

# Economic update - September 2020

## Key points

- The Coronavirus (Covid-19) crisis has had a significant effect on the East Sussex economy and labour market, although the county has had fewer cases than other areas of the country, with 311 cases per 100,000 population, compared to an average of 520 per 100,000.
- According to the latest data, nearly 100,000 people in the county were in receipt of government support through the Coronavirus Job Retention Scheme (CJRS or Furlough scheme - 71,500 claims) and the Self-Employment Income Support Scheme (SEISS - 28,000) (data to 31 July 2020 released 21 August 2020).
- There are now 20,000 people (July 2020) receiving benefits because they are unemployed (JSA or Universal Credit (UC) searching for work), up from 9,135 in March 2020. And 47,166 are now receiving Universal Credit, 28,675 of whom are not included in the unemployed claimant count above (i.e. not 'Searching for work') in July 2020.
- A total of 148,238 are now on either UC, JSA or a government support scheme, 47% of the working age population, up from 45% at the end of June 2020.
- The sectors most severely affected by the virus are very significant in the East Sussex economy: Wholesale, retail and motor trades, Accommodation and Food service, and Arts, Entertainment and Recreation. According to the latest ONS bulletin, 23% of English businesses in these latter two sectors reported that they were at moderate to severe risk of insolvency.
- 10,700 business in the county have received grants for small businesses who are experiencing difficulties. There were 22,900 business enterprises in the county in 2019.
- The economy of East Sussex generated £8.9 billion in 2018, or £16,017 per head (UK £28,729 per head). Total GVA has increased by 19% since 2013, but fell between 2017 and 2018.
- Health and Social care; and Wholesale, Retail and Motors are the most important sectors in terms of the numbers employed and GVA generated (if we exclude GVA from owned property).
- In terms of business numbers, the fastest growing sectors are: Business administration and support (up 29% between 2014 and 2019), Construction (up 25%), and Finance and insurance (up 21%).

## Labour market & skills



**71,500** in East Sussex  
on Furlough (CJRS)<sup>1</sup>

**28,000**  
on Self-employment support (SEISS)

**31%**  
of the working age population  
(England 29%)

jobcentreplus

**20,000**

Unemployed JSA and UC claimants<sup>2</sup>  
in East Sussex, July 2020

**6.3%**

of the working age population  
Slightly lower than England (6.5%)

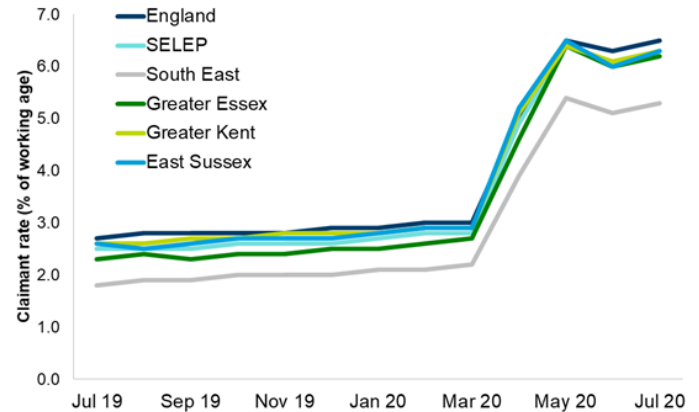
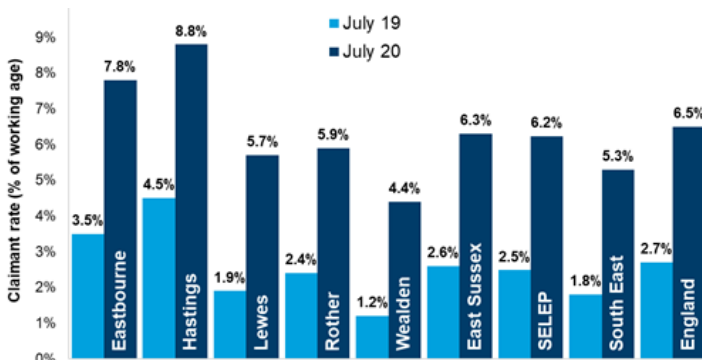
**↑ 119%** since March 2020  
Compared to 114% rise in England

# Labour market & skills



## Claimant rates East Sussex, SELEP and comparators, July 2019-2020

### Claimant rates in East Sussex districts and comparators, July 2019 and 2020<sup>2</sup>



## Youth unemployment is rising faster

Number of UC/JSA claimants aged 18-24 in East Sussex:

July 2019: 1,550

July 2020: 4,185

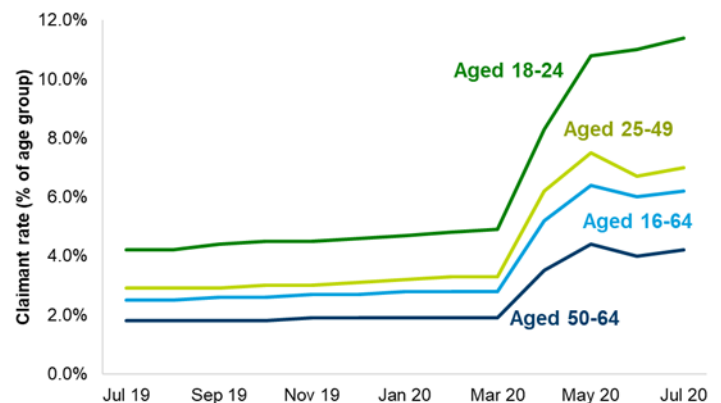
**11.4%** of people aged 18-24 in East Sussex claiming UC/JSA in July 2020 (4.2% in July 2019)

