

BRIGHTON & HOVE ECONOMIC EVIDENCE REPORT

183

JANUARY 2024

Document structure & table of contents

This evidence report consists of four chapters, each providing data and insight on Brighton & Hove’s economy over the last five to 10 years.

The document begins by considering how Brighton & Hove can become **more competitive**, which covers more traditional economic data such as changes in jobs and business counts, sectors of note, productivity, investment, and skills—core features that make our economy what it is and set it apart from competitors.

In **becoming fairer**, the research looks at the inequality which prevents our residents, workers, and businesses from reaching their full economic potential. It includes data on incomes, cost of living and affordability, access to amenities, and wellbeing.

Recognising the urgent need to decarbonise the economy, **becoming greener** focuses on economy-related emissions and the needs of our commercial spaces, reducing the waste produced through economic activity, and green economy opportunities.

Finally, we consider the role of the wider membership-based **City Region** in Brighton & Hove’s economic future.

Introduction	<u>2</u>
Key evidence findings	<u>5</u>
Becoming more competitive	<u>8</u>
Becoming fairer	<u>16</u>
Becoming greener	<u>22</u>
Evolving the City Region	<u>28</u>

Brighton & Hove's economy now and in the future

This document is a summary of the statistical evidence which has been used to inform Brighton & Hove's new Economic Strategy (2024–2027).

There have been fundamental changes within the national economy within the five years since the previous economic strategy. This necessitates Brighton & Hove to transition to a new approach centred around health and wellbeing, inequality and the environment whilst building on the city's strengths.

This evidence recognises the changing context over the last five years and focusses on how Brighton & Hove can be more competitive, fairer and greener. It is intended to provoke discussion on how the economy needs to change in the future, and how Brighton & Hove and the City Region should adapt to help us get there.

Brighton & Hove has a vibrant small business base as well as some established larger employers. Jobs and/or business numbers have increased in many sectors since 2015, including in specialist sectors to Brighton & Hove like digital and creative. There are a high proportion of start-ups in the city, and these have good survival rates.

Despite this, there are fewer businesses scaling up relative to other UK cities. Availability and quality of commercial space within the city is a

key barrier for businesses seeking to grow. Retail, office and industrial floorspace has declined in recent years, and much of the existing stock is poorer quality with low energy efficiency.

For residents, the city is becoming increasingly unaffordable. House prices are increasingly expensive and residents on average incomes cannot comfortably afford to own or rent a home within the city.

The rising cost of living is increasing the cost of essentials whilst in real terms pay is declining. The cost of living crisis will be experienced by residents across the whole city, but there are places and communities facing disproportionate impact due to existing inequalities. Within some areas such as Hangleton and Knoll, Kemptown, Whitehawk and Moulsecoomb, average earnings are very low. These areas are also often further away from essential services, and housing stock is of poorer quality, meaning residents are more likely to be exposed to fuel poverty and food insecurity.

Within the next three years Brighton & Hove's economy will need to pivot to support the transition to net zero. This provides a challenge as well as opportunity for Brighton & Hove. The city has strong existing activity, through the Living Coast Biosphere designation, Circular Economy

route map and investment from green energy companies, which should be celebrated and built upon. However, there needs to be increased support for businesses to reduce emissions and waste, and much of the existing commercial space will need upgrading to ensure it is fit for the future.

Collectively, this evidence needs to be taken in the context of the UK economy and the systemic challenges which will impact the future of the city's economy. This is an opportunity to think differently about the economy and chart a different course for Brighton & Hove.

The UK economy is in a much different position from when Brighton & Hove produced its last economic strategy. The success of the 2024-2027 strategy will be dependent upon the city being able to thrive despite the wider challenges and uncertainties we face

UK Economic Stagnation

Brighton & Hove's economic strategy cannot exist in a vacuum. The UK economy is in a period of stagnation and it is important to understand how this influences the city, ensuring that the new economic strategy is realistic and supports change.

The Resolution Foundation (2023) has produced a deep analysis of the UK economy and its prospects which identifies the following characteristics:

- Low growth: Real wages grew by 33 per cent a decade from 1970 to 2007, but have flatlined since
- High inequality: Income inequality in the UK is higher than any other large European country
- The toxic combination: Low growth and high inequality means typical households in Britain are 9 per cent poorer than their French counterparts, while our low-income families are 27 per cent poorer
- Stalled progress: 9 million young workers have never worked in an economy with sustained average wage rises

- Talent wasted: Almost a third of young people in the UK are not undertaking any education by age 18
- Gaping gaps: Income per person in the richest local authority – Kensington and Chelsea (£52,500) – was over four times that of the poorest – Nottingham (£11,700) – in 2019
- Bad work: Half of shift workers in Britain receive less than a week's notice of their working hours or schedules
- Flaky firms: UK companies have invested 20 per cent less than those in the US, France and Germany since 2005
- Taxes up: The tax take is now on course to rise over 4 percentage points by 2027-28

As this document shows, Brighton & Hove shares many of these characteristics, particularly income inequality, challenges in the youth workforce and an increasing reliance on low value work.

These challenges alongside climate crisis create significant challenges. It also provides an imperative for Brighton & Hove CC and partners, to be part of the solution, a place where the knowledge, ideas and technology come together to develop new solutions.

Emergence of a New Economy

Despite the negative outlook, there is evidence of a new emerging UK economy to which Brighton & Hove is particularly predisposed.

The Centre for Cities (with HSBC) has identified a definition of a new economy, based on 47 technologically advanced sectors which will be of critical importance to the UK.

The report shows that in relative terms, Brighton & Hove has more clustering of these activities than other UK cities and falls behind only London, Reading Milton Keynes and Cambridge in terms of concentration of new economy firms. This provides the foundation for the city to increase its competitiveness and be a more significant player in the transition of the UK economy.

The route to a more prosperous Brighton & Hove will not purely be achieved by backing these emerging strengths. It is important that the city seeks balance, focusing upon both the economic opportunities, as well as tackling inequality and navigating the climate crisis. This is at the heart of the evidence base and ultimately the strategy itself

Key Evidence Findings

A selection of statistics which provide the foundation for
a new economic strategy

What the Evidence Tells Us – Experience of the Economy

Understanding the Whole Picture

- By traditional economic measures, Brighton & Hove is performing well. Productivity (GVA per job filled) and number of jobs in the city have both grown significantly since the last economic strategy (2018). However, when inflation (largely caused by increase in property values) is removed, productivity growth is negligible.
- There has been a 19.5% increase in jobs in the last five years but many employment opportunities in the city remain in low paid work.
- Growth in low paid work and impact of inflation on the economy of the city has created a two-tier economy which is now much more pronounced than pre pandemic.

Spatial and Demographic Inequality in the City

- Average household earnings after housing costs in Brighton & Hove are £30,100 (only slightly above the national average of 29,500). In Hangleton and Knoll and East Brighton, there are neighbourhoods with average earnings below £25,000.
- On average men earn £4.45 more per hour than women.
- Communities on the edge of the city are within the most deprived nationally for access to healthy and affordable food. In some areas residents cannot access a GP within 15 minutes via public transport.
- Disadvantaged school leavers are less likely to progress to higher education and training after A-levels. There are neighbourhoods within East Brighton and Hangleton and Knoll where over 30% of residents have no formal qualifications.

Increasing costs and declining real incomes

- After accounting for inflation, residents are on average £2,000 worse off per year than in 2011
- Approximately 56,000 residents are in typically low pay occupations, with 9% of residents are earning below the national living wage.
- House price increases mean residents on average earnings cannot comfortably rent or buy a home. For the average worker looking to rent a one-bedroom flat, most options in the city would take up more than 30% of their pay.
- Compared to the rest of the UK residents are more likely to feel anxious and are less likely to be happy.

What the Evidence Tells Us - Foundations and Barriers to Achieving Potential

Positive Trends and perceptions

- There are now 15 more large employers in Brighton & Hove than a decade ago and the number of micro employers has increased by 30%.
- The city has more new businesses (14% of total businesses) and they are more likely to survive (44% 5-year survival rate) than comparators.
- The sectors which have experienced the largest proportional increases in jobs are digital (+40%), creative (+38%) and professional (+33%), although much business growth has been concentrated in low paying industries.

In 2023 external research concluded that Brighton & Hove...

- Had the best conditions to receive Foreign Direct Investment (FDI) of any location outside of London (Irwin Mitchell, 2023)

- Was the 5th best city in which to live and work (One Family,2023)
- Was the 5th best city to start a business (Delivery App, 2023)
- Had the highest concentration of business which support the new UK economy (Centre for Cities, 2023)

... but this is not being translated into investment and prosperity.

Barriers - Limited Space for New Activity

- There have been declines in retail (-10%), office (-7%) and industrial floorspace (-16%) since 2018.
- Under Minimum Energy Efficiency Standard (MEES) half of all commercial property in Brighton & Hove will be unlettable by 2027.
- Since 2018 commercial space has also declined within the City Region, limiting potential to accommodate growth in neighbouring areas.

Barriers - Access to Talent

- The workforce is highly skilled, and 45% of residents have degree level qualifications. These skills however are not deployed often enough within Brighton & Hove's businesses.

Barriers - The whole city economy must decarbonise at pace

- Climate crisis and decarbonisation is now the biggest economic challenge for any city. Brighton & Hove was achieving target for reduction in greenhouse emissions, since 2020 these have started to increase.
- Brighton & Hove must deliver cuts in energy emissions averaging a minimum of -12.7% per year to deliver a Paris-aligned carbon budget.
- Brighton and Lewes Downs' UN Biosphere designation provides a unique link between economy and nature which can be critical in the city's economic journey.

190

Brighton & Hove: becoming more competitive

Core evidence on the make-up of our economy and what sets it apart from competitors

Brighton & Hove attracts both small and large businesses

The number of businesses in Brighton & Hove increased by 30% over the past 10 years and jobs by 19.5%. While there were 15 large businesses of 250+ employees, most growth in business numbers was driven by micro-sized businesses of up to nine employees, which comprise around 90% of the business count.

It is difficult to estimate freelance/self-employed work. The IDBR lists 4,359 businesses (30% of business base), but this does not capture all freelancers as not all of them will be VAT or PAYE registered. Alternatively, the Census recorded 26,689 self-employed residents (11% of the 16+ population) with no employees, which should include those not VAT or PAYE registered, but may also capture very casual or side gig work.

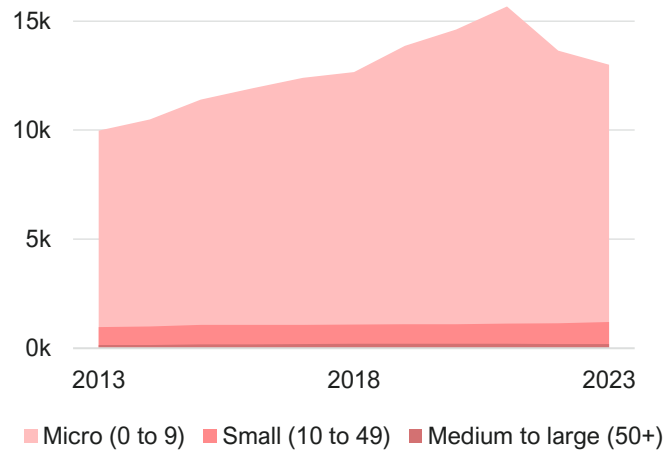
Recent moves by the likes of Octopus Energy indicate Brighton & Hove can attract established and large businesses. However, **the city can do more to help its smaller businesses scale up.**

Source: UK Business Counts, ONS, 2023; Business Register & Employment Survey, ONS, 2023

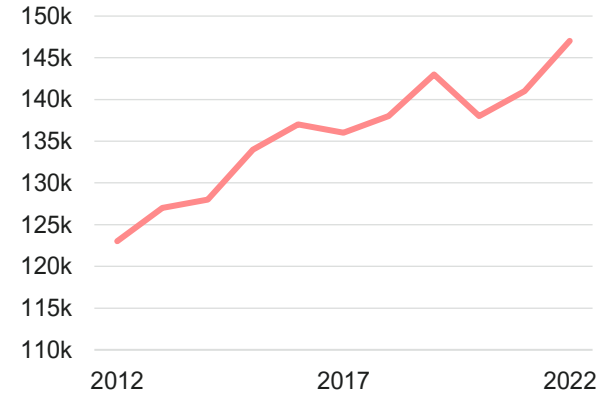
Notes: the large increase in businesses in 2021 is due to a sudden surge in 'retail sale via mail order houses or via internet'.

Brighton & Hove's business count growth has been driven by micro-sized organisations

Business count by organisation size

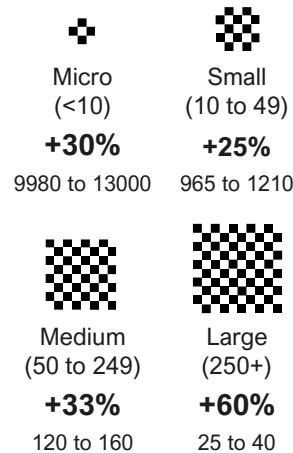


Total job count



Counts of larger businesses have grown more than counts of smaller businesses

Change in business count by size, 2013 to 2023



The education, health, and hospitality sectors are among Brighton & Hove's largest employers

Business sizes by sector, 2023

Sector	Proportion that is medium-sized businesses	Proportion that is large-sized businesses	Proportion of B&H jobs in sector
Admin & support services	15%	0%	8%
Health & social work	15%	14%	4%
Hospitality	12%	14%	8%
Info & comms	12%	14%	11%
Professional, scientific, technical	12%	14%	18%
Wholesale/retail trade	6%	0%	18%
Education	6%	29%	2%
Arts & entertainment	6%	0%	5%
Other service activities	6%	0%	4%

Brighton & Hove's largest employers include...

NHS services (~14,900 jobs), City Council (~9000 jobs), Universities (~5700 jobs), major banking/financial institutions (American Express, Legal & General, Lloyds) (~5600 jobs)

Brighton & Hove is not currently achieving its potential in scaling up its businesses

For the past few years, Brighton & Hove has had a higher rate of business starts than comparator cities and a higher rate of new businesses surviving one and three years.

Brighton & Hove appears to be an attractive place to start a business, but does not rank among the country's top places for scaling up; among those outside of London, it is beaten by Leeds, Buckinghamshire, Manchester, and Birmingham. Coast to Capital, the Local Enterprise Partnership, ranks ninth for scale-ups as of 2022, behind the neighbouring South East LEP.

