

Crawley Economic Profile 2004

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Introduction

This, the second edition of this annual report, continues with key economic data for Crawley. The economic performance of Crawley has been monitored and analysed over the last year and the figures are presented here.

This is a shorter profile than last year, with sections on earnings and property being the two main areas that have been omitted.

This 'high level' research is intended as a useful resource to briefly analyse the condition of the economy and think about the potential implications for the future.

It is a useful tool for:

- Businesses who wish to invest in Crawley as the profile highlights the socio economic conditions and the current policy in place.
- Academics wishing to obtain a socio economic overview and implications for the town
- Similarly, this profile should provide key partners (including CBC) with the socio economic needs of the town and policy action required.

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Issues Arising from Analysis

Some issues are present

- There is a recognised shortage of highly skilled labour in the local market, positions requiring these skills are being filled by in-commuters. Businesses overcome this issue through sourcing of staff from outside the Crawley area. This is not a suitable framework for ensuring the continued thriving success of Crawley.
- Employment levels are high, but mostly in low skilled industries. The agenda to raise aspirations and skills levels in Crawley was established to improve this position.
- Unemployment remains low at 1.4%. The unemployment level amongst 18-25 year olds has seen a reduction

Summary

In 2003, there have been two developments taking centre stage. One of the key issues surrounding Crawley was the decision on Gatwick airport. This decision awarded a new runway for Stansted airport and one for Heathrow, subject to meeting environmental regulations. Gatwick airport has not been awarded another runway, but may get one if Heathrow does not pass the environmental regulations. The findings of the government paper have left Crawley in a position that the North East sector cannot be developed whilst the land must be left free for the potential runway in 2019. Not to remain complacent in other areas, Town Centre North development is currently undergoing consultation with key stakeholders. If approved this development will raise the profile of the town, potentially allowing Crawley to become a regional retail centre.

Crawley, only covering a small part of West Sussex provides a large proportion of the total production of the region and this must be sustained.

The population remains below 100,000 people. This is likely to increase in the next few years. There remains a youthful disposition to the population, but it is obvious that the picture will alter soon and Crawley may have to accommodate more elder workers and pensioners. This would suggest a change of economic strategy to cope with this.

There continues to be more registrations than deregistrations (both being around 300 per annum). This is indicating that there is continued movement in the economy and that is positive for the health of the local economy.

There have been significant rises in employment in finance and transport sections. The former is of great interest, as this strengthens the concept of diversification in the economy. There is a need for a balanced economy.

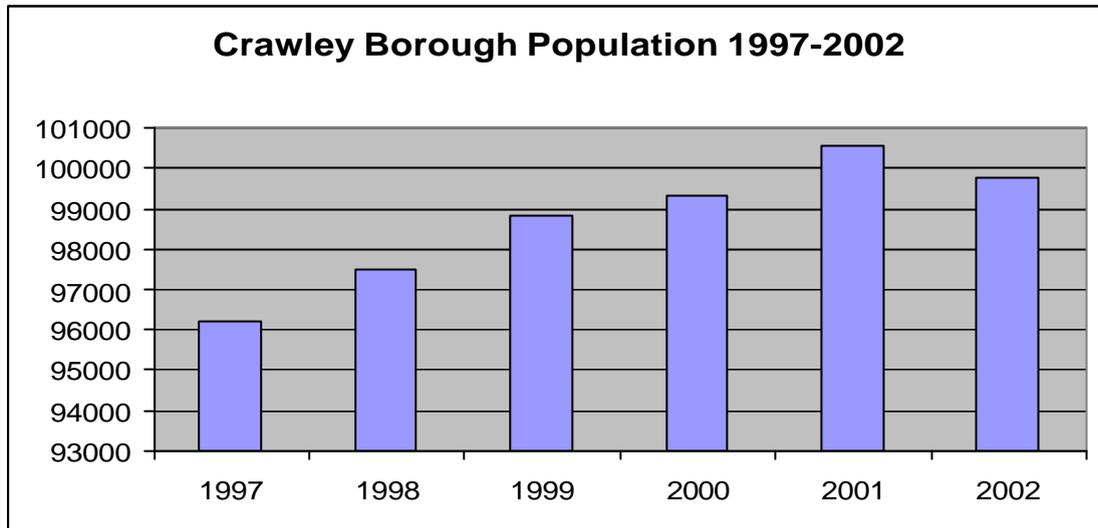
Unemployment continues to stay a constant level, below 1000 people for most months in 2003. There is a continuing trend of low levels of unemployment over 12 months for those aged under 24. About 200 people under the age of 24 are unemployed in Crawley- a very low figure (0.2% of the population), although this is a very large proportion of total employment (20%).

