West Sussex Economy Snapshot

October 2023 (Issue 39)

West Sussex County Council

This is a monthly 'snapshot' of the West Sussex economy, produced by the County Council's Performance & Intelligence team with contributions from partners. The data presented here is publicly available and any analysis provided is for information purposes only.

This report includes national data that can provide a context to the trends seen from the data in West Sussex..

Previous reports can be found on the <u>Business West Sussex</u> pages.

If you have any questions relating to the information in this report, please email business.support@westsussex.gov.uk or sue.cooper@westsussex.gov.uk





West Sussex Headlines

In September 2023, there was an increase of 0.1% in the number of claimants aged 16+ in West Sussex compared with the previous month. The regional figure saw an increase of 0.3% whereas national figures decreased by 0.01%. Adur, Arun and Crawley saw a decrease in number of claimants over the last month, Worthing saw an increase of 2.2%, the highest in West Sussex. Crawley has the highest number of claimants and the highest claimant count rate, at 3.8%, higher than the regional and same as national rates. Whilst Adur has the lowest number of claimants in the county, Mid Sussex has the lowest claimant count rate in West Sussex at 1.7%.

The latest published results (July 2022 - June 2023) for the economic activity in West Sussex (79.6%) shows a lower economic activity rate compared with the regional average (81.2%) and a higher economic activity rate than the national average (78.8%). West Sussex continues to have a higher employment rate (80.1%) compared with that of England (75.8%) but is lower than that of the South East Region (78.3%). Crawley has the lowest economic activity rate, Chichester has the lowest employment rate and Adur has the highest economic activity and employment rate. Self-employment rate for West Sussex is now at 9.3%, slightly lower than the national and regional rates.

Economic inactivity by those who are retired has slightly increased after a fall since year ending December 2022. What is noticeable however, is the increase, since the end of 2020, amongst those who are economically inactive for the reason that they are students, though this has fallen in the year ending June 2023. Economic inactivity due to long-term sick has seen an increase in West Sussex in the latest year ending June 2023.

The number of employees on payrolls is continuing to increase in West Sussex, from pre-pandemic levels. The number of employees on payrolls, from this data, is above that seen before April 2020. From September 2023, West Sussex's employees increased by 0.04% compared to the slight decrease seen in the South East (0.01%) and the UK's which has remained the same. Within West Sussex, Mid Sussex has the highest number of employees at 72,437 and Adur the lowest at 26,664. Similarly, the median monthly pay levels have risen to levels higher than seen at the beginning of 2020. North East West Sussex (Crawley, Horsham & Mid Sussex) continues to have higher monthly pay levels than South West Sussex (Adur, Arun, Chichester & Worthing).

The number of new business incorporations in West Sussex over the last year - October 2022 – September 2023 have tended to be at greater levels than those seen pre-pandemic. In the last three months Jul'23– Sep'23, there were 373 more new business incorporations (1,653) than business that dissolved/in liquidation (1,290). In September 2023, there were more new businesses (549) than closures (402). Mid Sussex continues to have the highest number of new business incorporations, as well as companies dissolved, or which had gone into liquidation. In West Sussex, the highest numbers of new businesses continues to be in the business services sector which also had the highest number of businesses that were dissolved or in liquidation.





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National Headlines

Gross Domestic Product (GDP) is estimated to have grown by 0.2% in August 2023, after showing a fall of 0.6% in July'23. Service sector rose in August 2023 by 0.4% and was the main contributor to the growth in GDP in August. Consumer-facing services fell by 0.6% in August 2023, following a fall of 0.2% in July 2023 - sports activities and amusement and recreation activities industry was the major contributor to this fall. Production fell by 0.7% in August 2023 after a fall of 1.1% in July 2023. Construction is estimated to have decreased by 0.5% in August 2023.

In the UK, the total number of <u>online job adverts</u> increased by 2% on 26 October 2023 when compared with the previous week; this number was 5% below the level in the equivalent period of 2022 (Adzuna).

The number of payrolled employees has continued to increase nationally and over the year September 2022 - September 2023 rose by 1.2%.

From the Business Insights and Conditions Survey (BICs), 95% of businesses reported they were trading. 24% of trading businesses reported turnover was lower compared with August 2023. 27% of trading businesses reported an increase in the prices of goods or services bought in September 2023 compared to the previous month.

