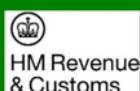


# Economic update – November 2021

## Key points

- The Coronavirus (Covid-19) crisis has had a significant effect on the East Sussex economy and labour market, and while the county has had fewer cases overall than other areas of the country, with 11,183 confirmed cases per 100,000 population (19/11/2021), compared to an average of 14,578 per 100,000 in England overall, the total death rate has been higher, at 330 per 100,000, compared to 225 per 100,000 in England.
- At the end of September 2021, over 19,000 people in the county (6.1% of working age people) were receiving government support through the Coronavirus Job Retention Scheme (CJRS or Furlough – 7,800) and the Self-Employment Income Support Scheme (SEISS – 11,500). The Furlough scheme ended on 30 September 2021.
- There are now 14,560 people (October 2021) receiving benefits because they are unemployed (JSA or Universal Credit (UC) searching for work), up 0.2% from 14,525 in September 2021, but 22.8% lower than in October 2020, and still 59% higher than in March 2020. And 46,556 are now receiving Universal Credit, 32,579 of whom are not included in the unemployed claimant count above (i.e. not 'Searching for work') in October 2021.
- The sectors that were most severely affected by the Coronavirus pandemic are very significant in the East Sussex economy: Wholesale, retail and motors, Accommodation and Food service, and Arts, Entertainment and Recreation. These sectors have seen significantly better performance since restrictions have been lifted but are now seeing the effects of labour shortages due to the combined effects of the pandemic and Brexit.
- 10,700 business in the county received grants for small businesses who were experiencing difficulties. There were 26,485 business units in the county in 2021.
- The economy of East Sussex generated £9.5 billion in 2019, or £17,077 per head (UK £29,599 per head). Total GVA increased by 3.6% between 2018 and 2019, compared to a 2.9% rise in the UK as a whole, and in 2019 was 18.2% higher than in 2014.
- Health and Social care; and Wholesale, Retail and Motors are the most important sectors in the county in terms of the numbers employed and GVA generated (if we exclude GVA from owned property which generates one fifth of the county's GVA).
- In terms of business unit numbers, the fastest growing sectors are: Transport and Storage (up 53% between 2016 and 2021), Accommodation & food (up 15%), Construction (up 13%).

## Labour market & skills



**7,800** in East Sussex

on Furlough (CJRS) (30 September 2021)

**11,500** on Self-employment support  
(SEISS) (7 October 2021)

**6%** of the working age population on  
Furlough/SEISS at the end of September 2021  
(England 6%)

(See [note 1](#))

jobcentreplus

**14,560** Unemployed JSA and UC  
claimants<sup>2</sup> in East Sussex, October 2021

**4.6%** of the working age population  
Lower than England (4.9%)

Up **↑ 0.2%** since September 2021 but

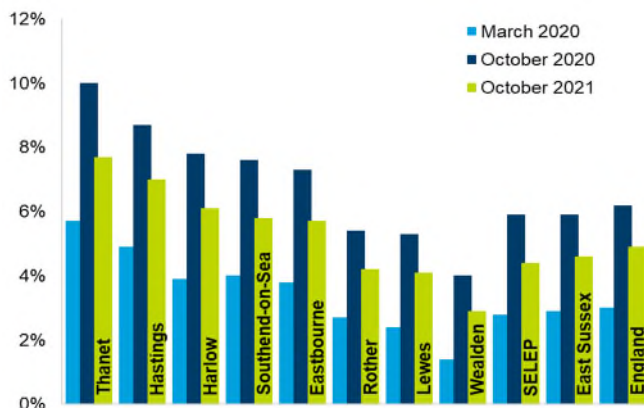
Down **↓ 22.0%** since October 2020

Still **59%** higher than in March 2020  
lower than the national rise (63%)

(See [note 2](#))

## Labour market & skills

Claimant rates, top 5 districts in SELEP, East Sussex and districts, March 2020, October 2020 and 2021



## Youth unemployment rose faster but is now declining faster than other age groups

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

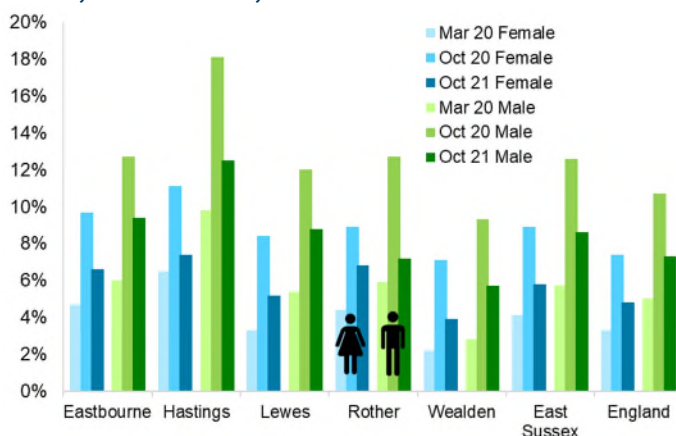
March 2020: 1,810  
October 2020: 3,890  
October 2021: 2,590

