. These broadly align with the Industrial Strategy's five foundations of productivity:

- Economic Output
- People
- Business Environment
- Places
- Infrastructure
- Ideas

Introduction

Study Content

This economic profile incorporates high level findings from the other research strands which have been conducted alongside this study. The key studies included are set out in the diagram to the right.



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Summary

Economic Output

Even though the Coast to Capital region has historically had a strong economy, economic performance has declined or been weak relative to competitors in recent years. As the rest of this document demonstrates, this is driven by a range of factors related to the five foundations of productivity: **People, Business Environment, Places, Infrastructure and Ideas.**

Coast to Capital has the seventh largest economy in terms of total economic output. Some areas generate a much greater share than others (e.g. Brighton & Hove contributed £7,350m vs £1,170m in Adur)

Productivity per head of the population in the region peaked in the early 2000s and has declined over the last 2 decades – it is now below the national average

Productivity per head of population (£24,941) is lower than the national average (£26,470) across most local authority areas and there is a clear productivity gap between different places

Productivity per hour per worker is close to the national average but is lower than the wider SE average

People

Coast to Capital has a growing and ageing population. While the area performs close to the national average on a number of different people-focused measures (e.g. employment, economic inactivity, qualifications levels) there are clear disparities across the region. The area is generally weaker than the wider South East on these measures.

The population growth rate (13%) has been higher than across England (10%) since 2012 and this is expected to continue

Population growth has been highest among those aged over 50 and, in most areas, the 16-24 population has declined

The employment rate (77%) is close to the national average (75%), but there is clear disparity across the region

A higher proportion of people are in higher level occupations than the national average, more noticeably to the north of the area

Qualification levels are better than the national average but there is high inequality (for every 10 people with NVQ4+ qualifications, there is one person without any qualifications)

People who commute out of the area earn more than those who work here

Business Environment

Employment growth, business growth and business start-up figures have been lower than the national and South East averages in recent years. This is likely to be driven by a range of factors, but evidence shows that the supply, quality and type of commercial space available is a key constraint.

Coast to Capital has performed less well than the national average and 23 other LEPs in terms of employment growth since 2012 (8%)

Coast to Capital has performed less well than the national average and 17 other LEPs in terms of business growth since 2012 (16%)

The region has growing sector specialisms in Business Support Services, Construction, Creative, ICT and Digital

The most prominent sectors in terms of numbers of businesses are Financial and Professional Services, Construction and Retail

With the exception of Brighton & Hove and Crawley, business start-up rates are low across the region (119 per 1,000 businesses) compared to the national average (132), with particularly low rates in much of the south and in West Sussex

Demand for office and industrial remains stable but there are significant supply and quality constraints

Places

Coast to Capital has a diverse range of nationally important urban, rural and coastal places. While each has a range of positive aspects and opportunities, they all face unique and diverse challenges. There are however several common issues such as housing affordability, personal wellbeing and air pollution. Urban centres are the key nodes for economic activity and this is expected to continue moving forward.

70% of the region's population live in urban centres, as defined by our urban centres study, and the urban population is expected to increase over time

Median house prices are nine times higher than median resident earnings making the area highly unaffordable

Places with the highest growth rates tend to have higher levels of air pollution (e.g. Croydon, Crawley and Brighton & Hove)

Levels of personal wellbeing vary across the area and are below the national average in Worthing, Arun, Brighton & Hove, Adur and Reigate & Banstead

Deprivation levels are generally low, but there are pockets of severe deprivation across the area (especially in Croydon and along the coast)

70% of jobs are located in our urban centres, but employment growth within them is lower than the regional average due to a range of constraints

Infrastructure

Infrastructure is a key influencer of economic progress and prosperity. Even though Coast to Capital has historically had strengths in this area, a lack of investment and increasing usage over the last thirty years have put pressure on this ageing infrastructure. There is also clear variation across the region – urban areas tend to have stronger infrastructure than more rural and deprived areas.

The area is rich in natural capital with a number of protected areas, including the South Downs National Park, Surrey Hills and Chichester Harbour Areas of Outstanding Natural Beauty

The area is officially designated as being seriously water stressed and there are energy grid constraint issues. Transport accounts for the majority of carbon emissions.

While the area has extensive transport networks, plans for future investment need to be clarified

Ultrafast broadband coverage is strong in urban areas, but is far less comprehensive in most rural areas creating a digital divide

4G outdoor coverage is comprehensive across the region (99%), but many more rural areas have lower than average indoor coverage

Ideas

Coast to Capital has strong representation across innovative sectors (e.g. digital, life sciences and healthcare) and high levels of capacity for growth. However, investment levels in R&D in the region are low. The area also faces several barriers to innovation relating to a skills shortage and low availability of business premises.

Coast to Capital is a highly complex area to define – it has extremely diverse economies and even more diverse places

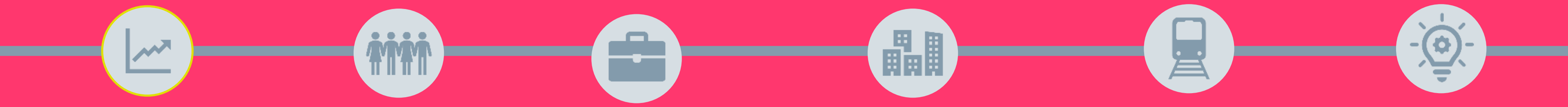
Despite a strong innovation backbone, R&D has low funding with private and public investment lower than expected

Engagement shows that companies are facing severe skills shortages, struggling to fill vacancies, recruit graduates or attract young people

Companies are willing to work together and mobilise to address the skills crisis but require a clear vision to do so

Coast to Capital faces a problem with the availability of business premises, whether it is space, location, cost or quality

Economic Output



Coast to Capital ranks 7th out of the 38 LEPs in terms of total economic output, and there are clear differences between local authority areas within the region itself on this measure…

GVA by Local Authority, 2016 (£m)

Local Authority	Total GVA (Balanced)
Croydon	£ 7,730
Brighton and Hove	£ 7,350
Crawley	£ 4,980
Reigate and Banstead	£ 4,300
Mid Sussex	£ 3,620
Horsham	£ 3,570
Mole Valley	£ 3,500
Chichester	£ 3,130
Worthing	£ 2,590
Arun	£ 2,550
Tandridge	£ 2,230
Lewes	£ 2,050
Epsom and Ewell	£ 1,990
Adur	£ 1,170
Coast to Capital*	**£ 50,750**

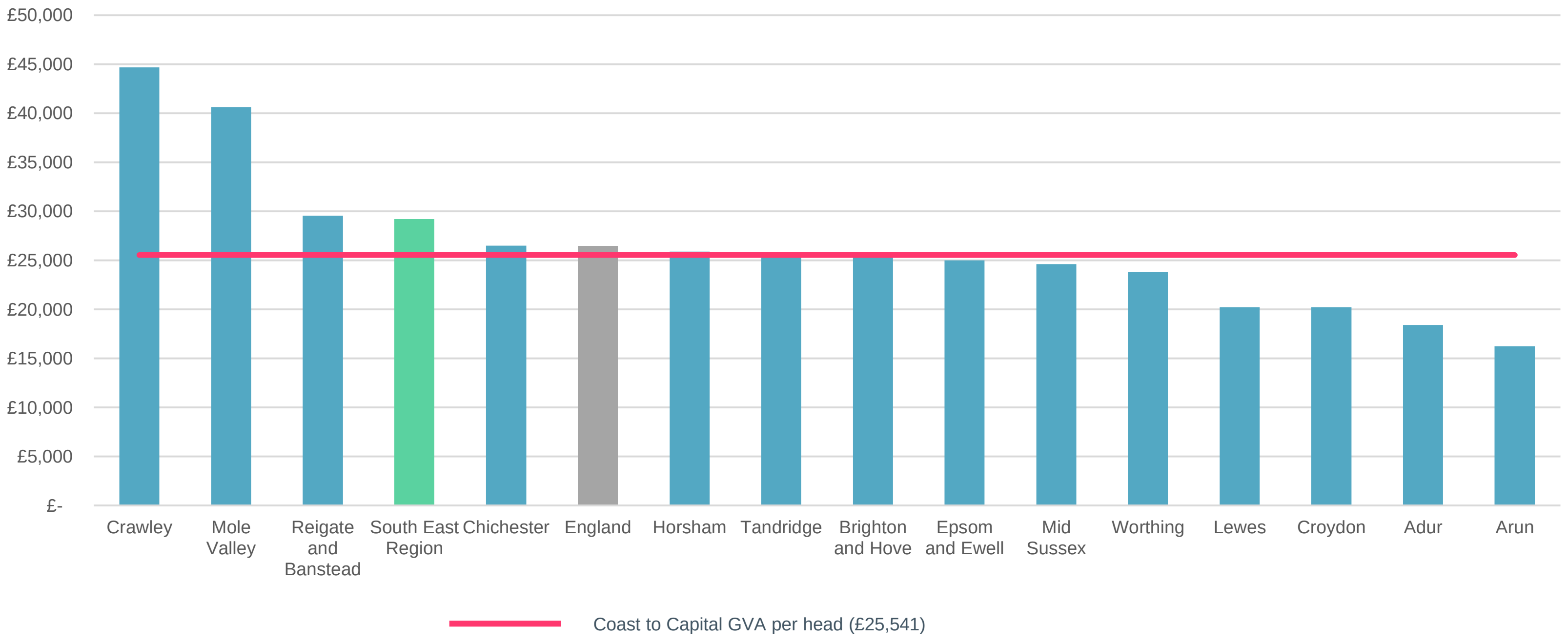
GVA by LEP (top 15), 2016 (£m)

Rank	Local Enterprise Partnership	Total GVA (Balanced)
1	London	£ 408,480
2	South East	£ 87,620
3	Leeds City Region	£ 66,470
4	Greater Manchester	£ 63,670
5	South East Midlands	£ 54,320
6	Enterprise M3	£ 54,260
7	**Coast to Capital***	**£ 50,750**
8	Greater Birmingham and Solihull	£ 46,810
9	Derby, Derbyshire, Nottingham and Nottinghamshire	£ 45,400
10	Greater Cambridge and Greater Peterborough	£ 42,120
11	North East	£ 37,870
12	Thames Valley Berkshire	£ 37,380
13	Hertfordshire	£ 35,540
14	New Anglia	£ 34,850
15	Heart of the South West	£ 34,230

Data Source: ONS, Regional Gross Value Added, 2016
*Note: the Coast to Capital figure in this table includes Lewes and Croydon. This is because the most recent data available for GVA at the LEP level does not reflect changes in boundary definitions which have taken place.

Productivity per head of the population is lower than the national average across most local authorities and there is a clear productivity gap…

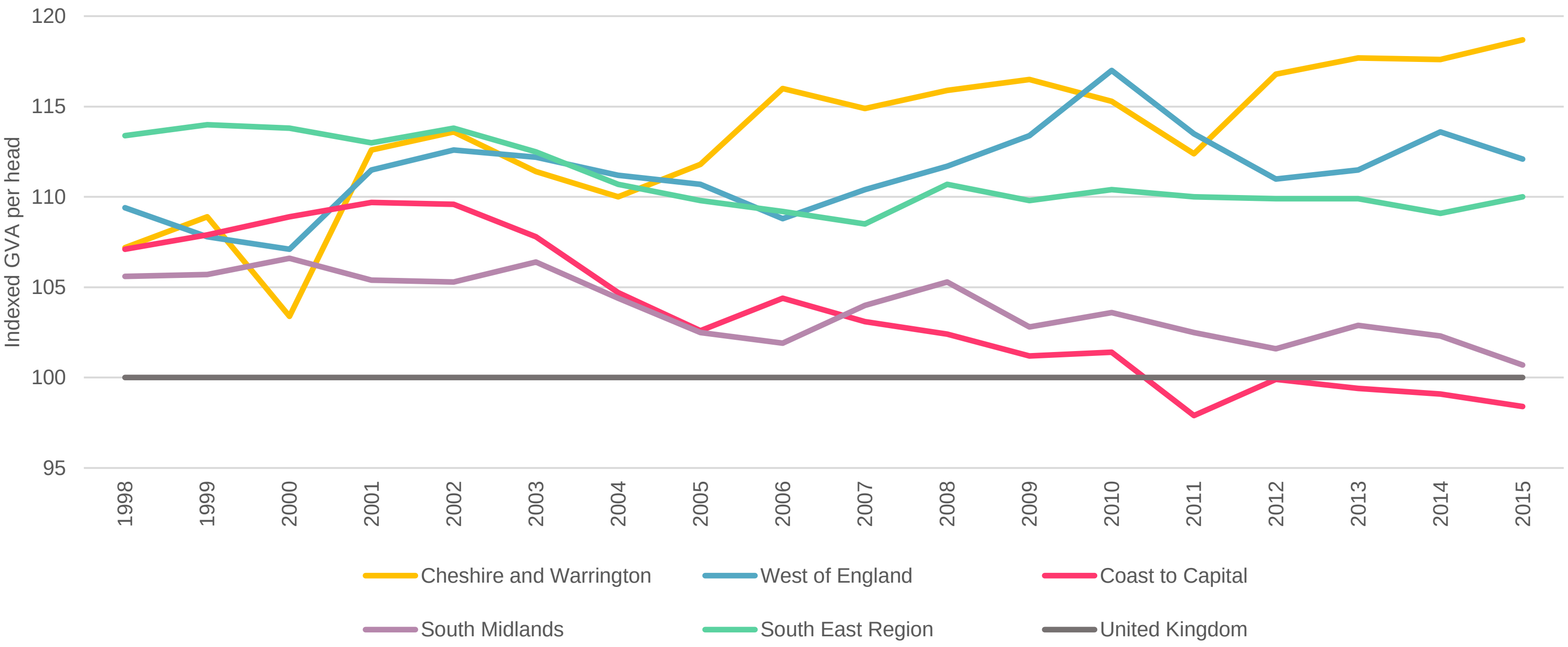
GVA Per Head by Local Authority, 2016 (£ per head)



Data Source: ONS, Gross Value Added per head by Local Authority, 2016
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the Eurostat.

Coast to Capital's GVA per head has declined over the last two decades and has fallen below the national average…

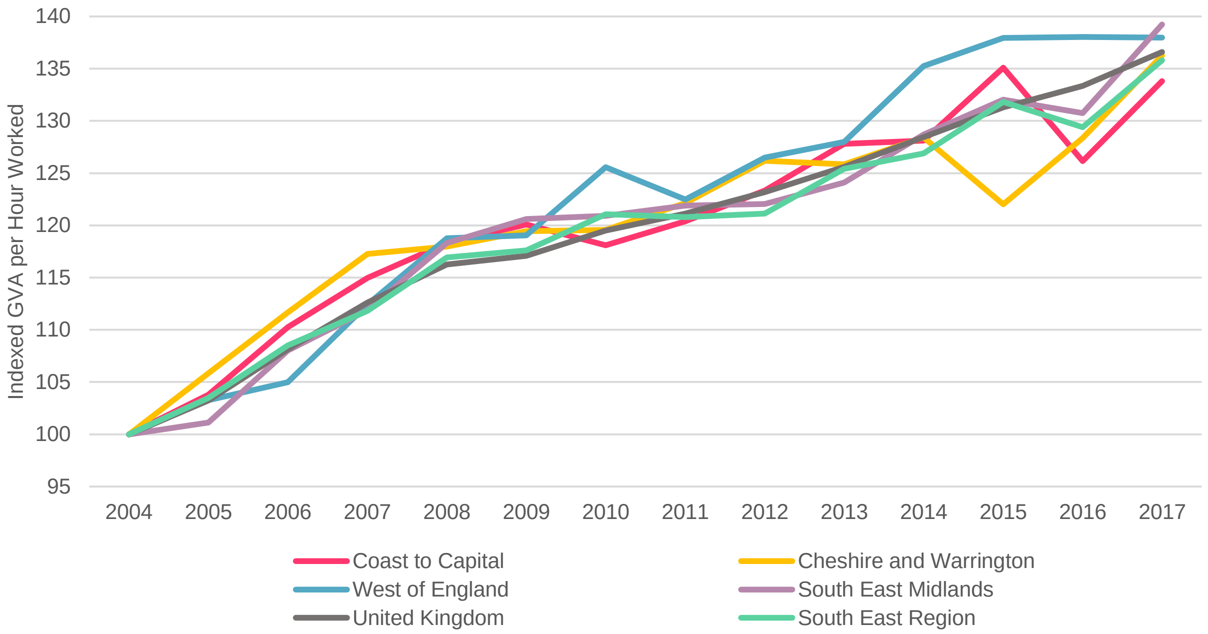
Comparator LEPs GVA Per Head, 1998-2015 (indexed to the UK average, UK=100)



Data Source: ONS, GVA for Local Enterprise Partnerships, 2017
Note: the Coast to Capital GVA figure includes Lewes and Croydon
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Productivity per hour per worker has however increased over time, but is still lower than the South East average…

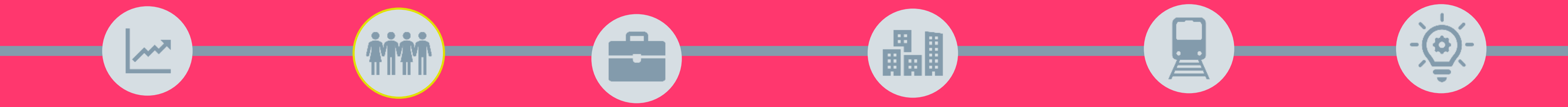
GVA Per Hour Worked vs Comparator LEPs, 2004-2017 (indexed to 2004, 2004=100)



Productivity per hour per worker	
South East Region	**£ 36**
Cheshire and Warrington	£ 36
Coast to Capital	**£ 35**
United Kingdom	**£ 34**
West of England	£ 33
South East Midlands	£ 33

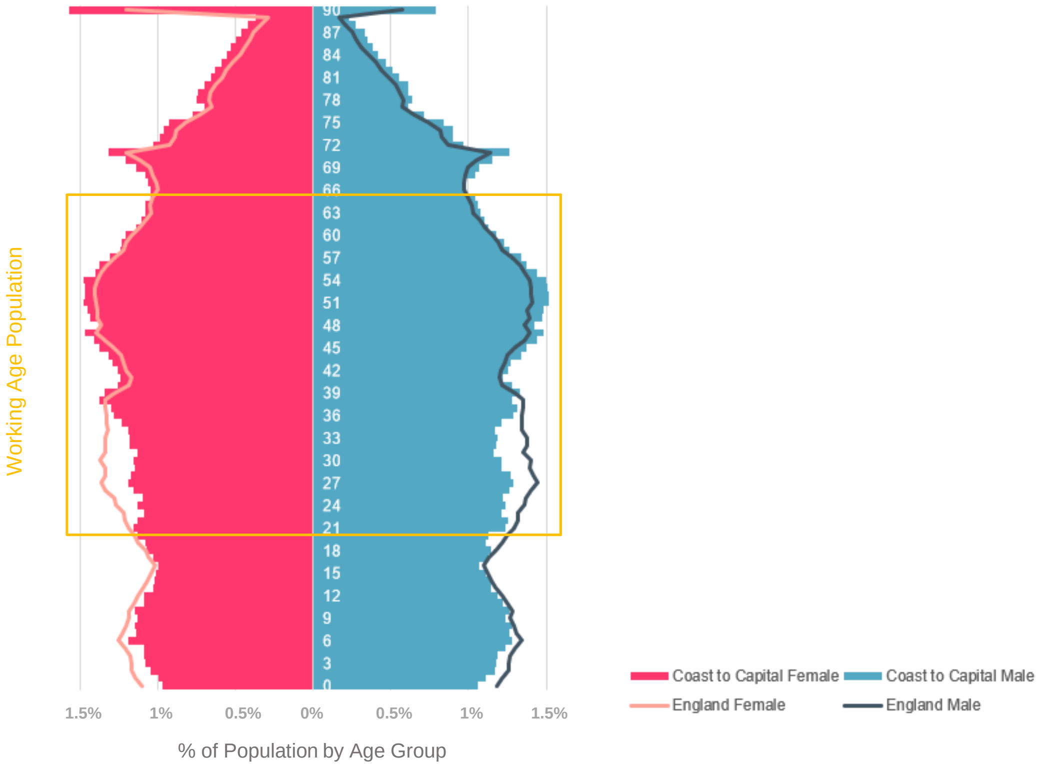
Data Source: ONS, Nominal GVA per hour worked for Local Enterprise Partnerships, 2019
Note: the Coast to Capital GVA figure includes Lewes and Croydon
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

People



The area has a lower than the national average proportion of people aged 0-15 and 21-39 and a higher than average retired or retiring population…

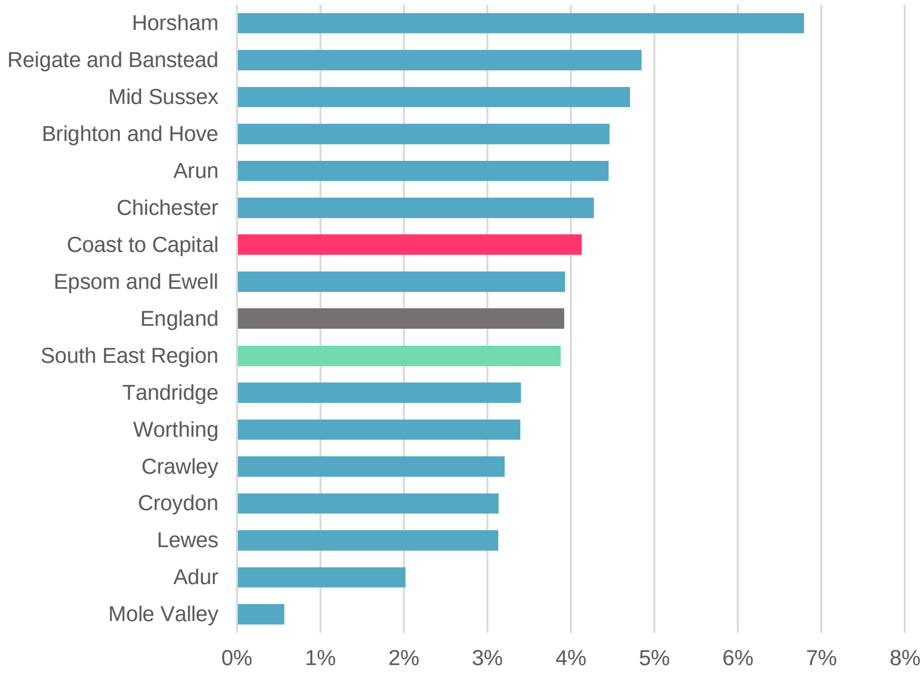
Population Pyramid of Coast to Capital, 2018



Data Source: ONS, Population Estimates – local authority based by single year of age, 2018

Since 2013, Coast to Capital's population has grown at a slightly higher rate than across England and the wider South East….

Population Growth (2013-18)



Coast to Capital:

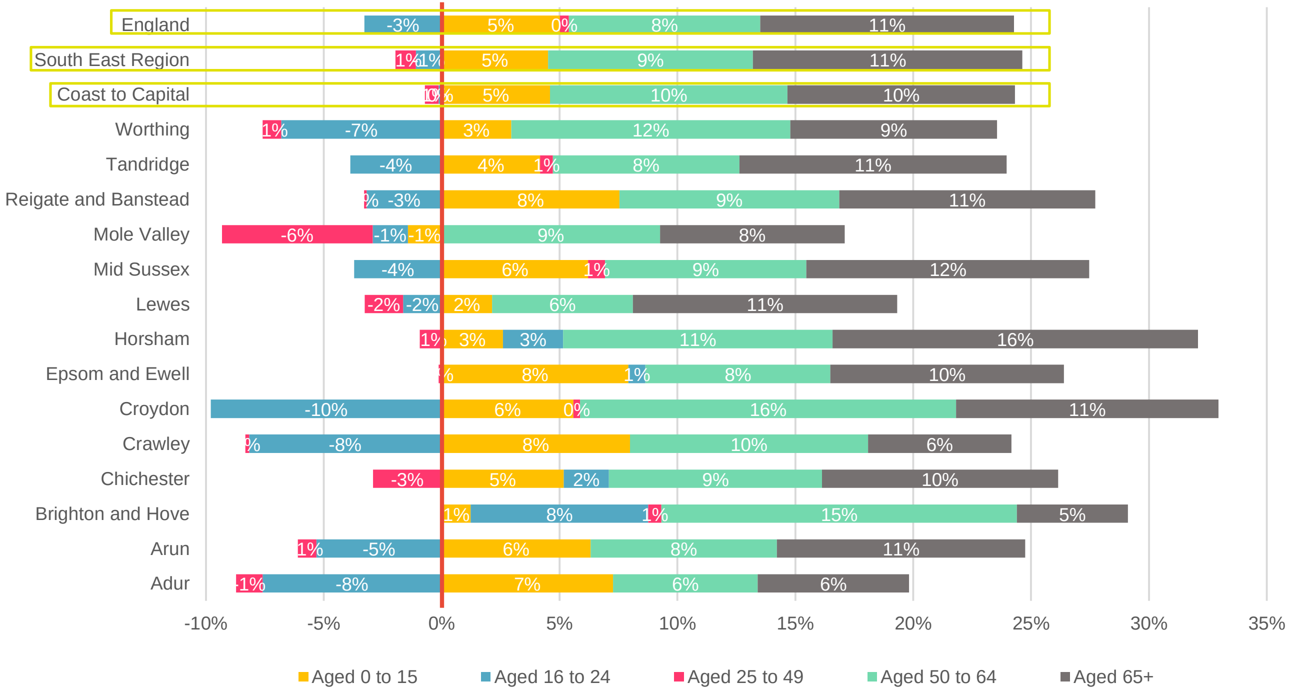
Total Population 2013: 1,490,100
Total Population 2018: 1,551,700
Difference: + 61,500

Local Authority	Absolute Population Growth 2013-2018
Brighton and Hove	12,400
Croydon	11,720
Horsham	9,040
Reigate and Banstead	6,830
Arun	6,810
Mid Sussex	6,730
Chichester	4,950
Worthing	3,610
Crawley	3,500
Lewes	3,120
Epsom and Ewell	3,020
Tandridge	2,880
Adur	1,260
Mole Valley	490

Data Source: ONS, Population Estimates – local authority based by single year of age, 2018
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Population growth has been highest among those aged over 50 and in most areas, the 16-24 population has declined…

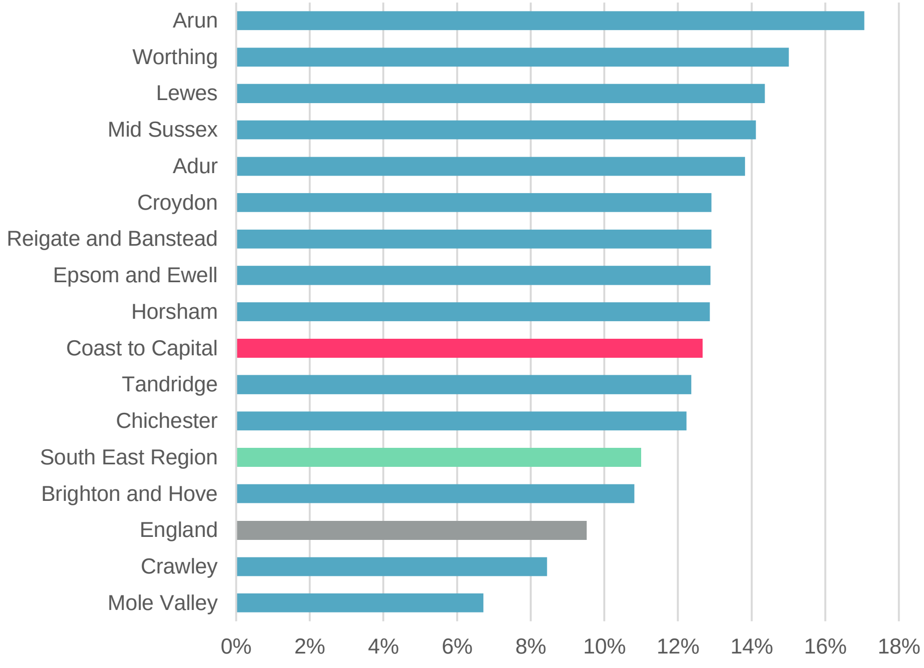
Population Change by Age Groups and Local Authority (2013-18)



