REGENERIS

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# Brighton & Hove Economic Strategy

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# Refresh on Strategy
# Strategy Components

Workstream 1
Sector Strengths and Opportunities

Workstream 2
Drivers of Change & Growth Projections

Workstream 3
Supply Land & Floorspace Projections

Workstream 4
Skills for the Future

Workstream 5
Inclusive Growth

Workstream 6
Inward Investment & Export Growth

Workstream 7
Strategy Recommendations

Workstream 8
Action and Implementation Plan

**Brighton & Hove Economic Evidence Base**
*Working Document October 2017*

**Brighton & Hove Economic Strategy and Action Plan**
*Draft Jan 2018; Final Feb 2018*

**Inward Investment and Export Strategy**
*Draft Jan 2018; Final Feb 2018*

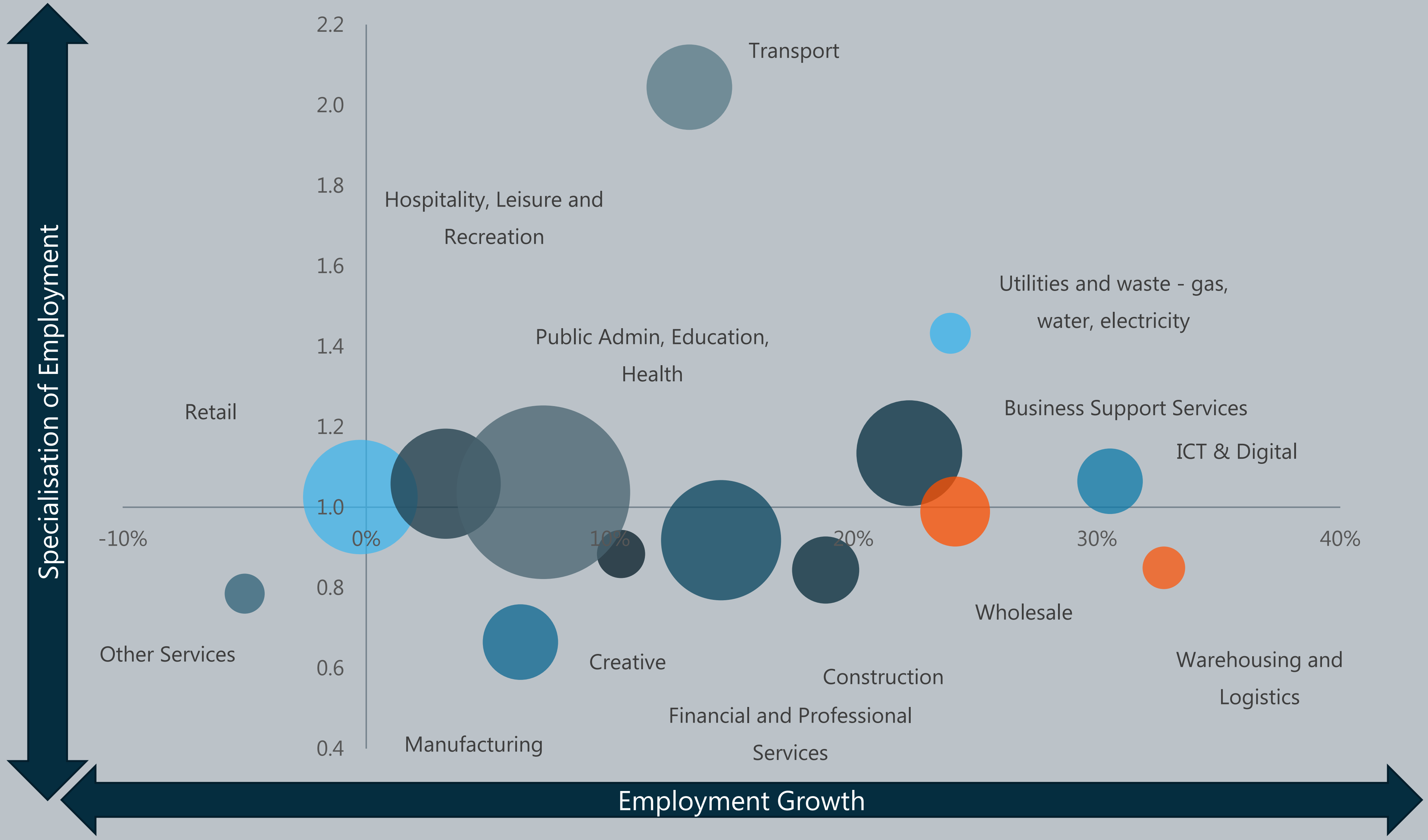
# Refresh on Strategy Economic Geography


- **Brighton & Hove City**
- **Greater Brighton City Region**
- Coast to Capital LEP
- London Labour Market Area
- Greater South East