**7.2%** of people aged 18-24 in East Sussex claiming UC/JSA in October 2021 (4.9% in March 2020)

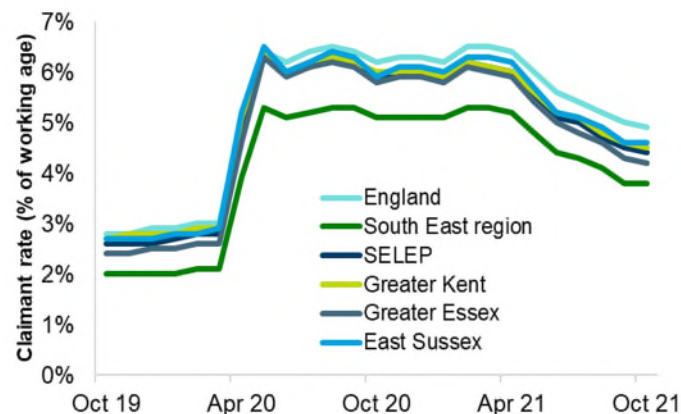
Up **43%** (+780) since March 2020  
Lower than the 61% rise for all aged 16-64  
But down by 45 (1.7%) in the month to October 2021

**1 in 10** (10.1%) young people in Hastings are claiming UC/JSA, including **12.5%** of young males

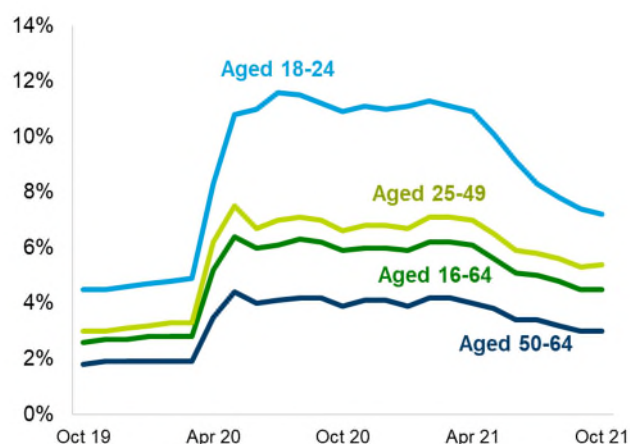
Claimant rate among young people aged 18-24, March 2020, October 2020 and 2021



Claimant rates East Sussex, SELEP and comparators, October 2019-2021



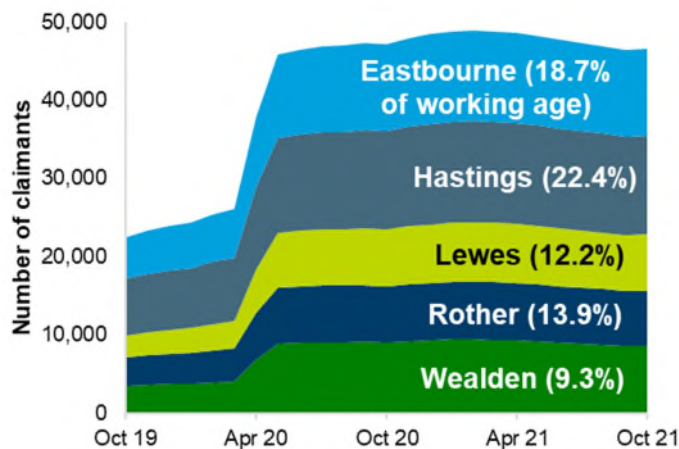
Claimant rates in East Sussex, all working age and broad age groups, October 2019-2021



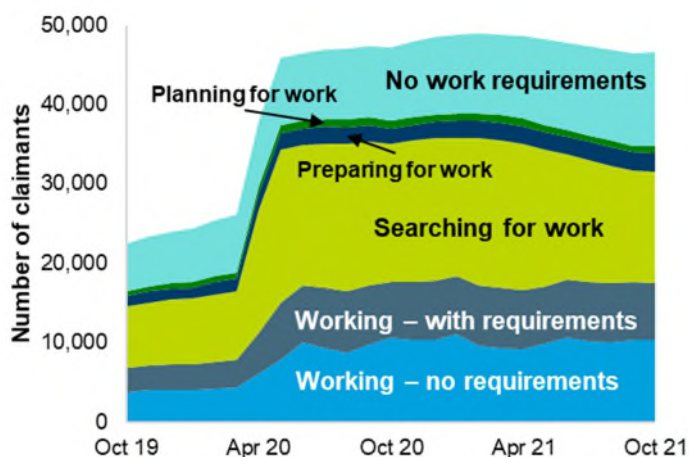
- Claimant counts rose in Eastbourne and Rother in October 2021, but fell in other districts.
- At 7.0%, Hastings has second highest claimant rate in SELEP and SE region after Thanet in Kent (7.7%).
- Largest percentage increases in claimants since March 2020 in Wealden (101%) and Lewes (+72%). But Wealden has seen the largest decline since October 2020 of -29.1%.
- Wards: 26 wards have rates above or at the England average, with the highest rates in Central St Leonards (11.9%), Castle and Gensing (both 9.9%) in Hastings, and Devonshire (9.8%) in Eastbourne.
- But largest percentage rises since the start of the pandemic have been in rural and less deprived wards with previously negligible numbers of claimants. 28 wards now have rates below what the East Sussex rate was in March 2020.
- 41 wards saw an increase in claimant numbers in the month to October 2021, while 34 wards saw a decline.

