



REGENERIS

Brighton & Hove Economic Strategy

Socio-Economic Evidence Base

April 2018

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Brighton & Hove: 20 Important Facts

1. The Brighton & Hove economy comprises **140,000 jobs** and **16,000 businesses**. The economy has experienced strong growth in recent years: **14,300 jobs have been created** since 2011, and there are **2,700 more businesses** in the City compared to 2012.
2. Despite this, the pool of jobs in the city is comparatively small: there are only **0.8 jobs in the city for every economically active resident**
3. Partly reflecting this, there is a **net daily outflow of workers from Brighton & Hove** of more than 5,000 people; the majority of these commute elsewhere in the City Region (48%) or to London (25%).
4. **Productivity levels are currently comparatively low** at around £65,000 per annum; this is lower than across the City Region and competitor Cities such as Reading, Milton Keynes and Cambridge.
5. The City is home to an enterprising economy: there were **2,100 business start-ups in 2015**, and the City is home to a greater concentration of homeworkers than any other UK City.
6. There are around **57,000 knowledge economy jobs** in Brighton & Hove, representing around 41% of the total economy.
7. Brighton & Hove has a **strong and rapidly growing ICT and Digital sector**. The sector now supports nearly 1,500 businesses and 6,800 jobs, having grown by over 40% over 5 years.
8. Tourism continues to be an important driver of the Brighton & Hove economy: the sector supports around **1 in 5 jobs in the City**, and expenditure of around £860m.
9. Brighton & Hove's two universities support a **student population of over 35,000**.
10. Brighton & Hove is **one of the strongest performing UK cities for service exports**, equating to around £12,000 per job, lower only than London and Edinburgh.
11. Brighton & Hove has experienced **rapid population growth** of around 13% over the past decade, and now is home to more than 1 in every 3 people in the City Region.
12. The City's labour force is characterised by **strong qualifications levels**; half of working age residents have a degree level qualification, compared to around 38% nationally.
13. Brighton & Hove continues to be an attractive location; there was a **net inflow of 3,800 international migrants** in 2016, and it attracts the **second highest number of internal migrants** leaving London.
14. While earnings levels for Brighton & Hove's population are higher than average, **earnings of those working in the City are comparatively low**. The earnings gap between these two groups is around £3,000.
15. Brighton & Hove is characterised by a large number of workers who are either in part-time or non-permanent employment. Around **37% of residents are in part time jobs**.
16. Unemployment in Brighton & Hove is higher than average, and the City is characterised by comparatively high levels of **youth unemployment** (a rate of around 16%).
17. There have been nearly **100 commercial to residential permitted development** applications in Brighton & Hove since 2014, the 7th highest figure for all local authority areas outside London.
18. Brighton & Hove has one of the **lowest levels of housing affordability** of all UK Cities, with the average house price nearly 11 times the average salary.
19. Brighton & Hove has the **4th best provision of ultrafast broadband** of all UK cities.
20. Brighton & Hove is home to a strong **civil society**, with around 2,300 third sector organisations and 6,900 people working in the third sector.



Snapshot of Findings and Implications

Brighton & Hove: Socio-Economic Snapshot (1)

Since the last Brighton & Hove Economic Strategy was published the strategic and economic context has evolved significantly.

Strategically, the past five years have seen numerous successes, including the establishment of the City Region, and the Growth Deal and Local Growth Fund investment packages agreed with the Coast to Capital LEP and government. These investment packages are already delivering on the ground, with social and economic outcomes expected to be realised over the coming years as new homes, commercial space, and infrastructure investments are delivered.

The strong strategic connections developed in recent years via the City Region and LEP are hugely important in the context of the complex economic relationships that Brighton & Hove has with its neighbours and London. These economic relationships are dynamic in nature: while Brighton & Hove acts as a focal point for both the City Region and LEP economies, overall it is a net exporter of labour to other parts of the City Region, LEP and London.

In economic terms, Brighton & Hove has performed strongly over the past five years: employment in the City has increased by 11%, and the number of businesses has increased by 19%. The City continues to perform a number of economic functions: the structure of the economy reflects its strengths as a hub for business and commerce, education, retail, and visitor activities.

Latest evidence suggests that Brighton & Hove is home to an enterprising economy, with high levels of start-ups, and one of the UK's largest homeworker population. The City has also

benefited in recent years from strong growth in 'higher value' ICT, Digital and Creative sectors, which are being targeted for growth both regionally and nationally.

Despite this, a number of core economic challenges remain: particularly in terms of comparatively low productivity levels, relatively low levels of economic diversity, and also in the extent of 'scale-up' within the City's base of micro and small businesses.

Levels of inward investment in the City have been comparatively low in recent years, and while the City performs strongly in terms of the concentration of service exports, there is concern that this reflects the activities of a very small number of firms.

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Brighton & Hove: Socio-Economic Snapshot (2)

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The Brighton & Hove economy benefits from access to a large and growing working age population with comparatively high qualifications levels. The strength of this labour pool has grown in recent years: latest evidence shows a significant increase in the proportion of residents working in 'higher level' managerial and professional occupation.

Despite this, as highlighted previously within the Employment and Skills Strategy (2016), there are challenges in keeping this highly qualified labour pool occupied within the City, as a result of a gap between the proportion of highly qualified workers and jobs in the City. Partly reflecting the strength of the visitor economy, the City is characterised by a higher than average proportion of jobs which are either part time or temporary. The mismatch between the characteristics of the labour market and structure of the local economy is partly highlighted by a large disparity between the average earnings of residents in the City, and the average earnings of workers in the City.

While at the headline level the population is well qualified and prosperous, clear social inclusion challenges exist: analysis by Centre for Cities suggests Brighton & Hove is one of the weakest performing cities in the UK in terms of equality across its population. At the overarching level, one of the biggest challenges faced relates to housing affordability, while specific challenges around enterprise, skills, and barriers to employment are faced by certain equalities groups (particularly BME groups and young people).

While the City benefits from a number of significant economic assets, there are also a number of infrastructure constraints which have the potential to constrain future growth potential: not least constraints in the road and rail network, and constraints in the supply of commercial space and employment land.

More widely, the City faces a number of core economic challenges in coming years relating to the impacts of Brexit on the composition and make-up of the City's labour market.

Looking ahead, Brighton & Hove also faces challenges in terms of positioning and identity. In the past, the City has been renowned for its creativity, openness and lifestyle qualities. More recently, it has also established itself as being at the heart of the wider City Region and Coast to Capital economies. Despite this, the UK and international economic context is increasingly competitive, and in the future, national infrastructure projects such as Crossrail and HS2 will further reshape economic geographies. Our competitor analysis highlights the varied economic strengths of cities such as Reading, Bournemouth, Cambridge, Milton Keynes and Southend, and the challenges faced by Brighton & Hove in competing for business and labour.

Brighton & Hove's Economic Position

Brighton & Hove has a number of dynamic economic relationships with its neighbours, and, further afield, London: this is true in terms of labour market, housing dynamics, business and industry, and tourism.

Nationally, Brighton & Hove's economic position is varied. While it has a relatively strong knowledge economy, strong enterprise performance, and strong digital infrastructure, it performs relatively weakly in terms of productivity and is characterised by a number of comparative social inclusion challenges.

Over the last four years, Brighton & Hove's competitive position compared to other UK cities has shown some improvement, particularly in terms of its comparative employment rate. However, the UK economic context is increasingly competitive; in the context of major infrastructure investments such as HS2 and the economic momentum likely to be generated via metro mayors, Brighton & Hove will need to work ever harder to position itself economically: both nationally and to wider markets.

Analysis of Brighton & Hove's performance against a number of comparator locations in the south of England bears out this point.

Generally speaking, the City performs weaker than Cambridge, Reading, and Milton Keynes against a range of measures. While the strong performance of Cambridge is unsurprising, the performance of Reading and Milton Keynes highlights the competitive economic environment in the south of England. All three of these locations are on an upward trajectory: Cambridge central to the competitiveness of the London Stansted Cambridge Corridor; Reading is benefitting from Crossrail; and Milton Keynes has successfully positioned itself at the heart of the future cities agenda as part of its 2050 visioning, and is looking to re-define itself through its 2021 UK City of Culture Bid.

To some extent, Brighton & Hove is constrained in comparison to these inland competitors due to its constrained functional economic area, and weaker access to the midlands and the north.

Establishing a clear economic vision and identity which celebrates Brighton & Hove's distinctiveness will be important in supporting and sustaining future growth and competitiveness.

Brighton & Hove's Relative Performance 2007-2016, Six Core Indicators

	GVA per worker		Business Start-ups (per 1,000 businesses)		Housing Affordability Ratio (Most affordable 1 st)		Employment Rate		Average Weekly Workplace Earnings		Working Age Population with Degree-Level qualifications	
	2009	2016	2007	2016	2007	2016	2007	2016	2007	2016	2007	2016
1	Read. £81,900	Read. £71,900	MK 59	MK 85	MK 7.5	MK 9	Read. 79%	S-o-S 78%	Read. £570	Read. £630	Camb 43%	Camb 67%
2	MK £64,800	MK £64,800	B&H 64	Read. 75	S-o-S 8.8	S-o-S 10.0	MK 79%	Read. 77%	MK £650	MK £630	B&H 39%	Read. 56%
3	Camb £49,200	Camb £59,200	Read. 53	B&H 70	Read. 9.6	Read. 11.3	Bourn. 78%	Camb 77%	Camb £500	Camb £500	Read. 37%	B&H 50%
4	B&H £46,800	B&H £52,800	Bourn. 50	S-o-S 61	B&H 11.2	Bourn. 12.5	B&H 74%	Bourn. 76%	Bourn. £540	Bourn. £480	MK 28%	Bourn. 39%
5	Bourn. £45,200	S-o-S £51,400	Camb 49	Bourn. 54	Bourn. 11.8	B&H 19.7	Camb 72%	B&H 74%	B&H £490	B&H £470	Bourn. 27%	MK 35%
6	S-o-S £44,800	Bourn. £51,100	S-o-S 46	Camb 54	Camb 11.8	Camb 15.8	S-o-S 72%	MK 74%	S-o-S £460	S-o-S £400	S-o-S 20%	S-o-S 28%

Comparators: Cambridge, Milton Keynes, Southend, Reading and Bournemouth

Looking Ahead

There are a broad range of drivers and influencers which will impact on the future shape and competitiveness of the Brighton & Hove economy.

In some instances, such as **Brexit** and **long term demographic change**, these are largely external factors over which Brighton & Hove will have little direct influence, but which the City and partners will need to be proactive and flexible in responding to. This is particularly the case in terms of the impact of Brexit on the Brighton & Hove labour market (certain sectors depend heavily on migrant labour, and trade and commerce). Likewise with long term demographic trends (such as population ageing) which, present economic and social threats, but also potential opportunities (encouraging participation among older groups).

There are also a number of broader trends and drivers over which Brighton & Hove and its partners can play a more direct influencing role: establishing itself as a leader in conversations about economic evolution (**emerging sectors, changing working practices**) and by embracing and investing in future facing research, innovation and technology (**automation, and digital and low carbon infrastructure**).

Brighton & Hove is already establishing itself strongly in this respect: its large HE presence, and ongoing investment in research and innovation assets (such as the Digital Catapult, and the Bio-Innovation Centre) provide a strong platform.

However, the environment is competitive. Reflecting its research assets and critical mass, London is at the forefront of the Future Cities agenda and is leading conversations on topics ranging from Advanced Urban Services to Big Data. However, a number of other locations are also placing strong focus on horizon scanning and planning: most notably Milton Keynes.

Given the speed of change, it is ever more important that Brighton & Hove and its partners remain highly **responsive and flexible**: responding to opportunities as they emerge, but also being at the forefront of conversations from the outset.



Headline Strengths, Weaknesses, Opportunities and Threats

The analysis highlights the complex characteristics, relationships, and dynamics which distinguish the Brighton & Hove economy. A selection of defining strengths, weaknesses, opportunities and threats for the City is provided below.

Five Defining...Strengths

1. A growing **knowledge economy**, with strengths in high value digital & creative activities
2. A strong and active **pool of labour** characterised by high qualification levels
3. An **enterprising economy**, with strong start-up levels and a large amount of homeworking
4. Distinguishing **economic assets**, including 2 universities, and a growing number of research & innovation facilities
5. Home to internationally renowned identity (and assets) relating to **tourism** and the **physical environment**

Five Defining...Weaknesses

1. **Productivity** in the City's economy remains low; relating to this, **earnings** of those working in the City are below average
2. Despite the well qualified and enterprising labour pool, there are challenges in capitalising on this and '**scaling**' **growth**
3. Limited recent **inward investment**, and concern that **trade & exports** activity is concentrated within a small number of firms
4. **Social inclusion** challenges sustain, reflecting a range of factors including the nature of jobs in the City, skills levels, barriers to employment and housing affordability
5. Reflecting varied economic roles, lack of a clear and consistent **economic identity** distinguishing the City from competitors

Five Defining...Opportunities

1. A strong recent track record of **partnership working**, helping to improve capacity for delivery and innovation
2. The critical mass provided by a **strong and collaborative City Region** and its large-scale investment programme
3. Aligning with the **UK Industrial Strategy and refreshed SEP**: positioning the City and City Region at the forefront
4. Changing **working practices** and **labour market restructuring**: an opportunity to encourage a broader pool of the population to participate?
5. Opportunities to be at the forefront of the **smart cities** agenda, via innovation and research

Five Defining...Threats

1. Constraints in the supply of **commercial space and employment land** limiting investment and scale up potential
2. Weak **housing affordability** as a threat to the balance and sustainability of the Brighton & Hove labour market
3. **Immigration impacts** of Brexit a severe threat to labour supply in the City, particularly in the visitor, service, and health sectors
4. Constraints in the **road and rail** networks, impacting on the image of Brighton & Hove and attractiveness to investors
5. Growth, investment and rebalancing across the UK (Crossrail, HS2, Northern Powerhouse, Midlands Engine) **redefining economic geographies** and **increasing competition**

Big Questions for the Economic Strategy

The review of the strategic and statistical evidence has highlighted a number of 'big questions' which the Economic Strategy will need to consider and address. These are outlined below.

Questions to Inform the Strategy

1. **Economic Identity and Positioning:** Does Brighton and the City Region have a clear / coherent economic identity? How should the two areas position themselves nationally and internationally to attract investment?
2. **Productivity:** What are the factors constraining workplace productivity in Brighton? To what extent are these unique to the City? What interventions can be put in place to improve efficiency in less productive parts of the economy, and encourage growth in higher productivity activities?
3. **Sector competitiveness:** To what extent do Brighton & Hove's sector specialisms mark it out nationally? How can these sectors be supported to grow and evolve in the City?
4. **Economic resilience:** To what extent is the City overly reliant on certain sectors and businesses, and what scale of economic risk associated with this?
5. **Scaling growth:** How can the City's entrepreneurial spirit be supported to encourage a greater level of scale up and growth? How can the economic potential of the City's pool of homeworkers be understood and unlocked?
6. **Space constraints:** To what extent is investment potential being held back by commercial space and employment land constraints? How can the City and City Region work together to address these constraints?
7. **Trade:** What are the dynamics and dependencies underpinning Brighton & Hove's strength in service exports? How resilient is trade in the City, and what strategies can be put in place to support export and trade growth across a broader business base?
8. **Balancing the workforce:** what are the long term implications of skills imbalance in the Brighton labour market? Is this imbalance sustainable in the long run, and what opportunities are there to capitalise more strongly on labour market strengths?
9. **Labour supply:** how might Brexit impact on Brighton & Hove's labour pool and economic resilience? Which sectors are most susceptible to future changes in immigration policy?
10. **Inclusive growth:** what does inclusive growth look like in the Brighton context? How can a broader spectrum of the Brighton population (including older people) be encouraged to participate, as new economic opportunities emerge in the future?
11. **Housing affordability:** what are the long term economic risks associated with housing affordability challenges? What strategies can be put in place to counter competition from more affordable locations for labour and investment?
12. **Innovation and Tech:** how can the City and City Region position themselves at the forefront of the 'future cities' agenda? How can partners remain responsive to emerging opportunities given the pace of change in research, tech and innovation?
13. **Strategic Agility:** How can the City and its partners work collaboratively in the context of quickly changing and competitive strategic environments? What flexibilities are need to maximise agility and responsiveness?



1. Introduction

Purpose

This report provides a socio-economic evidence base for the 2018-2023 Brighton & Hove Economic Strategy.

The 2018-2023 Brighton & Hove Economic Strategy

Since Brighton & Hove's last Economic Strategy was published in 2013, the local strategic and economic context has evolved rapidly, not least in terms of publication of the Coast to Capital Strategic Economic Plan, the establishment of the Greater Brighton City Region, and the City Deal subsequently agreed with government.

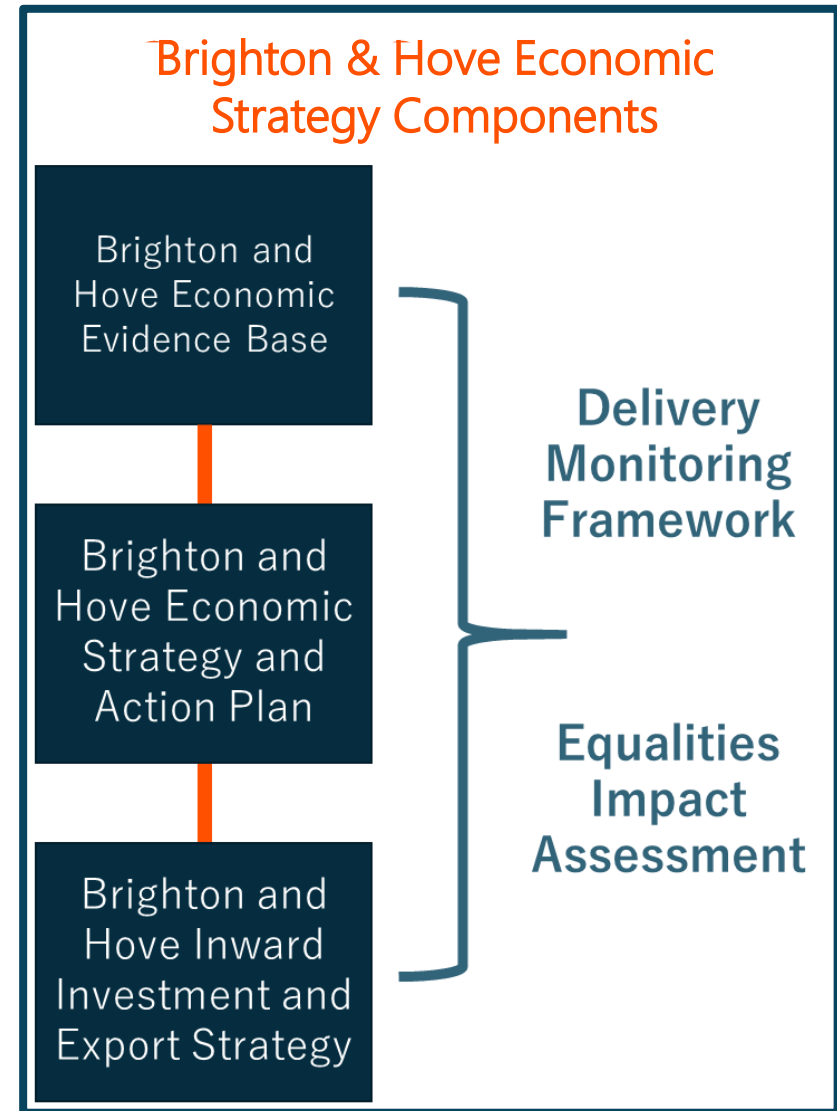
In recognition of this evolving context, the 2018-2023 Brighton & Hove Economic Strategy will provide an updated vision for the economy of the City and City Region over the next 5 years, and an implementation to guide future delivery and investment.

The Brighton & Hove Evidence Base

The Brighton & Hove Evidence Base provides a compendium of the latest data and intelligence on the socio-economic characteristics and performance of the City and City Region.

The core socio-economic research was conducted in late summer 2017, and the data and information contained within this report was accurate at that time. Where relevant, the report has been updated in spring 2018 to reflect key changes which have occurred in the intervening period.

The evidence base provides an important resource which can be used by the City and its partners to underpin decision making, to make the case for investment and to track progress as delivery continues.



Geographies

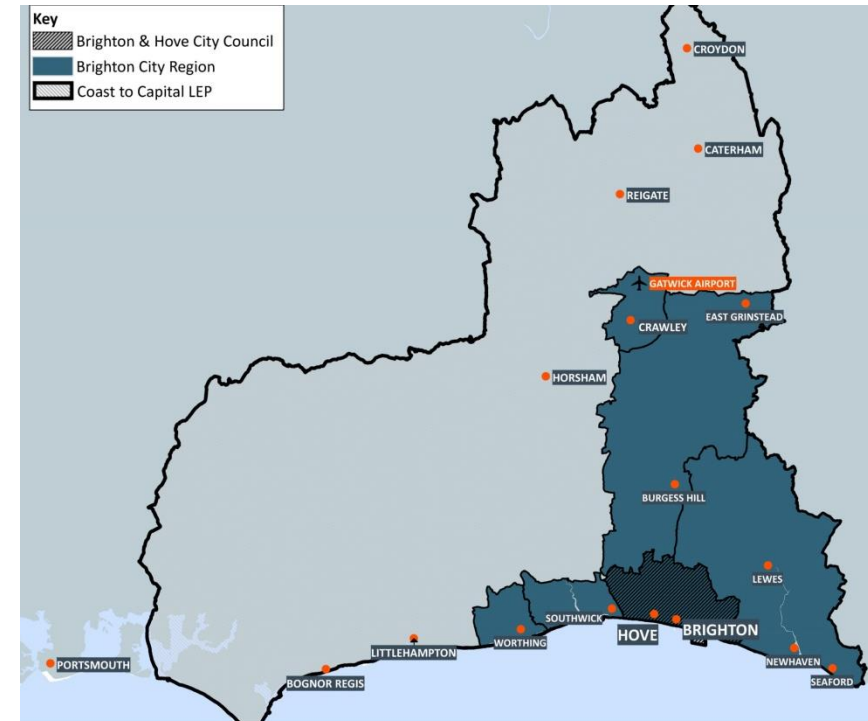
The primary geographies for Brighton & Hove Economic Strategy are:

- **The city of Brighton & Hove**, defined as the local authority area
- The **Greater Brighton & Hove City Region**, comprising six local authority areas (Brighton & Hove, Adur, Worthing, Mid Sussex, Lewes and Crawley).

To provide context, the performance of the City and City Region is benchmarked throughout against that of the **Coast to Capital Local Enterprise Partnership (LEP)** area, and the **national (England)** average.

In addition, five core comparator towns and cities have been selected to help contextualise Brighton & Hove's performance and positioning: Bournemouth, Cambridge, Leicester, Milton Keynes and Reading.

Performance against these comparators is considered throughout analysis in Chapters 3 and 4.



Comparator	Rationale for Use as a Comparator
Bournemouth	A large coastal town, with a growing economy and reputation for its environment & quality of life.
Cambridge	A smaller city than Brighton, but one of the UK's strongest knowledge economies. Similar connectivity to London.
Milton Keynes	A town with strong economic growth aspirations, with similar connectivity to London as Brighton.
Reading	A town of similar size to Brighton, similarly positioned in relation to London. Set to benefit from enhanced connectivity via Crossrail.
Leicester	A town of similar size to Brighton, similarly positioned in relation to London. Increasing reputation for culture and creativity.

Evidence Base Approach

The Evidence Base collates a broad range of intelligence on the characteristics and performance of the Brighton & Hove Economy. The evidence base aims to:

- Identify the most important **questions and themes** that the Economic Strategy must respond to
- Provide a **baseline position to track future change**, impact and success
- Ensure that local **equalities needs and challenges** are understood, and responded to within the Strategy.

The Evidence Base draws on a wide range of socio-economic datasets and sources. The approach has included:

- Review of local, sub-regional and national policy and strategy documents – see Chapter 3 for review
- Review of ONS and other public national datasets, focusing on providing up to date analysis on the current context, alongside analysis of changes in performance over the past 5 years
- Review of locally held intelligence – review of locally held information such as insights from the Brighton & Hove business survey and theme specific intelligence on local social and economic issues (eg housing and infrastructure).

Summary of Data Sources

- ONS Annual Population Survey
- ONS Business Register and Employment Survey (BRES)
- ONS Annual Business Survey
- ONS UK Business Counts
- ONS Census 2011
- ONS Business Demography
- Claimant Count
- ONS Population Estimates
- ONS Origin Destination Statistics
- Index of Multiple Deprivation
- Annual Survey of Hours and Earnings
- Centre for Cities Research
- Valuation Office Agency (VOA)
- CoStar Commercial Property Data
- ThinkBroadband



2. Refresh: Strategic Context and Recent Journey

Brighton & Hove: The Last Five Years

The 2013-18 Brighton & Hove Economic Strategy set four clear aspirations regarding economic growth, social inclusion and the development of the Greater Brighton City Region. In the five years since, strong progress has been made against these aspirations, while the wider strategic political context has evolved significantly.

Locally, the **Brighton & Hove City Plan** was adopted in 2016 and provides the overarching strategic and spatial vision for the City in the period to 2030.

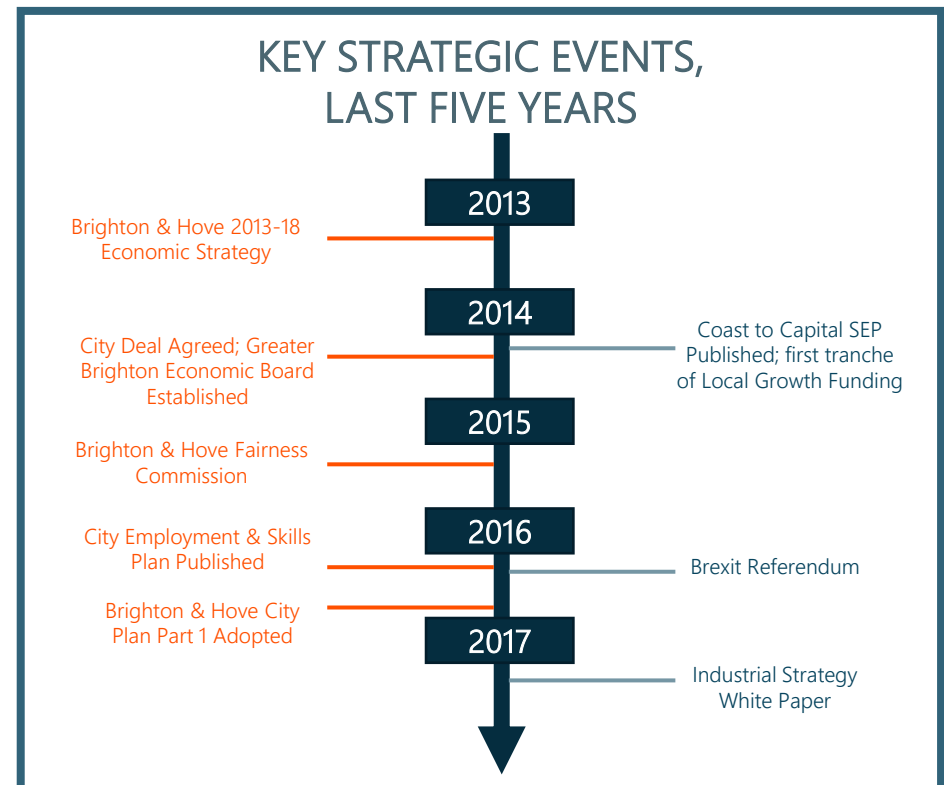
Sub-regional partnership working has also developed rapidly. Published in 2014, the **Coast to Capital Strategic Economic Plan (SEP)** provided a strategic vision for the LEP area, a prioritised pipeline of projects, and laid the foundations for successive Local Growth Fund (LGF) settlements from government. The SEP is now in the process of being updated, with publication of the refresh expected in summer 2018.

Of equal significance, the establishment of the **Greater Brighton City Region** has laid the foundations for ever closer partnership working, visioning and investment between Brighton & Hove, Adur, Mid Sussex, Worthing, Lewes, and Crawley. The City Deal agreed with government in 2014, has set the basis for a major and ongoing **programme of investment** across the City Region.

Impetus generated via enhanced partnership working is further illustrated by recent proposals for the 'Southern Accelerator' to provide a coordinated voice across a wider economic area.

Nationally, the continuity of the economic development context

has been disrupted by the 2015 and 2017 General Elections, and by the 2016 **Brexit Referendum**. While the national policy context is still 'settling' down after these events, the **Industrial Strategy White Paper** provides a indication of the economic aspirations of the government. The past five years have also seen ever increasing focus on social inclusion, most notably through the 2012 Social Value Act, and the **Inclusive Growth Commission**.



Strategic Context: The City (1)

The 2018-23 Economic Strategy is informed by a detailed local evidence and policy base. This provides both the overarching and long term spatial and strategic framework for Brighton & Hove, but more specific research and policy around specific themes, such as employment and skills, housing, infrastructure, and social inclusion.

The most relevant Brighton & Hove strategies and policy documents are summarised below.

Brighton & Hove Economic Strategy 2013-18

The previous Economic Strategy set out the following **vision** for 2018:

“Brighton & Hove will be on the path towards a resilient low carbon economy, known for its creative, digital, information technology businesses, growing environmental industries & services and supported by more sustainable city infrastructure. The unique cultural offer will raise the presence of the Greater Brighton City Region on the international stage and the benefits of growth will be shared by all.”

In order to achieve this vision, a number of **Strategic Objectives** were defined, into which action and projects have been placed:

- Enhance Brighton & Hove’s distinctive destination and lifestyle offer
- Grow quality jobs and business opportunities in higher value and low carbon sectors

- Align jobs skills to projected needs and in support of higher value sectors
- Tackle barriers to employment and create employment opportunities for all
- Establish a strong and influential Greater Brighton City Region

While the strategy emphasises the creation of a more sustainable strategy through the use of smart technology, the action plan suggests many initiatives that achieve small improvements that will, in aggregate, have a significant impact.

Brighton & Hove City Plan Part 1

City Plan Part 1 was adopted in 2016 and sets out the overall strategic vision for the future of Brighton & Hove to 2030 and is the Council’s key planning document. It determines how the Council will respond to local priorities, meet the challenges of the future and identify the broad locations, scale and types of development needed together with the supporting infrastructure.

The plan outlines a setting where the city will have a resilient low carbon economy with sufficient jobs at all levels. Local residents will have the skills to enable them to progress through the labour market and earn incomes to help them live successfully within the city. New housing of different types, including affordable housing, will be provided in suitable locations to match a range of requirements and lifetime needs.

Strategic Context: The City (2)

Brighton & Hove Employment and Skills Strategy, 2016

The strategy notes that the city has benefited from economic growth, but this growth has not benefited everybody. Youth unemployment is high and there is an increasing polarisation between wealth and poverty. Increased investment in skills and employment represents an opportunity to support residents and business to use this investment more effectively. Three priorities are identified: 1. No one left behind; 2. Supporting the learn to earn transition; and 3. Enabling businesses and workers to benefit from growth.

Brighton & Hove Fairness Commission, 2016

The Fairness Commission conducted a wide ranging review into social inclusion within the city, drawing on a range of evidence and detailed consultation. It focused on areas raised as being important to residents as well as those that offered the greatest potential for the council, with partners, to influence the best and fairest outcomes for citizens. These were: strengthening communities, improving the life chances of children and young people, employment and skills, housing and the Greater Brighton region, and ageing and living well. A broad set of recommendations are provided to inform future working by the council and its partners.

Brighton & Hove Sustainable Community Strategy

The strategy outlines a vision for Brighton & Hove as a connected city that is creative, dynamic, inclusive, caring and a attractive place to live, work and visit.

It identifies two principles of the strategy. Firstly, to increase equality in the city: reducing the inequality between certain neighbourhoods and improving financial inclusion and the lives of the most vulnerable

by providing support to those in need. The second principle is to improve engagement by nurturing and encouraging communities to collaborate.

The strategy sets out the importance of using limited amount of space innovatively in order to create room for businesses to grow. It is supportive of the concept of the City Region, emphasising the collaborative nature of focusing on the functional economic area rather than within administrative boundaries. This umbrella will give a broader reach and louder voice.

Race Equality of Employment and Skills Report, 2016

The city has a strong reputation for its laid-back, liberal feel and its positive sense of inclusiveness and diversity. However, this reputation is not always the experience of all people, with inequality in a wide spectrum of activities and elements of social, health and economic life.

There are areas of underrepresentation of people from black and ethnic minority (BME) backgrounds in the labour market and in employment and skills across the city. While the BME population is growing, community infrastructures that support them are limited.

There have been many independent reviews of equality, race equality and fairness across the city by various public institutions, with each providing a number of recommendations. This recognises that more needs to be done to support BME communities to access resources and to support stronger engagement and inclusion across the city.

Strategic Context: The City (3)

Wider Evidence Base

Alongside the above, the City Plan evidence base contains a wealth supporting policy and evidence documents. These include:

- Brighton & Hove Employment Land Study (2013). This report provides information on existing employment sites, local demand and supply information and indicates any need for changes to the city's approach to employment land. Business land is split between offices and industrial use, with high demand and low vacancy rates. The study argues for a strategy for delivering more office space.
- Brighton & Hove Industrial Estates Research: research into the characteristics and performance of the City's Industrial Estates, published in late 2017. It found that there are significant constraints in the supply and cost of industrial space in the city, and advocated the provision of new space on the city fringe.
- Brighton & Hove Retail Study (2011). The report analyses the existing retail provision in the area. It finds that there is no need for further convenience floorspace, but there is for comparison floorspace. This should be done with the aim of establishing Brighton & Hove as a regional centre.
- Creative Industries Workspace 2007-17 (2008). This study recommends that the supply of creative workspaces must be increased. Without this increase in supply, rent would become unaffordable. It argued that there was space for creative workspaces in some of the city's planned major developments and that demand needed to be met with public and private development initiatives.

- Brighton & Hove Combined Policy Viability Study (2013). This study models the viability of housing developments in terms of a comparison of value and cost in the area. It shows that some development types were unviable in certain circumstances, but this was due to market factors rather than council policies and standards. In most cases where a development shows viability, they are able to incorporate the council's affordable housing requirement. The study argues that the council should have a flexible approach to costs for developments in certain areas.

Emerging Strategies

In addition, a number of local strategies and policy documents of relevance to the Economic Strategy are in the process of development:

- Brighton & Hove City Plan Part 2: will contain the development management policies and site allocations. Early scoping for this has commenced.
- Brighton & Hove Visitor Economy Strategy: a new Visitor Economy for the City, due for publication in 2018.
- Brighton & Hove Cultural Framework: a framework to unite the efforts of the public, private and third sector in developing and resourcing interventions, projects and programmes capable of establishing Brighton & Hove as a "leading cultural city". Due for publication in Spring 2018.

While yet to be published, consultation will be undertaken to ensure the 2018-23 Economic Strategy aligns with findings and aspirations.