Data Source: ONS, Population Estimates – local authority based by single year of age, 2018
Note: The percentage figures which appear on the bars indicate how much the population has grown between 2013-18 by age group and area.
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Population growth is expected to continue and be above the national and wider South East rates over the next twenty years…

Population Growth Projections (2018-2038)



Data Source: ONS, Population Projections – local authority based by single year of age, 2018
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Coast to Capital's employment and economic inactivity rates are close to the national and South East averages, but clear disparities exist across the area…

Employment rate (16-64)

2019	Change 2014-2019 (%)
Mid Sussex 87%	Worthing + 9%
Chichester 85%	Epsom an Ewell + 7%
Adur 83%	Chichester + 6%
Epsom and Ewell 80%	South East Region + 6%
Tandridge 80%	England + 4%
Worthing 80%	Adur + 4%
Horsham 79%	Mid Sussex + 2%
Reigate and Banstead 79%	Crawley + 2%
Mole Valley 78%	Croydon + 1.6%
South East Region 78%	Brighton and Hove + 1%
Coast to Capital 77%	Reigate and Banstead + 0.2%
England 75%	Coast to Capital 0%
Croydon 74%	Mole Valley - 0.2%
Arun 74%	Tandridge - 1%
Crawley 74%	Horsham - 2%
Brighton and Hove 73%	Lewes - 2%
Lewes 72%	Arun - 10%

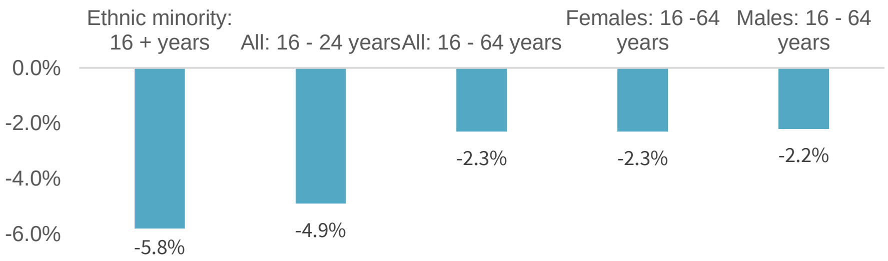
Economic inactivity rate (16-64)

2019	Change 2014-2019 (%)
Lewes 25%	Arun + 10%
Arun 24%	Tandridge + 4%
Croydon 22%	Croydon + 3%
Brighton and Hove 21%	Horsham + 3%
England 21%	Lewes + 2%
Mole Valley 21%	Adur + 2%
Tandridge 20%	Mole Valley + 0.2%
Crawley 20%	Crawley + 0.1%
Worthing 20%	Coast to Capital 0%
Coast to Capital 19%	Brighton and Hove 0%
South East Region 19%	Reigate and Banstead - 0.5%
Horsham 18%	Mid Sussex - 1%
Reigate and Banstead 18%	England - 2%
Epsom and Ewell 16%	Chichester - 4%
Adur 15%	South East Region - 4%
Chichester 12%	Worthing - 5%
Mid Sussex 11%	Epsom and Ewell - 10%

Data Source: ONS, Annual Population Survey, Employment and Economic Inactivity, 2019
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Unemployment rates are declining across a number of groups but particularly ethnic minorities and people aged 16-24…

Coast to Capital's Unemployment Trends 2014-2019 (%)



Unemployment Rate (16-64), 2019	
Coast to Capital	3.4%
South East Region	3.4%
England	4.2%

Reasons for economic inactivity in Coast to Capital, 2019

- **24%** are sick
- **23%** are students
- **22%** are looking after family/home
- **16%** are retired (compared to 12.9% in England)
- **15%** are classified as 'other'

Of those who are economically inactive:

30% want a job (compared to 21% in England)

Data Source: ONS, Annual Population Survey, Unemployment, 2019
Please note reasons for economic inactivity in Coast to Capital include Lewes and Croydon.
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

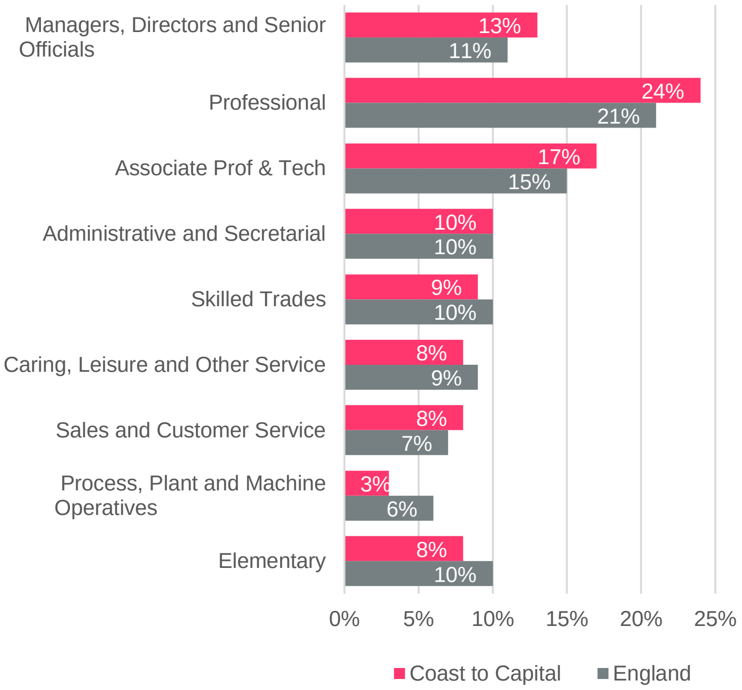
The most common occupations within Coast to Capital in absolute terms are professional occupations…

Occupation Level	Type of Occupation	England Average Annual Salary (June 2019)	Occupation Description	Absolute Employment in Coast to Capital* (2018)
High	Managers, Directors and Senior Official	£ 49,103	Occupation responsibilities include planning, directing and coordinating resources to achieve the efficient functioning of organisations and businesses. ***Example: chief executives, directors…***	133,100
	Professional Occupations	£ 43,280	This group includes science, research, engineering and tech, health, teaching and business, media and public service professionals. These occupations will require a degree or equivalent qualification, with some occupations requiring postgraduate qualifications and/or experience-related training. ***E.g. architects, judges, social workers, engineers, economists, consultants…***	243,300
	Associated Professional and Tech Occupations	£ 35,576	Includes ***civil servants, HR officers, police and fire service officers, laboratory and engineering technicians, paramedics, artists, musicians, air traffic controllers, youth and community workers, housing officers, sport coaches…***	170,200
	Administrative and Secretarial Occupations	£ 23,656	Occupations within this group undertake general administrative, clerical and secretarial work, and perform a variety of specialist client-orientated administrative duties. These will require a good standard of general education***. E.g. book-keeper, bank and post office clerks, secretaries...***	102,800
Medium	Skilled Trades	£ 26,504	Occupation tasks involve complex physical duties that normally require a degree of initiative, manual dexterity and other practical skills. These will require some substantial period of training and/or work-based training***. Occupations can be in skilled agricultural, metal, electrical, electronic, construction and printing trades.***	85,800
	Caring, Leisure and Service Occupations	£ 19,128	Most occupations in this group require a good standard of general education and vocational training, and sometimes professional qualifications. Tasks involve the provision of a service to customers, whether in a public protective or personal care capacity***. E.g. nurse, home carers…***	89,400
	Sales and Customer Service Operations	£ 21,499	Most occupations in this group require a general education and skills in interpersonal communication. Primary tasks involve selling and helping with customer service. ***E.g. retail cashier, telephone salesperson…***	69,500
	Process, Plant and Machine Operatives	£ 25,664	Most occupations in this group do not specify that a particular standard of education should have been achieved but will usually have a period of formal experience-related training. ***It can include plant operations or transport and mobile-machine related activities.***	38,000
Low	Elementary Occupations	£ 19,642	Most occupations in this group do not require formal educational qualifications but will usually have an associated short period of formal experience-related training. ***E.g. farm workers, horticultural workers…***	78,600

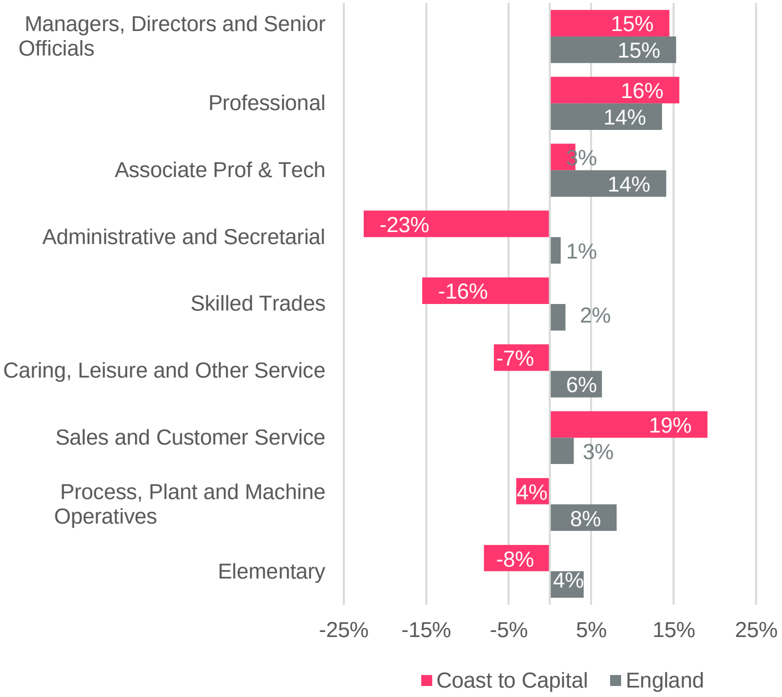
Data Source: Labour Force Survey and ONS, Annual Population Survey, Employment by Occupation, 2018
*Note: These figures include Lewes and Croydon.

There has been a decline in mid level occupations such as Administrative and Secretarial and Skilled Trades…

Share of Employment by Occupation in Coast to Capital, 2018



Proportional Growth by Occupation, 2013-2018 (%)



Data Source: ONS, Annual Population Survey, Employment by Occupation, 2018
Note: These figures include Lewes and Croydon.

There is a higher proportion of people in higher level occupations in Coast to Capital than the national average, with areas to the north tending to have higher levels than coastal and rural areas…

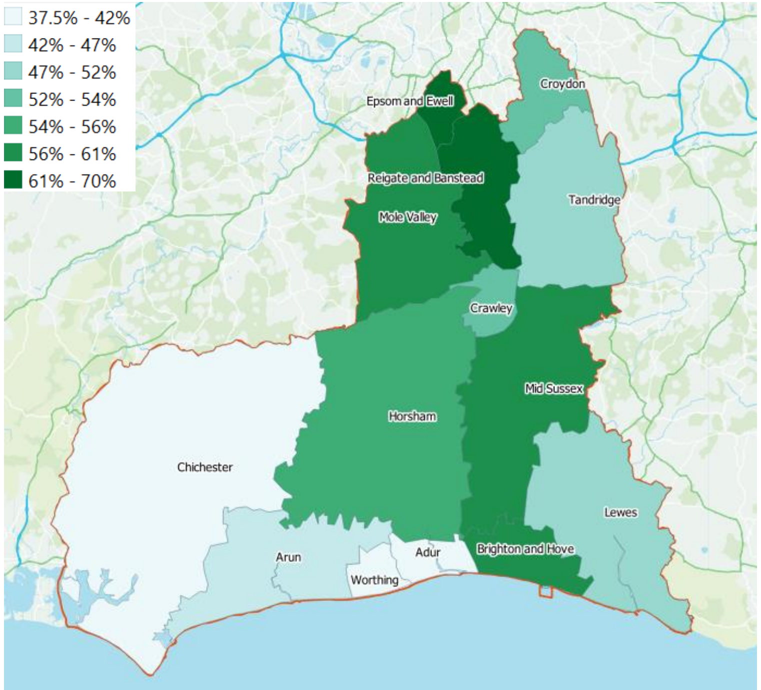
Occupational Breakdown by Local Authority, 2019 (% of total occupations)

	Adur	Arun	Brighton and Hove	Chichester	Crawley	Croydon	Epsom and Ewell	Horsham	Lewes	Mid Sussex	Mole Valley	Reigate and Banstead	Tandridge	Worthing	Coast to Capital	England
Managers, directors and senior officials	6%	7%	14%	16%	7%	11%	25%	13%	10%	17%	19%	14%	17%	12%	13%	11%
Professional occupations	17%	22%	29%	15%	24%	27%	26%	23%	23%	25%	21.9%	25%	19%	17%	24%	21%
Associate prof & tech occupations	15%	15%	17%	11%	20%	15%	19%	19%	19%	17%	19.0%	25%	14%	11%	17%	15%
Administrative & secreterial	9%	13%	8%	10%	4.8%	11%	9%	10%	10%	15%	13.0%	7%	10%	12%	10%	10%
Skilled trades	10%	13%.	7%	16%	7.0%	6%	N.A.	10.0%	8%	7%	7.0%	6%	13%	14%	8%	10%
Caring, leisure & service	22%	7%	8%	7%	8.5%	10%	8%	8%	10%	9%	6.9%	7%	5%	13%	9%	9%
Sales and customer service	15%	13%	5%	4%	9.1%	8%	N.A.	8%	4%	5%	9.9%	3%	6%	7%	7%	7%
Process, plant & machine operatives	N.A.	3%	3%	N.A.	10.8%	3%	4%	4%	6%	2%	N.A.	4%	4%	5%	4%	6%
Elementary occupations	N.A.	7%	7%	15%	7.7%	8%	5%	5%	11%	4%	N.A.	11%	13%	9%	8%	10%

Data Source: ONS, Annual Population Survey, Employment by Occupation, 2019
Note: N.A. is used when data is not available. This is where the sample size is too small to be disclosed or where the ONS has determined the figure as statistically unreliable
Note: Higher level occupations include managers, directors and senior officials and professional occupations

There is a clear disparity in relation to the share of higher level occupations, ranging from 37.5% to 70%...

Higher Level Occupations Breakdown by Local Authority, 2018 (% of total occupations)

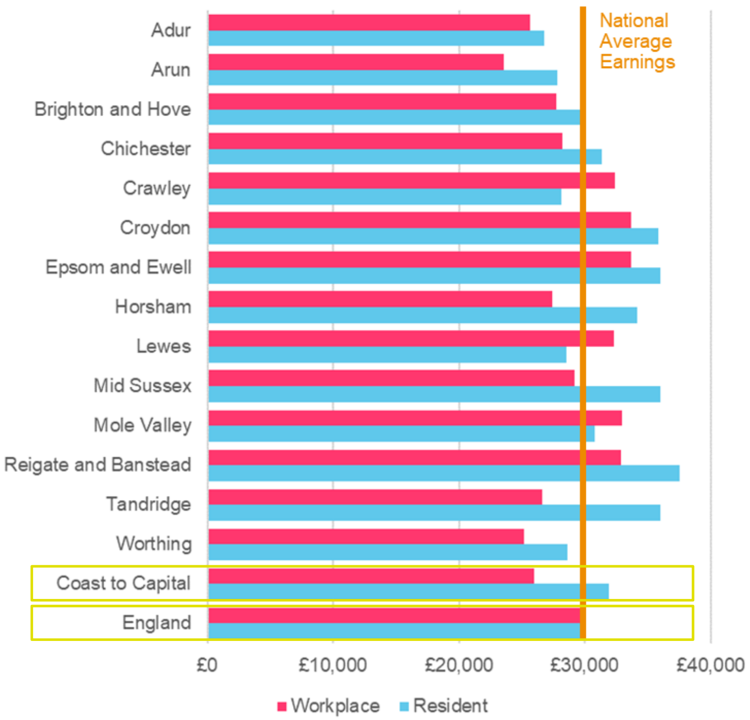


Share of managerial and professional occupations	
Coast to Capital	54%
South East Region	44%
England	47%

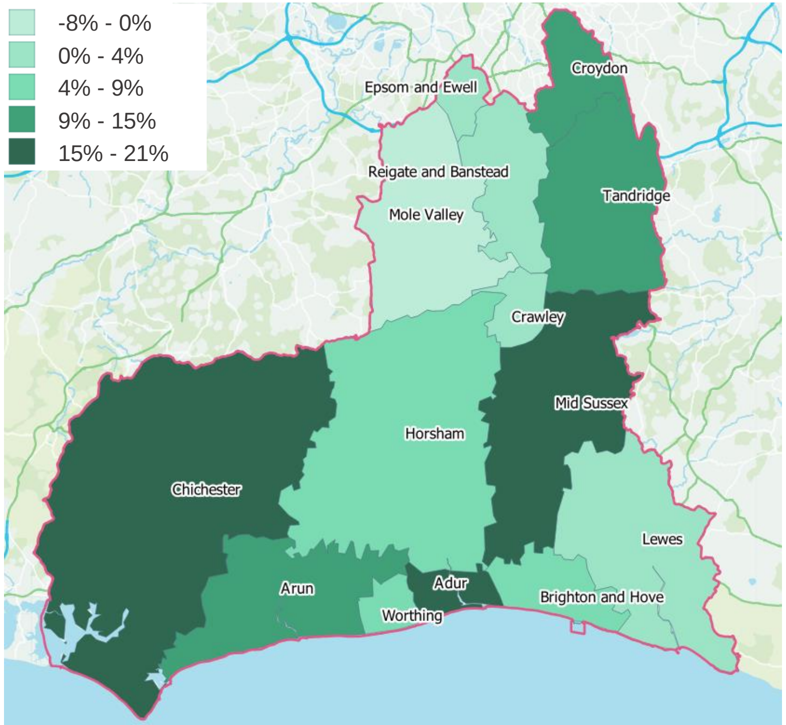
Data Source: ONS, Annual Population Survey, Employment by Occupation, 2018
Note: Higher level occupations include managers, directors and senior officials and professional occupations
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Coast to Capital's commuting residents tend to earn more than those who work in the area…

Gross Median Annual Earnings (£), 2018



Annual Wage Growth for Residents by Local Authority, 2013-18

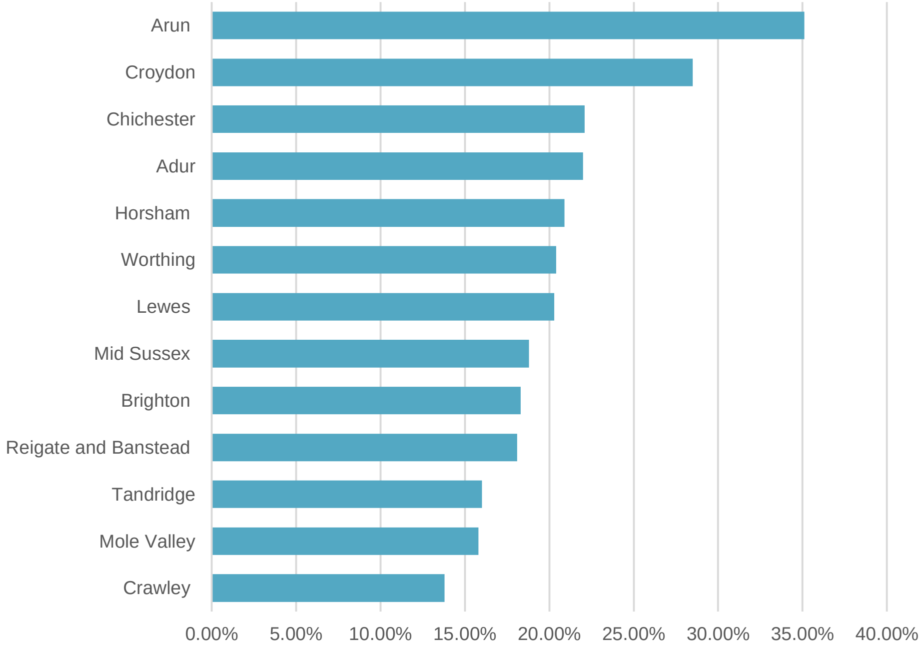


Note: The average wage growth over the 2013-2018 period was 9%.

Data Source: ONS, Annual Survey of Hours and Earnings, Resident and Workplace analysis, 2018

A significant proportion of jobs in Coast to Capital are failing to pay the voluntary living wage (as defined by the Living Wage Foundation)…

Percentage of All Jobs Earning less than the Living Wage by Local Authority, 2018



Data Source: Living Wage Foundation and Annual Survey of Hours and Earnings (ASHE) - Estimates of the number and proportion of employee jobs with hourly pay below the living wage, 2018.
Note: The figure for Croydon is based on the London living wage and data is not available for Epsom and Ewell
Definition: The voluntary living wage, as defined by the Living Wage Foundation, is the wage rate based on what people need to live, i.e. £9.00 per hour across the UK and £10.55 in London. This is different from the National Living Wage, set by the Government, which is the statutory national minimum wage for those aged 25 and over, i.e. £8..21.

Focus On: Skills and Labour Market

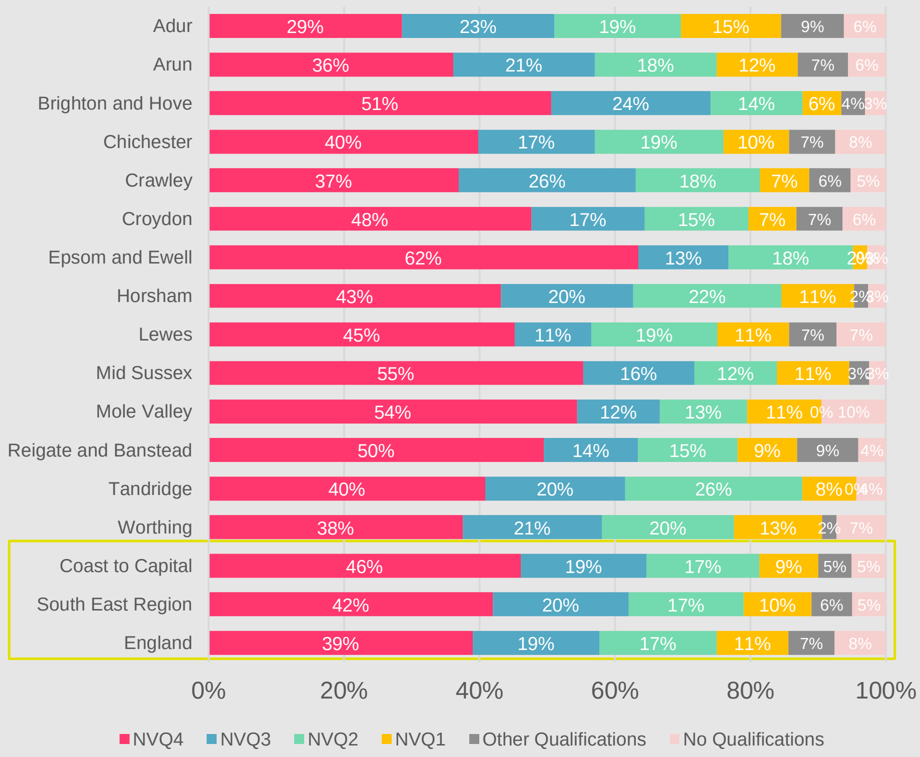
More detailed research has been undertaken within the Coast to Capital Skills and Labour Market Study.

The study analyses the current skills profile of the Coast to Capital area and identifies some of the key challenges faced locally, in order to assess how the LEP can best foster skills for the future.

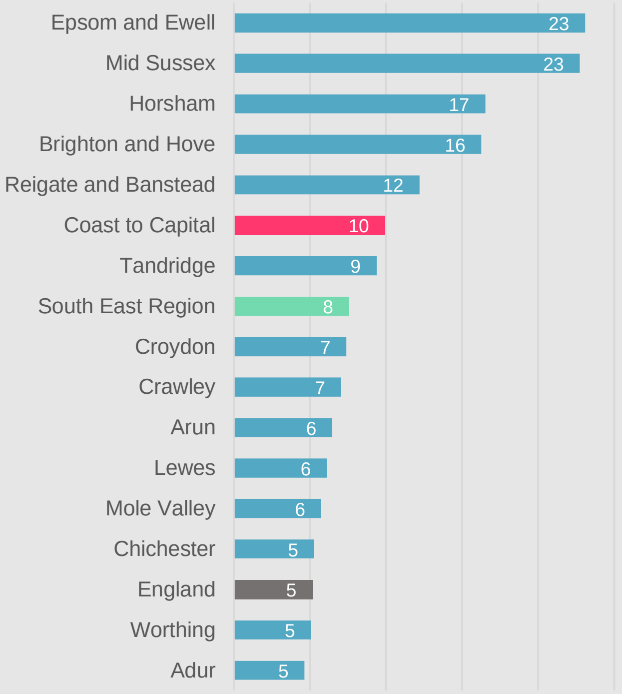
The evidence which makes up this study draws on a range of metrics, including working age population data, occupations and vacancy occupations data, and qualifications data. The full report can be found on our website here.

Coast to Capital has strong qualification levels, but there are pockets within some areas with significantly lower skill levels…

Qualifications Levels by Local Authority, 2018



Ratio of People with NVQ4+ Qualifications : People with No Qualifications, 2018

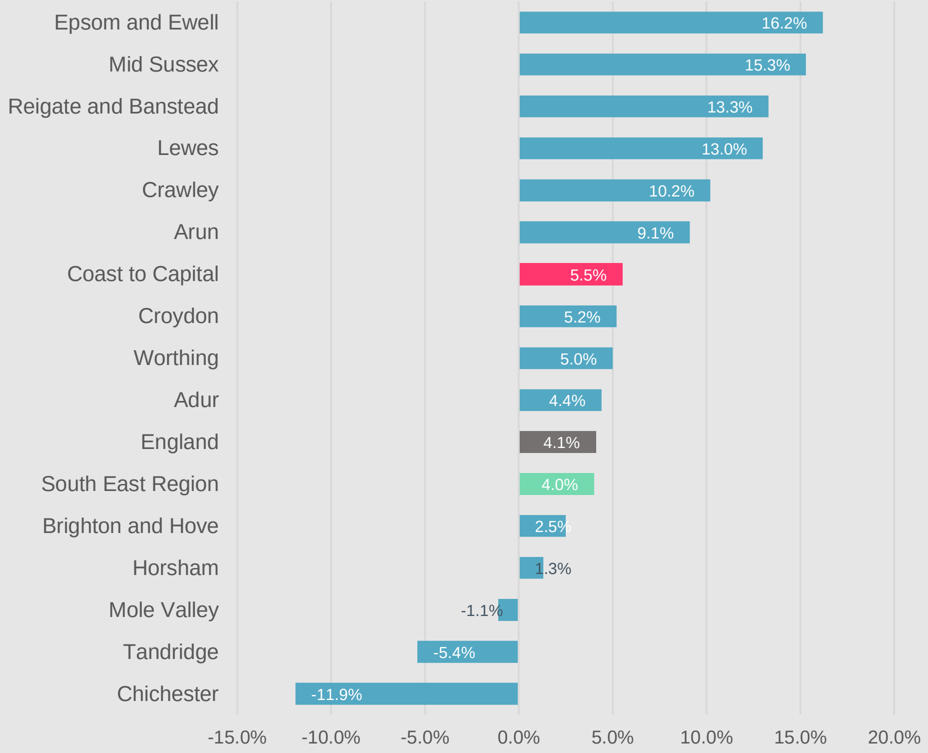


Data Source: ONS, Annual Population Survey, Qualifications, 2018

HATCH REGENERIS

The proportion of people with NVQ4+ qualifications has increased across most of the local authority areas in Coast to Capital, but this has fallen in a few places…

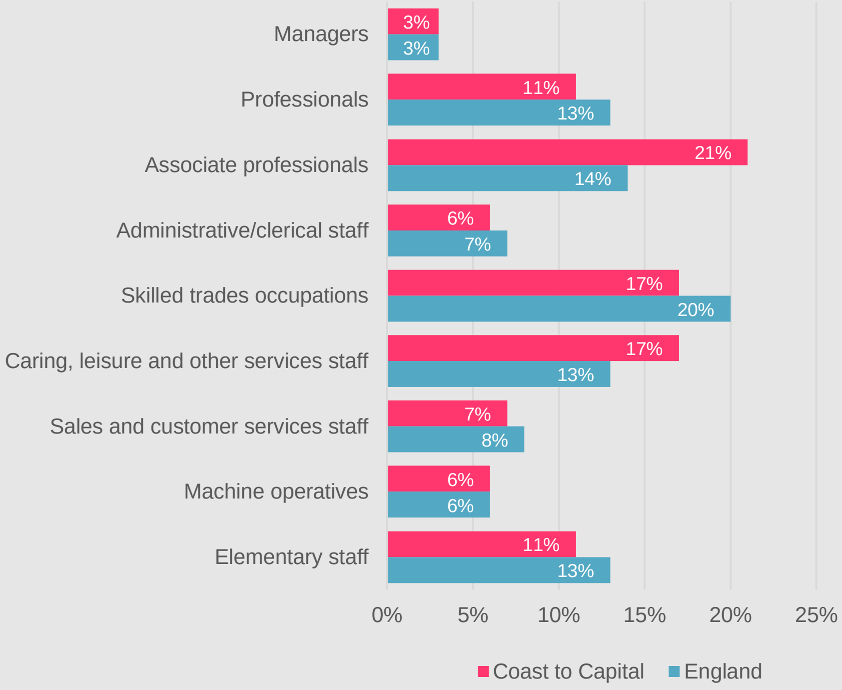
Change in Population with NVQ4+ qualifications (2013-2018)



Data Source: ONS, Annual Population Survey, Qualifications, 2018
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Mid level, skilled professions tend to be the most difficult jobs to fill…

Employer Reported Hard to Fill Vacancies by Occupation, 2017



Data Source: UK GOV, Employer Skills Survey 2017: England LEP.