## Labour market & skills

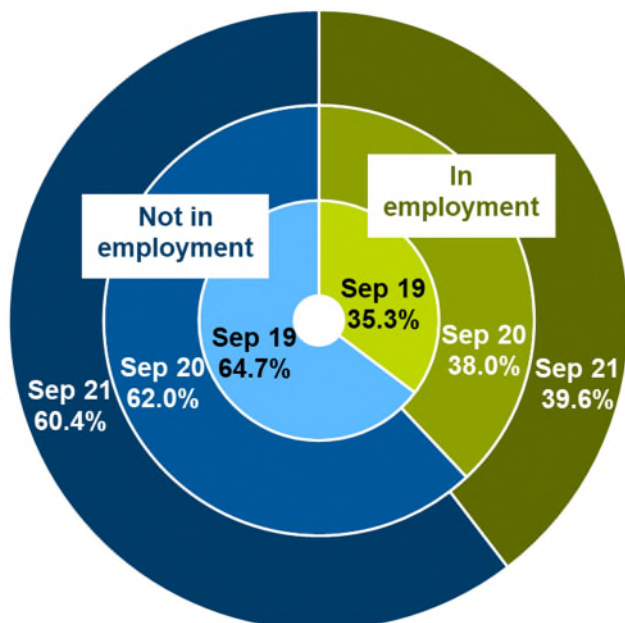
**Universal Credit claimants by district, October 2019-2021** (with % of working age claiming in October 2021)



**Universal Credit claimants by conditionality July 2019-2021**



**Employment indicator of Universal Credit claimants in East Sussex – September 2019, 2020 and 2021**



**In East Sussex in October 2021 there were:**

**46,556** people claiming UC  
(14.6% of working age people)

Up **191** since September 2021

But down **568** since October 2020

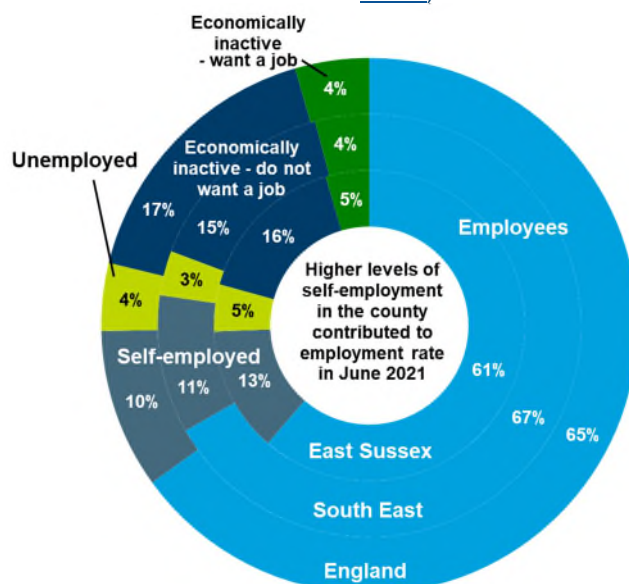
**+20,389** since March 2020

**30%** are 'Searching for work'

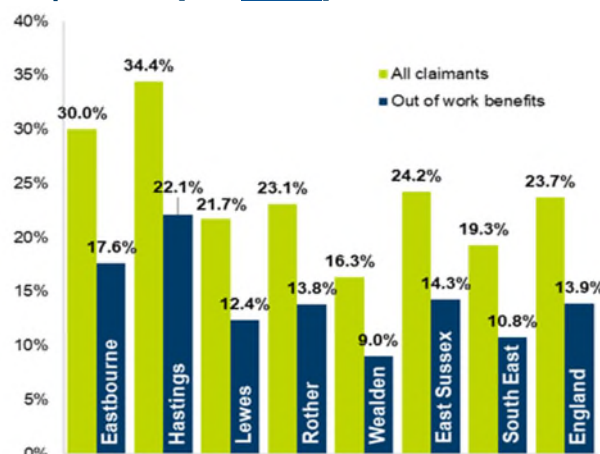
**55%** of claimants are female, compared to 57% in March 2020 (see [note 3](#))

**Economic activity in June 2021**

(Annual Population Survey data - unadjusted for sample issues - see [note 4](#))



**Percentage of working age people claiming any DWP benefit and Out-of-work benefits in May 2021 in districts, East Sussex and comparators** [see [note 5](#)]

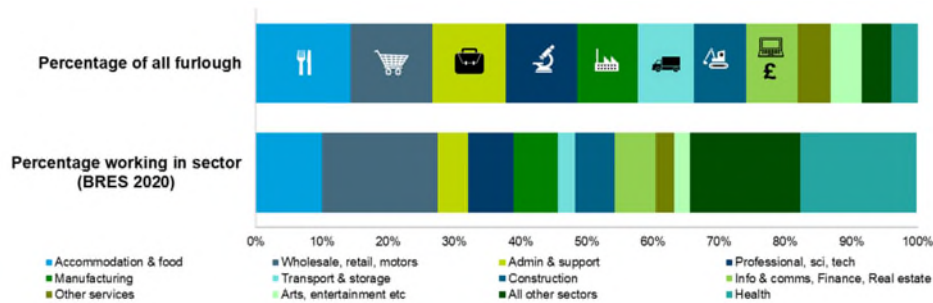




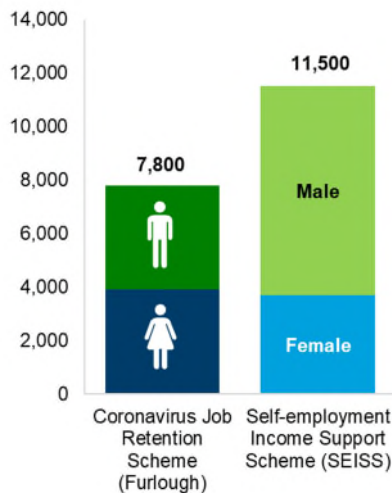
# Government Employment Support Schemes

- When the Furlough scheme closed at the end of September 2021 there were fewer people covered by the scheme than on the Self-employment income support scheme (SEISS)
- While there were equal numbers of men and women receiving furlough payments in September 2021, two-thirds of SEISS claimants were male
- Four sectors accounted for almost half of furloughed workers: Accommodation and Food service, Wholesale, retail and motors, Administration and support services and Professional, scientific and technical activities.
- The majority of people furloughed were aged 45 and over [see [note 1](#)]