To avoid a mis-match of skills, there is a need to react to the large number of vacancies in banking and finance. Over 55% of vacancies are in this sector, an area that is growing constantly and is already a major employer in the area. To ensure that there is continued growth, this gap needs to be reduced.

Crawley has the highest number of adults with very low literacy skills in Sussex. This points to potential skill gaps that may occur in the area. Meanwhile, there is positive news in terms of people enrolling in Construction courses- well above the Sussex average. 17% of people are enrolled on courses, compared to only 1% across Sussex.

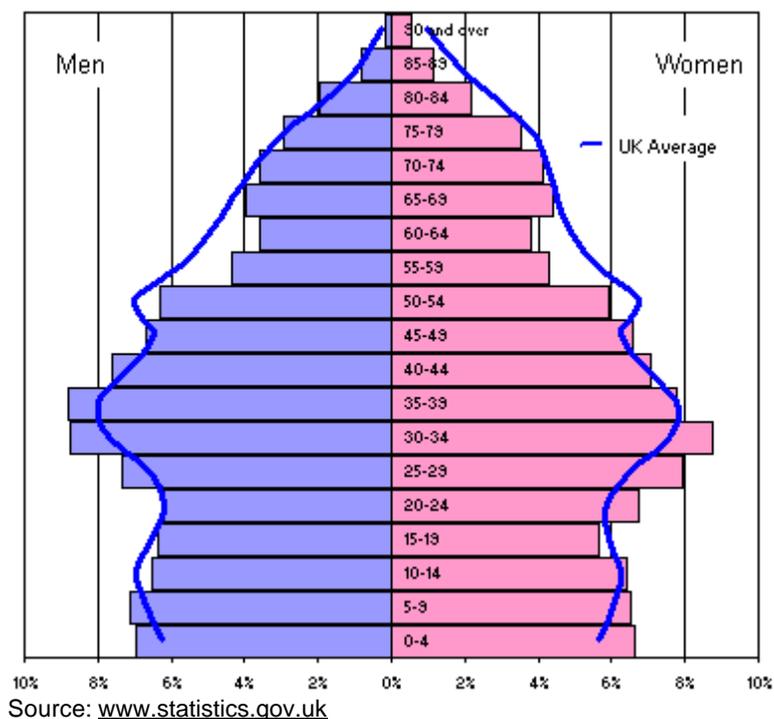
1: Population

The population of Crawley has been rising gradually until 2002 where the figures suggest that there has been a fall in the population to 99787. This is an interesting turn of events and may be due to people leaving the area for work as much as it is to do with the demographic effect of an ageing population.