Data for England and Wales on company insolvencies shows that there were 1,967 in September 2023, 17% higher than in the same month in the previous year.





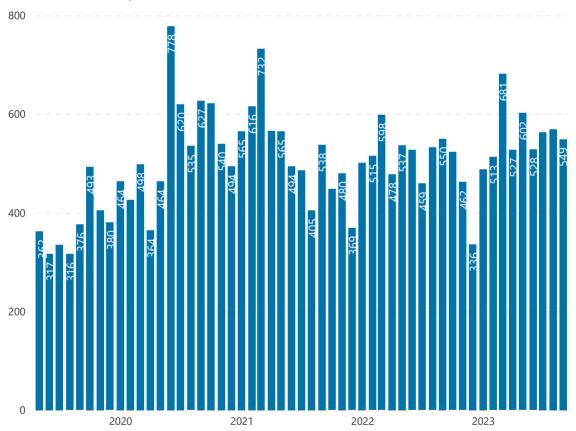
New Businesses, West Sussex

Source: FAME

Released: October 2023

The time series shows fluctuations month on month, but generally, the numbers of new business formations have tended to be at levels greater than those seen pre-pandemic. In West Sussex in the last 12 months, October 2022- September 2023, there were around 6,105 new business incorporations, 884 higher than the 5,221 businesses that were dissolved, or which had gone into liquidation. In the last 3 months – July 23 – September '23 there were 373 more new business incorporations (1,663) than business that dissolved/in liquidation (1,290). In September 2023, there were more new businesses (549) than closures (402)

New business incorporations in West Sussex





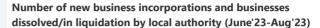


Businesses, West Sussex

Source: FAME

Released: October 2023

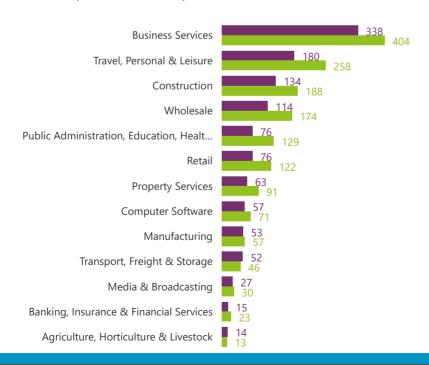
Over the last three-month period – July 2023 - September 2023 Mid Sussex continues to have the highest number of new business incorporations as well as businesses that have dissolved or are in liquidation. Within West Sussex, all local authorities had more new businesses than businesses closed though there is new speculation that with high inflation levels as well as rising fuel and energy costs the numbers of business closures will begin to increase.





Number of new business incorporations and businesses dissolved/in liquidation by industry (June '23 - Aug '23)

Dissolved/liquidation
New incorporations



Business services has the highest number of new incorporations as well as numbers dissolved or in liquidation over the last 3 months, a continuation of the past trends. The broad transport, freight & storage sector saw more closed businesses than new business formations. The top three sectors for new business formations are as in previous months business services, travel personal and leisure, and construction





Economic Activity, West Sussex

Source: Annual Population Survey

Released: 15 October 2023 (Latest Data: Jul 2022-Jun 2023)

The Annual Population Survey (APS) is a residence-based labour market survey encompassing population, economic activity, economic inactivity, and qualifications. Whilst some of the data sets are released annually, most are updated quarterly. The APS is a sample survey, it's subject to sampling issues and there have been some changes in the collection of data and sample composition made in data collection during the pandemic, however, it does provide an indication of trends around economic activity. Self employment rate for Adur is not available since the group sample size is zero or to be disclosed.

The latest figures published cover the twelve months to Jun '23 and suggests that now West Sussex has a lower economic activity rate compared with the regional and national average. West Sussex continues to have higher employment rates (80.10%) compared with that of England (75.80%) but is lower than that of the South East Region (78.30%). Within the county, Crawley has the lowest economic activity, Chichester has the lowest employment rate and Adur has the highest economic activity rate and employment rate. Self-employment rate for West Sussex is now at 9.30%, slightly lower than the national and the South East region rates.

Compared to the year ending Jun 2022, self-employment rates have decreased in Arun, Chichester, Crawley and Worthing. Self employment rates have drastically dropped in Chichester from 15.40% to 8.40%. Horsham has the highest self-employment rate in the county at 14.40%. However, with significant fluctuations in the data in recent quarters, together with sampling issues these figures should be treated with some caution.