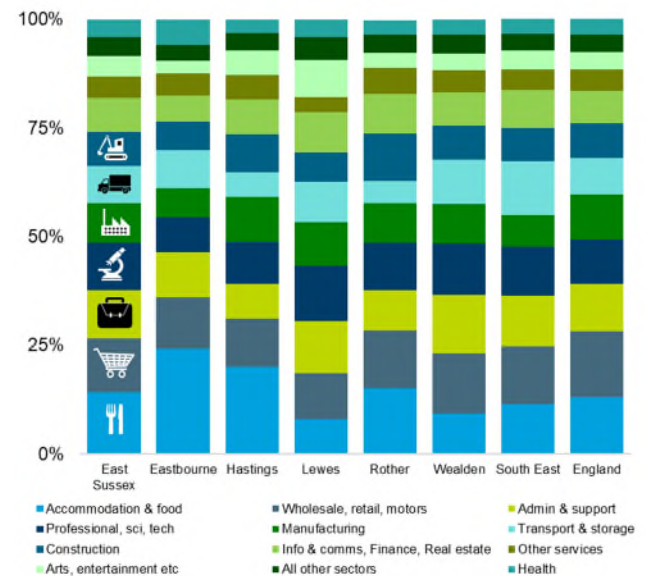
People on furlough at end September 2021 in East Sussex, compared with the number working in each sector in 2020 (from BRES – see [note 6](#))



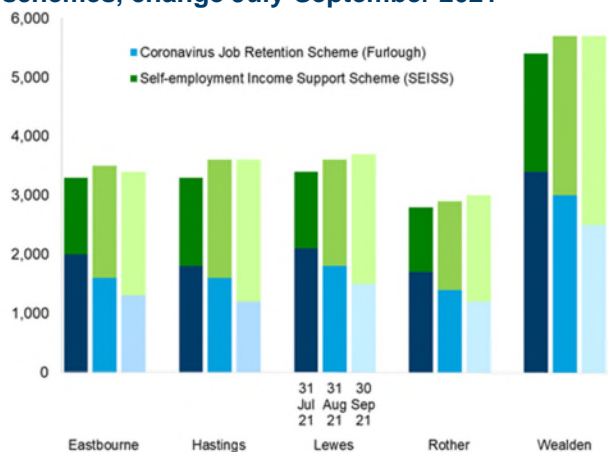
People on Government employment support schemes in East Sussex, by sex, September 2021



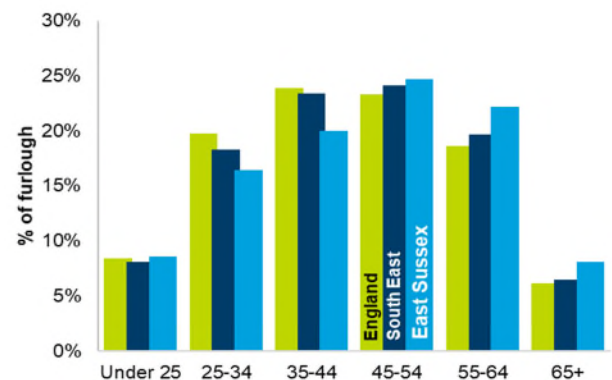
People on furlough at end September 2021 by sector, districts



People on Government employment support schemes, change July-September 2021

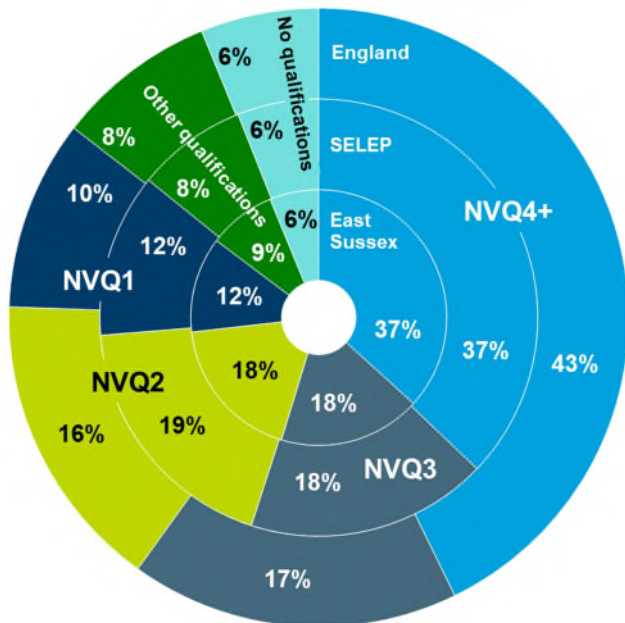


Percentage of furlough by age group, end September 2021, East Sussex and comparators