# Working Evidence Base
# Overall Economic Performance

| | 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 *per FTE worker* | **£65,400** | £72,100 | £73,000 | £66,900 |
| Productivity growth (2010-15) | **+27%** | +21% | +17% | +19% |

# Working Evidence Base
# Profile of the Economy




*Size of bubble is proportional to number of employees*

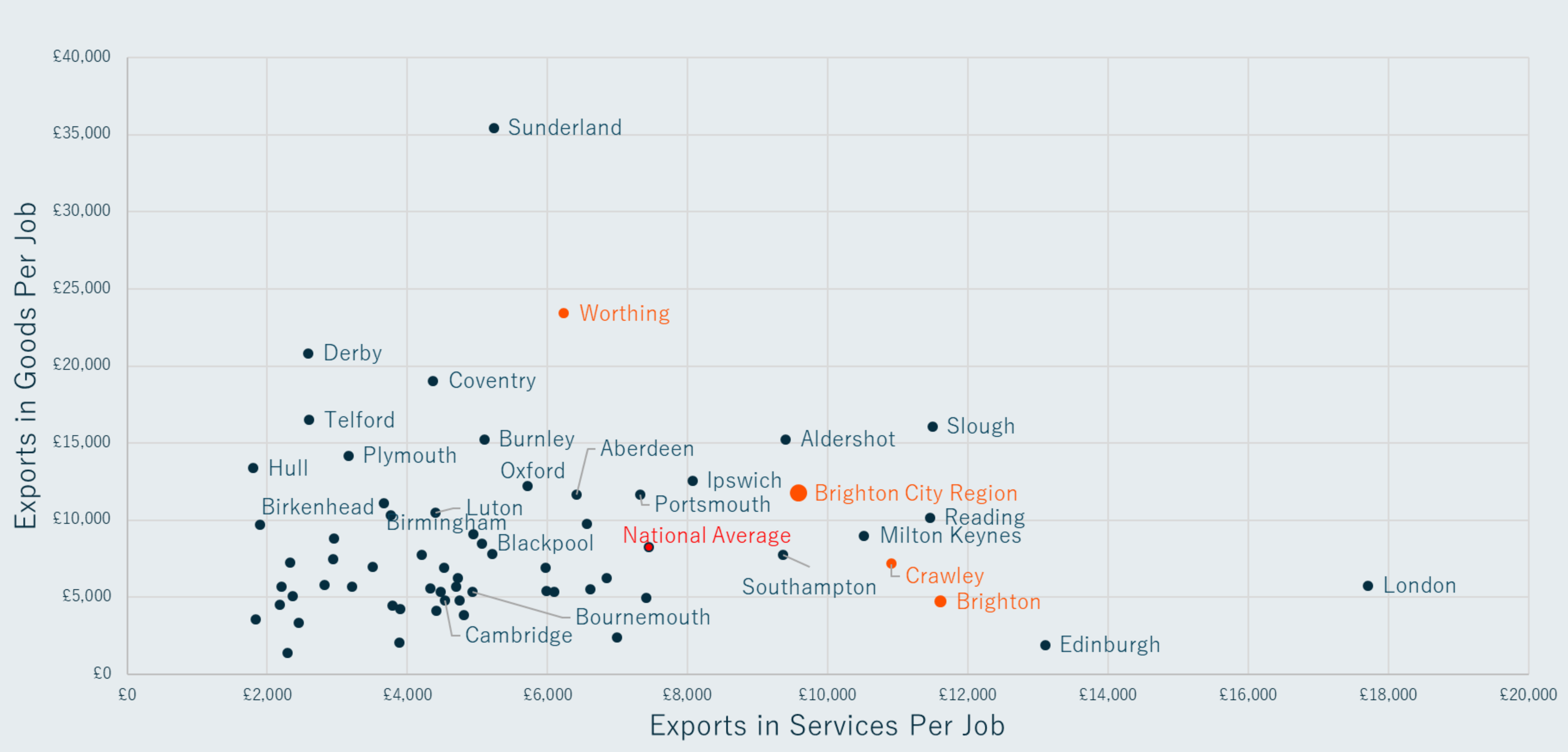
# Working Evidence Base
# Recognising Local Specialisms