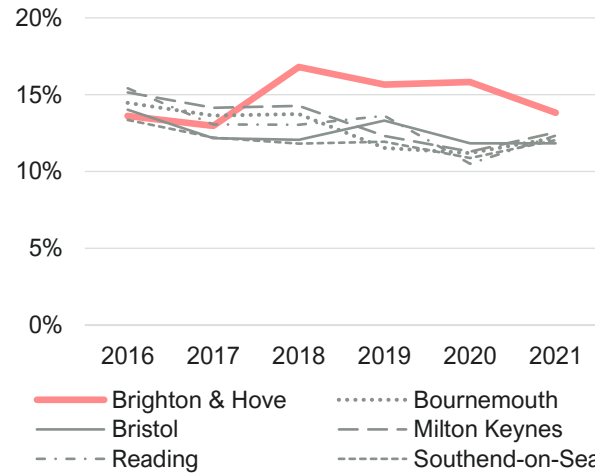
This is despite the fact that Brighton & Hove is home to many of the sectors with the highest number of scale-ups, such as professional services, technology, retail, and entertainment.

Brighton & Hove is good at sustaining businesses, but should do more to help businesses grow, especially in specialist areas and target sectors.

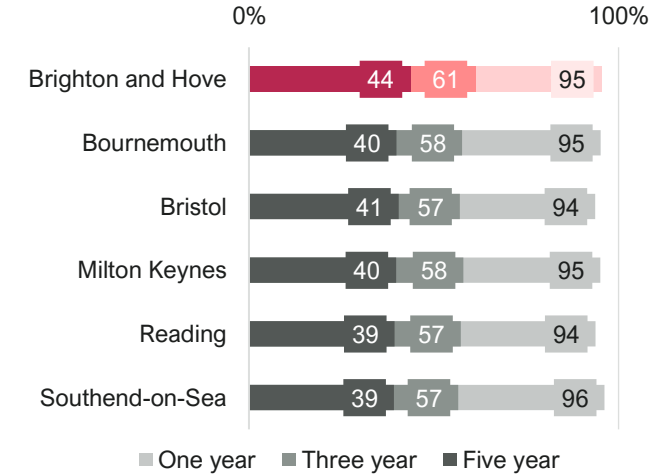
Source: Business Demography, ONS, 2022; Scale-Up Index, Scale-Up Institute, 2023

Brighton & Hove excels among comparators at starting and sustaining businesses...

New businesses as a proportion of total businesses



Business survival rates (businesses started 2016)



...but it does not rank highly for businesses scaling up

Scale-Up Index top 10 local enterprise partnerships by scale-ups, 2022

London	South East	Greater Manchester	Leeds City-Region	Enterprise M3	Hert'shire	D2N2	South East Midlands	Coast to Capital	North East
2345	437	332	286	271	206	202	196	192	159

Many of the sectors most ripe for scaling up already have a strong presence in Brighton & Hove

Scale-Up Index top 10 sectors and subsectors with the highest number of scale-ups nationally, 2022

Sectors	Scale-ups	Subsectors	Scale-ups
Business and professional services	3,823	Property/land development/construction	977
Industrials	2,070	Business banking and financial services	596
Built environment and infrastructure	1,296	Recruitment agencies/personnel supply	431
Technology/IP-based businesses	1,231	Food and drink processors	343
Retail	943	Software-as-a-service (SaaS)	327
Leisure and entertainment	843	Consumer banking and financial services	298
Personal services	836	Civil engineering services	271
Tradespeople	833	Security services (physical and virtual)	265
Supply chain	703	Internet platform	258
Media	248	Property/land management	252

SECTOR CHANGE

Job counts are increasing across sectors, but low wage employment is high and growing

Brighton & Hove has a large proportion of jobs in typically low paying sectors. Whilst jobs growth within these industries has been limited, increases in business counts (there is overlap; retail tends to be low-paying) could indicate a growth of single-employee businesses or those operating businesses using outsourced or 'gig' labour.

Business counts in digital, knowledge, and information and communications subsectors (note there is overlap among these) and health have decreased since 2015; however, the number of jobs has increased, suggesting growth among remaining or existing businesses in these sectors.

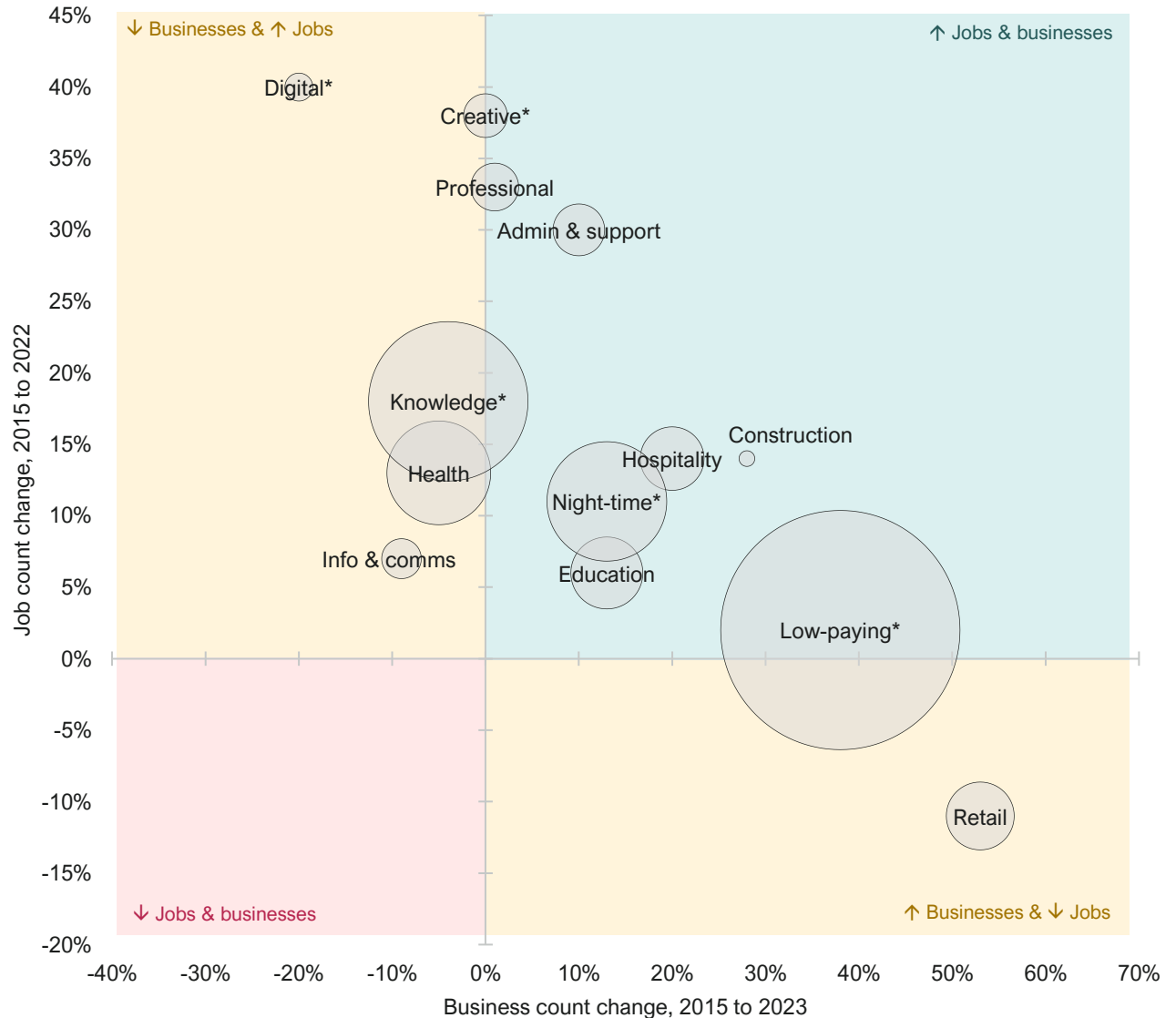
Sectors important for the vibrancy of a place—creative industries, night-time services, hospitality—have increased in both job and business counts.

Brighton & Hove can build on the 'placemaking' qualities of night-time and creative sectors and its growing clout in digital services to attract new businesses but must ensure good work standards for those in low paying industries

Source: UK Business Counts, ONS, 2023; Business Register & Employment Survey, ONS, 2023; sector definitions from DCMS

Brighton & Hove's main sectors have increased by job count, business count, or both

Business & job count change, 2015 to 2022/23



Circle size represents the overall number of jobs in the sector as of 2022

* Denotes a hybrid/bespoke category which overlaps with other sectors

Creative, cultural, and digital industries are an important growth area for the city

Although the number of creative, cultural, and digital businesses appears to have decreased slightly between 2015 and 2023—by around 70 businesses, or -2%—the job count from 2015 to 2022 (latest available data) increased by 30%, a higher rate than jobs across the economy as a whole. These industries also saw some of the highest GVA growth over the past five years.

Businesses in creative, cultural, and digital industries are smaller than across Brighton & Hove’s economy as a whole, with 95% being micro-sized and 5% small. The ‘larger’ businesses tend to be in software development, computer consultancy services, and advertising. Additionally, there are likely to be many sole traders/freelancers working in these industries who are not counted in ONS data.

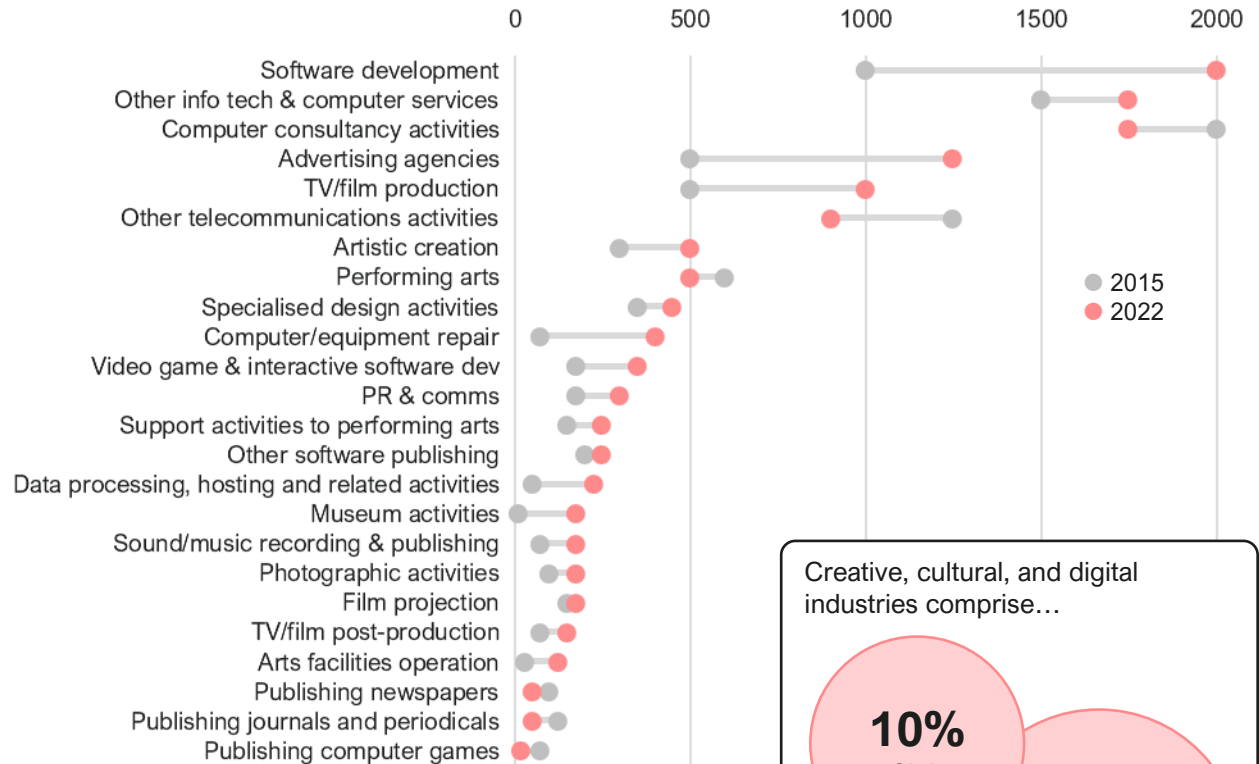
Supporting the creative, cultural, and digital sectors will affirm the city’s reputation for these activities, which can encourage intensification and supply chain growth.

Source: Business Register & Employment Survey, ONS, 2023; UK Business Counts, ONS, 2023; creative/cultural/digital sector definition from DCMS; Regional gross value added (balanced) by industry, ONS, 2023.

Note: see following page for GVA explanation

Most creative, cultural and digital subsectors have gained jobs since 2015, with the largest increases in software development, advertising, and TV/film production

Job estimates by subsector, 2015 to 2022



Creative, cultural, and digital industries comprise...

- 10% of jobs
- 21% of businesses

London as comparator:
13% of jobs
20% of businesses

Creative, cultural, and digital sectors saw some of the highest GVA growth in the city

GVA (balanced & chain volume/inflation adjusted)

Subsector	GVA, 2021	Change, 2016 to 2021
Film/TV production	£77m	-50%
Telecoms & information technology	£354m	53%
Creative, arts, entertainment, cultural activities	£120m	63%
R&D, advertising, market research	£91m	82%

GROSS VALUE ADDED

Brighton & Hove's economy is becoming more valuable but much of this is due to increasing house prices

Brighton & Hove's gross value added (GVA) increased 13% between 2016 and 2021; the most recent estimate, from 2021, suggests an economy worth £9.4bn. While nearly 1/5 comprises financial and insurance activities (the insurance and pensions subsector seeing especially high growth over the most recent five-year period), around 18% is attributed to the more public sector and 'caring economy' activities of health, social work, and education.

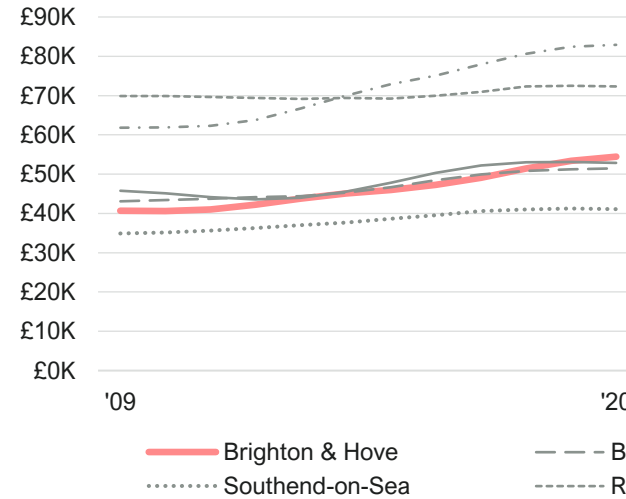
Whilst Brighton and Hove has had the highest rate of increases in GVA per job filled since 2009 than comparators, much of this can be due to rapidly increasing house prices in the City.