Up **170%** (+2,635) since July 2019

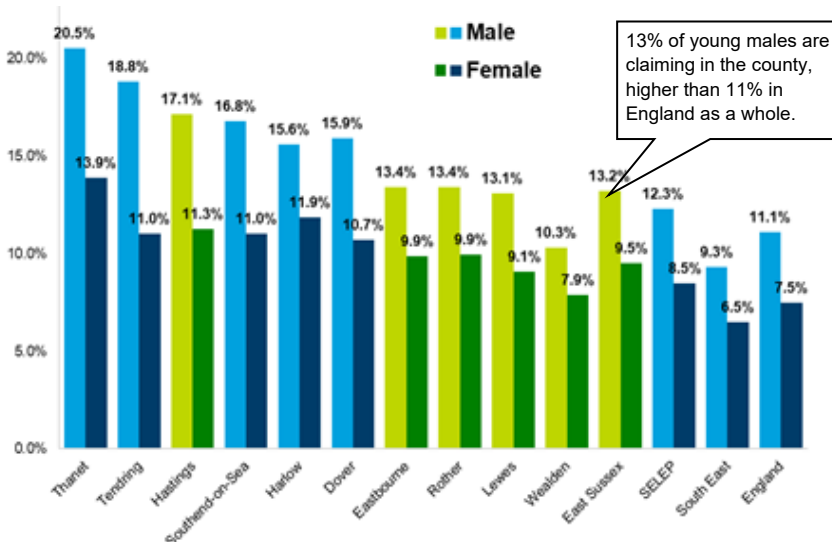
Compared to 147% rise (+11,735) for all aged 16-64

**1 in 7** young people in Hastings are claiming UC/JSA

## Claimant rates by age group in East Sussex, July 2019-2020



## Claimant rates among young people aged 18-24 by gender, East Sussex and top 5 districts in the SELEP, July 2020

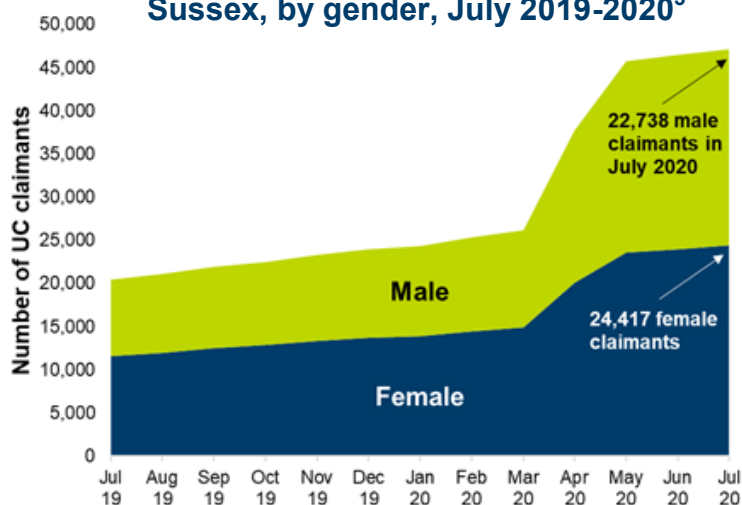


- Hastings has second highest claimant rate in SELEP and SE region after Thanet.
- Largest percentage increases in claimants since March in Wealden (+208%) and Lewes (+136%).
- Wards: 30 wards have rates at or above the England average, with the highest rates in Central St Leonards (14.1%), Gensing (11.9%) and Castle (11.3%) in Hastings, and Devonshire (11.9%) in Eastbourne.
- But largest *percentage* rises over since March have been in rural and less deprived wards with previously negligible numbers of claimants.
- Out of 10,865 new claims since March 2020, 989 were people claiming JSA only (i.e. not eligible for UC—because, for example, they had more than £16,000 savings).

# Labour market & skills



All Universal Credit claimants in East Sussex, by gender, July 2019-2020<sup>3</sup>



In East Sussex in July 2020 there were:

**47,166** people claiming UC<sup>3</sup>  
(14.8% of working age people)

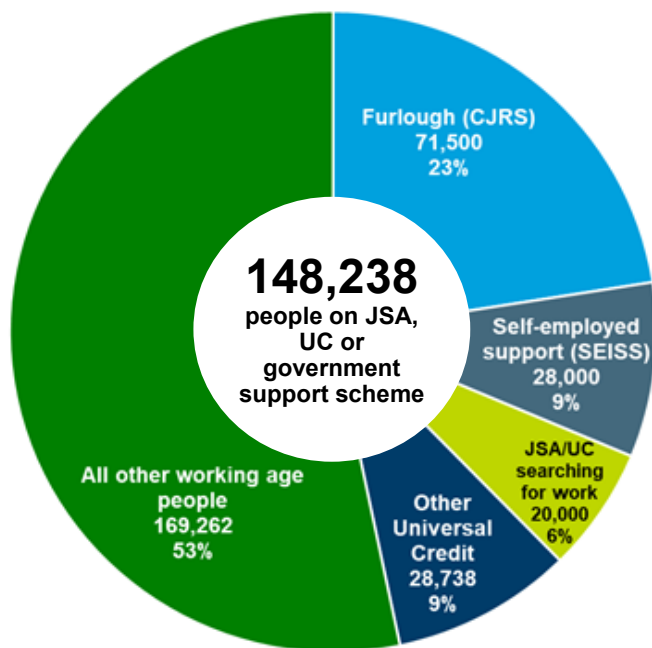
**+675** since June 2020

**+26,687** since July 2019

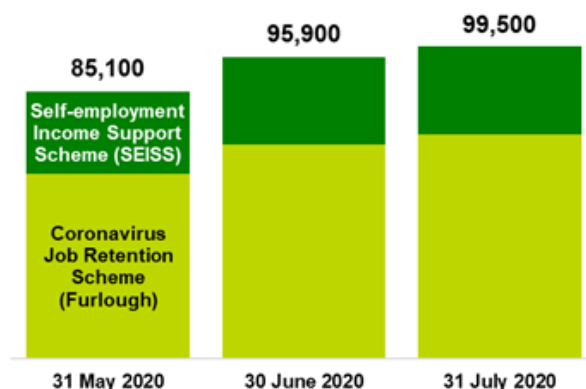
**39%** are 'Searching for work'