Strategic Context: Greater Brighton Economic Board

The Greater Brighton City Region was formally established in 2014, underpinned by agreement of the Greater Brighton City Deal with central Government. The City Region comprises the Brighton & Hove, Adur, Worthing, Lewes, Mid Sussex local authority areas and Crawley.

The Greater Brighton Economic Board is overarching, legally constituted, body behind the growth of the Greater Brighton City Region and comprises the 6 local authorities, three higher and further education providers, three business partnerships, the South Down National Park Authority and the Coast to Capital Local Enterprise Partnership.

Greater Brighton City Deal

The City Deal was agreed with government in 2014 and will unlock more than £170 million of investment in Greater Brighton to create 8,500 jobs and grow its technology businesses. The Deal will particularly focus on helping small businesses to scale up; enabling growth in areas outside Brighton; and to create governance structures to improve collaboration. It also provided funding for the creation of 1,300 creative technology businesses in New England House.

Greater Brighton Economic Board Evidence Papers

The Greater Brighton Economic Board produced three background papers outlining opportunities and actions for the economy, the housing market and transport.

The paper on the economy highlights the need to focus on:

- Meeting growth needs across Greater Brighton to prevent overheating and to deliver long-term growth

- Providing strategies that benefit the whole area
- Supporting high growth and value added sectors through supporting skills profile improvements
- Using the leverage of the combined area to promote it as an investment location.

The paper on the housing market focuses on the need for an exploration of long-term opportunities to meet unmet housing needs. There is not only a need to increase housing supply (including ensuring early delivery of sites), but also a need to widen the choice of housing supply.

The paper on transport focuses on the need for an improvement in the east-west connection in the area, particularly improving the A27 to ease congestion. It also notes that bus and rail provision can be enhanced to support growth.

Looking Ahead

The establishment of the Greater Brighton City Region has set the basis for a much stronger degree of partnership working across the area in recent years, and has helped to provide a stronger and more coherent voice.

Looking ahead, proposals are being developed to enhance partnership working and lobbying across a wider area. This includes the 'Southern Accelerator' concept (proposed as a counterpoint to the Midlands Engine and Northern Powerhouse), and by proposals for a new sub-regional transport board for the south-east.

Strategic Context: Wider City Region Context

In addition to the aspirations of the Greater Brighton Economic Board, partners across the sub-region have their own socio-economic aspirations and plans. These are summarised at a headline level below.

- Adur and Worthing are in the process of having a joint economic strategy developed. The six key economic priorities are to: support business, develop growth, enhance business environment, advance local skills, encourage sustainability and promote health and wellbeing.
- Lewes District Council developed a regeneration strategy for 2012-15 based on attracting investment and promoting enterprise. The District Council has collaborated with the Coast to Capital LEP to create the Newhaven Enterprise Zone, which aims to facilitate the economic regeneration of Newhaven. The Enterprise Zone officially commenced in April 2017.
- Mid Sussex District Council produced an economic development strategy in 2010, which they refreshed in 2013. It aims to create a robust and resilient local economy, while improving the self-sufficiency of local communities. It encourages an outward looking attitude to supporting business growth, particularly through wider partnerships in the region.
- Crawley Borough Council has formed a Local Economy Action Group involving a strategic group of public and private sector partners providing strategic advice and direction to improve the economic performance of the town. Crawley is part of the Gatwick Diamond who produced a strategic plan in 2013.
- West Sussex County Council is currently in the process of refreshing their economic strategy, with publication expected in early 2018.
- East Sussex County Council produced an economic development strategy in 2012. It aimed to improve infrastructure, sector growth, skills and the visitor economy.
- South Downs National Park Authority is currently in the process of refreshing their economic strategy, with publication expected in early 2018
- Gatwick Airport has also been working in partnership with local stakeholders (including Crawley Council and the Gatwick Diamond) to map its economic footprint and to develop a new strategy and action plan to enhance the value it delivers.

Strategic Context: Coast to Capital LEP

The Coast to Capital LEP was established in 2013 and covers an area stretching from Brighton & Hove in the south, to Croydon in the north, and Chichester in the West, and taking in parts of East Sussex, West Sussex and Surrey.

Strategic Economic Plan (SEP) 2014

The SEP was published in 2014 and sets the economic vision for the Coast to Capital area. It identifies six strategic priorities for economic growth in the region:

- Successful growth locations, including transport investment – involves investment in transport infrastructure with the aim of unlocking jobs, homes and employment space.
- Successful businesses – supporting business investment in growth and create the conditions for enterprise to flourish.
- Building competitive advantage – back investment and development where the LEP is successful (creative digital and IT; advanced engineering; environmental technologies; business and financial services; and healthcare and life sciences). In some parts of the region, food production and tourism are significant sectors. They are also encouraging investment in emerging technologies in the areas of connected digital technologies; automotive electronics; and biomedical and healthcare.
- Skills and workforce – make better use of skills through improvements in management and leadership as well as creating a better transition for young people entering the workforce.
- Growth is digital – support development of ultrafast broadband clusters; improve skills and capacity of businesses so that they

can have the opportunity to grow via e-commerce.

- Housing and infrastructure – the report provides a plan for increased housing growth.

A number of development areas in Brighton & Hove were outlined in the SEP. Plans were made for investment in the Brighton & Hove Seafront; the Lewes Road corridor; New England Quarter (a key business and employment hub, which is accessible and attractive as it is at the heart of the creative and digital business cluster); and Valley Gardens.

Local Growth Fund Settlement

The Local Growth Fund awarded to Coast to Capital is worth £292m over six years, which will deliver up to 21,000 jobs, 9,000 new homes and 380,000sqm of employment space.

Over 50 projects across the Coast to Capital area were awarded funding.

Looking Ahead: SEP Refresh 2018

The SEP is currently in the process of being updated, with the refreshed document expected to be published in summer. 2018. In spring 2018, the emerging priorities were: Invest in transport infrastructure; Develop business infrastructure and support; Build a strong national and international identity for the area; Enhance the natural environment; Prioritise the intensification of urban centres; Pioneer innovation in our core strengths; Improve digital network capability; Create a workforce with skills for the future.

Strategic Context: National (1)

The past five years have been a period of considerable flux nationally. The two general elections and EU Referendum have led to a large degree of uncertainty regarding overarching economic policy and future economic conditions, particularly the case in terms of the timetable and parameters for Brexit.

Following the 2010 General Election, the coalition government quickly looked to reduce spending, with a policy of austerity across its departments. At the same time, the coalition government placed focus on the localism agenda. In addition to the development of the National Planning Policy Framework (NPPF), Local Enterprise Partnerships (LEPs) were established to represent 'functional economic areas' and encourage a stronger role for business in supporting local growth. The Regional Growth Fund (RGF) and Local Growth Fund (LGF) were established to providing funding, resource and capacity for these organisations.

At the same time, focus was placed on devolution, with local areas (such as combined authorities and city regions) encouraged to bid for additional powers and responsibilities in exchange for commitments to deliver growth.

The change in government leadership after the EU Referendum and 2017 general election has led to a further shift in the political and economic landscape. While there is still uncertainty about the policy aspirations of the new government, the first autumn statement suggested a relaxation of austerity measures, and a renewed focus on enhancing economic competitiveness via the development of a UK Industrial Strategy. Despite this, the main political focus over the past 12 months has been on Brexit, with the economic (trade) and social (immigration) impacts of this still highly uncertain both nationally and locally.

Industrial Strategy White Paper (2018)

The Industrial Strategy focuses on supporting the UK economy to become more productive and to drive stronger, more balanced growth. The White Paper sets out a Number of Grand Challenges and Foundations of Productivity which will be fundamental to this.

The industrial strategy also broadens the concept of City Deals to economic sectors, via Sector Deals. Instead of government researching and prioritising sectors, sectors are asked to come together themselves and set out their ambition to grow on their own terms.



Strategic Context: National (2)

The Clean Growth Strategy (2017)

The Clean Growth Strategy expands on the seventh pillar of the Industrial Strategy: delivering affordable energy and clean growth.

The document outlines a range of proposals to achieve these objectives, in particular in accelerating clean growth, while improving business and home efficiency. In fact, it suggests that the low carbon economy could grow by 11% per year between 2015 and 2030, which is four times faster than the projected growth of the economy as a whole.

There is also a drive to move towards low carbon transport by aiming to end the sale of new conventional petrol and diesel cars and vans by 2040 and encouraging walking, cycling and public transport.

The report emphasises the importance of local areas in moving towards a low carbon economy. They are better placed to drive emissions reductions through their position in terms of managing land, buildings, waste, water and transport.

Social Value and Inclusive Growth

The last 5 years have also seen a growing focus on social value and inclusive growth.

The 2012 Social Value Act established a more formal requirement for public sector organisations to consider social value and social impact in all of its activities: from procurement to service delivery. The impacts of this are increasingly being seen: not just across the public sector, but also within the private sector as organisations (particularly those interfacing with the public and third sectors) look to align themselves with social value aspirations, both in terms of strategy but also discourse.

At the same time, a large degree of focus is being placed nationally on inclusive growth: as highlighted by recent major publications on the subjects by the RSA, and the Joseph Rowntree Foundation.

The RSA Inclusive Growth Commission was established in 2016 to examine how the UK can achieve more inclusive growth. The aim is to enable as many people as possible to contribute to and benefit from growth. It argues that, while inclusive growth needs to be a national agenda, its design and implementation should ideally be local. They suggest a model where investment in social infrastructure is an integral driver of growth.

The Commission made four sets of recommendations:

- Place-based industrial strategies: Delivering business-led productivity and quality jobs
- A fundamental reset of the relationship between Whitehall and the town hall, underwritten in new social contracts
- Inclusive growth at the heart of public investment
- Making inclusive growth the working definition of economic success.

In this context, the concept of inclusive growth is ever more fundamental within the discourse of local economic strategy.

Strategic Context: National (3)

Future Cities

More widely, the last five years have seen ever increasing focus nationally on 'future cities': research into what the urban of tomorrow might look like.

Research is wide ranging: from investing in and testing new technology (e.g. automation), exploring emerging / new sectors (such as clean tech, the circular economy and advanced urban services), and exploring innovative and more efficient ways of delivering services (both public sector and private sector). Big Data has an important role to play in each of these, providing information on demand and trends.

The implications are large scale and wide ranging, with the potential to fundamentally change the jobs that we work in, and the way that we work. Reflecting this, it is not surprising that research, technology and innovation cut across the ten pillar of the Industrial Strategy Green Paper.

While research and thinking is being led by government funded bodies such as Future Cities Catapult, Nesta, and Tech Nation, increasing levels of emphasis are being placed on horizon scanning and research at the local government level across the UK.

Brighton & Hove: Mapping Partners

Brighton & Hove benefits from a broad and active range of organisations and partners collaborating in support of economic and social aspirations for the City and City Region. These organisations and partners cut across the public, private and civil society sectors.

Anecdotally, the efficacy of partnership working has strengthened over the past 5 years, particularly across the City Region. The level of capacity and effectiveness of partnership working across the City will be tested as part of the consultation process.

Snapshot of Local and City Region Partners

The City

- Brighton & Hove City Council
- Brighton Connected (Local Strategic Partnership)
- Brighton & Hove Economic Partnership (local businesses)
- Brilliant Brighton (Brighton BID)
- Higher and further education providers – inc. University of Brighton & University of Sussex
- Visit Brighton
- Local arts organisations
- Neighbourhood planning groups (Brighton Marina, Hove Station, Hove Park, Rottingdean).



The City Region

- Brighton & Hove City Council
- Adur District Council
- Worthing Borough Council
- Lewes District Council
- Mid Sussex District Council
- Crawley Borough Council
- University of Brighton
- University of Sussex
- City College (Brighton)
- Northbrook College
- Coastal West Sussex
- Coast to Capital LEP
- South Downes National Park Authority
- Brighton & Hove Economic Board
- Adur & Worthing Business Partnership

Brighton & Hove: Mapping Investment

The Greater Brighton City Region has generated significant momentum since being established in 2014, with a large scale programme of investment.

In total, around **£150m of public sector investment** has been allocated to projects across the City Region, with a significant amount of private sector match:

- Rounds 1 & 2 LGF - 14 projects will deliver a total investment of approximately £376m into the City Region, unlocking an estimated 14,000 jobs, 8,200 homes and 450,000sqm of employment floorspace.
- Round 3 LGF – 6 projects will bring a combined private sector match fund of £745.4m into the City Region and deliver approximately 9,844 direct jobs, 5,965 homes and 299,428sqm of employment floor space.

In addition, via the One Public Estate Programme, public bodies in the City Region are working to use their property as a catalyst to boost economic growth and improve how public sector services are delivered. The idea is to improve services and re-invest any capital receipts made from disposing of assets into generating growth. To date, public property valued at over £2 billion is set to be unlocked in the next five years throughout the region.

Greater Brighton City Region Investment Programme		
Programme	Project	Status
Local Growth Funds Round 1 and 2 (£91.0m)	Digital Catapult and 5G	£1.8m
	The Advanced Engineering Centre	£7m
	Central Research Laboratory, Preston Barracks	£7.7m
	Newhaven Flood Defences	£7.5m
	Newhaven Port Access Road	£10m
	Shoreham Flood Defences	£10.5m
	Circus Street Innovation Growth Centre	£2.7m
	City College, Construction Trades Centre	£9m
	Brighton Valley Gardens Phase 1 & 2	£8m
	Brighton Valley Gardens Phase 3	£6m
	A2300 Burgess Hill	£17m
	Brighton & Hove Intelligent Transport Systems Package	£1.8m
	Brighton & Hove Bike Share	£1.2m
	Worthing Sustainable Transport Package	£0.8m
Coast to Capital Growth Projects (£9.9m)	Royal Pavilion Estate	£3m
	Adur Civic Centre	£1.8m
	Springman House	£2m
	Railway Quay	£1.5m
	Eastside South	1.6m
Local Growth Fund Round 3 (£48.8m)	Worthing Centre Phase 1	£5.7m
	Decoy Farm	£4.8m
	New Monks Farm & Airport	£5.7m
	Burgess Hill Infrastructure package	£14.9m
	Sussex Bio-Innovation Centre	£5.5m
	Black Rock Site Development	£12.1m
One Public Estate Programme	Programme with public property valued at over £2bn to be unlocked	

Note, all figures provided correct as of late summer 2017.

Brighton & Hove: Mapping Assets

Brighton serves a number of economic functions: including as a centre for business and commerce, a regionally significant retail location, a significant hub of education, and as an internationally recognised tourist destination.

Reflecting these varied roles, the City benefits from a number of significant economic assets. These include:

- Brighton & Hove is home to two universities, with a total of over 35,000 students learning in the area.
- Linked to the above Brighton & Hove is home to a number of notable research and innovation assets, including the Digital Catapult Centre and the forthcoming Advanced Engineering and Bio-Innovation Centres
- The City is one of the world's first and most famous seaside resorts with globally recognised icons such as the Royal Pavilion and the Palace Pier, and with an internationally significant programme of visitor focused events.
- Environmental assets: Brighton & Hove benefits from proximity to the South Downs National Park. The Brighton and Lewes Downs is one of only seven UNESCO International Biosphere Reserves, demonstrating the balanced relationship we have between people and nature (i.e. encouraging sustainable development).
- Accessibility & transport assets: Brighton & Hove has a number of connectivity attributes, including its proximity to Gatwick Airport, ease of access to London, and proximity to the ports of Newhaven and Shoreham.

Focus on...University of Brighton



22% of students are from outside of the UK



21,000+ students, of which 17% are postgraduates



Highly rated research areas include Business and Management; Dentistry, Nursing and Pharmacy; History; and Leisure & Tourism.

Focus on...University of Sussex



38% of students are from outside of the UK



15,000+ students, of which over a third are postgraduates



Particular research strengths include Quantum Tech, History, English, Psychology and Geography. The university hosts The Sussex Innovation Centre, which has helped a number of high technology and innovative businesses grow.



3: Brighton & Hove Socio-Economic Profile

Introduction

This evidence review considers the latest available statistics and information available on the Brighton & Hove economy, to help inform the development of the Economic Strategy.

Analysis focuses on eight thematic areas cutting across economy, people and place, and covering a broad range of factors which have an impact on Brighton & Hove's future growth potential.

As noted previously, this is a working evidence base; it is expected that additional information and insight will be added as the development of the Strategy progresses.

Thematic Areas

- i. Profiling the Economy – [click here](#)
- ii. Business, Enterprise, Trade and Inward Investment – [click here](#)
- iii. Commercial Space – [click here](#)
- iv. Labour Market – [click here](#)
- v. Social Inclusion – [click here](#)
- vi. Housing – [click here](#)
- vii. Digital, Energy and Transport Infrastructure – [click here](#)
- viii. Place, Tourism, Culture – [click here](#)

i. Profiling the Brighton & Hove Economy



Introducing the Economy

There are currently 140,400 people employed in Brighton & Hove, working in 15,800 businesses.

Brighton & Hove accounts for 35% of all employment in the Greater Brighton City Region and 16% of employment in the Coast to Capital LEP.

The City's economy has been growing at a strong rate, with 14,300 (11%) more jobs in the area compared to 2011, and 2,700 (20%) more businesses since 2012.

Combined, Brighton & Hove generates a GVA of £7.1bn per annum, which equates to £65,400 per FTE worker. At a headline level, this is comparatively low compared to sub-regional and national average. The City's productivity gap compared to the City Region is currently around 10%.

Summary of the Brighton & Hove Economy

	Brighton & Hove	G. Brighton City Region	Coast to Capital LEP	England
No. of Jobs, 2016	140,400	400,100	865,000	26.4m
Employment change (2011-16)	+11%	+10%	+7%	+9%
No. of Businesses, 2017	15,800	40,200	103,300	2.7m
Business change (2012-17)	+20%	+19%	+18%	+22%
GVA, 2015	£7.1bn	£21.1bn	£49.8bn	£1,433bn
GVA <i>per FTE worker</i>	£65,400	£72,100	£73,000	£66,900
Productivity growth (2010-15)	+27%	+21%	+17%	+19%

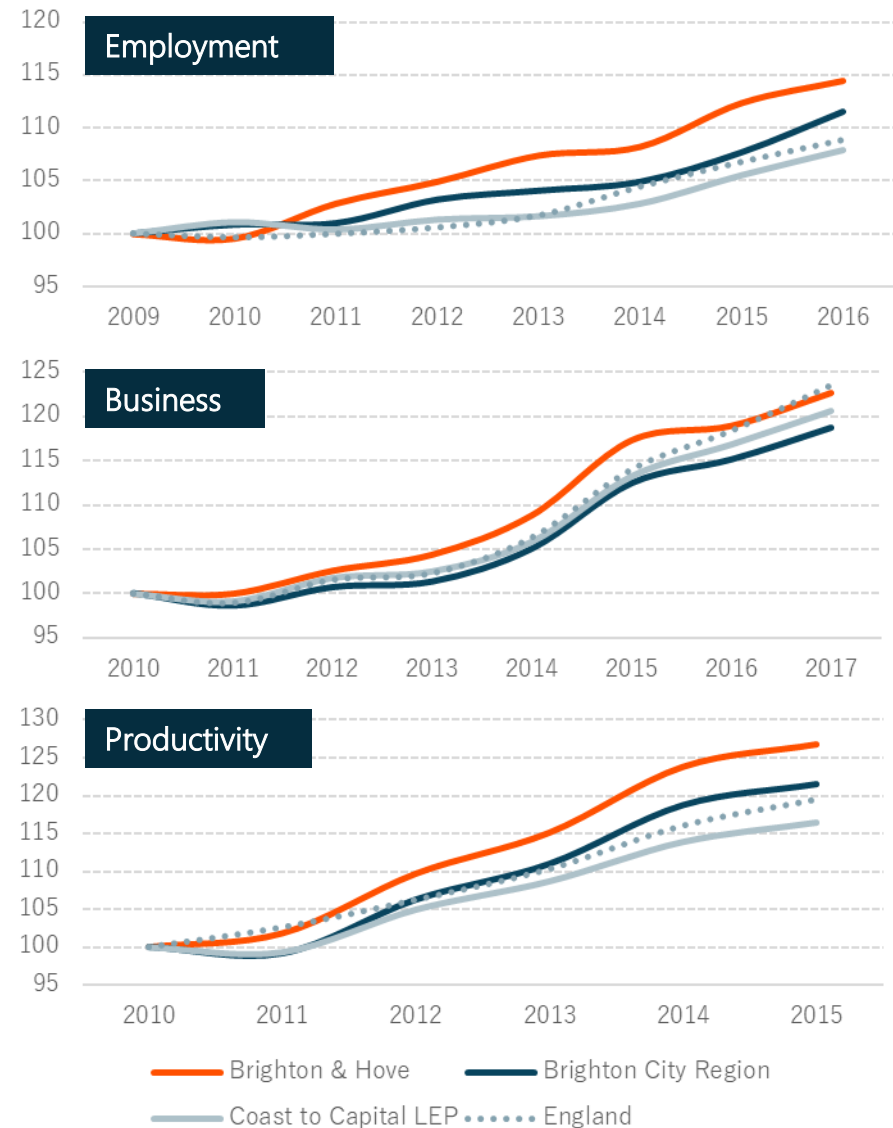
Recent Performance

At a headline level, recent performance of the City's economy has been strong.

Growth in employment (11% since 2011) and productivity (27% since 2010) has outstripped the City Region, LEP and national averages. While slightly below the national average, growth in the number of businesses since 2012 has still been strong (20%).

The analysis highlights that Brighton & Hove has benefited from a period of sustained economic growth. While productivity remain comparatively low, the gap has narrowed in recent years.

Recent Changes in Employment, Businesses & Productivity



Composition of the Economy

Brighton & Hove plays a number of economic roles and this is highlighted within the make-up of the City's economy.

The City's four largest employment sectors account for over two thirds of all jobs:

- Public admin, health and education – over 40,000 jobs, accounting for around a third of the economy
- Prof and financial services – around 20,000 jobs
- Visitor economy activities – around 18,000 jobs
- Retail – around 16,000 jobs.

The City's business base is spread across a broader range of sectors, reflecting the large number of small businesses which characterise the City.

At the headline level, the structure of the Brighton & Hove economy is similar to the national average, with only **three stand out specialisms** in terms of concentration of activity:

- ICT and Digital – 1.4 times more concentrated locally than nationally, with around 7,000 jobs
- Creative activities – 1.4 times more concentrated locally than nationally; around 4,000 jobs
- Visitor economy activities – around 1.3 time more concentrated locally, with around 18,000 jobs.

Growth has been experienced across a broad segment of the City's economy in recent years, and has been particularly strong in higher value ICT, Creative and Prof & Financial activities. Despite this there has been some contraction in manufacturing and the visitor economy.

Sector		Business				Employment			
		UK Business Count				BRES			
		2017			Change 2012-17	2016			Change 2011-16
		No.	%	LQ		No.	%	LQ	
Industrial	Manufacturing	255	2%	0.5	-2%	2,370	2%	0.2	-13%
	Adv. Manufacturing	110	1%	0.5	22%	1,050	1%	0.2	-17%
	Utilities & Waste	40	0%	0.4	75%	1,710	1%	1.2	5%
Support Industries	Construction	1,380	9%	0.8	21%	4,680	3%	0.7	23%
	Transport	135	1%	0.3	35%	3,660	3%	0.8	50%
	Warehousing & Logistics	60	0%	0.3	20%	850	1%	0.3	23%
Local Services	Retail	2,120	13%	1.1	19%	15,900	11%	1.0	0%
	Wholesale	500	3%	0.7	-3%	3,640	3%	0.6	8%
	Visitor Economy	1,620	10%	1.2	15%	18,060	13%	1.3	-7%
Creative & Professional	ICT & Digital	1,470	9%	1.4	32%	6,820	5%	1.4	43%
	Creative	1,690	11%	2.4	19%	4,420	3%	1.4	40%
	Professional & Financial	3,020	19%	0.9	29%	20,350	14%	1.1	21%
	Business Support Services	1,360	9%	1.0	36%	12,080	9%	1.0	16%
	Other Services	500	3%	0.9	2%	2,010	1%	0.8	2%
	Public Admin, Education & Health	1,450	9%	1.0	9%	37,200	27%	1.1	14%
	Higher Education	10	0%	1.3	-33%	6,000	4%	3.0	20%
TOTAL		15,840	100%	1.0	20%	140,420	100%	1.0	11%

Source: BRES, ONS, 2016; UK Business Count, ONS, 2017 Note: An LQ above 1.0 (as shaded green) shows that Brighton & Hove has a higher proportion of employment in this sector than nationally.

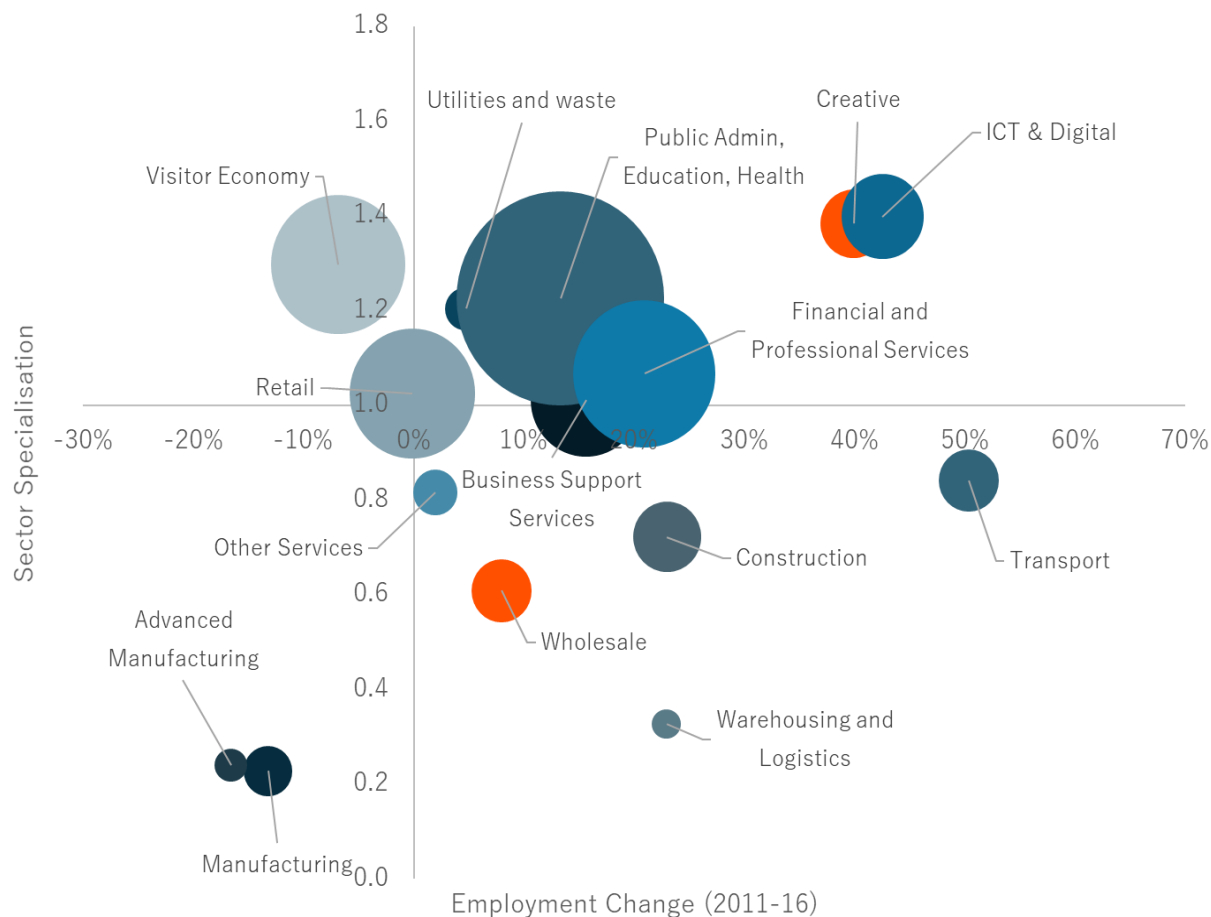
Composition of the Economy

The composition and recent performance of the City's economy is visualised to the right, highlighting absolute employment levels (the size of the bubble), recent performance (vertical scale) and level of specialisation (horizontal scale).

Analysis overleaf drills into Brighton & Hove's most important sectors in more detail:

<p>Core sectors</p>	<p>The analysis highlights six key sectors which are fundamental in Brighton & Hove's economy either in terms of size or specialisation:</p> <ul style="list-style-type: none"> • ICT & Digital • Creative • Retail • Public Administration, Education & Health • Professional & Financial • Visitor Economy.
<p>Wider opportunity sectors</p>	<p>Sectors which currently have a comparatively small presence in employment terms, but which are strategically important or have future growth potential to grow (at both a regional and national level) in the future include:</p> <ul style="list-style-type: none"> • Low Carbon • Life Sciences • Advanced Engineering (Manufacturing) • Advanced Urban Services

Sector Performance within the Brighton & Hove




Note: An LQ above 1.0 shows that a local authority has a higher proportion of employment in this sector than nationally.

Source: BRES, ONS, 2016


Focus on... ICT & Digital

Includes software and hardware development, computer consultancy, and other activities relating to computing.

CURRENT OVERVIEW

 **JOBS (2016)**

Number	6,800
% of all jobs	5%
LQ vs GB	1.4
% Change (2011-16)	+43%

 **BUSINESSES (2017)**

Number	1,500
% of all businesses	9%
LQ vs GB	1.4
% Change (2012-17)	+32%

LOCAL SPECIALISMS

Computer Game Production

300 jobs; LQ = 5.2



Computer Consultancy

2,130 jobs; LQ = 1.1



Software Development

1,400 jobs; LQ = 1.8



COMPETITIVE POSITION

The sector is currently performing strongly in Brighton & Hove, with high employment growth and a higher proportion of activity than nationally. Tech Nation identifies the town as being an exciting fusion of arts and technology, generating £580 million of GVA. 19% of digital firms identified as 'high growth' (5th highest nationally) and the 6th fastest growing number of digital jobs.

KEY ASSETS

- Digital Catapult Centre Brighton and 5G (recently funded by Local Growth Fund)
- Brighton Digital Festival
- Courses offered at the University of Sussex and University of Brighton
- Wired Sussex - a Brighton-based membership organisation for companies and freelancers operating in the digital, media and technology sector
- Brighton Digital Exchange – business co-operative working to improve digital infrastructure and services

TRENDS

- E-commerce
- Technological change
- Increasing number of technology users
- 5G Technology

OPPORTUNITIES

- Rapidly developing sector and a key focus for national government. Potential for strong growth in the sector within Brighton & Hove, given highly qualified workforce and existing strength in the sector
- Development of Digital Catapult Centre Brighton and wider digital cluster, provides opportunities for innovation.
- Change in working patterns and trends (eg home working and decentralisation) have potential to impact on demand.
- Survey of local digital businesses by Tech Nation found 92% thought the sector's growth potential in the town was strong.


THREATS

- Strength of competition in other locations (e.g. Bournemouth and London) makes it more difficult to attract ICT & Digital businesses to Brighton & Hove.
- The digital sector, is highly mobile, and can easily relocate nationally and internationally. Brexit may lead to digital firms relocating overseas to continue access to the EU market.
- Survey of challenges for local digital businesses by Tech Nation found that 53% thought there was limited supply of appropriate property, 47% said there was poor transport infrastructure and 42% said there was poor digital infrastructure.


Focus on... Creative Industries

Includes artistic, visual and music production, publishing, media and advertising

CURRENT OVERVIEW

 **JOBS (2016)**

Number	4,400
% of all jobs	3%
LQ vs GB	1.4
% Change (2011-16)	+40%

 **BUSINESSES (2017)**

Number	1,690
% of all businesses	11%
LQ vs GB	2.4
% Change (2012-17)	+19%

LOCAL SPECIALISMS

Performing Arts
1,130 jobs; LQ = 5.0



Video & Film Production
700 jobs; LQ = 2.0



Artistic Creation
550 jobs; LQ = 4.1



COMPETITIVE POSITION

Brighton & Hove is renowned as a place of creativity with a strong concentration of activity within the sector. Strong employment growth over the last five years has helped to reinforce this.

The City outperforms the national average and most of its competitor cities in terms of levels of creative activity.

KEY ASSETS

- Brighton Institute of Modern Music supporting a thriving music scene.
- 36 art galleries of all sizes
- Wide variety of workspace and exhibition space
- Events including Brighton Live, the Great Escape Festival and Cinecity.
- Courses offered at the University of Sussex and University of Brighton
- Arts & Creative Industries Commission
- A tradition of innovation in film making
- A variety of public art projects
- A reputation for innovation in new media and digital design

TRENDS

- Technological change
- Increasing number of technology users

OPPORTUNITIES

- Sector has overlaps with cultural and visitor economy, providing opportunities for future development (e.g. Cultural Framework – a new 10-year strategic framework for arts and culture in the City)
- Rapidly developing sector and a key focus for national government. Potential for strong growth in the sector within Brighton & Hove, given highly qualified workforce and existing strength in the sector
- Change in working patterns and trends (e.g. home working and decentralisation) which have the potential to impact on demand.
- Our Future City – opening opportunities within the creative industries for people from all backgrounds in Brighton & Hove


THREATS

- Strength of competition in other locations (e.g. Bournemouth and London) makes it more difficult to attract Creative businesses to Brighton & Hove.


Focus on... Professional & Financial

Includes banking, financial services, accountancy, professional services and business support services.

CURRENT OVERVIEW

 **JOBS (2016)**

	Prof & Finance	Business Serv.
Number	20,300	12,100
% of all jobs	14%	9%
LQ vs GB	1.1	1.0
% Change (2011-16)	+21%	+16%

 **BUSINESSES (2017)**

Number	3,000	1,350
% of all businesses	19%	9%
LQ vs GB	0.9	1.0
% Change (2012-17)	+29%	+36%

LOCAL SPECIALISMS

Banking
4,000 jobs; LQ = 7.8



Insurance
2,500 jobs; LQ = 5.4



Management Consultancy
2,750 jobs; LQ = 1.2



COMPETITIVE POSITION

The sector is one of the largest in the Brighton & Hove economy, although it employs a similar proportion of the workforce to nationally Brighton & Hove's main competitor cities generally have a higher proportion of activity in professional & financial services, in particular Cambridge and Reading.

KEY ASSETS

- Local higher education institutions provide supply of highly qualified workers, including the University of Sussex and the University of Brighton
- Good transport links to London provides access to large market. Proximity to Gatwick Airport allows for easy access to international business.
- World-renowned financial business (Amex) located in the town

TRENDS

- Digitalisation of sector (Fintech)
- New business models and methods of financing

OPPORTUNITIES

- Rise in technology-based companies means sector will be faced with new business models and financing methods.
- The rise of Fintech, with increasing levels of technological innovation in the financial sector driving growth (e.g. retail banking, investment strategies and crypto-currencies).