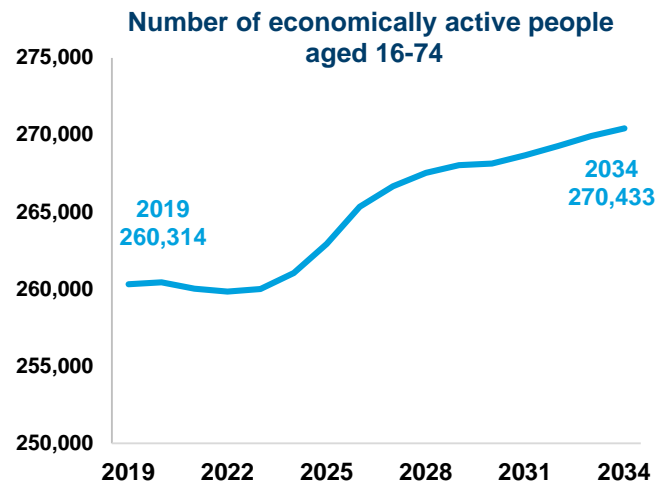


# Labour market & skills

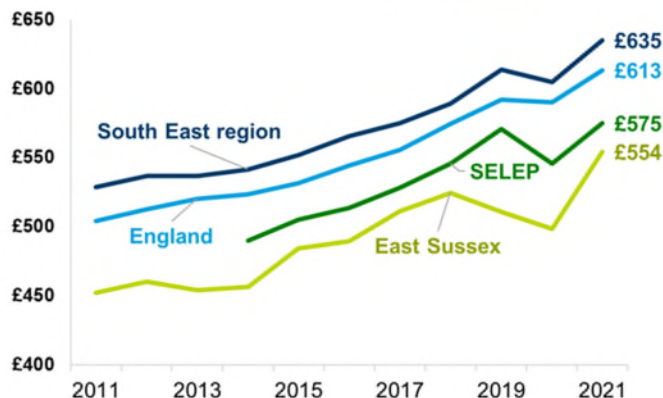
Qualifications of the working age population (highest qualification), December 2020 (see [note 7](#))



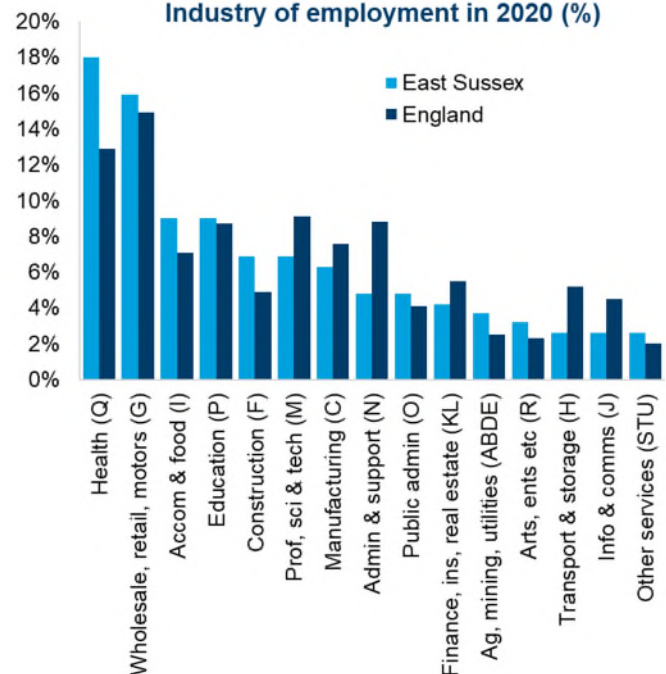
Workforce projections for East Sussex (dwelling-led) – see [note 17](#)



Workplace-based median full-time weekly earnings, 2011-2021 (see [note 8](#))



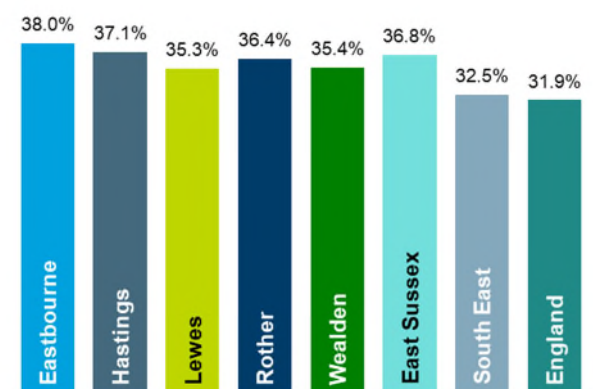
Industry of employment in 2020 (%)



## Key points:

- Lower proportion of people with level 4 qualifications than nationally
- Employment in Health and social care, and Wholesale, retail and motors dominates in the county
- A higher proportion of people are self employed than nationally
- Comparatively low workplace pay in the county, which increased significantly in 2021 but see [note 8](#) for more information about how the pandemic has affected earnings data.
- Higher percentage of part time workers in the county compared to the national average