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

| Specialism | 1.5+ | 1.2-1.5 |
|---|---|---|

# Working Evidence Base
# Trade & Exports





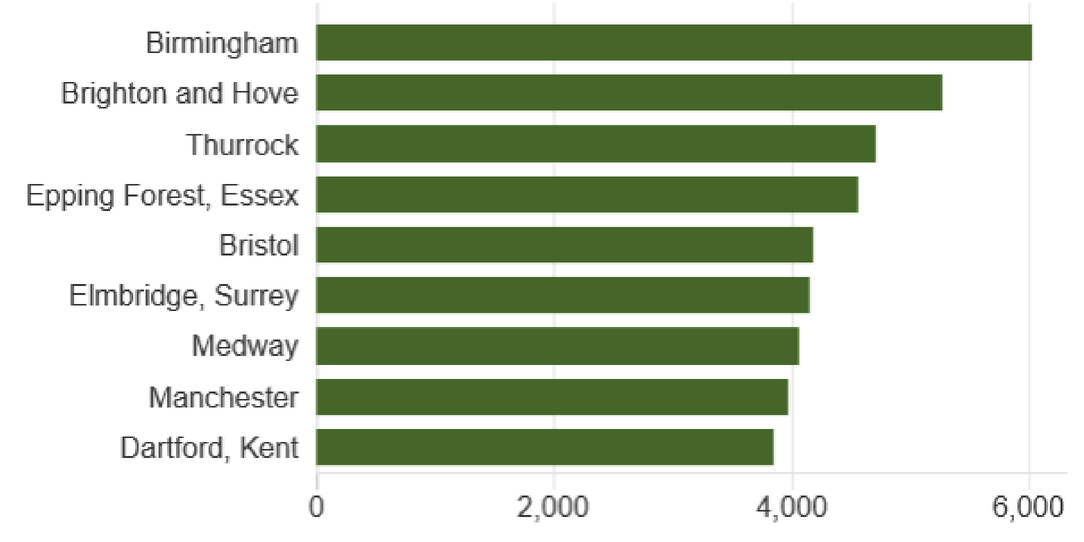
# Working Evidence Base
# Labour Market

| | | Brighton & Hove | | G. Brighton City Region | England |
|---|---|---|---|---|---|
| | | No. | % | % | % |
| Working Age Population | | 205,000 | 71% | 64% | 63% |
| Economic Activity Rate (16-64) | | 159,800 | 80% | 81% | 78% |
| Employment Rate (16-64) | | 149,900 | 75% | 78% | 74% |
| 18-24 Year Olds in Full Time Education (of 18-24 year olds) | | 18,800 | 48% | 34% | 32% |
| Residents with Level 4 (Degree) Qualifications | | 101,000 | 50% | 43% | 38% |
| Prof, Associate & Managerial Occupations | Workers | 80,200 | 52% | 49% | 46% |
| | Residents | 88,000 | 57% | 50% | 46% |

# Working Evidence Base
# Economic Dynamics

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

**Top Destinations for Migrants Leaving London**




- Core economic hub within City Region
  - Labour market, housing, supply chain dynamics
- Important relationship with London
  - Migration
  - Labour Market
  - Business

# Working Evidence Base
# Economic Positioning

| | GVA per worker | | Business Start-ups (per 1,000 businesses) | | Housing Affordability Ratio (Most affordable 1st) | | 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.*

**Key:**
B&H – Brighton & Hove; Read. – Reading; MK – Milton Keynes; Camb. – Cambridge; Bourn. – Bournemouth; S-O-S - Southend

# Working Evidence Base
# Economic Positioning

MILTON KEYNES FUTURES: 2050

BRISTOL + BATH

PROSPER PORTLAND
Building an Equitable Economy

# BHEP Consultation Event

Most significant areas of concern:

1. Transport
2. Housing
3. Skills and labour market
4. Partnerships and vision

# Defining Strengths, Weaknesses, Opportunities, Threats

## *Five Defining...*Strengths

1. A **diverse economy** across the City Region, with major employers and growing sector specialisms
2. Distinguishing **economic assets** across the City and City Region
3. A strong and active **pool of labour** characterised by high qualification levels
4. An **enterprising economy**, with strong start-up levels and a large amount of homeworking
5. An internationally renowned **visitor economy identity** and the **physical environment**

## *Five Defining...*Weaknesses

1. Lack of a clear and consistent **economic identity** distinguishing the City and City Region from competitors
2. Limited recent **inward investment**, and concern that **trade & exports** activity is concentrated within a small number of firms
3. **Productivity** in the City's economy remains low; relating to this, **earnings** of those working in the City are below average
4. Despite the well qualified and enterprising labour pool, there are challenges in capitalising on this and '**scaling' growth**
5. **Social inclusion** challenges

## *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** in the City 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 image of attractiveness to investors
5. Growth, investment and rebalancing across the UK (Crossrail, HS2, Northern Powerhouse, Midlands Engine) **redefining economic geographies** and **increasing competition**

# Inward Investment and Export Strategy: Challenge Topics

1. **Positioning**: placing the city; agreeing focus
2. **Balance**: sectors and places
3. **Clarity**: consistent & distinctive identity; clear investment and support pathways
4. **Ownership**: coherent voice; complementing not competing
5. **Aspiration**: bold yet pragmatic

# Next Steps

Ongoing evidence collection over next few months. Focus on:

- Detailed mapping of current **investment and trade** activities and performance
- **Scenarios to test future growth potential** for sectors and the economy
- Further UK and international comparator and competitor analysis; **city strategies and interventions**
- **Consultation:** testing the evidence; gathering ideas

# Any Questions?

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