THREATS

- Strength of competition in the sector across the South East and in London, with significant work required to attract investment and anchor new tenants in the area.
- Sector is likely to be one of the hardest hit by Brexit, with the UK likely to lose its EU financial passporting rights.
- Relatively high office rents in Brighton & Hove may lead to some firms seeking alternative locations to reduce costs

Focus on... Retail

CURRENT OVERVIEW

JOBS (2016)

Number	15,900
% of all jobs	11%
LQ vs GB	1.0
% Change (2011-16)	0%

BUSINESSES (2017)

Number	2,120
% of all businesses	13%
LQ vs GB	1.1
% Change (2012-17)	+19%

LOCAL SPECIALISMS

Food & Drink Retail
4,500 jobs; LQ = 1.0



Clothing Retail
2,250 jobs; LQ = 1.4



Music & Instrument Retail
100 jobs; LQ = 2.8



Includes all forms of retail, including supermarkets, multinational stores and independent stores.

COMPETITIVE POSITION

Brighton & Hove has a diverse range of retail centres, including principle centres in Brighton, Hove and London Road, and four smaller district centres. Each of these have their own unique appeal, with national retailers based around the Churchill Shopping Centre, independent shops in the Lanes and local services, amenities and independents in District Centres.

Brighton & Hove has a wide range of nationwide retailers, however its lack of department stores does detract from the retail offer. Brighton city centre is ranked 22nd out of 1,000 retail centres in the UK for 'retail health', above Birmingham and Leeds, but behind Cambridge and Bath.

KEY ASSETS

- Churchill Square shopping centre (offers 566,000 sqft of retail space)
- The Brighton Lanes
- Over 7 million sqft of retail space across Brighton & Hove

TRENDS

- E-Commerce
- On-demand retail
- Need for improved in-store experience

OPPORTUNITIES

- The Waterfront Project will see Churchill Square extended to the seafront, significantly enhancing the city's shopping offer. £12 million of government funding has been awarded to the project (February 2017), providing a significant boost.
- Brighton & Hove's strengths in ICT & Digital presents opportunities for collaboration, especially given the rise in e-commerce.
- Brighton & Hove's demographic spends more, with a young population and significantly more pre-family households.


THREATS


- Declines in UK consumer confidence over the last 12 months (given uncertainty over the future of the economy) is likely to reduce expenditure on the high street.
- E-commerce is putting pressure on high-street shops to remain competitive
- Increase in business rates are putting pressure on retail businesses.
- Rising commodity prices (as a result of the depreciation of the sterling) has left some retailers having to absorb the additional cost in order to remain competitive.
- Lack of available retail units, with only 1.7% of retail units currently vacant

Focus on... Public Administration, Education & Health

Includes local and national government activities, health, social care, primary and secondary education

CURRENT OVERVIEW

 JOBS (2016)	
Number	43,200
% of all jobs	31%
LQ vs GB	1.2
% Change (2011-16)	+13%

 BUSINESSES (2017)	
Number	1,460
% of all businesses	9%
LQ vs GB	1.0
% Change (2012-17)	+8%

LOCAL SPECIALISMS

Hospitals
10,000 jobs; LQ = 1.6



Social Care
3,750 jobs; LQ = 2.1



Primary & Secondary Education
7,000 jobs; LQ = 1.0



COMPETITIVE POSITION

Given Brighton & Hove's position as one of the largest towns along the South East coastline, the city has a higher proportion of activity in this sector, with one of the largest hospitals in the region, council offices, alongside the provision of services for local residents.

KEY ASSETS

- Royal Sussex County Hospital
- City College Brighton & Hove
- Varndean College
- Brighton & Hove City Council

TRENDS

- Budget cuts from austerity have led to employment reductions in some areas of the public sector.
- Nationally, the ageing population will put increased pressure on social and health care services.

OPPORTUNITIES

- The UK's ageing population means there is unrepresented demand for healthcare and old-age social care services. Digital health will become increasingly important in delivering on-demand healthcare. Brighton & Hove's strength in this sector may be able to take advantage of this opportunity.

THREATS


- Declining public sector spending, as a result of austerity measures, is putting increasing pressure on public services to pull back on services. This is leading to a reduction in employment in some sectors.

Note: Analysis excludes Tertiary education, which employs 6,000 people in largely private sector organisations. Major employers include the University of Sussex and the University of Brighton.


Focus on... Visitor Economy

Includes sectors involved in the tourism industry, including hotels, restaurants, tourist attractions and travel agents.

CURRENT OVERVIEW

 **JOBS (2016)**

Number	18,100
% of all jobs	13%
LQ vs GB	1.3
% Change (2011-16)	-7%

 **BUSINESSES (2017)**

Number	1,620
% of all businesses	10%
LQ vs GB	1.2
% Change (2012-17)	+15%

LOCAL SPECIALISMS

Restaurants & Cafes

5,500 jobs; LQ = 1.5



Amusement / Theme Parks

300 jobs; LQ = 3.6



Hotels

1,625 jobs; LQ = 1.0



COMPETITIVE POSITION

Brighton & Hove attracts 8 million visitors per year, making it the 10th most visited city nationally. There are over 5 million visitor nights annually, with these tourists spending £526m. Brighton & Hove's close proximity to London makes it an attractive for day-trippers and weekends, with rival locations including Oxford and Cambridge.

KEY ASSETS

Globally recognised icons including:

- The Royal Pavilion (and Ice Rink)
- The Palace Pier
- The South Downs National Park
- The Brighton Centre
- British Airways i360
- Brighton Museum & Art Gallery
- Brighton Beach
- Brighton & Hove Albion

Brighton & Hove hosts a number of highly-influential events, including the Brighton Marathon, Brighton Fringe, Brighton Festival, The Great Escape Music Festival, London to Brighton Bike Ride, Burning the Clocks, Pride and the Brighton Digital Festival.

TRENDS

- Change in exchange rate
- Weaker £ attracts foreign tourists to the UK

OPPORTUNITIES

- World Travel and Tourism Council (WTTC) expects UK tourism sector to grow by 3.2% per annum between 2015-25. Brighton & Hove should position itself to capitalise on this growth.
- Capitalise on the current exchange rate, which makes holidays to the UK cheaper for foreign tourists, and dissuades locals going abroad.
- The new Visitor Economy Strategy (currently being developed) for Brighton & Hove will set out a strategy and framework for the development of the sector in the future.

THREATS

- The visitor economy in Brighton & Hove is dependent on foreign nationals for labour, especially within hotels and restaurants. Depending on the nature of the post-Brexit deal, this may impact on the workforce supply in the sector.
- Brighton & Hove faces strong competition from other UK cities for tourists. Other towns which can be day-tripped from London (e.g. Oxford and Cambridge) have experienced faster tourism growth over the last three years.

Focus on... Wider Sector Opportunities

Low Carbon (Eco-tech)



The low carbon sector was a core focus of the last Economic Strategy, and the sector has the potential to grow in the future, given the recent ambitions set out in the Industrial Strategy to generate more environmentally-friendly methods of economic growth.

Brighton & Hove is well positioned to take advantage of opportunities in the Low Carbon Sector, with the Advanced Engineering Centre (AEC) at the University of Brighton researching more efficient automotive engineering performance, and this ties into wider efforts to reduce car usage across the area (e.g. Brighton & Hove Bike Share Scheme).

Advanced Engineering



Advanced Engineering already employs one thousand people in Brighton & Hove, however this has been declining over the last five years (-17%). The sector is a priority for growth nationally, as mentioned in the Industrial Strategy Green Paper.

Brighton & Hove is well positioned to grow the sector, combining the existing manufacturing base in Greater Brighton City Region, links to local HEI and future infrastructure enhancements. The Advanced Engineering Centre (AEC) at the University of Brighton (which has recently received Local Growth Funding) has research specialism in improving automotive engineering performance and investigating more efficient engines and cleaner fuels.

Growth within the sector is expected to come from technological improvements and innovation, with a focus around robotics, predictive analytics, smart & connected products (internet-of-things), 3D printing, digital design and augmented reality.

Life Sciences



Life sciences refers to the application of biology and technology to deliver health improvements, and this includes biopharmaceuticals, genomics, diagnostics and digital health. The sector currently employs over 500 people in Brighton & Hove, and is more specialised than nationally, The sector has high potential for growth in the future given the ageing population of the UK.

Development of the sector in Brighton & Hove will be boosted by the new Sussex Bio-Innovation Centre, Brighton – a £99m Life Sciences building at the University of Sussex's Falmer campus. This will provide facilities for the university's current biologists, zoologists and chemists alongside a hub for growing bio-medical businesses.

Advanced Urban Services



The sector is an emerging one, with activities tackling the complex and inter-related challenges facing cities such as climate change, congestion and poor air quality. Tech and innovation are at the heart of this.

Advanced Urban Services is a sector that is growing rapidly across the world, and is increasingly traded. It comprises firms across traditional sectors including finance, planning, engineering and consultancy, design, delivery and operation of urban services, infrastructure, service design, construction, software, data management and modelling. Estimates of this market's value range from \$600bn to \$1 trillion today, rising to over \$3 trillion by 2025.

Future Cities Catapult are already developing proposals for a Sector Deal. Brighton & Hove's universities and innovation assets offer a strong platform from which to monitor the development of this sector.

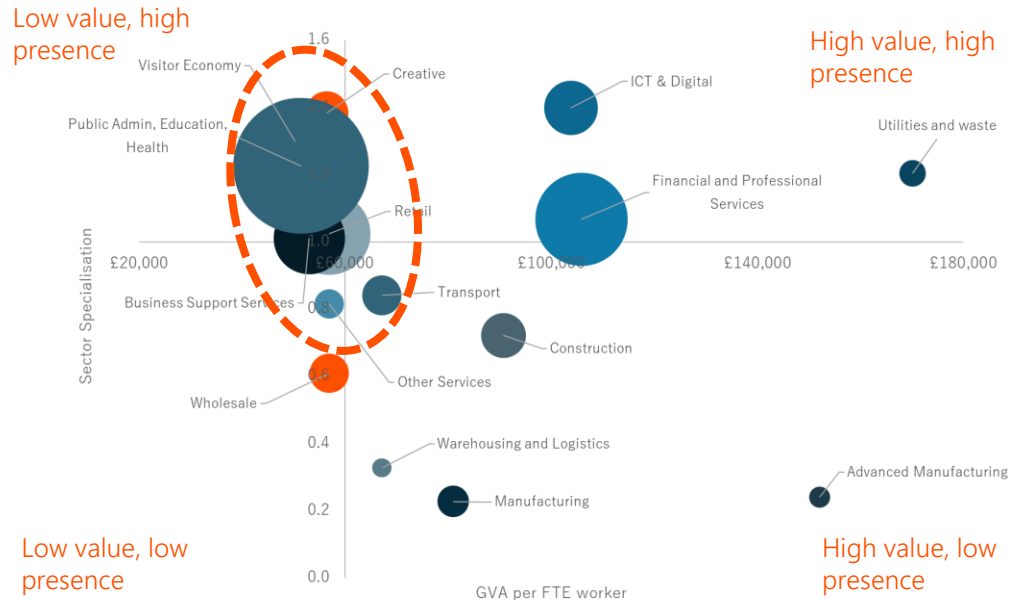
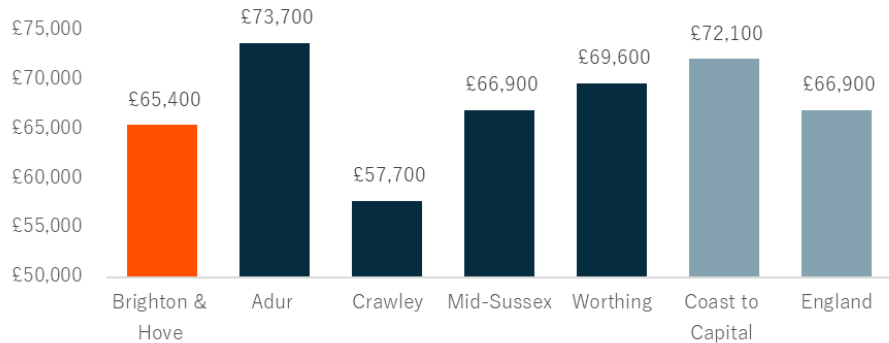
Economic Productivity

Brighton & Hove currently has a lower productivity per employee than is average nationally and has one of the lowest productivity levels with the Coast to Capital LEP.

This partly reflects the make up of the economy: some of Brighton & Hove's largest sectors (including hospitality, leisure & recreation; public administration, education & health; transport and business support service) are among the most unproductive in the economy. All these sectors have a GVA per worker lower than £60,000.

Higher value sectors, which already have a strong presence within Brighton & Hove include the ICT, Media and Creative Activities, and the Financial and Professional Services sectors. Growth in these sectors in the future will help to raise the overall productivity of Brighton & Hove's economy, and encourage a transition towards a stronger and more dynamic economy.

That said, it is noticeable that GVA per job in Brighton & Hove's financial sector is currently considerably below the national average, suggesting there is room for improvements in productivity even in the City's higher value activities.



Size of the bubble represents the number of employees

Industry	Brighton & Hove GVA per FTE employee	Difference between Brighton & Hove and England	Change in GVA (2011-15)
Manufacturing	£78,500	12%	+27%
Production	£147,600	6%	+282%
Construction	£83,500	0%	+6%
Distribution; transport; accom & food	£35,800	-24%	+4%
Information and communication	£83,800	-14%	+7%
Financial and insurance activities	£73,700	-43%	-4%
Real estate activities	£662,000	37%	-5%
Business service activities	£44,500	-9%	+21%
Public administration; education; health	£48,400	2%	+4%
Other services and household activities	£59,200	-10%	+59%
OVERALL	£65,400	-6%	+11%

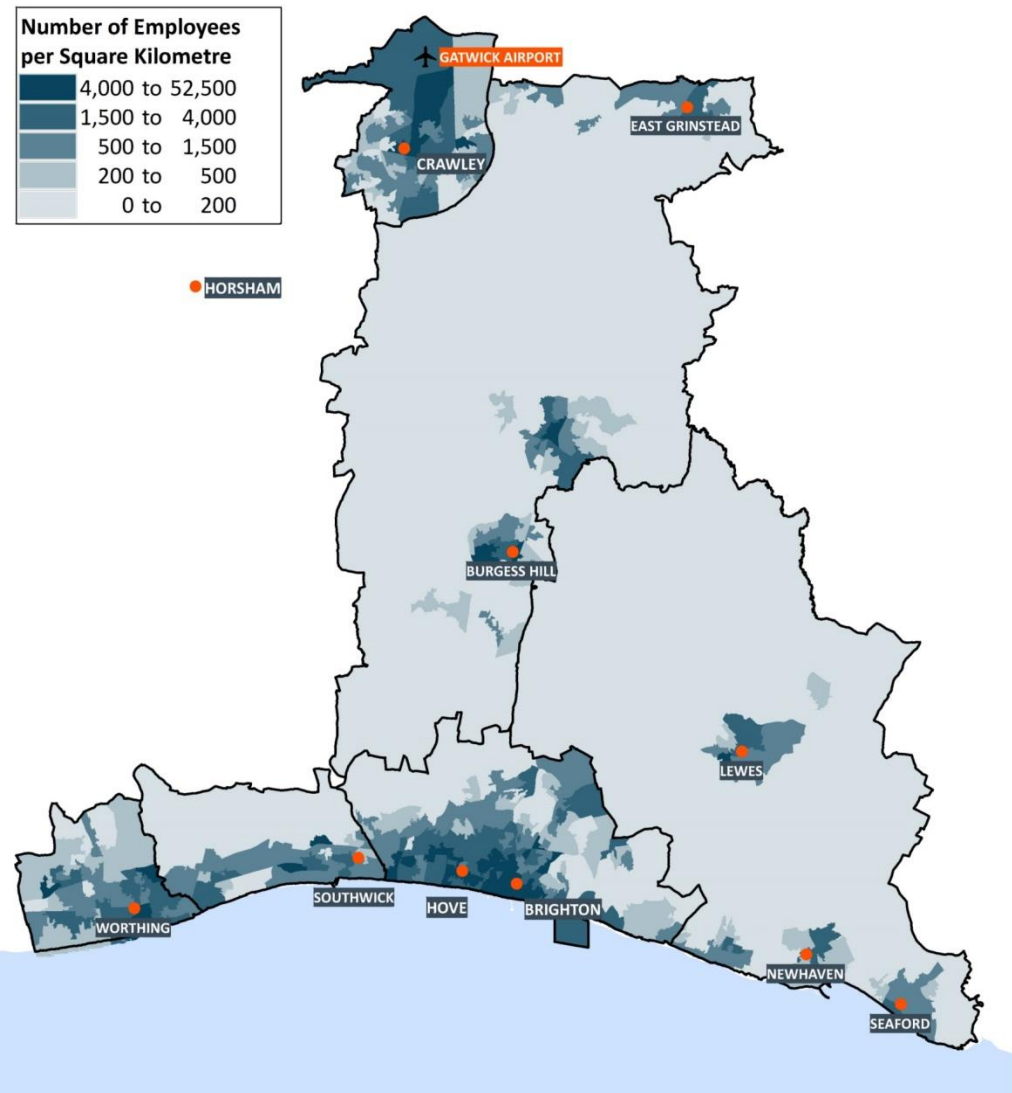
Employment Across the Sub-Region

The density of employment across the Greater Brighton City Region largely reflects the locations of towns and employment areas across the area.

While employment density is typically highest within town centres, there are also a small number of smaller employment sites outside of town centres, including:

- University of Sussex (NE of Brighton)
- Gatwick Airport and Manor Royal Business Park
- Newhaven Enterprise Zone.

Number of Employees per Square Kilometre, 2016



Source: ONS, BRES, 2017

Economic Specialisms Across the Sub Region

Across the Greater Brighton City Region there are a number of different sector specialisms which provide a dynamic and broad based economy.

By and large Brighton & Hove's most significant specialisms (ICT, Creative and Visitor Economy) are unique to the City.

Elsewhere in the City Region, specialisms are focused around industrial and support industries. Significant sector specialisms within the City Region include:

- Advanced manufacturing in Worthing, partly derived from GSK's large pharmaceutical manufacturing factory, located in the borough.
- Advanced manufacturing and business support services in Crawley, largely located around Manor Royal Business District
- Transport and warehousing & logistics in Crawley, due to activities around Gatwick Airport.
- Emerging industrial activity around the Newhaven Enterprise Zone (located in Lewes)

Sector Specialisms within the G. Brighton City Region (based on employment)

Main Sector	Detailed Sector	Brighton & Hove	Adur	Crawley	Lewes	Mid-Sussex	Worthing
Industrial	Manufacturing		Light Green				
	Advanced Manufacturing		Dark Green	Orange		Light Green	Orange
	Utilities & waste	Dark Green		Dark Green	Orange		Orange
Support Industries	Construction		Dark Green		Dark Green	Dark Green	
	Transport			Orange			
	Warehousing and Logistics			Orange			
Local Services	Retail	Light Green	Dark Green		Light Green	Light Green	Dark Green
	Wholesale		Dark Green			Orange	
	Visitor Economy	Dark Green					
Creative & Professional	ICT & Digital	Dark Green	Dark Green			Light Green	
	Creative	Dark Green					
	Professional & Financial	Light Green				Dark Green	
	Business Support Services	Light Green		Orange			
	Other Services		Light Green				
Public Administration, Education, Health		Dark Green			Orange	Light Green	Dark Green

Specialism	1.5+	1.2-1.5	1.0-1.2
	Orange	Dark Green	Light Green

Competitive Position

Brighton & Hove's economy is relatively large compared to many of its comparator cities (although it should be noted that administrative boundaries may not reflect the true size of a city's economy).

Brighton & Hove has had a steady rate of employment growth over the last five years, beating growth in Reading and Southend-on-Sea, but slower growth than seen in Cambridge and Milton Keynes.

Business growth within Brighton & Hove is also in a similar position, with the area outperforming Bournemouth and Cambridge, but falling behind Reading and Milton Keynes.

Productivity within Brighton & Hove is of concern, with GVA per FTE worker lower than Reading, Milton Keynes and Cambridge. This is surprising given that Brighton & Hove has a high proportion of employment in knowledge-based industries (41%) than Bournemouth, Milton Keynes and Southend-on-Sea.

Economic Summary of Comparator Cities

		Brighton & Hove	Bournemouth	Cambridge	Milton Keynes	Reading	Southend-On-Sea
Number of Jobs		140,400	85,300	103,400	185,200	105,800	68,800
Employment change (2011-16)		+11%	+11%	+13%	+27%	+9%	+8%
Number of Businesses		15,800	7,800	6,600	14,600	8,700	7,800
Business change (2012-17)		+20%	+14%	+14%	+33%	+23%	+20%
GVA (£ billions)		£7.1	£4.3	£5.9	£10.9	£6.7	£3.1
GVA per FTE worker		£65,400	£64,400	£69,800	£72,300	£77,000	£60,100
% employment in Knowledge Based Industries	No.	57,000	31,500	57,000	67,000	47,500	25,500
	%	41%	37%	55%	36%	45%	37%

Source: BRES, ONS, 2016

Competitive Position

Many of the comparator cities have similar sector compositions to Brighton & Hove, with higher proportions of service activities relative to industrial activities.

It is noticeable that the degree of sector specialisation is lower in Brighton & Hove than in a number of the competitors, point to an economy which benefits from a greater degree of balance.

That said, it is also noticeable that Brighton & Hove has a lower degree of specialisation in a number of higher value sectors (such as professional and financial and ICT and Digital) than a number of its competitors.

Sector Specialisms within Comparator Cities (based on employment)

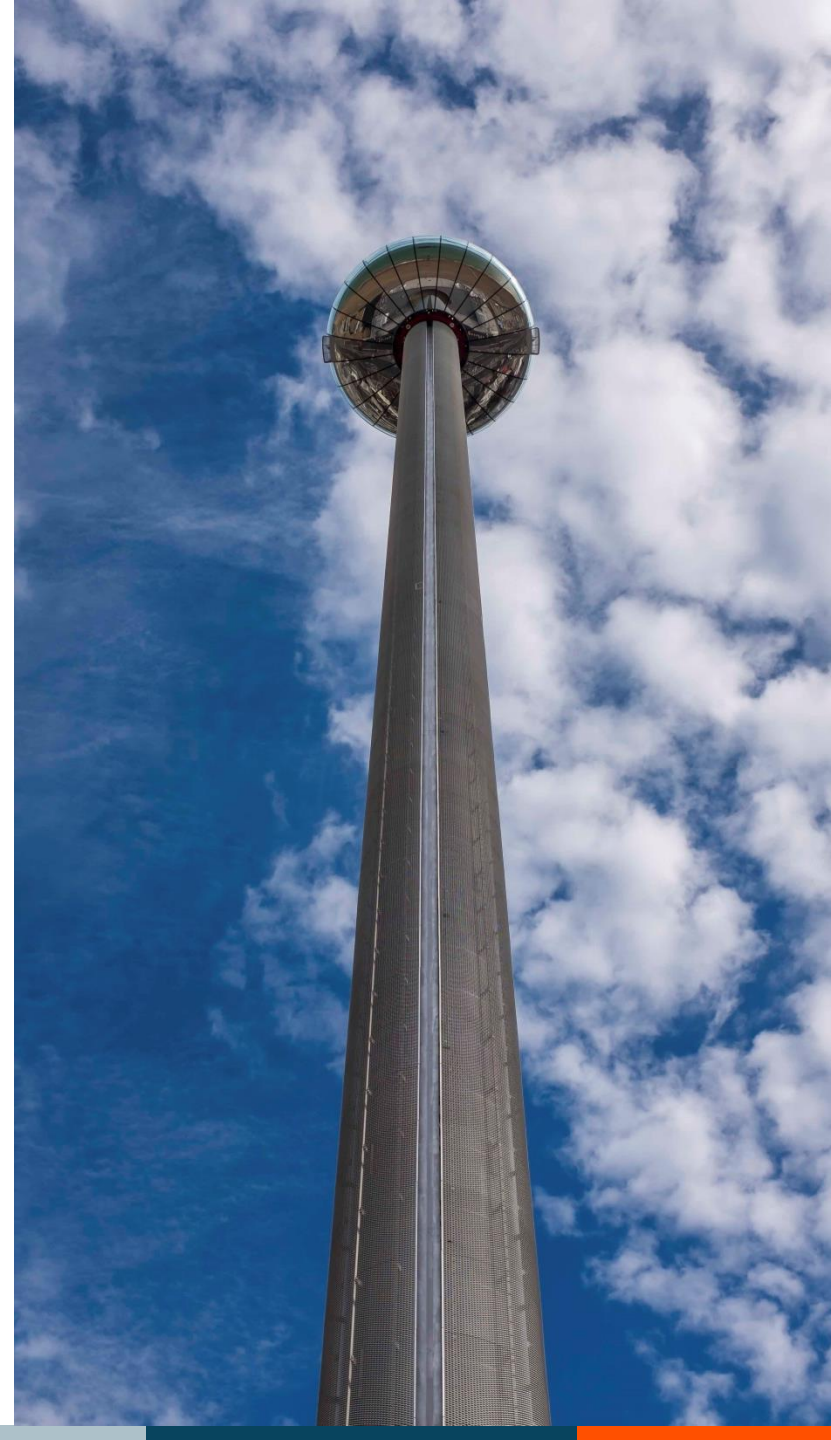
Main Sector	Detailed Sector	Brighton & Hove	Bournemouth	Cambridge	Milton Keynes	Reading	Southend-on-Sea
Industrial	Manufacturing						
	Advanced Manufacturing						
	Utilities & waste	Green				Red	
Support Industries	Construction						Green
	Transport				Green	Green	
	Warehousing and Logistics				Red		
Local Services	Retail	Green	Green			Green	Green
	Wholesale				Red		
	Visitor Economy	Green	Red				Green
Creative & Professional	ICT & Digital	Green		Red	Red	Red	
	Creative	Green		Red			
	Professional & Financial	Green	Green	Green	Green	Green	Green
	Business Support Services	Green	Green		Green	Green	Green
	Other Services		Green	Green			
Public Administration, Education, Health		Green	Green	Red			Green

LQ	1.5+	1.2-1.5	1.0-1.2
	Red	Green	Light Green

Source: BRES, ONS, 2016

Note: An LQ above 1.0 (as shaded green) shows that a local authority has a higher proportion of employment in this sector than nationally.

*ii. Business, Enterprise, Trade and
Inward Investment*



Business Size

Brighton & Hove is home to a diverse range of businesses, with a mix of business sizes, activities and performances.

Around 15,900 businesses are located in Brighton & Hove, with the business base having grown by 23% since 2011.

A large proportion (86%) of Brighton & Hove's businesses are micro in size, employing less than ten people.

At the other end of the spectrum, there are around 50 businesses employing more than 250 people in the City (slightly below the average for the wider City Region).

Size of Businesses, 2016

Business Size	Brighton & Hove		G. Brighton City Region	Coast to Capital LEP	England
	Number	%	%	%	%
Micro (0-9)	13,660	86%	85%	86%	85%
Small (10-49)	1,870	12%	12%	11%	12%
Medium (50-249)	320	2%	2%	2%	3%
Large (250+)	50	0.3%	0.4%	0.3%	0.4%

Source: ONS UK Business Count, 2016

Business Start Up

Brighton & Hove's has a relatively enterprising economy.

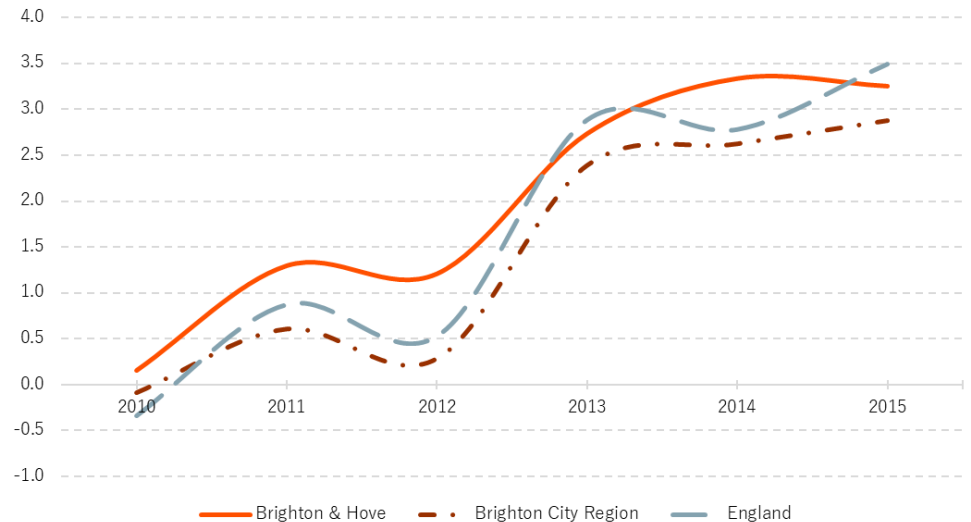
There were 2,100 business starts in 2015, a rate of 10.5 per 1,000 population; this represents a stronger rate to that seen nationally.

Enterprise performance has improved over the past 5 years, with the difference between enterprise births and closures growing from 0.2 per 1,000 working age residents in 2010 to 3.3 in 2015.

Enterprise Levels (per 1,000 working-age residents), 2015

		Births	Deaths	Net Births
Brighton & Hove	Per 1,000 working-age resident	10.5	7.2	3.3
	Total	2,115	1,460	+655
G. Brighton City Region	Per 1,000 working-age resident	9.5	6.6	2.9
<i>England</i>	Per 1,000 working-age resident	<i>9.9</i>	<i>6.4</i>	<i>3.5</i>

Net Enterprise Births per 1,000 Working-Age Residents Over Time, 2010-15



Source: ONS Business Demography, 2015

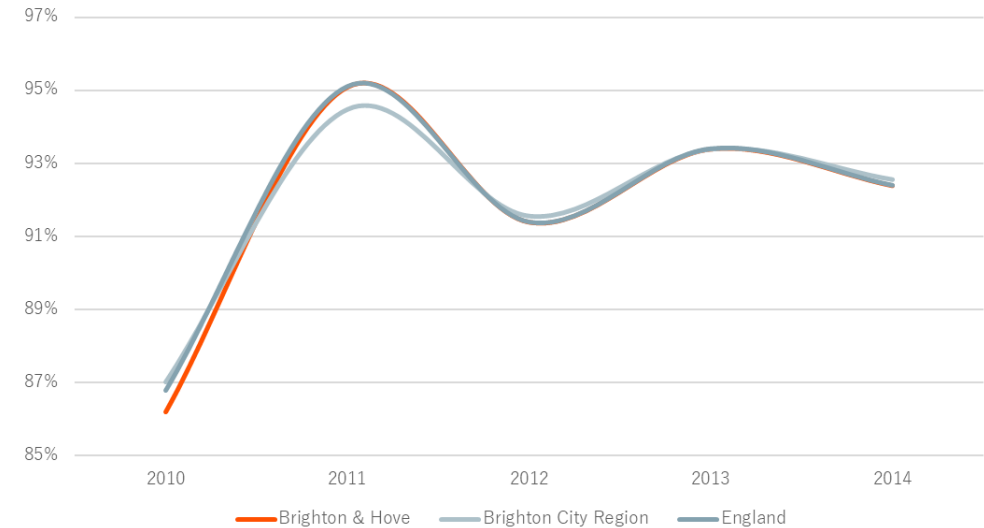
Business Survival

One year business survival rates in Brighton & Hove stand at around 92%, similar to that of the Greater Brighton City Region and England.

Other than a large increase in 2011 (perhaps reflecting a period of consolidation after the economic downturn), one year survival rates have been fairly stable in recent years.

Survival rates are lower over longer time periods: around 42% of businesses starting in 2010 survived for 5 years. Again, this survival rate is similar to national averages.

Business One Year Survival Rate



Business Survival Rate, 2010 births

	1 Year	3 Years	5 Years
Brighton & Hove	86%	58%	42%
G. Brighton City Region	87%	58%	43%
South East	88%	60%	43%
England	87%	57%	41%

Source: ONS Business Demography, 2015

Wider Indicators of Enterprise

Self employment and homeworking levels provide an indication of the entrepreneurial tendencies of the local population.

The City performs strongly against both indicators:

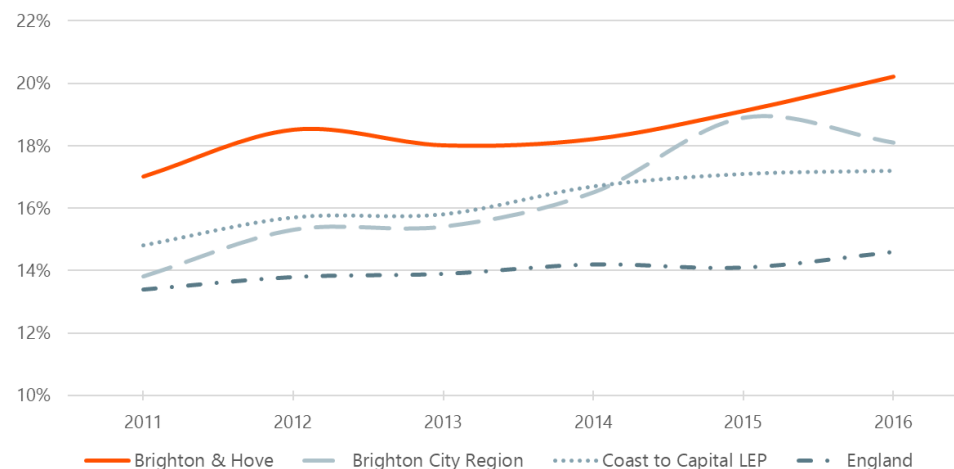
- Around one in five people in employment in the City are self employed. Some these will be business owners, others may be working under zero hour or flexible working practices. As in England, the self-employment rate in Brighton & Hove has risen over recent years, but it has grown at a faster rate in Brighton & Hove.
- Around 13% of residents in employment work from home – higher than the national average of 10%. The proportion of these which are business owners is unknown.

Research from Centre for Cities found that Brighton & Hove has the highest proportion of residents working from home out of all UK cities. Given Brighton & Hove’s links to London (partly through the Coast to Capital LEP), many of these residents that work from home may be employed by businesses outside of the local area.

Self-Employment & Home Working Levels, 2016

	% Self-Employed		% Home Working	
	No	%	No	%
Brighton & Hove	31,000	20%	17,000	13%
G. Brighton City Region	73,000	18%	45,000	12%
Coast to Capital LEP	167,000	17%	113,000	13%
England	-	15%	-	10%

Self-Employment Change Over Time, 2011-16



Source: Annual Population Survey 2016; ONS Census, 2011

Inward Investment

While consistent and granular intelligence is not currently collected at the local level, review of the available data and consultation highlights that Greater Brighton is currently not achieving its full potential in inward investment terms.