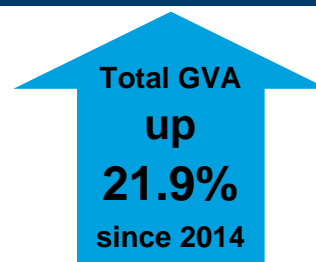
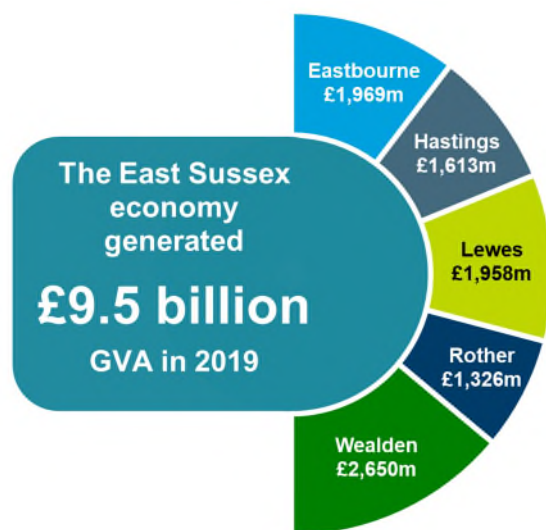
Percentage of part-time workers, East Sussex districts and comparators, June 2021



(Industry and employment status from BRES: see [note 6](#))

# Gross Value Added

- GVA per head grew by 26.0% in the county since between 2009 and 2019, lower than growth of 30.7% in the UK as a whole and 29.1% in the SE region (see [note 10](#)).
- GVA per head in the county rose from £16,491 in 2018 to £17,077 in 2019. In 2019 it was just 56.2% of the UK figure of £29,599. The 2018 figure was revised upwards with the 2019 data.
- While Real estate is the largest sector in the county at 25% of GVA, if we take out 'Owner occupied imputed rental' (OOIR see [note 11](#)), which reflects property prices in an area, Wholesale, retail and motors, and Health and social care 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 18% of the GVA of Eastbourne compared to 9% in Lewes.
- The Finance and Insurance sector grew most strongly in the year 2018 2019, by 36%, but it accounts for just 0.5% of the county's GVA. Transportation and storage (up 11%) and Other services (up 10%) also saw significant rises, while the Arts and entertainment sector fell by 7%.







2019: £/⌚  
GVA per hour:  
**£26.47**

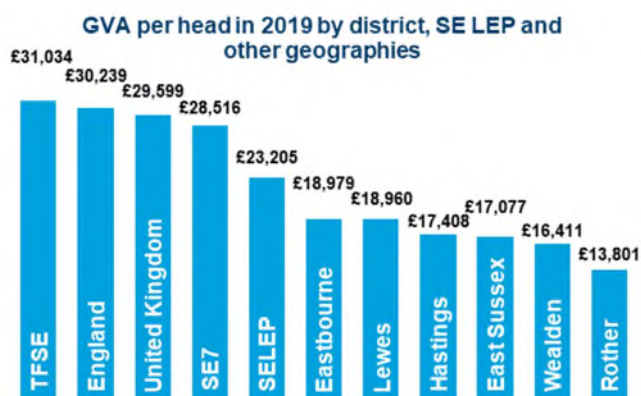
**75.3%** of the UK average ([note 12](#))

2019: £/👤  
GVA per head:  
**£17,077**

**56.2%** of the UK average

## 4 sectors account for more than half of total GVA in East Sussex (2019):

-  Real Estate - including owner occupiers imputed rental (25%) (OOIR accounts for 21%)
-  Health (10%)
-  Wholesale, retail & motors (10%)
-  Manufacturing (9%)



## If we exclude OOIR (see [note 11](#)), different sectors make a higher than average contribution to GVA in the districts:

**Eastbourne:** Health (17.9%); Wholesale, retail etc (15.5%)

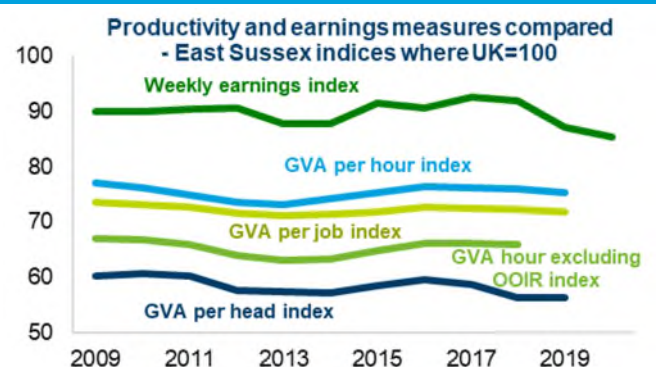
**Hastings:** Manufacturing (18.6%); Health (16.4%)

**Lewes:** Public admin etc. (20.1%); Education (12.1%)

**Rother:** Education (12.6%); Health (11.8%)

**Wealden:** Construction (17.6%); Wholesale, retail etc (13.4%)

**Wholesale, retail and motors** saw the largest rise over 2009-19 (£302m), followed by Manufacturing (£255m) and Construction (£245m) (if we exclude OOIR).

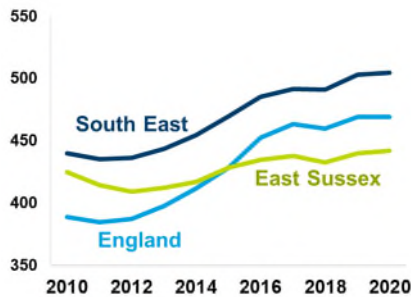




# Businesses



Active businesses per 10,000 population (see [note 14](#))



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

**24,700**  
active businesses  
in East Sussex in  
2020  
up from 24,515  
in 2019

**86.4%**  
of businesses in the county  
have fewer than 10  
employees<sup>14</sup>  
(National figure 84.9%)  
**73.7%**  
have fewer than 5  
East Sussex has relatively  
few medium and large  
businesses (50+ employees)  
(see [note 15](#))