Source: www.nomisweb.co.uk

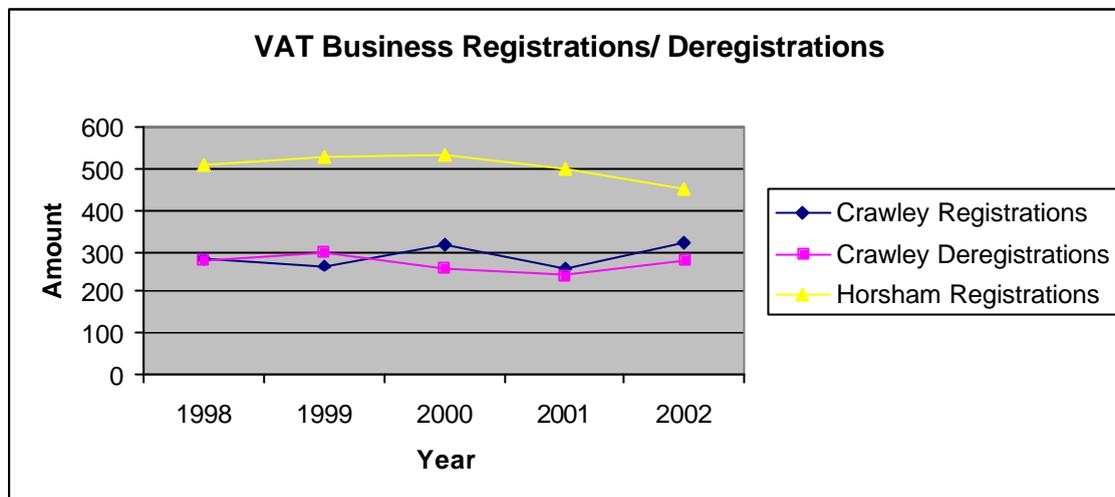
The following chart illustrates the breakdown in the population in the last census in 2001. Comparing with the UK average, we have fewer people in the 50-64 age bracket. There are more men and women aged between 30-39 in Crawley than the average.



Crawley has a younger age structure than in the region and the UK. This is not to say that there is not a significant elderly community in Crawley. Nearly a third of the population (31.1%) are aged over 50 and this trend will have ramifications in the medium to longer term.

2: Business Registrations

VAT registrations and de-registrations are the best official guide to the pattern of business start-ups and closures. They are an indicator of the level of entrepreneurship and of the health of the business population.