**52%** of claimants are female, compared to 57% in July 2019

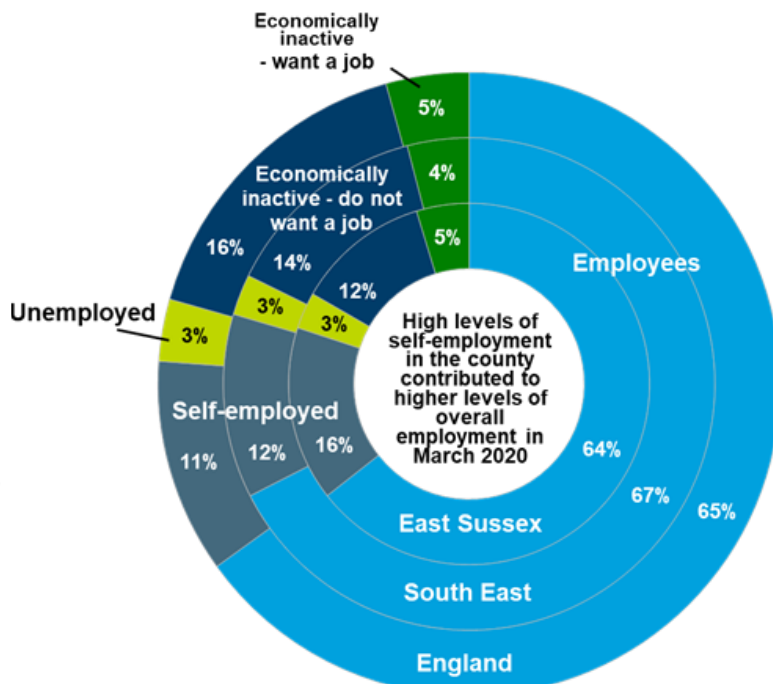
People on government support schemes, UC and JSA in July 2020<sup>1,2,3</sup>



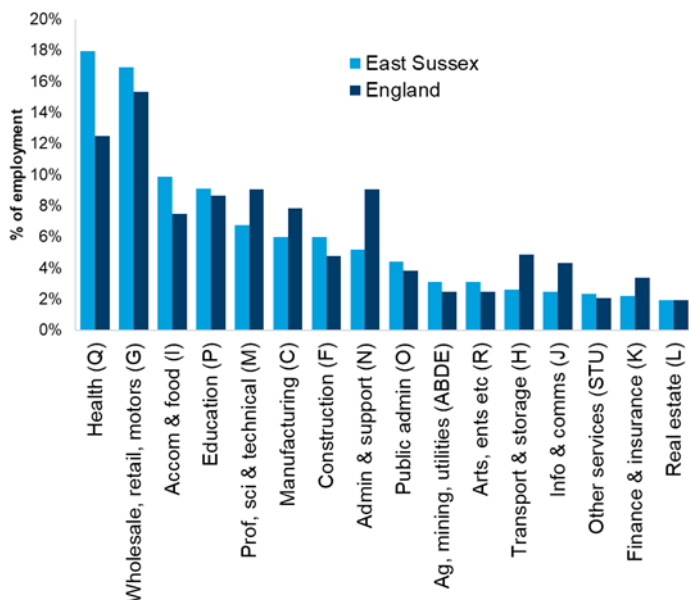
People on government support schemes in East Sussex, May-July 2020<sup>1</sup>



Economic activity in March 2020 (Annual Population Survey data)<sup>4</sup>



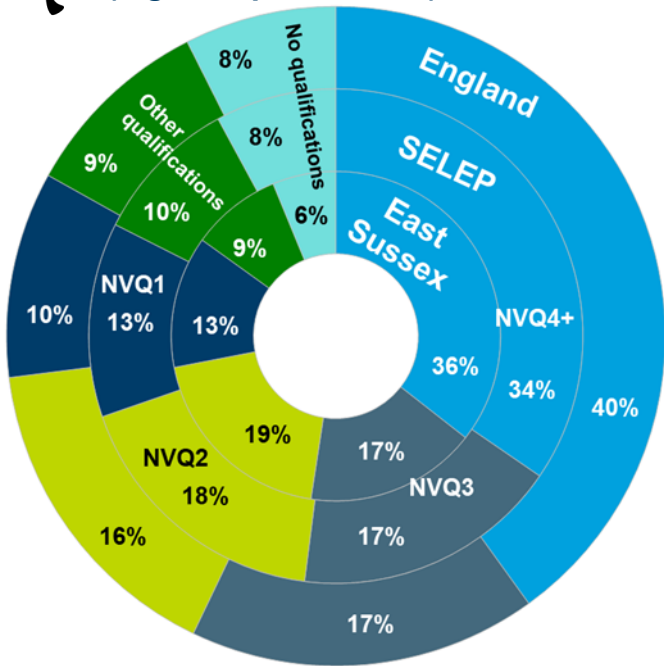
Employment by industry in 2018<sup>5</sup>



# Labour market & skills



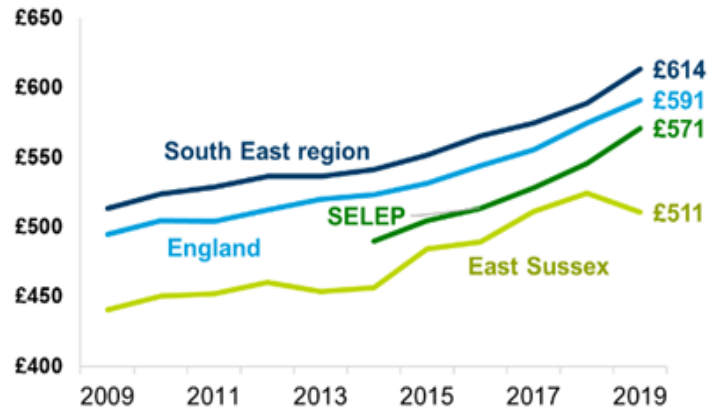
## Qualifications of the working age population (highest qualification), December 2019<sup>6</sup>