Economic Activity by local authorities

Metric	Economic activity rate - aged 16-64		Employment rate - aged 16-64		% aged 16-64 who are self employed	
Location	Jul 21-Jun 22	Jul 22-Jun 23	Jul 21-Jun 22	Jul 22-Jun 23	Jul 21-Jun 22	Jul 22-Jun 23
Adur	78.90	84.90	75.40	84.90	12.40	N/A
Arun	86.30	84.20	82.20	81.30	9.10	9.00
Chichester	69.60	75.60	67.00	70.70	15.40	8.40
Crawley	82.70	73.60	82.10	72.30	4.70	3.40
Horsham	85.60	83.20	84.80	82.20	9.20	14.40
Mid Sussex	87.20	78.10	85.80	77.40	7.70	13.90
Worthing	82.50	78.40	77.40	71.90	13.60	8.40
West Sussex	82.30	79.60	80.10	77.10	9.90	9.30
South East	80.90	81.20	78.20	78.30	10.00	10.00
England	78.80	78.80	75.70	75.80	9.40	9.60





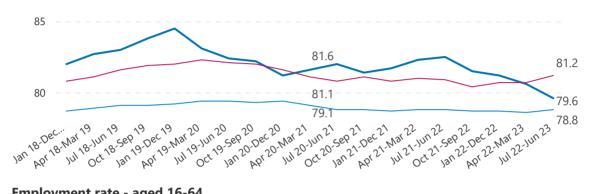
Economic Activity, West Sussex

Source: Annual Population Survey

Released: 15 October 2023 (Latest Data: Jul 2022-Jun 2023)

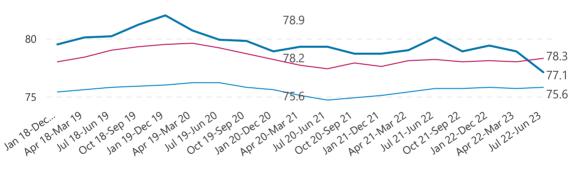
Economic activity rate - aged 16-64





Employment rate - aged 16-64





% aged 16-64 who are self employed







Economically Inactive, West Sussex

Source: Annual Population Survey

Released: 15 October 2023 (Latest Data: Jul 2022-Jun 2023)

Economically inactive are those who are not in employment, have not been seeking work and/or are unable to work. This group includes people who are retired, those looking after family, those who are long term sick and students.

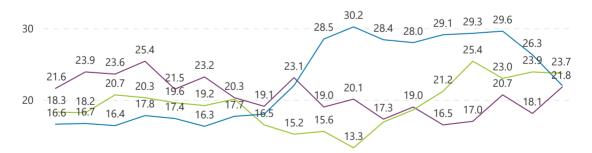
Economic inactivity by those who are retired has slightly increased after a fall since year ending December 2022. What is noticeable however, is the increase, since the end of 2020, amongst those who are economically inactive for the reason that they are students, though this has fallen in the year ending June 2023. Economic inactivity due to long-term sick has seen an increase in West Sussex in the latest year ending June 2023.

Economically inactive by age

Age	Aged 16-24		Aged	25-49	Aged 50+	
Location	Jul 21-Jun 22	Jul 22-Jun 23	Jul 21-Jun 22	Jun 22-Jul 23	Jul 21-Jun 22	Jul 22-Jun 23
West Sussex	21,800	31,100	20,300	23,100	212,900	224,900
South East	335,500	343,500	298,300	288,800	2,010,400	1,993,300
England	2,303,800	2,310,100	2,212,000	2,231,800	12,048,800	12,049,100

Reasons for Economic Inactivity in West Sussex

●% of economically inactive long-term sick ●% of economically inactive retired ●% of economically inactive student







Claimant Count, West Sussex

Source: ONS, Claimant Count

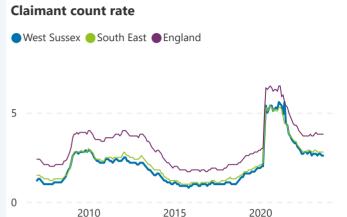
Released: 24 October 2023 (September 2023 figures are provisional)

The claimant count includes those people who are claiming either Job Seekers Allowance or Universal Credit principally because they are out of work or working very few hours and/or have a very low wage.

There were 13,855 claimants aged 16+ in West Sussex in September 2023, an increase of 0.1% from the previous month, compared with a national (England) decrease of -0.01% and a regional increase of 0.3%.