An analysis of DIT's national inward investment successes over the past few years highlights that Greater Brighton is underperforming compared with other locations:

Most recent intelligence highlights that in 2016/17:

- Greater Brighton recorded 17 successes of which 12 were in Brighton & Hove.
- Of the 12 successes in Brighton & Hove in 2016/17, 10 were in the CDIT sectors. These included four expansions, three acquisitions and three new investors to Brighton & Hove. Brighton's successes represented less than 2% of the UK's total CDIT wins in 2016/17.
- Of the five successes elsewhere in Greater Brighton, four were acquisitions with one expansion and no new investments. These were a mix of precision engineering and healthcare.
- Brighton & Hove and the City Region are underperforming compared to two comparator locations: superior results were recorded in Bristol & Bath and the Thames Valley (mostly Reading).

Inward Investment Success, Greater Brighton and Comparators

	2013/14	2014/15	2015/16	2016/17	
				No.	% of UK
Brighton & Hove	Data not available			12	0.5%
Other Greater Brighton				5	0.2%
Greater Brighton Total				17	0.8%
Comparator Areas:					
Thames V./Reading	76	87	119	112	4.9%
Bristol & Bath	32	37	44	48	2.1%
London		796	889	891	39.3%
Coast to Capital LEP	28	N/A	52	38	1.7%
South East			253	217	9.6%
UK	1,773	1,988	2,213	2,265	100%
Focus on Creative and Digital Industries...					
Brighton & Hove CDIT	N/A	N/A	N/A	10	1.8%
UK – CDIT	400	486	558	569	100%

Source: Cambridge Competitive Advantage

Trade and Exports

Centre for Cities produces estimates of exports per job and information about the destination of those exports. Their estimates cannot be scaled up to the City Region level, but there is data for a number of cities within the region: Brighton & Hove, Crawley and Worthing.

At headline level Brighton & Hove has a slightly higher exports per job ratio compared to the national average and ranks 19th most out of 62 cities. Performance is particularly strong in terms of service exports: the City has the 3rd greatest value of services exports per job in the UK. Anecdotally, these figures may reflect the activities of Amex (whose European HQ is based in Brighton & Hove, and a web based betting firm located in the City) as opposed to a high level of exports across the service economy as a whole.

Outside the City, both Crawley and Worthing perform more strongly than Brighton & Hove. Proximity to Gatwick Airport means that both good and service export levels are comparatively strong; in Worthing, goods exports are strong, likely to largely reflect the presence of GSK.

Source: Centre for Cities Regionalised Estimates, 2014

Exports Performance

Type	Value			
	Brighton & Hove	Crawley	Worthing	UK
Goods Exports per Job	£4,700 (51 st)	£7,160 (30 th)	£23,400 (4 th)	N/A
Services Exports per Job	£11,620 (3 rd)	£10,910 (6 th)	£6,240 (18 th)	N/A
Total Exports per Job	£16,320 (19 th)	£18,070 (15 th)	£29,640 (2 nd)	£15,690

Note: The ranking in brackets is out of 62 cities.

Export Destination

Destination	Exports Proportion			
	Brighton & Hove	Crawley	Worthing	UK
European Union	53%	48%	44%	46%
Germany	12%	12%	8%	10%
Ireland	7%	4%	6%	5%
France	6%	7%	9%	7%
China	2%	4%	2%	4%
USA	14%	13%	23%	15%
Middle East & North Africa	7%	8%	5%	7%

Competitive Position

Brighton & Hove has relatively high business start-up rates when compared with these comparator cities, with only Milton Keynes and Reading exhibiting higher rates (both had similar rates to Brighton & Hove in 2013, but have seen significant growth in their start-up rates in the period since).

The number of active enterprises per resident population highlights that Brighton & Hove is by and large a small-business economy.

Enterprise Levels

City	Per 1,000 Working-Age Residents	
	Enterprise Births	Active Enterprises
Brighton & Hove	10.5	73.3
Bournemouth	7.8	54.2
Milton Keynes	13.2	77.0
Reading	12.2	69.3
Cambridge	7.4	55.8
Southend-on-Sea	10.2	71.0

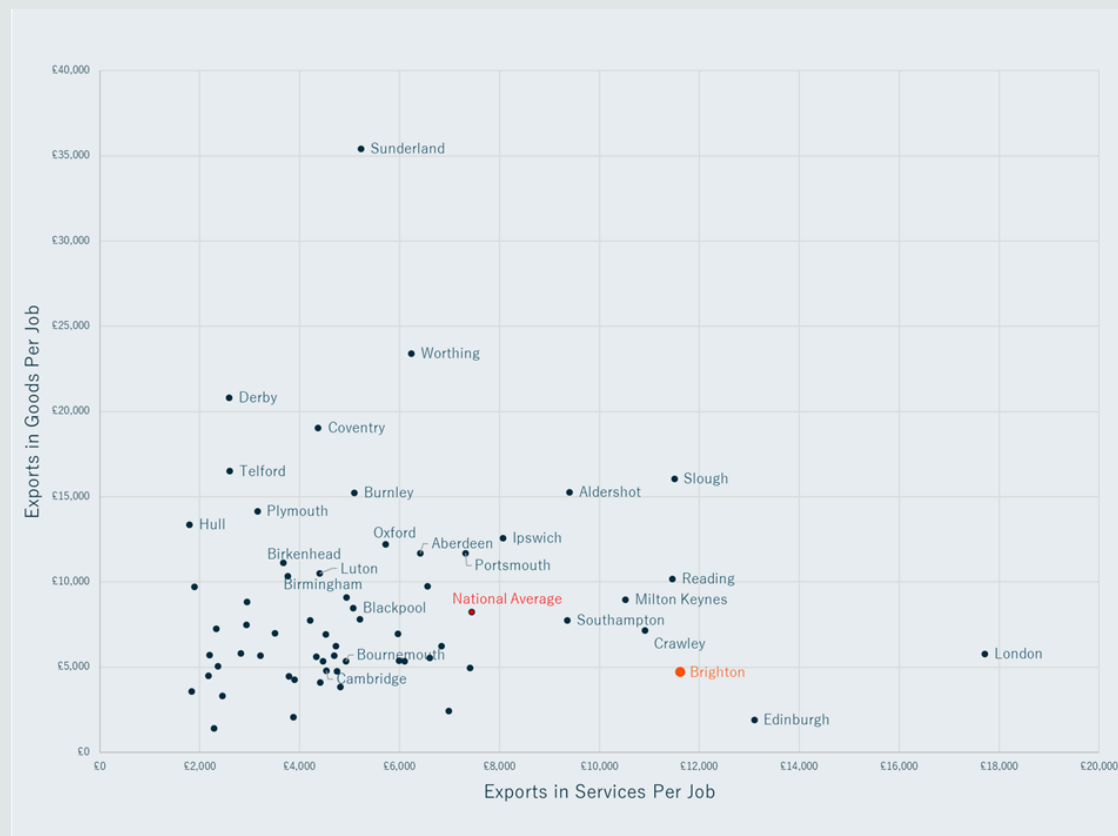
Business Survival Rate, 2010 births

	Business Survival Rate		
	1 Year	3 Years	5 Years
Brighton & Hove	86%	58%	42%
Bournemouth	87%	58%	44%
Milton Keynes	88%	59%	41%
Reading	90%	63%	46%
Cambridge	88%	63%	49%
Southend-on-Sea	82%	54%	38%

Competitive Position

Brighton & Hove's export performance is mixed when compared to the comparators cities: while its service exports levels are stronger (per job) than any of the comparators, overall export per job levels are lower than both Milton Keynes and Reading.

The service focus of the Brighton & Hove economy is demonstrated by the comparatively low level of good exports per job; further research is needed to understand the extent to which Brighton & Hove's current export performance is underpinned by a small number of firms, and the potential impact of Brexit on this.



Export Performance

Type	Value						
	Brighton & Hove	Bournemouth	Milton Keynes	Reading	Cambridge	Southend-on-Sea	UK
Goods Exports per Job	£4,700 (51 st)	£5,360 (45 th)	£8,980 (22 nd)	£10,170 (18 th)	£4,800 (49 th)	£5,670 (40 th)	N/A
Services Exports per Job	£11,620 (3 rd)	£4,930 (28 th)	£10,520 (7 th)	£11,460 (5 th)	£4,540 (33 rd)	£4,690 (32 nd)	N/A
Total Exports per Job	£16,320 (19 th)	£10,280 (43 rd)	£19,500 (11 th)	£21,630 (8 th)	£9,340 (49 th)	£10,360 (42 nd)	£15,690
Proportion of EU Exports	53%	58%	51%	40%	50%	53%	46%

Note: The ranking in brackets is out of 62 cities.

Source: Centre for Cities Regionalised Estimates, 2014

iii. Commercial Space



Commercial Space in Brighton & Hove

The map opposite shows the distribution of Brighton & Hove's commercial space and highlights areas with a clusters of space.

Industrial

Is largely located on the periphery of Brighton & Hove, with concentrations around Sackville, Portslade, Crowhurst Road and Fairway Trading Estate. There are some smaller industrial units located in Brighton Town Centre.

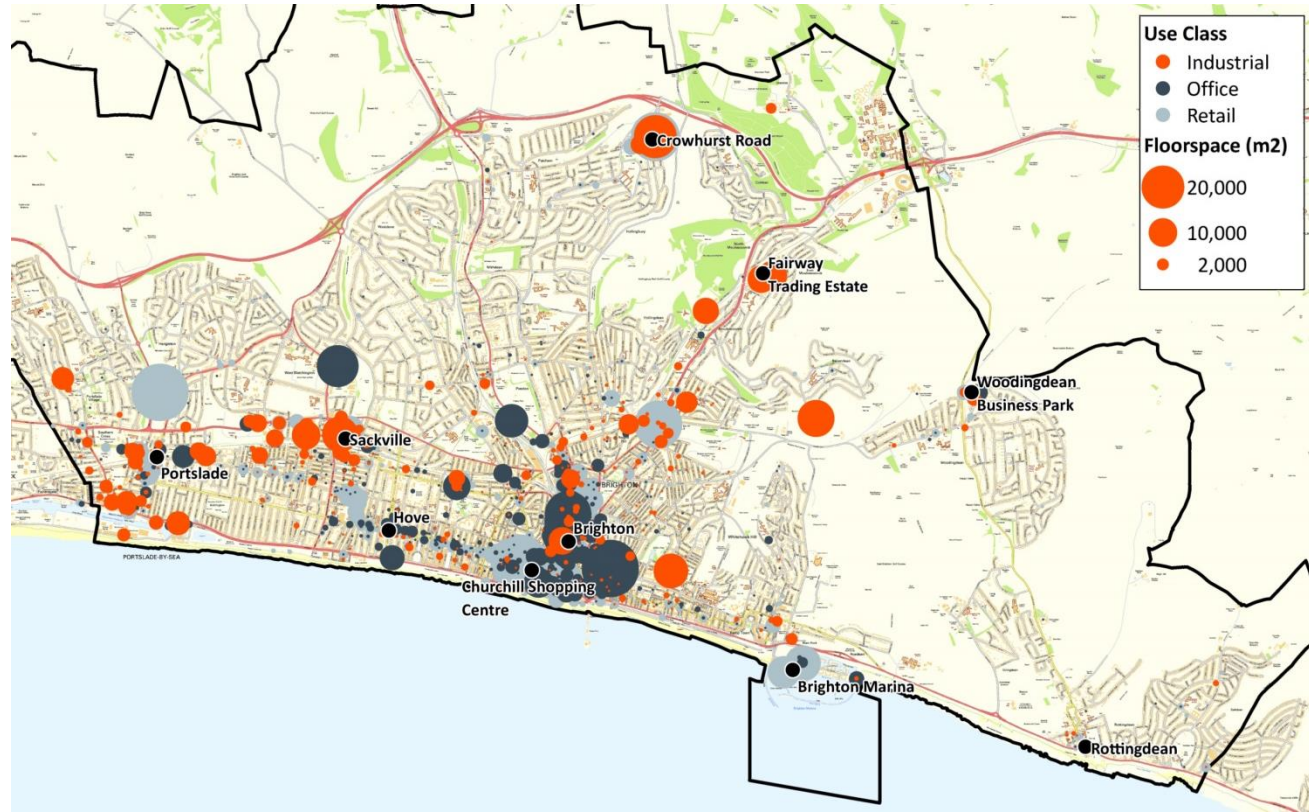
Office

A large proportion of office space is located around Brighton & Hove town centres, with little located outside of these areas.

Retail

Dispersed all over Brighton & Hove, with concentrations around Brighton town centre (and the Churchill Shopping Centre), Hove, Portslade, Brighton Marina and Carden Avenue (near Crowhurst Road).

Location of Industrial, Office & Retail Floorspace in Brighton & Hove, 2016



	Floorspace (thousand sqm)	% of total floorspace
Industrial	395	29%
Office	423	31%
Retail	533	40%

Source: Valuation Office Agency, 2016

Office Space Performance

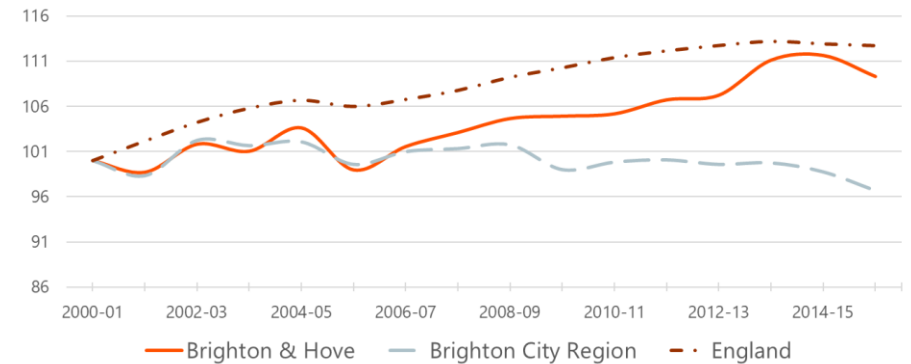
There has been an increase in supply of office space over recent years, along with increased rental prices and lower vacancy rates.

Despite the growth in floorspace supply in Brighton & Hove, commercial space is still constrained in the area. Vacancy rates are low in the area and rental prices are high compared to other comparison cities.

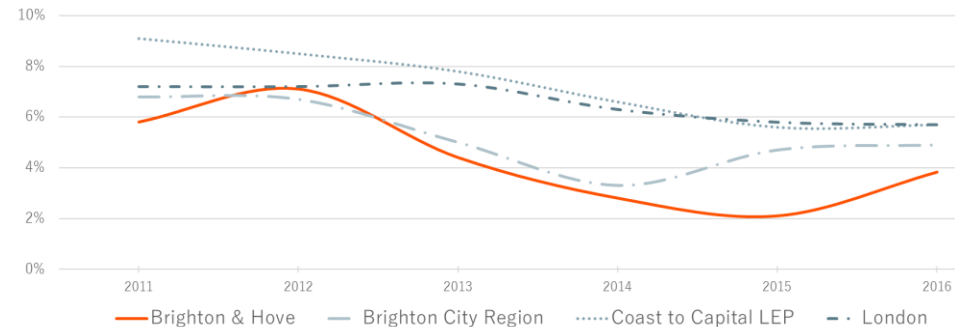
There have been some significant transactions in the office space market in Brighton & Hove over recent years. Firstly, American Express sold Amex House (their previous headquarters with 234,000 square feet of office space) and moved into their new office built on the Amex House car park. There are proposals for Amex House to be used for offices, restaurants, green spaces and housing.

Secondly, in summer 2017 Brighton & Hove City Council sold their 100,000 square feet of office space in their former headquarters. It is expected to be turned into housing once planning permission has been given.

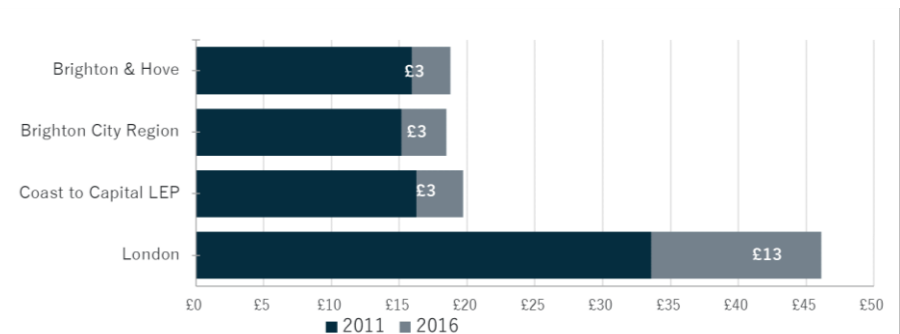
Office Floorspace (Indexed; Base Year = 2000-01)



Office Vacancy Rate (%), 2011-16



Office Rental Prices (£/sqft), 2011-16



Industrial Space Performance

There has been a decrease in supply of industrial space over recent years, along with increased rental prices.

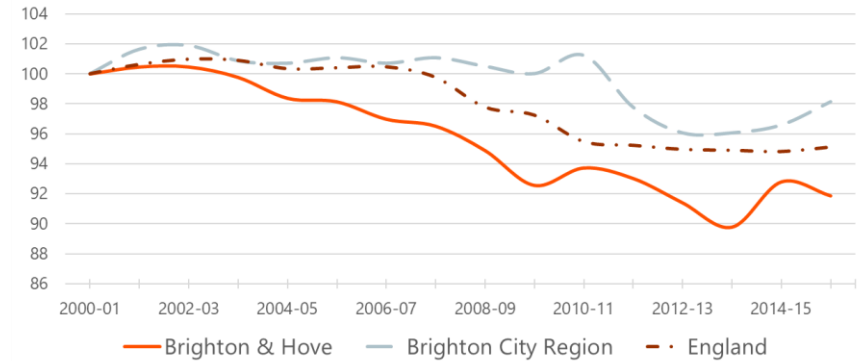
While industrial space has fallen nationally since 2000, industrial space in Brighton & Hove has decreased at a greater rate. While industrial vacancy has increased over the past year, this is a short term trend and may reflect natural churn.

The Brighton & Hove Employment Land Review (2012) notes that the city has been losing industrial space, mainly to residential and retail use, while there has been moderate levels of new developments of office space over the period.

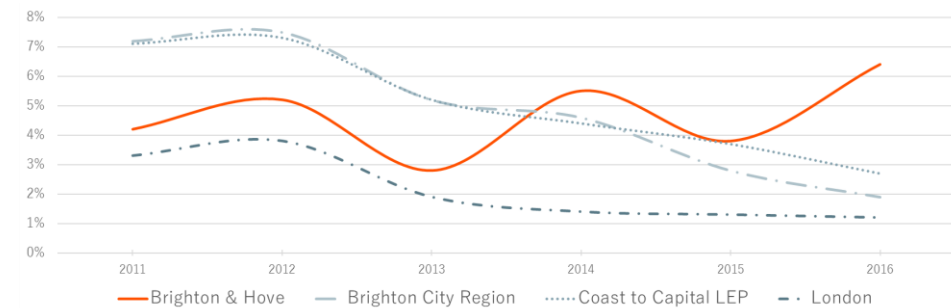
In contrast, the Greater Brighton City Region has maintained a greater proportion of its industrial space compared to England and Brighton & Hove. While Brighton & Hove has perhaps seen a shift towards office space, this is less of the case in the Greater Brighton City Region as a whole, perhaps reflecting demand in major industrial locations such as Manor Royal

The city council has commissioned an industrial estates audit to be undertaken this year. There are 20 industrial estates in the city, but only a few are owned by the local authority, so the council wants to understand them and their needs better in order to ensure they have access to the support needed to help them grow.

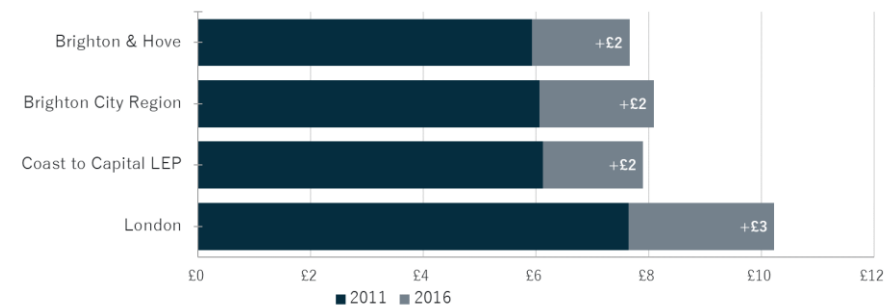
Industrial Floorspace (Indexed; Base Year = 2000-01)



Industrial Vacancy Rate (%), 2011-16



Industrial Rental Prices (£/sqft), 2011-16



Retail Space Performance

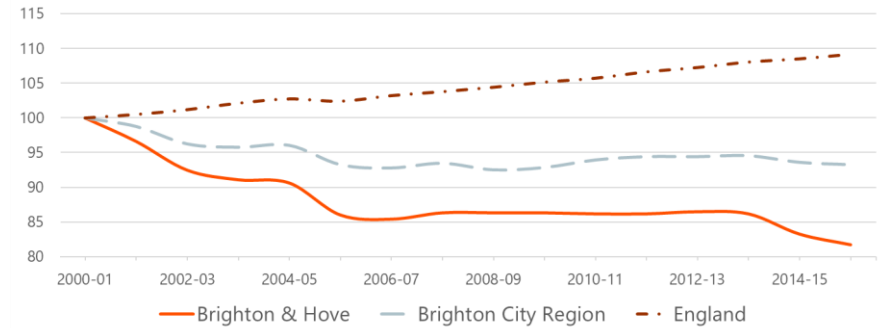
There has been a decrease in supply of retail space over recent years, along with increased rental prices and lower vacancy rates.

Retail floorspace in Brighton & Hove fell strongly at the beginning of the century and again over the last few years. This had led to a large total decline in retail floorspace in the city.

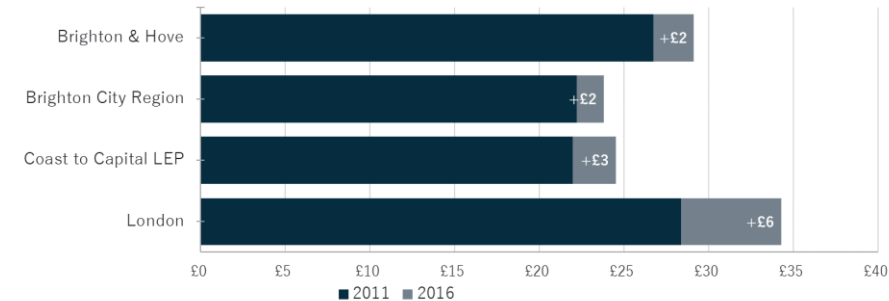
Vacancy rates are low and rental prices are very high in the area, suggesting that there is substantial demand for retail space.

The Greater Brighton City Region has seen a less pronounced decrease in retail floorspace compared to Brighton & Hove. In fact, when Brighton & Hove is excluded, The City Region has exhibited a slight increase in retail floorspace over the period.

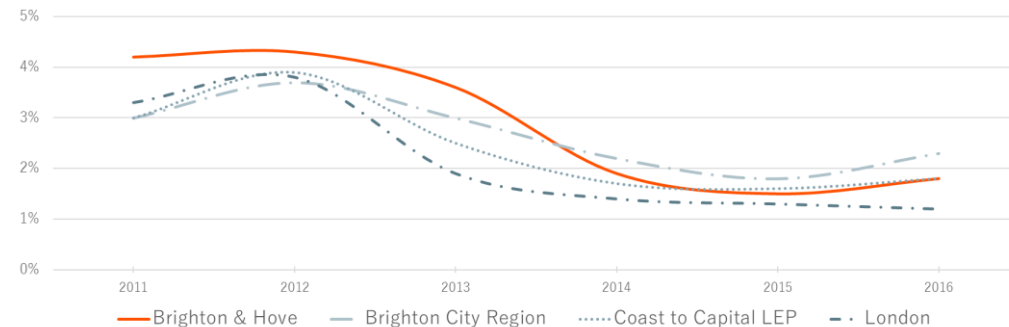
Retail Floorspace (Indexed; Base Year = 2000-01)



Retail Rental Prices (£/sqft), 2011-16



Retail Vacancy Rate (%), 2011-16

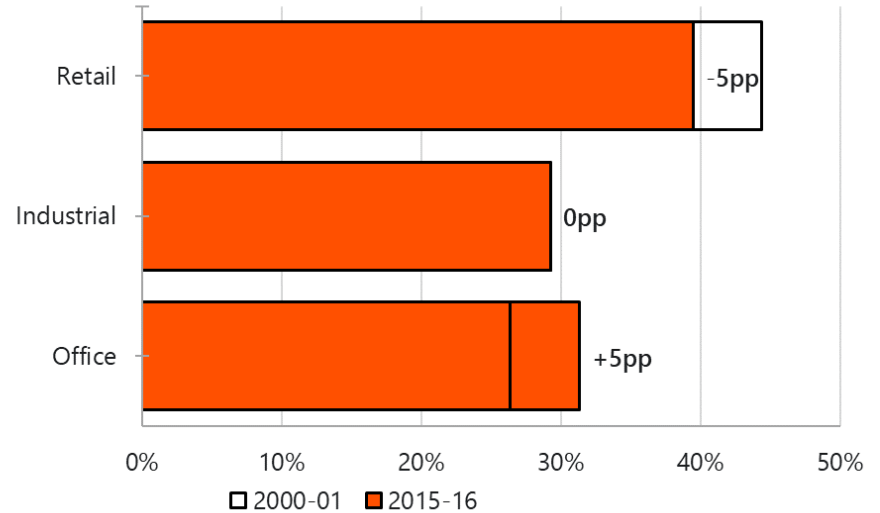


Take-up and Supply of Employment Space

Compared with wider averages, Brighton & Hove has a smaller share of industrial space, reflecting the make-up of the economy. The remainder of the City Region in particular has a lot of industrial space. While office and retail space is lower in the comparator areas.

In 2016, 39% of Brighton & Hove space is used for retail (down 5pp on 2000-01), while 31% is used for office (up 5pp on 2000-01). As the total commercial space has fallen slightly over the period, the share used for industrial purposes has not changed, despite a decrease in the absolute industrial use.

Make-up of commercial space



	% Office	% Industrial	% Retail
Brighton & Hove	31%	29%	40%
G. Brighton City Region	24%	49%	28%
South East	21%	56%	23%
England	18%	62%	20%

Source: Valuation Office Agency, 2016

Permitted Development Rights

Constraints on commercial space in Brighton & Hove have been exacerbated in the period since 2014 by permitted development rights for commercial to residential uses.

Over that period there were 96 commercial permitted development (including office and retail) applications granted: the 19th highest level across all local authority areas, and the 7th highest when London Boroughs are excluded.

While the data does not tell us the amount of floorspace lost it demonstrates the demand for residential space in the City, and the pressure that this is placing on commercial space.

Permitted Developments: Number 2014-2017

	Brighton & Hove	Bournemouth	Milton Keynes	Reading	Cambridge	Southend-on-Sea
Commercial to Residential Approved	96	84	32	92	8	99
Rank in UK	19th	25th	98th	22nd	223rd	17th
Rank in UK Excluding London	7 th	10th	66th	8th	189th	5th

Competitive Position

Vacancy Rate (%), 2017

Type	Brighton & Hove	Bournemouth	Milton Keynes	Reading	Cambridge	Southend-on-Sea
Office	4%	2%	6%	17%*	5%	3%
Industrial	6%	4%	5%	4%	7%	2%
Retail	2%	2%	2%	1%	1%	6%

Brighton & Hove has relatively low vacancy rates for all types of commercial space, in particularly office vacancy, with rates lower than Milton Keynes, Reading and Cambridge, and similar to Bournemouth and Southend-on-Sea.

As in the comparator cities, Brighton & Hove has very low vacancy rates for retail floorspace.

Industrial floorspace has decreased in quantity in Brighton & Hove and all comparator cities apart from Milton Keynes (69% of its floorspace is used for industrial purposes). Vacancy rates are slightly higher for industrial space in Brighton & Hove compared with other cities, although anecdotal evidence on demand suggests this may be a temporary blip.

Rental Prices (£/sqft), 2017

Type	Brighton & Hove	Bournemouth	Milton Keynes	Reading	Cambridge	Southend-on-Sea
Office	£19	£12	£16	£26	£21	£10
Industrial	£8	£5	£6	£8	£6	£5
Retail	£29	£21	£20	£26	£41	£19

Rental prices are relatively high in Brighton & Hove for all types of commercial space and have generally followed an upward trend over recent years.

Office rents are higher than the majority of comparator cities. While they have not increased too much since 2011, they have grown at a faster rate than the comparators (with many only experiencing increases of £1-2).

Rents for industrial space in Brighton & Hove are higher or the same as prices in the comparator cities. This could partly reflect low levels of supply in the City.

*Source: CoStar, 2017 *Very high due to a large amount of proposed space (classed as vacant) in the CoStar database*

iv. Brighton & Hove's Labour Market



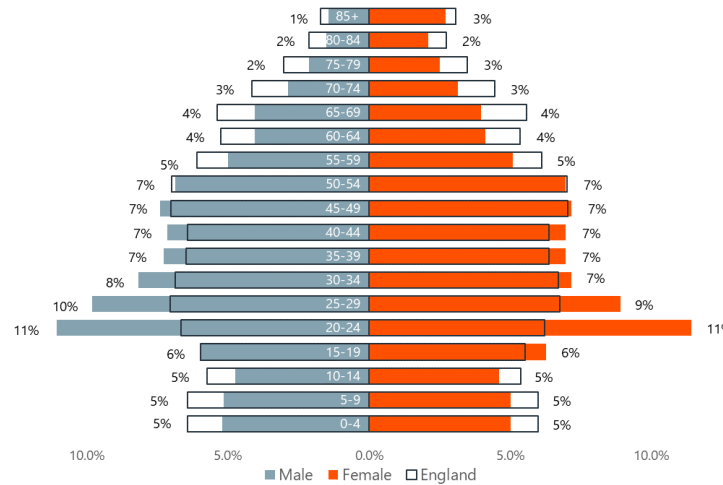
Population & Age Structure

Brighton & Hove is home to around 289,200 people, accounting for 35% of the population in Greater Brighton City Region and 14% of the population in Coast 2 Capital LEP.

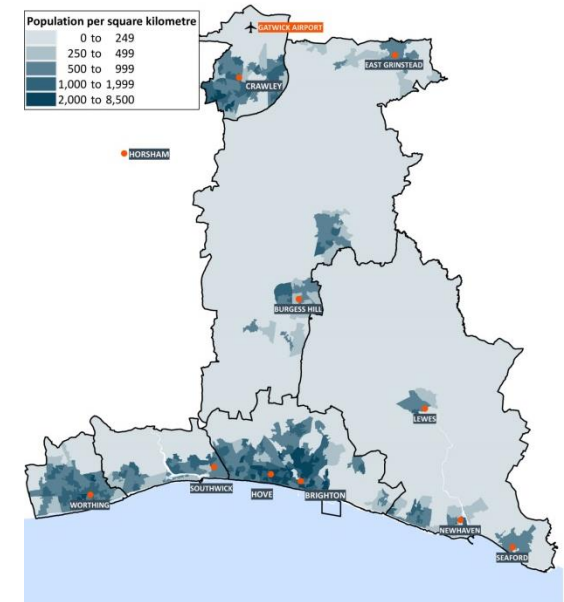
The City's population is notable for its concentration of residents aged between 20 and 34, with an influx of residents arriving in between 20 and 24. Around 20% of Brighton & Hove's population are in their twenties. This is much higher than the 13% of the population of both the Greater Brighton City Region and England.

In headline terms, this represents a considerable strength for the local economy: the City has a large working age population (205,000), fewer children and retirees, and therefore a relatively low dependency ratio.

Brighton & Hove Population Age Breakdown, 2016 Estimates



Population Density, 2015



Population Breakdown, 2016 estimates

Area	Total	Aged 0-15		Aged 16-64		Aged 65+	
		Number	% of Total	Number	% of Total	Number	% of Total
Brighton & Hove	289,200	45,800	16%	205,000	71%	38,400	13%
G. Brighton City Region	821,200	146,700	18%	527,200	64%	147,200	18%
Coast to Capital LEP	2,014,800	378,600	19%	1,254,100	62%	382,100	19%
England	55,268,100	10,529,100	19%	5,593,600	63%	9,882,800	18%

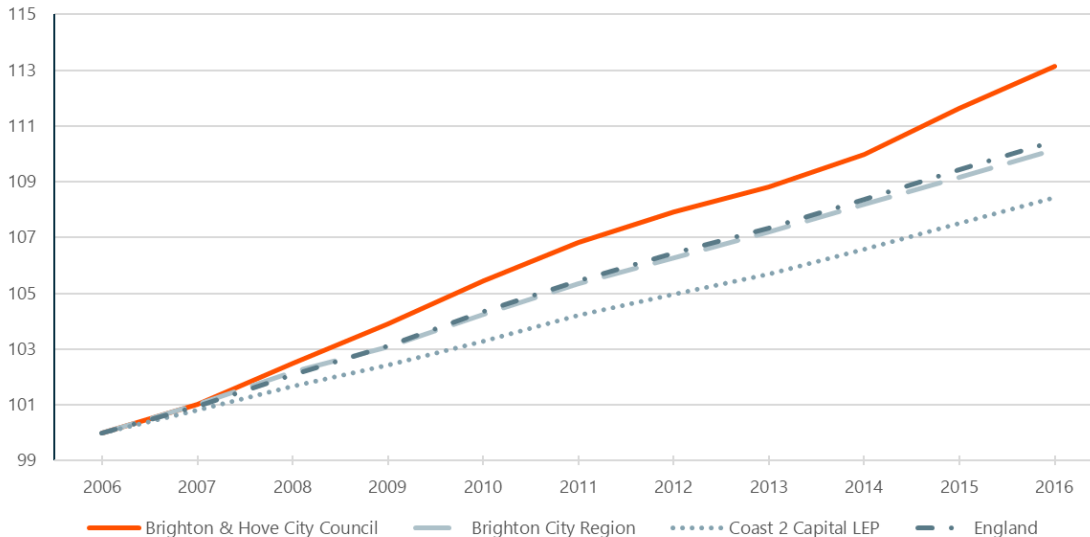
Source: ONS Population Estimates, 2016

Population Growth

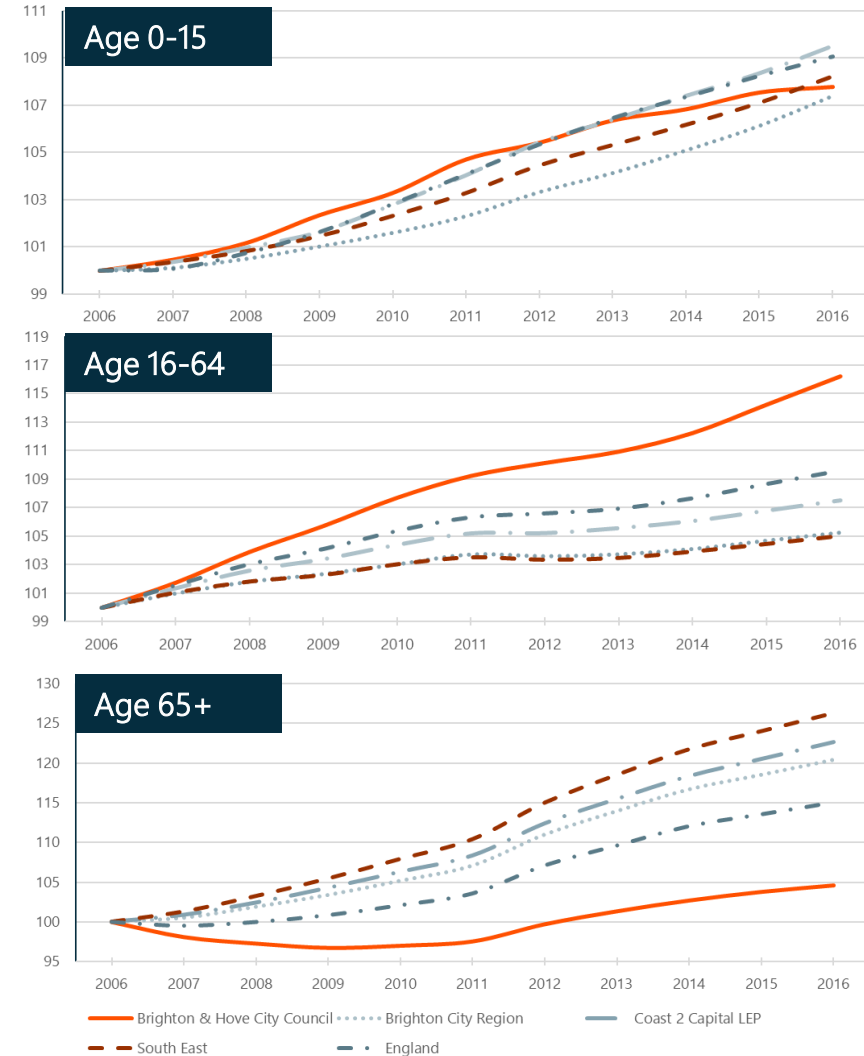
Brighton & Hove's working age population is growing faster than all other age groups, and it is this age group which is driving population growth in the city. Brighton & Hove's total population has grown by 13% over the last ten years, a faster growth rate than experienced in the Greater Brighton City Region and nationally (both +10%). The main driver of this growth has been from those aged 16-64, growing by 16% in the last ten years, compared to 8% for 0-15 year olds and 5% for those aged 65+. The growth rate in the number of working age residents in Brighton & Hove has far outstripped the comparator regions, particularly in recent years.