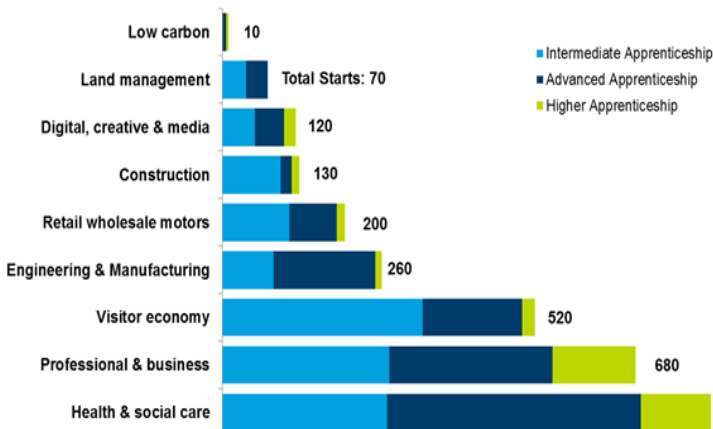
### Key points

- Lower proportion of people with level 4 qualifications than nationally
- Rising starts in apprenticeships
- Falling participation in FE
- Low and falling workplace pay

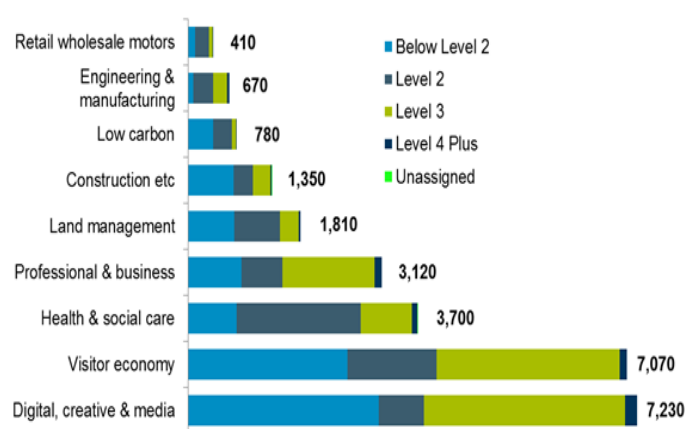
## Workplace-based median full-time weekly earnings, 2009-2019<sup>7</sup>



## Apprenticeship starts by Priority Sectors, East Sussex learners, 2017/18<sup>8</sup>

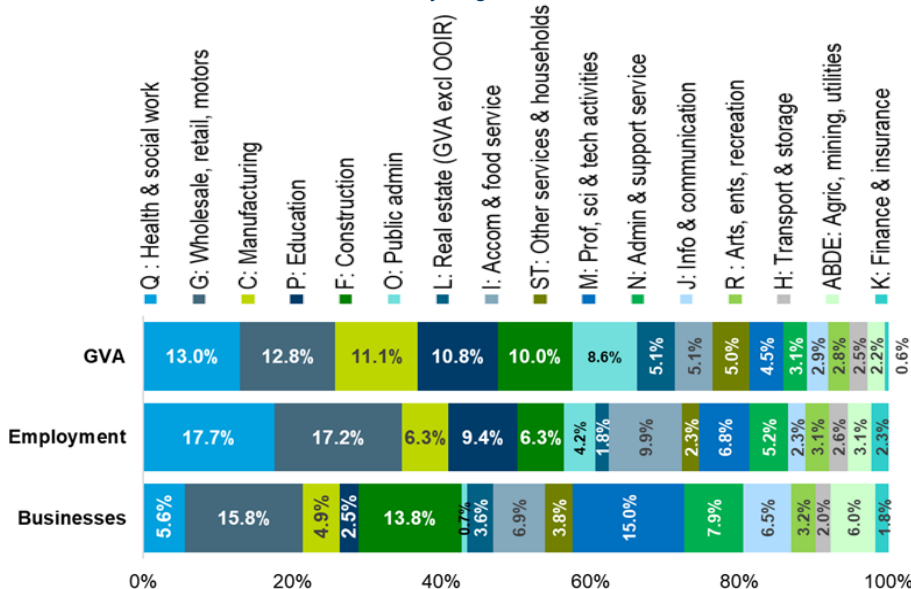


## Further Education starts by priority sector, East Sussex learners, 2017/18<sup>8</sup>



## East Sussex SIC sections: GVA (excl OOIR) and Employment (2018), and Businesses (2019)

Ordered by largest GVA in 2018



In 2018/19

There were **2,980** apprenticeship starts<sup>9</sup> in East Sussex, 6% more than 2017/18

There were **1,560** apprenticeship achievements 27% fewer than 2017/18

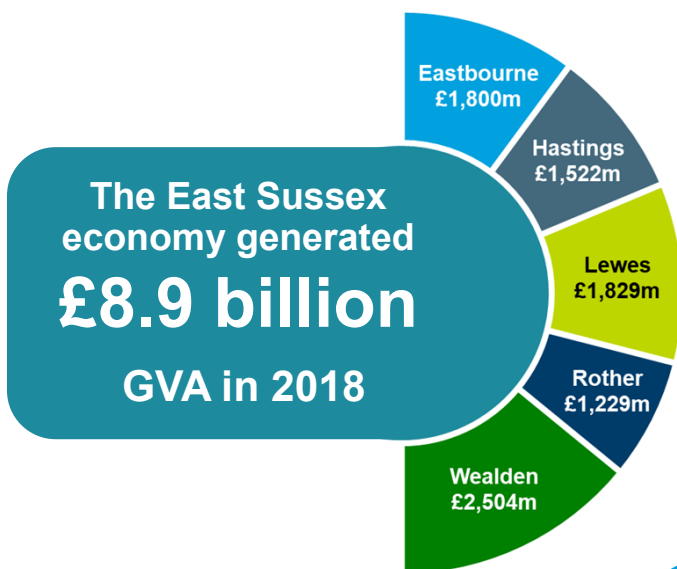
In 2018/19

There were **24,210** people participating in FE in East Sussex, 5% fewer than 2017/18