Source: Experimental gross value added (GVA) and productivity estimates for travel to work areas (TTWA), towns and cities and other geographies, ONS, 2023; Regional gross value added (balanced) by industry, ONS, 2023

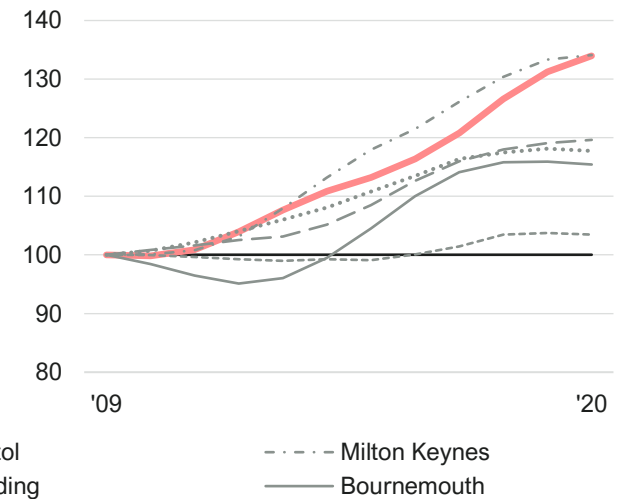
Notes: GVA (balanced) is a calculation that combines GVA production and GVA income data to generate a single measure of economic activity in a region. Real estate activities is largely 'owner-occupier imputed rental', which can be thought of as the economic value of dwellings to their live-in owners, equivalent to if they were to rent out their properties.

Brighton & Hove's gross value added ranks near the middle among comparators as of 2020, though it has been increasing at a rate that outpaces all but Milton Keynes

GVA (productivity) per job filled in current values (i.e. excludes inflation)

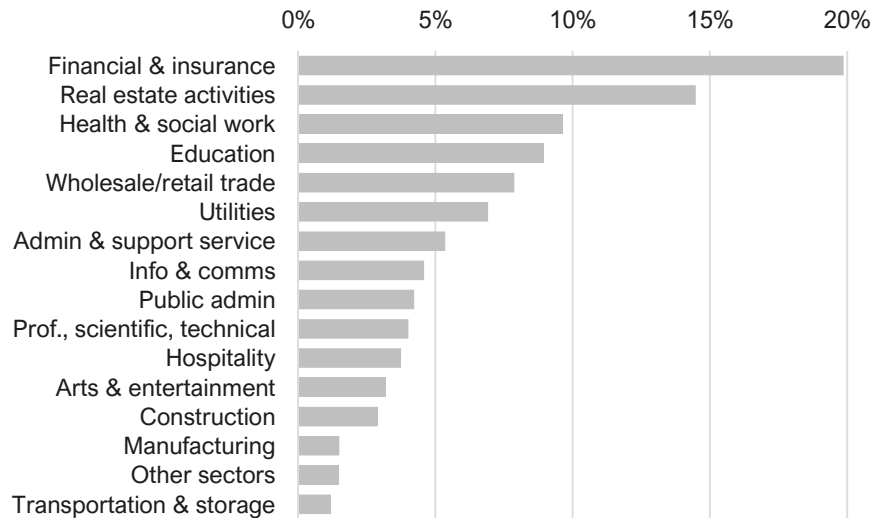


GVA (productivity) per job filled indexed

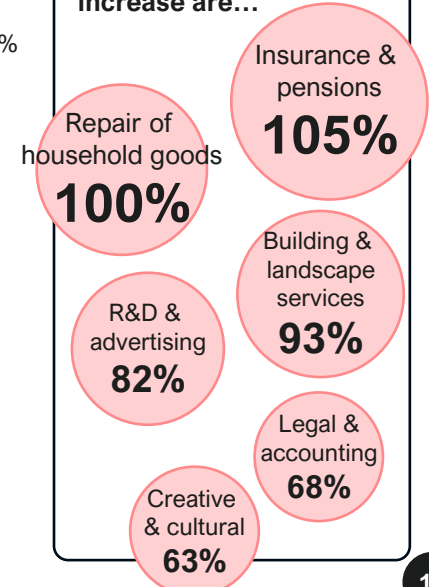


The financial & insurance sector comprises nearly 1/5 of Brighton & Hove's gross value added

GVA (balanced) by broad sector, 2021



The subsectors with the largest five-year GVA increase are...



INWARD INVESTMENT

Brighton & Hove should be attracting more investment

The South East was the second-most attractive region for FDI projects in 2021/22, but Coast to Capital LEP—in which Brighton & Hove is the major city—is underperforming compared to the wider region and comparator LEPs in terms of number of projects attracted.

The Foreign Domestic Investment Attractiveness Index, developed by Irwin Mitchell Solicitors, ranks Brighton (note they do not specify the exact geography used; we assume Brighton & Hove as a city or ‘travel to work area’) as fourth nationally for FDI attractiveness and first for growth potential.

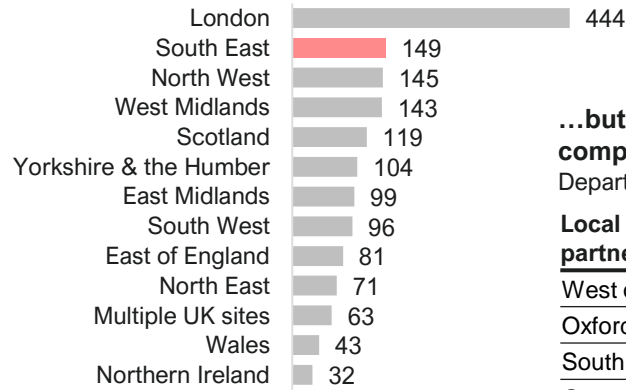
However, among the top 10 investment areas, Irwin Mitchell ranks Brighton in the low- to mid-range in terms of local skills and infrastructure.

Addressing shortcomings in skills and infrastructure, establishing differentiators in its brand, and better presenting specific FDI projects will be important for boosting Brighton & Hove’s investment proposition.

Source: Inward Investment Results Tables, Department of International Trade, 2023; Irwin Mitchell, 2023. In each pillar of the index, there are two or three indicators, sourced primarily from national datasets. The growth potential pillar draws on data from GVA forecast (2024) and new enterprises per 10,000 people (2021).

The South East is one of the top locations for foreign direct investment projects...

Department of International Trade, 2023



...but Coast to Capital LEP has had fewer projects than comparators

Department of International Trade, 2023

Local enterprise partnership	Single-site FDI projects	New jobs	Total FDI projects
West of England	29	1,081	43
Oxfordshire	29	458	38
South East	23	966	37
Greater Cambridge & Peterborough	30	782	34
Sheffield City Region	20	868	30
Coast to Capital	16	572	23

Multiple UK site projects span more than one region. Total Projects include single site and multiple site projects.

Brighton is highly ranked for inward investment nationally and may be able to do better with greater investment in local skills and infrastructure

Irwin Mitchell Foreign Direct Investment Attractiveness Index, top 10 locations by index score, 2023

Location	Growth potential	Local skills	Local infrastructure	Index score	Rank
Inner London	83.1	96.9	59.2	79.8	1
London	81.7	92.4	53.5	75.9	2
Outer London	67.2	89.1	50.1	68.8	3
Brighton	84.1	33.3	34.8	50.8	4
Oxford	45.4	36.8	65.1	49.1	5
Greater Manchester	42.1	63.0	31.8	45.6	6
Birmingham	64.0	35.5	36.5	45.4	7
Edinburgh	38.3	42.5	52.3	44.4	8
Reading	69.6	26.2	34.7	43.5	9
Cambridge	42.5	31.9	55.5	43.3	10

Brighton & Hove's labour market appears strong, but there are significant spatial inequalities

There are more residents with degree level qualifications or equivalent within Brighton and Hove than local comparators, and fewer residents with no qualifications. These highly qualified residents are located in a relatively tight area in the centre of the city, close to employment centres and key transport nodes.

However, there is high spatial inequality. Within East Brighton and Hangleton and Knoll, there are high proportions of residents who have no qualifications.

As noted on the previous page, Irwin Mitchell identifies 'local skills' as a relative weakness for investment in Brighton & Hove. This could be because there is very high demand for residents' skills (i.e. not enough to go around) or because the skills aren't quite matching what investors are looking for.

Brighton & Hove needs to ensure that residents further from the city centre are supported to gain the skills needed to work in the city's growing sectors.

Source: Census 2021; Annual Population Survey, ONS; Characteristics of home workers, Opinions and Lifestyle Survey, ONS

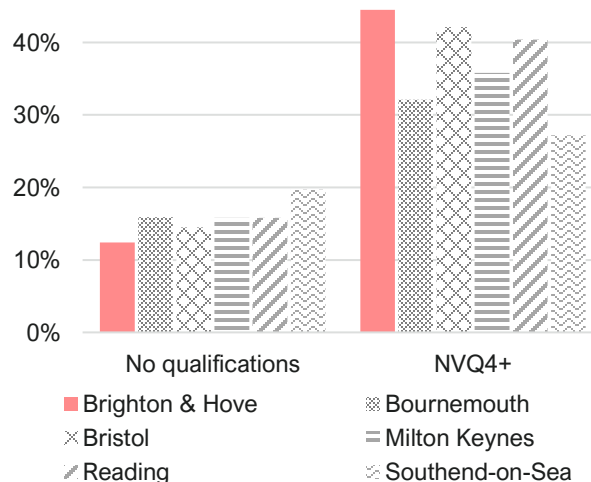
Outside of the centre of Brighton & Hove, there are a high proportion of residents with no qualifications

Estimated proportion of residents with no qualifications, 2021



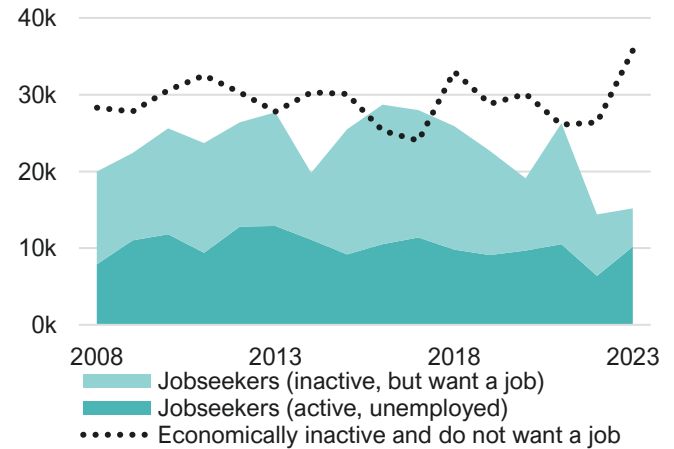
Brighton & Hove's residents are more highly qualified than comparators

Resident qualifications, age 16+, 2021



With relatively low numbers of jobseekers and a high number of residents not wanting a job, the labour market may be especially tight

Resident economic activity, ages 16 to 64, year to June



Brighton & Hove: becoming fairer

Evidence on the inequality which prevents our residents, workers, and businesses from reaching their full economic potential

Housing affordability is a major challenge throughout the city

Brighton & Hove has long been an attractive place to live, but it is difficult for middle-income earners to find somewhere to live comfortably within their means. For a median-income individual (£33,889/yr gross) looking to rent a one-bedroom flat, most options in the city would take up more than 30% of their pay.

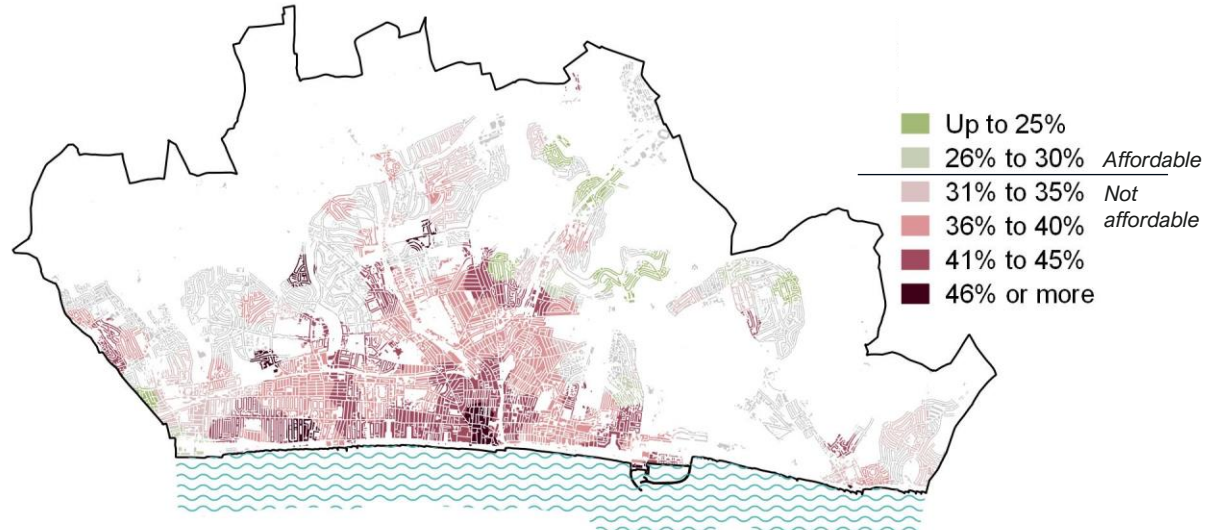
Unlocking career progression and higher-wage jobs may be part of the solution. Housebuilding is the other: it has increased steadily from 2018/19 to 2021/22 and needs to continue in this way, particularly where aimed at 'average' people rather than luxury-end development.

Brighton & Hove needs to ensure that there is sufficient affordable housing within the city, or unaffordability risks pushing people out, making it more difficult for them to access its employment and training opportunities.

Source: Realyse; Annual Survey of Hours & Earnings, ONS, 2022. Analysis is based on price paid data on two-bedroom properties and estimated achieved rents (based on an average achieved rent of 91% of asking) for one-bedroom properties from November 2021 to October 2022.

