

Greater Brighton & West Sussex Business Survey 2014

Greater Brighton Area Summary

Compared with the Greater Brighton and West Sussex area as a whole, businesses in Greater Brighton are:

- More likely to think that connections to London are an important aspect of their location.
- More likely to employ graduates
- Less likely to think that broadband connections need improving

This short briefing note is intended to highlight some of the key figures for the Greater Brighton Area from the 2014 Greater Brighton and West Sussex Business Survey. It is one of a series of similar briefings for Greater Brighton, West Sussex, Rural West Sussex, Coastal West Sussex and the Gatwick Diamond.

It is easy to overplay apparent geographical differences in the survey. Many are not statistically significant and as the main report makes clear the similarities between localities within the Greater Brighton and West Sussex area are often greater than the differences.

Local figures are given here primarily for information, where the sample size is robust enough to allow the analysis but small differences from figures in the overall report are unlikely to be statistically significant.

The 2014 survey included 493 interviews with business in the Greater Brighton area (Figure 1).

Figure 1: Achieved interviews in Greater Brighton

Geography – Achieved Interviews	Achieved	% of Sample
Greater Brighton & West Sussex	1000	100
Greater Brighton	493	49
By LA Area		
Brighton & Hove	213	21
Lewes	107	11
Adur	76	8
Worthing	97	10

The sample for the survey was structured by size and geography to enable results to be explored for larger companies and specific locations in more detail. The overall results were however weighted to reflect the business population as a whole.

1. Businesses in Greater Brighton

National statistics suggest that the Greater Brighton area includes over 22,000 businesses (excluding those in public service SIC codes).

Figure 2: Businesses and employment

Geography	Businesses	Employment
Greater Brighton & West Sussex	49,000	500,000
Greater Brighton	22,000	216,000
By LA Area		
Brighton & Hove	12,000	123,000
Lewes	4,000	30,000
Adur	2,000	18,000
Worthing	3,000	45,000

Sources: ONS UK Business Count 2011 and Business Register and Employment Survey 2012
 Figures have been rounded to the nearest 1000. (Excludes public service SIC codes)

Within Greater Brighton around 55% of the business population is located in the Brighton and Hove area.

Figure 3 shows the sector profile of the LA areas within Greater Brighton. The table shows location quotients, which are an index of the proportion of businesses in a sector within an area compared with what might be expected if the area reflected the UK economy as a whole.

Figure 3: Business concentrations

Sector (SIC 2007)	Greater Brighton	Brighton & Hove	Adur	Worthing	Lewes
Agriculture, forest & fishing (A)	0.3	0.1	0.2	0.1	1.0
Mining & utilities (B,D and E)	0.9	0.5	2.3	0.7	1.5
Manufacturing (C)	0.8	0.6	1.3	0.8	1.1
Construction (F)	1.0	0.8	1.4	1.1	1.1
Motor trades (Part G)	0.7	0.5	1.0	0.7	1.1
Wholesale (Part G)	0.9	0.8	1.2	0.9	0.9
Retail (Part G)	1.1	1.1	1.0	1.3	0.9
Transpt & storage (inc postal) (H)	0.6	0.4	1.1	0.6	0.9
Accommodation & food services (I)	1.2	1.3	0.8	1.2	1.0
Information & communication (J)	1.4	1.6	1.1	1.1	1.0
Financial & insurance (K)	0.8	0.8	0.9	1.1	0.6
Property (L)	1.0	1.0	0.7	1.0	0.9
Professional, sci. & technical (M)	1.0	1.1	0.8	1.0	1.0
Business admin & support (N)	1.1	1.2	1.0	1.0	0.9
Arts, ent & other services (R,S,T&U)	1.3	1.4	1.1	1.1	1.2

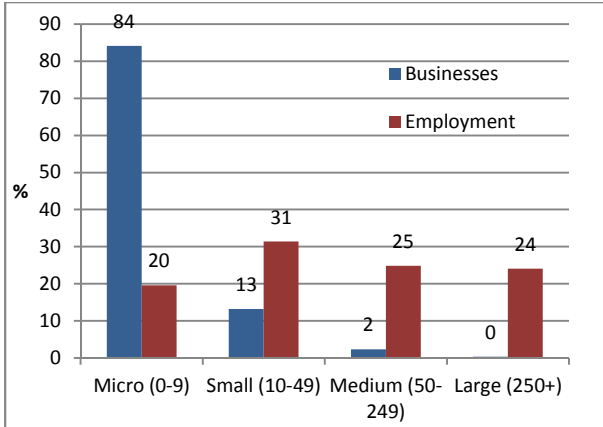
Sources: ONS UK Business Count 2013.

Greater Brighton has a significant concentration of ‘accommodation and food services’ businesses, ‘information and technology’ and ‘arts, entertainment and other services’ businesses. These concentrations are reflected most strongly within Brighton and Hove itself. However, Worthing also has a higher proportion of ‘accommodation and food services’ businesses and Lewes has a higher proportion of ‘arts, entertainment and other

services'. Adur also appears to have concentrations of more traditional manufacturing and construction businesses. It should be noted that these are business unit concentrations and may not reflect employment.