There were **17,540** FE achievements 4% fewer than 2017/18

# Gross Value Added





- GVA per head has grown by 13.9% in the county since 2008, considerably lower than growth of 23.5% in the UK as a whole and 20.6% in the SE region<sup>10</sup>.
- GVA per head in the county fell from £16,321 in 2017 to £16,017 in 2018. It is currently just 56.2% of the UK figure of £28,729, which was up 2.7% on 2017.
- While Real estate is the largest sector in the county at 24% of GVA, if we take out 'Owner-occupied imputed rental' (OOIR), which reflects property prices in an area, Health and social care, and Wholesale, retail and motors are the largest sectors.
- There is much variation at district level, especially when OOIR is not included. For example, Health and Social work make up 16% of the GVA of Eastbourne compared to 7% in Lewes.
- The Public administration sector grew most strongly in the year 2017-2018, by 14%. It accounts for 7% of the county's GVA. The slowest growing sector was Other service activities, which fell by 11%



**2018: £/🕒**  
**GVA per hour<sup>11</sup>: £26.20**  
**74.8% of the UK average**

**2018: £/👤**  
**GVA per head<sup>12</sup>: £16,017**  
**56.2% of the UK average**

**4 sectors account for more than half of total GVA in East Sussex (2018):**

-  **Real Estate - including owner occupiers imputed rental (24%)**
-  **Health (10%)**
-  **Wholesale, retail & motors (10%)**
-  **Manufacturing (9%)**

**If we exclude OOIR<sup>†</sup>, different sectors make a higher than average contribution to GVA in the districts:**

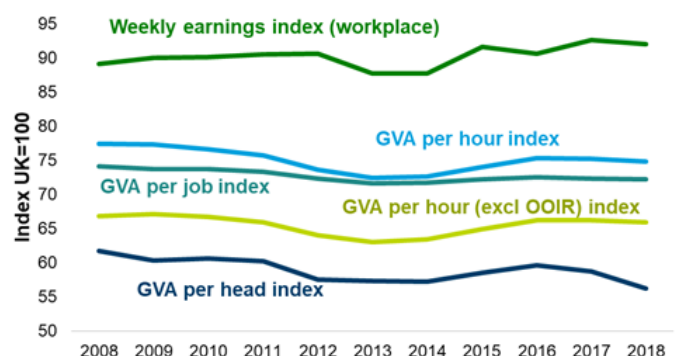
**Eastbourne:** Health (19.4%); Wholesale, retail etc (15.3%)  
**Hastings:** Manufacturing (19.9%); Health (15.5%)  
**Lewes:** Public admin etc. (19.2%); Education (10.7%)  
**Rother:** Education (13.3%); Health (12.1%)  
**Wealden:** Construction (17.3%); Wholesale, retail etc (13.9%)

**Public admin, education and health saw the largest rise over 2008-18 (£445m), followed by Wholesale, retail and motors (£290m) and Arts, other services and households (£257m).**

**GVA per head in 2018 by district, SE LEP and other geographies**



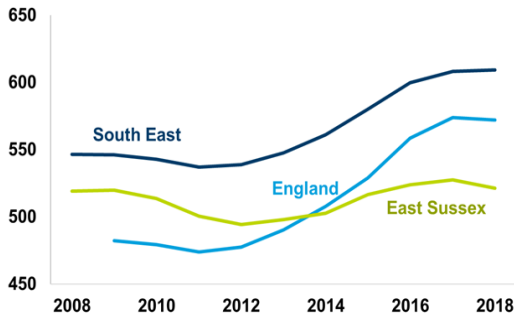
**Productivity and earnings measures compared - East Sussex indices where UK=100**



# Businesses



Active businesses per 10,000 population<sup>13</sup>



East Sussex has fewer businesses than average for the region and growth is slowing

**86.2%** of businesses in the county have fewer than 10 employees (National figure 84.7%)

**73.5%** have fewer than 5

East Sussex has relatively few medium and large businesses (50+ employees)

**23,985** active businesses in East Sussex in 2018 down from 24,170 in 2017<sup>13</sup>

## Fastest growing sectors in the county<sup>14</sup> (2014-2019)

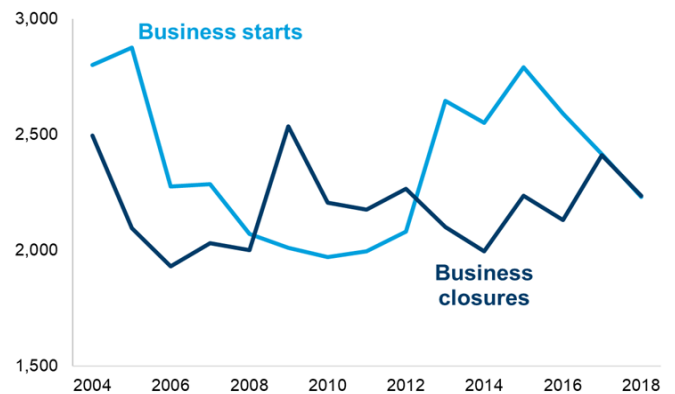
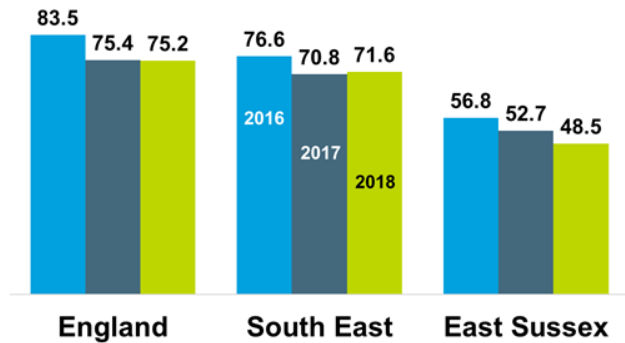
(in terms of number of businesses)

- Business administration and support services - up 29% (England up 41%)
- Construction - up 25% Lower than national rise (England up 30%)
- Finance & Insurance - up 20% (England up 21%)