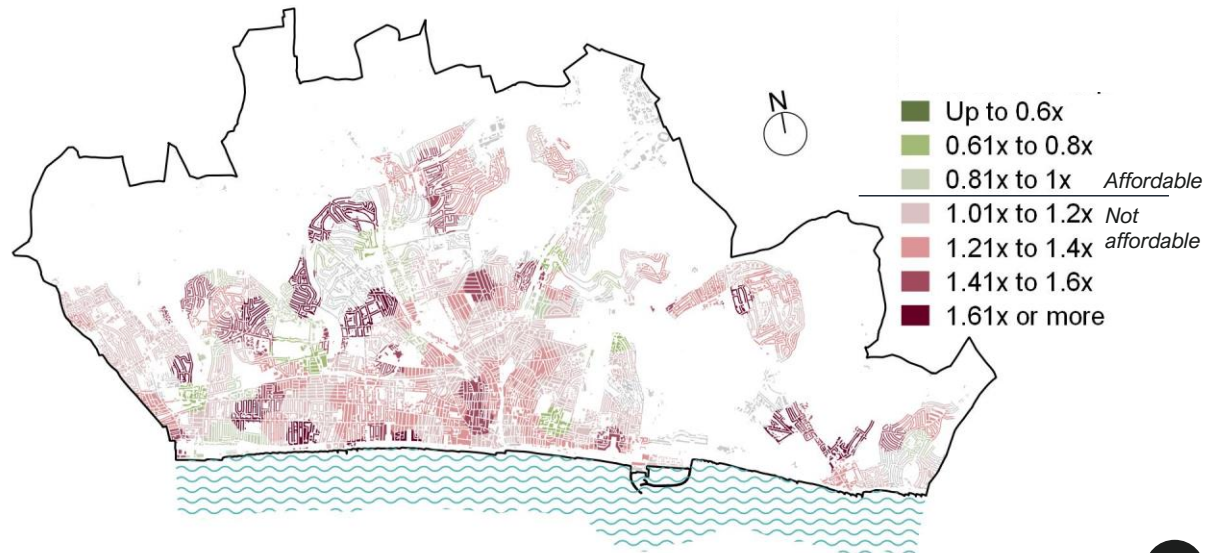
An individual earning the median income cannot comfortably afford to rent a one-bedroom flat on their own in most of Brighton & Hove

One-bed rent as a proportion of median gross annual income (2022)



Two median income earners with a 10% deposit cannot afford the mortgage on a two-bedroom property in most of Brighton & Hove

Median two-bedroom property price vs what two median income earners can afford (2022)



INCOME

Residents face stagnant incomes in the face of the cost of living crisis

Part of the housing affordability challenge noted on the previous page stems from stagnant pay despite rising house prices and rents. The median gross annual income in Brighton & Hove (£33,889) has not kept up with inflation. This appears to affect men and women differently; men's pay has increased at double the rate of women's (32% to 15%) and above inflation, whereas women's pay has risen at below inflation levels (not pictured in graphs), widening the gap between the two.

Brighton & Hove also has an estimated 8.8% of residents earning below a living wage.

Census 2021 travel to work data was skewed by Covid-19, but will have captured travel flows of people working in the essential jobs and services that keep society going. 72% of people travelling to work in Brighton & Hove during the 'lockdown Census' came from within the city itself, so low pay occurring within the city will affect its residents.

Brighton & Hove needs to attract and provide pathways into secure, well-paying jobs.

Source: Annual Survey of Hours and Earnings, ONS, 2023; Income estimates for small areas, ONS, 2023

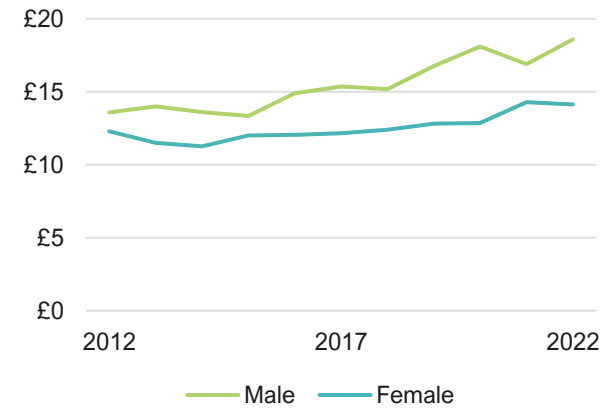
Residents' pay is not keeping up with inflation

Median gross annual income



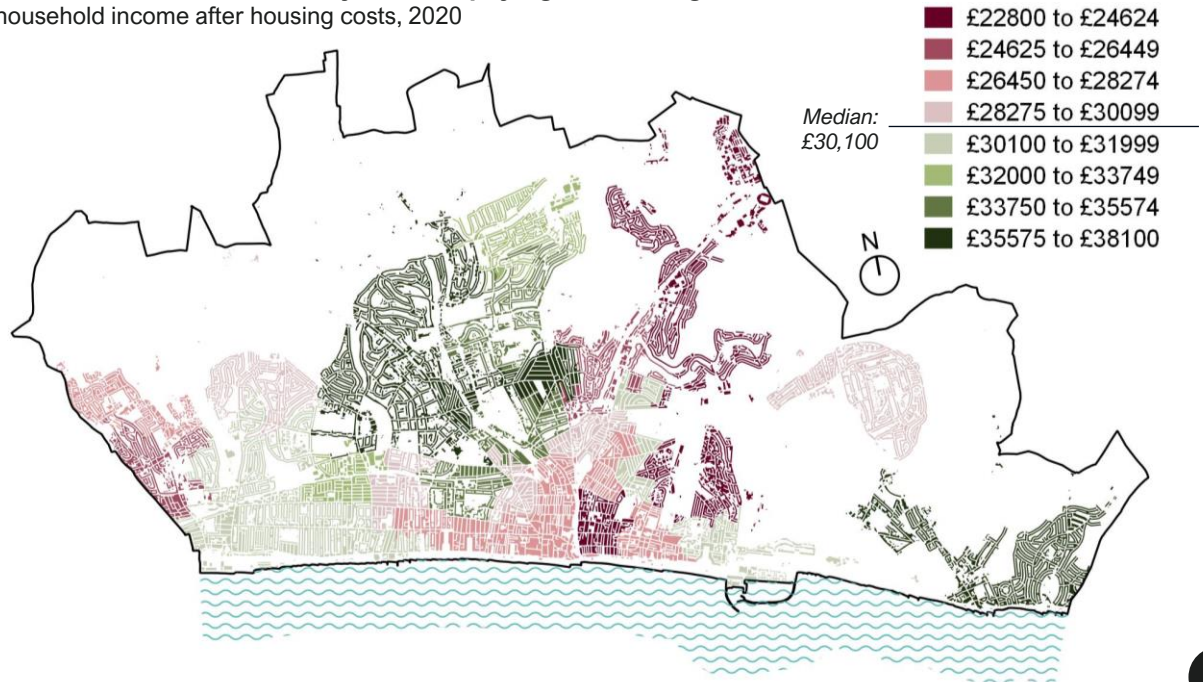
Women's wages remain below men's and the gap is widening

Gross hourly pay by gender



In Brighton & Hove's more deprived neighbourhoods, households have as little as £22,800 to live on each year after paying for housing

Net household income after housing costs, 2020



ACCESS TO AMENITIES & SERVICES

Outside of the city centre, residents lack access to essential services

For people to live well and be healthy—and therefore feel fit to participate in the economy and community and family life—they need access to basic amenities. In Brighton & Hove, there are neighbourhoods that rank among the worst nationally for access to healthy and affordable food and a GP.

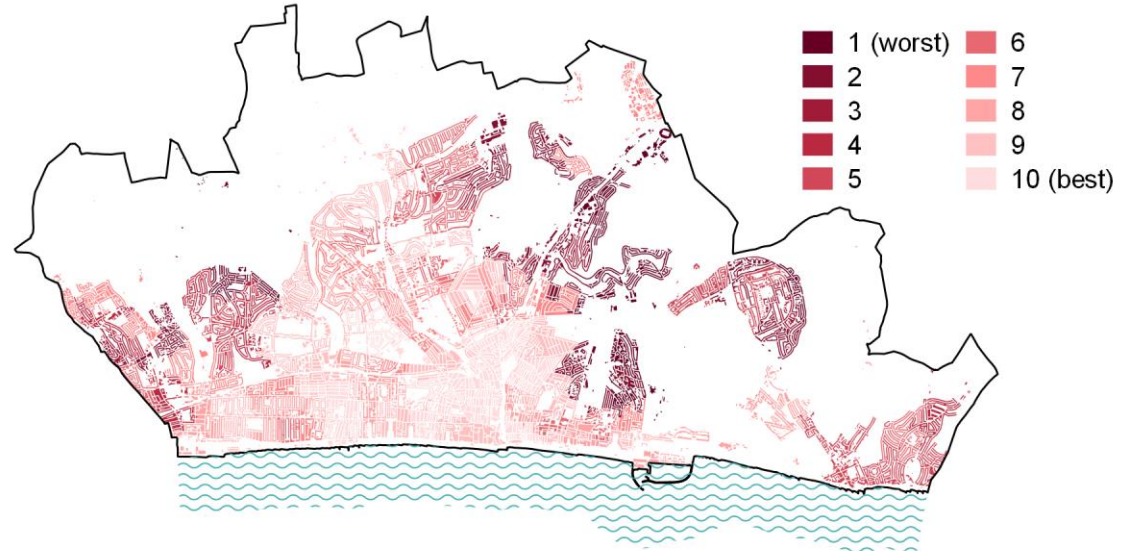
The council's 2022 research concludes that parts of Moulsecoomb, Rottingdean, Patcham and Whitehawk lack the facilities to make them legitimate 20-minute neighbourhoods.

Ensuring people in all parts of the city can access the basic services they need for day-to-day life and wellbeing will allow people to lead healthier lives and access economic opportunities.

Source: Consumer Data Research Centre (CDRC), an ESRC Data Investment. Funding references ES/L011840/1; ES/L011891/1. The Priority Places for Food Index was developed by the CDRC at the University of Leeds in collaboration with Which?; Urban Big Data Centre. Economic and Social Research Council. Public Transport Accessibility Indicators, 2022 [data collection]. University of Glasgow - Urban Big Data Centre.

Residents in Moulsecoomb, Bevendean, Woodingdean, Whitehawk, and Hangleton are among the most deprived nationally in being able to access healthy and affordable food

Priority Places for Food Index (deciles), 2022



Residents in Withdean, Ovingdean, Bevendean and others lack sufficient access to GPs

Number of GPs within a 15 minute public transport journey, 2022



Residents are less well and happy than five years ago

Across the spectrum of people in employment, unemployed, and out of the job market entirely, long-term health conditions among Brighton & Hove's residents have been on an upward trend since around 2017. This may be in part due to the population aging: an older population brings a greater likelihood of health ailments. This could be more pronounced in the future, as over 55s are projected to increase by 19%, or around 13,600 people, by 2040.

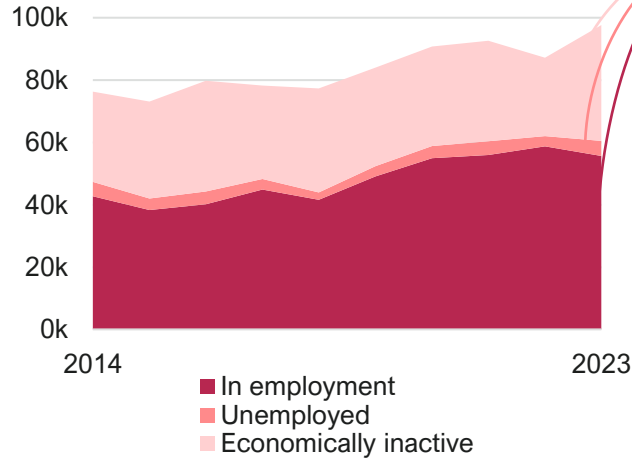
Other data indicates that as of 2022 residents in Brighton & Hove feel slightly less happy and more anxious than five years prior, with anxiety levels experienced during Covid-19 failing to subside. It is unlikely anxiety and unease will abate during our current period of high prices and living costs.

Wellbeing needs to become a more prominent measure of the success within the economic strategy, with stronger links between economy and public health in policy.

Source: Consumer Data Research Centre (CDRC), an ESRC Data Investment. Funding references ES/L011840/1; ES/L011891/1. The Priority Places for Food Index was developed by the CDRC at the University of Leeds in collaboration with Which?; Annual Population Survey, ONS, 2023; Personal well-being interactive map, ONS, 2022

The number of residents with long-term health conditions is increasing

Residents aged 16+ with health conditions lasting more than 12 months, year to June



41%
of 16+ population in mid-2023

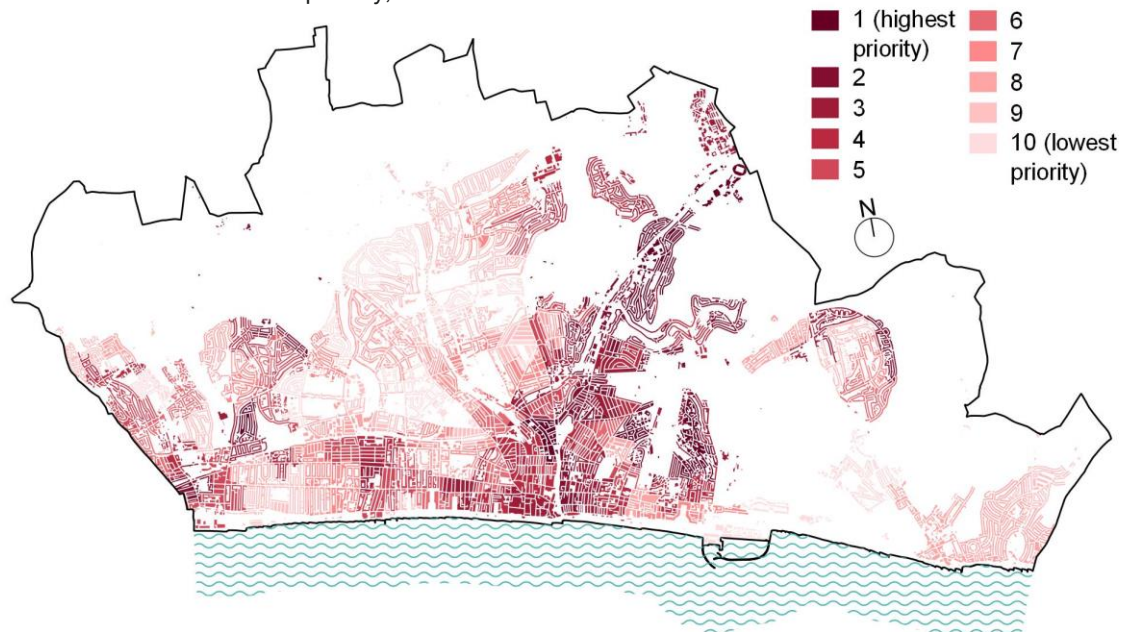
Compared to the UK, residents are slightly less likely to feel happy and slightly more likely to feel anxious

Average ratings of personal wellbeing, year to March

Measure	Brighton & Hove		UK avg
	2017	2022	2022
Life satisfaction	7.57	7.57	7.57
Worthwhile	7.75	7.71	7.8
Happiness	7.37	7.26	7.48
Anxiety	3.35	3.71	3.08

Fuel poverty is an issue in areas already facing other types of deprivation

Neighbourhoods vulnerable to fuel poverty, 2022



Educational achievement rates are increasing, though gaps persist

Although the gap has closed somewhat—dropping from around 19 percentage points in 2015/16 to 13 percentage points in 2019/20—disadvantaged pupils who have achieved A levels, tech levels and applied general qualifications at Brighton & Hove state schools continue to fall behind their advantaged peers in staying in education after graduation.