There is evidence that transience within the labour market is limiting businesses investment in their workforce…

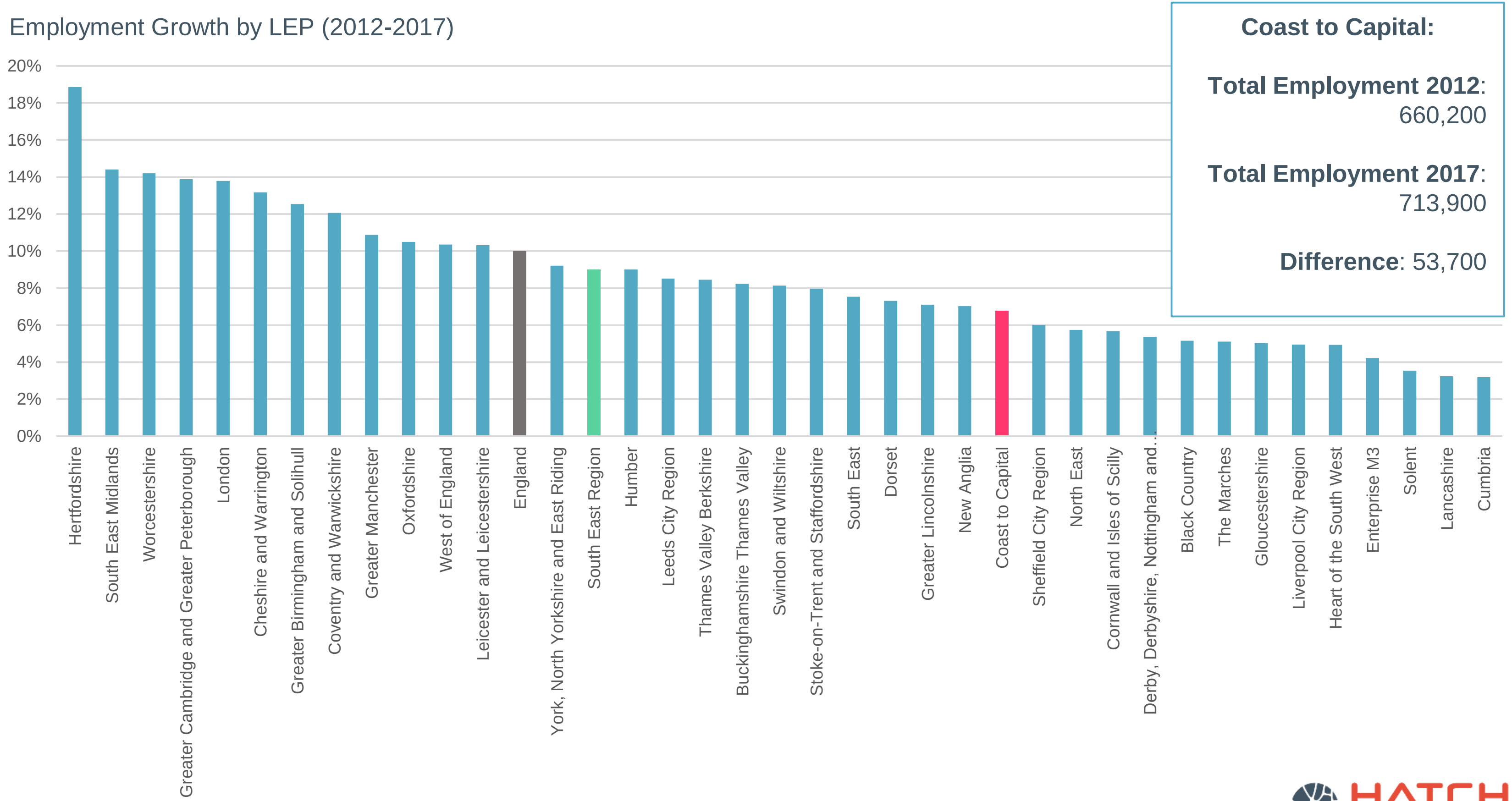
Employer Reported Reasons for Skills Gap, 2017

Name	Coast to Capital	England
New to the role/training not complete	85%	78%
They are new to the role	69%	60%
Their training is currently only partially completed	64%	62%
Transient skills gaps	39%	28%
They have not received the appropriate training	22%	25%
Unable to recruit staff with the required skills	22%	26%
They have been on training but their performance has not improved sufficiently	19%	27%
Staff lack motivation	18%	27%
The introduction of new working practices	17%	22%
The introduction of new technology	14%	18%

Data Source: UK GOV, Employer Skills Survey 2017: England LEP.

Business Environment

Coast to Capital's employment growth has been lower than 23 other LEP areas and the national and South East averages since 2012…



Coast to Capital:

Total Employment 2012: 660,200

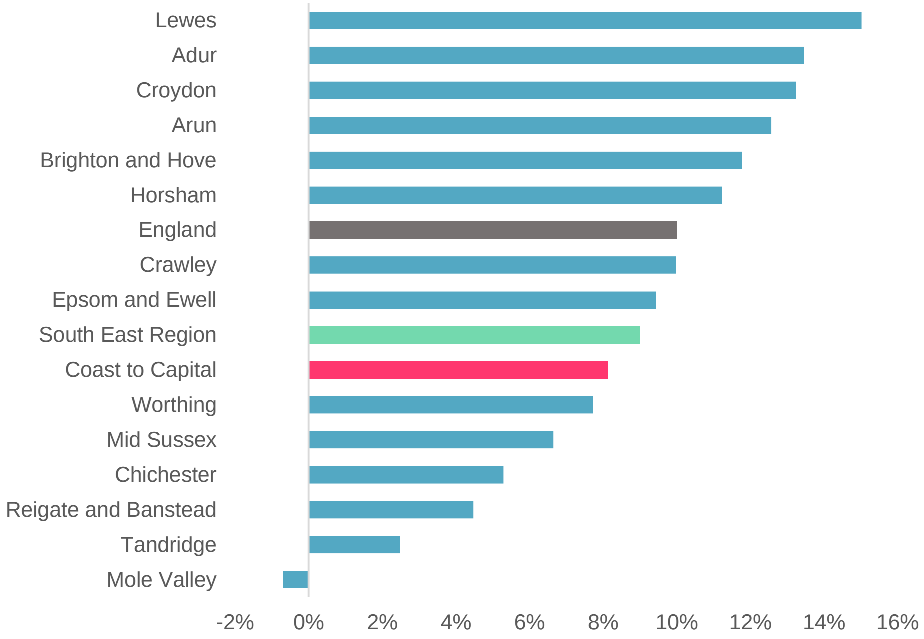
Total Employment 2017: 713,900

Difference: 53,700

Data Source: ONS, Business Register and Employment Survey (BRES), Employment, 2017
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Employment growth has been above the national average in six local authority areas…

Employment Growth by Local Authority (2012-2017)

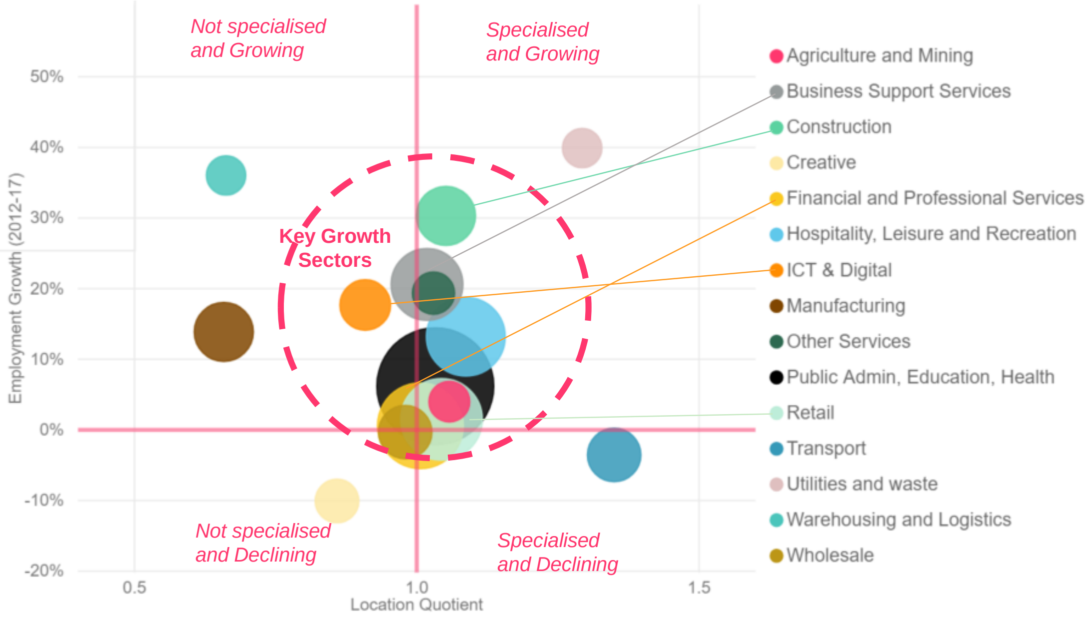


Local Authority	2012 Employment	2017 Employment
Adur	18,520	21,020
Arun	43,090	48,510
Brighton and Hove	126,080	140,920
Chichester	59,530	62,680
Crawley	85,620	94,170
Epsom and Ewell	28,110	30,760
Horsham	52,350	58,230
Mid Sussex	57,940	61,790
Mole Valley	47,350	47,020
Reigate and Banstead	64,010	66,880
Tandridge	32,000	32,800
Worthing	45,610	49,140
Coast to Capital	**660,210**	**713,920**

Data Source: ONS, BRES, Employment, 2017.
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

The largest employment sectors in the area are Public Administration, Education & Health, Financial and Professional Services and Retail…

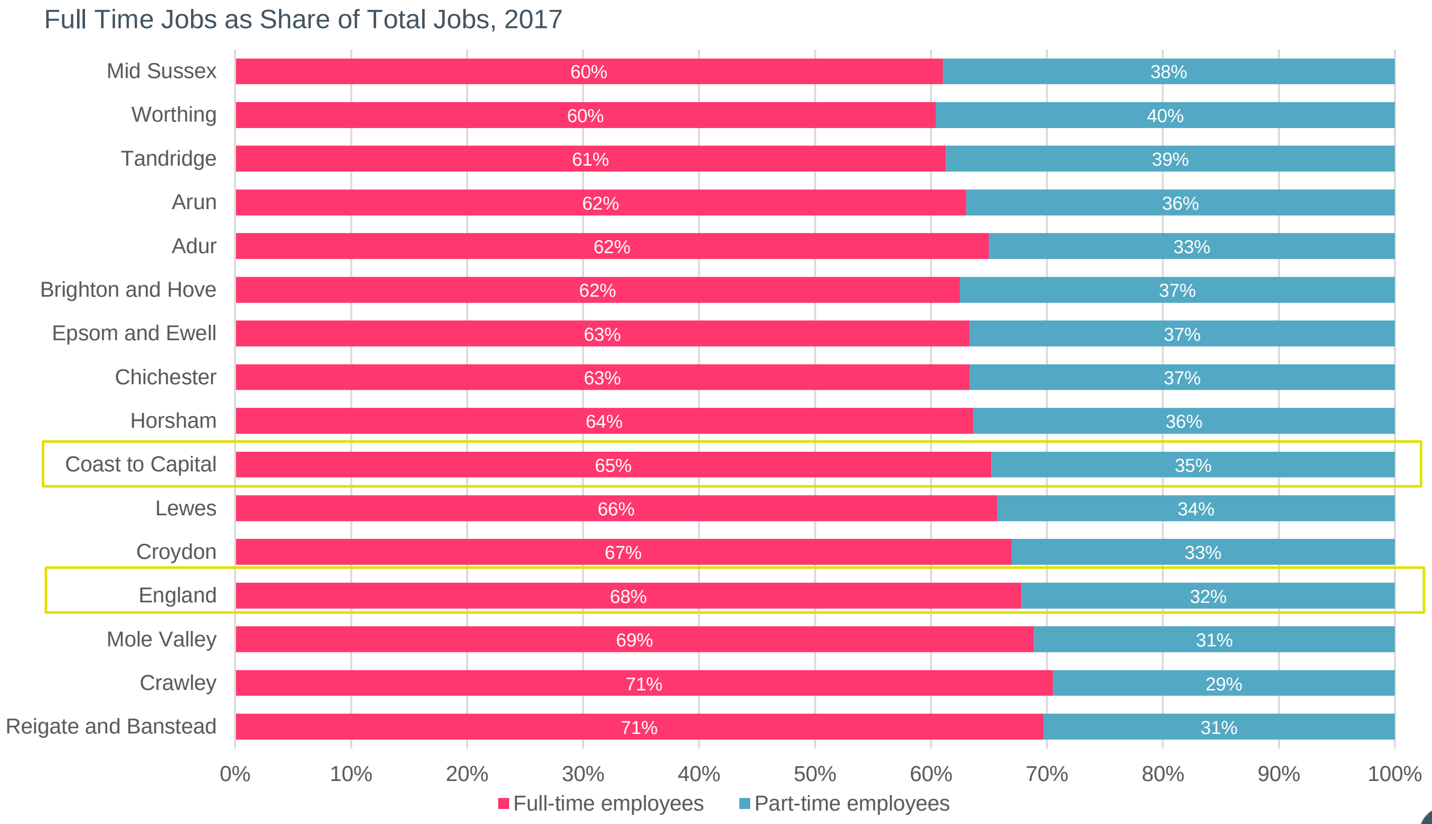
Employment Sector Strengths: Size, Growth and Specialisation, 2017



Employment Numbers by Sector, 2017

Data Source: ONS, BRES, Employment, 2017.
Note: Location quotient figures indicate the degree of a sector's specialisation relative to England. Size of the bubbles reflect the size of the employment base.
For example, the location of the business support services sector indicates that it has a relatively small employment base, a high employment growth rate (since 2012) and a high level of specialization compared to England.
Note 2: Analysing data broken down at the sectoral level must account for the fact that these sector definitions are based on SIC5 sub-sector categorisations made by Hatch Regeneris.

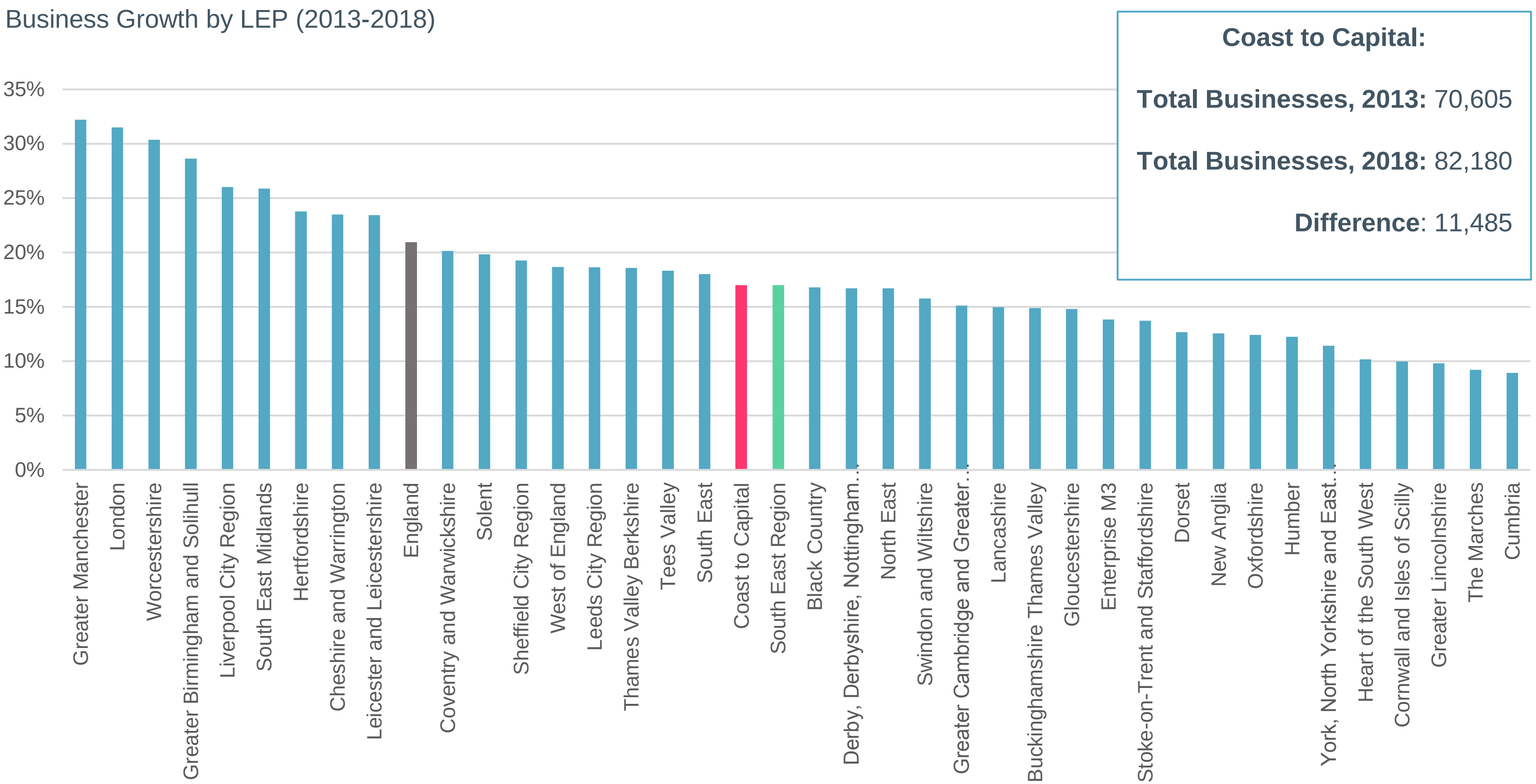
The share of full-time employees is lower than at the national level…



Data Source: ONS, BRES, Employees, 2017.

HATCH REGENERIS

Coast to Capital ranks 18th out of the 38 LEPs across the country in terms of business growth since 2013…



Coast to Capital:

Total Businesses, 2013: 70,605

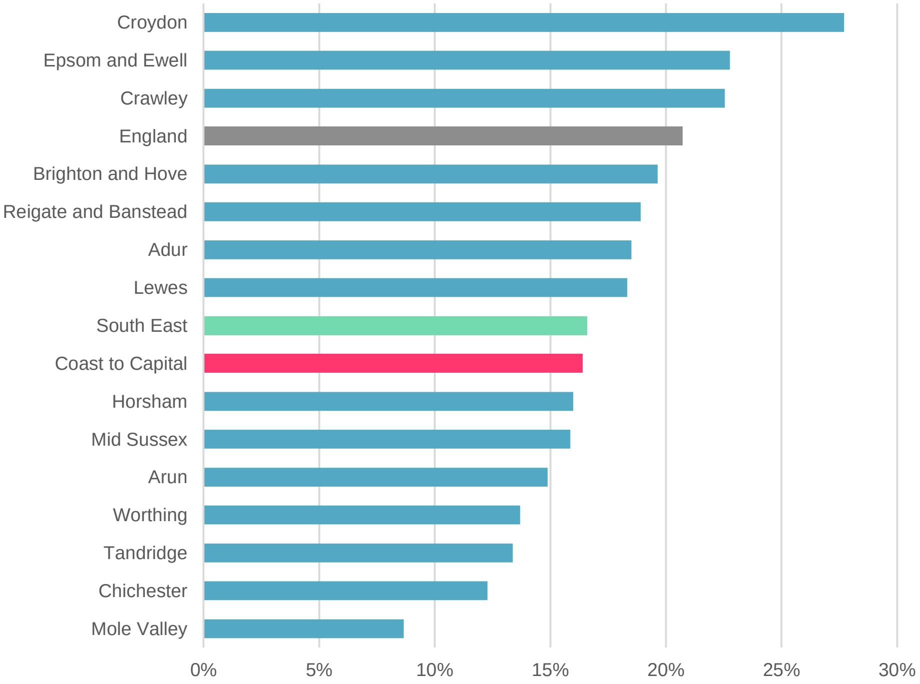
Total Businesses, 2018: 82,180

Difference: 11,485

Data Source: ONS, UK Business Counts, local units by industry and employment size, 2018.
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Like employment, business growth has been lower than the national average. The only places that have higher levels of growth than England are Croydon, Epsom and Ewell and Crawley…

Business growth by local authority (2013-2018)

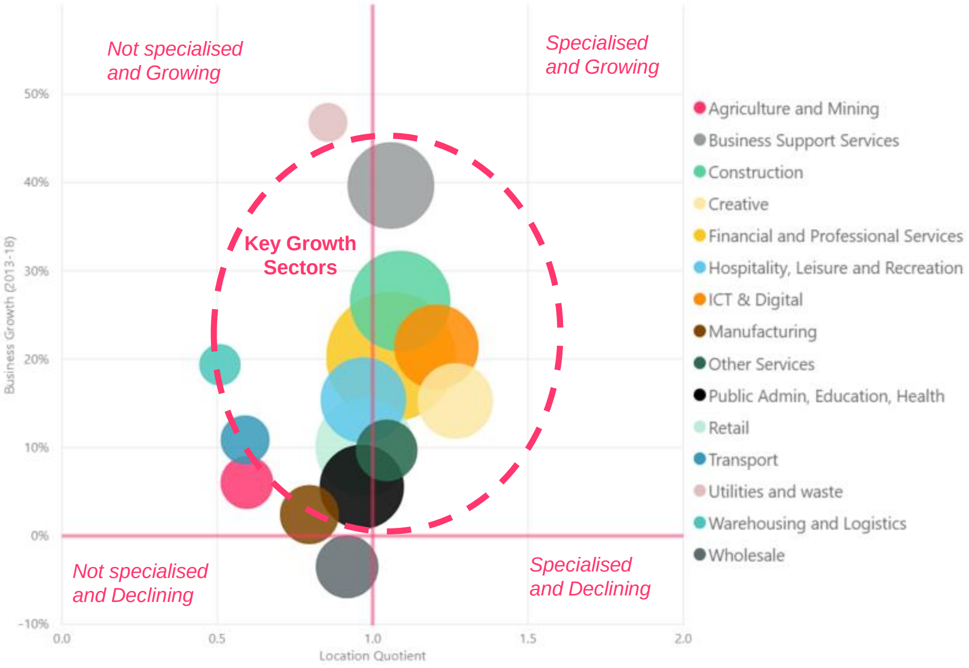


Local Authority	2013 Businesses	2018 Businesses
Adur	2,270	2,690
Arun	5,410	6,215
Brighton and Hove	13,540	16,200
Chichester	6,800	7,635
Crawley	3,770	4,620
Epsom and Ewell	3,425	4,205
Horsham	7,160	8,305
Mid Sussex	7,120	8,250
Mole Valley	5,550	6,030
Reigate and Banstead	6,795	8,080
Tandridge	4,785	5,425
Worthing	3,980	4,525
Coast to Capital	**70,605**	**82,180**

Data Source: ONS, UK Business Counts, local units by industry and employment size, 2018.
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

The largest business groupings in the Coast to Capital area are Financial and Professional Services, Construction and Retail…

Business Sector Strengths: Size, Growth and Specialisation, 2018

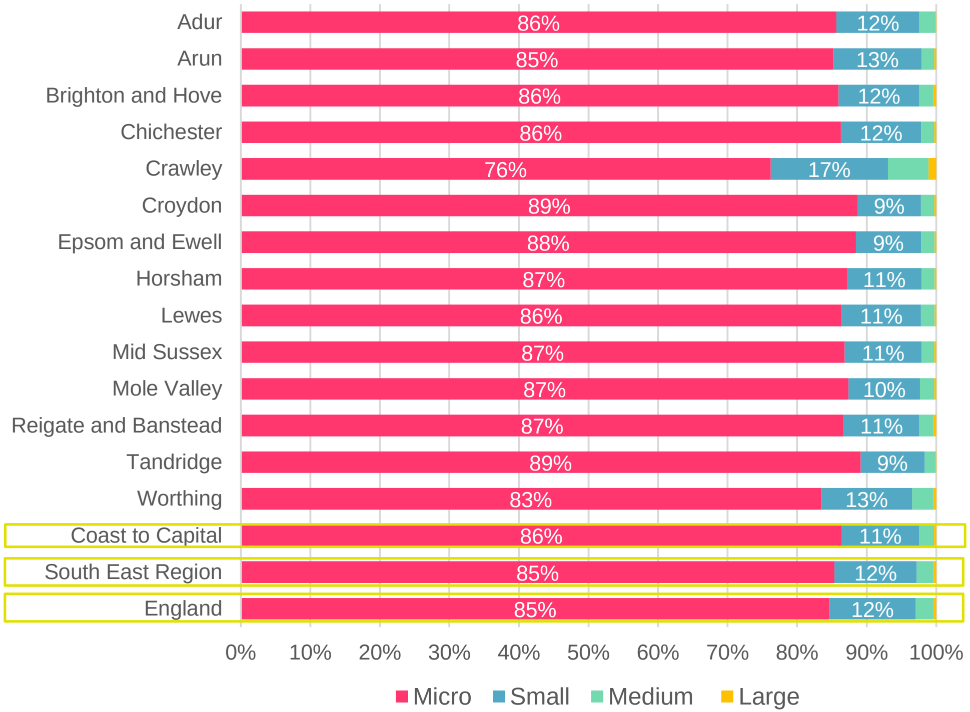


Business Numbers by Sector, 2018

Data Source: ONS, UK Business Counts, local units by industry and employment size, 2018.
Note: Location Quotient figures indicate the degree of a sector's specialisation relative to England. Size of the bubbles reflect employment size.
Note 2: Analysing data broken down at the sectoral level must account for the fact that these sector definitions are based on SIC5 sub-sector categorisations made by Hatch Regeneris.