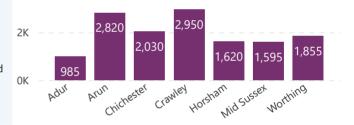
Adur, Arun and Crawley saw a decrease in the number of claimants over the last month, August - September 2023 Worthing saw an increase of 2.2%, the highest in West Sussex.

Crawley has the highest number of claimants at 2950 and the highest claimant count rate at 3.8%, same as national rate, but still higher then regional (2.8). Mid Sussex has the lowest claimant count rate at 1.7%. In West Sussex, % of male claimants aged 16+ increased by 1.2% and female claimants by 1.6%.



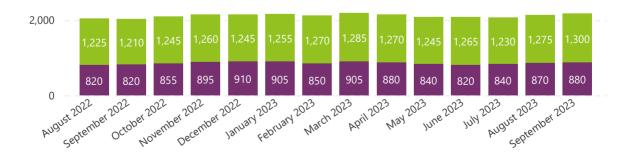
Number of claimants

September



Claimant count by gender, 18-24 age group

■ Female ■ Male







Claimant Count, West Sussex

Source: ONS, Claimant Count

Released: 24 October 2023 (September 2023 figures are provisional)

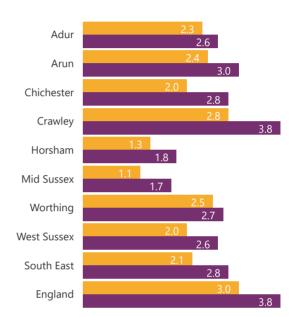
Age profile of claimants: Worthing (19.7%) has the highest proportion of 16-24 year olds, and Arun the lowest at 13.8%, Chichester has a higher proportion of claimants who are over 50 years.

There are 2,180 claimants aged 18-24 in West Sussex, which is an increase of 1.6% from the previous month. National (England) and regional figures increased by 1% and 1%, for this age category. Crawley has the highest number of claimants in this age group at 465. In West Sussex, all local authorities except Crawley saw an increase in claimants aged 18-24 years. Worthing saw the highest percentage increase at 5.8%, in the claimants aged 18-24 compared to the last month.

Within West Sussex, over the last month, there was an increase of 2.7% in claimants amongst males aged 18-24 years; females by 2.9%.

Claimant count rates change





Distribution of claimants by age band









Universal Credit Claimants, West Sussex

Source: Department for Work and Pensions

Released: 17 October 2023 (September 2023 figures are provisional)

Universal Credit is a single payment for each household to help with living costs for those on a low income or out of work. In September 2023, there were 62,385 Universal Credit claimants in West Sussex, which is a 1.3% increase from previous month. The numbers of people claiming Universal Credit in West Sussex has increased 128% since March 2020 - from 27,355 to 62,385 in September 2023, a higher percentage increase than nationally (106%) and regionally (118%).

In West Sussex, the percentage of people in employment claiming Universal Credit increased since March 2020 from 41.14% to 44.8% in August 2023, this is a higher proportion of claimants in work than the South East at 41.1% and nationally (England) 38%. In August 2023, within West Sussex, Mid Sussex has the highest percentage of Universal Credit claimants who are in work at 47% followed by Horsham at 46.9%.

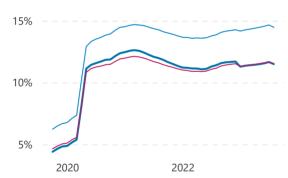
Mid Sussex has seen the highest % rise (143%) over the period from March 2020 (at the start of the pandemic) to September 2023, Arun has the highest number of Universal Credit claimants at over 13,187 and since March 2020 there has been a significant rise in the number of residents claiming Universal Credit across the county. Please note September 2023 employment/not in employment breakdown hasn't been released yet.