**Active businesses**  
Up **9%** since 2013, but Down **0.8%** since 2017

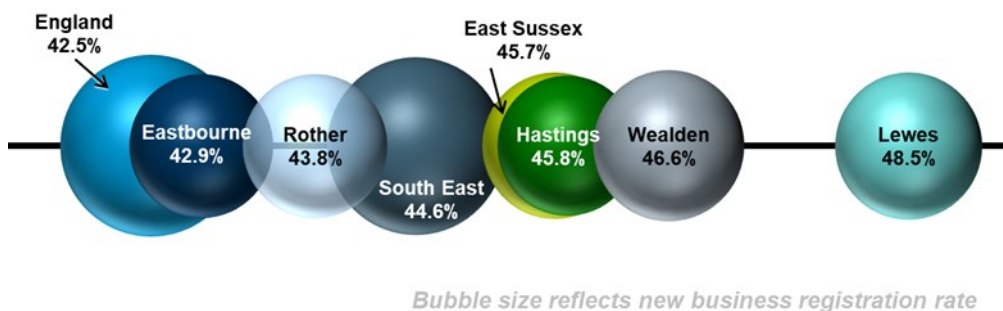
**10,712** small businesses in East Sussex have received support through the government's Coronavirus business grant schemes<sup>15</sup>.

## New business registration rates 2016-18<sup>13</sup>



Business births and deaths in East Sussex 2004-18<sup>13</sup>

**45.7% of businesses in East Sussex started in 2013 survived their first five years**  
5 year business survival rates for the county are higher than the England average<sup>13</sup>:

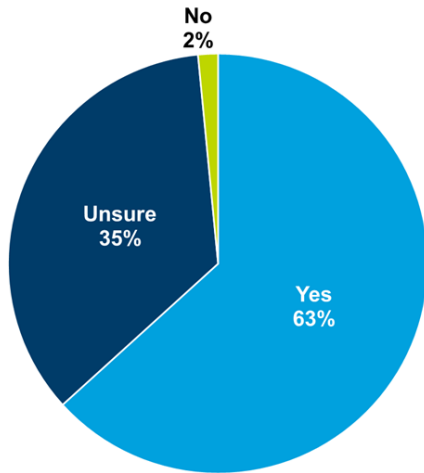


- 185 fewer active businesses in 2018 (23,985) than in 2017 (24,170).
- New business growth slower - 185 fewer new business starts than in 2017 and equal numbers of business starts (2,230) and closures (2,235) in 2018.<sup>13</sup>

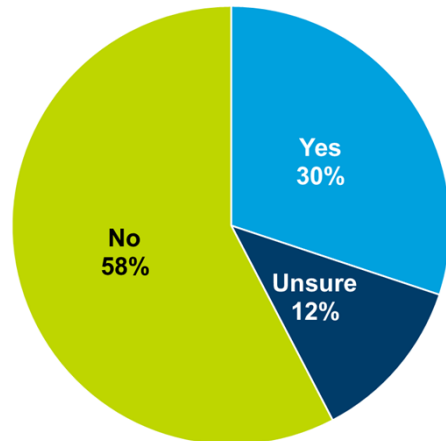
# SELEP business recovery survey

The South East LEP carried out a survey of around 200 businesses in the LEP area (which covers East Sussex, Kent, Essex and Medway, Southend on Sea and Thurrock). The survey took place between May and August 2020.

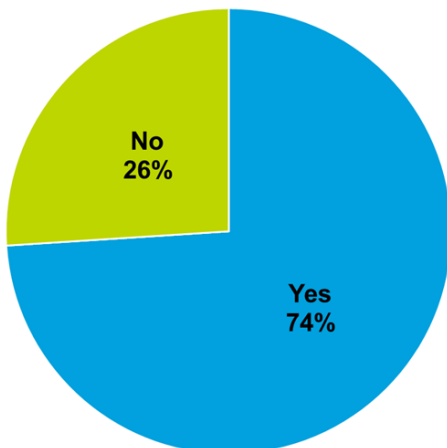
**Do you expect your business to be operating in 12 months' time?**



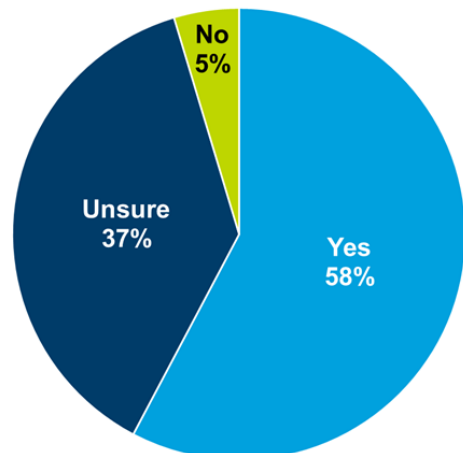
**Has the COVID-19 situation brought about any opportunities for your business?**



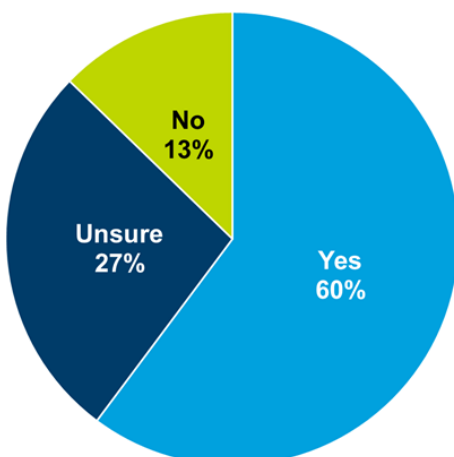
**The Government recently published a roadmap to recovery and accompanying guidance to a range of sectors setting out how to meet COVID SECURE requirements for the workplace. Have you accessed this information?**



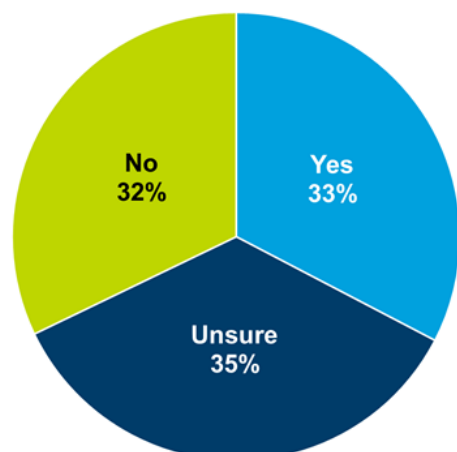
**Did you feel that you would be able to meet the requirements set out?**