Most businesses in the region are micro or small. Areas around Crawley (i.e. Gatwick Airport and Manor Royal Business Park) have a slightly higher proportion of medium or larger businesses …

Proportion of Businesses By Size (2018)

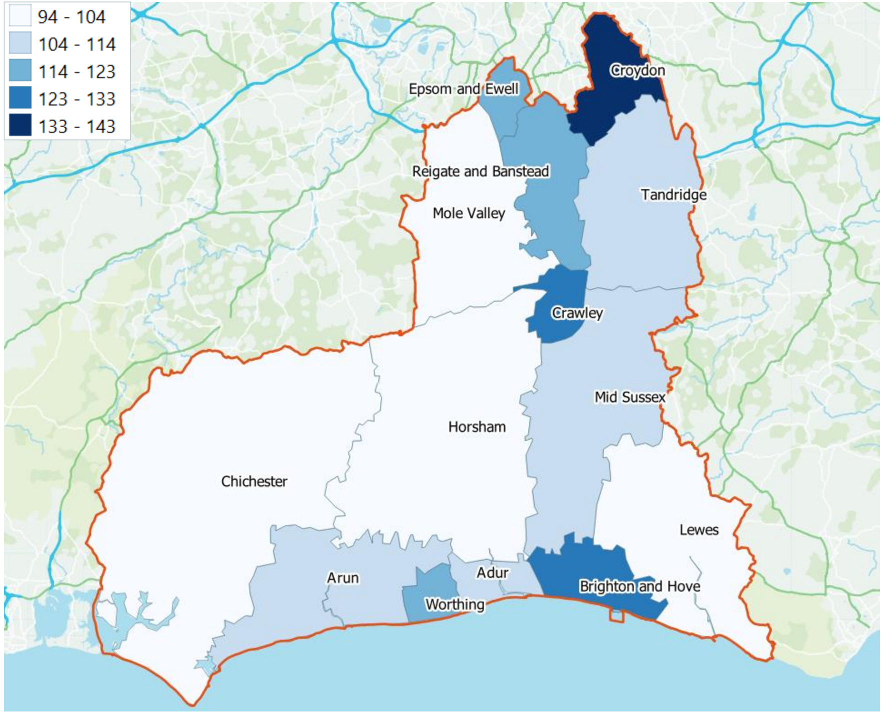


Micro: 0-9 businesses
Small: 10-49 businesses
Medium: 50-249 businesses
Large: 250+ businesses

Data Source: ONS, UK Business Counts, local units by industry and employment size, 2018.
Note: The South East region definition throughout this report is based on the NUTS1 Statistical Regions as developed by the EU.

Coast to Capital has low business start-up rates compared to the national level…

Business Start Up Rates by Local Authority (per 1,000 businesses), 2018



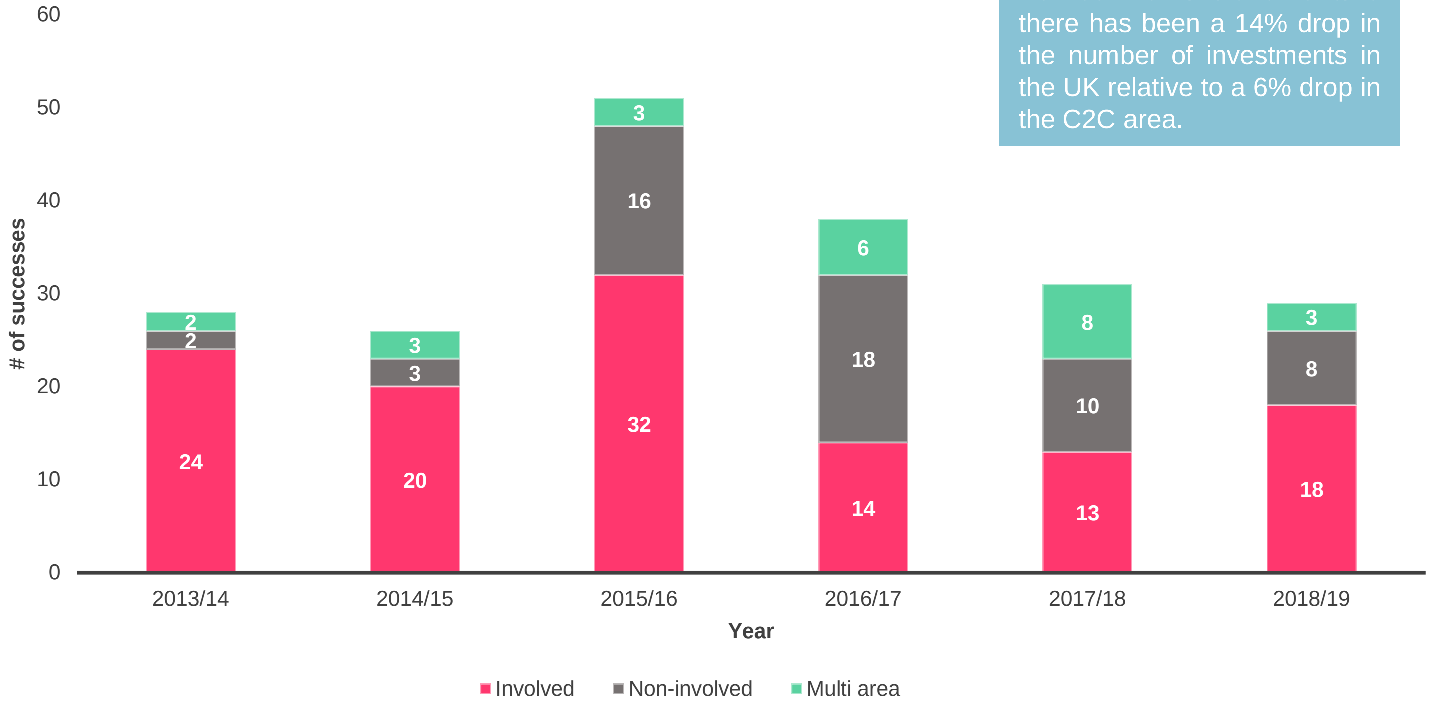
Start-up rate (per 1,000 businesses)	
Croydon	143
Brighton & Hove	133
Crawley	132
Reigate and Banstead	121
Epsom and Ewell	119
Worthing	115
Mid Sussex	113
Adur	111
Tandridge	109
Arun	106
Mole Valley	101
Chichester	101
Lewes	98
Horsham	94
Coast to Capital	**119**
England	**132**

Data Source: ONS, Business Demography, Births, Deaths and Active Businesses, 2018

From a peak of 51 inward investment projects in 2015/16 the LEP has seen a 41% fall in investment projects to 29 in 2018/19.

Coast to Capital Total Investment Projects 2013/14-2018/19

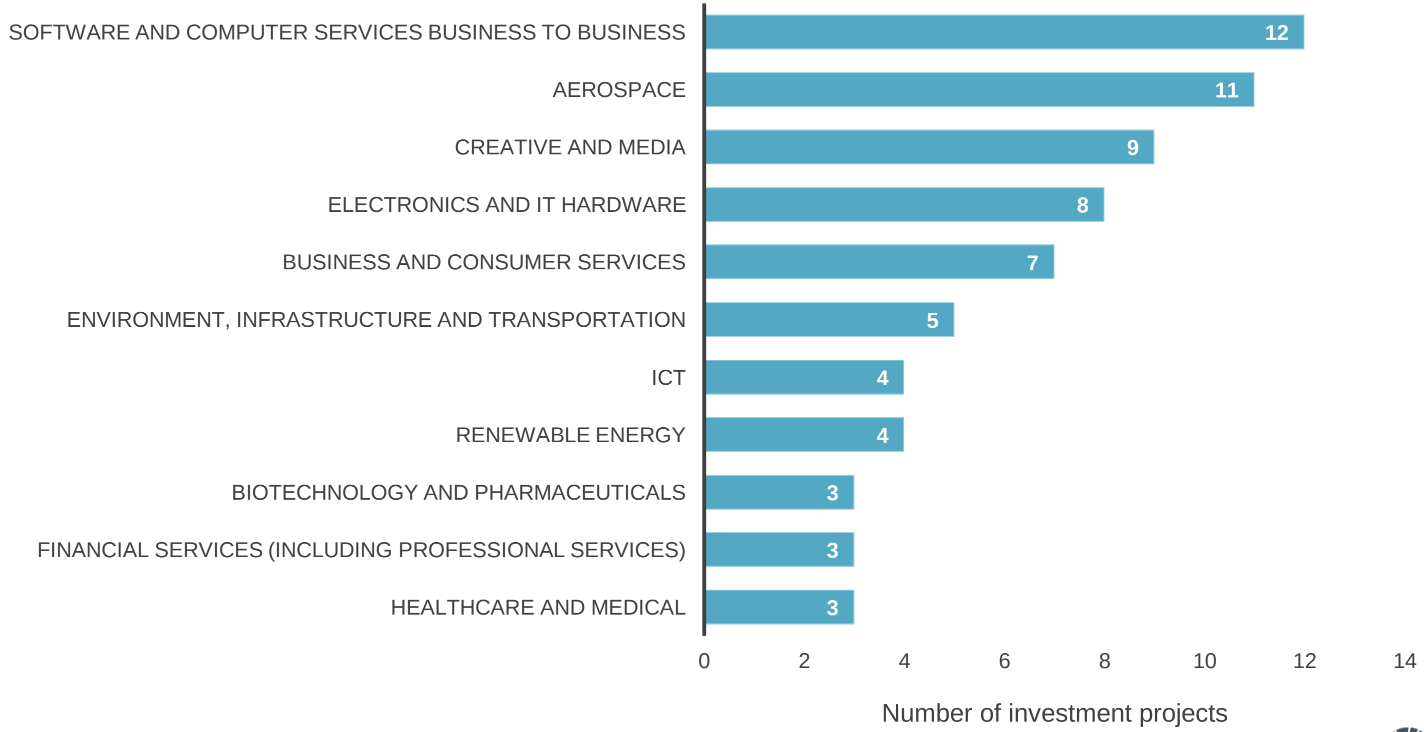
Between 2017/18 and 2018/19 there has been a 14% drop in the number of investments in the UK relative to a 6% drop in the C2C area.



Data Source: Department for International Trade, 2019
Note: Involved – DIT and/or local partners were involved in working with the company to secure the investment.
Multi-area – investments across multiple LEP areas. These figures include Croydon and Lewes

Sectors generating the most investments in Coast to Capital between 2015/16 and 2018/19 are software and computer services, aerospace and creative/ media. Nationally software and computer services is also the largest investment sector…

Key Investment Sectors (2015/16-2018/19)



Data Source: Department for International Trade, 2019
Note: These figures include Croydon and Lewes

Focus On: Commercial Property

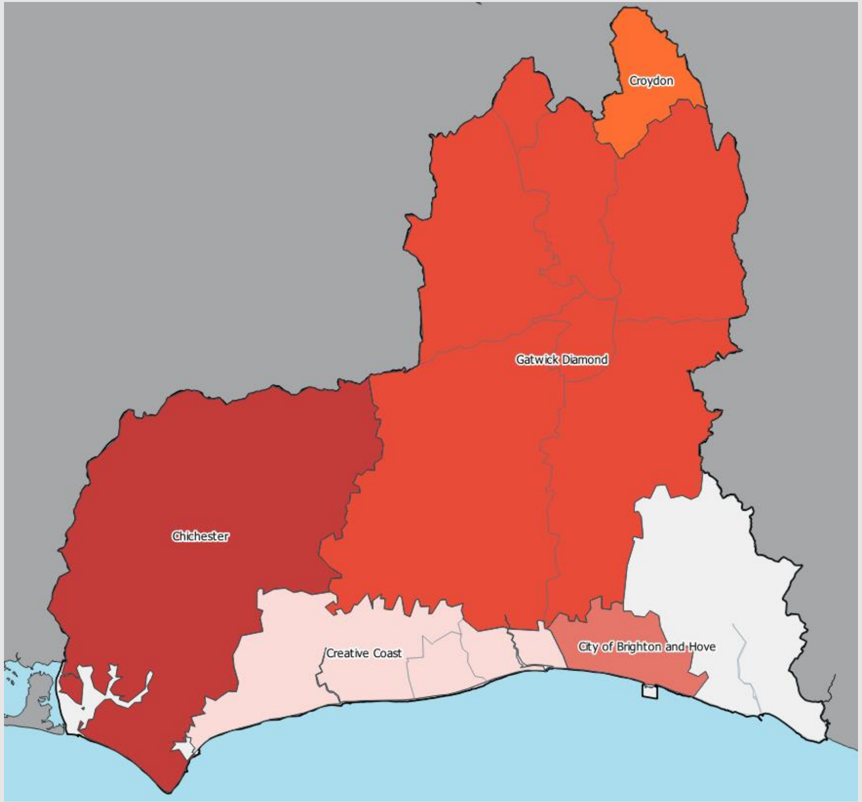
A specific Commercial Property Study has been undertaken.

The commercial property analysis which follows is structured around market areas, which are geographies that broadly reflect the search areas of businesses in different parts of the region. They are used to assess whether there is shortage or oversupply of different types of commercial property at meaningful geographical levels.

Five market areas have been defined:

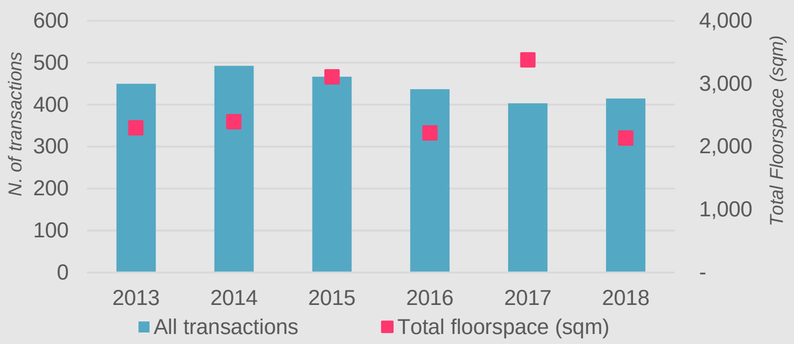
1. Creative Coast
2. City of Brighton and Hove
3. Gatwick Diamond
4. Chichester
5. Croydon

The rationale for each is set out in the accompanying Commercial Property Study and can be found on our website here.

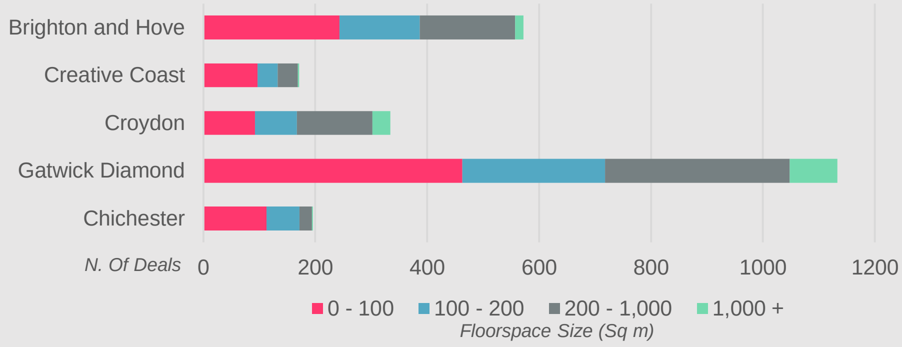


Office floorspace take-up has fluctuated in recent years. Demand has been highest in the Gatwick Diamond, Brighton & Hove and Croydon market areas…

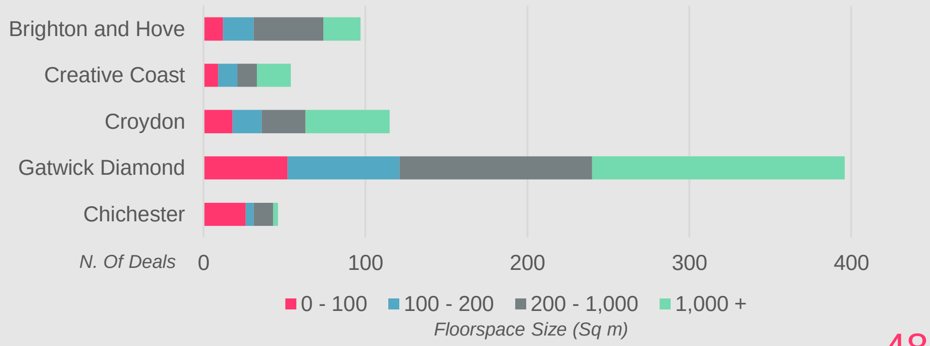
Take-Up of Office Space (2014-2018) – Leases and Sales (sqm)



Total Office Lease Deals by Floorspace by Market Area (2013-2018) (sq m)



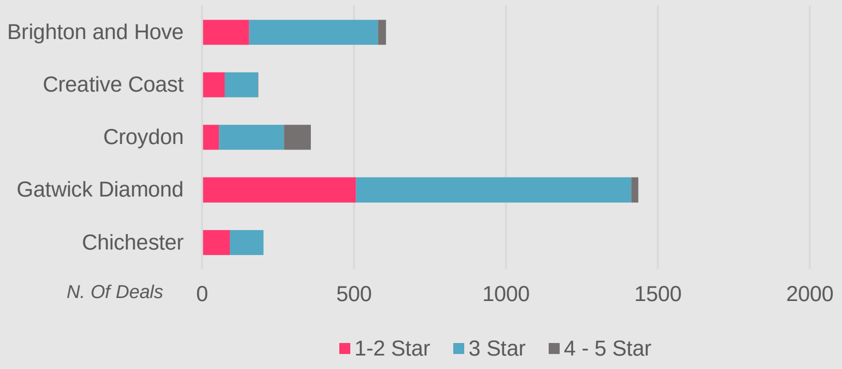
Total Office Sales Deals by Floorspace by Market Area (2013-2018) (sq m)



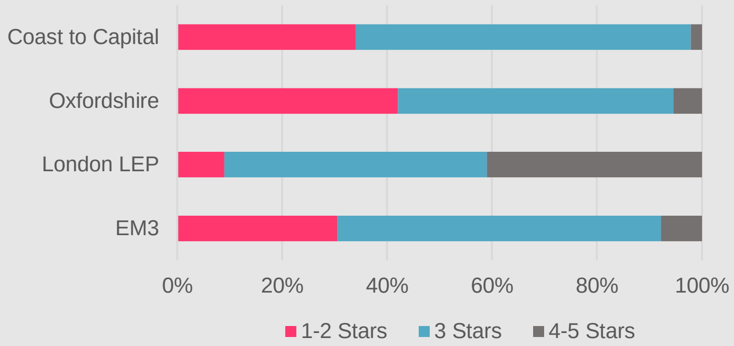
Data Source: Co-Star, 2019

Office take up has been for mid-to-lower quality stock, driven by a lack of higher quality stock across the region. There have been fewer 4-5 star office transactions than in more productive competitor areas…

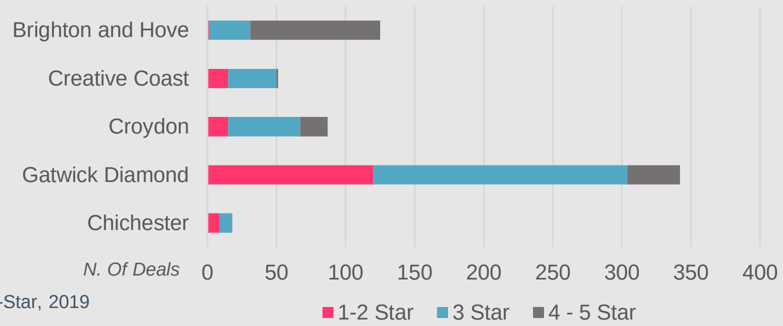
Total Office Lease Deals by Quality by Market Area (2013-2018) (sq m)



Proportion of Office Lease Deals by Quality versus More Productive LEPs (2013-2018) (sq m)



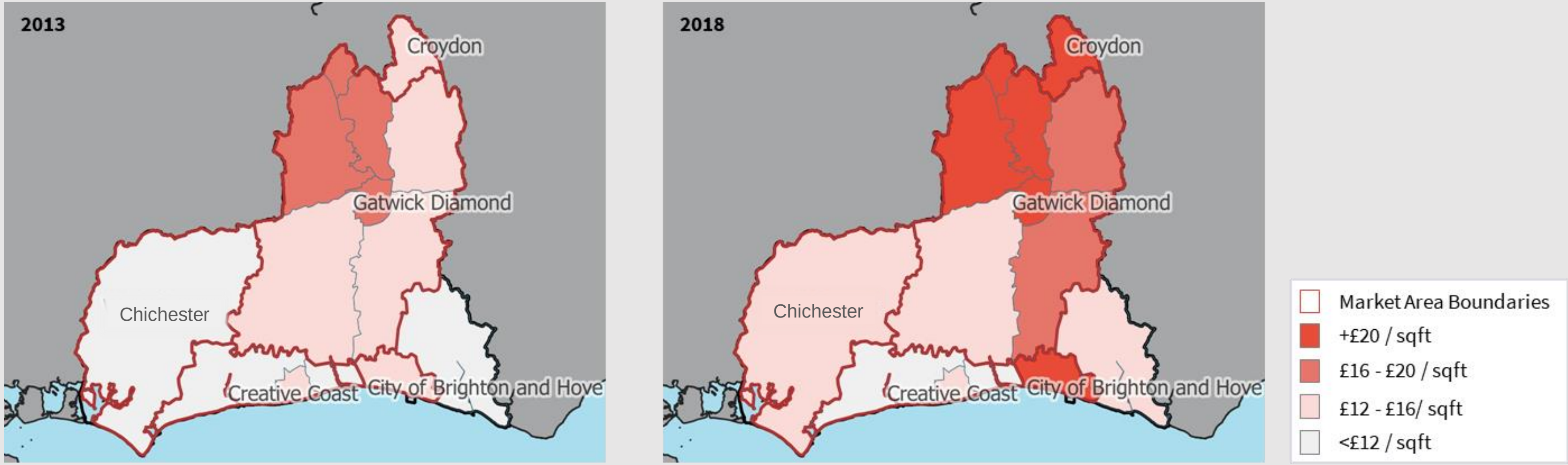
Total Office Sales Deals by Quality by Market Area (2013-2018) (sq m)



Data Source: Co-Star, 2019

Average office rents have increased across the region and in many places are viable for speculative development…

Office Rents by Market Area



Croydon (£25/ sq ft)

Epsom and Ewell (£25/ sq ft)

Mole Valley (£24/ sq ft)

Crawley (£23/ sq ft)

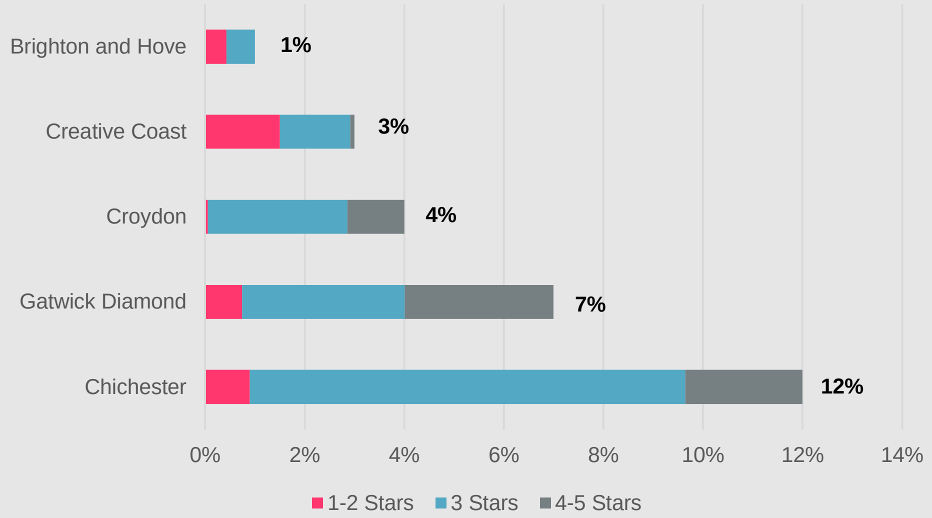
Reigate and Banstead (£22/ sq ft)

Brighton and Hove (£21/ sq ft)

Data Source: Co-Star, 2019

Vacancy rates are low in Brighton & Hove, Creative Coast and Croydon and there is a particular lack of high quality stock in these areas…

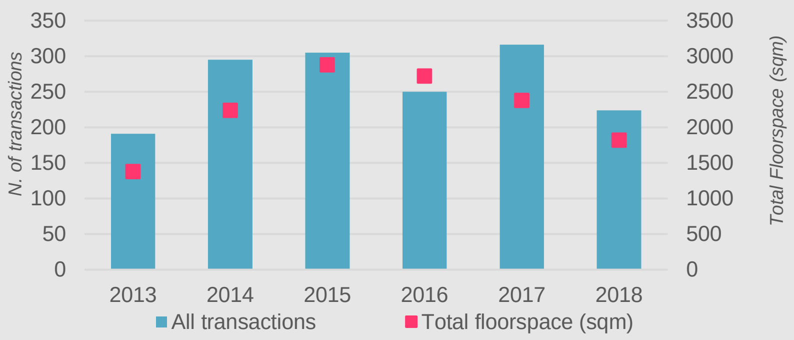
Office Vacancy Rates by Market Area and Quality, 2019 (Year to Date)



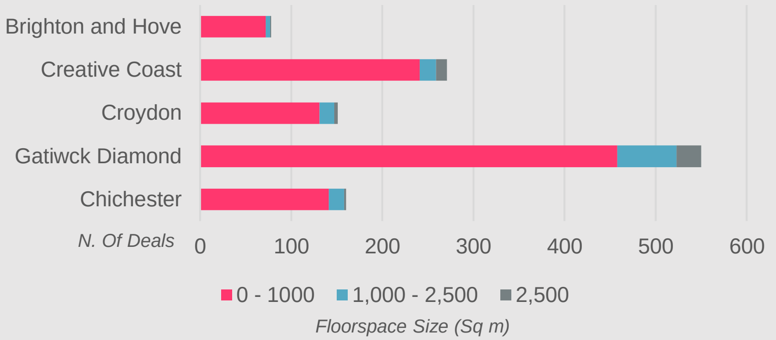
Data Source: Co-Star, 2019

Industrial floorspace take-up has fallen slightly in recent years, but demand still exists. Most has been in the Gatwick Diamond, Creative Coast and Chichester areas…

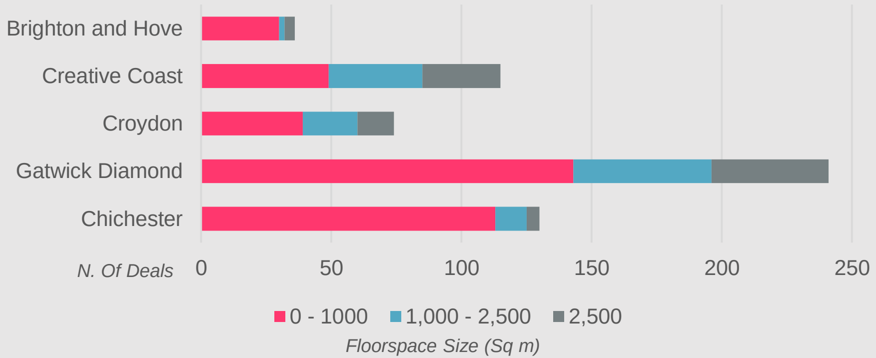
Take-Up of Industrial Space (2014-2018) – Leases and Sales (sq m)



Total Industrial Lease Deals by Floorspace by Market Area (2013-2018) (sq m)



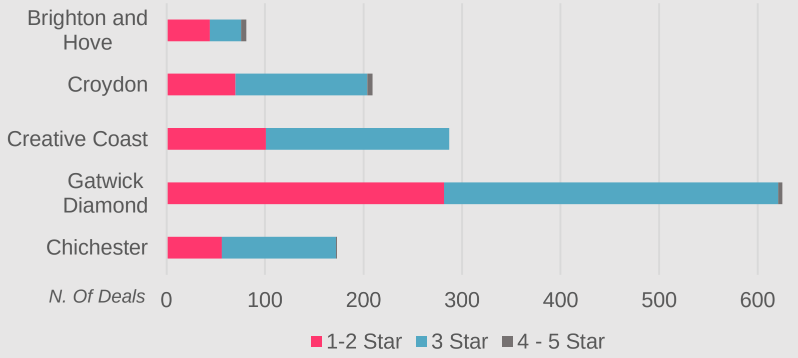
Total Industrial Sales Deals by Floorspace by Market Area (2013-2018) (sqm)



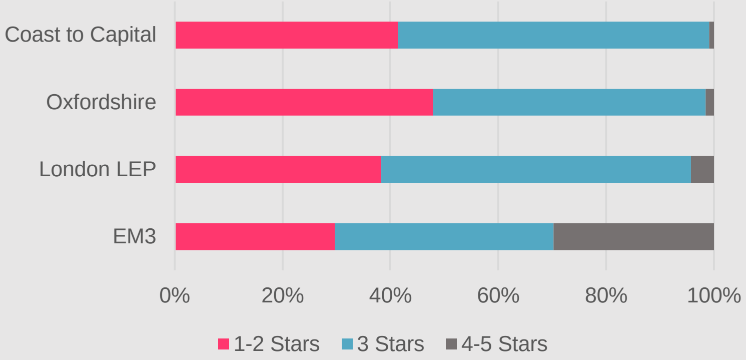
Data Source: Co-Star, 2019

Industrial take up has been for mid-to-lower quality stock and Coast to Capital has experienced a slightly lower proportion of 4-5 star industrial deals than its more productive competitors….