Brighton & Hove's population growth has been considerably different from the regional (South East) picture, with a much faster growing working age population, and slower growing elderly population. The dependency ratio in Brighton & Hove has been falling over the last ten years, whereas across the South East, it has grown considerably.

Population Growth, (Indexed; Base Year = 2006)



Population Growth by Age Group, (Indexed; Base Year = 2006)



Source: ONS Population Estimates, 2016

Labour Market Participation

Brighton & Hove has a relatively active working age population, with four out of five people aged 16-64 economically active. In total, there are 159,800 economically active residents in the City. Levels of economic activity are similar to wider averages and slightly above the national level.

Around 75% of the population is in employment (149,900 people). While this is slightly lower than the City Region and Coast to Capital LEP, this is likely to be due to the high level of 18-24 year olds in full time education (due to the two universities in the City).

The unemployment rate in Brighton & Hove is currently higher than regionally and nationally (6% compared to 5%).

Labour Market Participation

	Brighton & Hove		G. Brighton City Region	Coast to Capital LEP	England
	No	%			
Economic Activity Rate (16-64)	159,800	80%	81%	82%	78%
Employment Rate (16-64)	149,900	75%	78%	79%	74%
Unemployment Rate (16-64)	9,900	6%	4%	4%	5%
18-24 Year Olds in Full Time Education	18,800	48% (of 18-24 year olds)	34%	30%	32%

Source: Annual Population Survey, 2011, 2016

Labour Market Participation

In 2011, Brighton & Hove had a lower economic activity rate than all of the comparators. However, this rate has improved relatively quickly since then and the city has moved above the national average. There is a similar story in terms of the employment rate.

The unemployment rate in Brighton & Hove is currently higher than the rates in the South East and England (6% compared to 5%). However, the opposite was the case in 2011, where 7% of Brighton & Hove residents were unemployed compared to 8% nationally. While unemployment has fallen since 2011 in Brighton & Hove, the national unemployment rate has decreased at a faster rate.

A large proportion of the city's 18-24 year old resident population is in full-time education. However, this rate was much higher in 2011, and there has been a fall by 9 percentage points since then. The reasons for this fall needs further exploration; however, given the information comes from survey data of a relatively small subset of the population, the data should be considered with caution.

Labour Market Participation, Change Since 2011

	Brighton & Hove		G. Brighton City Region		Coast to Capital LEP		England	
	% in 2016	Change Since 2011	% in 2016	Change Since 2011	% in 2016	Change Since 2011	% in 2016	Change Since 2011
Economic Activity Rate (16-64)	80%	↑4% points	81%	↑2% points	82%	↑4% points	78%	↑2% points
Employment Rate (16-64)	75%	↑5% points	78%	↑3% points	79%	↑6% points	74%	↑4% points
Unemployment Rate (16-64)	6%	↓1% points	4%	↓2% points	4%	↓3% points	5%	↓3% points
18-24 Year Olds in Full Time Education	48%	↓9% points	34%	↓6% points	30%	↓4% points	32%	↓0.2% points

Source: Annual Population Survey, 2011, 2016

Part-Time Work and Non-Permanent Work

Just over a third of Brighton & Hove's workforce (50,100 workers) currently work on a part-time basis, a higher proportion than across the Greater Brighton City Region and nationally.

Nearly three-quarters of Brighton & Hove's part-time workers work in three sectors of the economy, namely public administration, education & health, the visitor economy, and retail. This is slightly higher than nationally.

Brighton & Hove's is also characterised by a greater proportion of jobs which are 'non-permanent' (8%). This is likely to be, in part, down to the size of the tourism sector in the city, which requires flexible workers that can work when there is demand.

While data on zero hours contracts is not available, national data highlights that these working practices are most prevalent in the visitor economy (21% of employment), health and social work (23%) and the arts (15%), all of which are strengths in the Brighton & Hove economy.

Zero-hour contracts offer more insecure employment for workers, and are typically given to those aged 16-24 (8% of all workers) and 65+ (4%).

Part-Time Work by Sector, 2016

Main Sector	Detailed Sector	Brighton & Hove		G. Brighton City Region	England
		No. of PT	% PT	% PT	% PT
Industrial	Manufacturing	200	11%	10%	10%
	Advanced Manufacturing	100	7%	8%	7%
	Utilities & waste	200	11%	10%	9%
Support Industries	Construction	800	17%	16%	14%
	Transport	400	13%	19%	18%
	Warehousing and Logistics	200	30%	23%	19%
Local Services	Retail	8,400	55%	53%	51%
	Wholesale	500	14%	18%	14%
	Visitor Economy	9,800	56%	54%	56%
Creative & Professional	ICT & Digital	800	12%	13%	11%
	Creative	1,100	30%	27%	23%
	Professional & Financial	4,100	21%	22%	19%
	Business Support Services	4,300	36%	41%	35%
	Other Services	700	35%	33%	33%
Public Administration, Education, Health		18,400	43%	43%	41%
Total		50,100	37%	35%	32%

Source: BRES, ONS, 2016

Proportion of Workers in Non-Permanent Employment, 2016

	Brighton & Hove		G. Brighton City Region %	England %
	No	%		
Non-Permanent Work	12,800	8%	6.5%	5%

Source: Annual Population Survey, 2016

Commuting Patterns: Brighton & Hove

Brighton & Hove is part of a wider functional economic area; this is demonstrated in part by commuting flows into and out of the area.

In 2011, Brighton & Hove had a resident working age population of 140,600, whereas there were only 135,200 people working in the centre. This means there is a net outflow of around 5,000 people. This is caused by differences in commuting patterns, with around 32,000 people commuting into the City to work, and around 37,000 commuting out of the City.

This reflects the strengths of neighbouring cities/employment locations (including London and Gatwick Airport) and industrial sites situated just outside Brighton & Hove's administrative boundary, which attract workers from Brighton & Hove to these areas. It also reflects the attraction of Brighton & Hove as a place to live, with an interesting cultural scene, and an attractive quality of life.

However, nearly two-thirds of Brighton & Hove's workforce live and work in the City, either as homeworkers, or working elsewhere in the City. A high proportion of people working and living in the City reduces the need for long commutes, and in turn reduces the amount of congestion on the road, bus and rail networks.

Commuting Patterns within Brighton & Hove, 2011

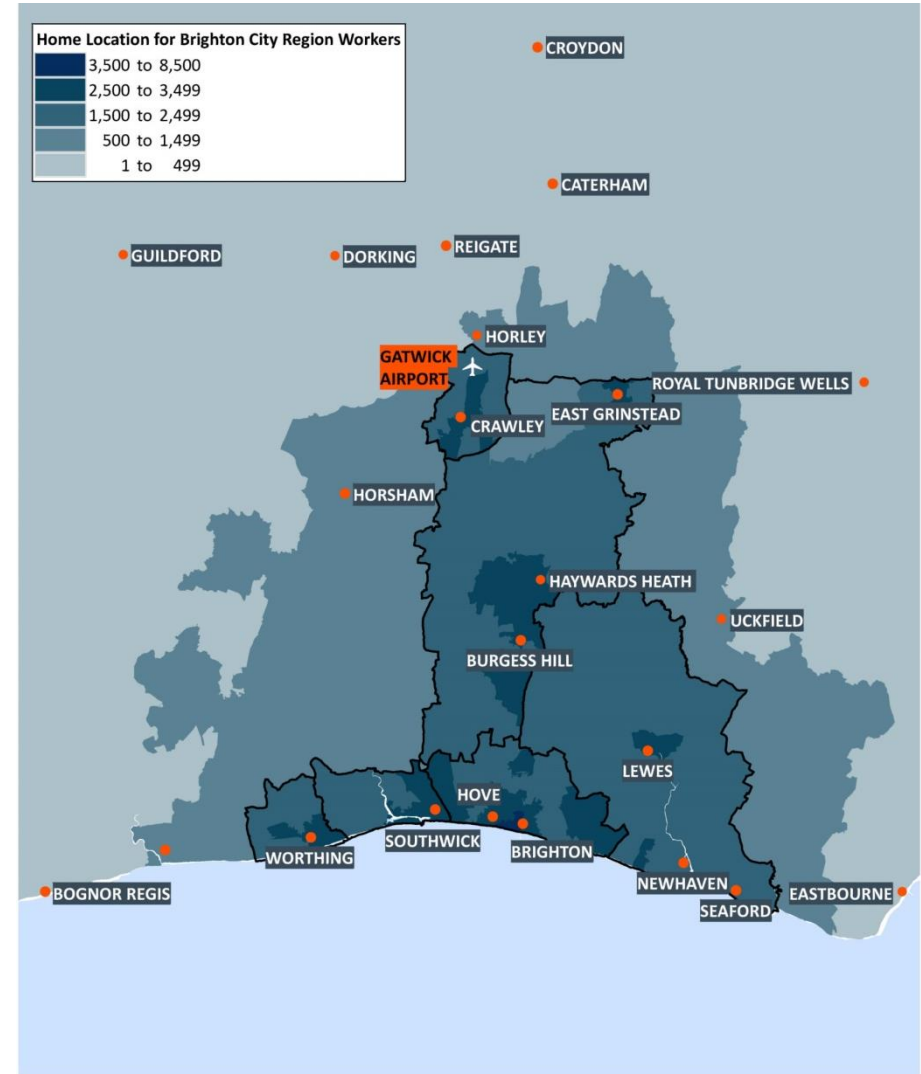
	Brighton & Hove
Total living in City (in employment)	140,600
Total working in City	135,200
Commuting Patterns	
Out-commute	37,300
In-commute	31,900
Brighton & Hove's Workers & Residents	
Live and work in City	72,600
Home workers	17,700
No fixed workplace	
No fixed workplace	13,000

Commuting Patterns: The City Region (1)

The majority of people that work in the Greater Brighton City Region live in the area, with a large proportion of people working in the area coming from Brighton & Hove. There is some in-commuting from neighbouring areas such as Horsham and parts of Wealden, but it is limited.

This will largely reflect external (east-west) connectivity, but also the profile of the economy, and the competing influence of London.

Location of Residence for G. Brighton City Region's workforce



Location of Residence for G. Brighton City Region's workforce

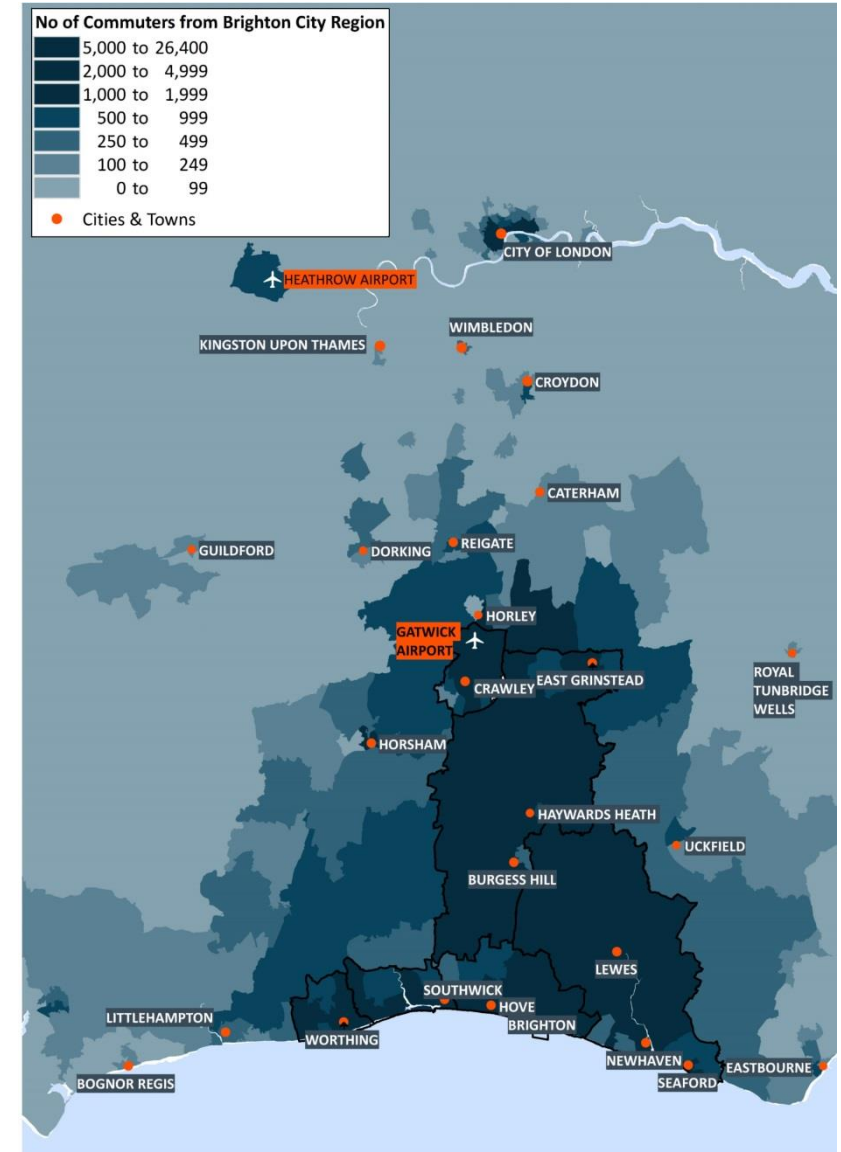
	%
Brighton & Hove	69%
Greater Brighton City Region	91%
Coast to Capital LEP	94%
London	1%

Source: ONS Census, 2011

Commuting Patterns: The City Region (2)

While in-commuting to Greater Brighton City Region, residents of the City Region commute to a broader range of destinations. Some commute within the City Region, but there are also strong commuter flows to Heathrow, Wimbledon, Crawley and particularly the City of London.

Location of Work for G. Brighton City Region's Residents



Location of Work for Brighton City Region's Residents

	%
Brighton & Hove	66%
G. Brighton City Region	83%
Coast to Capital LEP	87%
London	8%

Source: ONS Census, 2011

Migration

Brighton & Hove has long experienced high levels of internal (UK) and international migrations; generally speaking migration levels have increased in recent years.

In 2016, there was a net outflow of 'internal migrants' of around 3,800 people; this comprised 6,200 in-movements, and 2,400 out-movements.

Conversely, there was a net inflow of international migration of around 700 people with around 19,600 in-movements and 20,300 out-movements.

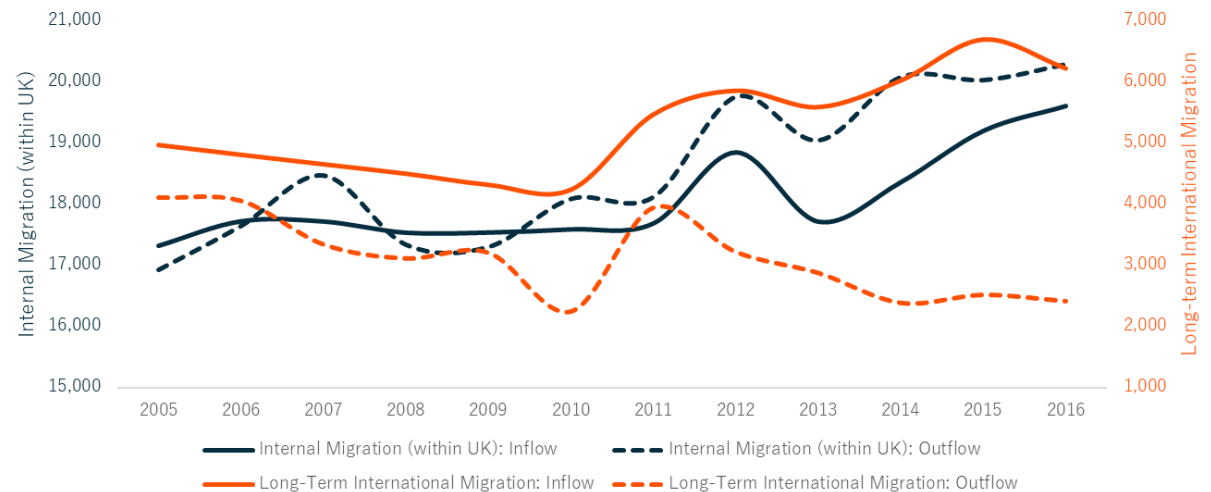
The trend of net outflow of internal migration has been persistent over the past 5 years. This could partly reflect housing affordability issues pushing people out of the city (with popular destinations for out-migrants including Lewes, Adur and Worthing).

Over recent years the inflow of international migrants has increased in volume, while the outflow has decreased. Anecdotal evidence suggests a large proportion of these are working within the tourism and hospitality sectors, which is becoming increasingly reliant on migrant labour. This represents a clear risk to the structure of the Brighton & Hove labour market should immigration levels be affected by Brexit negotiations.

Internal & Long-term International Migration to/from Brighton & Hove, 2016

	Inflow	Outflow	Net Inflow
Internal Migration	19,600	20,300	-700
Long-term International Migration	6,200	2,400	3,800

Internal & Long-term International Migration to/from Brighton & Hove



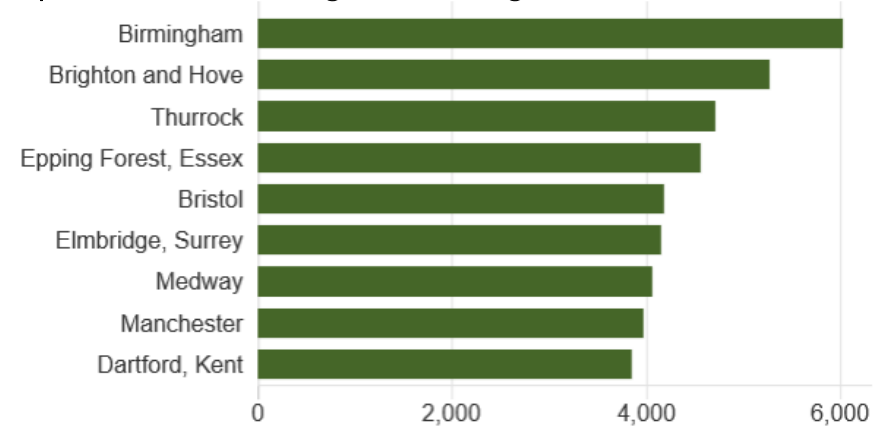
Source: ONS Local Area Migration Indicators, UK

Migration

Brighton & Hove is second only to Birmingham in terms of destination of migrants leaving London. Many of the largest flows come from south London boroughs. Some of these migrants will retain their jobs in London (adding to commuting flows), while others will take up employment in the city or City Region.

Conversely, there is significant out-migration from Brighton & Hove to other parts of the City Region and surrounding areas. This may partly reflect housing affordability issues. The Greater Brighton and Coastal West Sussex Background Paper on Housing, of those that move out of Brighton & Hove to the City Region, 80% are of working age and many of them commute back to the city.

Top Destinations for Migrants Leaving London, 2016



Net Migration in Brighton & Hove (5 largest net movements), 2016

		LA	No
Highest	1	Bromley	+170
	2	Lambeth	+110
	3	Croydon	+110
	4	Richmond-Upon-Thames	+90
	5	Kingston-Upon-Thames	+80
Lowest	5	Horsham	-210
	4	Mid-Sussex	-550
	3	Worthing	-610
	2	Adur	-760
	1	Lewes	-1,100

Source: ONS Local Area Migration Indicators, UK

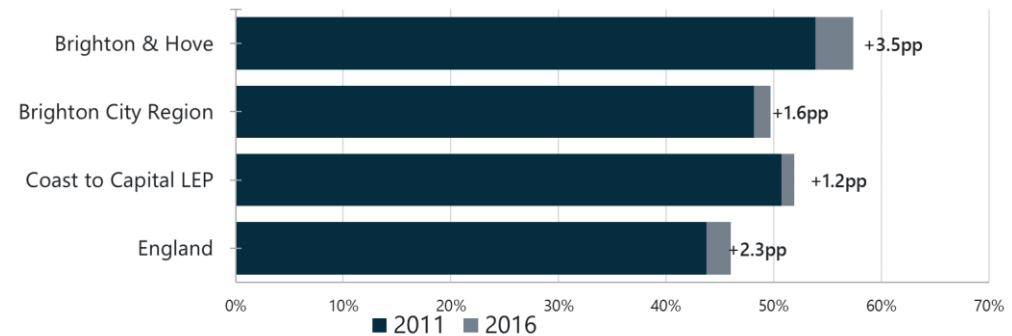
Occupations

Brighton & Hove's resident population is notable for the comparatively high proportion of people working in 'higher value' managerial and professional occupations: around 57% residents in employment (compared to 52% across England).

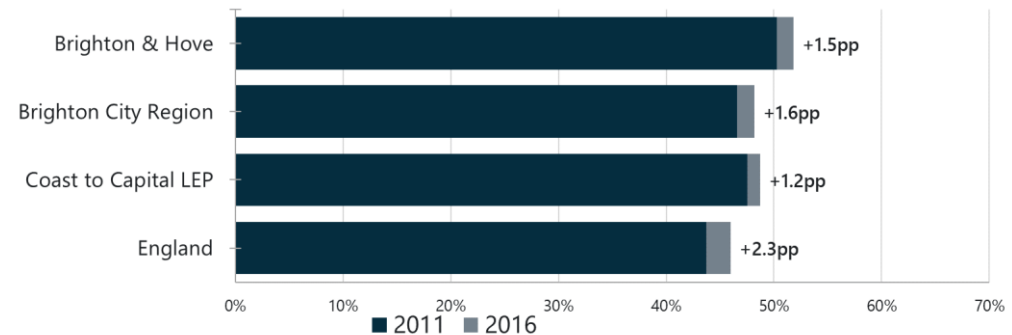
Brighton & Hove's workforce has a slightly lower proportion of workers in higher-level occupations than residents, accounting for around 52% of jobs (similar to the national average).

The analysis points to a gap between the type of jobs available in the City and the characteristics of the labour market. This gap has increased further in recent years: the proportion of residents in higher value occupations increased by 3.5 percentage points over the past five years, but only by 1.5 percentage points within the workforce.

Proportion of Residents in Higher Level Occupations, 2011-16



Proportion of Workers in Higher Level Occupations, 2011-16



Source: ONS Annual Population Survey, 2016

Occupations

Further analysis highlights that professional occupations account for the highest proportion of both residents and workers in Brighton & Hove. The category has seen a large increase over the past 5 years.

While the 2013 Brighton & Hove Economic Strategy notes that there is an issue with the number of mid-level value added jobs in Brighton & Hove, there has been a significant increase in the number of administrative & secretarial jobs and skilled trades occupations over the last five years.

Occupations of Brighton & Hove's Residents & Workers, 2016

Occupation	Brighton & Hove's Residents		Brighton & Hove's Workers	
	Jobs (2016)	Change (2011-16)	Jobs (2016)	Change (2011-16)
Professional	42,900	+32%	37,100	+24%
Associate Prof & Tech	25,600	-5%	25,700	+2%
Managers, Directors & Senior Officials	19,500	+40%	17,400	+36%
<i>Higher Level Occupations</i>	<i>88,000</i>		<i>80,200</i>	
Administrative & Secretarial	14,500	+32%	16,100	+18%
Skilled Trades	12,100	+17%	15,300	+29%
Elementary	11,800	+2%	13,400	+19%
Caring, Leisure & Other Service	11,300	-12%	12,900	+7%
Sales & Customer Service	10,000	-26%	11,400	-19%
Process, Plant & Machine	5,500	+45%	5,400	+29%

Source: ONS Annual Population Survey, 2016

Qualifications

Reflecting the occupation profile of residents, the Brighton & Hove population is also characterised by a high proportion of residents with Level 4 (Degree level) qualifications. This accounting for half of the population: significantly higher than is average across England (38%).

At the other end of the spectrum, there is a relatively low prevalence of Brighton & Hove residents with no qualifications (3%).

Previous research (e.g. the Employment and Skill Strategy) has highlighted the presence of a skills mismatch within Brighton & Hove where there are not enough jobs in professions suitable for such a highly qualified workforce; this trend has been referred to 'baristas with PhDs.'

	Brighton & Hove		G. Brighton City Region	Coast to Capital LEP	England
	No	%			
No qualifications	6,600	3%	4%	5%	8%
Level 1+	184,800	8%	10%	10%	12%
Level 2+	168,100	8%	19%	17%	17%
Level 3+	143,800	22%	20%	18%	19%
Level 4+	101,000	50%	43%	45%	38%
Other	9,300	5%	4%	6%	7%

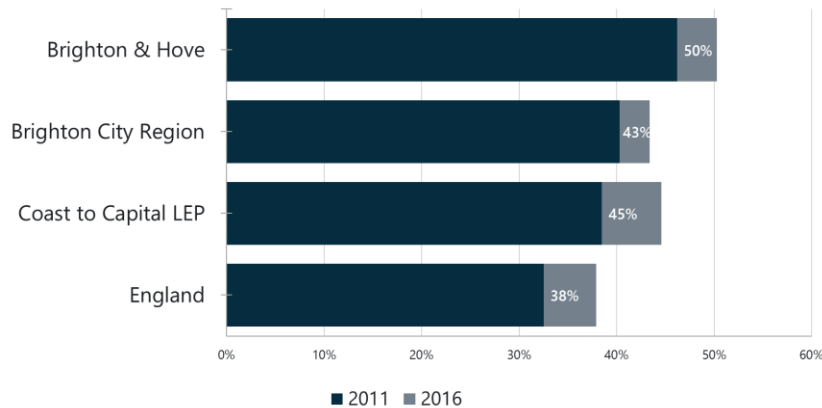
Source: ONS Annual Population Survey, 2016

Qualifications – Higher Level

While Brighton & Hove has a high proportion of degree level qualifications, the distribution of these qualifications is not evenly spread. Residents of the centre of Brighton & Hove are very likely to have a degree level qualification, while people living on the outskirts, particularly in East Brighton, are less likely to have a degree. Generally speaking, qualification levels less strong outside the City.

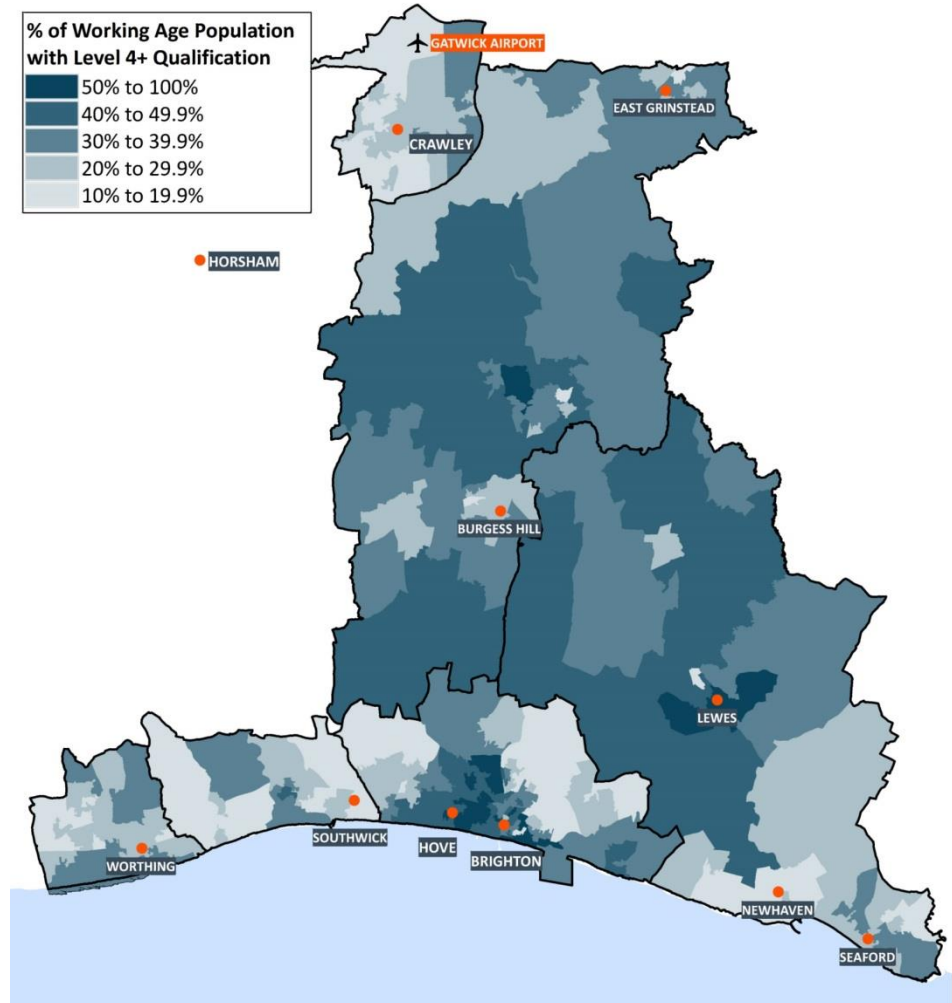
It is also noticeable that the proportion of residents with degree-level qualifications has increased in Brighton & Hove by 4 percentage points since 2011. This is slightly slower than the comparators, perhaps reflecting the high baseline position from which the City was starting.

Proportion of Residents with a Degree-Level Qualification



Source: ONS Annual Population Survey, 2016

Proportion of Residents with a Degree-Level Qualification



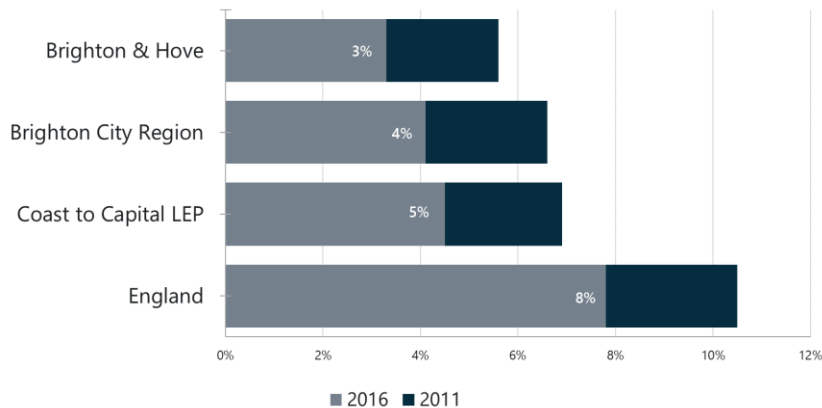
Source: ONS Census, 2011

Qualifications – No Qualifications

Brighton & Hove has lower rates of residents with no qualifications compared with the other regions. This rate has fallen from 5.6% in 2011 to 3.3% in 2016.

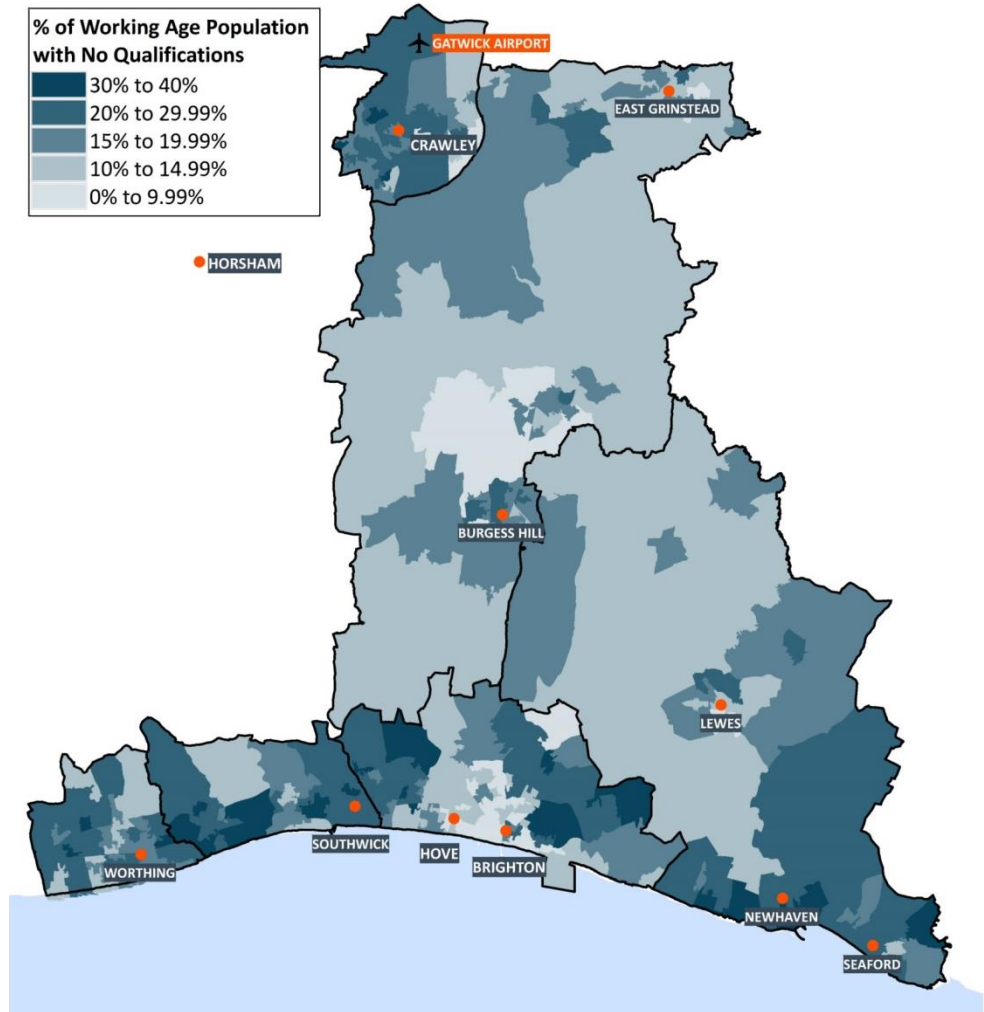
As in the case of degree level qualifications, there are areas in Brighton & Hove where there is a higher proportion of residents without qualifications: particularly in west and east Brighton, where average qualification levels are comparatively low.