**Will your business change the way in which it operates or delivers services in the future as a result of COVID-19?**



**Do you anticipate these changes having an impact on reducing carbon emissions?**



# Table of targets

Growth measures – September 2020	2014	2015	2016	2017	2018	2019	2020	2021
<b>Contribute to unlocking key employment floor space allocated in Local Plans (Square metres)</b>	Havelock Place 2,248	Glovers House and Sovereign House 4,690		Swallow Business Park 3,409	Newhaven Eastside (South) Business Park 2,322	DPQR Welcome Building 2,650 High Weald Hse 2,385 Newhaven Eastside 3,529		
<b>Achieve average annual housing completions of 1,504 in East Sussex to 2020 in accordance with our Local Plans</b> <small>(Source: East Sussex County Council On-line Housing Monitoring Database)</small>	1,208 (2013-14 data)	1,358 (2014-15 data)	1,509 (2015-16 data)	1,446 (2016-17 data)	1,316 (2017-18 data)	1,734 (2018-19 data)	1,852 (2019-20 data)	Data due: May 2021
<b>Increase GVA per capita by 20% by 2020</b> <small>(Source: Office for National Statistics)</small>	£14,558 +21.0% 2004-14	£15,269 +21.8% 2005-15	£16,052 +22.9% 2006-16	£16,321 +23.5% 2007-17	£16,017 +13.9% 2008-18	Data due: December 2020		
<b>Maintain the employment rate for East Sussex at a higher level than the England rate to 2020**</b> <small>(Source: Annual Population Survey/Labour Force Survey, NOMIS/ONS)</small>	74.1% +2.4% points higher than England (March)	73.1% +0.2% points higher than England (March)	73.8% -0.1% points lower than England (March)	75.5% +1.1% points higher than England (March)	74.6% -0.6% points lower than England (March)	73.6% -2.0% points lower than England (March)	80.1% 3.9% points higher than England (March)	Data due: October 2020
<b>Maintain the Claimant Rate for East Sussex at below the England rate to 2020</b> <small>(Source: Office for National Statistics/ NOMIS)</small>	2.1% -0.6% points lower than England (April)	1.5% -0.4% points lower than England (April)	1.4% -0.4% points lower than England (April)	1.6% -0.3% points lower than England (April)	2.2% Equal to England rate (April)	2.6% Equal to England rate (April)	5.2% 0.2% points higher than England (April)	Data due: May 2021
<b>Maintain the Alternative Claimant Rate for East Sussex at below the England rate to 2020</b> <small>(Source: Department for Work and Pensions/StatXplore)</small>	3.5% -0.7% points lower than England (May)	2.8% -0.5% points lower than England (May)	2.5% -0.6% points lower than England (May)	2.5% -0.5% points lower than England (May)	2.7% -0.3% points lower than England (May)	2.9% -0.2% points lower than England (May)	6.7% Equal to England rate (May)	Data due: July 2021
<b>Increase the percentage of working age residents in East Sussex with a Level 4 qualification to at least 35% by 2020**</b> <small>(Source: Annual Population Survey, Nomis/ONS)</small>	36.6% 0.9% points higher than England (Jan-Dec)	30.9% -5.8% points lower than England (Jan-Dec)	34.0% -3.8% points lower than England (Jan-Dec)	37.7% -0.5% points lower than England (Jan-Dec)	37.0% -2.0% points lower than England (Jan-Dec)	35.6% -4.4% points lower than England (Jan-Dec)	Data due: April 2021	
<b>Reduce the percentage of working age residents in East Sussex with no qualifications and qualified only to NVQ1 to below the England level by 2020**</b> <small>(Source: Annual Population Survey, Nomis/ONS)</small>	19.4% -1.2% points lower than England (Jan-Dec)	23.2% +3.2% points higher than England (Jan-Dec)	22.5% +3.4% points higher than England (Jan-Dec)	15.5% -3.0% points lower than England (Jan-Dec)	20.9% -2.7% points higher than England (Jan-Dec)	19.2% -1.6% points higher than England (Jan-Dec)	Data due: April 2021	

\*\* At sub-regional level the APS is subject to sampling variability which means that the data is not very reliable. The ONS provide confidence intervals for APS data, but at even county level these intervals can be very broad, for example, for people with Level 4 qualifications, for Jan-Dec 2019, the confidence interval for East Sussex was 3.6%, meaning that there is a 95% chance that the true figure could lie anywhere between 35.6 ±3.6 i.e between 32.0% and 39.2%. This explains why there appear to be wild swings in the qualifications and employment data, but this may not be reflected in the situation on the ground.



## Further information and sources

This publication is produced as an aid to understanding the mechanisms at work in the economy of East Sussex. The sources for all the data are given in this section.

### Labour Market and Skills

<sup>1</sup> In spring 2020, the government announced two schemes to support people who work for businesses that have been unable to trade because of the restrictions brought in during the Coronavirus crisis, the Coronavirus Job Retention Scheme (CJRS, otherwise known as the Furlough scheme) and the Self-Employment Income Support Scheme (SEISS). Data on the schemes has been published by HMRC and is available on [ESiF](#).

<sup>2</sup> The Coronavirus crisis has led to an unprecedented increase in the number of people claiming unemployment benefits including JobSeekers Allowance (JSA) and Universal Credit (UC) as their income has fallen and people are unable to work. While some people are still drawing some salary because they have been furloughed under the Government's income support schemes, many more have made claims for benefits. This means that the Claimant Count of people claiming JSA and Universal Credit because they are searching for work is now the most reliable and up to date source for unemployed claimant data. Detailed data is available on [ESiF](#).