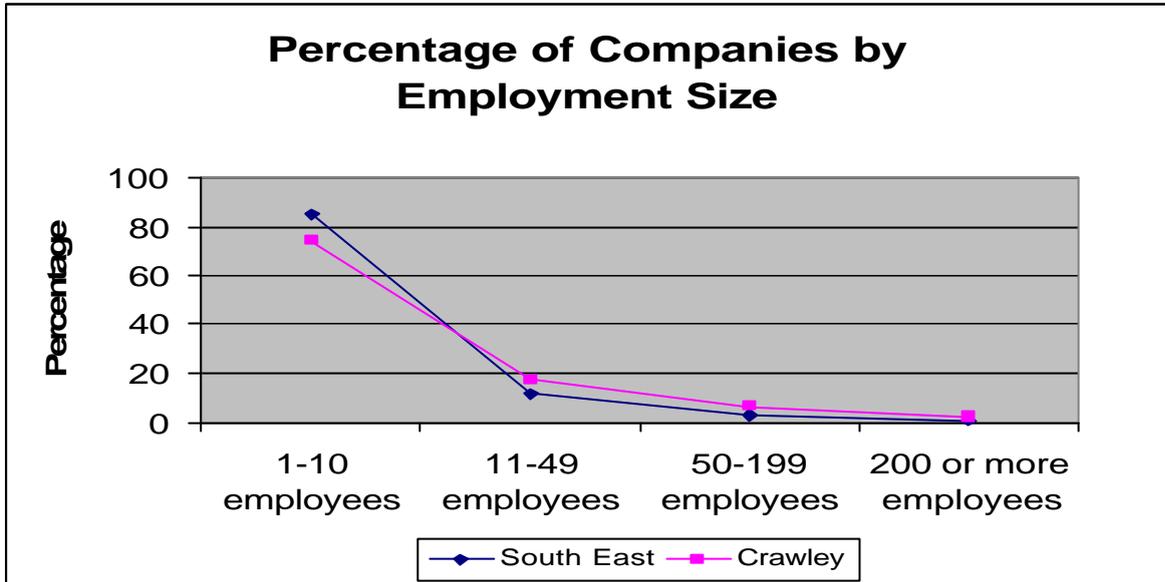


Source: www.nomisweb.co.uk

In the figure above, the change in the actual level of registrations is shown. There has mirrored the national economy and there is an upturn in fortunes in 2002. It is good to see this as this indicates that there is a good level of new ideas and concepts being brought into Crawley. Comparing these figures with, for instance Horsham, there becomes a large disparity between the areas. They have averaged over 500 registrations in the past five years compared to 272 in Crawley.

3. Employment

In 2001, total employment in Crawley was 77118 people. At the end of 2003, 79.7% of those people of working age in Crawley were in employment. 39.3% of those aged over 50 were employed. The levels of employment of men/women of working age are currently 87.7%/ 70.8% respectively. This suggests a number of issues:



Source: Annual Business Inquiry

The chart above indicates that Crawley tends to have larger firms compared to the South East. There are 66 companies in Crawley that employ over 200 people and a further 213 that employ between 50-199. This means that just less than 10% of employees are in medium to large enterprises. This is not perceived to be too great a dependence on larger companies.

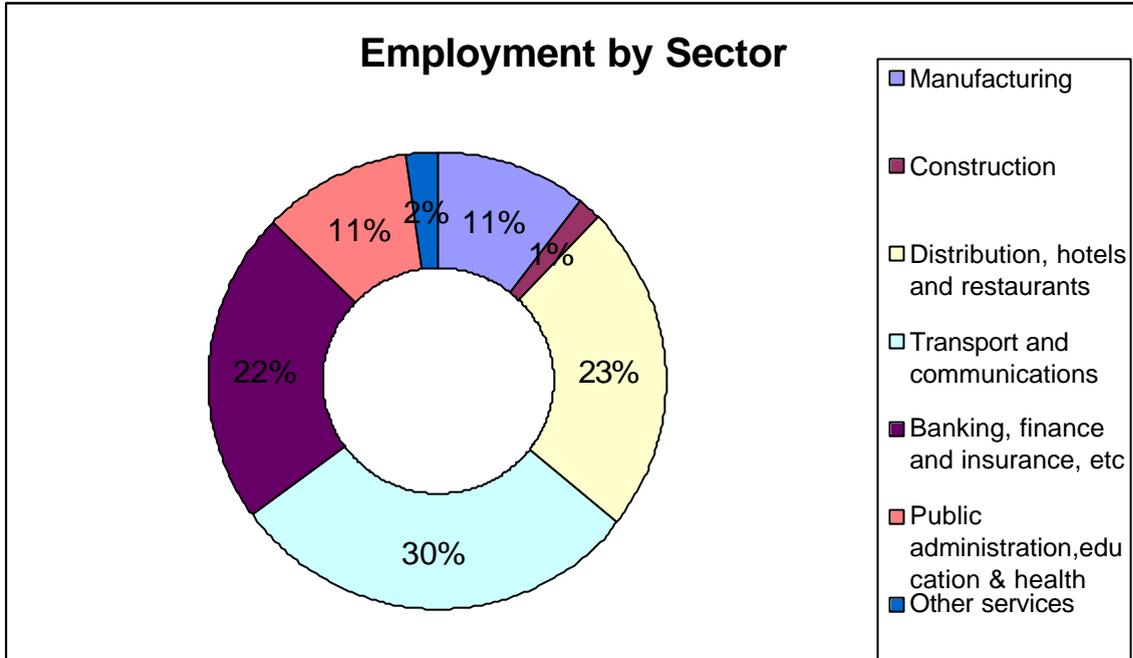
Employment by Sector 1999- 2001			
1999	2000	2001	Sector
11626	9060	8185	Manufacturing
1288	1740	1082	Construction
18278	19510	17907	Distribution, hotels and restaurants
20219	20000	22572	Transport and communications
13599	13511	16957	Banking, finance and insurance, etc
6878	8185	8116	Public administration, education & health
1714	1824	1808	Other services
73602	73830	76627	Total Employment