**Fastest growing sectors in the county  
(2016-2021)**  
(in terms of number of business units)



**Transport & Storage** - up 53%  
(England up 42%)



**Accommodation & food** - up  
15% (England up 16%)

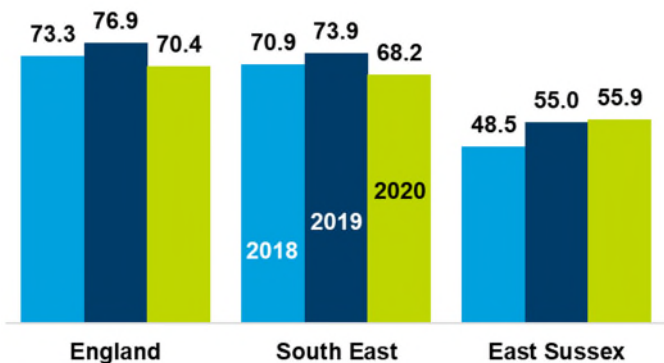


**Construction** - up 13%  
Lower than national rise  
(England up 20%)

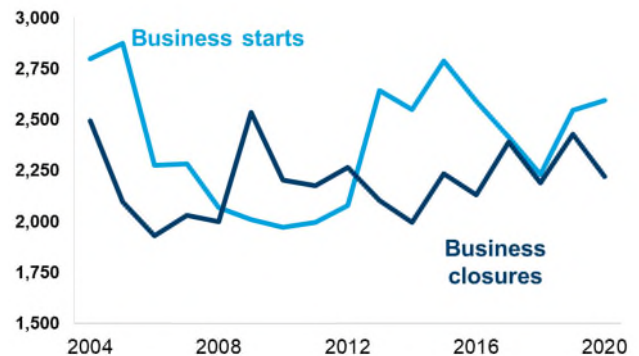
**Active  
businesses**  
**Up 6%**  
since 2015,  
and  
**up 0.8%**  
since 2019

**10,712**  
small businesses  
in East Sussex have  
received support through  
the government's  
Coronavirus business grant  
schemes (see [note 16](#))

**New business registration rates 2017-19**

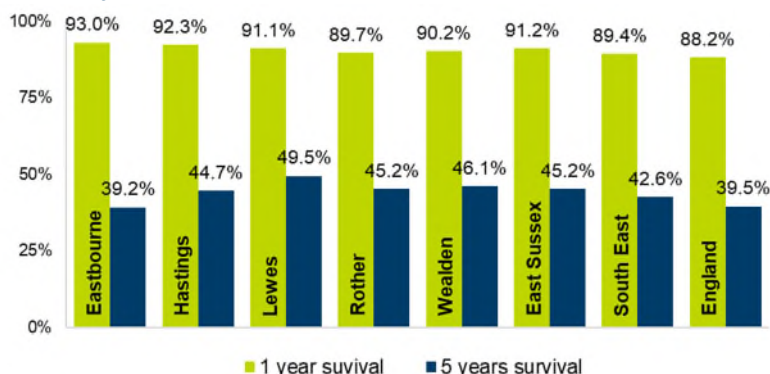


**Business births and deaths in East Sussex  
2004-20**



**45.2% of businesses in East Sussex started in 2015 survived their first five years**  
5 year business survival rates for the county are higher than the England average (39.5%)

**1 and 5 year business survival rates in 2020**



- **New business growth** 185 more new business starts than in 2019, and 210 fewer business closures.
- **Business births at their highest since 2015.**
- Of 2,125 businesses with more than 10 employees, 65 (3.1%) were classed as 'high growth' businesses (England 4.4%) (new data available on ESiF)

# Growth measures – November 2021

## Infrastructure and GVA

Growth measure	Contribute to unlocking key employment floor space allocated in Local Plans (Square metres)	Achieve average annual housing completions of 1,504 in East Sussex to 2020 in accordance with our Local Plans (Source: East Sussex County Council On line Housing Monitoring Database)	Increase GVA per capita by 20% by 2020 (Source: Office for National Statistics)
2014	Havelock Place: 2,248	1,208 (2013-14 data)	£14,447 Up 21.4% 2004-14
2015	Glovers House and Sovereign House: 4,690	1,358 (2014-15 data)	£15,252 Up 22.8% 2005-15
2016		1,509 (2015-16 data)	£16,013 Up 23.9% 2006-16
2017	Swallow Business Park: 3,409	1,446 (2016-17 data)	£16,239 Up 23.5% 2007-17
2018	Newhaven Eastside (South) Business Park: 2,322	1,316 (2017-18 data)	£16,491 Up 17.7% 2008-18
2019	DPQR Welcome Building: 2,650 High Weald Hse: 2,385 Newhaven Eastside: 3,529	1,734 (2018-19 data)	£17,077 Up 26.0% 2009-19
2020	Eastbourne Fishermens: 310	1,852 (2019-20 data)	Data due: May 2022
2021		1,549 (2020-21 data)	