Proportion of Residents with No Qualifications



Source: ONS Annual Population Survey, 2016

Proportion of Residents with No Qualifications



Source: ONS Census, 2011

Apprenticeships

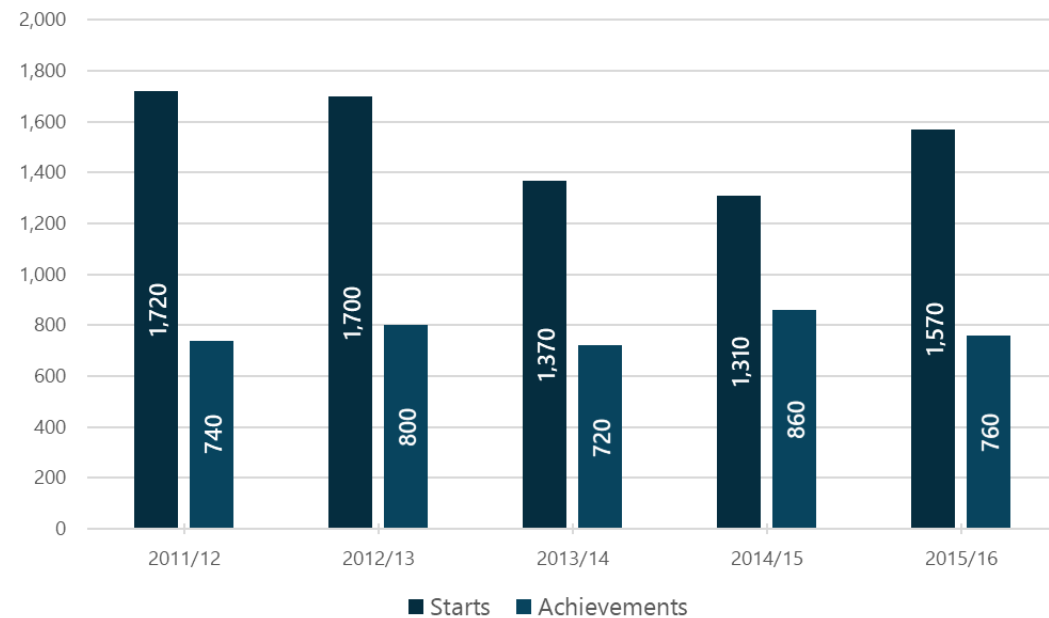
The apprenticeship sector profile in Brighton & Hove follows a similar pattern to the national profile, with most of the apprenticeship starts being in health, public sector & care; business, administration & law; retail & commercial enterprise; and engineering & manufacturing technologies. However, there is still some variation.

There is a much greater proportion of health, public sector & care apprenticeship starts in Brighton & Hove compared to the national picture. This is particularly striking as in 2011/12 only 20% of Brighton & Hove apprenticeships were in this sector, while this proportion rose to 39% in the first half of 2016/17.

Conversely, while business, administration & law is the second most common sector in Brighton & Hove, its proportion is below the national average. Further, in 2011/12 39% of Brighton & Hove apprenticeships were in this sector, while now it is only 27%.

Given the strength of the visitor economy in Brighton & Hove, it is perhaps not surprisingly that there is a greater proportion of apprenticeships starts in the leisure, travel & tourism sector compared with England.

Apprenticeship Starts & Achievements in Brighton & Hove



Core Subject of Apprenticeship Starts, 2015/16

Subject	Brighton & Hove	England
Health, Public Sector & Care	30%	26%
Retail & Commercial Enterprise	18%	16%
Engineering & Manufacturing Technologies	12%	15%
Business Administration & Law	27%	29%
Leisure, Travel & Tourism	5%	3%

Education

Brighton & Hove has seen an improvement in GCSE performance compared to the national average over recent years. At the beginning of the decade, fewer students in Brighton & Hove were achieving 5+ A*-C grades including English and Maths compared to England, but over recent years, this has reversed.

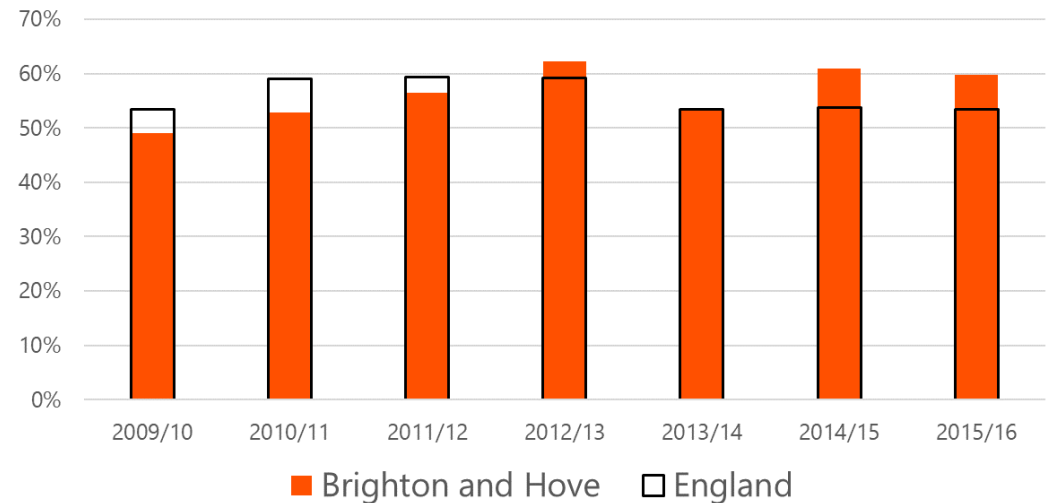
Around 65% of pupils in Brighton & Hove achieved A*-C in English and Maths GCSEs in 2015/16, which is similar to the rate in the South East (66%) and is higher than the national rate (59%).

These statistics show that Brighton & Hove's schools are generally performing well, and this is backed up by the fact that, out of the eighteen schools assessed by OFSTED, none of them were considered to be below the floor standard or coasting.

The good performance in Brighton & Hove extends to its A level students. 24% of students achieved grades AAB or better, which is greater than the South East (20%) and the national average (21.5%). There was also a greater proportion of students that achieved three grades A*-A. 15% achieved this in Brighton & Hove, compared to 11.5% in the South East and 13% nationally.

As the 2013 Economic Strategy notes, improvements in educational standards of school leavers will ensure that basic skill levels are higher, which would improve the employment prospects of school leavers.

Percentage of Pupils that Achieved 5+ A*-C Grades Including English and Maths GCSEs



Current Skills Needs in Brighton & Hove

The 2016 City Employment & Skills Plan examined the skills gaps in Brighton & Hove. Please refer to the Data Story report for a full review of local skills needs.

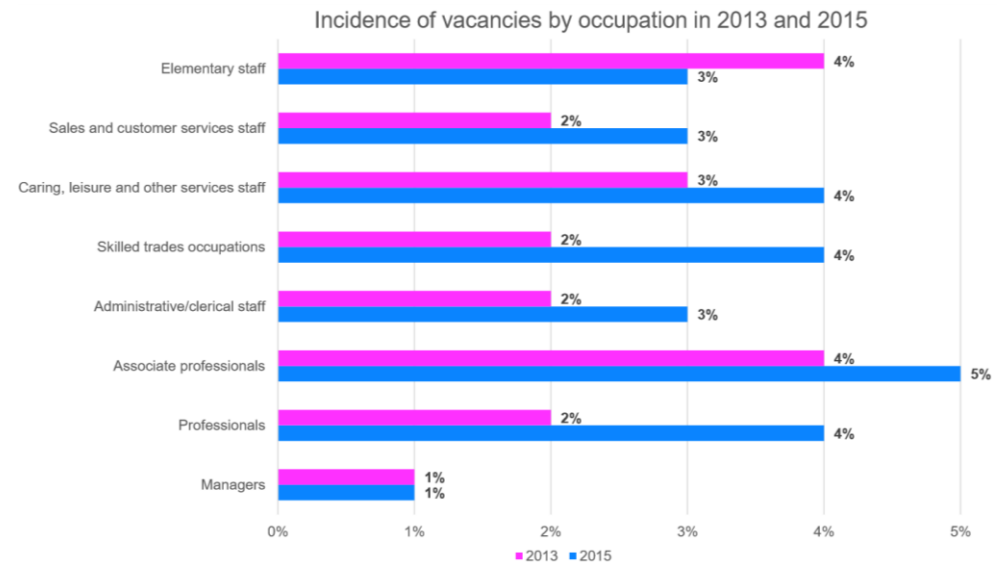
Key findings include:

- New jobs are predicted for the creative, digital and IT sector (around 2,000 between 2012 and 2022).
- Around 2,000 more jobs are projected for finance sectors.
- There will be new jobs linked to key regeneration schemes in the Greater Brighton City Region. These three sources of new jobs are mainly a higher level of qualification.
- 24,000 people are employed in the visitor economy, yet it is poorly served in terms of both recruitment and career opportunities as well as the quality of training provided.
- The public sector is the largest employer and it is important to support this sector even though it is not seen as a key contributor to improving productivity.
- Requirements in the city are shifting from level 2 and 3 standards towards level 3 and 4 representing a need for training and development support. The graph shows the increased need for highly qualified workers.
- It is a challenge to keep pace with skills needs in the CDIT sector particularly, with skills gaps in the majority of cases either staying the same or worsening. This is partly because it is difficult to provide support to the many small start-ups and freelancers along with the constant changing of skills needs.

The need to understanding future skills needs is all the more important in the context of Brexit, and concerns about housing

affordability. There is real concern that both factors could significantly impact on the level of labour supply in the Brighton & Hove, and hence the vitality of a number of the City's most important sectors.

While the impacts of Brexit in this respect are likely to take time to emerge, it is important that Brighton & Hove is on the front foot and working proactively to shape the City's future workforce. Inclusivity will be important in this: more than ever, it will be important that all groups have the skills and ability to participate. Opportunities may also present to encourage labour market participation from group currently classified as economically inactive, including older groups.



Source: Brighton & Hove City Employment and Skills Strategy, 2016

Competitive Position

As in the previous analysis, Brighton & Hove has a comparable economic activity rate in relation to the comparison cities.

The employment rate is the lowest of the six cities at 75% and the unemployment rate is the joint highest with Southend-on-Sea. All of the other cities discussed have unemployment rates below the national average.

Brighton & Hove has a much higher proportion of its 18-24 year old residents in full time education compared to the other cities (apart from Bournemouth, which also has a high rate).

Labour Market Participation

	Brighton & Hove		Bournemouth	Milton Keynes	Reading	Cambridge	Southend-on-Sea
	No	%					
Economic Activity Rate (16-64)	159,800	80%	79%	78%	79%	80%	81%
Employment Rate (16-64)	149,900	75%	76%	76%	76%	77%	76%
Unemployment Rate (16-64)	9,900	6%	4%	2%	4%	3%	6%
18-24 Year Olds in Full Time Education	18,800	48%	52%	30%	35%	25%	21%

Source: ONS Annual Population Survey, 2016

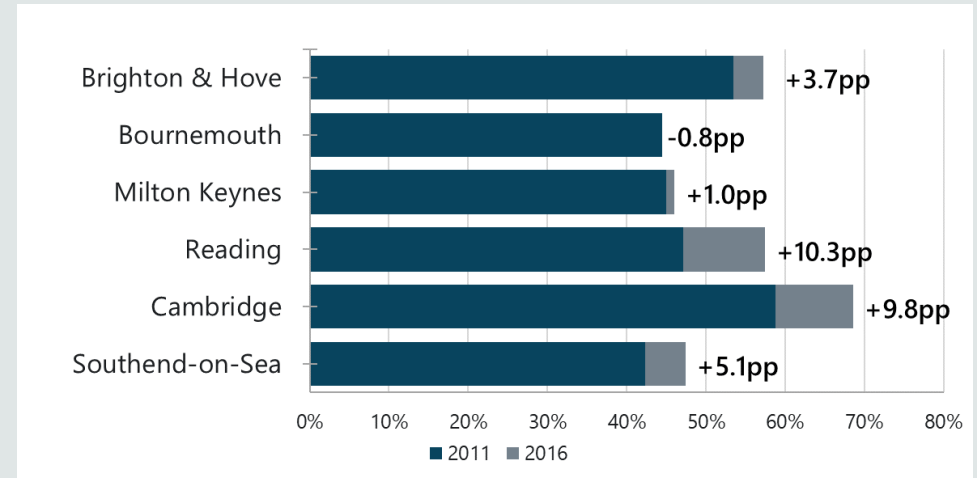
Competitive Position

Brighton & Hove performs comparatively well in terms of the proportion of residents in higher value occupations, with only Cambridge outperforming it.

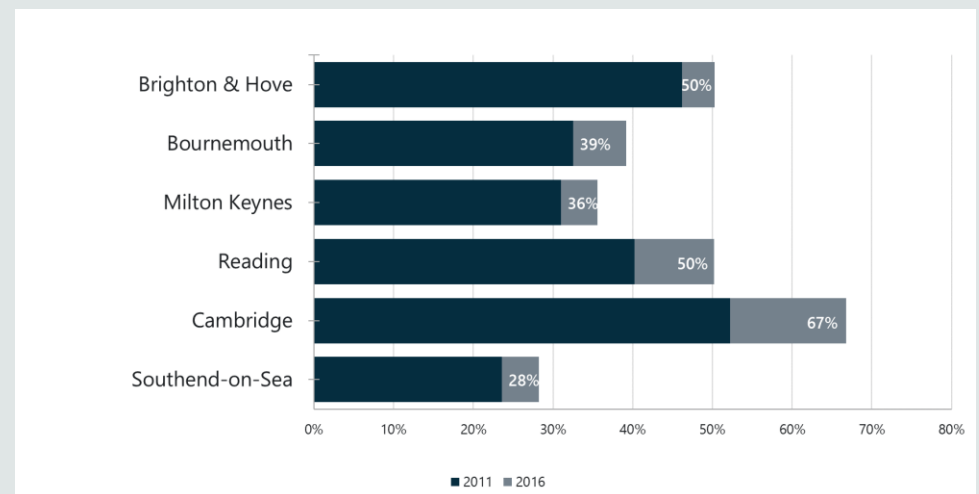
It is worth noting the fast growth in these types of jobs since 2011 in both Reading and Cambridge. In Cambridge, there was already a very large share of these types of jobs, but the rate has increased significantly again. The strong performance of Reading may reflect the increasing attractiveness of the town which is shortly to benefit from Crossrail.

Analysis of the proportion of residents with 'higher level' qualifications shows a similar trend: Brighton & Hove is performing strongly, but there has been strong growth in both Reading and Cambridge in recent years.

Share of Residents in High Level Occupations, 2011-16



Proportion of Residents with a Degree-Level Qualification



v. *Social Inclusion*



Resident Backgrounds

While Brighton & Hove is home to a diverse population, levels of diversity are slightly lower than the national average: both in terms of country of birth, and ethnicity.

While up to date information is not available, over the decade to 2011, the city experienced a larger than average growth in the number of EU born residents. International migration levels (summarised in the previous chapter) suggest that this trend has continued in recent years.

Nationally of residents, 2011

Country of Birth	Brighton & Hove		England	
	%	Growth Since 2001	%	Growth Since 2001
England	81%	+5%	84%	+3%
Rest of the UK	4%	-6%	4%	-12%
Other EU Members in 2001	4%	+21%	3%	+12%
Other EU Members Joined After 2001	2%	-	2%	-
Other Countries	9%	+50%	9%	+46%

Ethnicity of residents, 2011

Ethnic Group	Brighton & Hove	England
White	89%	85%
Mixed/multiple ethnic groups	4%	2%
Asian/Asian British	4%	8%
Black/African/Caribbean/Black British	2%	4%
Other ethnic group	2%	1%

Economic Inactivity

There are around 40,900 economically inactive people in Brighton & Hove, of whom around 17,800 want a job. While the overall economic inactivity rate is similar to the national average, it is striking that the proportion of those who are inactive who want a job (44%) is much higher than average (22%).

The City has seen a reduction in the number of economically inactive residents from 46,900 in 2011 to 40,900 in 2016. This is a reduction of 4.2 percentage points. The national inactivity rate has fallen since 2011, but only by 1.8 percentage points.

A high proportion of Brighton & Hove residents are inactive for study; this reflects the presence of the two universities. However, it is worth noting that this share has reduced since 2011; in 2011 there were 20,500 students living in the City compared to 12,000 now. The reason for this needs further exploration, but may partly reflect the fact that students have had to move away from the City, or take up work to cover costs.

There is a smaller share of the economically inactive population that is inactive due to retirement in Brighton & Hove. The aggregate number of retirees in Brighton & Hove has increased slightly since 2011.

There is a relatively low proportion of people inactive due to looking after family or the home and a high proportion of people that are inactive for 'other reasons'.

Summary of Economic Inactivity and Unemployment, 2016

Indicator	Brighton & Hove		England	
<i>Economic Inactivity</i>	%	Change Since 2011	%	Change Since 2011
Economic inactivity rate	21%	-4.2% points	22%	-1.8% points
% of economically inactive who want a job	44%	+13.7% points	24%	+0.2% points

Reasons for Economic Inactivity, 2016

	Brighton & Hove		G. Brighton City Region	Coast to Capital LEP	England
	No	%			
Student	12,000	30%	19%	21%	27%
Looking After Family/Home	7,100	17%	21%	25%	26%
Long-Term Sick	9,100	22%	25%	22%	21%
Retired	4,100	10%	19%	15%	13%
Other	8,100	20%	15%	16%	11%

Unemployment

There are around 9,900 unemployed people in Brighton & Hove. The City has a slightly higher unemployment rate compared to the national average; unemployment rates are particularly high for young people (4,800 people), and females (5,100 people).

Despite this, the City has a relatively low number of people claiming out-of-work benefits and this number has fallen rapidly over the last four years. Around 1.4% of working aged people (2,950) in the city are claiming out-of-work benefits compared to 1.9% nationally.

While there has been a large (43%) fall in the number of claimants since 2013, this will partly reflect changes in the benefits system. This fall has largely been due to reductions in the number of claimants under the age of 50, with a significant reduction in the proportion of those aged 16-24 and 25-49 that are claimants. Conversely, the number of claimants over the age of 50 has only fallen slightly compared to 2013. There is also a skew towards male claimants, with men making up nearly two thirds of claimants.

Unemployment, 2017

Indicator	Brighton & Hove			England	
	No	%	Change Since 2011	%	Change Since 2011
Total unemployment rate	9,900	6%	-1% point	5%	-3% points
% of 16-24 unemployed	4,800	16%	+1% point	13%	-8% points
Male unemployment rate	4,800	6%	-2% points	5%	-4% points
Female unemployment rate	5,100	7%	-1% point	5%	-3% point

Claimant Count as a proportion of residents aged 16-64, 2017

	2013	2017	Change 2013-17
Brighton & Hove	2.7%	1.4%	-1.3% points
G. Brighton City Region	2.1%	1.2%	-0.9% points
Coast to Capital LEP	2.2%	1.6%	-0.6% points
England	3.3%	1.9%	-1.4% points

Claimant Count in Brighton & Hove, 2017

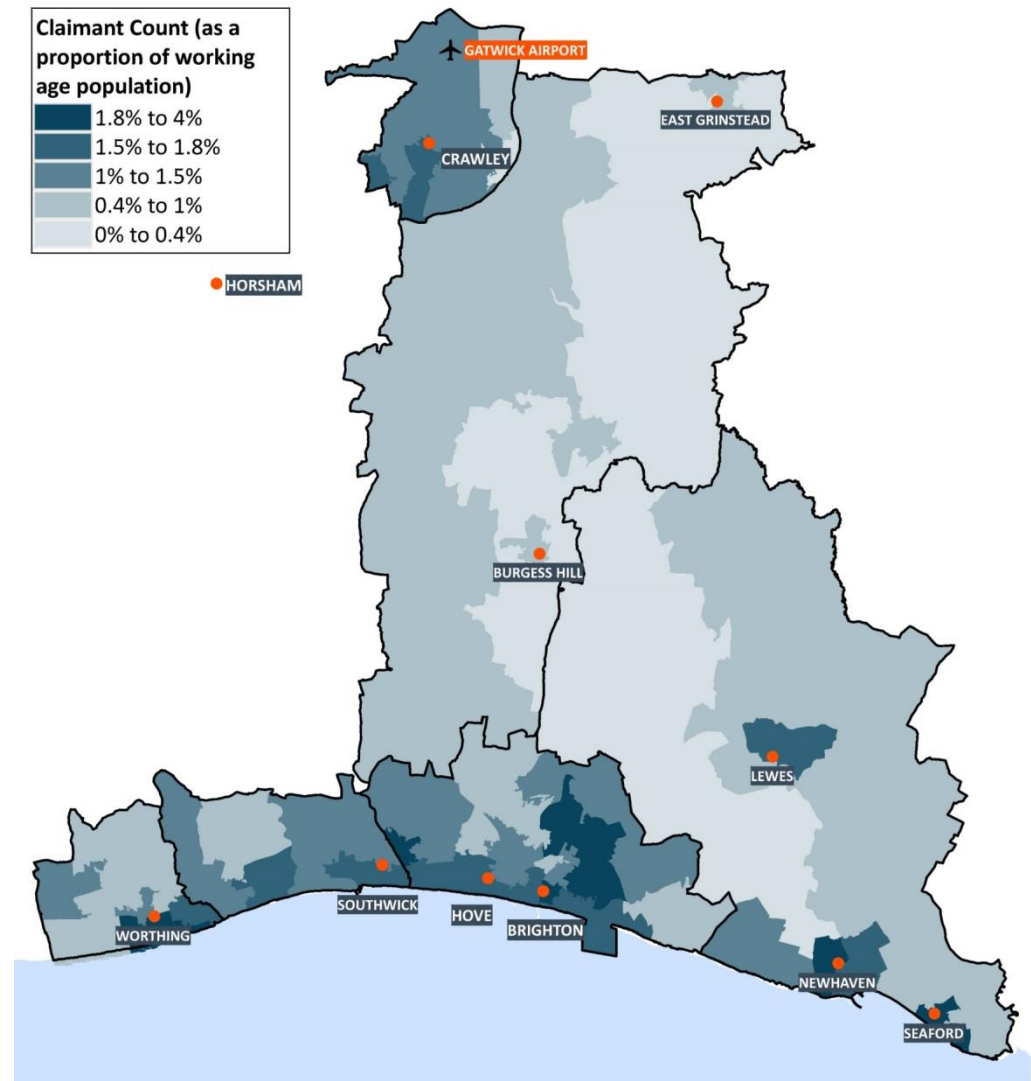
	2013	2017	Change 2013-17
Total Claimants	5,200	2,950	-43%
Male Claimants	3,300	1,800	-45%
Female Claimants	1,900	1,150	-39%
% Aged 16-24	2.8%	1.2%	-1.6% points
% Aged 25-49	2.8%	1.5%	-1.3% points
% Aged 50+	2.1%	1.7%	+0.4% points

Out-of-Work Benefits

There is variation in the proportion of residents that are claimants in different areas of Brighton & Hove. There is a relatively high claimant count in some areas such as East Brighton, while rates are lower in northern Hove.

Across the City Region, claimant rates are typically highest in the major towns: Worthing, Newhaven, Seaford, Lewes and Crawley.

Claimant Count in Brighton & Hove, 2017



Focus on...Youth Unemployment

Brighton & Hove has relatively high youth unemployment (aged 16-24) compared to local areas and the national rate.

In 2013, 22% of 16-24 year olds in Brighton & Hove were unemployed. This was higher than the rates in the wider City Region, the Coast to Capital LEP and England, where it was 20%.

Over the following years, the youth unemployment rate has fallen. However, it fell at a greater rate at the national level compared with Brighton & Hove. This means that the gap between unemployment rate in Brighton & Hove and England is even wider than it was four years ago.

This issue is further highlighted by statistics on 16-17 year olds that are not in education, employment or training (NEET). The proportion that are NEET is higher in Brighton & Hove than the national average, with Brighton & Hove in the bottom 40% of local authorities for this indicator.

Youth unemployment rate (aged 16-24), 2013-17

	2013	2017	Change 2013-2017
Brighton & Hove	22%	16%	-6% points
G. Brighton City Region	20%	12%	-8% points
Coast to Capital LEP	19%	11%	-8% points
England	20%	13%	-7% points

Not in Education, Employment or Training (NEET) Performance, 2016

	Brighton & Hove	England	Brighton & Hove Quintile
% 16-17 year olds NEET	3.4%	2.7%	4
%16 17 year olds participating in education and training	90.4%	91.5%	4
% 16-17 year olds NEET re-engaging in EET	9.2%	7.9%	2

Note: The quintile indicates where Brighton & Hove ranks compared with other English local authorities where 1 means Brighton & Hove is in the top 20%.

Source: Claimant Count, 2013-17 & Department for Education, 2016

Focus on... Economic Activity within BME Groups

The Brighton & Hove Race Equality of Employment and Skills in the City report notes that there is an underrepresentation of BME communities in employment and overrepresentation of those that are economically inactive. According to their 2011 census data, the unemployment rate is 7% across the city, while it is 10% for black and ethnic minority (BME) residents. Also, 34% of the population is economically inactive, while 39% of the BME population are. This disparity is even larger for certain ethnic groups, such as Pakistani or Irish or Gypsy Traveller.

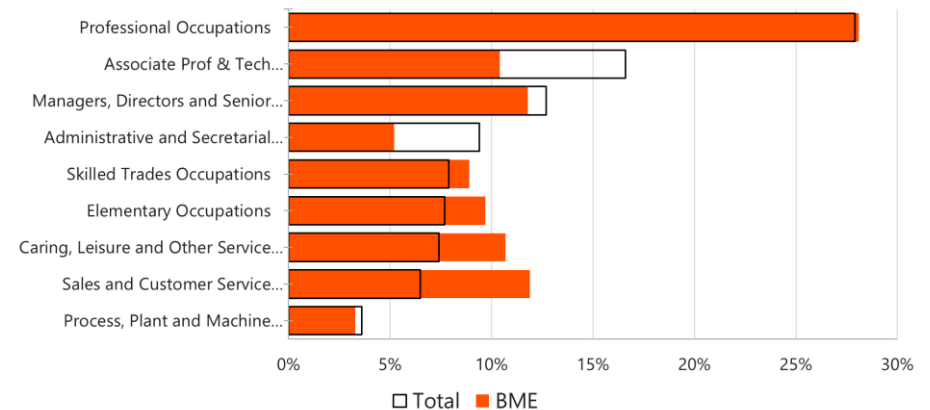
As part of the report, they undertook a survey of BME people in the city. Respondents said that there are barriers to accessing employment, skills, training and apprenticeships programmes in Brighton & Hove for people from BME communities. They felt that greater access to information about these things is required with only 64% knowing where to look for jobs and 46% agreeing that it is easy accessing information about jobs.

The evidence shows that within the city there are disproportionately more negative outcomes for BME communities in terms of accessing work, career progression, economic inactivity and skills development. This is despite the relative strength of the BME community in terms of qualifications.

Analysis shows that there is an imbalance between the type of occupations that ethnic minority residents hold compared to the city average. Only 50% of those from ethnic minorities are

employed in high value occupations compared with 57% from the total population. Conversely, there is a greater proportion of BME workers in sales and customer services and elementary occupations.

The report sets out a number of recommendations to improve employment and training outcomes of BME communities in the city.



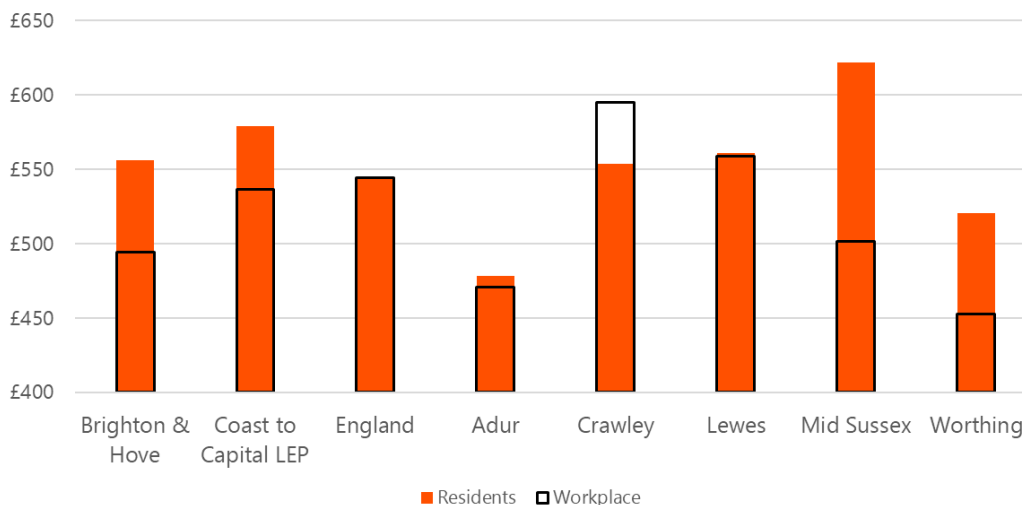
Earnings

The median salary for Brighton & Hove’s workers is £494 per week, compared to its residents, who typically earn £556 per week. This disparity between resident and workplace earnings in Brighton & Hove (£62 per week) reflects the differences in occupations held by residents and workers in Brighton & Hove. As explained earlier, there is a greater proportion of residents that have high value added jobs such as managers, directors & senior officials and professional occupations compared to the proportion of workers that have those jobs.

This presents challenges for housing affordability. Higher demand for housing by commuters (who may have higher earnings) may make it more unaffordable for people that work in Brighton & Hove to live there.

The City Region background paper on housing highlights that if young highly skilled people cannot meet their housing aspirations in the area, they will find themselves commuting over such long distances that retaining the job is not viable.

Median Full-Time Gross Weekly Earnings for Brighton & Hove’s workers and residents, 2016



Median Full-Time Gross Weekly Earnings for workers and residents, 2016

	Workers		Residents	
	Median Earnings (2016)	Change 2011-16	Median Earnings (2016)	Change 2011-16
Brighton & Hove	£494	+7%	£556	+6%
Coast to Capital LEP	£537	N/A	£579	N/A
England	£545	+8%	£545	+8%

Source: Annual Survey of Hours and Earnings, 2016

Disposable Incomes

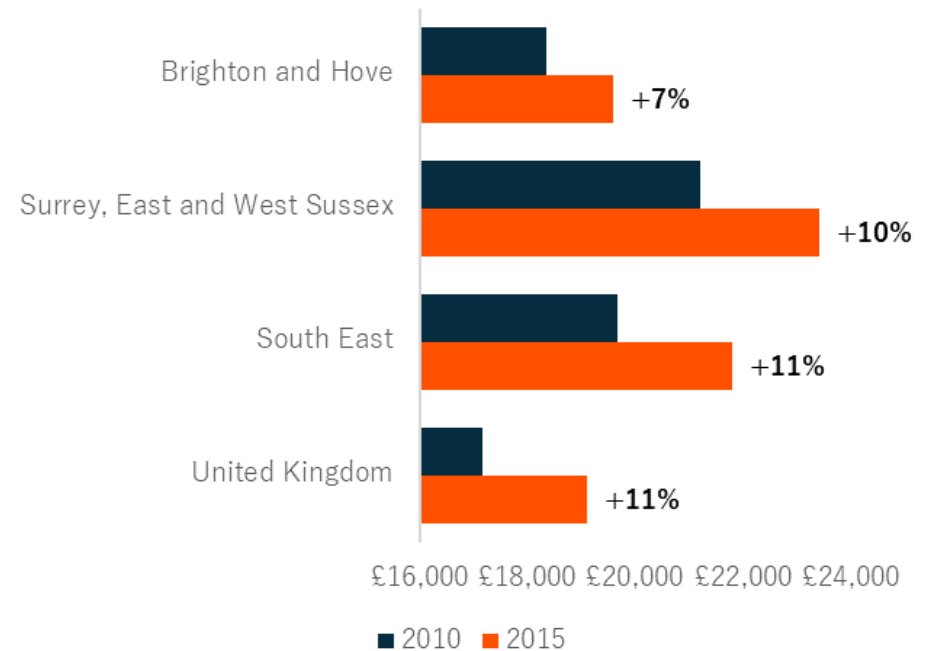
Brighton & Hove performs relatively poorly compared to surrounding areas in terms of disposable income.

Brighton & Hove residents have high incomes, but there are significant living costs associated with living in the city, in particular regarding housing.

The per head gross disposable household income is much lower in Brighton & Hove than in Surrey, East and West Sussex, (residents in these areas having nearly £4,000 more per year in disposable income), and the South East (£2,000 more per year). Disposable income for Brighton & Hove residents is slightly higher than the national average.

Brighton & Hove has also performed relatively poorly in terms of disposable income growth in recent years. This is partly due to relatively slow growth in earnings by residents in the city but also reflects the pace of rising house prices.