Source: Annual Business Inquiry

The table above illustrates that *transport and communications*; *public administration, education and health* and *banking, finance and insurance* have seen large increases in the employment in these sectors over the period. This

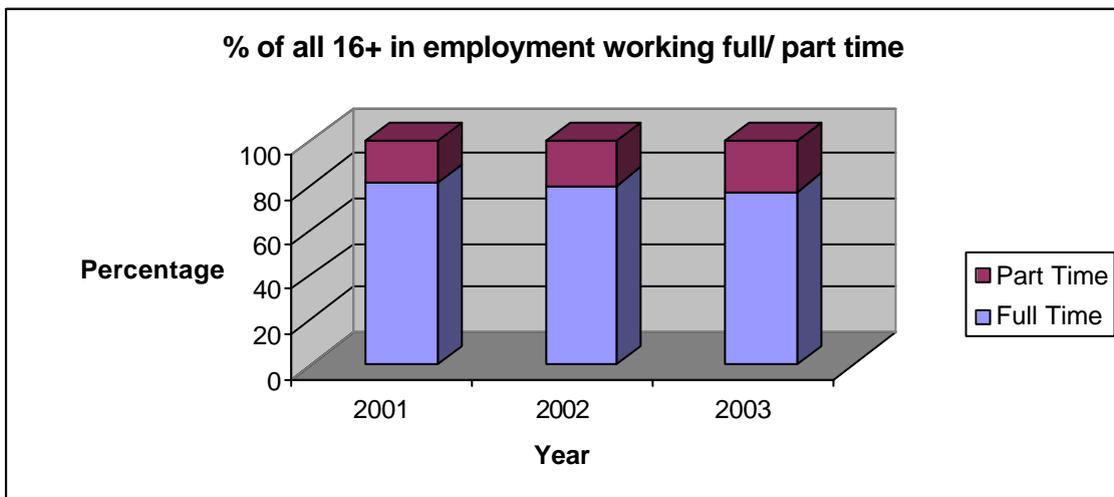
has been at the same time balanced out by falls in *manufacturing* and *construction*.

The graph bellows shows the spread of this employment. 75% of employment falls into three sectors: *distribution, hotels and restaurants*; *transport and communications* and *banking, finance and insurance*. It appears that tourism and finance employ the bulk of people in Crawley.



Source: Annual Business Inquiry

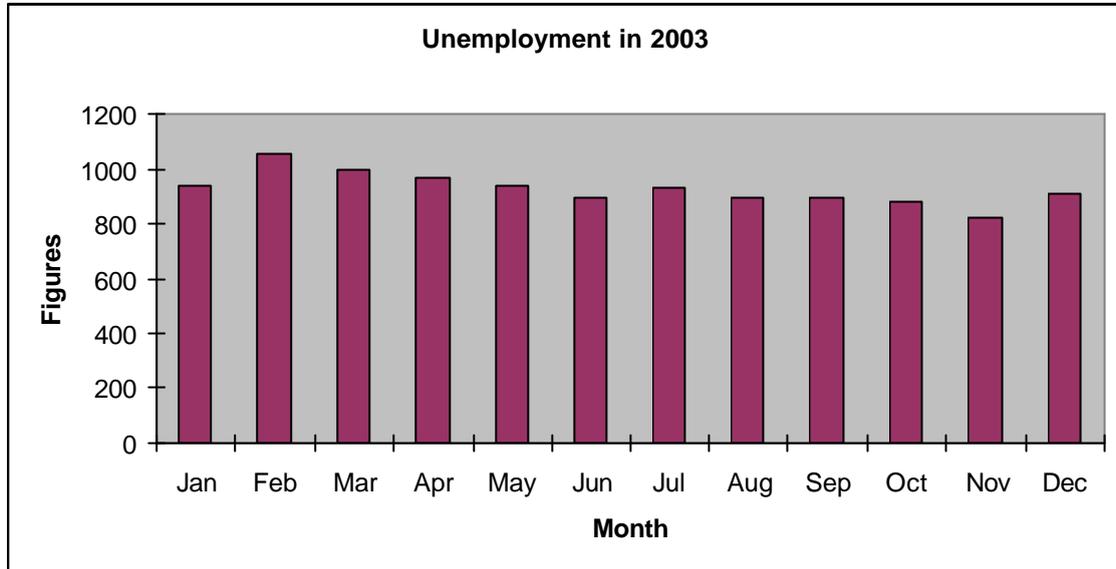
The graph below shows that there has been a rise in part-time work over the past three years. Crawley now has 77.3% full time employment. This is in line with the rest of the South East (73.3%) and UK (74.6%) that has also witnessed decreases in their full time workers. In Crawley, 22.7% work part time now, compared to 18.7% just a few years ago.