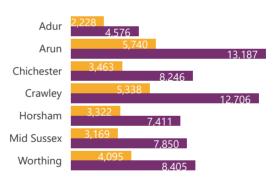
Percentage of people aged 16-64 years claiming Universal Credit

● West Sussex ● South East ● England

Universal Credit claimants in West Sussex change







Universal Credit claimants in West Sussex by employment status

■In employment ■N/A ■ Not in employment







Real Time Information Pay As You Earn (RTI PAYE), Employees, West Sussex

Source: ONS - Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted

Released: 17 October 2023

These figures are from a set of 'experimental statistics' from ONS from the earnings and employment statistics Pay as You Earn (PAYE) Real Time Information (RTI) seasonally adjusted data set. The latest data is up to the month of September 2023. West Sussex's employees increased by 0.04% from August 2023. The South East's employees decreased by 0.01% and the UKs employees stayed the same. The local authority with the largest growth from July was Worthing with 0.30%. Horsham had the highest employee decline with -0.09%,

The latest data shows that Mid Sussex has the highest number of employees at 68,781 in West Sussex and Adur the lowest at 26,152. The timeline of employees in West Sussex shows a decrease from April 2020, at the beginning of the first lockdown and continuing to decrease until March 2021 at which point the employee figures begin to increase again. This increase has continued to the current date where all districts and boroughs have exceeded the employee figures seen pre-April 2020.

West Sussex Number of Employees 400,000 380,000 360,000 Jan 2020 Jul 2020 Jan 2021 Jul 2021 Jul 2022 Jan 2022 Jan 2023 Jul 2023 **District Number of Employees Location** Adur Arun Chichester Crawley Horsham Mid Sussex Worthing 80,000 60,000 40,000 20.000 Jan 2020 Jul 2020 Jan 2021 Jul 2021 Jan 2022 Jul 2022 Jan 2023 Jul 2023





Real Time Information Pay As You Earn (RTI PAYE), Median Pay, West Sussex

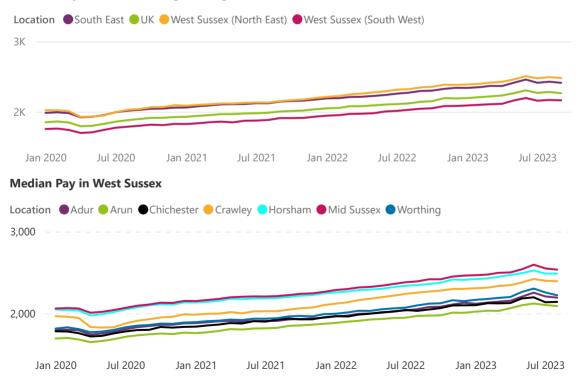
Source: ONS - Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted

Released: 17 October 2023

As in the previous page, these figures are based on the ONS statistics from the earnings and employment Pay As You Earn (Seasonally Adjusted) RTI data set and are up to the month of September 2023. The local authority with the largest percentage increase of pay from July 2023 was Chichester with 0.19% compared to a decrease of 1.55% in Worthing which saw the largest decrease. West Sussex South West had a decrease in median monthly pay by 0.23% and the North East had a decrease in median monthly pay by 0.52% from August 2023. The South East's monthly median pay decreased by 0.66% and the UK's decreased by 0.70% since August 2023.

The local authority with the highest median monthly pay is Mid Sussex at £2,251, and the lowest is seen in Arun at £1,851. A decrease in median pay can be seen in between the month of March and April 2020 which was the beginning of the first lockdown. Median monthly pay trends then return to pre lockdown levels by July 2020 for all local authorities. Compared to the regional and national median monthly pay, North East West Sussex (Crawley, Horsham & Mid Sussex) has higher monthly pay levels than South West Sussex (Adur, Arun, Chichester & Worthing). The past four months have seen change in monthly median pay with the highest increase since May being 0.63% in Crawley. The highest decrease since May was -1.81% in Worthing.

Median Pay National and Regional Figures







Business Register and Employment Survey (BRES), West Sussex

Source: Business Register and Employment Survey/ONS/nomis

Released: October 2023

- The Business Register and Employment Survey (BRES) data is released annually and is an employer survey of the number of jobs held by employees broken down by full/part time, detailed industrial sector and to low level geographical areas. This sample survey records a job at the location of an employee's workplace. BRES is regarded as the definitive 'official' government source of employee statistics by industry. The latest data for 2022 was released in October 2023.
- The estimated number of employees in West Sussex was 380,000 in 2022, an increase of 4,000 since 2021 (1.1%), this was lower than the regional increase at 3.1% and that for England (2.4%); private sector employees make up 85% of the total in the county, and increased by increased by 1.4%, there was a slight decline in public sector employees. Full time employees make up 67% of total employees, and grew over the year by 2.4%, there was a decline in part time jobs in the county over this time driven by trends particularly in Crawley and Worthing.
- Crawley has the highest number of employees in the county at 85,000, 22% of the county total, and Adur the lowest proportion at 5.5%. Crawley and Worthing both saw some fall in employees over the year 2021-2022.
- Looking at the employee count pre pandemic there has been a fall over much of the county, overall West Sussex employees are 3% fewer than they were in 2019 compared with growth seen nationally and regionally. There was some growth in business administration and support services, public administration, arts and entertainment and information and communication between 2019 and 2022, but falls in manufacturing, retail, transport health were high. Crawley has seen the highest decline at over 11% primarily due to the fall in the transport sector.