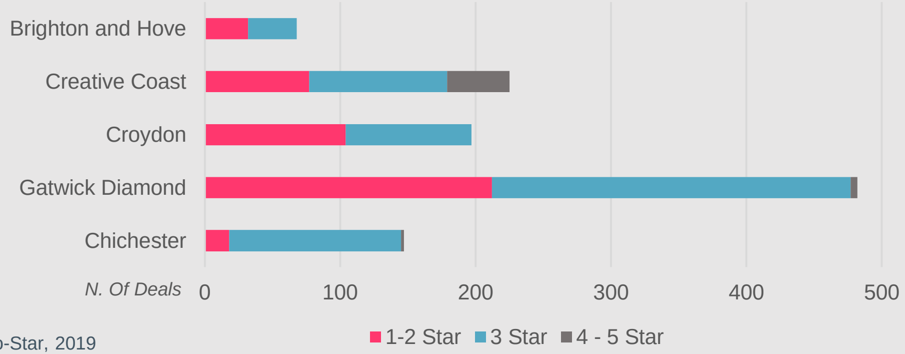
Total Industrial Lease Deals by Quality by Market Area (2013-2018) (sq m)



Proportion of Industrial Lease Deals by Quality by Market Area (2013-2018) (sq m)



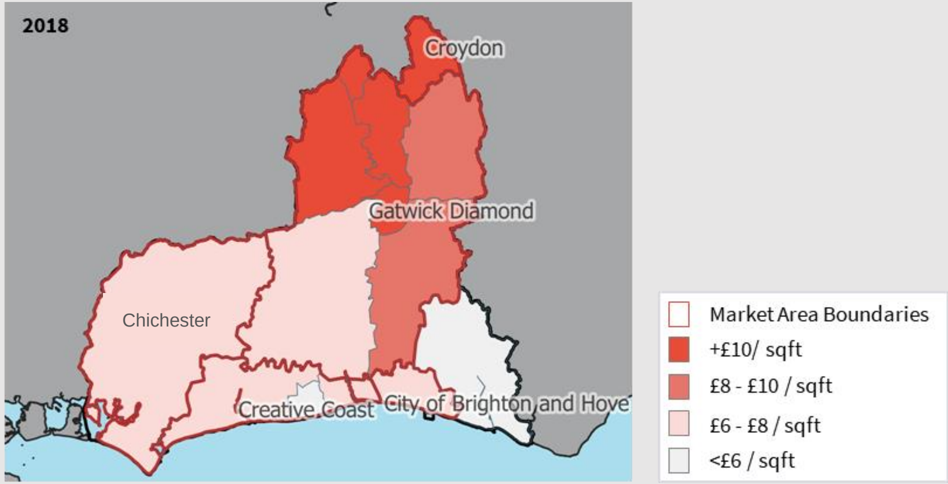
Total Industrial Sales Deals by Quality by Market Area (2013-2018) (sq m)



Data Source: Co-Star, 2019

There has been an increase in average industrial rents across the region in nearly all local authority areas…

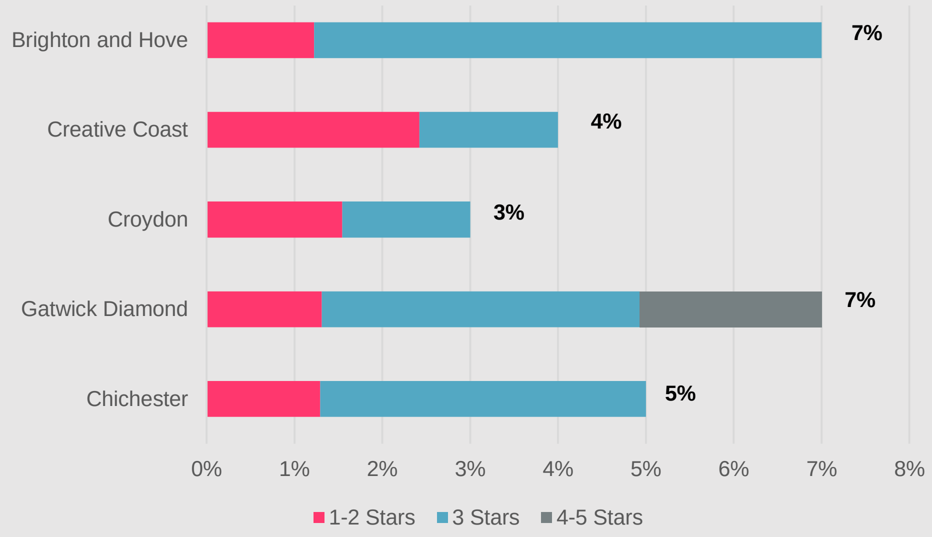
Industrial Rents by Market Area



Data Source: Co-Star, 2019

Industrial vacancy rates in the Coast to Capital area are generally stable, but there is a severe lack of high quality industrial stock across most areas…

Industrial Vacancy Rates by Market Area and Quality, 2019 (Year to Date)



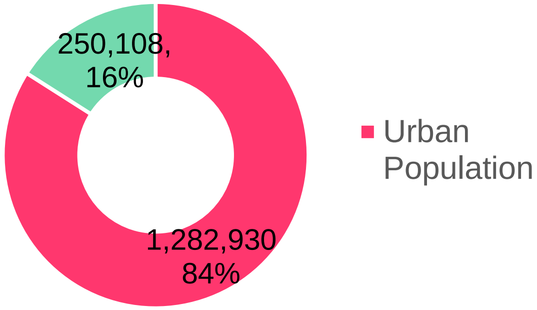
Data Source: Co-Star, 2019

Places

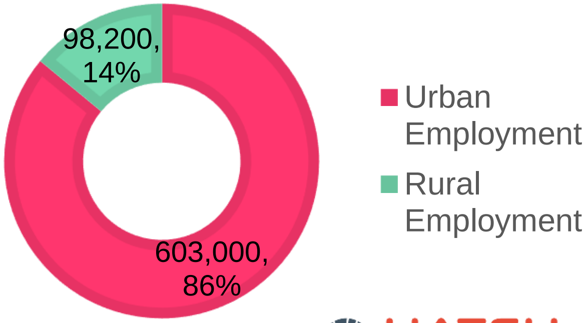
The majority of Coast to Capital's land area is rural but only 16% of the population live in rural areas…

Distribution of Rural and Urban Land

Population Split



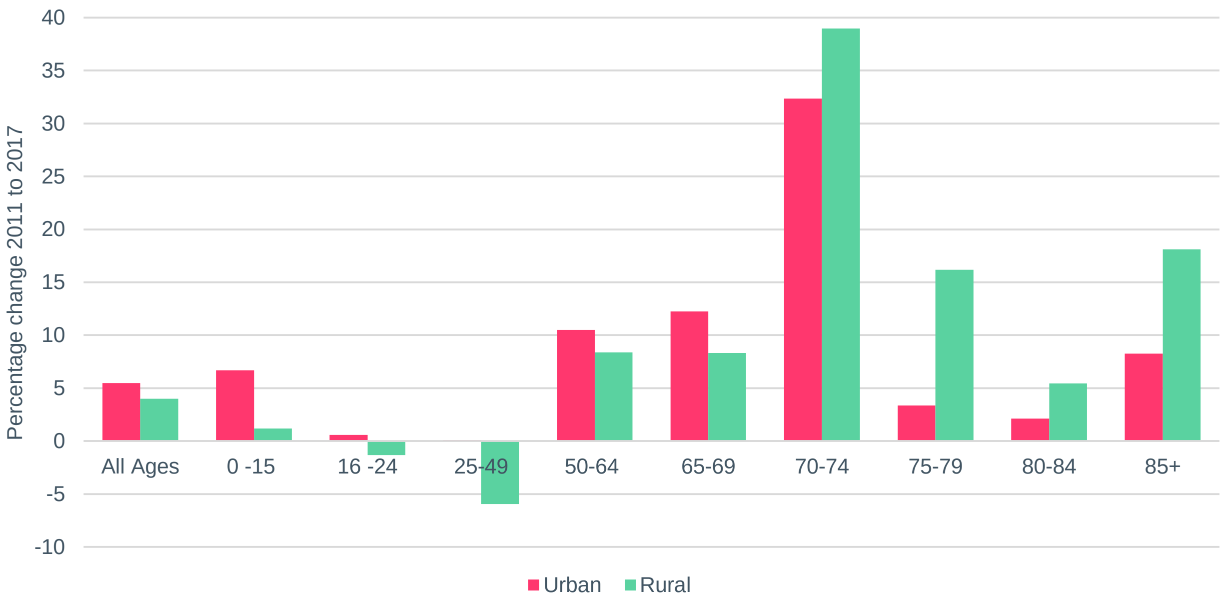
Employment Split



Data Source: Defra Urban Rural Classification, 2011 (RUC)
Note: this data looks at the rural/urban distribution of land at the local authority level and not at the town centre level, which uses LSOA statistical boundaries to analyse the data.

The urban population grew at a faster rate than the rural population in Coast to Capital between 2011 and 2017. However, population growth is higher in rural areas among those aged over 70…

Population Growth (2011-2017)



Data Source: ONS, Population Estimates – local authority based by single year of age, 2017.

HATCH REGENERIS

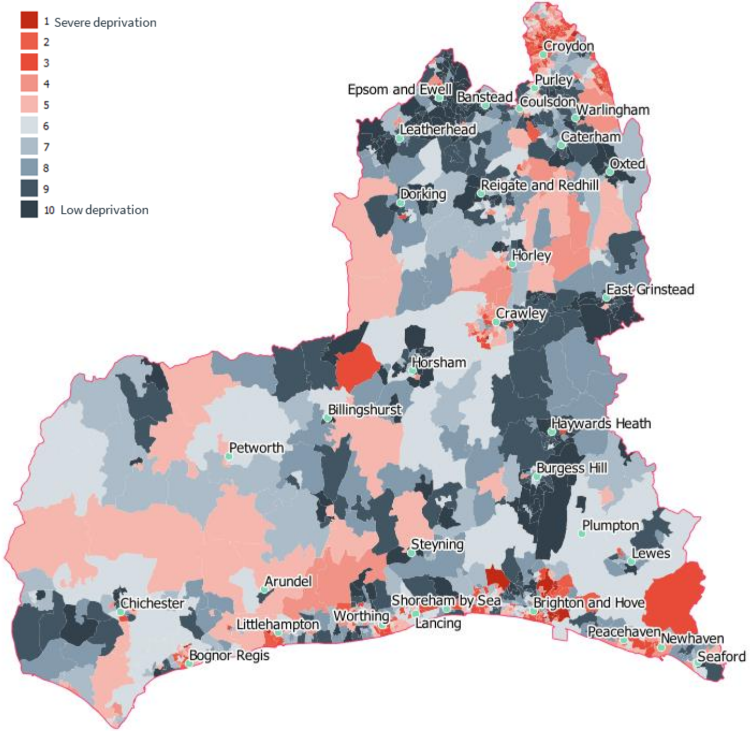
Coast to Capital rural residents' median weekly wages are £562 or 6% higher than those of their urban counterparts…

Distribution of Rural and Urban Land

Data Source: Defra Urban Rural Classification, 2011 (RUC)
Note: this data looks at the rural/urban distribution of land at the local authority level and not at the town centre level, which uses LSOA statistical boundaries to analyse the data.

Levels of deprivation are generally low, but there are small pockets of severe deprivation…

Deprivation Levels (2019)



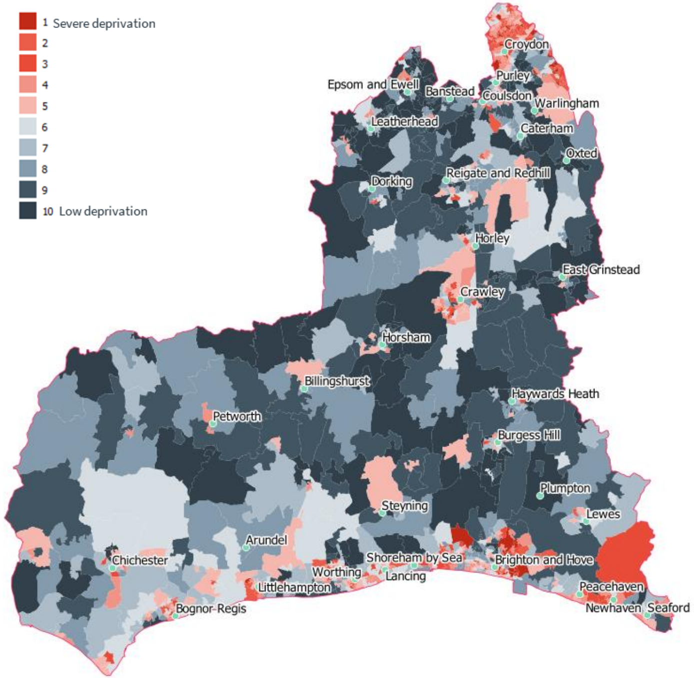
The Indices of Multiple Deprivation (IMD) ranks every small area in England from most (red) to least (blue) deprived, with consideration for a number of different Domains. Some of these are considered over the next pages.

Rank of proportion of LSOAs in most deprived 10% Nationally Out Of 39 LEPs	
Coast to Capital	33rd

Data Source: ONS, Indices of Multiple Deprivation, 2019

Coast to Capital has low levels of income poverty, but pockets of severe deprivation exist in relation to this measure…

Deprivation Levels – Income (2019)



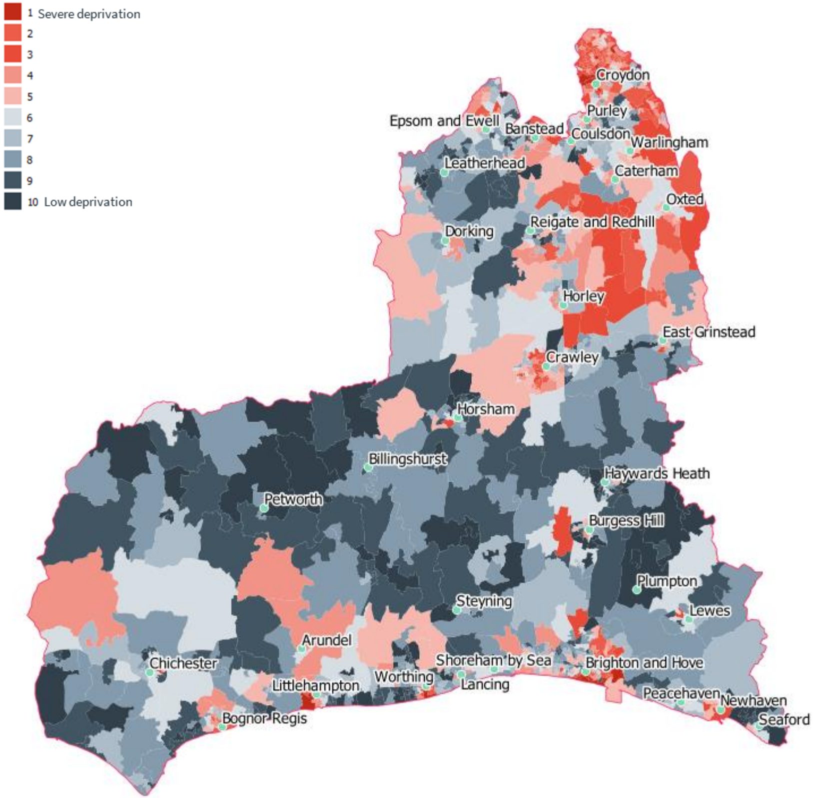
The Income Deprivation Domain measures deprivation relating to low income, including for people who are out of work, as well as those who are in work but have low earnings.

Rank of proportion of LSOAs in most deprived 10% Nationally Out Of 39 LEPs	
Coast to Capital	30th

Data Source: ONS, Indices of Multiple Deprivation, 2019

Crime deprivation is more pronounced around urban centres…

Deprivation Levels – Crime (2019)



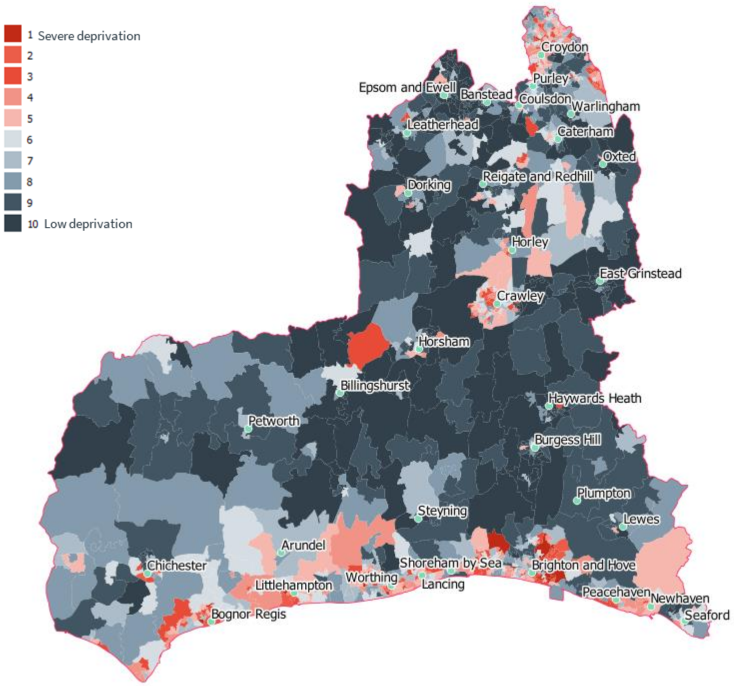
The Crime Domain measures the risk of personal and material victimisation at local level, incorporating factors such as reported violent crimes, burglaries, theft and criminal damage.

Rank of proportion of LSOAs in most deprived 10% Nationally Out Of 39 LEPs	
Coast to Capital	29th

Data Source: ONS, Indices of Multiple Deprivation, 2019

High health and disability deprivation can be observed on the southern coast, around Crawley, and in Croydon…

Deprivation Levels – Health Deprivation and Disability (2019)



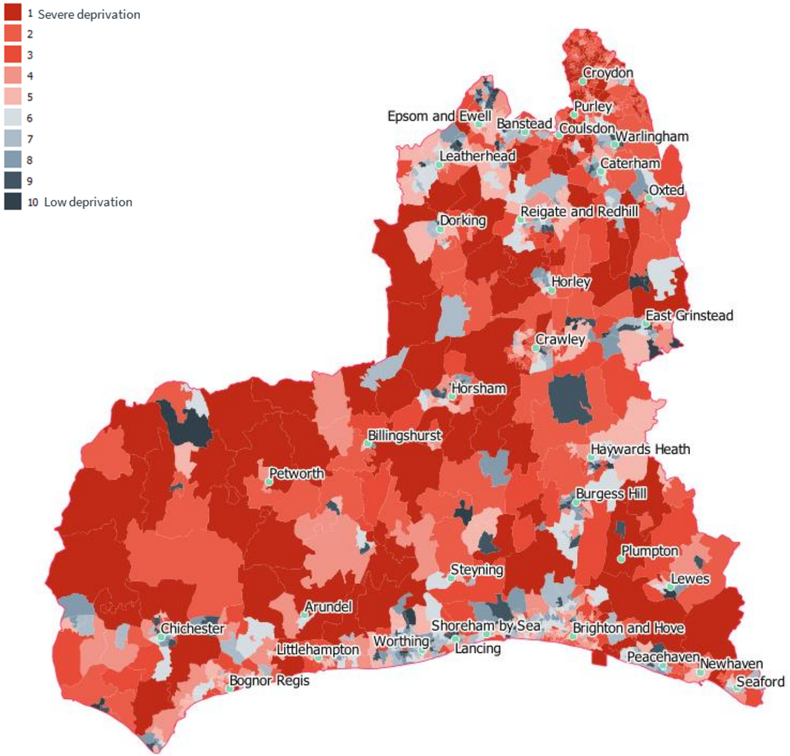
The Health Deprivation and Disability Domain measures the risk of premature death and the impairment of quality of life through poor physical or mental health.

Rank of proportion of LSOAs in most deprived 10% Nationally Out Of 39 LEPs	
Coast to Capital	30th

Data Source: ONS, Indices of Multiple Deprivation, 2019

Housing deprivation is a clear challenge across the Coast to Capital area, largely reflecting affordability issues…

Deprivation Levels – Barriers to Housing (2019)



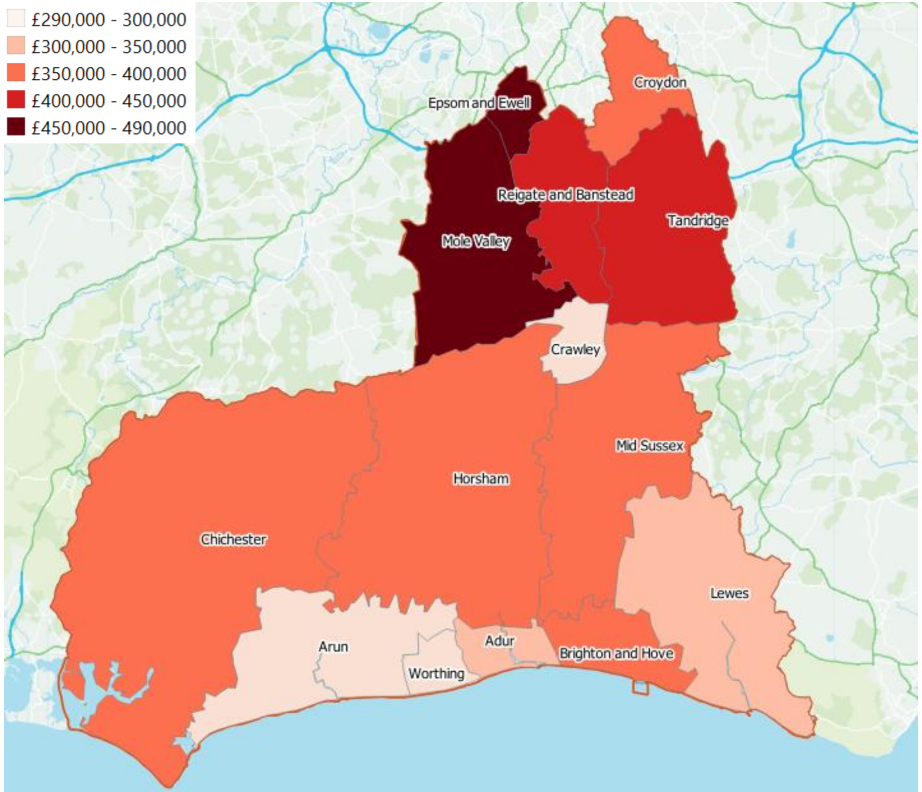
The Barriers to Housing & Services Domain measures distance to services such as post offices, supermarkets and GP surgeries, as well as household overcrowding, homelessness and housing affordability.

Rank of proportion of LSOAs in most deprived 10% Nationally Out Of 39 LEPs	
Coast to Capital	7th

Data Source: ONS, Indices of Multiple Deprivation, 2019

House prices vary across the area, but are consistently well above the national average…

Median House Prices by Local Authority, 2018

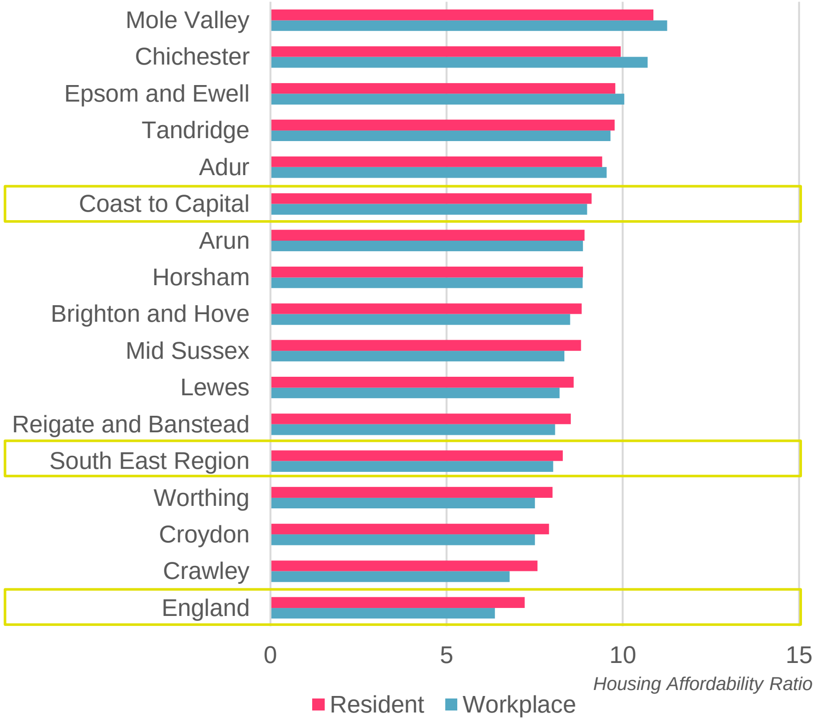


Median House Price, 2018	
Coast to Capital*	£370,000
South East Region*	£380,000
England	£240,000

Data Source: ONS, Median House Prices, 2018.
* Note: Coast to Capital median house price is derived from the median of house prices by local authority. The figure for the South East 2018 house price is based on a MHCLG average.

In 2018 median house prices in the area were 9 times higher than median resident earnings, which means it is more unaffordable than at the national and wider South East levels…

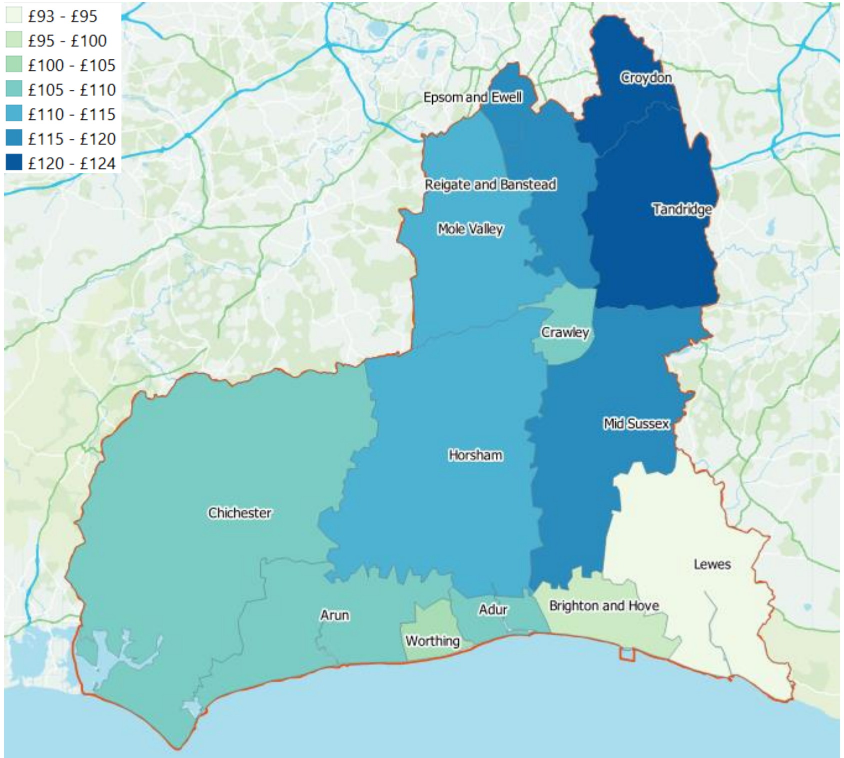
House Price to Annual Salary Ratio for Residents and Workforce, 2018



Data Source: ONS, House price to workplace/residence-based earnings ratio, 2018
Note: ONS did not provide any figure for Epsom and Ewell's annual salary for workers.
Example: Epsom and Ewell's resident annual house price to salary ratio indicates that house prices in this local authority are 13 times higher than resident earnings.