Source: Labour Force Survey

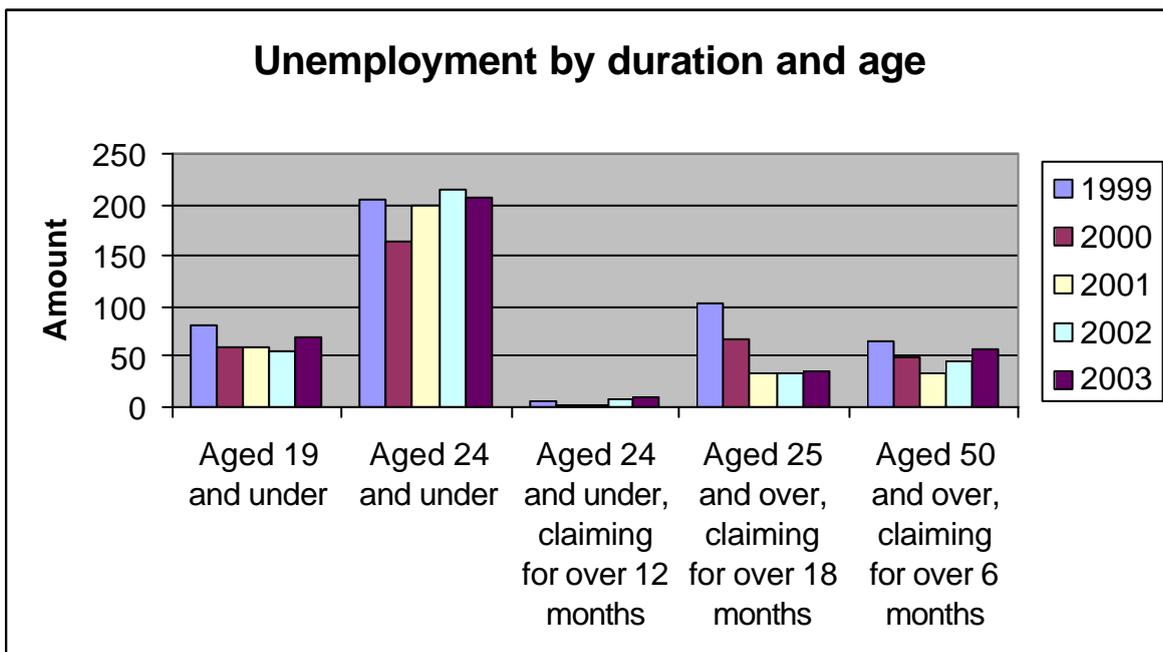
4: Unemployment

Crawley continues to have low unemployment. The peak was in February with 1059 people, and the trough was 825 in November. The average has been 929 people, or 1.47% of the residents of working age population. This shows that the economy does not have a large problem with unemployment, but the issue still surrounds the point that the quality of work is of a low standard.