Gross disposable household income (GDHI) per head. 2015



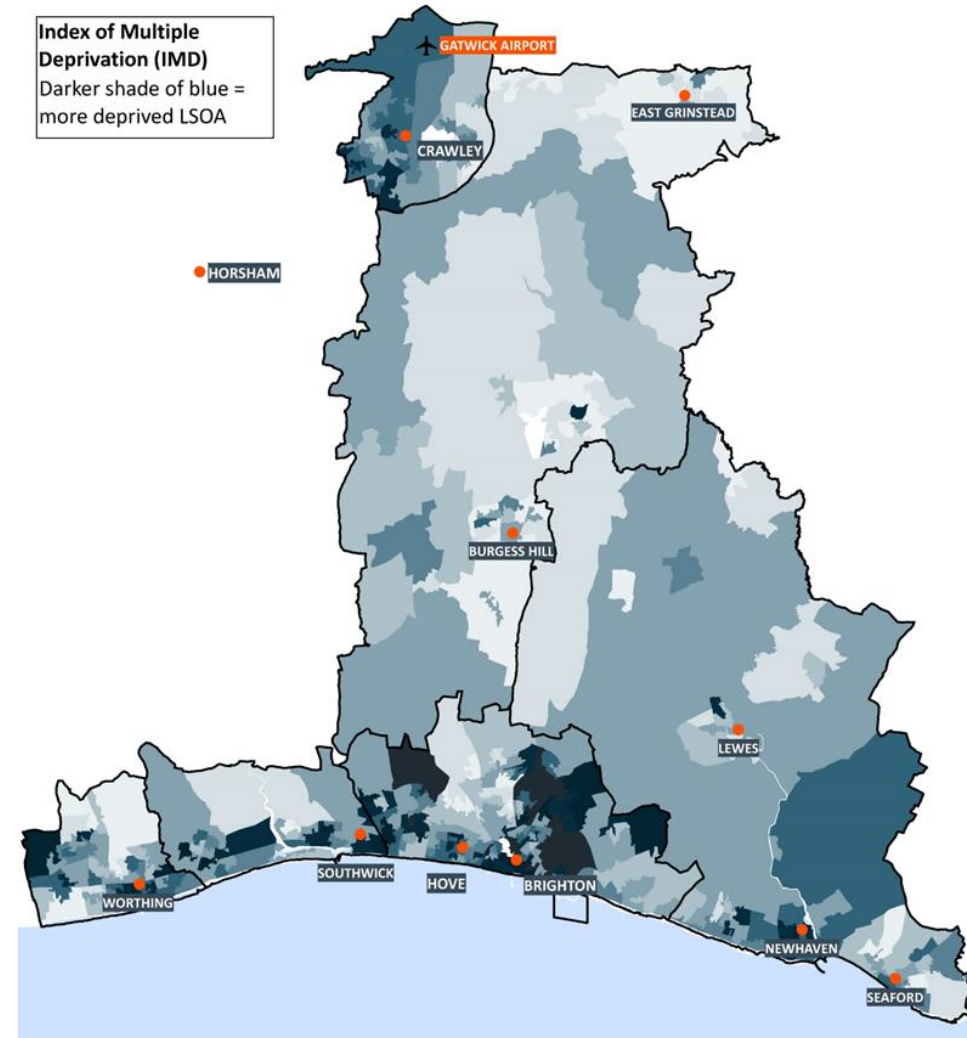
Deprivation

Despite the strong labour market, there are concentrations of severe relative multiple deprivation in Brighton & Hove.

A small number of the city's localities are classified as being in the 10% most deprived areas in England. There are five localities that are in the 2% most deprived areas in the country with most being found in East Brighton.

In terms of the sub-categories of the index of multiple deprivation, Brighton & Hove performs relatively well in terms of health deprivation with 27% of its LSOAs being in the bottom 20% of English LSOAs. It performs less well in terms of living environment where 27% of Brighton & Hove's LSOAs are ranked in the bottom 10% of English LSOAs.

Index of Multiple Deprivation, 2015



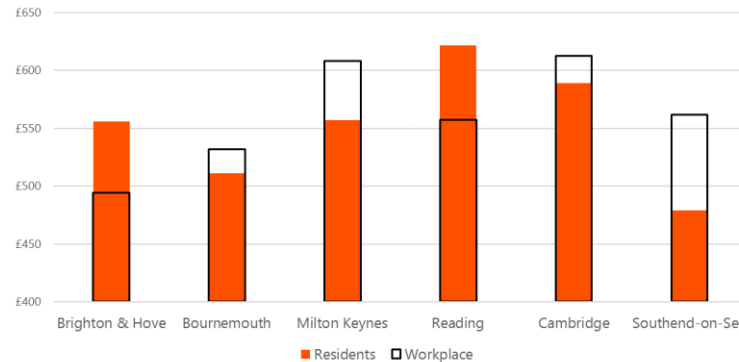
Competitive Position

Workplace earnings in Brighton & Hove are lower than in any of the comparator cities, most of which have stronger workplace earnings than resident earnings (the inverse of Brighton & Hove).

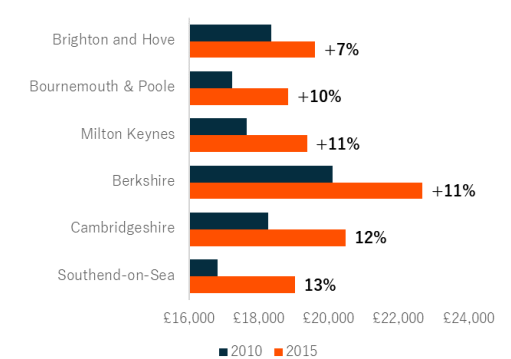
While levels of disposable income in Brighton & Hove are comparable to a number of the comparator locations, the City has lagged behind in recent years in terms of disposable income growth.

In terms of the average IMD score for its LSOAs, Brighton & Hove performs relatively poorly compared to the comparison cities, where only Southend-on-Sea has a higher average level of deprivation. Brighton & Hove also has a high proportion of LSOAs that are in the most deprived 10% nationally. This indicates that the city has a large number of local areas that are very deprived, suggesting that there is a large degree of inequality in the city.

Median Full-Time Gross Weekly Earnings for workers and residents, 2016



Gross disposable household income (GDHI) per head, 2015



Relative Multiple Deprivation, 2015

	IMD Rank of Average Score	Proportion of LSOAs in Most Deprived 10% Nationally
Brighton & Hove	102	10%
Bournemouth	121	6%
Milton Keynes	164	6%
Reading	146	2%
Cambridge	227	0%
Southend-on-Sea	90	12%

Source: Annual Survey of Hours and Earnings, 2016; Indices of Multiple Deprivation

vi. Housing



Housing Affordability

House prices are relatively high in Brighton & Hove compared to other local areas; levels of affordability are low and have increased significantly in recent years. According to the Centre for Cities, Brighton & Hove is the fourth most unaffordable city in the UK.

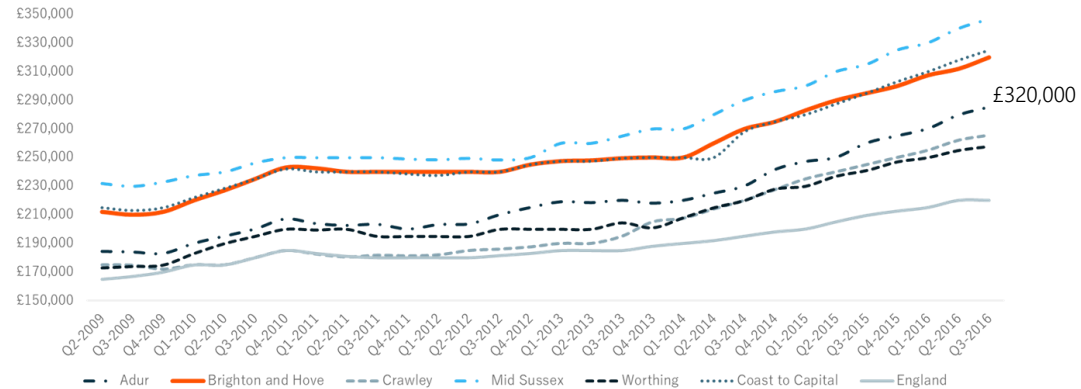
The Greater Brighton & Coastal West Sussex Background Paper on Housing (2014) notes that housing affordability is a major issue in Brighton & Hove and many people who want to buy or rent a home in the city cannot afford to do so and are finding themselves unable to remain in the area or have to live with parents or in shared households. This has important implications both for the make up of the Brighton & Hove population, and the future strength of the labour market. The Brighton & Hove City Plan 2016 also claims that a lack of affordability has led to a high number of concealed households.

A major reason for the limited housing stock is that housing land is in relatively short supply in Brighton & Hove. As the Brighton & Hove Economic Strategy 2013 notes that the limited legacy of vacant sites and the natural boundaries of the South Downs National Park and the sea define and limit the outward expansion of the city.

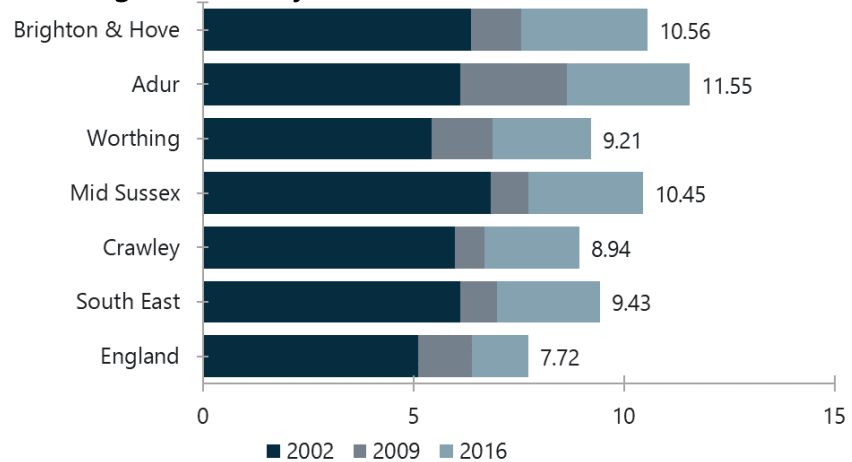
As previously demonstrated by the constraints on supply of commercial space and employment land, there is an important (and challenging) balance to be addressed between demand for commercial and housing space.

There are also important dynamics with the wider City Region, in terms of the ability of neighbouring areas to accommodate growth and demand from those leaving the City.

Average House Prices, 2009-16



Housing Affordability Ratios, 2002, 2009, 2016



Note: Housing affordability ratios are calculated as the median house price divided by the median annual income.

Source: ONS House Price Statistics for Small Areas, 2016 & Annual Survey of Hours and Earnings, 2016

Housing Requirement

The Brighton & Hove Planning Authority Monitoring Report 2015/16 examines how the area has performed against its housing targets. The City Plan set out a minimum housing requirement of 13,200 new homes by 2030.

This figure takes into account that constraints on capacity in the city (geographical and others). In fact, the objectively assessed housing need suggests that 30,120 homes would be needed if there were no geographical constraints. However, the plan has outlined a smaller requirement as there is a danger that, if too many houses were built at the expense of employment space, Brighton & Hove would become a dormitory town for London commuters.

While Brighton & Hove did not meet its annual target for the first five years, it did in the most recent year studied. However, because of the slow pace of building in the first few years, there is now a need for 752 new houses per year. The Greater Brighton & Coastal West Sussex Background Paper on Housing (2014) has collected information on planned housing deliveries over the next ten years and suggests that there are another 8,065 new dwellings planned in Brighton & Hove by 2025.

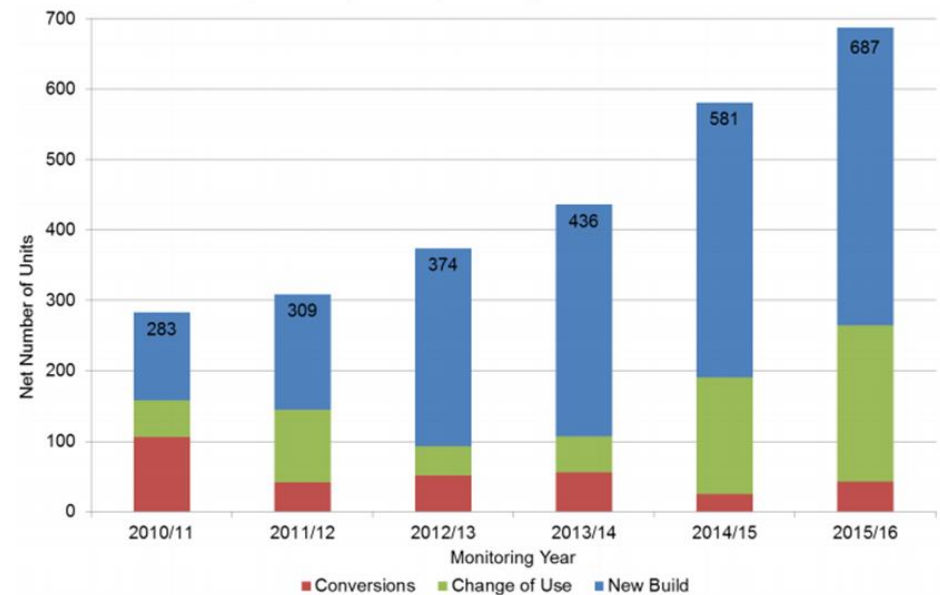
Between 2006/07 and 2013/14 annual completions in Brighton & Hove were 483. This means that the plan implies a 67% increase in per year completions over the next 10 years.

City Plan Housing Requirements

	Plan Requirement	Implied Annual Rate
Plan Period 2010-30	13,200	660
Remaining Period 2016-30	10,530	752

Source: Brighton & Hove Planning Authority Annual Monitoring Report 2015/16

Net Completions by Development Type, 2010-16



Source: Greater Brighton & Coastal West Sussex Background Paper: Housing Market

Competitive Position

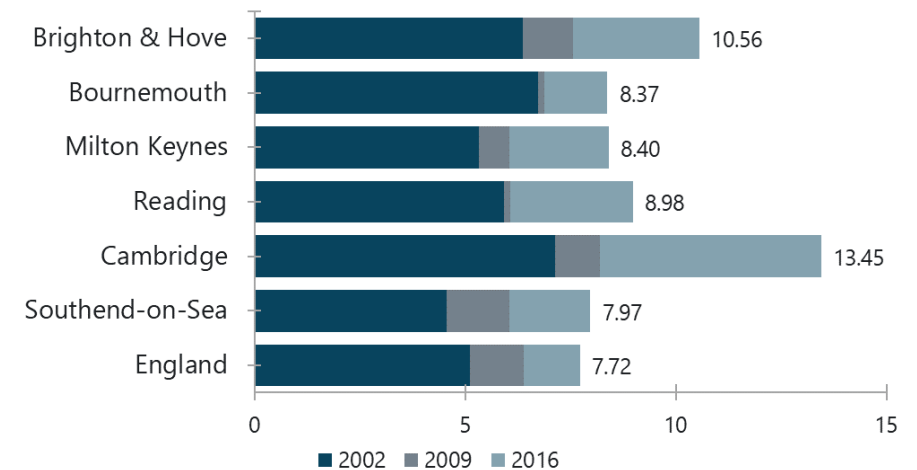
The figure shows the median housing affordability ratio for Brighton & Hove, comparator cities and England for 2002, 2009 and 2016.

While all of the cities have lower affordability ratios than England, Brighton & Hove has the second lowest behind Cambridge.

It is striking that Brighton & Hove and Cambridge had similar affordability ratios in 2009, but Cambridge has seen much faster growth since then. Aside from Cambridge, the growth in affordability ratio since 2009 was higher in Brighton & Hove than the other cities.

Housing affordability represents a significant threat to the make up of the Brighton & Hove population and labour force; higher levels of affordability elsewhere in south east has the potential to prove a draw to young and highly skilled workers. Similarly, efforts to rebalance the UK economy (including via major infrastructure projects such as HS2) has the potential to draw workers from the south east to elsewhere in the UK. Latest ONS migration data highlights that Birmingham is already the most popular destination for workers leaving London, ahead of Brighton & Hove.

Housing Affordability Ratios, 2002, 2009, 2016



*vii. Digital, Transport and Energy
Infrastructure*



Digital Infrastructure

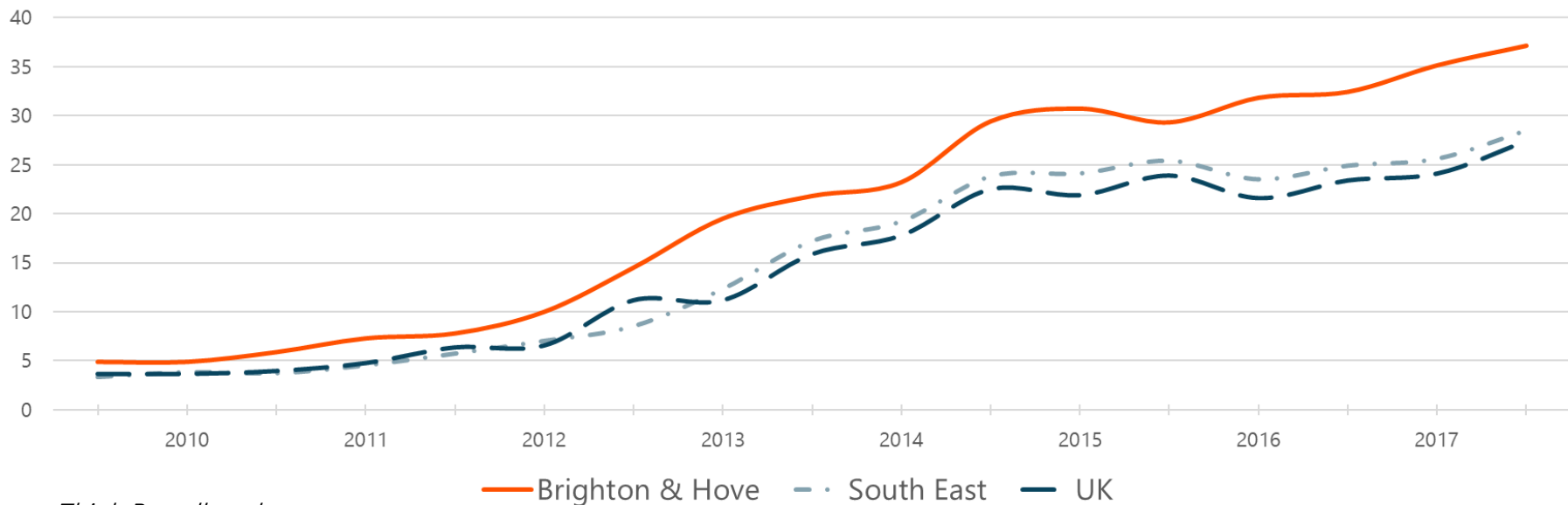
Generally speaking, digital infrastructure in Brighton & Hove is strong. The City has higher average download speeds than the South East and the UK. It also has a greater proportion of residents with fast broadband speeds and a smaller proportion of residents with low broadband speeds.

The fast broadband speed in Brighton & Hove positions the city well to support growth in technology focused digital and creative sectors, and to support the evolutions towards a tech enabled economy more generally.

Access to Fast Broadband Speeds

Indicator	Brighton & Hove	UK
Proportion >24Mbps download (superfast)	99.5%	94%
Proportion >100Mbps download (ultrafast)	91.5%	53%
Proportion <10Mbps download	0.04%	2.85%

Mean Download Speeds (Mbps)



Source: Think Broadband

Transport Infrastructure

Transport is a major factor influencing economic performance and growth potential.

The city benefits from relatively strong rail infrastructure; swift links to London have historically played a central role in supporting Brighton & Hove's development as a visitor destination, and have also enabled strong commuter and commerce flows between the two cities.

Brighton station has the second highest number of entrances/exits of all stations in the South East region (behind only Gatwick Airport). While it is partly down to Brighton & Hove being more densely populated, it also shows the extent to which Brighton & Hove is a transport hub with many people commuting to and from Brighton & Hove for work as well as being a popular destination for tourists.

Over the past two years the quality of the rail service has been impacted significantly by the Southern Rail industrial action. While the impacts of this are not reflected in rail usage figures, anecdotally, the delays and cancellations have had a tangible impact on the image of locations along the route for both commuters and commerce.

Entries and Exits from Brighton & Hove Train Stations, 2015/16

Station Name	2015-16 Entries and Exits	2010/11-15/16 % Change
Brighton	17,333,000	+20%
Hove	2,452,000	+6%
Falmer	1,334,000	+33%
Portslade	1,149,000	+20%
Preston Park	568,000	+69%
London Road Brighton	504,000	+7%
Moulsecoomb	422,000	+20%
Aldrington	236,000	+40%
<i>South East</i>	<i>387 million</i>	<i>+13%</i>
<i>UK</i>	<i>2.9 billion</i>	<i>+27%</i>

Transport Infrastructure

Partly as a result of strong rail connections, a relatively high proportion of journeys in Brighton & Hove are not in a car. The role of public transport locally is important for sustainable growth objectives.

Despite this, road links remain an important factor in local economic functionality and performance.

Generally speaking, north to south links are relatively good; Crawley can be reached within 30 minutes during peak hours. However, west to east links are weaker: it can take an hour to commute from Worthing at peak times. The West Sussex Transport Plan 2011 notes that the A27 (the only major east-west road along the south coast) is one of the most unreliable trunk roads in England, which affects the local economy as it causes delays for businesses, residents and visitors. The Brighton & Hove Local Transport Plan 2015 argues for an improvement of its trunk road to maintain the city's connections with the UK and international locations.

The National Highways and Transport Survey 2016 found that Brighton & Hove has relatively high satisfaction levels in public transport, in particular in local bus services. However, satisfaction levels were low in terms of tackling congestion. Residents believed that traffic levels and congestion were too high.

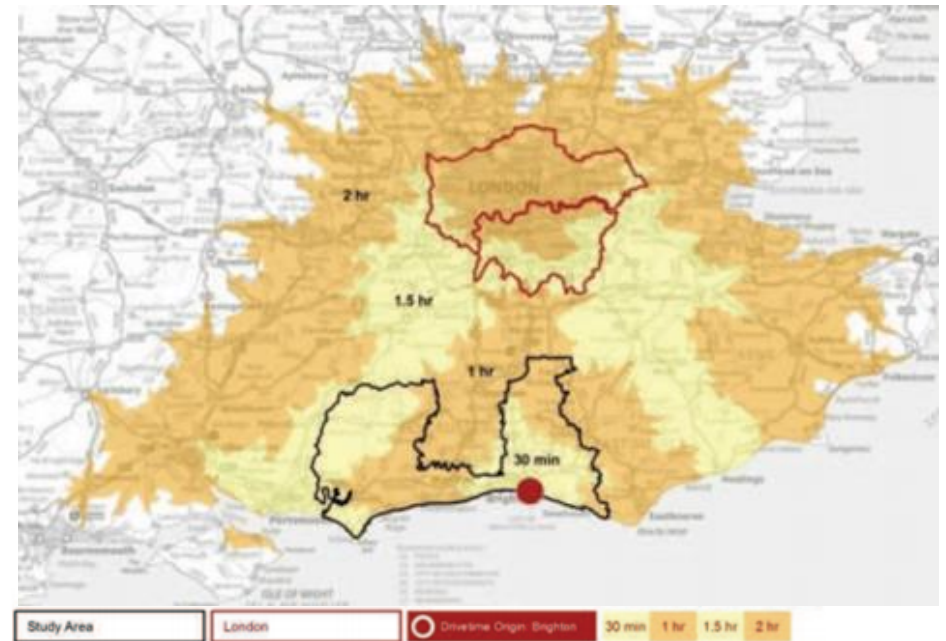
More generally, the council has committed to working with a number of other stakeholders (local government and business) to identify barriers within the city that affect people's ability to access job opportunities, particularly in areas of disadvantage or deprivation.

At the wider level, there are early proposals for the establishment of a South East Transport Board, which would work at the strategic level to lobby enhancements to transport infrastructure across the region.

Looking further ahead, transport is expected to be revolutionised by

advances in technology. Automation is already being trialled in the UK in London and Milton Keynes, and will fundamentally change both how people get around and the spatial layout of places (reducing, for example, the need for parking). It also has the potential to impact significantly on employment sectors based around transport (such as logistics).

Peak Time Drive Times



Source: Greater Brighton City Region Transport Paper

Energy Infrastructure

Energy and sustainability is an important priority for Brighton & Hove, and in recent years, the City has been working to establish itself as a leader in low carbon thinking and action.

The Brighton & Hove City Plan 2016 highlights the need to improve sustainability in the city. By 2030, it aims to have made significant progress to becoming a resource-efficient, zero carbon city, by aiming to reduce carbon emissions by 42% by 2020 and by 80% by 2050 from 2005 levels. It notes that transport is the main cause of poor air and noise quality in the city.

Central to this, the Plan explores opportunities to support major renewable and decentralised energy infrastructure. In 2009 there were around 75 businesses in Brighton & Hove in the environmental technologies sector, but potential has been identified for further job creation in this sector. The recently Rampion offshore wind farm is located off the waterfront and comprises 116 wind turbines. The operation and maintenance base is also under construction at Newhaven Harbour.

The City Plan details support for the development of an environmental technology cluster at Shoreham Harbour and incubator space at a number of locations.

The City Sustainability Plan sets out priorities and actions to support a 'One Planet' approach to improving quality of life as the city moves towards a low carbon economy.

City Sustainability Plan, One Plan Principles

Zero carbon

Making buildings more energy efficient and delivering all energy with renewable technologies

Zero waste

Reducing waste arisings, reusing where possible, and ultimately sending zero waste to landfill

Sustainable transport

Encouraging low carbon modes of transport to reduce emissions, reducing the need to travel

Sustainable materials

Using sustainable products that have a low embodied energy

Local and sustainable food

Choosing low impact, local, seasonal and organic diets and reducing food waste

Sustainable water

Using water more efficiently in buildings and in the products we buy; tackling local flooding and water course pollution

Land use and wildlife

Protecting and expanding old habitats and creating new space for wildlife

Culture and community

Supporting stronger communities, sustainable events and greater participation in the arts

Equity and local economy

Inclusive, empowering workplaces with equitable pay; support for local communities and fair trade

Health and happiness

Encouraging active, sociable, meaningful lives to promote good health and well being

Source: Brighton & Hove City Council

Competitive Position

Generally digital infrastructure in the comparator cities is stronger than in the UK as a whole, reflecting weaker provision in rural areas. Brighton & Hove has a very high proportion of post codes with ultrafast broadband speed and very few post codes with below 10Mbps speeds.

As a hub for digital and creative industries, this provides a strong platform to support continued growth, and for Brighton & Hove to establish itself as a leader in technology and innovation.

Access to Fast Broadband Speeds

Indicator	Brighton & Hove	Bournemouth	Milton Keynes	Reading	Cambridge	Southend-on-Sea	UK
Proportion >24Mbps download (superfast)	99.5%	99.6%	97.8%	98.3%	98.8%	97.2%	94%
Proportion >100Mbps download (ultrafast)	91.5%	88.3%	13.4%	89%	93.6%	60.3%	53%
Proportion <10Mbps download	0.04%	0.16%	1.3%	1.7%	0.03%	0.01%	2.85%

Source: Think Broadband

viii. Place, Culture, Tourism



Environment

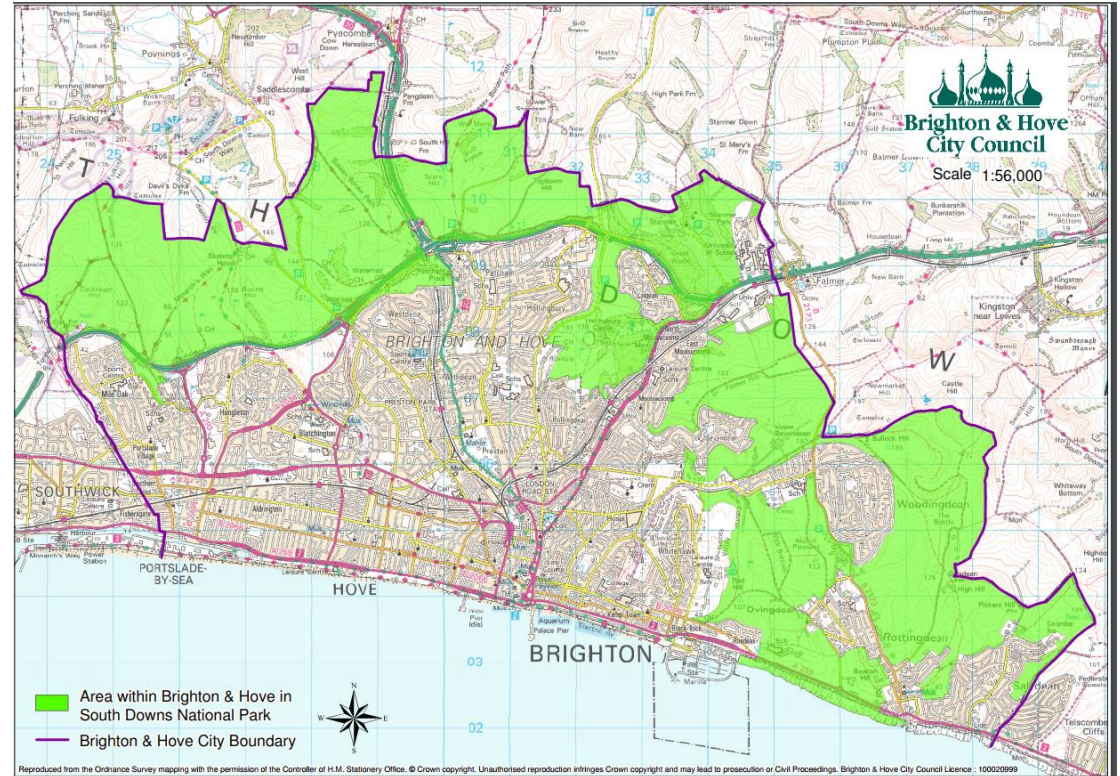
Brighton & Hove, the South Downs and the sea, combined with other parts of the surrounding area of Brighton & Hove, are significant attractors for people who decide to live in and visit the city.

There has been substantial investment in recent years that has transformed the seafront between the two piers.

The South Downs National Part attracts many visitors, with both a beautiful natural landscape and distinctive towns and villages. One sixth of the city's area is covered by a nature conservation designation.

In fact, the combination of the town, South Downs and the sea have been named as the Brighton and Lewes Downs Biosphere and have been recognised as world significant. As a UNESCO Biosphere Reserve it needs to follow a number of responsibilities outlined in the Biosphere Management Strategy.

While these surroundings are positive in terms of quality of life, there are some drawbacks. Brighton & Hove is tightly constrained by the South Downs National Park and the sea. The expansion of the city is limited by these natural boundaries. The compactness of the city reduces the ability to increase the stock of housing and is part of the reason for high house prices in the area. Equally it constrains commercial space and often there needs to be a trade-off between commercial and retail space, while also preserving the high quality natural environment.



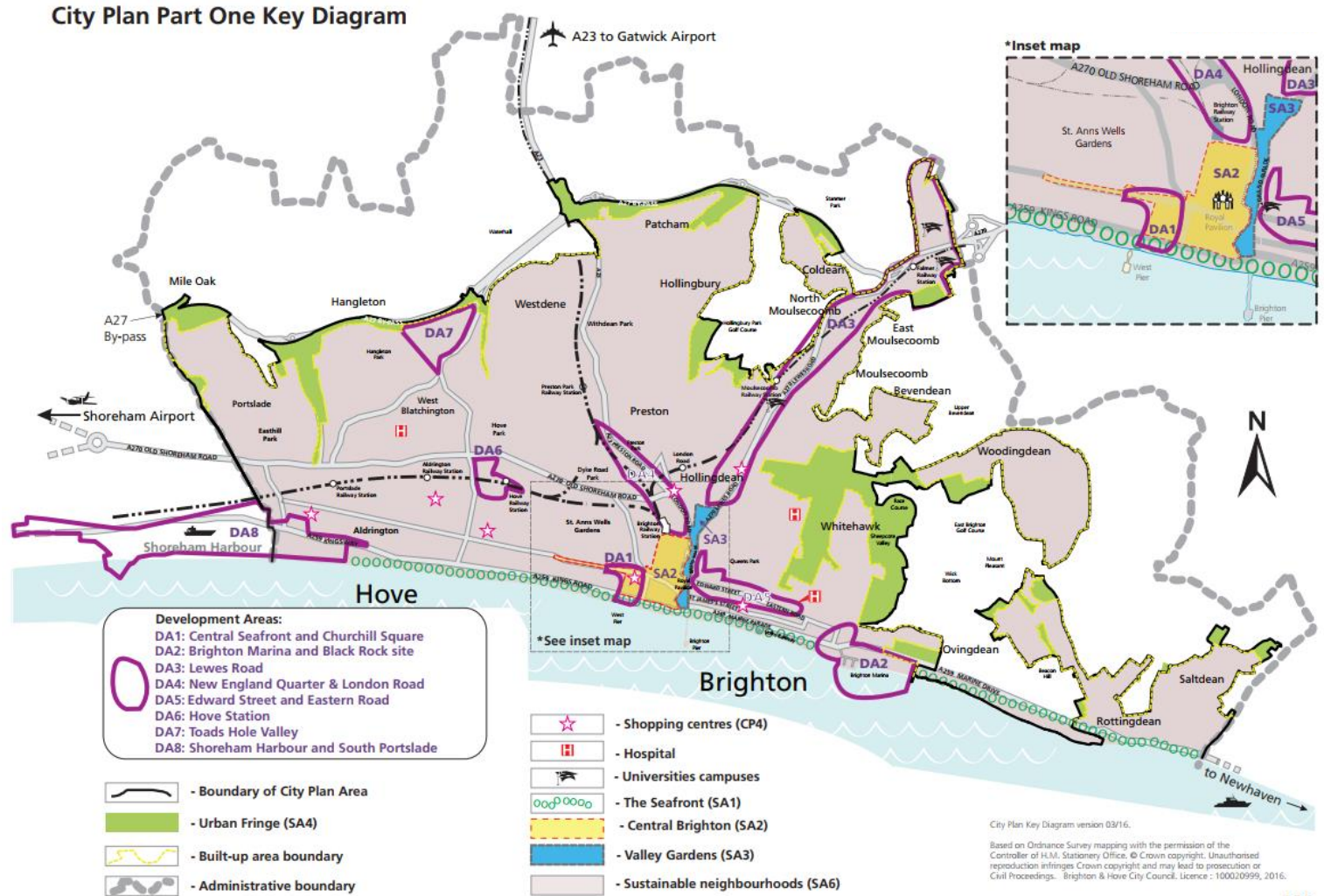
Source: Brighton & Hove City Plan Part 1

Spatial Priorities for the City

The Brighton & Hove City Plan (2016) sets out the spatial and strategic vision for Brighton & Hove to 2030.

The Plan sets out designated areas of green space, along with designated areas for housing and commercial activity.

The Plan also identifies 8 development areas which are the focus for future regeneration and investment.