Numbers of Employees (BRES)						
Area	2019	2020	2021	2022	% change 2019-'22	% change 2021-'22
Adur	21000	21000	20000	21000	0.00	5.00
Arun	47000	47000	48000	49000	4.30	2.10
Chichester	63000	60000	60000	61000	-3.20	1.70
Crawley	96000	92000	86000	85000	-11.50	-1.20
Horsham	57000	55000	56000	57000	0.00	1.80
Mid Sussex	61000	58000	58000	60000	-1.60	3.40
Worthing	48000	47000	48000	47000	-2.10	-2.10
West Sussex	392000	380000	376000	380000	-3.10	1.10
South East	4214000	4107000	4153000	4281000	1.60	3.10
England	26302000	25793000	26526000	27153000	3.20	2.40





Job Vacancies, UK

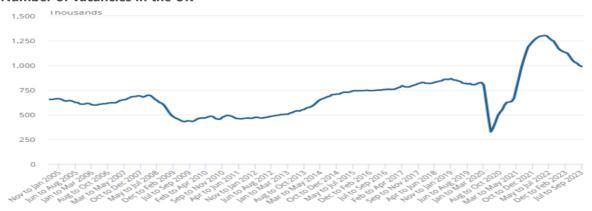
Source: ONS

Released: 17 October 2023

The number of vacancies in the UK, in June to August 2023 was 988,000, a decrease of 64,000 from March to May 2023, it was the 15th consecutive period in July to September 2023, down by 4.2% since April to June 2023 with vacancies falling in 14 of the 18 industry sectors. In July to September 2023, total vacancies were down by 256,000 from the level of a year ago, although they remained from 187,000 above their pre-coronavirus (COVID-19) pandemic January to March 2020 levels.

The number of vacancies has fallen in the majority of industrial sectors. Real estate activities and administrative and support service activities decreased the most, falling 29.6% and 15.5% respectively. The largest growth was in mining and quarrying, at 11.1%. The industry showing the largest fall in vacancy numbers was administration and support service activities, down by 10,000, followed by professional, scientific and technical activities, which was down by 9,000. Notably, the combined increase across the three industries that displayed growth this quarter was only slightly over 3,000. The industry that decreased the most was human health and social work activities, where the number of vacancies fell by 40,000.

Number of vacancies in the UK



Quarterly growth rate by industry sectors

Percentage growth since January to March 2020 Quarterly percentage growth since April to June 2023

Accommodation & food service activities

Administrative & support service activities

Education

Manufacturing

Mining & quarrying

Professional scientific & technical activities

Public admin & defence; compulsory social security

Real estate activities

Wholesale & retail trade; repair of motor vehicles and mo...







National Headlines - Gross Domestic Product (GDP), UK

Source: ONS, GDP Monthly Estimate

Released: 12 October 2023

- Gross domestic product (GDP) is estimated to have grown by 0.2% in August 2023, after a fall of 0.6% in July 2023. Looking at the broader picture, GDP grew 0.3% in the three months to August 2023 with growth in all sectors.
- Services sector rose by 0.4% in August 2023 and was the main contributor to the growth in GDP in August.
- Consumer-facing services fell by 0.6% in August 2023, after a fall of 0.2% in July 2023. The largest negative
 contributor to consumer-facing services came from sports activities and amusement and recreation activities
 industry (10.8%)
- Production fell by 0.7% in August 2023 after a fall of 1.1% in August 2023. The largest falling sub-sector was manufacturing, which fell by 0.8%.
- Construction is estimated to have decreased by 0.5% in August 2023 following from a 0.4% decrease in July 2023.; According to the Monthly Business Survey (MBS), some businesses had said that heavy rainfall and lower-than-average temperatures led to delays in planned work.