The main report notes that whilst micro businesses employing fewer than 10 people represent the vast majority of businesses, businesses with more than 250 employees represent a quarter of the workforce. The Greater Brighton & Hove area is no exception.

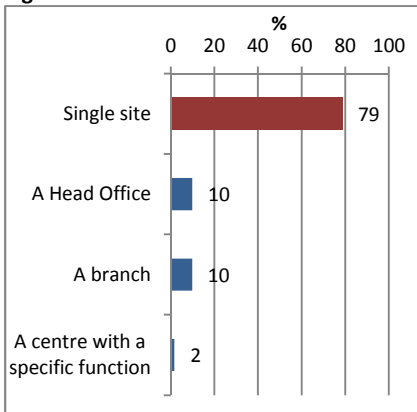
Figure 4: Business units and Employment by size of business



Sources: ONS UK Business Count 2011 and Business Register and Employment Survey 2012

Figure 5 highlights that the majority of Greater Brighton businesses in the survey were single site independent units (79%).

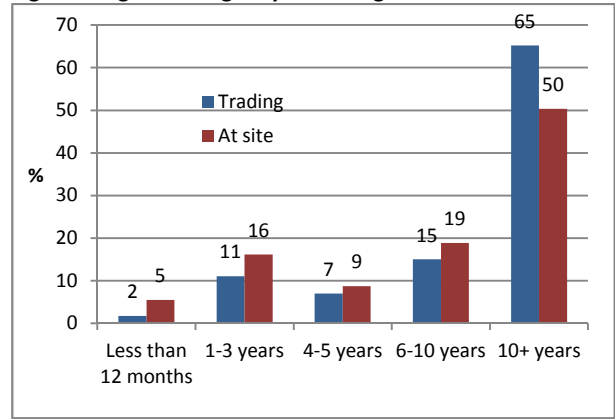
Figure 5: Business structures at locations interviewed



N=493

Most businesses were born local and around half had been trading from their current site for more than 10 years (Figure 6).

Figure 6: Age and longevity of trading at site



N=493

2. High Growth and Growing Businesses

Businesses were more likely to expect to grow their turnover and profit in the next 12 months than have experienced it in the last 12 months. In part this is likely to reflect the recovery of the economy but also a natural 'optimism bias' amongst SMEs. There is also some evidence that employment growth lags behind turnover and profitability.

Figure 7: Growth Trends and Expectations

	% businesses		
	Turnover	Profit	Empl.
Experiences Last 12 months	45	37	27
Expectations Next 12 months	67	66	43
Difference Between Expectations to Experience	+22	+29	+15

N = 1000

Taking the findings for the survey as a whole we estimate that there are around 1,900 growth businesses of all sizes in the Greater Brighton area. Like the other areas surveyed this is higher than national estimates might suggest.

Figure 8: High Growth businesses

	% of all businesses	Greater Brighton
Established High Growth businesses of all sizes	9	1,900
Established High Growth larger businesses (NESTA definition – more than 10 staff)	2	500
High growth start-ups	5	1,100

The main business challenges identified by the survey were finding new customers and controlling costs. A significant minority highlighted finance as the greatest challenge.

Figure 9: Business Challenges



N=493

3. Markets, suppliers & business networks

Whilst 57% of businesses identified that the majority of their customers were local, fewer suggested that their suppliers were local.

Figure 10: Markets and Suppliers

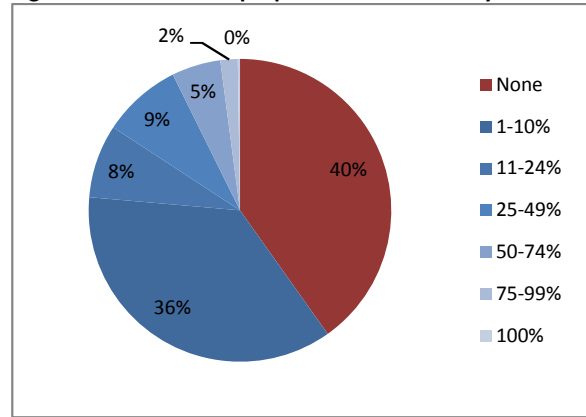
	Main Markets	Main Suppliers	Difference
Local	57	39	18
Located within London and the SE	18	14	4
Spread across the UK	15	36	-20
International	10	11	-1

N=493

Nearly two thirds (60%) of the businesses surveyed had customers based in London. Businesses in Greater Brighton (and particularly in Brighton & Hove) were more likely to suggest that connections to London were important for them (46% compared with 39% across the study area).

However, for some there may be room to increase the proportion of sales in this key market; it represents more than half the business by value of just 7% of companies in the Greater Brighton area.