Source: Brighton & Hove City Plan Part 1

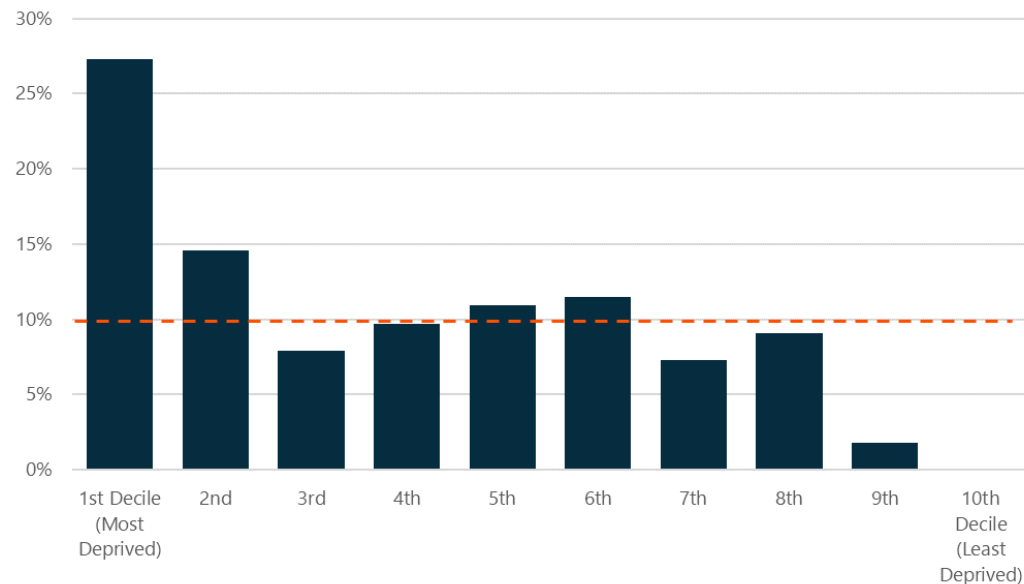
Index of Multiple Deprivation – Living Environment

The quality of the local environment can be measured by a Living Environment Deprivation score (forming part of the IMD Index). This shows how an area's quality of housing, air quality and road traffic accidents compare to the rest of the country.

Analysis demonstrates that, as is the case in many urban areas, there are weaknesses in the living environment against a number of composite measures of quality. Over a quarter of Brighton & Hove's LSOAs are in the 10% most deprived nationally in terms of the living environment.

Overall, Brighton & Hove is the 36th most deprived local authority in terms of living environment.

Distribution of LSOAs Compared to England



Source: Index of Multiple Deprivation, DCLG, 2015

Tourism

Brighton & Hove is one of the UK's top ten tourist destinations for overseas visitors. In fact it has seen a significant increase in visitor numbers over recent years with 465,000 visits in 2016.

A large proportion of these visits were people visiting friends or relatives, but many others come to Brighton & Hove on holiday or for studying. Brighton & Hove is a popular summer school destination, attracting many overseas students. Recently, one of Europe's largest English Language training facilities was opened in the New England Quarter.

There are a variety of tourist attractions and cultural events in the city. Attractions include Brighton Pier (the fourth most visited free attraction in the UK), the Royal Pavilion, Brighton Beach, the i360, Brighton Museum and Art Gallery and the Brighton Centre.

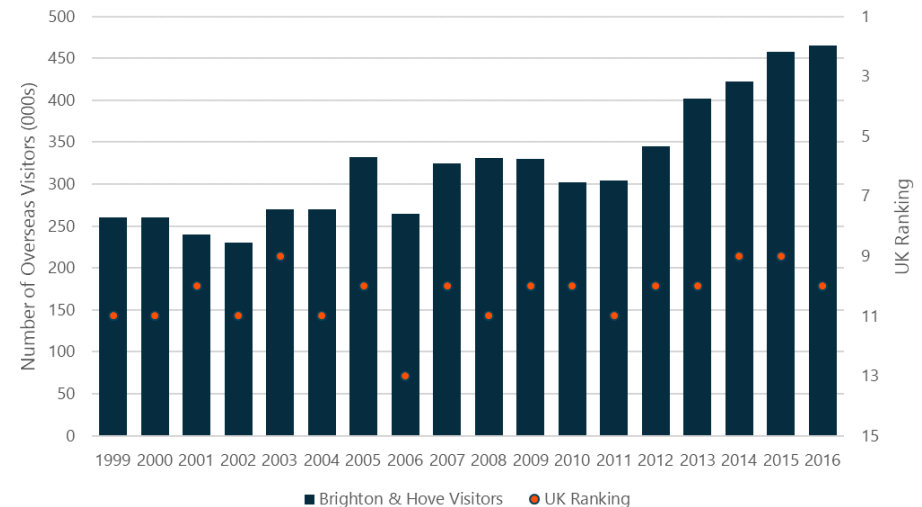
There are a great number of festivals and events such as the Brighton Festival, Pride, Brighton Digital Festival, Brighton Fringe, the Brighton Marathon and the Great Escape Music Festival. There is also a large conference centre, the Brighton Centre, which hosted the 2017 Labour Party Conference.

As highlighted previously, the sector makes a strong contribution to the Brighton & Hove economy, with the Economic Impact of Tourism study (2015) finding that tourism supports 17% of the jobs in the city.

The sector plays an important role as a source of training and employment. There is a greater share of apprenticeship starts in the leisure, travel and tourism sector in Brighton & Hove compared with England (4.5% to 3%). That said, there is also evidence that to some degree, the sector is accommodating overqualified workers: around 24% of people whose main job is in the tourism sector have a degree or equivalent qualifications, which is higher than the national average.

Looking ahead, the immigration impacts of Brexit have the potential to have a significant impact on labour supply for the sector; a large proportion of workers in the sector are international migrants.

Number of Visitors per Year from Overseas (in thousands) and Brighton & Hove's UK Ranking



Reason for Visiting Brighton & Hove (overseas visitors)

Reason for Visiting (Overseas Visitors)	Percentage of Nights Spent Visiting
Holiday	30%
Business	7%
Studying	25%
Visiting Friends or Relatives	34%
Other	4%

Source: Visit Britain, Inbound Town Data 2016

Culture and Identity

Brighton & Hove is famous for its vibrant, cosmopolitan lifestyle while it has a reputation for a feeling of inclusiveness and diversity. The city benefits from culture of spirit and openness.

There is a strong commitment to the culture and arts in the city with a number of festivals and events such as the Brighton Fringe and the Brighton Festival that attract a lot of tourists to the city. This is alongside a strong creative industries sector, which reinforces this type of culture and identity.

Culture in the Brighton & Hove is also built on the city's historic environment: there are 3,400 listed buildings, including renowned buildings such as the Royal Pavilion and its Estate, and its extensive Regency and Victorian architecture.

Whilst these attractions bring a lot of visitors to Brighton & Hove, they are also used by a extremely culturally engaged resident population. According to Arts Council England, over the last 12 months, Brighton & Hove had the 6th highest proportion of residents who attended an arts event, a museum or gallery or spent time doing an arts activity out of all English local authorities. 84% of residents had engaged in cultural activities over the past year.



Civil Society

Brighton & Hove is known for the strength of its civil society. In fact, the 2013 **Joint Strategic Needs Assessment for the voluntary and community sector** notes that Brighton & Hove has the second largest voluntary and community sector in England.

In 2014, there was an audit of the third sector in Brighton & Hove called **Taking Account 3**. Again, it found that there is a very active third sector in the city.

There were approximately 2,300 third sector organisations in Brighton & Hove. Alongside this, there were 6,900 people working in the third sector, with a ratio of four volunteers to each paid member of staff. This was 6% of total employee jobs in the city, which is comparable to the ICT & digital industry in the city.

The estimated income of the third sector in Brighton & Hove was around £73 million per year, with much of it spent on local projects. This additional benefit means that the third sector contributed around £127 million per year, which accounted for 2.2% of the total economy.

These volunteers donated 110,400 hours per week to third sector organisations (which is an average of 16 hours per volunteer). If these volunteers were paid the Living Wage for their work, their donated time would have been worth £44 million per year.

The organisations provide a broad mix of activities, support, information, advice and guidance, support for those needed, health and wellbeing services and support for children and young people.

Latest data from the **City Tracker Survey** further confirms the strength of civil society locally:

- Around 73% of residents believe that people in their area pull together to improve their neighbourhood. This rate has increased over the last four years of surveys and compares to 57% agreeing with the statement nationally.
- Not only do neighbours help each other, but Brighton & Hove also has a high proportion of residents giving unpaid help. 51% of residents have volunteered over the past 12 months in Brighton & Hove, with 13% of residents volunteering at least once a week. This is compared with the 37% of the national population that has volunteered in the past 12 months.
- These statistics show that people in Brighton & Hove are very engaged in the community and show a great community spirit. Indeed, many feel that they can affect local decisions. 18% of residents have had direct involvement in local decision making over the last 12 months, compared with 8% nationally.
- While only a minority have a direct involvement, there is a feeling amongst residents that they are able to influence decisions affecting the area. 50% of residents believe they can have an effect, compared to 27% nationally.

Well-Being

ONS data on personal well-being gives a sense of 'quality of life' in Brighton & Hove.

Generally speaking, personal well-being in Brighton & Hove is slightly below the England average, with the average person scoring slightly lower in terms of life satisfaction, 'worthwhile' and happiness, and slightly higher in terms of anxiety.

This is not unusual in urban areas, and is likely to reflect a range of factors ranging from cost of living, to work and income pressures. In fact, the difference between urban and rural areas might be why neighbouring areas, such as Mid Sussex perform better than Brighton & Hove.

Well-Being Indicators

	Brighton & Hove	Adur	Crawley	Lewes	Mid Sussex	Worthing	England
SATISFACTION: How satisfied are you with your life nowadays?	7.6	7.3	7.6	7.8	8.0	7.6	7.7
WORTHWHILE: To what extent do you feel the things you do in your life are worthwhile?	7.8	7.8	8.1	8.0	8.1	7.7	7.9
HAPPINESS: How happy did you feel yesterday?	7.4	7.3	7.4	7.4	7.9	7.1	7.5
ANXIETY: How anxious did you feel yesterday?	3.4	3.7	3.0	3.2	2.5	3.1	2.9

Note: The numbers coloured in red indicate where Brighton & Hove is performing worse than the local authority or country. The numbers coloured in green indicate where Brighton & Hove is performing better.

Source: ONS Personal Well-Being in the UK, 2017

Competitive Position

As with Brighton & Hove, the other cities perform slightly below the national average in terms of the well-being indicators.

That said against most of the indicators, Brighton & Hove performs slightly worse than many of the comparator cities; this is particularly the case in terms of level of happiness.

Well-Being Indicators

	Brighton & Hove	Bournemouth	Milton Keynes	Reading	Cambridge	Southend	England
SATISFACTION: How satisfied are you with your life nowadays?	7.6	7.5	7.7	7.7	7.3	7.6	7.7
WORTHWHILE: To what extent do you feel the things you do in your life are worthwhile?	7.8	7.7	7.9	7.9	7.8	7.8	7.9
HAPPINESS: How happy did you feel yesterday?	7.4	7.5	7.7	7.5	7.5	7.4	7.5
ANXIETY: How anxious did you feel yesterday?	3.4	3.0	2.6	3.0	4.5	2.9	2.9

Note: The numbers coloured in red indicate where Brighton & Hove is performing worse than the local authority or country. The numbers coloured in green indicate where Brighton & Hove is performing better.

Source: ONS Personal Well-Being in the UK, 2017



4. Looking Ahead: Brighton & Hove's Future Economy

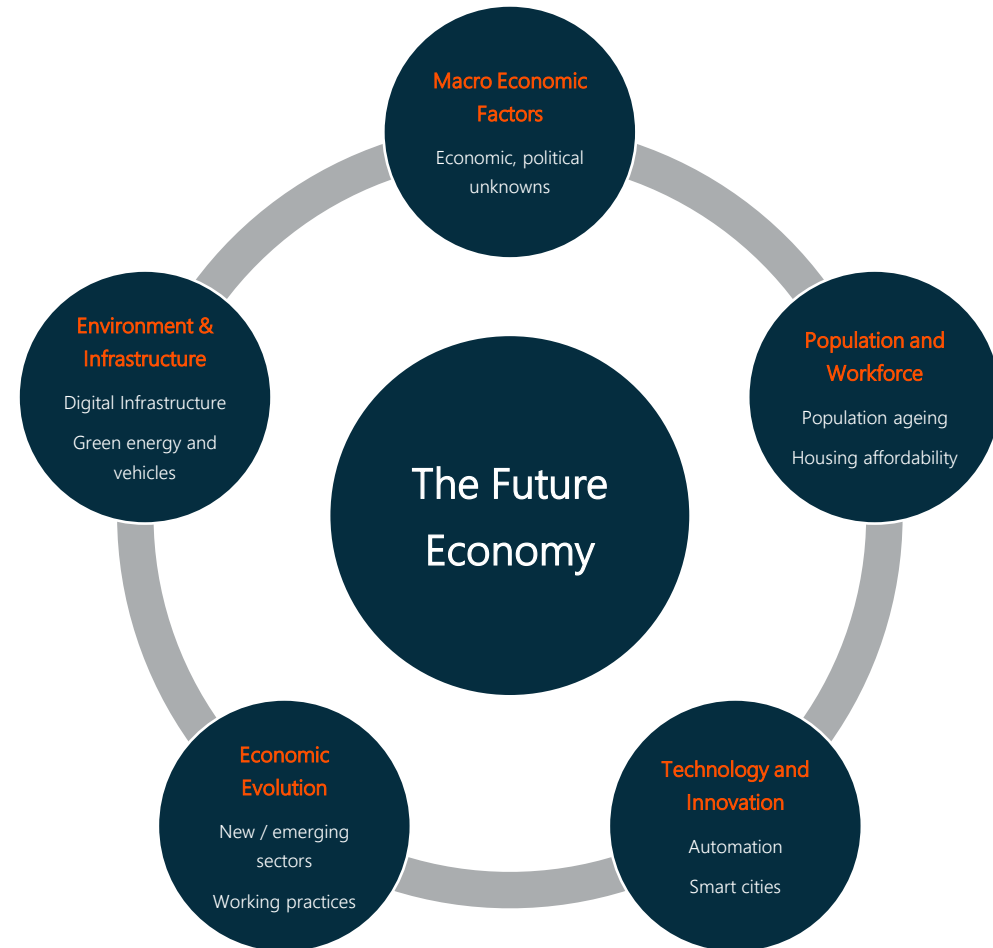
Future Economic Drivers and Trends

There are a broad range of wider drivers and influencers which will impact on the future shape and competitiveness of the Brighton & Hove economy.

In some instances, such as **Brexit** and **long term demographic change**, these are largely external factors over which Brighton & Hove will have little direct influence, but which the City and partners will need to be proactive and flexible in responding to.

There are also a number of broader trends and drivers over which Brighton & Hove and its partners can play a more direct influencing role: establishing itself as a leader in conversations about economic evolution (**emerging sectors, changing working practices**) and by embracing and investing in future facing research, innovation and technology (**automation, and digital and low carbon infrastructure**).

Brighton & Hove is already establishing itself strongly in this respect: its large HE presence, and ongoing investment in research and innovation assets (such as the Digital Catapult, and the Bio-Innovation Centre) provide a strong platform.



Population Projections

Latest ONS population projections for Brighton & Hove project population growth of around 50,000 people in the city in the period to 2039 (25 years), around 18% growth on baseline figures.

Over the period a clear process of population ageing is expected. In 2039:

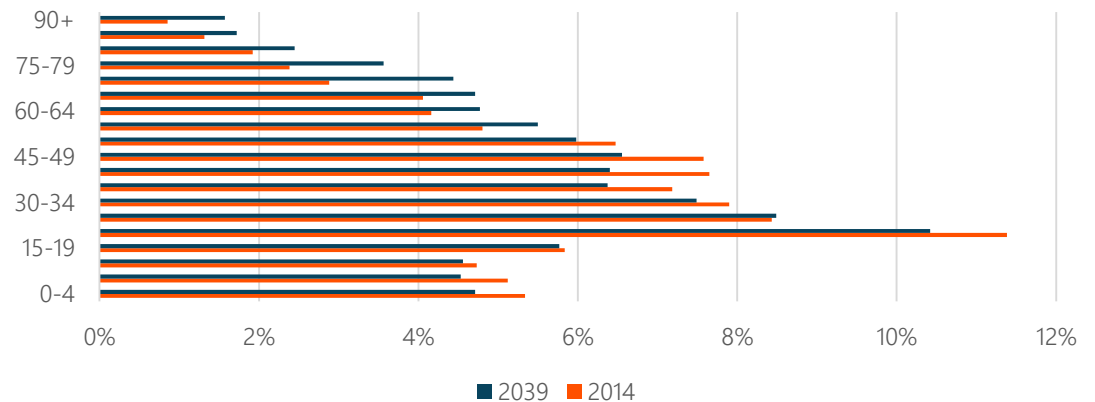
- Around 18% of the population would be over 65 compared to 13% currently
- Around 62% of the population are expected to be of working age compared to 66% currently
- A similar proportion of the population (20%) would be under the age of 20.

It should be noted that these projections are not forecasts and do not take into account the impact of policy or local capacity for growth.

DCLG Population Projections, 2014

		2014	2019	2024	2029	2034	2039
Brighton & Hove	No. (000s)	281	293	302	312	317	331
	% Change	n/a	4%	7%	11%	13%	18%
South East	No. (000s)	8,874	9,243	9,596	9,930	10,053	10,508
	%	n/a	4%	8%	12%	13%	18%
England	No. (000s)	54,317	56,466	58,396	60,188	60,853	63,282
	%	n/a	4%	8%	11%	12%	17%

Current and Projected Brighton & Hove Population Profile



The UK's Future Skills Needs

The UK Commission for Employment and Skills (2014) provides an assessment of future skills needs for all sectors across the UK economy.

Key findings include:

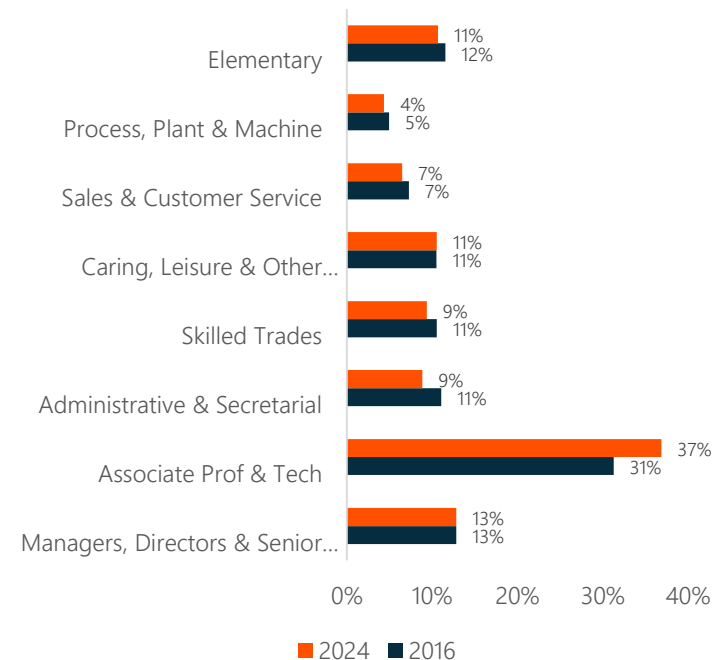
- Continuing polarisation of employment but with a strong bias towards higher skilled occupations
- Growth of nearly 2m jobs for higher skilled occupations.
- Caring, leisure and other service roles to contribute over 400,000 additional jobs.
- Administrative and secretarial occupations to see largest decline with 390,000 fewer jobs.
- Process, plant and machine operatives (-130,000) and skilled trades occupations (-100,000) are also projected to see job losses.
- “Winners” and others “losers” not the whole story, replacement demands will mean job openings (and career opportunities) across all broad occupational areas, including those projected to see net decline.

Projected trends for Brighton & Hove to some extent mirror this picture. The 2016 City Employment & Skills Plan outlined a number of key areas of future skills need for Brighton & Hove:

- The proportion of high skilled jobs is expected to increase and low to mid skilled jobs are expected to decrease.
- Between 2012 and 2022, across the Coast to Capital region there is expected to be:

- A modest increase in the number of jobs available (45,000)
- A large amount of replacement demand for new staff (369,000) – eight times more than the number of new jobs
- A reduction in the number of low and mid-skilled jobs (from 18% to 12% of employment of employment)
- An increase in the number of high skilled jobs (from 41% of to 51% of employment)

Projected Future Skills Demand, Coast to Capital LEP



Source: UKCES, 2014

Evolving Skills and Working Practices

The “The Future of Work: Jobs and Skills in 2030” report by the UK Commission for Employment and Skills presents an assessment of future challenges and opportunities in the labour market and the implications for jobs and skills.

The study outlines four future scenarios which each has implications for key sectors in Brighton and Hove’s Economy:

- **Creative and digital:** changes in technology are expected to drive productivity and the development of new business models in the sector. The sector will have a significant impact on other sectors as digital and creative solutions are applied in different business processes and fields.
- **Professional and business services:** The structure, management and strategies of businesses in this sector, and supported by this sector, are likely to become increasingly flexible, diverse and global.
- **Retail and logistics:** Jobs and skills in the retail and logistics sector will be impacted by the increased use of ICT in work processes, the continued impact of the Internet in multi-channel retailing, and social consumption patterns. A growing population will drive growth in the demand for both low and high-skilled jobs within the retail and logistics sector.
- **Education:** development of market-based and employer focused education is expected to become an increasingly important driver for the sector. It is anticipated that there will be an increase in demand for work-based learning, which offers the flexibility required by employers and individuals.

- **Health and Social Care:** significant increase in employment is expected, providing opportunities for a range of individuals (from those entering the labour market for the first time to those transferring from other sectors). Migrant workers are also expected to fill high and low skilled job gaps.

The Nesta “Future of Skills: Employment in 2030” study also provides insight into how employment is likely to change and the implication for skills and sectors in the labour market. The future of work is considered in the light of key trends such as technological change, increasing inequality and demographic change.

The study highlights a number of key findings relevant to the key sectors in Brighton & Hove’s economy:

- **Professional occupations:** creative, digital, design and engineering occupations have bright outlooks and are strongly complemented by digital technology. These align with a number of sector strengths in Brighton’s economy.
- **Public admin, education and health:** predicted to see growth, due to population ageing, a greater propensity for lifelong learning and the labour intensive nature of the sectors.

The study also identifies demand for skills in the future more generally, including interpersonal skills, high-order cognitive skills, system skills and broad-base knowledge (in areas such as English language, history, philosophy and administration and management).

Focus on...Future Skills Needs for the CDIT Sector

Research by UKCES and compiled by Coast to Capital highlights the types of skills which are likely to be required by the CDIT sector over the coming years:

Digital and IT Skills Needs

Security skills - as cyber-crime, online privacy, and data protection become more important there will be need for security skills across all areas of the Digital and IT sector.

Business skills – technical skills are no longer enough and professionals in the sector will increasingly need skills around project planning, workforce management, and business development.

Technology Specific skills – the core skills of the industry, they will be around power management, cloud computing, and data security. More specifically these skills will be architecture, infrastructure, and networking, technological communications infrastructure, integrated security solutions, and modelling, simulation, and analytics.

Inter-personal skills – the sector will become more service oriented, the workforce will need customer service skills embedded throughout.

Analytical and Research skills – big data has the potential to open up new business opportunities and businesses trying to take advantage of this will need employees with these skills to match information to business problems and opportunities.

Creative Sector Skills Needs

- **Multi-platform skills** – the ability to understand and create content across a range of media platforms that are now available, matching technical skills with creative skills.
- **Management and Business skills** – there will be need for combining leadership, project management, supply chain management, and business development skills with creative and technical skills.
- **IP and monetisation of multiplatform content** – increasing need to understand IP rights and legislation to monetise creative output and exploit new markets that are opening up through digital expansion.
- **Foreign language skills** – working and collaborating across borders and with foreign partners will become more important and language skills will aid in working in a global economy.
- **Fundraising skills** – particularly in demand for Performing Arts, Visual Arts and Cultural Heritage.



5. Positioning Brighton & Hove and The City Region

Brighton & Hove's Position Within the Sub-Region

The analysis in the preceding chapter has clearly demonstrated that Brighton & Hove has a number of dynamic economic relationships with its neighbours.

The City is the clear economic hub for the City Region, accounting for 35% of jobs in the City Region, and 35% of people. However, the relationship is dynamic:

- A large number of Brighton & Hove residents work outside the City in the City Region.
- The City Region plays an important role in providing economic critical mass. It contributes a greater balance of jobs (including in industrial and logistics activities); future growth in the City Region at locations such as the Newhaven Enterprise Zone have the potential to support this further
- The City Region also has an important role to play in the City's housing market, given the affordability challenges outlined.

Recent partnerships created in the Greater Brighton City Region have helped to strengthen these relationships at a strategic and political level, reinforcing the role the sub-region has to play in driving economic development.

Beyond the City Region, Brighton & Hove also has important linkages with London: both in terms of tourism (day trips) but also in terms of labour market and commerce. In terms of the **labour market**, Brighton & Hove is one of the top destinations for migrants leaving London; some of these people will be among the 8% of Brighton & Hove's residents in employment who work in London. While demonstrating Brighton & Hove's attractiveness, the ongoing

influx of highly skilled workers is a contributing factor in weakening housing affordability levels, and in the growing gap between the type of jobs in the city and the qualities of the labour pool.

Brighton & Hove also has a potentially interesting relationship with London in terms of its **tech sector**; the development of the sector locally has been supported both by the City's HE strengths, but also by its attractive living environment, which has traditionally attracted creative types. However, while the City is in theory well placed to attract tech firms leaving London, in reality the limited supply and cost of commercial space may constrain this. Brighton & Hove is in a highly competitive environment in this respect, with Croydon (at the northern end of Coast to Capital) exhibiting very strong momentum in the sector, partly reflecting lower than average operating and living costs.

		%
% of Brighton & Hove's Workforce living in...	Brighton & Hove	69%
	G. Brighton City Region	91%
	Coast to Capital LEP	94%
	London	1%
% of Brighton & Hove's Residents working in...	Brighton & Hove	66%
	G. Brighton City Region	83%
	Coast to Capital LEP	87%
	London	8%

Brighton & Hove's National Position

The Centre for Cities Outlook provides a good summary of Brighton & Hove's position nationally.

Generally speaking, the City performs against a number of core indicators of economic performance:

- It has the highest proportion of home workers out of 63 UK cities
- The 4th best provision of ultrafast broadband
- The 7th highest level of business start-ups.

That said, there are also a number of clear weaknesses in the structure of the economy:

- Brighton & Hove performs relatively weakly in terms of productivity despite having a relatively large 'knowledge' economy
- The City has the 4th worst housing affordability ratio
- is the fifth most unequal economy out of 63 UK cities (levels of youth unemployment are a particular concern).

Over the last four years, Brighton & Hove's competitive position compared to other UK cities has shown some improvement, particularly in terms of its comparative employment rate. However, the UK economic context is increasingly competitive; in the context of major infrastructure investments such as HS2 and the economic momentum likely to be generated via metro mayors, Brighton & Hove will need to work ever harder to position itself economically: both nationally and to wider markets.

Indicator	UK Rank 2017 (out of 63)	UK Rank 2013 (out of 63)	Change 2013-17
Business Start-ups	7 th	6 th	↓
GVA per Worker	21 st	22 nd	↑
Housing Affordability Ratio	4 th worst	4 th worst	-
Private Knowledge Intensive Business Services (as proportion of all industries)	10 th	11 th	↑
Public Services (as proportion of all industries)	19 th	36 th	↑
Claimant Count	52 nd	50 th	↓
Employment Rate	30 th	9 th	↓
Average Weekly Workplace Earnings	40 th	51 st	↑
Gini Coefficient	5 th worst	5 th worst	-
People who Work from Home	1 st	N/A	-
Ultrafast Broadband	4 th	N/A	-

Source: Centre for Cities

Brighton & Hove's Competitors - Economy

Against Brighton & Hove's more immediate statistical comparators, the nature of the economic challenge is highlighted further.

The City tends to outperform its 'seaside' comparators Bournemouth (which does not benefit from as strong links to London), and Southend (which, while on a positive economic trajectory is much smaller).

However, generally speaking, the City performs weaker than Cambridge, Reading, and Milton Keynes against a range of measures. While the strong performance of Cambridge is unsurprising, the performance of Reading and Milton Keynes highlights the competitive economic environment in the south of England. All three of these locations are on an upward trajectory: Cambridge central to the competitiveness of the London Stansted Cambridge Corridor; Reading is benefitting from Crossrail; and Milton Keynes has successfully positioned itself at the heart of the future cities agenda as part of its 2050 visioning, and is looking to re-define itself through its 2021 UK City of Culture Bid.

It is clear that Brighton & Hove will need to do ever more to mark itself out within this competitive environment.

	GVA per FTE employee	% Knowledge Based Industries	Enterprise Births per 1,000 businesses	% Employment Change (2011-16)	% employment in ICT & Digital	Total Exports per Job
1	Reading £77,000	Cambridge 55%	Milton Keynes 13.2	Milton Keynes +27%	Reading 14%	Reading £21,630
2	Milton Keynes £72,300	Reading 45%	Reading 12.2	Cambridge +13%	Milton Keynes 8%	Milton Keynes £19,500
3	Cambridge £69,800	Brighton & Hove 41%	Brighton & Hove 10.5	Brighton & Hove +11%	Cambridge 5%	Brighton & Hove £16,320
4	Brighton & Hove £65,400	Bournemouth 37%	Southend 10.2	Bournemouth +11%	Brighton & Hove 5%	Southend £10,360
5	Bournemouth £64,400	Southend 37%	Bournemouth 7.8	Reading +9%	Bournemouth 3%	Bournemouth £10,280
6	Southend £60,100	Milton Keynes 36%	Cambridge 7.4	Southend +8%	Southend 2%	Cambridge £9,340

Brighton & Hove's Competitors - People

Brighton & Hove's competitive position is further illustrated via analysis of a range of labour market indicators; with the City performing even more weakly in comparative terms.

The City has the lowest workplace salaries of all the comparator areas, and one of the largest differences between residents and workplace salaries.

There are also clear challenges in terms of social inclusion, with a relatively high incidence of relative multiple deprivation, and a comparatively high unemployment rate.

	% with degree-level qualifications	Deprivation (least LSOAs in 10% most deprived)	Disposable Income	Weekly Workplace Salaries	Difference between Resident & Workspace Salary	Unemployment Rate
1	Cambridge 67%	Cambridge 0%	Reading £22,700	Cambridge £613	Southend +£83	Milton Keynes 2%
2	Reading 50%	Reading 2%	Cambridge £20,500	Milton Keynes £608	Milton Keynes +£51	Cambridge 3%
3	Brighton & Hove 50%	Milton Keynes 6%	Brighton & Hove £19,600	Reading £557	Cambridge +£24	Reading 4%
4	Bournemouth 39%	Bournemouth 6%	Milton Keynes £19,400	Bournemouth £532	Bournemouth +£21	Bournemouth 4%
5	Milton Keynes 36%	Brighton & Hove 10%	Southend £19,000	Southend £562	Brighton & Hove -£62	Southend 6%
6	Southend 28%	Southend 12%	Bournemouth £18,800	Brighton & Hove £494	Reading -£64	Brighton & Hove 6%

Brighton & Hove's Competitors - Place

As highlighted throughout the analysis, Brighton & Hove's economic and social performance is to some extent being defined by the performance of its housing and commercial markets.

Housing affordability is a major concern for the City, and has the potential to weaken the City's competitiveness and ability to attract and retain labour.

The availability and cost of commercial space is also a major concern: pressure on space is highlighted by the large number of permitted development applications in the City, while high rent levels demonstrate both demand for space but also constraints in supply. The strength of office rents in Reading demonstrate its strong economic trajectory.

While Brighton & Hove remains competitive, it is to some extent constrained by its location: it has a more constrained functional economic area than its inland competitors, and is also constrained by weaker access to markets in the midlands and north.

	Office rents (per sqft)	% Floorspace which is Office	Industrial rents (per sqft)	Retail rents (per sqft)	Housing affordability ratios	Number of Permitted Developments
1	Reading £26	Cambridge 38%	Brighton & Hove £8	Cambridge £41	Southend 8.0	Southend 99
2	Cambridge £21	Reading 32%	Reading £8	Brighton & Hove £29	Bournemouth 8.4	Brighton & Hove 96
3	Brighton & Hove £19	Brighton & Hove 31%	Cambridge £6	Reading £26	Milton Keynes 8.4	Reading 92
4	Milton Keynes £16	Bournemouth 26%	Milton Keynes £6	Bournemouth £21	Reading 9.0	Bournemouth 84
5	Bournemouth £12	Southend 20%	Southend £5	Milton Keynes £20	Brighton & Hove 10.6	Milton Keynes 32
6	Southend £10	Milton Keynes 17%	Bournemouth £5	Southend £19	Cambridge 13.5	Cambridge 8

Brighton & Hove's Competitors – Trajectory

Brighton & Hove's economic performance relative to the comparator cities has generally weakened slightly over the last ten years, with its ranking falling for four out of six core economic indicators. In addition, Brighton & Hove is coming close to losing further positions on productivity and workplace earnings (compared to 2007 levels).

This suggest there has been a stalling of Brighton & Hove's economic trajectory, with other cities experiencing faster improvements in their economic performance. Brighton & Hove has had the lowest level of productivity growth out of all the comparator cities, growing by 12% between 2009 and 2016, compared to growth of 20% in Cambridge, 18% in Milton Keynes and 16% in Reading.

Change in City Performance between 2007 and 2016 across Key Indicators (relative to other comparator cities)

	GVA per worker		Business Start-ups (per 1,000 businesses)		Housing Affordability Ratio (Most affordable 1 st)		Employment Rate		Average Weekly Workplace Earnings		Working Age Population with Degree-Level qualifications	
	2009	2016	2007	2016	2007	2016	2007	2016	2007	2016	2007	2016
1	Read. £61,900	Read. £71,600	MK 59	MK 85	MK 7.5	MK 9	Read. 79%	S-o-S 78%	Read. £670	Read. £630	Camb 43%	Camb 67%
2	MK £54,800	MK £64,800	B&H 54	Read. 75	S-o-S 8.8	S-o-S 10.0	MK 79%	Read. 77%	MK £650	MK £630	B&H 39%	Read. 50%
3	Camb £49,200	Camb £59,200	Read. 53	B&H 70	Read. 9.6	Read. 11.3	Bourn. 75%	Camb 77%	Camb £600	Camb £600	Read. 37%	B&H 50%
4	B&H £46,800	B&H £52,500	Bourn. 50	S-o-S 61	B&H 11.2	Bourn. 12.5	B&H 74%	Bourn. 76%	Bourn. £540	Bourn. £480	MK 28%	Bourn. 39%
5	Bourn. £45,200	S-o-S £51,400	Camb 48	Bourn. 54	Bourn. 11.8	B&H 13.7	Camb 72%	B&H 74%	B&H £490	B&H £470	Bourn. 27%	MK 36%
6	S-o-S £44,600	Bourn. £51,100	S-o-S 46	Camb 54	Camb 11.8	Camb 15.8	S-o-S 72%	MK 74%	S-o-S £460	S-o-S £400	S-o-S 20%	S-o-S 28%

Source: Regeneris Analysis of Centre for Cities, 2016; Note: Productivity data only available from 2009 onwards.



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