Monthly index, UK







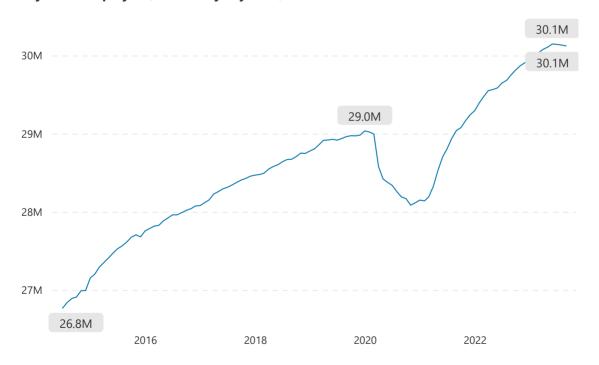
Labour Market, UK

Source: ONS, Earning and Employment from Pay As You Earn

Released: 17 October 2023

- Early estimates for September 2023 indicate that the number of payrolled employees rose by 1.2% compared with September 2022, a rise of 369,000 employees; the number of payrolled employees was up by 3.8% since February 2020, a rise of 1,102,000.
- Payrolled employment stayed the same in September 2023 when compared with August 2023 decreasing slightly by 11,000; though this should be treated as a provisional estimate and is likely to be revised when more data are received next month.
- UK payrolled employee growth for August 2023 compared with July 2023 has been revised from an decrease of 1,000 reported in the last bulletin to a decrease of 8,000, because of the incorporation of additional real time information (RTI) submissions into the statistics, which takes place every publication and reduces the need for imputation.
- Early estimates for September 2023 indicate that median monthly pay increased by 5.7% compared with September 2022, and increased by 21.7% when compared with February 2020.
- The increase in payrolled employees between September 2022 and September 2023 was largest in the health and social work sector, a rise of 182,000 employees, and smallest in the administrative and support services sector, with a fall of 29,000.

Payrolled employees, seasonally adjusted, UK







Businesses currently trading, UK

Source: ONS, Business insights and impact on the UK economy

Released: 19 October 2023

The data presented in this bulletin are the final results from Wave 93 of the Business Insights and Conditions Survey (BICS), which was live for the period of 2 October to 15 October 2023.

- •In early September 2023, 95% of businesses reported they were trading, with 85% fully trading, 10% partially trading, 4% temporarily paused and 2% permanently ceased trading.
- •In September 2023, approximately (24%) of trading businesses reported their turnover was lower compared with August 2023, down 3 percentage points. In comparison 14% reported their turnover was higher, broadly stable over the same period.
- •When looking ahead to November 2023, more than half (56%) of trading businesses expect their turnover to stay the same, while 17% of trading businesses expect their turnover to increase, both broadly stable with expectations for October 2023.
- •Of trading businesses, 27% reported an increase in the prices of goods or services bought in September 2023 compared with August 2023. In contrast, 1 in 10 (10%) reported an increase in the price of goods and services sold in September 2023, with both figures broadly stable when comparing August 2023 with July 2023.
- •More than half (52%) of trading businesses were not considering raising prices in November 2023, the highest proportion of businesses to report this since the introduction of this question in April 2022; of those businesses considering raising prices, more than one in five (22%) reported energy prices as their main reason for doing so.
- •More than one in six (17%) trading businesses reported that their performance had increased in September 2023 compared with September 2022, broadly stable when comparing August 2023 with August 2022.
- •In early October 2023, a quarter (25%) of trading businesses reported that they expect their overall performance to increase over the next 12 months; up to 3 percentage points from expectations in early September 2023, and the largest proportion reported since May 2023.





Businesses Closures, UK

Source: Gov.uk, Monthly Insolvency Statistics

Released: 13 October 2023

Data for England and Wales on company insolvencies shows that there were 1,967 in September 2023, 17% higher than in the same month in the previous year (1,688).

There were 255 compulsory liquidations, 1,576 creditors' voluntary liquidations (CVLs), 124 administrations and 11 company voluntary arrangements (CVAs) in September 2023, CVLs and administrations were all higher than in September 2022.

For individuals, the total number of insolvencies in September 2023 was 7,271, 27% lower than in the same month in the previous year (10,024 in September 2022)

For individuals, 671 bankruptcies, 2913 debt relief orders (DROs) and 3,687 individual voluntary arrangements (IVAs) were registered in September 2023, The number of registered IVAs in September 2023 was less than half the number in September 2022.

Company insolvencies in England & Wales