The vast majority of pupils who do sustain further education or training attend university. A small and declining number choose apprenticeships, with the highest level of apprenticeships more popular. This reflects a national shift, with level 2 apprenticeship provision falling whilst companies switch to training existing staff on higher apprenticeships.

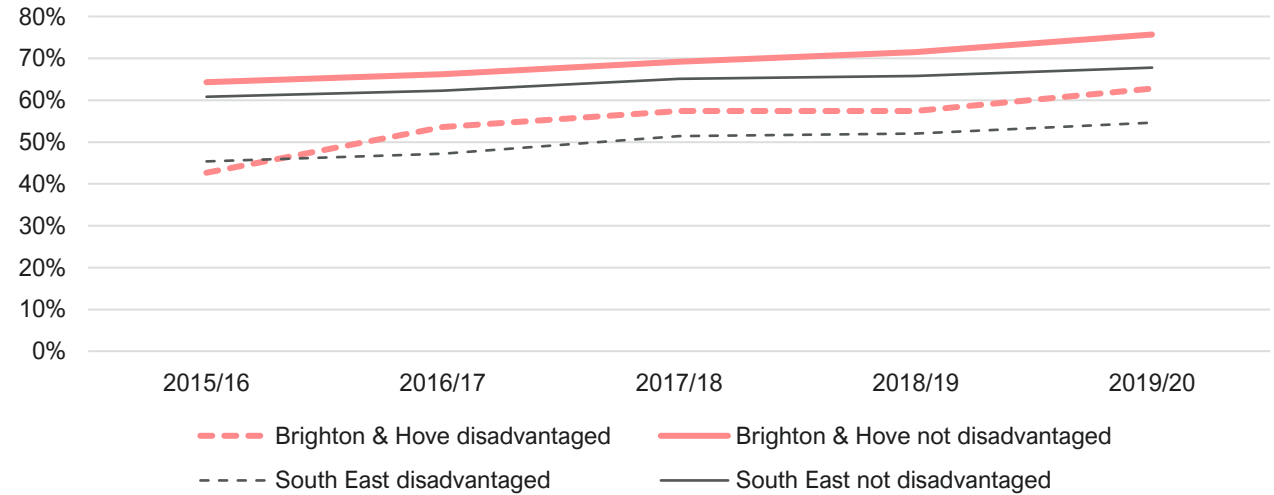
Ensuring that residents from disadvantaged backgrounds are supported into higher education and that there are more entry level apprenticeships is key for addressing the spatial inequality in educational attainment and aiding the shift to a higher value economy.

Source: Progression to higher education and training, Explore Education statistics, gov.uk; Explore Education Statistics, gov.uk, 2023

Note: 'disadvantaged status' is given to those eligible for free school meals in the past six years or having been looked after by their local authority

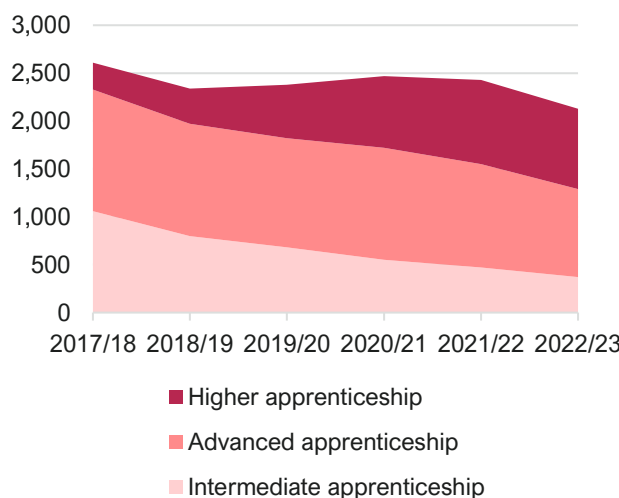
Graduates of Brighton & Hove state schools sustain their places in higher education, training, and employment at a higher rate than the South East region, but a gap persists between advantaged and disadvantaged students

Progression to higher education and training (n.b. data relates to pupils attending B&H schools from anywhere)



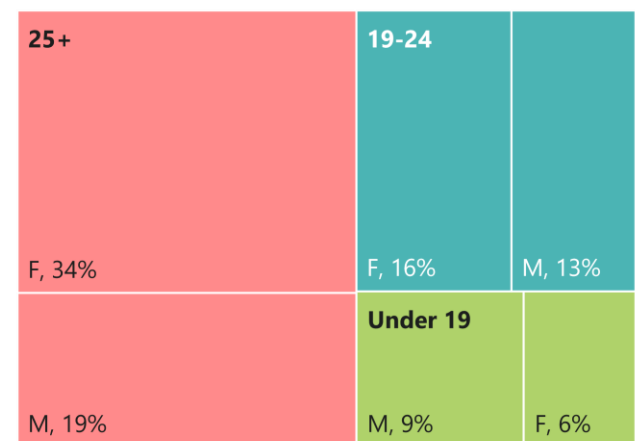
The number of residents in apprenticeships is falling, but the highest level of apprenticeships are increasing in popularity

Apprenticeship participation by qualification level



People age 25+ comprise the highest proportion of residents completing apprenticeships

Apprenticeship achievements by demography, 2022/23



Brighton & Hove: becoming greener

Evidence on emissions, waste and green economy opportunities

CARBON EMISSIONS & TARGET

Brighton & Hove needs to continue to take action to ensure the city is carbon neutral by 2030

Brighton & Hove has set a carbon neutral target by 2030. This requires greenhouse gas emissions for the whole city to decline by 12.7% annually.

Overall, carbon emissions have been steadily decreasing, with the biggest declines in electricity due to more renewable sources. However, there's been an uptick of 5% since 2020.

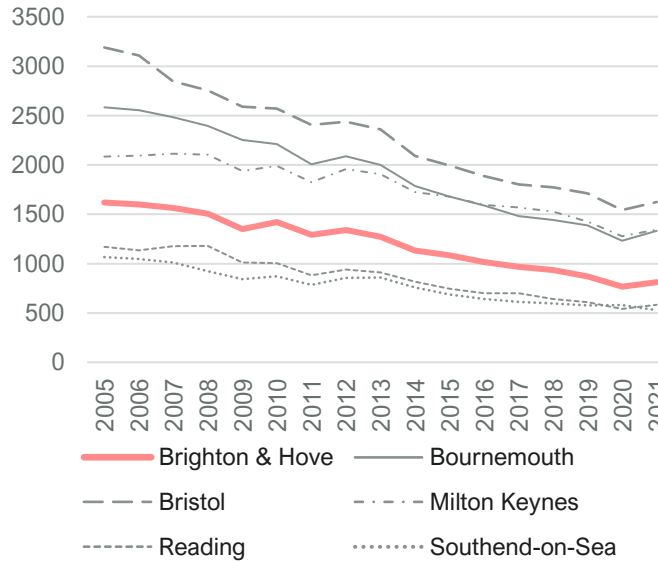
Not addressing climate change will have a negative impact on the economy. Brighton & Hove will become a less attractive place for businesses and residents to locate, inward investment will be reduced and there will be a loss of innovation capacity, as well as the direct and indirect impact of changing environment on health, infrastructure and the environment.

Brighton & Hove needs to prioritise decarbonising its economy, especially in areas the council can influence such as from council owned housing or transport.

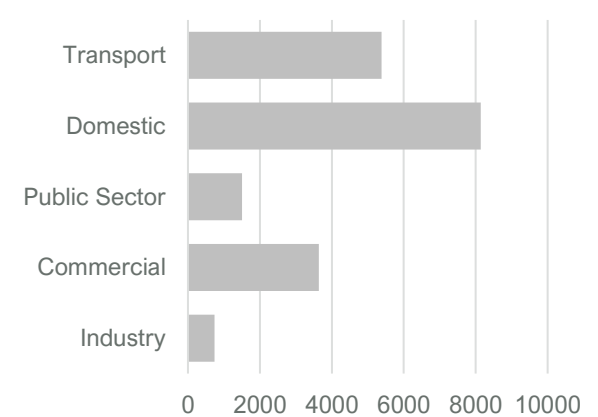
Source: Brighton and Hove City Council, Carbon Neutral 2030 Annual Report 2023; Department for Energy Security and Net Zero, 2023; Quantifying the implications of the United Nations Paris Agreement for Brighton and Hove, Tyndall Centre, Nov 2023

Greenhouse gas emissions within Brighton and Hove are on a downward trend, but without intervention in domestic and transport emissions there is a limit to how far they can decrease

Emissions estimates, ktCO₂ equivalent

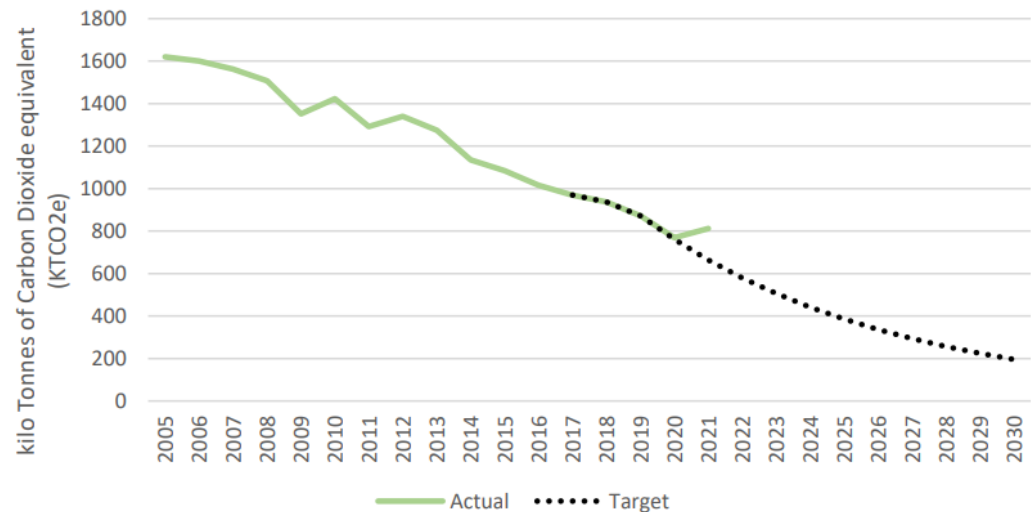


Emissions estimates by sector, ktCO₂ equivalent



Despite the long-term downward trend in emissions, Brighton & Hove urgently needs to do more to stay within its target

Historical greenhouse gas emissions 2005-21 and target to 2030



ENERGY EFFICIENCY

A substantial amount of commercial space is not fit for the future

Throughout the country, a large proportion of commercial space fails to provide a good standard of energy performance, and Brighton & Hove is no different. There are two main imperatives for improving energy efficiency of commercial stock:

- Increasingly, occupiers are looking for high-quality space with top energy performance ratings, whether due to lower operating costs, a drive to attract staff, CSR goals, or a combination of these and other things. Without intervention, Brighton & Hove may become less attractive to businesses.
- The government's Minimum Energy Efficiency Standard (MEES) means that low-EPC-rated properties will not be lettable by certain dates. Without intervention, spaces critical for Brighton & Hove's economy will be highly impacted by MEES, especially dining and drinking, offices, and industrial uses.

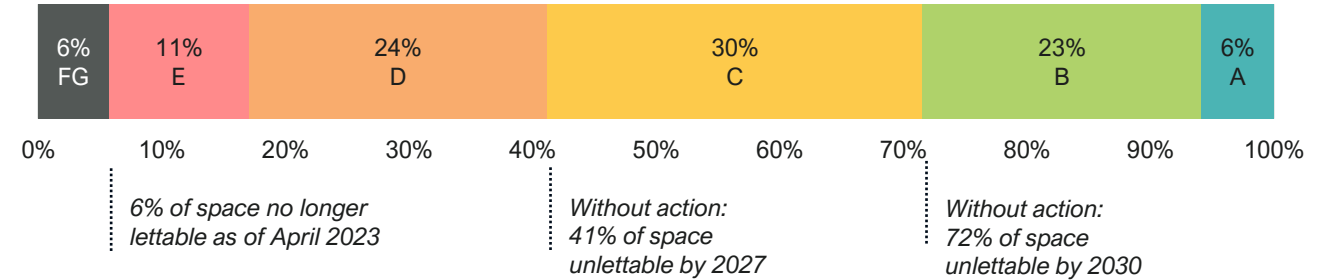
More detailed information about energy efficiency will be provided in the BHCC Decarbonisation Pathways study.

Brighton & Hove urgently needs to triage its commercial stock, work with landowners and lobby central government to refurbish properties, and publicise its retrofit wins to investors.