## Employment and unemployment

Growth measure	Maintain the employment rate for East Sussex at a higher level than the England rate to 2020** (Source: Annual Population Survey/Labour Force Survey, NOMIS/ONS)	Maintain the Claimant Rate for East Sussex at below the England rate to 2020 (Source: Office for National Statistics/NOMIS)	Maintain the Alternative Claimant Rate for East Sussex at below the England rate to 2020 (Source: Department for Work and Pensions/StatXplore)
2014	75.3% +3.3% points higher than England (Jun)	2.1% -0.6% points lower than England (April)	3.3% -0.6% points lower than England (Aug)
2015	74.0% +0.8% points higher than England (Jun)	1.5% -0.4% points lower than England (April)	2.8% -0.5% points lower than England (Aug)
2016	73.8% -0.2% points lower than England (Jun)	1.4% -0.4% points lower than England (April)	2.5% -0.5% points lower than England (Aug)
2017	74.8% +0.2% points higher than England (Jun)	1.5% -0.4% points lower than England (April)	2.5% -0.5% points lower than England (Aug)
2018	74.6% -0.6% points lower than England (Jun)	2.2% Equal to England (April)	2.7% -0.3% points lower than England (Aug)
2019	74.3% -1.5% points lower than England (Jun)	2.5% -0.1% points lower than England (April)	2.8% -0.2% points lower than England (Aug)
2020	79.8% +3.6% points higher than England (Jun)	5.2% +0.2% points higher than England (April)	6.5% -0.1% points lower than England (Aug)
2021	74.5% -0.2% points lower than England (Jun)	6.2% -0.3% points lower than England (April)	4.8% -0.4% points lower than England (Aug)
2022	September 2021 data due: January 2022	April 2022 data due: May 2022	November 2021 data due: January 2022



## Qualifications

Growth measure	<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>	<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>
2014	<b>36.6%</b> +0.9% points higher than England (Dec)	<b>6.3%</b> -2.3% points lower than England (Dec)
2015	<b>30.9%</b> -5.8% points lower than England (Dec)	<b>8.8%</b> +0.4% points higher than England (Dec)
2016	<b>34.0%</b> -3.8% points lower than England (Dec)	<b>6.5%</b> -1.3% points lower than England (Dec)
2017	<b>37.7%</b> -0.5% points lower than England (Dec)	<b>5.3%</b> -2.3% points lower than England (Dec)
2018	<b>37.0%</b> -2.0% points lower than England (Dec)	<b>10.1%</b> +2.3% points higher than England (Dec)
2019	<b>35.6%</b> -4.4% points lower than England (Dec)	<b>6.2%</b> -1.3% points lower than England (Dec)
2020	<b>36.8%</b> -6.0% points lower than England (Dec)	<b>6.2%</b> Equal to England (Dec)
2021	2021 data due: April 2022	2021 data due: April 2022

\*\* 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 2020, the confidence interval for East Sussex was 3.7%, meaning that there is a 95% chance that the true figure could lie anywhere between  $36.8 \pm 3.7$  i.e between 33.1% and 40.5%. 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

**Note 1** 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, or Furlough scheme) and the Self-Employment Income Support Scheme (SEISS). The furlough scheme closed at the end of September 2021. Data on the schemes has been published by [HMRC](#) and data for [total numbers](#), [industrial sector](#) and [age group](#) has been published on [ESiF](#).

**Note 2** 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.

**Note 3** 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.

**Note 4** Employment data is sourced from the Annual Population Survey (APS) which is published by the ONS on the [Nomis](#) website and on [ESiF](#) in our [Economic Activity](#) table. Note that usually sample variability means that some APS data is not very reliable. Recently, ONS have adjusted national data for the APS/LFS due to issues identified with their respondents, where they discovered that the sample was heavily weighted in favour of older owner-occupiers, but local data is yet to be reweighted to reflect actual populations. This may explain the unlikely results showing little decline in employment in some areas in December 2020 despite the economic impact of the pandemic.

**Note 5** Data for Benefit combinations, including out-of-work benefits is published on [ESiF](#).

**Note 6** Data on [part-time and full-time working](#) and [employment by industry](#) is obtained from the Business Register and Employment Survey (BRES) which is also published by ONS in [Nomis](#).

**Note 7** Qualifications data is from the Annual Population Survey (APS) which is published on [ESiF](#) and by the ONS on the [Nomis](#) website. Note that sample variability means that some APS data is not very reliable, which may explain the wide variation between years.

**Note 8** 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 available, which is the earnings of those living in the area. There are temporary factors that have increased the headline growth rate in earnings above the underlying rate. Changes in earnings have been sharply affected by the Covid-19 pandemic, so ONS have published an interesting [blog post](#) discussing how to interpret average earnings data.

**Note 9** 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

**Note 10** [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. The GVA data for 2019 was released in May 2021, and new data is now also available for district level Gross Domestic Product (see [ESiF](#)).

**Note 11** 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.

**Note 12** 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.

**Note 13** 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

**Note 14** 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](#).

**Note 15** 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.

**Note 16** 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](#).



## Workforce projections

**Note 17** The dwelling-led demographic projections are produced by the East Sussex County Council (ESCC) Research and Information Team, at county and district levels, using the POPGROUP model and local housing plans supplied by each district. The latest 2019-based ESCC projections are based on the mid-2019 population estimates released by ONS in May 2020 and future house building trajectories provided by each district in Spring 2021. Projections are also produced for the number of households and the number of people in the workforce (that is, economically active people aged 16-74), and this data is published in [ESiF](#).

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](#).

## Contact details

The Research and Intelligence Team, Governance Services 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.

For further information about unemployment, benefits, claimants and other labour market data please contact Lenna Santamaría by email [mariahelena.santamaria@eastsussex.gov.uk](mailto:mariahelena.santamaria@eastsussex.gov.uk).

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.eastsussexinfofigures.org.uk](http://www.eastsussexinfofigures.org.uk) or e-mail [esif@eastsussex.gov.uk](mailto:esif@eastsussex.gov.uk) for more information.