Weekly residential rents are higher than the national average in most areas of Coast to Capital…

Weekly Residential Rents by Local Authority (£ per week), 2018



National weekly rent, 2018 (£/week)	
Coast to Capital	£112
South East Region	£113
England	£ 96

Data Source: GOV UK, Private Registered Provider (PPP) rents by district, 2018
Note: The Coast to Capital and South East Region have been derived from the median of all local and unitary authorities within each respective area.

Weekly rent as a proportion of workers' and residents' weekly earnings is higher than the national average in nearly all local authority areas…

Weekly Rent as a Proportion of Residents' and Workers' Weekly Earnings, 2018

Data Source: ONS, Annual Survey of Earnings and Hours, Resident and Workplace Earnings, 2018.
Note: ONS did not provide any figure for Epsom and Ewell's annual salary for workers.
Note 2: Ordering of the graph is based on highest to lowest weekly rents as a proportion of residents' weekly earnings.

Wellbeing trends vary significantly by local authority…

Wellbeing Survey Results by Local Authority, 2018

More positive ↑ / Less positive ↓

Happy	Worthwhile	Life Satisfaction	Anxiety
Chichester 7.94	Chichester 8.21	Chichester 8.17	Tandridge 2.41
Mole Valley 7.92	Epsom and Ewell 8.09	Mid Sussex 8.02	Mole Valley 2.45
Mid Sussex 7.87	Crawley 8.07	Lewes 7.82	Mid Sussex 2.54
Epsom and Ewell 7.84	Mid Sussex 8.07	Mole Valley 7.82	Epsom and Ewell 2.68
Croydon 7.61	Lewes 8.01	Tandridge 7.75	Horsham 2.7
England 7.51	Mole Valley 7.95	Epsom and Ewell 7.69	Chichester 2.84
Tandridge 7.47	Croydon 7.86	Croydon 7.68	England 2.91
Horsham 7.46	England 7.86	England 7.68	Crawley 3.02
Arun 7.45	Adur 7.81	Horsham 7.66	Croydon 3.03
Crawley 7.38	Arun 7.75	Arun 7.64	Worthing 3.06
Lewes 7.38	Brighton and Hove 7.75	Worthing 7.64	Lewes 3.22
Brighton and Hove 7.37	Horsham 7.75	Crawley 7.63	Arun 3.23
Adur 7.32	Tandridge 7.74	Brighton and Hove 7.57	Brighton and Hove 3.35
Reigate and Banstead 7.14	Reigate and Banstead 7.73	Reigate and Banstead 7.5	Reigate and Banstead 3.41
Worthing 7.12	Worthing 7.66	Adur 7.31	Adur 3.68
Coast to Capital 7.12 - 7.94	Coast to Capital 7.66 – 8.21	Coast to Capital 7.31 – 8.17	Coast to Capital 2.41 – 3.68

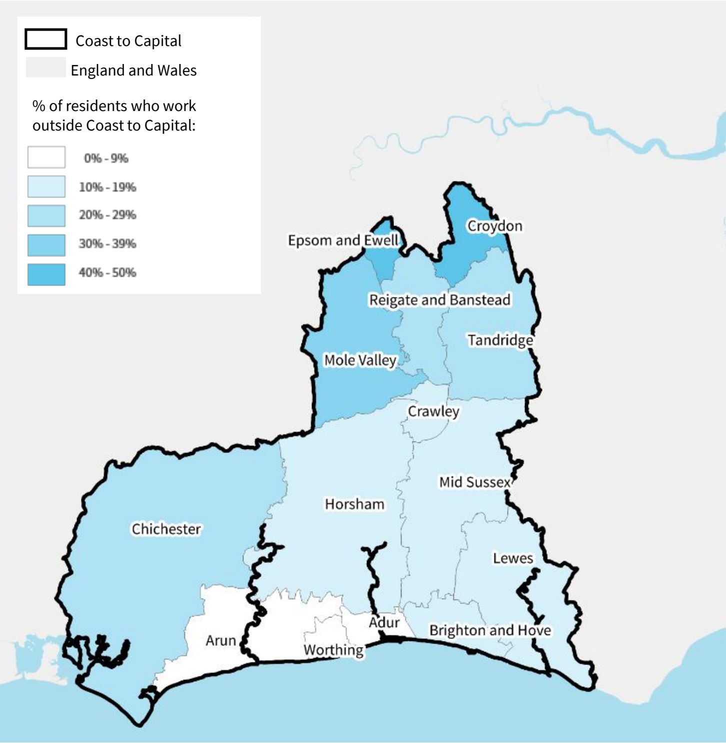
Survey Questions:

Happy	*Overall, how happy did you feel yesterday? Where 0 is 'not at all happy' and 10 is 'completely happy'.*
Worthwhile	*Overall, to what extent do you feel the things you do in your life are worthwhile? Where 0 is 'not at all worthwhile' and 10 is 'completely worthwhile'.*
Life Satisfaction	*Overall, how satisfied are you with your life nowadays? Where 0 is 'not at all satisfied' and 10 is 'completely satisfied'.*
Anxiety	*Overall, how anxious did you feel yesterday? Where 0 is 'not at all anxious' and 10 is 'completely anxious'.*

Data Source: ONS, Personal Well-Being Estimates, 2018

Around a quarter of residents living in Coast to Capital work outside the area…

Map of Residents Who Work Outside Coast to Capital, 2011



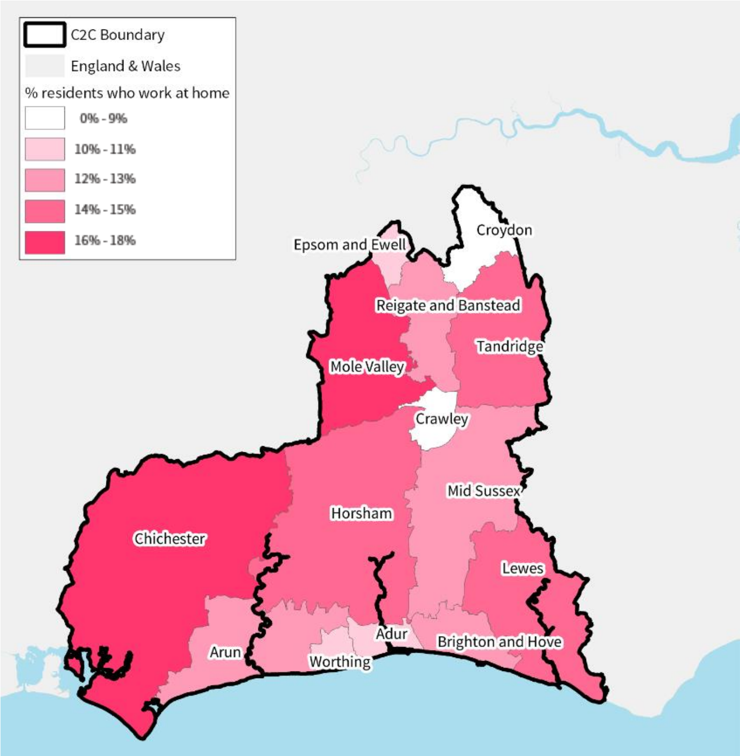
Coast to Capital Working Matrix, 2011

		Place of work			
		Work Outside Coast to Capital (No.)	Work Outside Coast to Capital (%)	Work Within Coast to Capital (No.)	Work Within Coast to Capital (%)
Place of Residence	Adur	1,578	5%	21,859	74%
	Arun	5,238	8%	47,440	70%
	Brighton & Hove	14,625	10%	95,016	68%
	Chichester	11,178	21%	28,457	53%
	Crawley	6,603	12%	41,254	74%
	Croydon	81,544	47%	59,065	34%
	Epsom & Ewell	18,673	49%	11,791	31%
	Horsham	8,801	13%	42,300	63%
	Lewes	6,768	15%	28,205	61%
	Mid Sussex	11,830	16%	45,315	62%
	Mole Valley	13,420	31%	18,396	43%
	Reigate & Banstead	19,571	27%	37,214	52%
	Tandridge	12,187	29%	19,342	46%
	Worthing	2,859	6%	38,159	75%
	Coast to Capital	126,563	22%	446,543	55%

Data Source: ONS, Census, 2011

Chichester, Mole Valley and Tandridge have some of the highest proportions of home-workers…

Map of Residents Who Work at Home, 2011



Coast to Capital Home - Working Matrix, 2011

		Place of work	
		Working from Home (No.)	Working from Home (%)
Place of Residence	Adur	3,055	10%
	Arun	8,688	13%
	Brighton & Hove	17,665	13%
	Chichester	9,007	17%
	Crawley	3,724	7%
	Croydon	15,887	9%
	Epsom & Ewell	4,197	11%
	Horsham	9,933	15%
	Lewes	6,481	14%
	Mid Sussex	9,685	13%
	Mole Valley	6,930	16%
	Reigate & Banstead	8,658	12%
	Tandridge	6,579	15%
	Worthing	5,371	11%
	Coast to Capital	**93,492**	**11%**
	London	387,501	10%

Data Source: ONS, Local Area Migration Data, 2011

The proportion of urban open space in Coast to Capital varies significantly by local authority…

Urban Open Space as % of All Local Authority Area, 2019

	Urban Open space as % of all urban area
Epsom and Ewell	21%
Croydon	20%
Crawley	11%
Worthing	11%
Brighton & Hove	10%
Reigate and Banstead	8%
Tandridge	5%
Coast to Capital	**4%**
Mole Valley	4%
Mid Sussex	3%
Adur	3%
Lewes	3%
England	**2%**
Horsham	2%
Arun	2%
Chichester	2%

Urban open space refers to recreational and leisure features, including public parks and gardens, sporting grounds and fields, cemeteries and allotments. It does not include national parks. Urban open space coverage has been calculated using the area of urban open space as a proportion of each local authority's area.

Data Source: Ordnance Survey Green Space Layer, 2019

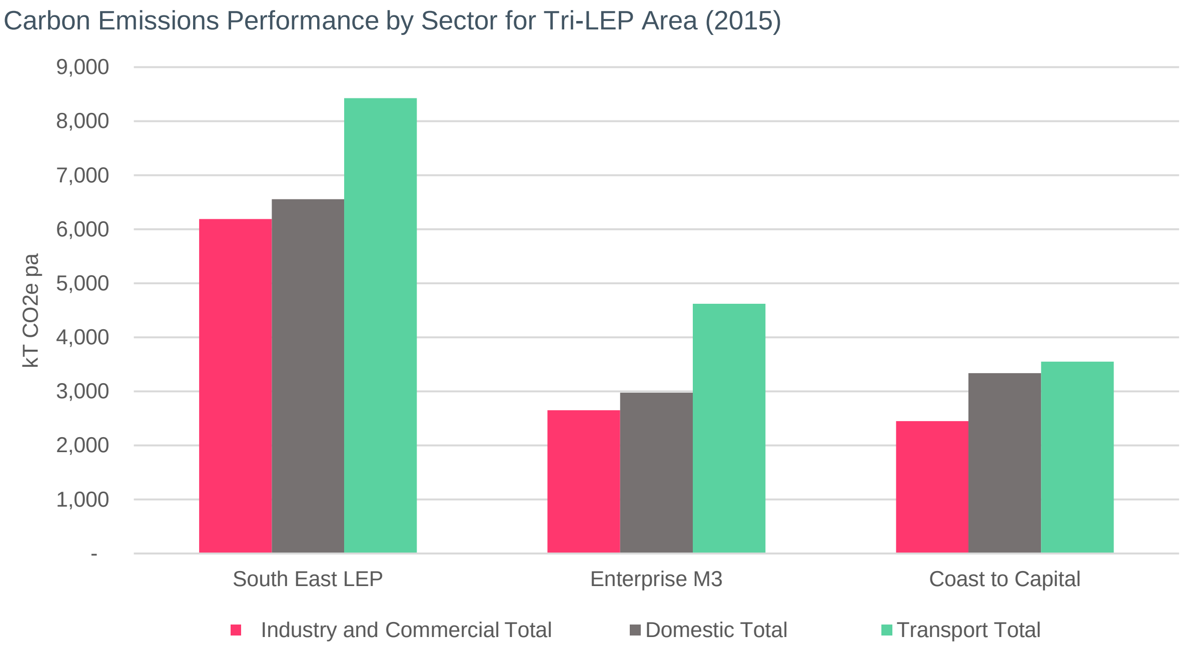
Most local authorities perform less well than the national average in relation to air pollution levels…

Air Pollution

	Air Pollution: fine particulate matter (µg/m³) (2016)	% of mortality attributable to particulate air pollution (2017)
Croydon	11.0	6.2%
Epsom and Ewell	10.6	5.9%
Brighton and Hove	10.2	5.8%
Crawley	10.1	5.8%
Reigate and Banstead	9.9	5.6%
Worthing	9.8	5.6%
Adur	9.8	5.6%
Coast to Capital	**9.8 ***	**5.6% ***
Mole Valley	9.6	5.5%
Tandridge	9.5	5.5%
Mid Sussex	9.3	5.4%
England	**9.3**	**5.1%**
Horsham	9.1	5.3%
Arun	9.1	5.2%
Lewes	8.9	5.2%
Chichester	8.8	5.0%

Data Source: Public Health England, 2019
Note: Coast to Capital figure has been replaced by the figure for the South East region due to unavailable data.
Note 2: A 24-hour concentration of fine particulate matter is considered unhealthy when it rises above 35.4 µg/m3. On a clear and non-hazy day the concentration of fine particulate matter can be as low as 5 µg/m3.

Transport accounts for the majority of emissions across three neighbouring LEP areas, although by a narrower margin when compared with domestic emissions in Coast to Capital



Data Source: Energy South2East Local Energy Strategy, 2019

Focus On: Urban Centres

Detailed research is currently being undertaken into Coast to Capital's Urban Centres.

The research focuses on their economic function and contribution, their growth potential, impediments to success and the support requirements to deliver growth ambitions.

For the purpose of the assessment, Urban Centres have been defined using an ONS definition of urban areas as places of 10,000 people or more. Boundaries have been created for Coast to Capital's Urban Centres to enable statistical analysis of each centre's performance. Lower Super Output Areas (LSOAs) have been used to create best fit statistical geography to analyse performance. This includes the wider built-up area rather than the town centre to understand the different functions and diversity of Coast to Capital's centres. The full report can be found on the Coast to Capital website here.

Coast to Capital is home to a diverse network of 29 Urban Centres. These accommodate a large proportion of the population and economy…

29 centres with more than 10,000 people

1.4m residents: over 70% of the Coast to Capital population

90% of office floorspace, 85% of retail floorspace, 82% industrial floorspace

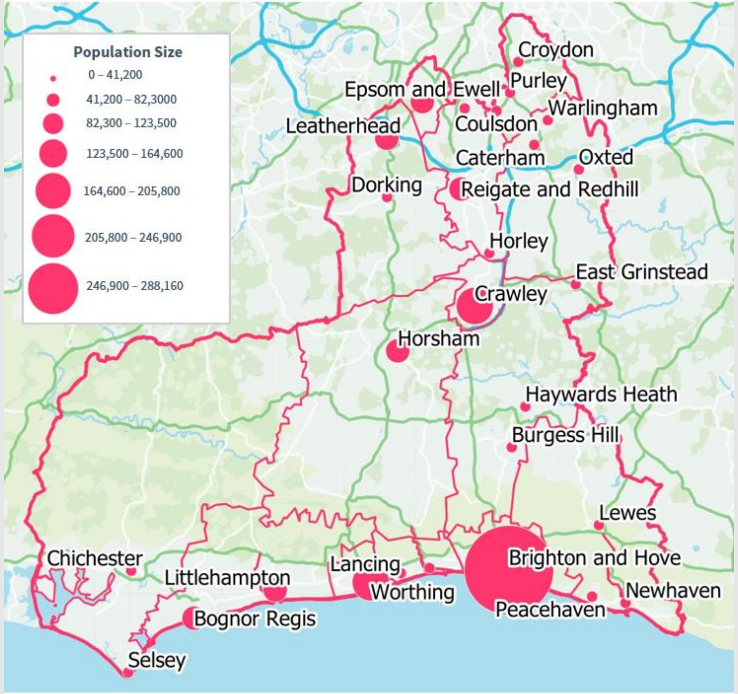
Over 0.5 million jobs: 70% of LEP jobs

Number of urban centres growing, via urban extensions and new town proposals

Data Source: Coast to Capital Urban Centres Research by Hatch Regeneris, 2019

The ten most populated Urban Centres account for 70% of the total Coast to Capital Urban Centre population…

Population* Size by Urban Centre, 2017



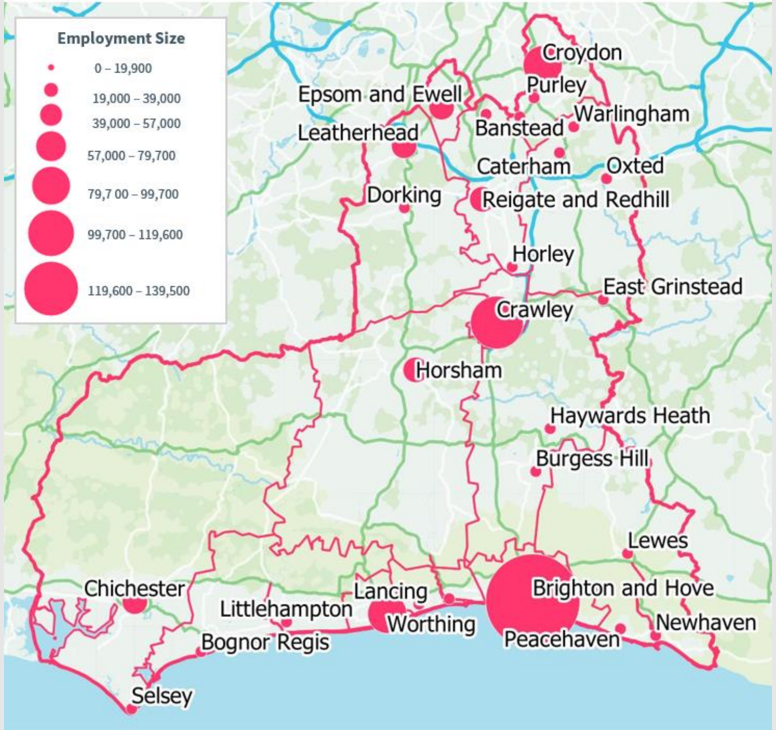
Ranking of Urban Centres by Population (2017)

Urban Centre	Population, 2017
Brighton and Hove	288,160
Crawley	109,790
Worthing	109,630
Epsom and Ewell	79,000
Bognor Regis	70,170
Littlehampton	61,870
Horsham	54,570
Reigate and Redhill	50,210
Leatherhead	44,380
Croydon	37,980
Banstead	37,670
Haywards Heath	36,100
Shoreham by Sea	32,510
Burgess Hill	31,160
Chichester	29,210
Purley	25,250
Horley	24,580
Seaford	24,500
Lancing	23,910
East Grinstead	23,030
Coulsdon	20,490
Caterham	20,370
Peacehaven	18,580
Lewes	17,880
Dorking	16,480
Newhaven	12,980
Selsey	10,710
Oxted	9,980
Warlingham	9,520

Data Source: ONS, Mid-Year Population Estimates, 2017.
* Note: Population figures are for a defined urban centre using LSOA data and are not the total population figure for the local authority.
For more information on how urban centres were definedon how urban centres were defined, please refer to Coast to Capital's Urban Centres Research.

Ten of the Urban Centres account for 75% of all Urban Centre employment, with Brighton & Hove and Crawley alone accounting for 34% of jobs…

Employment Size by Urban Centre, 2017



Ranking of Urban Centres by Employment Size (2017)

Urban Centre	Employment, 2017
Brighton and Hove	139,495
Crawley	68,800
Worthing	48,950
Croydon	46,000
Reigate and Redhill	31,050
Epsom and Ewell	30,290
Chichester	26,350
Leatherhead	26,150
Horsham	23,525
Bognor Regis	18,990
Littlehampton	17,395
Burgess Hill	15,425
Haywards Heath	14,075
Lewes	12,355
Shoreham by Sea	11,385
East Grinstead	10,725
Dorking	10,450
Banstead	10,350
Lancing	8,825
Purley	8,250
Caterham	7,100
Horley	6,975
Coulsdon	5,725
Newhaven	5,700
Seaford	4,975
Oxted	4,250
Selsey	3,430
Peacehaven	2,825
Warlingham	2,425

Data Source: ONS, BRES, Employment, 2017.

Economic density in most of the Urban Centres is comparatively low. Partly reflecting this, many of the Urban Centres are net exporters of labour…

Ranking of Urban Centres by Jobs to Working Age Population Ratio, 2017

Urban Centre	Ratio, 2017
Croydon	1.2
Chichester	0.9
Lewes	0.7
Dorking	0.6
Crawley	0.6
Reigate and Redhill	0.6
Leatherhead	0.6
Burgess Hill	0.5
Brighton and Hove	0.5
Coast to Capital Urban Centre Average	**0.5**
East Grinstead	0.5
Worthing	0.4
Newhaven	0.4
Horsham	0.4
Oxted	0.4
Haywards Heath	0.4
Epsom and Ewell	0.4
Lancing	0.4
Shoreham by Sea	0.4
Caterham	0.3
Purley	0.3
Selsey	0.3
Horley	0.3
Littlehampton	0.3
England	**0.3**
Coulsdon	0.3
Banstead	0.3
Bognor Regis	0.3
Warlingham	0.3
Seaford	0.2
Peacehaven	0.2

Data Source: ONS, BRES, 2017, and ONS, Mid-Year Annual Population Survey, 2017

Ranking of Commuting Flows by Net Change, 2011

	Inflow	Outflow	Net change
Crawley	43,230	19,140	24,089
Chichester	24,300	16,320	7,975
Mole Valley	23,810	19,750	4,055
Worthing	16,700	17,900	- 1,200
Reigate and Banstead	32,540	35,930	- 3,390
Brighton and Hove	31,920	37,310	- 5,395
Lewes	14,420	19,930	- 5,510
Adur	9,360	16,460	- 7,190
Epsom and Ewell	15,240	20,350	- 7,810
Tandridge	13,950	22,670	- 8,720
Horsham	16,730	26,850	-10,130
Mid Sussex	20,410	31,940	- 11,530
Arun	8,970	27,390	-18,421
Croydon	39,910	92,620	-52,709
Coast to Capital	**280,350**	**366,740**	**- 86,390**

Note: the figures in pink show which local authorities have more net out-commuters than in-commuters.
Data Source: ONS, Census, 2011

While all of the Urban Centres have experienced population growth since 2012, recent economic performance has been more mixed...

Ranking of Urban Centres by population and employment growth (2012-2017)

Population Growth (2012-2017)	
Croydon	17%
Horley	10%
Haywards Heath	9%
Horsham	8%
Chichester	7%
Bognor Regis	7%
Caterham	6%
Reigate and Redhill	6%
Peacehaven	5%
Warlingham	5%
Epsom and Ewell	5%
Newhaven	5%
Brighton and Hove	5%
Shoreham by Sea	4%
Worthing	4%
Seaford	4%
Littlehampton	4%
East Grinstead	3%
Crawley	3%
Coulsdon	3%
Banstead	3%
Dorking	3%
Purley	3%
Burgess Hill	3%
Lewes	2%
Oxted	2%
Lancing	2%
Leatherhead	1%
Selsey	0.6%

Employment Growth (2012-2017)	
Lancing	18%
Newhaven	18%
Purley	17%
Coulsdon	14%
Horley	11%
Crawley	10%
Shoreham by Sea	10%
Dorking	10%
Brighton and Hove	9%
Reigate and Redhill	8%
Seaford	8%
Lewes	8%
Burgess Hill	7%
Bognor Regis	7%
Worthing	6%
Littlehampton	6%
Horsham	5%
Peacehaven	5%
Warlingham	3%
Croydon	3%
Caterham	2%
Epsom and Ewell	-1%
Selsey	-2%
East Grinstead	-5%
Oxted	-7%
Leatherhead	-8%
Haywards Heath	-12%
Chichester	-12%
Banstead	-21%
Coast to Capital Urban Centres Average	4%
England	10%

Data Source: ONS, BRES, Population Estimates, 2017

Urban Centres accommodate a diverse range of economic sectors and activities, but the average proportion of 'knowledge intensive' employment falls below the national average…

Ranking of Urban Centres by Share of knowledge economy jobs and Sector Deal Employment Sectors, 2017

Knowledge economy	
Leatherhead	37%
Reigate and Redhill	33%
Croydon	29%
Burgess Hill	29%
Dorking	25%
Lancing	23%
Brighton and Hove	23%
Horsham	23%
Haywards Heath	22%
Coulsdon	21%
Epsom and Ewell	21%
East Grinstead	19%
Purley	19%
Oxted	19%
Crawley	17%
Banstead	16%
Shoreham by Sea	15%
Chichester	15%
Horley	14%
Caterham	14%
Steyning	13%
Peacehaven	12%
Worthing	12%
Lewes	11%
Seaford	11%
Warlingham	10%
Newhaven	9%
Bognor Regis	9%
Littlehampton	8%

Creative Industries	
Coulsdon	9%
Shoreham by Sea	7%
Lewes	6%
Leatherhead	6%
Horley	6%
Brighton and Hove	5%
Horsham	5%
East Grinstead	5%
Croydon	5%
Epsom and Ewell	5%
Reigate and Redhill	5%
Chichester	5%
Purley	4%
Dorking	4%
Banstead	3%
Caterham	3%
Oxted	3%
Warlingham	3%
Haywards Heath	3%
Seaford	3%
Peacehaven	3%
Crawley	2%
Worthing	2%
Burgess Hill	2%
Bognor Regis	2%
Newhaven	2%
Littlehampton	2%
Lancing	2%
Steyning	1%

Tourism	
Shoreham by Sea	37%
Bognor Regis	21%
Brighton and Hove	15%
Warlingham	15%
Horley	14%
Dorking	14%
Oxted	13%
Peacehaven	13%
Lewes	13%
Crawley	12%
Epsom and Ewell	11%
Seaford	11%
Lancing	11%
Littlehampton	10%
Horsham	10%
Chichester	10%
Banstead	10%
Haywards Heath	9%
Caterham	9%
Worthing	9%
Reigate and Redhill	8%
East Grinstead	8%
Croydon	8%
Newhaven	8%
Burgess Hill	7%
Purley	7%
Coulsdon	6%
Leatherhead	5%
Steyning	2%

Data Source: ONS, BRES, Employment, 2017.
Note: Some Sector Deal employment sectors have not been included here as the proportion of employment in the aerospace, automotive and life sciences sectors is null in most of Coast to Capital's Urban Centres.