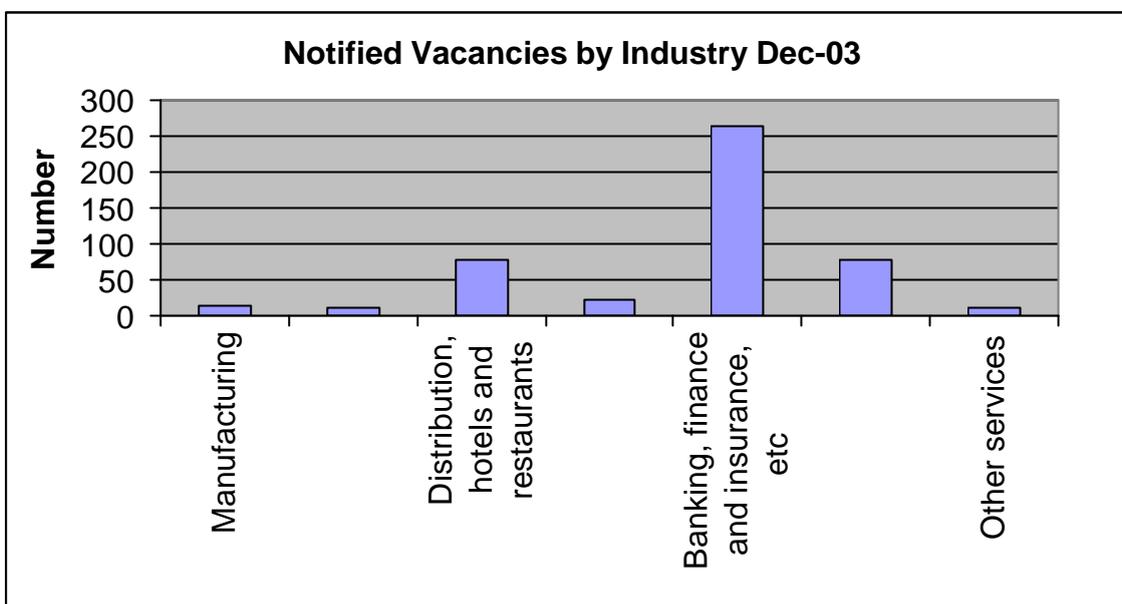
Source: www.nomisweb.co.uk

One thing for a healthy economy is to make sure that the duration of unemployment is short. This means that people have the skills and the drive to get back into the labour market. The chart below shows that there is a significant amount of people aged 24 and under who are unemployed and this figure is fairly constant over the period. The most interesting finding is that the amount of people aged 25 and over, claiming for 18 months or more, has decreased significantly. This is good news for the economy.



5: Vacancies

With a relatively low level of unemployment in Crawley, it is important to focus on the type of vacancies in the labour market.