Source: Consumer Data Research Centre, Nov 2022

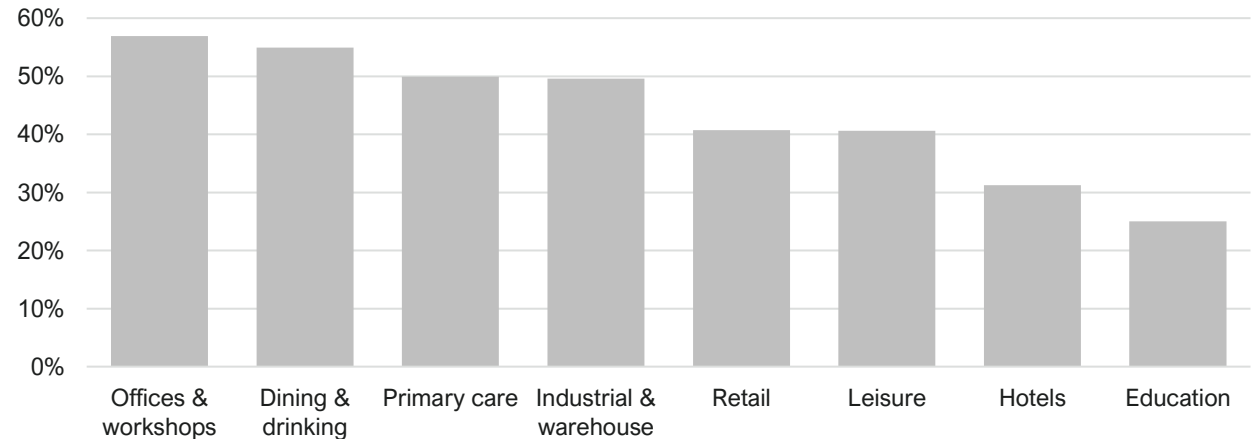
A significant proportion of commercial stock needs future-proofing

Proportion of floorspace by EPC rating (sampled data), Nov 2022



Just over half of office and dining & drinking floorspace may need refurbishing in the next few years

Proportion of DEFG-rated floorspace by selected use classes (sampled data), Nov 2022



CIRCULAR ECONOMY

Brighton & Hove has an the active and growing circular economy

Brighton & Hove have created a Circular Economy Routemap to 2035, with key targets including:

- By 2030 halve food waste in the City
- By 2030 halve consumption of primary materials in the city
- By 2035, work with partners to attract investment of over £100 million in Circular Economy activity within the Greater Brighton area

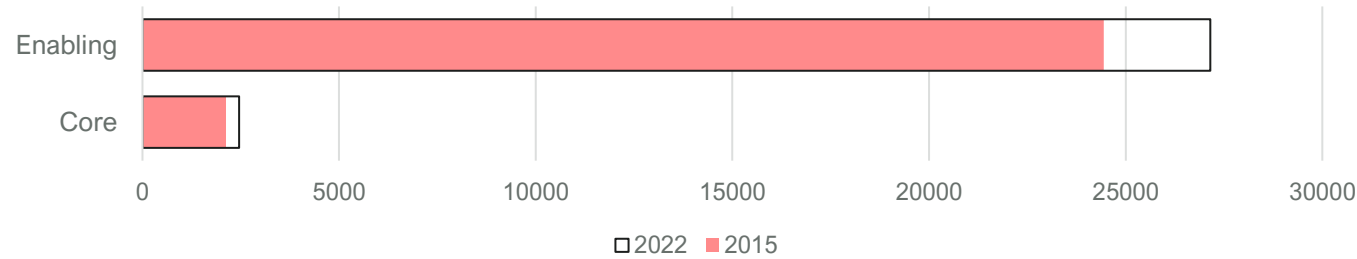
ReLondon define circular economy jobs as core and enabling. Core jobs are those directly in circular practices, which ensure materials cycles are closed for as long as possible at the highest possible value such as reuse and repair, renting and leasing. Whilst making up a small proportion of the overall jobs base, these jobs have grown since 2015. Enabling circular jobs are those which can support circular businesses in the supply chain, such as logistics.

Brighton & Hove has strong preexisting circular activity, expanding and centralising circular economy can be a key differentiator and part of the city's identity.

Sources: ONS Business Register and Employment Survey 2015,2022; Map taken from Climate Conversations Brighton

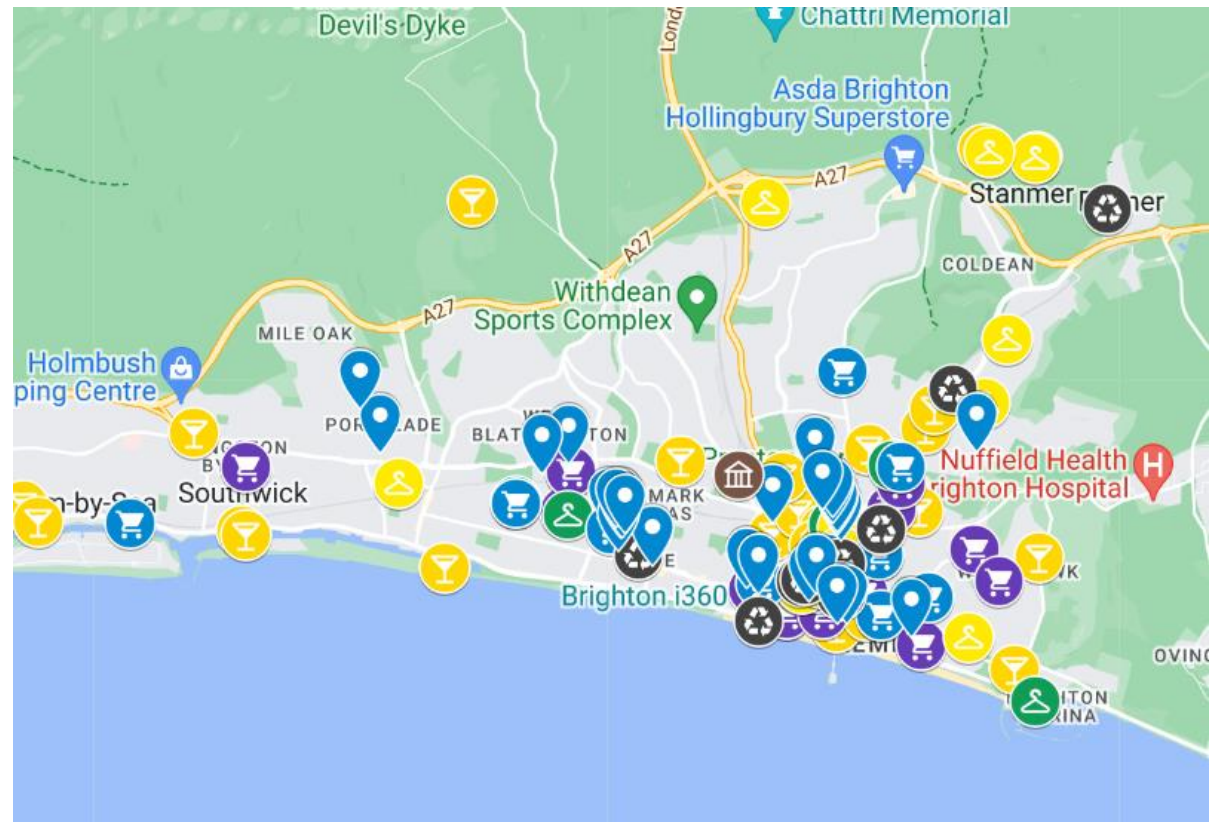
Brighton & Hove has a growing number of jobs within the circular economy

Number of core and enabling circular economy jobs



There are many existing circular economy businesses within Brighton & Hove

Local mapping of circular economy businesses



WASTE

Brighton & Hove should recover more resources back into the economy

Brighton & Hove's 'waste footprint' appears to be quite local, with 97% of waste picked up from the city (out of a total 312,826 tonnes of waste received in 2022) being processed either internally or within the wider South East region. Of the waste that is processed within Brighton & Hove, the vast majority is recovered (this data not pictured in diagram).

This does mean that the city exports its 'dirtier' or more challenging wastes elsewhere, including waste recovered by incineration (which, in capturing/creating energy, also generates emissions) or not recovered at all. The 36% of waste received from Brighton & Hove in these categories largely goes to the wider South East.

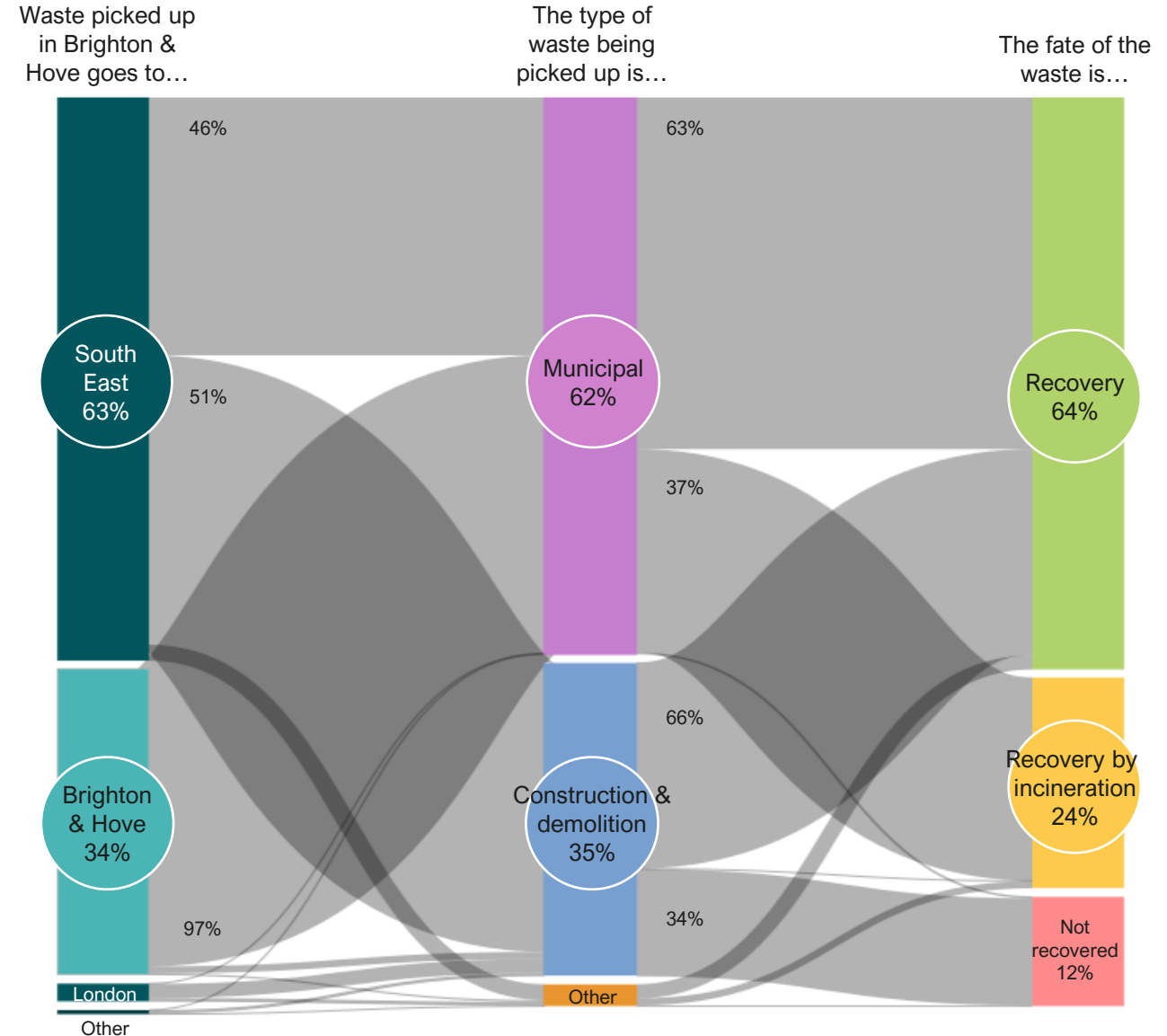
There is room to improve, particularly in reducing municipal waste to incineration—whether through lower consumption, reusing materials, removing non-recyclable materials in goods, or other means—and construction waste to disposal. This would enable cascading materials back into the system and more circular practices.

Brighton & Hove needs to support businesses and residents to reduce waste at source and improve recovery rates.

Source: Environment Agency Waste Interrogator 2022 (Waste Received)

Brighton & Hove's waste is locally-processed and majority recovered

Waste flow: destinations, types, and fates of wastes received from Brighton & Hove, 2022



DECARBONISATION PRIORITIES

There are opportunities for new green economy activity within Brighton & Hove

BHCC are carrying out a Decarbonisation Pathways Study which will provide scenarios for decarbonising the city and local estimates on jobs required to meet net zero. This will provide a good basis for discussions with local businesses and skills providers when the evidence is available.

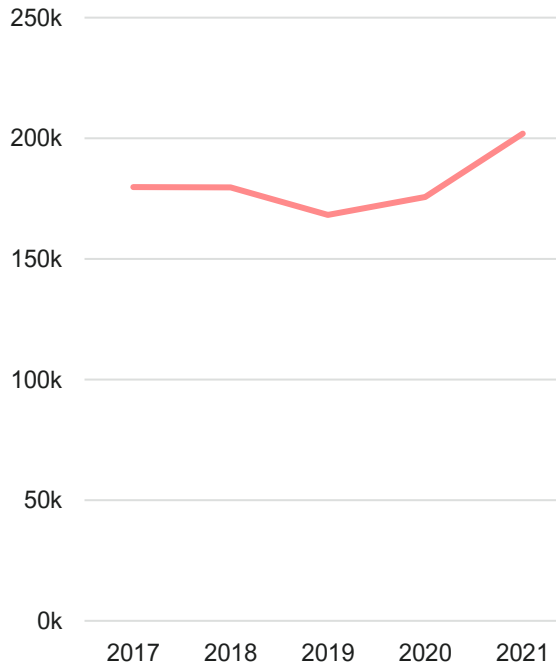
Data for England shows employment in low-carbon sectors is increasing. Government legislation such as on the sale of diesel and petrol vehicles, phasing out gas boilers and heat networking zoning will open new opportunities within the City. Research by the Local Government Association has estimated a need for 2,264 jobs in low-carbon sectors within Brighton & Hove by 2030. Most people who will be employed within these jobs will already be working in Brighton and Hove's economy and may need skills support and training to adapt to new or changing roles.

It is important to consider Brighton & Hove's role in anchoring and leading the city and City Region in decarbonising the economy.