The retail, cultural & civic function of Urban Centres defines their economic role and performance but high street vitality is coming under increasing pressure…

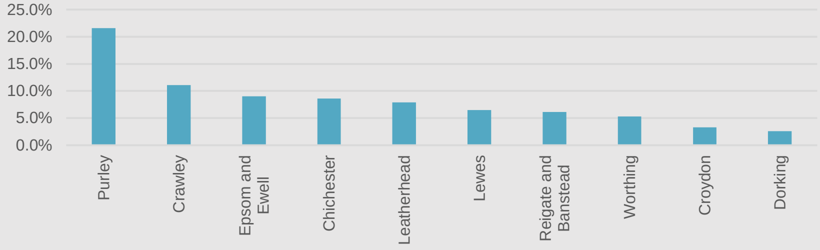
Rank	2019 Vacancy Rate (% of Town Centre Units)	
1	Croydon	21.4
2	Newhaven	19
3	Ewell	17.1
4	Lewes	15.9
5	Redhill	12.7
6	Billingshurst	11.8
7	Steyning	11.8
	Great Britain	**11.7**
8	Purley	11.6
9	Worthing	11.4
10	Littlehampton	11.1
11	Burgess Hill	11
	South East	**10.9**
12	Petworth	10.8
13	Peacehaven	10.6
14	Crawley	10.3
15	Dorking	9.7
16	Horsham	9.5
17	Coulsdon	9.4
18	Caterham	9.3
19	Epsom	9.2
20	Lancing	9.0
21	Shoreham-by-Sea	8.6
22	Leatherhead	8
23	Horley	7.9
24	Bognor Regis	7.7
25	Chichester	7.3
26	Banstead	7.1
27	Brighton and Hove	6.7
28	Arundel	6.2
29	Reigate	5.3
30	Seaford	5.1
31	East Grinstead	4.7
32	Haywards Heath	4.3
33	Oxted	3.9

Rank	2019 Vacancy Rate (% of Town Centre Units)			
		2014	2019	% Point Change
1	Ewell	7.9	17.1	9.2
2	Steyning	4.4	11.8	7.4
3	Lewes	9.0	15.9	6.9
4	Croydon	16.6	21.4	4.8
5	Billingshurst	7.7	11.8	4.1
6	Petworth	7.3	10.8	3.5
7	Littlehampton	8.2	11.1	2.9
8	Shoreham-by-Sea	6.4	8.6	2.2
9	Lancing	7.4	9.0	1.6
10	Reigate	3.7	5.3	1.6
11	Epsom	7.8	9.2	1.4
12	Horsham	8.1	9.5	1.4
13	Oxted	2.6	3.9	1.3
14	Worthing	10.1	11.4	1.3
15	Dorking	8.6	9.7	1.1
16	Peacehaven	9.5	10.6	1.1
17	Banstead	6.0	7.1	1.1
18	Newhaven	18.6	19	0.4
19	Arundel	5.9	6.2	0.3
20	Chichester	7.4	7.3	-0.1
21	Caterham	9.4	9.3	-0.1
	Great Britain	**11.9**	**11.7**	**-0.2**
22	Leatherhead	8.3	8	-0.3
23	Coulsdon	9.7	9.4	-0.3
24	Redhill	13.2	12.7	-0.5
	South East	**11.1**	**10.2**	**-0.9**
25	Brighton and Hove	7.7	6.7	-1.0
26	Burgess Hill	12.4	11	-1.4
27	Seaford	6.8	5.1	-1.7
28	Purley	13.7	11.6	-2.1
29	East Grinstead	8.0	4.7	-3.3
30	Crawley	13.6	10.3	-3.3
31	Haywards Heath	8.8	4.3	-4.5
32	Bognor Regis	12.9	7.7	-5.2
33	Horley	13.2	7.9	-5.3

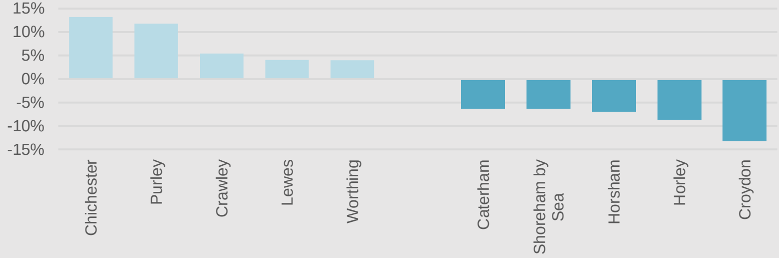
Data Source: Local Data Company, 2019

There are significant constraints in the supply of commercial property across the Urban Centres, with lower than ideal levels of capacity…

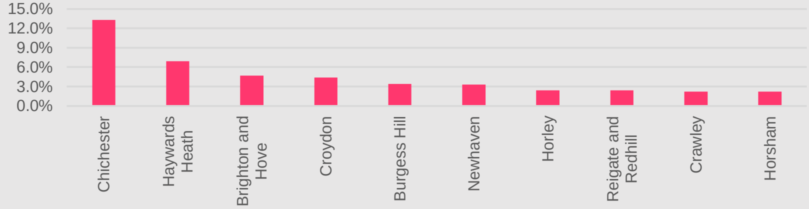
Top 10: Highest Office Vacancy Rates, 2018



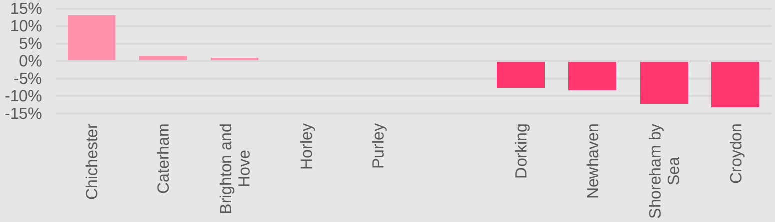
Top and Bottom 5: Office Vacancy Change, 2013-2018



Top 10: Highest Industrial Vacancy Rates, 2018



Top and Bottom 5: Industrial Vacancy Change, 2013-2018



Data Source: Co-Star, 2019

While the Urban Centres benefit from a relatively well qualified population, there are significant localised socio-economic challenges…

% of residents with NVQ 4+ qualifications, 2011

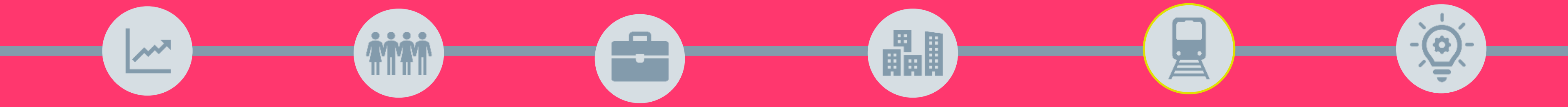
Urban Centre	% NVQ Level 4+
Lewes	43%
Reigate and Redhill	41%
Oxted	41%
Purley	41%
Croydon	40%
Leatherhead	39%
Haywards Heath	39%
Dorking	38%
Brighton and Hove	37%
Epsom and Ewell	36%
Chichester	33%
Horsham	32%
Caterham	32%
Banstead	32%
Coulsdon	31%
Warlingham	30%
East Grinstead	29%
Burgess Hill	27%
Seaford	27%
Shoreham by Sea	26%
Worthing	26%
Horley	26%
Littlehampton	22%
Crawley	22%
Bognor Regis	21%
Newhaven	19%
Selsey	18%
Peacehaven	18%
Lancing	17%

Ranking by Proportion of 50% Most Deprived LSOAs Nationally Within Each Urban Centre, 2019

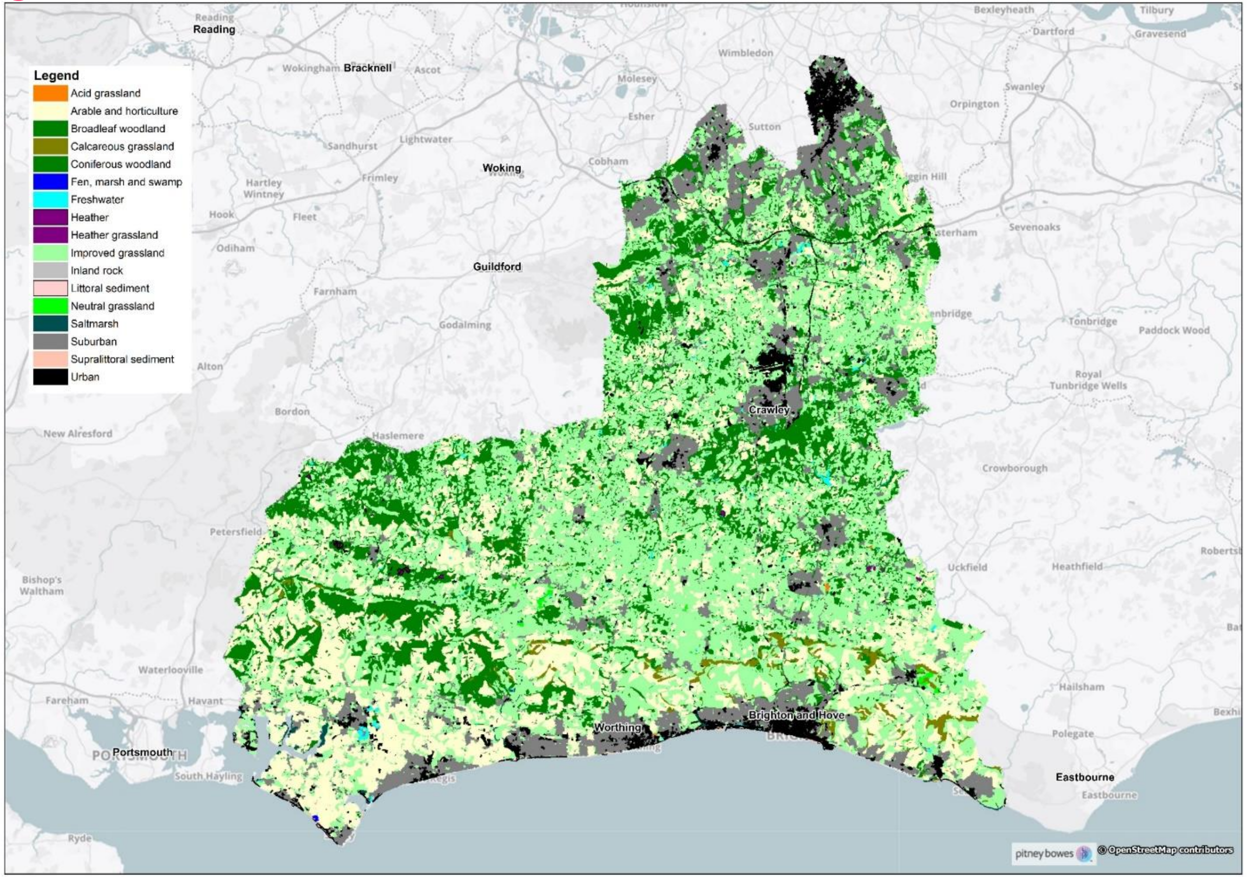
Urban Centre	Proportion of Deprivation
Newhaven	88%
Croydon	82%
Crawley	58%
Peacehaven	55%
Selsey	50%
Brighton and Hove	44%
Lancing	44%
Shoreham by Sea	43%
Worthing	42%
Bognor Regis	41%
Littlehampton	39%
Chichester	38%
Horley	29%
Purley	27%
Coulsdon	23%
Seaford	20%
East Grinstead	15%
Banstead	13%
Reigate and Redhill	11%
Dorking	10%
Lewes	9%
Epsom and Ewell	7%
Horsham	6%
Burgess Hill	5%
Haywards Heath	5%
Leatherhead	3%
Caterham	0%
Oxted	0%
Warlingham	0%

Data source: ONS, Census, 2011 and Indices of Multiple Deprivation, 2019.

Infrastructure

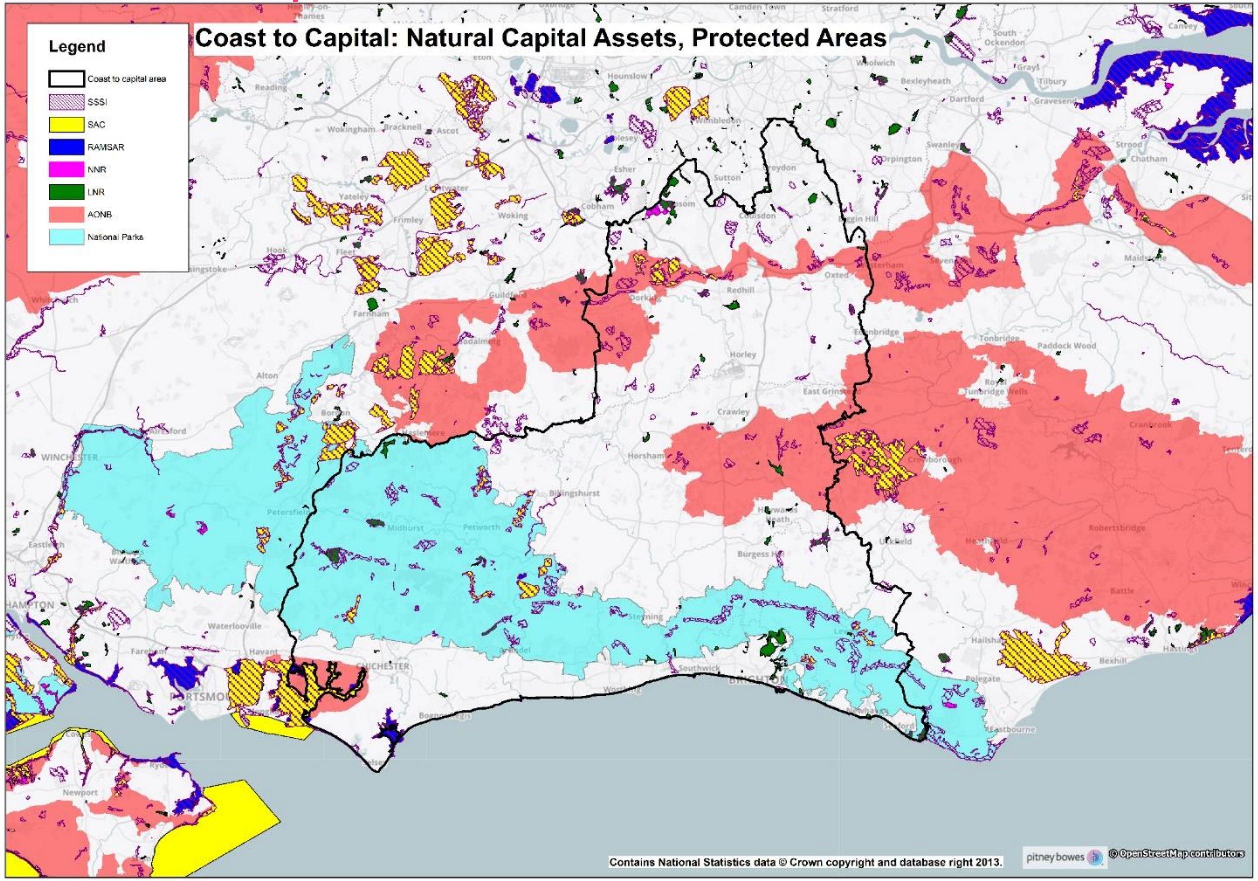


Natural Capital assets present an opportunity to support sustainable growth and carbon reduction…



Data Source: Centre for Ecology and Hydrology (CEH) 2017

There are a significant number of protected designations across Coast to Capital…

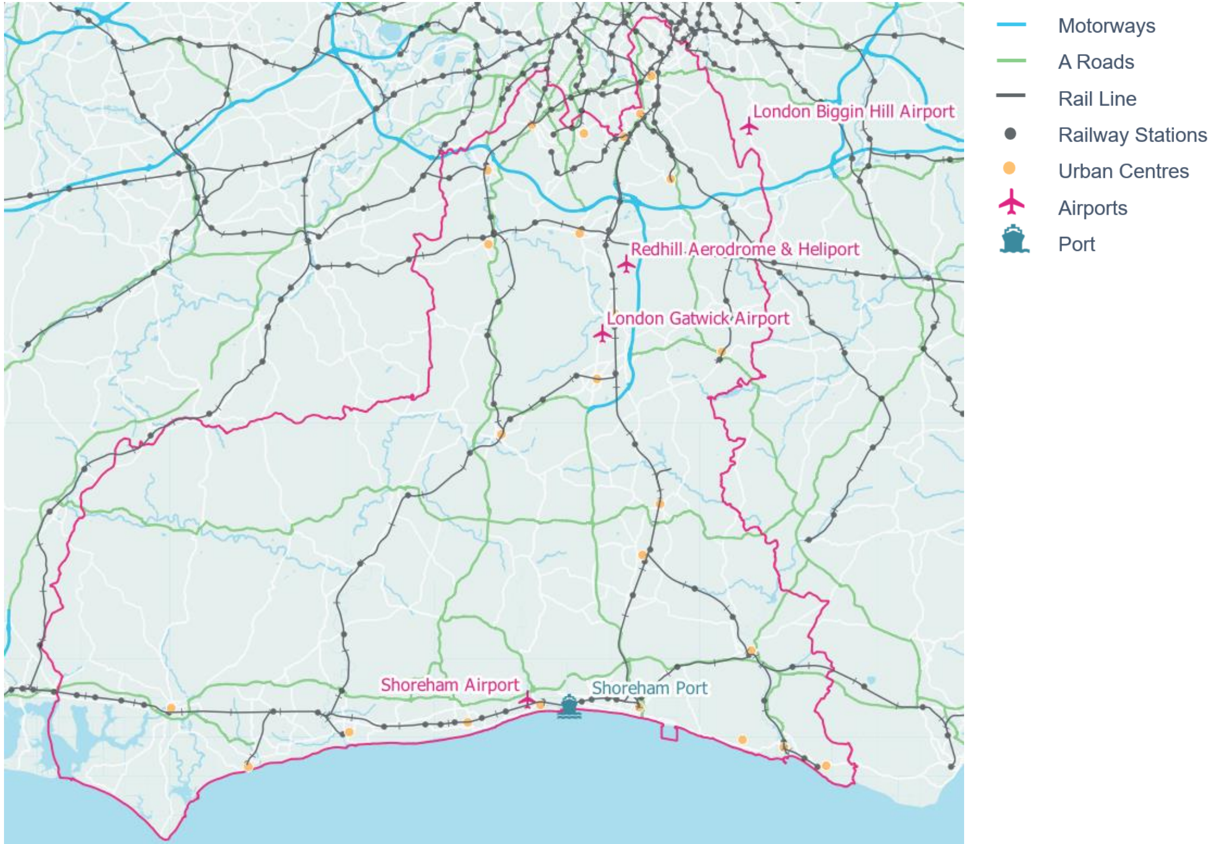


Legend key	
SSSI	Site of Specific Scientific Interest
SAC/SPA	Special Areas of Conservation/Special Protection Areas
RAMSAR	Ramsar site (https://www.ramsar.org/
NNR	National Nature Reserve
LNR	Local Nature Reserve
AONB	Area of Outstanding Natural Beauty
National Parks	National Parks

Data Source: Centre for Ecology and Hydrology (CEH) 2017

HATCH REGENERIS

Coast to Capital has strong and strategically important transport infrastructure…



Data Source: Hatch Regeneris, 2019

Coast to Capital Urban Centres have varying accessibility by public transport…

Population Within a 45 min Public Transport Catchment of the Urban Centre (AM Peak Time)

Urban Centre	Population
Croydon	1,626,510
Purley	550,750
Brighton and Hove	496,460
Epsom and Ewell	478,830
Haywards Heath	465,840
Coulsdon	462,250
Shoreham by Sea	375,510
Horley	374,750
Banstead	331,420
Horsham	276,810
Lewes	258,510
Caterham	255,710
Leatherhead	240,450
Warlingham	239,910
Crawley	230,700
Worthing	191,480
Lancing	179,620
Reigate and Redhill	177,190
Littlehampton	156,550
Burgess Hill	151,950
Chichester	147,160
Bognor Regis	114,960
Seaford	113,680
Peacehaven	102,470
Newhaven	81,450
East Grinstead	65,260
Dorking	48,860
Oxted	36,030
Selsey	35,070

Public Transport Catchment Mapping (Brighton example)

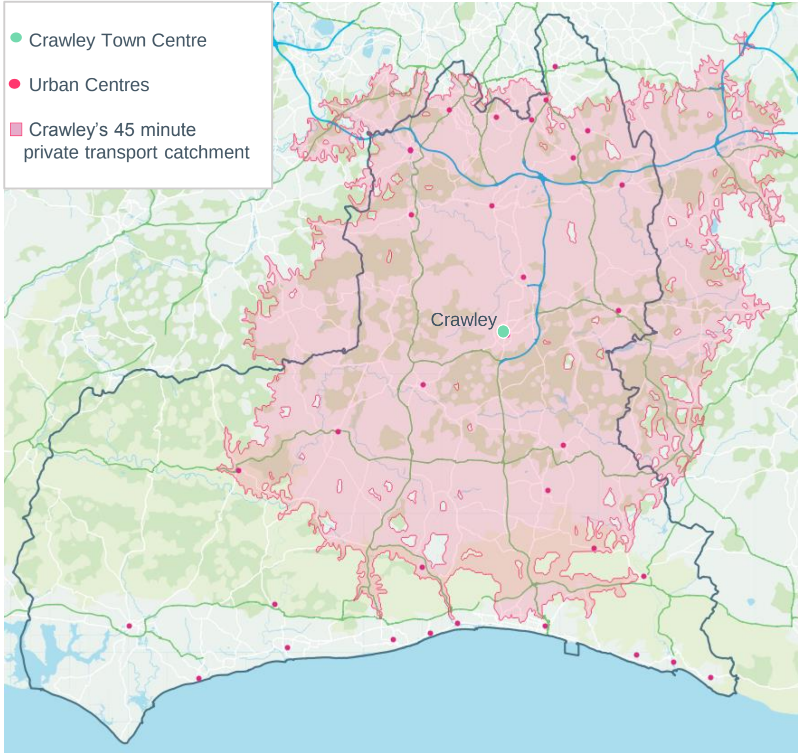
Data Source: iGeolise, ONS, Mid-Year Population Estimates
Note: The area in pink on the map represents the 45 minute public transport-travel catchment area from Brighton's town centre.
Note 2: The table figures show how many people live within the 45-minute travel catchment boundary.

Coast to Capital Urban Centres have varying accessibility by private transport (car)…

Population Within a 45 min Private Transport Catchment of the Urban Centre (AM Peak Time)

Urban Centre	Population
Leatherhead	3,655,760
Epsom and Ewell	3,161,010
Reigate and Redhil	2,882,010
Banstead	2,725,080
Caterham	2,707,020
Dorking	2,428,430
Coulsdon	2,310,620
Horley	1,841,650
Purley	1,706,230
Crawley	1,587,740
Croydon	1,576,330
East Grinstead	1,505,560
Horsham	1,349,990
Haywards Heath	1,258,430
Burgess Hill	1,165,320
Lewes	1,154,290
Shoreham by Sea	1,037,870
Lancing	981,210
Worthing	922,270
Newhaven	912,490
Chichester	873,000
Brighton and Hove	759,780
Peacehaven	707,810
Seaford	676,800
Littlehampton	620,040
Bognor Regis	513,880
Warlingham	437,690
Oxted	342,630
Selsey	264,385

Private Transport Catchment Mapping (Crawley Example)



Data Source: iGeolise, ONS, Mid-Year Population Estimates, 2018
Note: The area in pink on the map represents the 45 minute private transport-travel catchment area from Crawley's town centre.
Note 2: The table figures show how many people live within the 45-minute travel catchment boundary.

The LEP's busiest stations are Gatwick Airport, Brighton, Haywards Heath, Epsom and Redhill…

Top 3 Busiest Rail Stations by Local Authority (Ranked out of 2,563 Stations in Great Britain), 2017/18

	Station 1	Station 2	Station 3
Adur	**Shoreham-By-Sea** (459)	**Lancing** (607)	**Southwick** (1,196)
Arun	**Bognor Regis** (544)	**Barnham** (581)	**Littlehampton** (598)
Brighton and Hove	**Brighton** (26)	**Hove** (264)	**Falmer** (413)
Chichester	**Chichester** (203)	**Southborne** (1,457)	**Nutbourne** (1,807)
Crawley	**Gatwick Airport** (22)	**Three Bridges** (179)	**Crawley** (346)
Croydon	**East Croydon** (18)	**West Croydon** (90)	**Norwood Junction** (113)
Epsom and Ewell	**Epsom** (132)	**Ewell West** (398)	**Stoneleigh** (560)
Horsham	**Horsham** (218)	**Billingshurst** (938)	**Pulborough** (1,112)
Lewes	**Lewes** (239)	**Seaford** (773)	**Newhaven Town** (1,221)
Mid Sussex	**Haywards Heath** (110)	**Burgess Hill** (322)	**East Grinstead** (379)
Mole Valley	**Leatherhead** (296)	**Dorking** (445)	**Ashtead** (449)
Reigate and Banstead	**Redhill** (150)	**Reigate** (462)	**Horley** (572)
Tandridge	**Oxted** (372)	**Caterham** (555)	**Upper Warlingham** (559)
Worthing	**Worthing** (261)	**West Worthing** (735)	**Durrington-on-Sea** (795)

Top 3 Busiest Rail Stations by Local Authority (Number of Passengers Entering and Exiting the Station), 2017/18

	Station 1	Station 2	Station 3
Adur	***Shoreham-By-Sea*** *(1,235,214)*	***Fishersgate*** *(115,122)*	***Lancing*** *(887,496)*
Arun	***Bognor Regis*** *(1,038,020)*	***Barnham*** *(954,750)*	***Littlehampton*** *(912,710)*
Brighton and Hove	***Brighton*** *(16,928,828)*	***Hove*** *(2,232,664)*	***Falmer*** *(1,386,876)*
Chichester	***Chichester*** *(2,841,842)*	***Southborne*** *(176,396)*	***Nutbourne*** *(83,716)*
Crawley	***Gatwick Airport*** *(20,328,212)*	***Three Bridges*** *(3,069,270)*	***Crawley*** *(1,716,800)*
Croydon	***East Croydon*** *(23,634,208)*	***West Croydon*** *(5,371,898)*	***Norwood Junction*** *(4,374,788)*
Epsom and Ewell	***Epsom*** *(3,918,526)*	***Ewell West*** *(1,428,249)*	***Stoneleigh*** *(1,001,408)*
Horsham	***Horsham*** *(2,689,774)*	***Billingshurst*** *(458,618)*	***Pulborough*** *(367,560)*
Lewes	***Lewes*** *(2,477,694)*	***Seaford*** *(627,538)*	***Newhaven Town*** *(280,712)*
Mid Sussex	***Haywards Heath*** *(4,392,522)*	***Burgess Hill*** *(1,819,774)*	***East Grinstead*** *(1,514,562)*
Mole Valley	***Leatherhead*** *(1,964,658)*	***Dorking*** *(1,287,506)*	***Ashtead*** *(1,264,880)*
Reigate and Banstead	***Redhill*** *(3,553,742)*	***Reigate*** *(1,223,378)*	***Horley*** *(971,834)*
Tandridge	***Oxted*** *(1,571,614)*	***Caterham*** *(1,011,822)*	***Upper Warlingham*** *(1,005,766)*
Worthing	***Worthing*** *(2,255,162)*	***West Worthing*** *(675,720)*	***Durrington-on-Sea*** *(594,332)*

Data Source: Office of Rail and Road, 2019

Small (100-499 jobs) and medium (500-4999) employment centres are accessible within a 45 minute journey by public transport, walking or car…

Accessibility of Employment Centres by Public Transport/Walking

Employment Centres	Travel Time	Adur	Arun	Brighton and Hove	Chichester	Crawley	Croydon	Epsom and Ewell	Horsham	Lewes	Mid Sussex	Mole Valley	Reigate and Banstead	Tandridge	Worthing
With 100-499 jobs available	*30 min*	99%	96%	100%	75%	100%	100%	99%	86%	91%	87%	82%	97%	82%	100%
With 100-499 jobs available	*45 min*	100%	99%	100%	85%	100%	100%	100%	93%	98%	94%	91%	100%	96%	100%
With 500 to 4999 jobs available	*30 min*	100%	99%	100%	91%	100%	100%	100%	93%	98%	98%	94%	98%	96%	100%
With 500 to 4999 jobs available	*45 min*	100%	100%	100%	97%	100%	100%	100%	97%	100%	100%	98%	100%	99%	100%
With at least 5,000 jobs	*30 min*	46%	3%	87%	48%	80%	74%	97%	54%	7%	5%	32%	61%	2%	73%
With at least 5,000 jobs	*45 min*	100%	61%	100%	68%	99%	99%	100%	69%	58%	53%	81%	95%	55%	100%

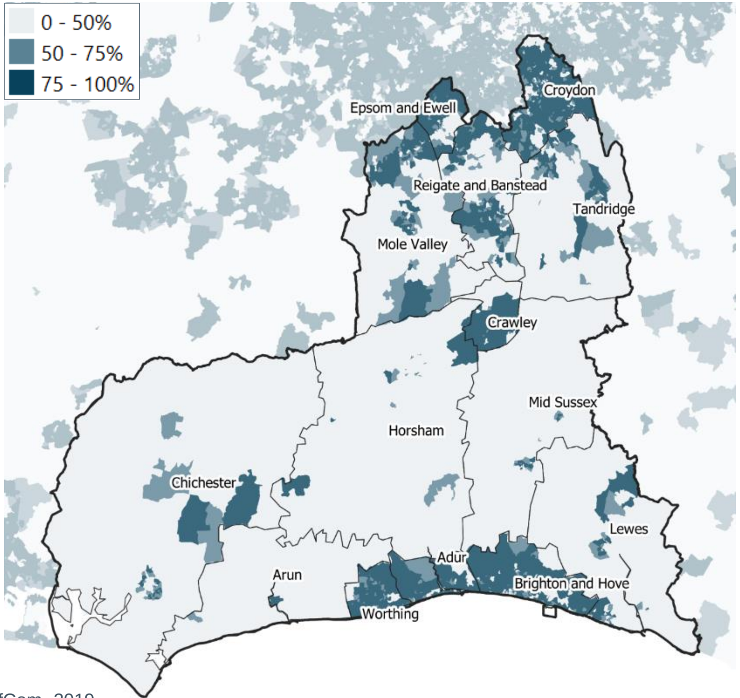
Accessibility of Employment Centres by Car

Employment Centres	Travel Time	Adur	Arun	Brighton and Hove	Chichester	Crawley	Croydon	Epsom and Ewell	Horsham	Lewes	Mid Sussex	Mole Valley	Reigate and Banstead	Tandridge	Worthing
With 100-499 jobs available	*15 min*	100%	100%	100%	98%	100%	100%	100%	100%	100%	99%	99%	100%	99%	100%
With 500 to 4999 jobs available	*15 min*	100%	99%	100%	97%	100%	100%	100%	99%	99%	99%	99%	100%	99%	100%
With at least 5,000 jobs	*15 min*	9%	0%	59%	36%	93%	50%	47%	52%	0%	2%	10%	49%	0%	71%
With at least 5,000 jobs	*30 min*	100%	91%	100%	79%	100%	100%	100%	95%	33%	65%	100%	100%	86%	100%

Data Source: Department for Transport, Employment Centres, 2019
Example: In Horsham, 54% of people can access an employment centre with at least 5,000 jobs in 45 minutes by public transport or walking.