The Alternative Claimant count is also available on [ESiF](#) with rates, and is also published, on the DWP's website [StatXplore](#). This table includes estimates of those additional claimants who would have been searching for work under Universal Credit had it been rolled out in that area at the time, together with those unemployed people claiming JSA and UC. However since the Coronavirus Crisis, the main UC/JSA Claimant Count (above) is currently the best measure to use.

<sup>3</sup> Data is published on ESiF on the number of [people](#) and [households](#) claiming Universal Credit (UC). Other claimant data can also be found in [ESiF](#) and on the DWP's [StatXplore](#) website.

<sup>4</sup> Employment data is sourced from the Annual Population Survey (APS) which is published by the ONS on the [Nomis](#) website. Note that sample variability means that some APS data is not very reliable.

<sup>5</sup> Data on part-time and full-time working is obtained from the Business Register and Employment Survey (BRES) which is also published by ONS in [Nomis](#).

<sup>6</sup> Qualifications data is from the Annual Population Survey (APS) which is published by the ONS on the [Nomis](#) website. Note that sample variability means that some APS data is not very reliable.

<sup>7</sup> Earnings data is from the Annual Survey of Hours and Earnings which is published by ONS and is available on the [Nomis](#) website. We have mostly used workplace-based median earnings which gives earnings for jobs based in the area, but residence-based data is also given in the table, which is the earnings of those living in the area.

<sup>8</sup> Detailed data on Further Education (FE) starts and apprenticeships is from the SE LEP Datacube. Data is rounded to ensure no personal details of individual learners are disclosed.

<sup>9</sup> Broader participation data for [FE](#) and [apprenticeships](#) comes from the FE Data Library, on the Gov.UK website, and is published on [ESiF](#).

### Gross value added

<sup>10</sup> [Gross value added \(GVA\)](#) data is released annually by the [Office for National Statistics \(ONS\)](#), and GVA per head is calculated using [ONS mid-year-estimate data](#). GVA is a measure of the increase in the value of the economy due to the production of goods and services. Estimates are measured at current basic prices, which include the effect of inflation. Please ensure you use only the most recent data as previous years' data has been substantially revised with the most recent release.

<sup>†</sup>Owner-occupiers' imputed rental (OOIR) is part of the GVA data that gives an estimate of the housing services consumed by households who are not actually renting their residence. It can be thought of as the amount that non-renters pay themselves for the housing services that they produce. For the purposes of assessing the county's economic productivity it is sometimes preferable to exclude this from the data. See [ONS website](#) for more information.

<sup>11</sup> GVA per hour worked data is obtained from the [ONS' Sub-regional productivity](#) tables. When assessing regional economic performance, it is recommended that the best measure of productivity is this data, rather than GVA per head or per job. This is particularly important when there are large net commuting flows into or out of an area, as is the case in East Sussex.

<sup>12</sup> GVA per head relates the value added by production activity in an area to the resident population of that area, and thus is subject to distortion due to effects of commuting and variations in the age distribution of the population. Small areas, such as local authorities, can be subject to very large distortions and this should be borne in mind when interpreting the statistics as an indicator of relative economic prosperity. GVA per head is thus not the best measure of productivity. GVA per job is also not the best measure of productivity because we have to consider the impact of a higher proportion of part-time jobs.

## Businesses

<sup>13</sup> The Office for National Statistics (ONS) provide data on active businesses, start-ups and closures in the annual '[Business Demography](#)' series. These national statistics are compatible with EU wide business demography data. 1-5 year survival rates are also included with this data. All new business registration rates are calculated by the Research and Information Team using the latest available mid-year estimate population data from the ONS, and are published on [ESiF](#).

<sup>14</sup> The [UK Business: Activity, Size and Location](#) (UK BASL) dataset from the ONS uses data from the Inter-departmental Business Register (IDBR) to report the total number of businesses. This is the most up-to-date source for data about business activity at local authority level and gives details of both the number of business enterprises and the number of local units. Data is available by industrial sector, business size (in terms of number of employees), annual turnover and age of business (years of trading). Some of the data is also published as 'UK business counts' in the Nomis website. Data for East Sussex and districts has been published in [ESiF](#).

Business Demography counts differ from those given in UK BASL because the Business Demography methodology takes into account businesses that were active at any time during the reference calendar year, whereas UK BASL numbers are based on a snapshot taken from the IDBR on a specific date at the end of March of the relevant year. As a result, numbers in the Business demography dataset are higher than those given in UK BASL.

<sup>15</sup> In response to the Coronavirus, COVID-19, the government announced there would be support for small businesses, and businesses in the retail, hospitality and leisure sectors. Data is available on the [Gov.uk](#) website and is published on [ESiF](#).

There are a number of other sources of business data available. For more information about business data sources and how the data can be used, see our [data note](#).

For further information about GVA, sub-regional productivity, Business Demography and UK BASL data, visit the [ONS website](#).

[East Sussex in Figures](#) has detailed data about [UC and JSA Claimant Count](#), [Government employment support schemes](#), [Alternative claimant count](#), [claimants of Universal Credit](#), [economic activity rates](#), [full- and part-time working](#), [workplace median earnings](#), [GVA](#), [GVA by industry](#), [productivity](#), [business demography](#) and [business activity](#), [government Covid-19 business support grants](#) and [workforce projections](#).

For further information on data about the economy in East Sussex, contact Lenna Santamaría on 01273 481619 or e-mail [mariahelena.santamaria@eastsussex.gov.uk](mailto:mariahelena.santamaria@eastsussex.gov.uk).

## Contact details

The Research and Information Team, Chief Executive's Office provides demographic and socio-economic data, intelligence and insight to support East Sussex County Council and other East Sussex Partners. The Team also manages East Sussex in Figures (ESiF), the Local Information System for East Sussex.

ESiF is a web-based information system that contains detailed, up-to-date and reliable information on a very wide range of topics. It is free and very easy to use and puts individual users in control. ESiF lets you specify exactly what data you want to see (for the places and time periods you are interested in) and how you want to view it (as a table, chart or map).

Visit [www.eastsussexinfigures.org.uk](http://www.eastsussexinfigures.org.uk)

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for more information.