Sources: Local green jobs - accelerating a sustainable economic recovery, Local Government Association, 2023; Low Carbon and Renewable Energy Economy (LCREE) Survey estimates, UK, 2014 to 2021; The Greater Brighton Hydrogen Strategy

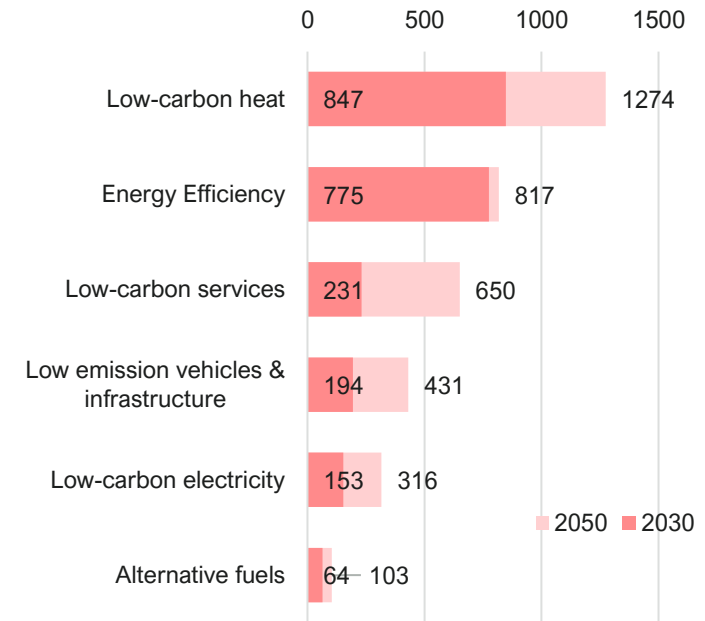
Employment in low-carbon sectors is on the rise

Jobs in low-carbon sectors in England



Brighton & Hove will need thousands of new jobs in coming decades to meet its net zero requirements

Estimated jobs required to meet net zero



Innovation opportunities: local hydrogen economy

Brighton & Hove is well-placed to support the City Region in the clean energy transition. The Greater Brighton Hydrogen Strategy has identified the strengths of the region; a number of organisations are already developing hydrogen technology alongside ongoing initiatives such as hydrogen powered buses and hydrogen decarbonisation in the maritime sector. Shoreham Port has already made a five-year commitment to a Green Energy Hub to develop port-based hydrogen, ammonia and new onshore wind and solar generation capacity onsite. Brighton & Hove has two universities providing relevant courses, along with a highly skilled workforce that can aid in developing new technologies.

Greater Brighton: Evolving the City Region

Evidence on the relationship between Brighton & Hove and
the City Region

WORKERS & SKILLS

Brighton & Hove is a key employment hub which draws on the skilled labour force in the city region

Many workers within Brighton & Hove travel from within the City Region. As housing in Brighton & Hove becomes more expensive, the City Region is likely to be increasingly attractive to those working in Brighton & Hove.

Whilst Brighton & Hove has the highest proportion of residents with Level 3 and 4 qualifications, proportions are above the England average in many of the City Region's local authorities. Residents within the City Region are also more likely to be skilled to apprenticeship levels.

The transition to net zero within Brighton & Hove will require workers with new skills and specialisms. To fulfil these requirements Brighton & Hove will need to draw on the skills within the wider City Region.

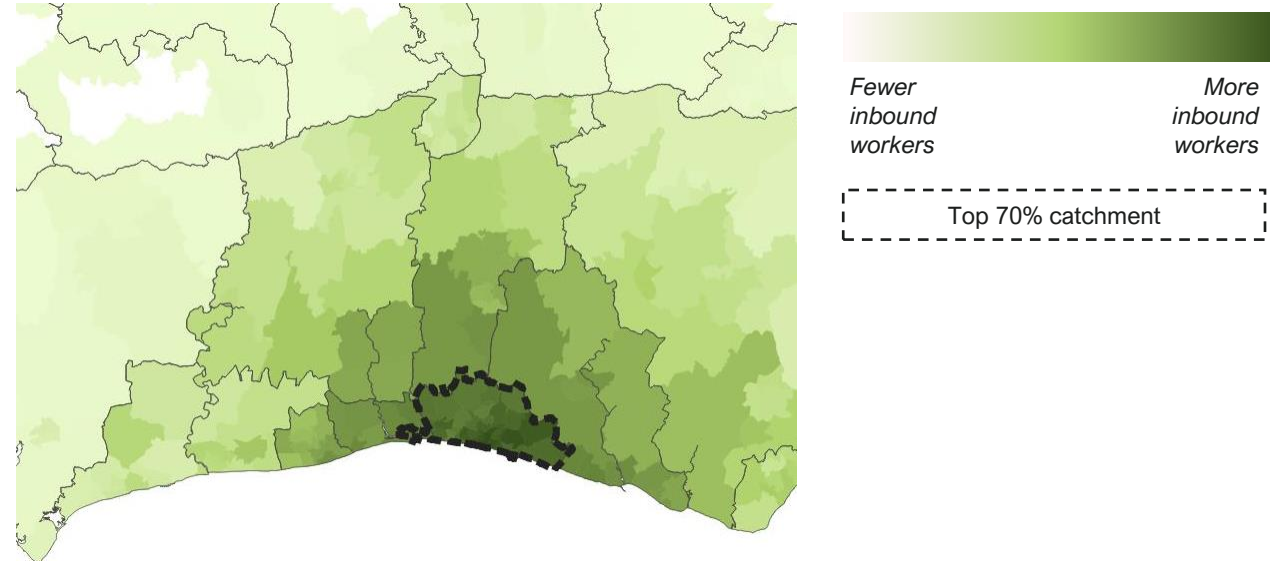
A joined-up approach to identifying green economy skills gaps and opportunities across the region will ease the transition required.

Source: Census 2021

Note: ONS urges caution with travel to work data as it was taken during 2021 lockdown. People going to a place of work at this time would have predominantly been essential services workers and there is a risk people may have answered the travel to work question incorrectly, skewing the data.

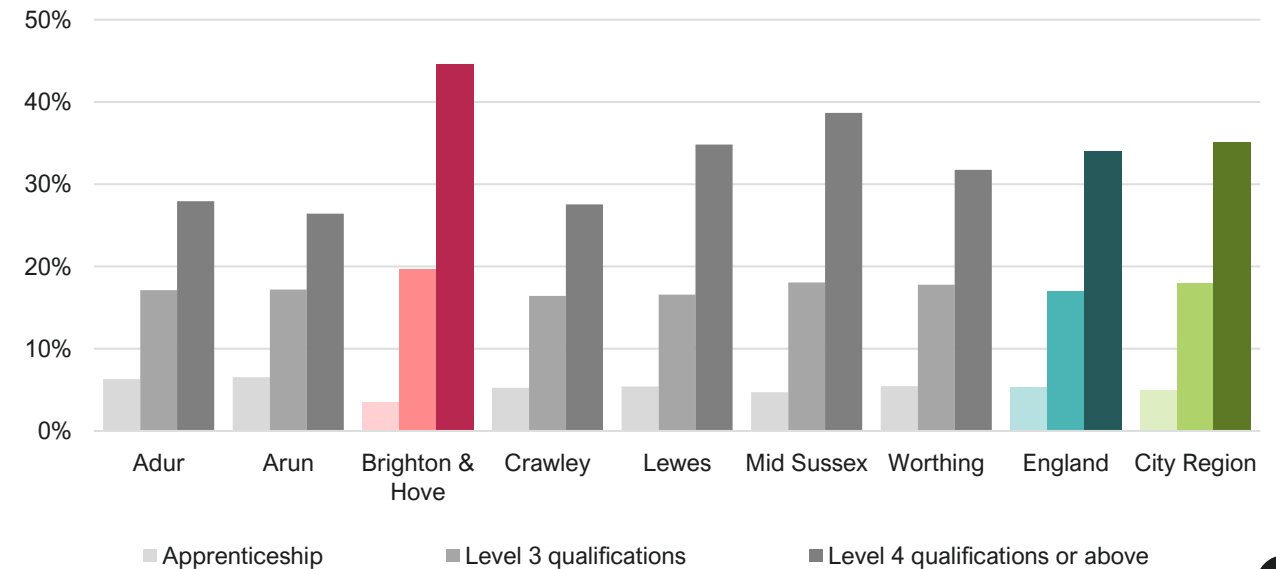
Many workers commute into Brighton & Hove from surrounding neighbourhoods

Inbound workers to Brighton & Hove, 2021



Residents throughout the City Region are highly qualified

Proportion of residents whose highest qualification is an apprenticeship, Level 3 or Level 4+



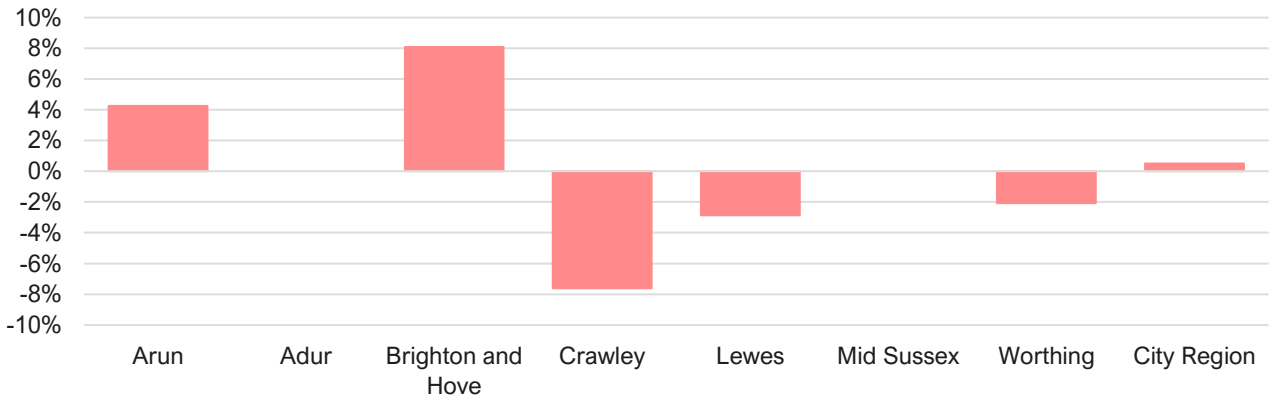
Much of the City Region's growth in jobs has been driven by increases in Brighton & Hove

The number of jobs has grown across the region in the past five years, but within the constituent local authorities, only Arun and Brighton & Hove have seen overall increases.

At the more local level, employment increase and decline varies significantly between often neighbouring areas. Growth has been concentrated within specific locations within Brighton city centre, Worthing and Crawley, whilst there have been declines outside of the centres. Whilst rural areas have seen significant proportional increases, this is from a lower base.

Brighton & Hove's employment growth is an outlier in the City Region, with declines in most other local authorities

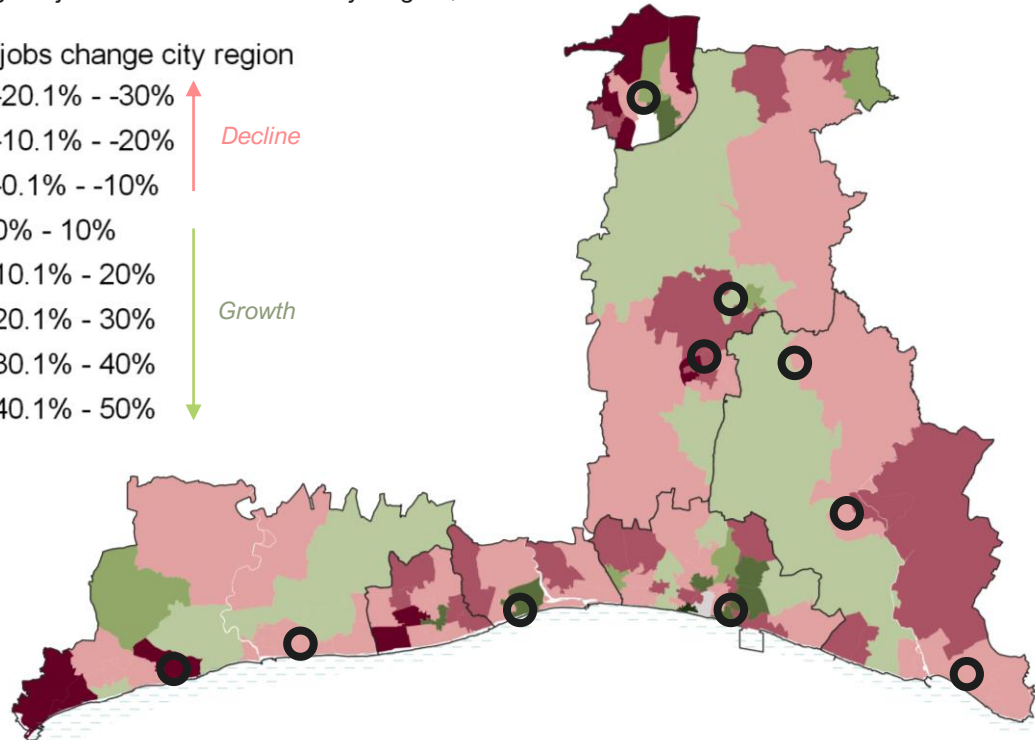
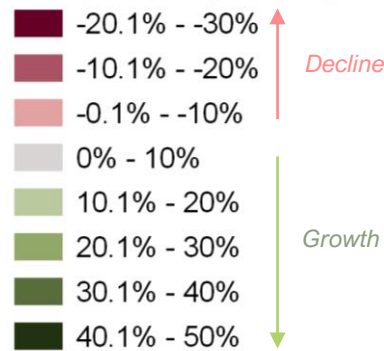
Change in employment Brighton & Hove and the City Region 2017 to 2022



Job growth is not evenly distributed but concentrated within specific neighbourhoods

Change in job counts across the City Region, 2017 to 2022

Total jobs change city region



KEY SECTORS

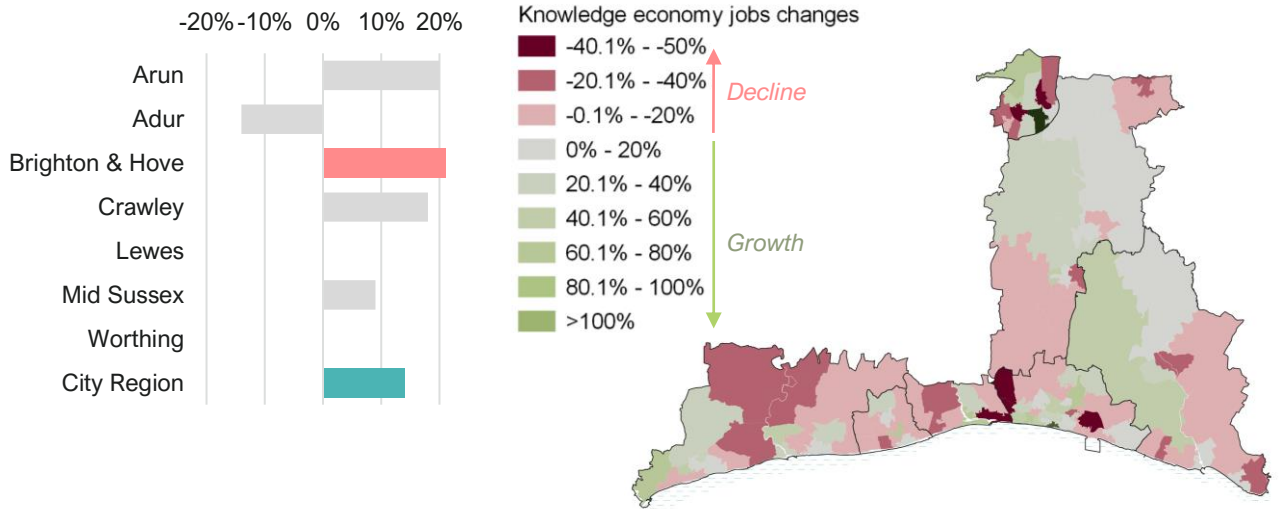
Key growth sectors within Brighton & Hove have also been increasing in locations across the City Region

Whilst Brighton & Hove is a key driver of growth, most local authorities within the region have experienced increases in knowledge economy and creative jobs (note: these have been concentrated in the town centres within the City region, which cover a smaller geographic area to the more rural parts of the City Region).