Ultrafast broadband connectivity is strong in urban areas, but weaker in most rural locations. 4G outdoor coverage is comprehensive, but indoor coverage(1) is lower than the national average…

Coverage of Ultrafast Fibre Broadband in the Coast to Capital Region (2019)

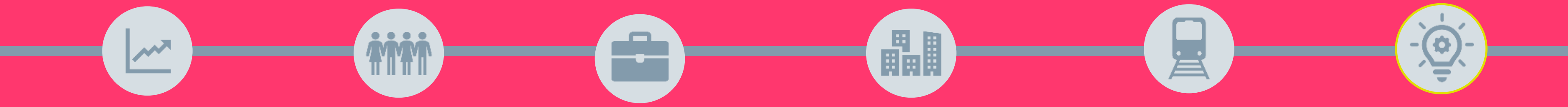


4G Mobile Coverage

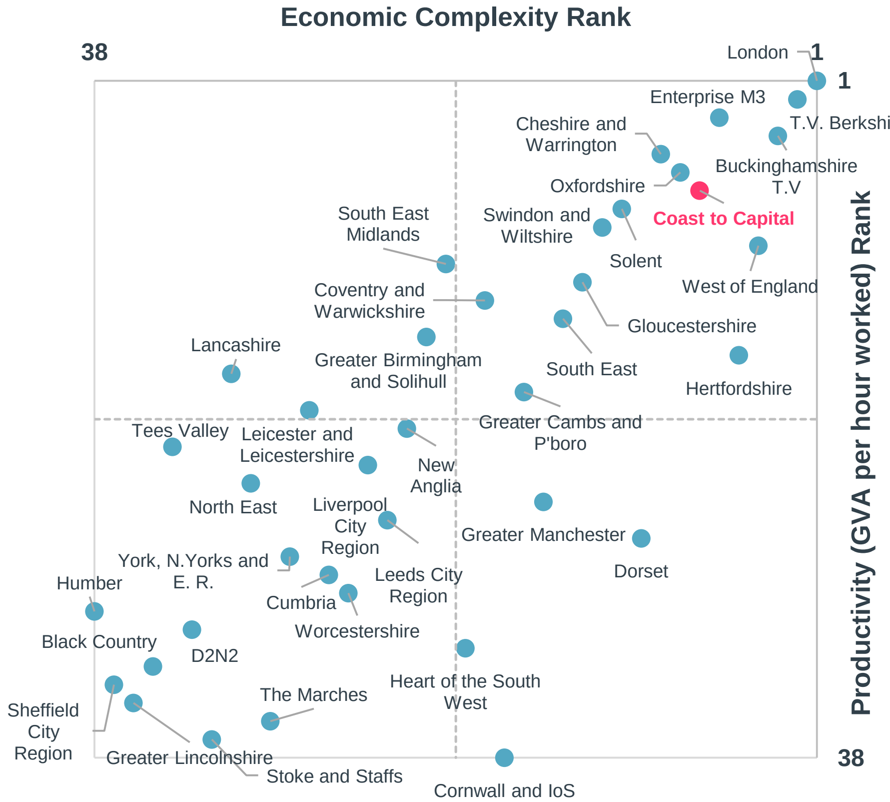
	4G Outdoor	4G Indoor
Croydon	100%	95%
Brighton and Hove	100%	91%
Arun	100%	83%
Epsom and Ewell	100%	83%
Crawley	100%	81%
Reigate and Banstead	100%	80%
England	**83%** (2)	**80%**
Coast to Capital	**99%**	**77%**
Mid Sussex	98%	77%
Worthing	100%	76%
Horsham	98%	76%
Tandridge	99%	75%
Lewes	99%	73%
Adur	100%	66%
Mole Valley	95%	64%
Chichester	93%	61%

Data Source: OfCom, 2019
(1): indoor coverage offers a more suitable proxy for mobile coverage than outdoor coverage.
(2): This figure is based on % geographic area covered rather than premises.

Ideas



Coast to Capital is the 7th most economically complex and productive LEP in Great Britain, with a GVA per hour worked of £35.2 compared to the UK figure of £33.6…



Economic complexity analyses a matrix of economic specialisms. It firstly determines how many specialisms an economy has, then measures how specialist those industries are and the diversity of those industries across the GB economy.

Complexity analysis correlates closely with the LQ productivity analysis. This ranks LEPs against GVA per hour. This strongly suggests that economic complexity is a driving factor in determining productivity.

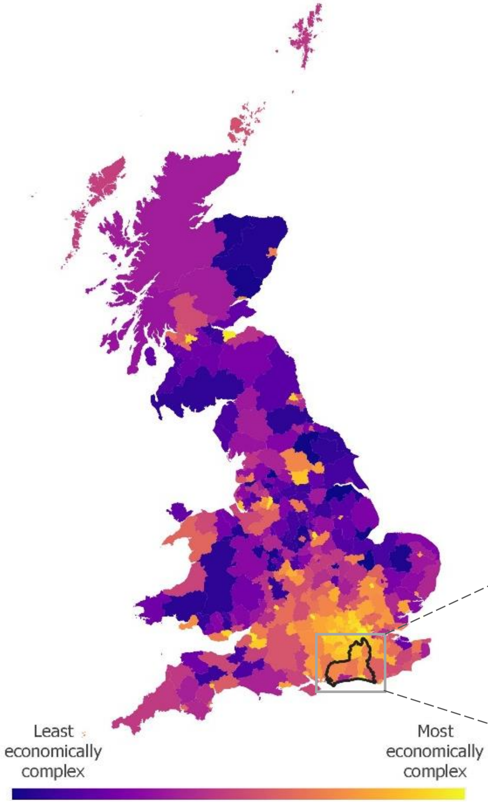
Coast to Capital* ranks 7th, both for Economic Complexity *and* Productivity. The LEP exhibits high levels of economic complexity, but ranks behind London, Thames Valley Berkshire, Buckinghamshire Thames Valley, West of England, Hertfordshire, and EM3 (in that order).

Brighton is the 15th most economically complex Local Authority in Britain and the 5th outside of London.

Metro Dynamics undertook detailed analysis to understand the Coast to Capital Innovation Ecosystem. The full report can be found on our website here.

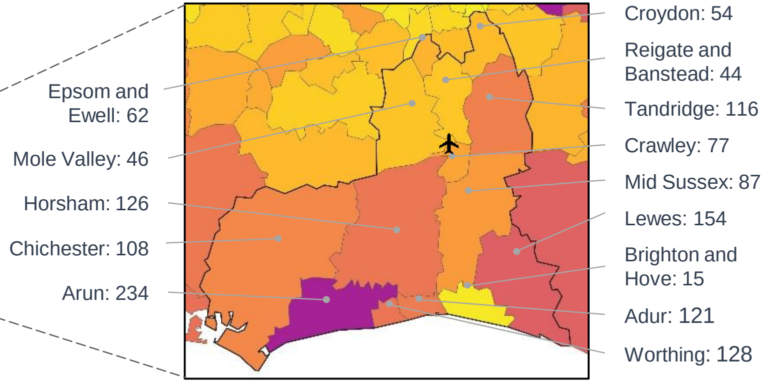
Data Source: Metro Dynamics analysis of Office for National Statistics, Business Register and Employment Survey and Regional GVA (Balanced) (2017)
*Please note. This data includes Croydon and Lewes

Brighton & Hove is a highly complex Local Authority, but those in the Gatwick Diamond fall short of expectations…



Brighton & Hove is the 15th most economically complex Local Authority in Britain and the 5th outside of London.

Rankings out of 371 Local Authority Districts in Great Britain



Data Source: Metro Dynamics analysis of Office for National Statistics, Business Register and Employment Survey (2017)

Coast to Capital's economy has strengths in Air Transport, Finance and Manufacturing sectors, which are more specialised than the national economy…

High Value Sectors (SIC2 sub-sector)		Location Quotient	Jobs
1	Air transport	5.28	9,500
2	Insurance, reinsurance and pension funding	2.99	6,500
3	Manufacture of computer, electronic and optical products	2.60	7,000
4	Water collection, treatment and supply	2.31	2,000
5	Travel agency, tour operator and other reservation services	2.18	5,000
6	Veterinary activities	2.00	3,000
7	Manufacture of basic pharmaceutical products and pharmaceutical preparations	1.78	1,625
8	Activities of membership organisations	1.41	7,500
9	Services to buildings and landscape activities	1.33	21,500
10	Creative, arts and entertainment activities	1.32	3,000
11	Residential care activities	1.31	22,000
12	Activities auxiliary to finance and insurance	1.30	14,000
13	Other manufacturing	1.27	2,250
14	Electricity, gas, steam and air conditioning supply	1.26	4,000
15	Publishing activities	1.24	3,500
16	Sports, amusement and recreation activities	1.18	13,500
17	Waste collection, treatment and disposal activities; materials recovery	1.16	3,750
18	Other personal service activities	1.15	9,500
19	Specialised construction activities	1.15	22,000
20	Real estate	1.14	14,500

Key Sectors:

- Air Transport
- Advanced engineering and manufacturing
- Creative, digital and information tech
- Financial & Professional Services
- Health & life Sciences

Data Source: Office for National Statistics, Business Register and Employment Survey (2017)
Note: The breakdown of the economy's sector strengths above is based on SIC2 sub-sector categorisations
Note 2: Location Quotients measure the concentration of a specific industry in the local economy relative to the GB economy, identifying distinctive sectoral strengths. A value greater than 1 indicates Coast to Capital is more specialised in that sector than the national economy as a whole.

There is national quality R&D activity across Coast to Capital, but clear issues are beginning to surface…

Brighton's Digital Sector

Strengths in…

- Gaming
- Augmented Reality/Virtual Reality
- *Creative
- E-learning

With growing provision of co-working space

14.4k digital tech jobs

WiredSussex

AMERICAN EXPRESS

University of Brighton

Across Coast to Capital…

Manor Royal Business Park

Strengths in…

- Aerospace — YOUR LONDON AIRPORT Gatwick
- Electromedical Manufacturing
- Advanced Engineering

varian · Elekta · THALES · BOEING

- Co-Working Spaces
- Electric Fuel Cells — CeresPower
- McClaren Engine Manufacturing — RICARDO
- Hydrogen fueled Buses — Brighton&Hove
- Collaborative Innovation across Horticulture & Viticulture

With a productive, complex economy and seemingly plenty of R&D going on, the question remains…

What are the problems?

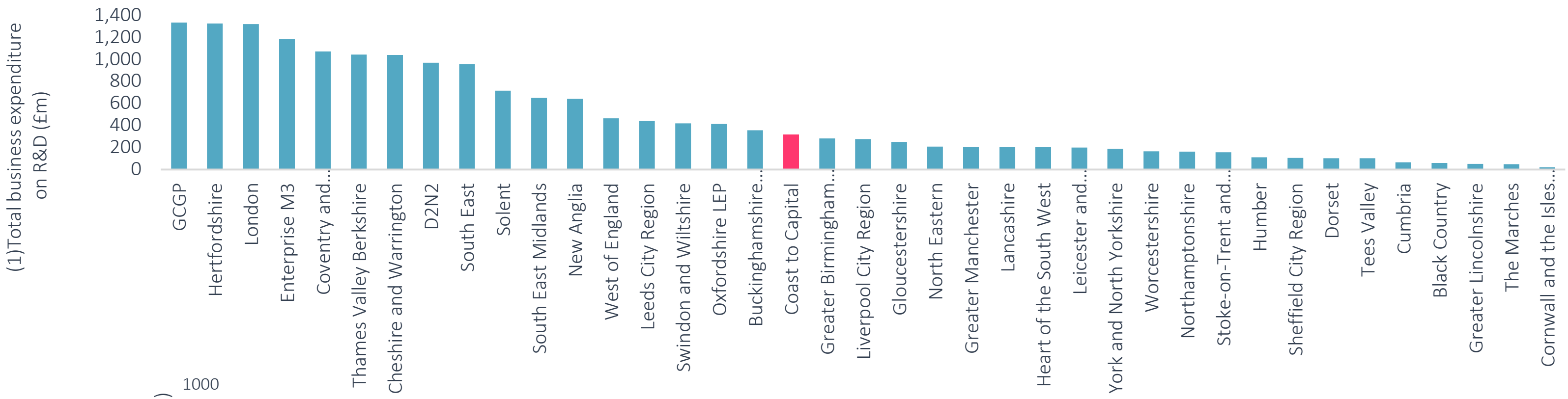
Recent data & engagement suggests R&D is **not** as prevalent as it appears, with companies facing difficult challenges.

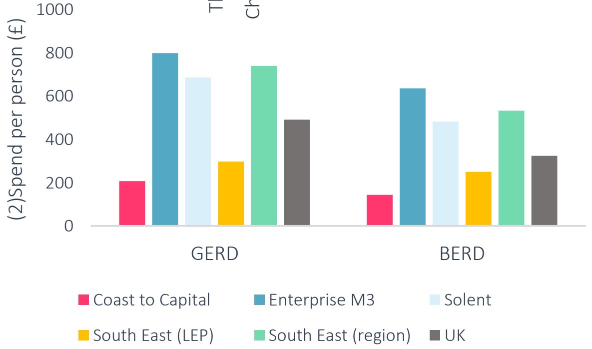
- Skills shortage
- Minimal University Engagement
- Struggling to hire (VACANCY)
- Lack of Space → Cannot expand
- Cost of Land
- R&D moving elsewhere

Data Source: TechNation Report (2018)

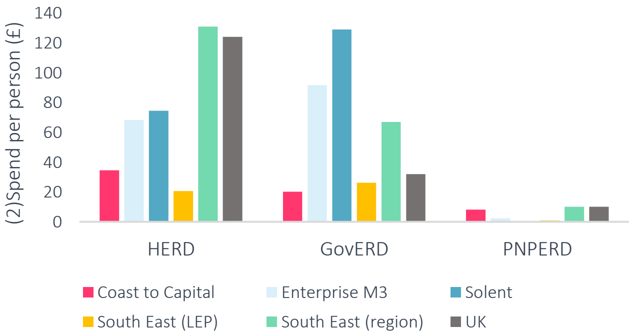
*Creative, arts and entertainment activities

Despite the number of highly innovative firms within Coast to Capital, there is low R&D investment in both the public and private sectors…





GERD – Gross domestic expenditure on research and development
BERD – Business enterprise expenditure on research and development



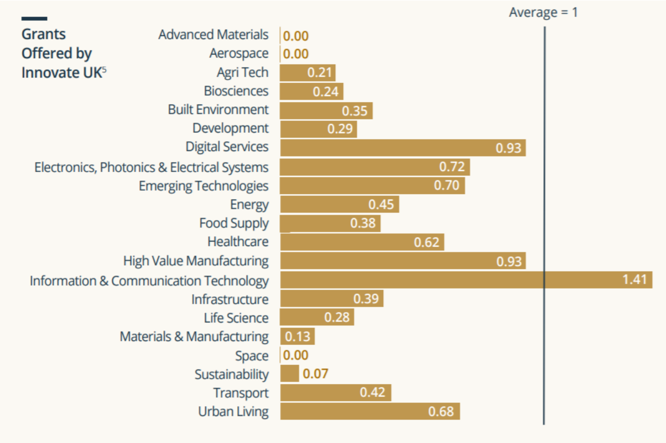
HERD – Higher education expenditure on research and development
GovERD – Government, including research councils, expenditure on research and development
PNPERD – Private non-profit organisations expenditure on research and development

(1)Data Source: ONS Business Enterprise Research and Development by LEP (2013)
Note: This data includes Croydon and Lewes

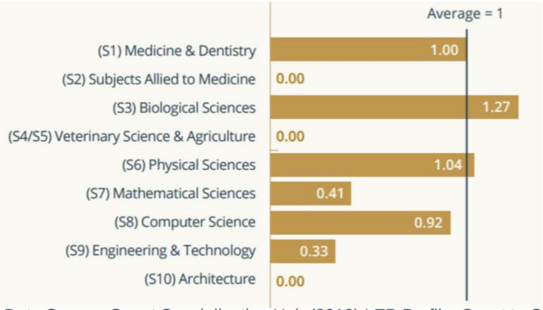
(2)Data Source: LEP figures from Smart Specialisation Hub estimates based on Eurostat 2015 data
Note: This data includes Croydon and Lewes

Innovation is underfunded. Grants and Research undertaken in Research Institutes are low across multiple sectors…

Grants Offered by Innovate UK



Indicator of Staff Submitted Involvement in Innovative Research Production to Research Excellence Framework (REF)



Data Source: Smart Specialisation Hub (2018) LEP Profile: Coast to Capital
Please note: This date includes Croydon and Lewes

Despite the innovation being undertaken in businesses across Coast to Capital, including the digital hub in Brighton, the level of funding and the grants allocated are significantly low across multiple sectors.

Businesses and other organisations in Coast to Capital have been allocated £107.2m of funding to date, considerably lower than any other LEP area despite the high number of businesses. The contrast is stark, particularly compared to Solent LEP considering Coast to Capital has double the total number of businesses but only half the funding allocated. Interestingly, even with the funding allocated, the Coast to Capital area is underspending.

The low investment continues when looking at the number grants offered by Innovate UK, pitched against the performance of other LEPs. Information and Communication Technology is the highest performing sector, with High Value Manufacturing and Digital Services falling just below the average. Despite the success of Brighton, the low number of grants in this sector reflects the innovation struggles of Coast to Capital as a whole.

The data around staff involved in innovative research production, shows a clear strength in both biological sciences and physical sciences, with Medicine and Dentistry also performing well.

However, the low performance of any other sectors reflects the shortage of research-intensive universities across Coast to Capital.

Innovate UK funding (to date – June 2019) and total number of businesses (2018)

	Funding allocated	**Funding spent**	**Total no. of businesses**
Coast to Capital*	**£107.2m**	**£78.6m**	**90,570**
EM3	£238.5m	£176.9m	79,460
Solent	£233.3m	£156.8m	42,080
South East (LEP)	£177.6m	£123.4m	169,930
South East (region)	£1.3bn	£819.4m	-

Coast to Capital is a highly complex area to define: it has extremely diverse economies and even more diverse places…

Coast to Capital is a very difficult area to define, it cannot simply be classed as one singular 'place' and has no one true 'problem zone'. To present just how complex Coast to Capital is, we can compare three of the highly productive economic areas:

The Brighton Hub

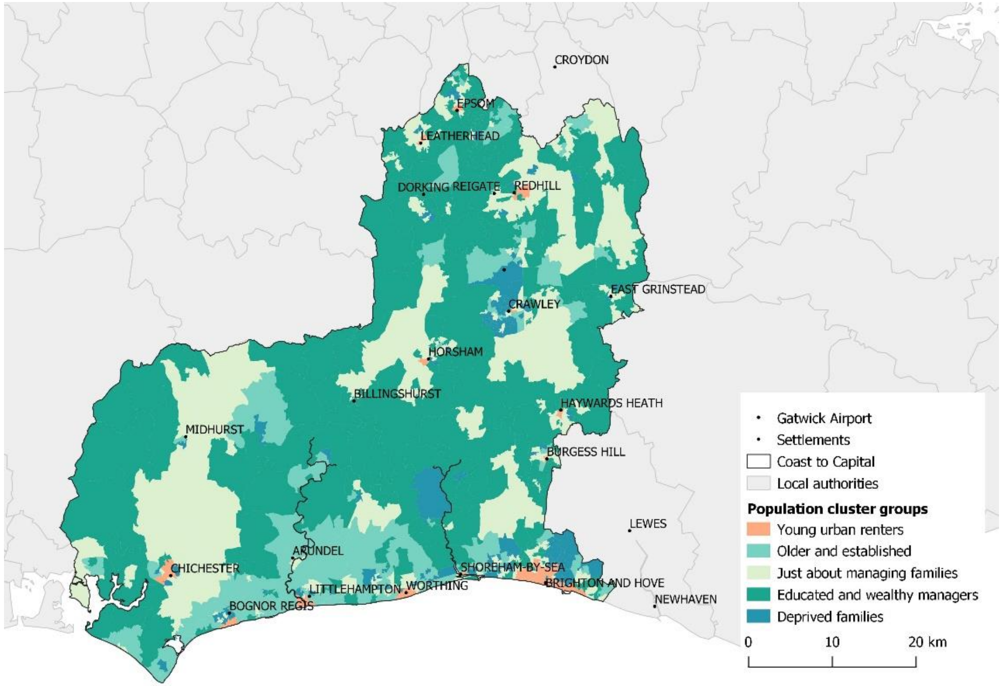
Brighton is the digital hub of Coast to Capital, full of start-ups, freelance workers and large organisations undertaking innovative research. The co-working spaces, such as Wired Sussex's Fusebox, are encouraging city-wide collaboration. The Universities bring an abundance of young urban renters, providing a strong talent pool for these innovative companies. Although, due to the compact nature of the city, the need for residential space and the surrounding green belt, there is little room for businesses to expand.

The Gatwick Diamond

The Gatwick Diamond stretches from Croydon down to Brighton, centering around Gatwick Airport, Crawley and Redhill. The key sectors include medical engineering, aerospace and service industries, particularly in Manor Royal Business Park. However, businesses are struggling to recruit for the highly technical jobs, primarily due to the shortage of skills and no local Higher Education Institute.

The South Coast Corridor

Stretching from Brighton to Chichester, this is an attractive area for both young renters and the older professionals. With the Brighton, Sussex and Chichester universities attracting students, alongside the contingency moving out of London to the South Coast, it is a very popular area. Whilst land is expensive, there are clusters of business activity, particularly in Worthing, Shoreham and Chichester, specialising again in IT and engineering.



Data Source: Metro Dynamics analysis of Office for National Statistics, Census (2011)

Business figures and academics report a range of key challenges in the region in relation to innovation…

Identity

- Complexity around defining Coast to Capital as a 'place'
- Identity crisis impacting investment & attraction
- 'Clone Town Syndrome'
- Brighton has a clear, strong identity which is driving success
- 'The London Effect': the city with a strong identity drawing graduates and talent away

Skills

- Serious skills shortage
- Graduate retention difficulties
- Problems hiring highly technical or senior roles
- Small companies struggling
- Large, global companies reporting the same problems
- Recognition of the need to change and improve the regional talent pool

Business

- A clear willingness to share training and collaborate
- Examples of shared innovation and collaboration across sectors already e.g. Horticulture, Viticulture & Aerospace
- A strong, innovative business base in Brighton
- Impressive pockets of innovation
- Individuals trying to drive collaboration and co-working spaces
- However many businesses struggling to connect with others. A 'lack of open doors'
- Admission there will be no change without a 'crisis narrative'
- Premise problem: Cost, space, infrastructure

Connectivity

- Good infrastructure connectivity
- Established links to London – however this results more in large numbers commuting out rather than business collaboration or attracting from the city (other than the south coast)
- Rural disconnect

Data Source: Metro Dynamics, Local insights based on 20 interviews (2019)

Emerging Implications for the Local Industrial Strategy

Evidence of gaps and potential for growth

1. Coast to Capital is a complex economic area. Complexity and diversity mean it is also relatively productive and has the potential to be highly innovative. The area is full of potential, however, is not currently being realised – **Ideas**

2. The political and strategic imperative to think of Coast to Capital as a single, functional economic area means that less attention has been paid to the local distinctiveness of the region. The region is home to 29 Urban Centres of varying sizes, functions and contexts. The diversity of the network is both a strength, and challenge, but each place could deliver more – **Places**

3. A small improvement in the economic performance of Brighton & Hove, Gatwick and its hinterland and Croydon could deliver a significant quantum of growth and improvement in productivity – **Places; Business Environment**

4. There is demand for both office and industrial space across the region and vacancy rates are low. Addressing some of the fundamental barriers to new development and improvement in spaces could enable growth and diversification within the business base – **Business Environment**

5. Coast to Capital benefits from access to a large, well-qualified and prosperous population. However, it is also home to a number of deep and embedded social challenges, particularly in coastal areas and parts of Croydon. Addressing these long-term issues has the potential to deliver significant net gains for Coast to Capital – **People**

6. While there are some distinct clusters of business activity across the region, few are formally recognised as such and there has been little to no development of business parks or clusters over the last thirty years. This lack of critical mass of related activities limits the potential of the area to realise benefits of agglomeration – **Business Environment**

7. There is a good amount of independent R&D activity currently taking place within the region, particularly in Aerospace and in Brighton and Hove's digital sector. This however happens in a relatively ad-hoc way with a relatively low amount of external public or private investment – **Ideas**

8. Other areas (e.g. Thames Valley and Manchester) extract more value and investment from their international airports and supply chains. Coast to Capital can still enable significant additional value from Gatwick – **Business Environment**

9. Outside of Brighton there is limited business to business collaboration in the region. Addressing physical and digital barriers identified in the research could help develop the potential of companies working together – **Infrastructure**

Emerging ideas for intervention

1. The LIS needs to recognise that Coast to Capital is not a single functional economic area. Evidence on commercial property, labour market and urban centres suggest there are four distinct geographies. Given the span and diversity of the Coast to Capital geography, interventions need to be bespoke and address the distinct challenges within the LEP. Without drawing strict boundaries, Coastal Areas, Rural Areas, the Gatwick Economic Area and the London Commuter Belt each have distinct circumstances - **All**

2. Coast to Capital has a very low proportion of residents aged 20-40 and a high proportion of residents at or approaching retirement age. Enabling skilled young workers to be able to locate within the LEP area is critical for the future competitiveness of Coast to Capital as a business location - **People**

3. Hiring and retaining skilled staff is a major issue for local employers. There is a lack of technical, senior and graduate skills. This is impacting business capabilities and their ability to compete from their current locations - **People**

4. Identity and amenity are increasingly important to location decisions (business and workers) and to stimulating the social connections and networks which underpin innovation. Currently most of Coast to Capital's urban centres are not distinct enough to act as an asset or attractor - **Places**

5. A lack of innovation funding in universities for specialist industries is resulting in a lack of innovative academic research - **Ideas**

6. The region suffers from a lack of high-quality office and industrial space. This influences its ability to keep expanding businesses and attract higher value businesses. This may be holding the economy back – evidence shows that more productive competitor LEP areas have had a higher proportion of high-quality office and industrial deals in recent years - **Business Environment**

7. The diversity of the Coast to Capital area means that it less likely that any single approach to developing connectivity can succeed. Local authorities have had to take different approaches resulting in a range of initiatives at different stages of maturity. The area would benefit from a strategic and coordinated approach to investment to develop a regional framework of digital 'spine' networks to transform the supply and application of digital infrastructure - **Infrastructure**

8. The area is rich in natural capital assets, much of it protected through our National Park and Areas of Outstanding Natural Beauty. However, there is a significant opportunity to bring about a net gain in our natural assets and reduce carbon emissions by developing a model for sustainable growth - **Infrastructure**

Coast to Capital

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