Figure 11: London as a proportion of business by value



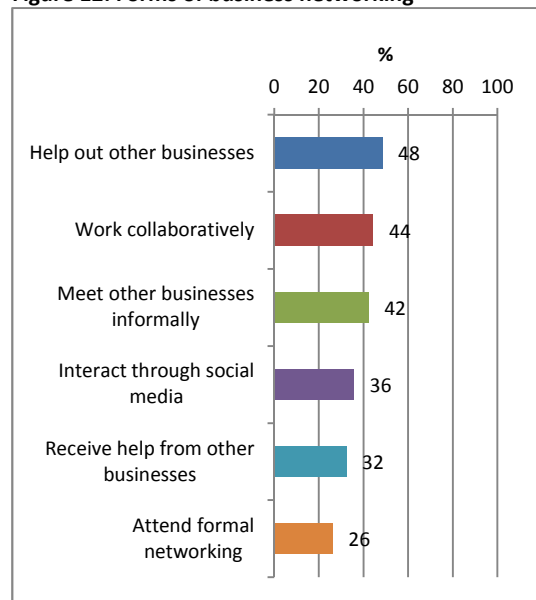
Excludes don't knows

21% of businesses in the Greater Brighton area said they sold some products or services internationally. This was/was not significantly different from Greater Brighton and West Sussex area as a whole (19%).

Businesses also engaged in a wide variety of networking activities. All businesses said they engaged in at least one form of networking fairly or very frequently. 48% said they helped other businesses out fairly or very frequently (Figure 12). Informal forms of networking were more common than formal business events.

A significant minority of businesses felt that they got relatively little from networking however.

Figure 12: Forms of business networking



N=493

4. Innovation, Skills & Recruitment

Nearly two thirds (65%) of businesses in Greater Brighton can be considered 'innovation active' in that they have recently introduced or are preparing to introduce new products, services or processes. As with the other areas surveyed, this is higher than expected from national figures.

Figure 13: Innovation Activities

Innovation	% all businesses
Introduced new or improved products/services	51
Working on new products/services	41
Introduced new/improved processes	38
Any of the above (Innovation Active)	65

N=493

Around a third of businesses locally reported that they have either a recruitment difficulty or a skills issue (Figure 14). However, some common recruitment difficulties (e.g. elementary occupations and customer service staff) may relate more to the local cost of living, pay and conditions than to a shortage of skilled people in the labour market.

Figure 14: Recruitment Difficulties and Skills Gaps

	% of businesses
Recruitment Difficulties	22
Skill Gaps	26
Skill /Recruitment Issue (either)	33

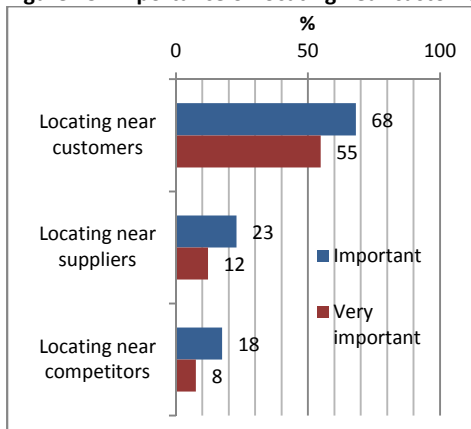
N=493

The survey highlights that 55% of local businesses employ graduates. This is slightly higher than other areas in the study and is particularly high in Brighton & Hove (63%). However, the survey also highlights that more than half of businesses employing graduates (31% of all businesses) say that their jobs do not require graduate skills. This poses the question of why people are recruited to these positions and what added benefits they bring.

5. A Place for Business

Most businesses (68%) think that locating near their customers is important (Figure 15). However, the main report also identifies that nearly half of all businesses chose their location because it was where their founder lived.

Figure 15: Importance of locating near customers



N=493

Only around a quarter of businesses¹ considered other locations and most of these focused on areas within Sussex.

Figure 16 highlights that 'physical' infrastructure such as transport and IT connections rather than 'soft' infrastructure such as skills and education are more likely to be viewed as local assets. They are also more likely to be viewed as areas in need of improvement.

Figure 16: Infrastructure as both asset and area for improvement

	Assets	Areas for Improvement
Local travel & transport	58	38
Broadband connections	56	25
Business premises	45	17
Local housing	41	21
Connections to London	43	N/A
Skills & education	32	15
Access to Gatwick	30	NA
Access to Local Ports	19	N/A
None of these	11	25

N=493

Greater Brighton businesses were less likely than businesses in other parts of Greater Brighton and West Sussex to believe that Broadband connections needed improving (25% compared with 33%).

6. Sector Clusters

Businesses surveyed were given the chance to 'self-identify with a number of emerging sectors of interest (Figure 17). Businesses were most likely to identify with the creative industries cluster, although it is not clear how technology intensive these businesses are.

Figure 17: Self-declared sector clusters

	% of businesses
Technology Intensive	8
Creative industries	22
Health & Life sciences	4
Environmental Tech & Services	5
Advanced Engineering	4
Any cluster	35

N=493

Nevertheless, businesses self-identifying in these clusters were more likely to be growing and/or high growth businesses. The qualitative analysis of the four sector clusters explored in the main report² highlighted that for many the 'natural' geography of the cluster was either regional or national. However, Greater Brighton was identified as a natural focus for the CDIT cluster.

¹businesses that could recall their location decisions.

² Creative, Design and Information Technology; Environmental Technologies; Food & Drink growers and producers; and Health & Life Sciences