A coherent vision which spans local authority boundaries, such as that in the Creative Coastal Corridor between Brighton and Chichester, is required to ensure that businesses are supported to stay, grow and invest in the region.

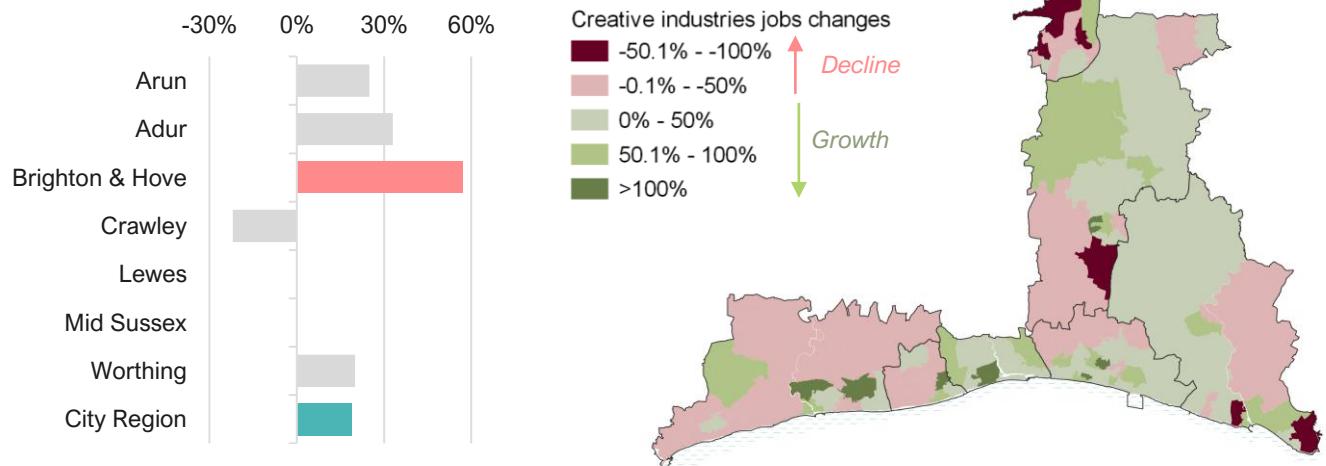
There has been an increase in jobs in the “knowledge economy” across the City Region

Change in employment in the “knowledge economy”, Brighton City Region 2017 to 2022



Similarly, the number of creative jobs have increased across the region

Change in employment in the “creative economy” Brighton City Region, 2017 to 2022



Source: Business Register & Employment Survey; sector definitions from DCMS

COMMERCIAL SPACE

Space for future growth is a shared challenge, but there may be opportunities outside of the city

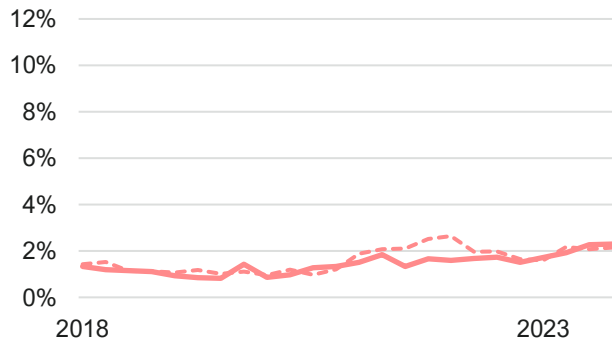
Source: CoStar, Valuation Office Agency

While the retail and industrial markets in Brighton & Hove have higher vacancy rates now than five years ago, they are still very low, and there is limited options for businesses to expand within the city. The office market took a hit during the pandemic, with a vacancy rate steadily increasing from 2.3% to 11%. This may be due to businesses downsizing during a shift to hybrid or work from

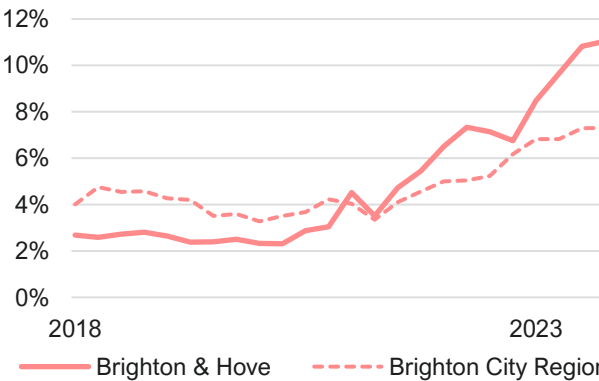
home models or seek higher quality offices to attract staff—much of Brighton & Hove’s office space is low quality with poor energy efficiency ratings. Without upgrade, many spaces will be unlettable within the next 5 years with significant knock on effects both for businesses looking for space and the city’s highstreets and commercial areas.

Demand for retail and industrial space is strong. Within the office market, the vacancy rate is higher within the City Region

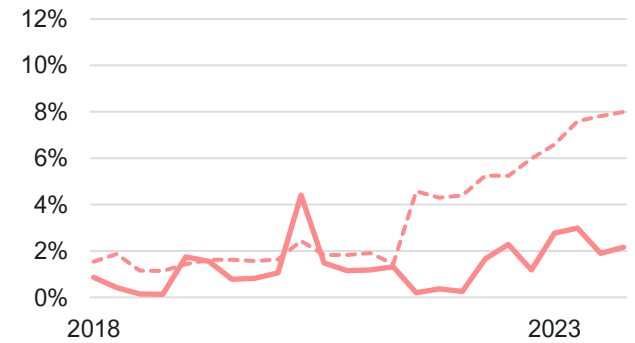
Retail vacancy rate



Office vacancy rate

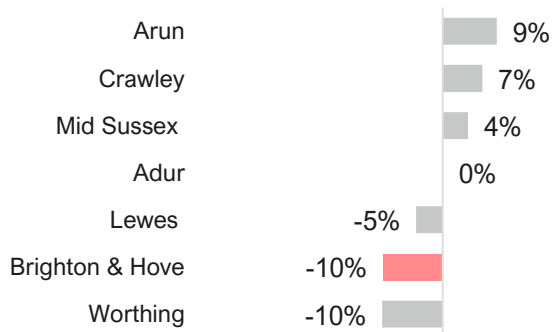


Industrial vacancy rate

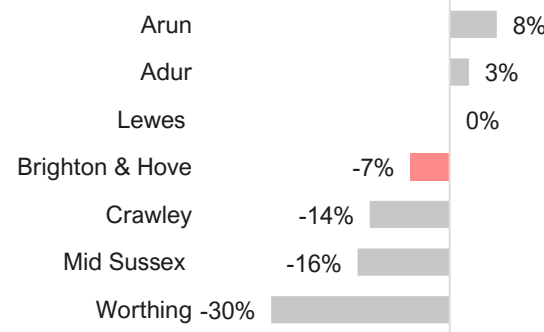


Losses in retail and industrial floorspace from 2018 to 2023 may be keeping vacancy rates low and/or create further demand pressure

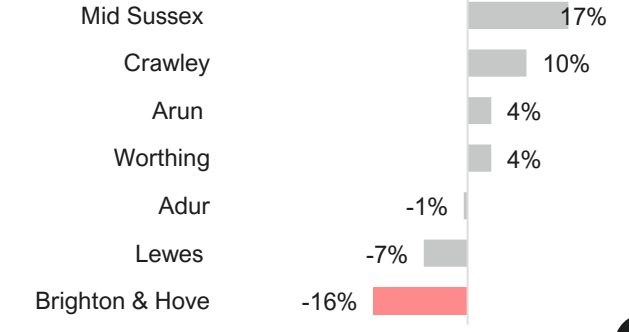
Retail floorspace change



Office floorspace change



Industrial floorspace change



Cost of living challenges extend throughout the City Region

For all local authorities except Crawley, owning a semi-detached home with an average mortgage is unaffordable for families with one child on an average salary.

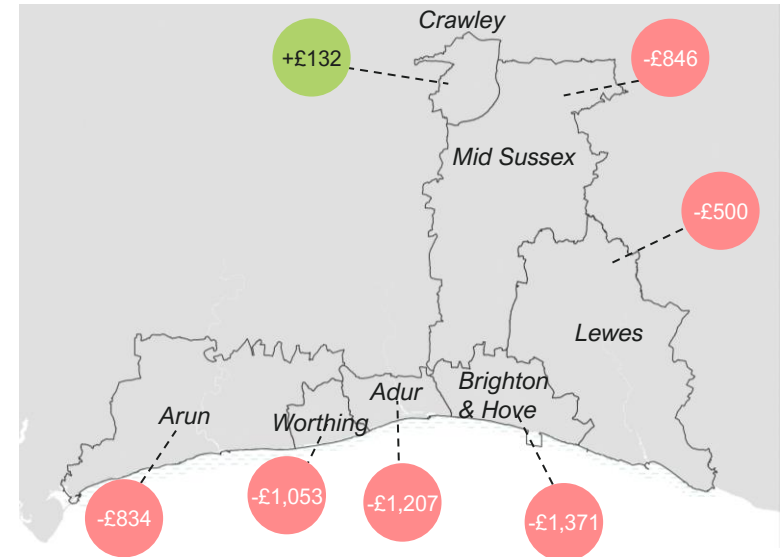
Brighton & Hove is the least affordable, with higher average earnings offset by even higher house prices.

Across the region, the number of jobs in typically low paying industries has declined by 4% since 2017, driven by significant declines in Crawley (-18%), Adur (-13%) and Lewes (-9%). There has been a 2% increase in these jobs in Brighton & Hove, concentrated within the City Centre, where there is more work within the retail, hospitality and services industries.

For those on average incomes, the City Region is an unaffordable place to own a house

Incomes minus essential expenditure for a family in the City Region

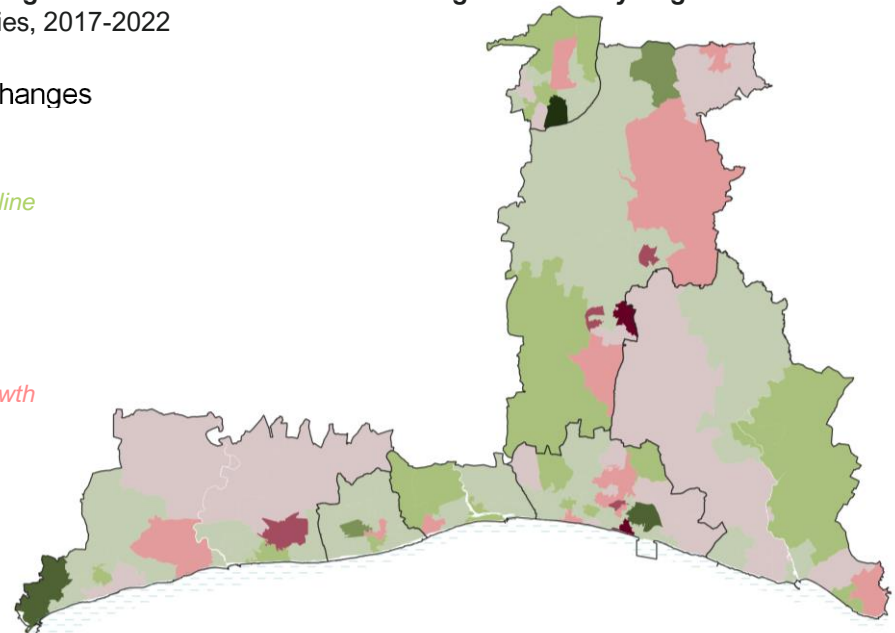
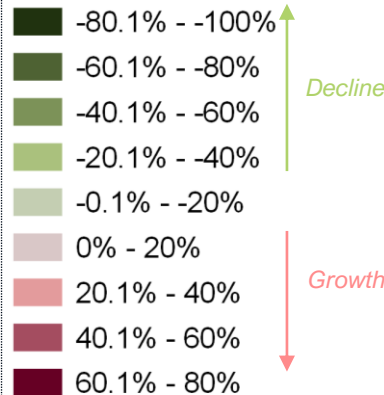
A family with two adults earning median income (for their local authority) with a child at primary school can't afford the monthly mortgage payments on a semi-detached house within most of the city region. Differences are driven by high variation in average incomes and house prices.



Jobs in typically low-paying industries have decreased throughout the City Region

Jobs in low-paying industries, 2017-2022

Low paying industry jobs changes



Source: PRD Cost of Living Calculator; ONS Annual Survey of Hours and Earnings; ONS Monthly Mortgage Repayments Map; ONS Business Register and Employment Survey

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