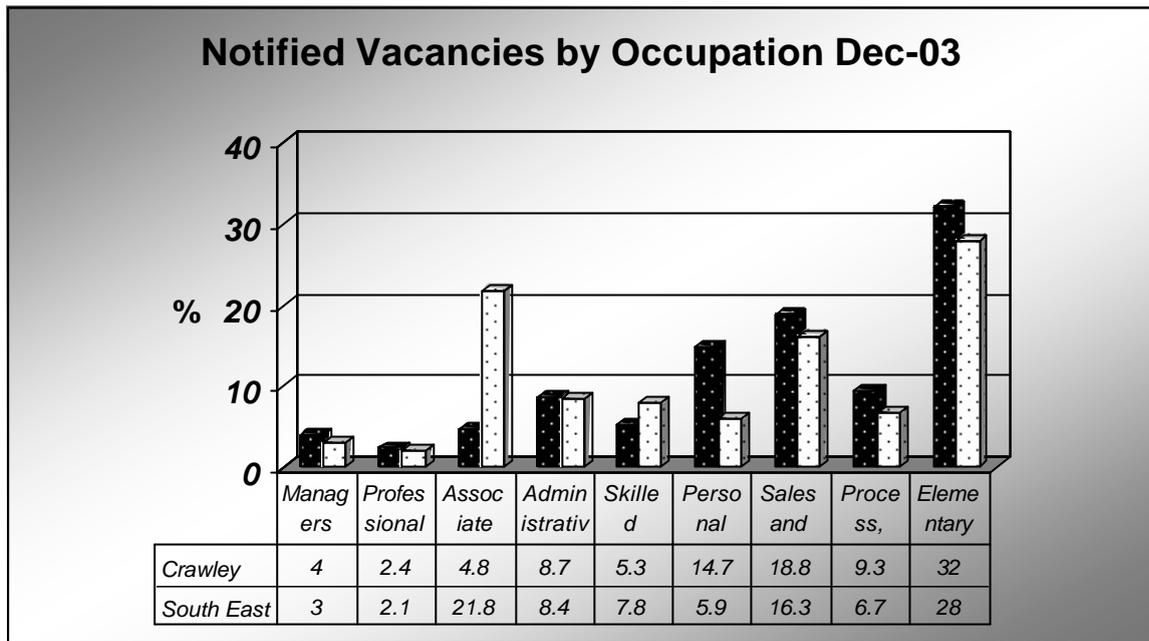


Source: www.nomisweb.gov.uk

The graph illustrates that the main area where there are vacancies is in the banking, finance and insurance sector (55%). This may suggest that people do not have the skills to fill these places. With the recent moves into the area by PriceWaterhouseCoopers this trend may continue. The other two areas where there are significant vacancies are in distribution and public administration. These are both key areas of employment in Crawley.

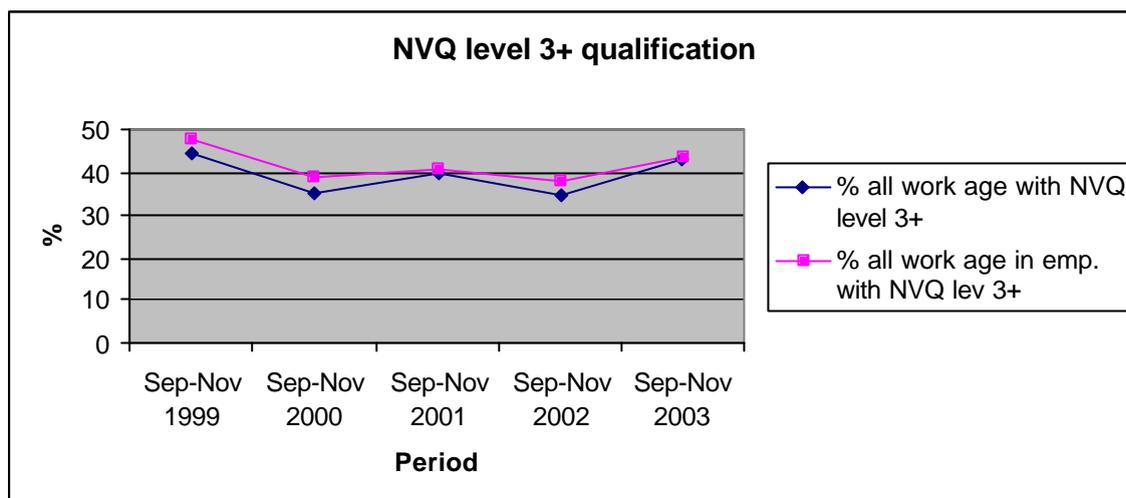
The figure below shows an interesting situation where Crawley follows a very similar trend to the South East with vacancies in certain occupations. There are two large differences. Firstly, there is a greater proportion of vacancies in Associate Professional and Technical Occupations in the South East than Crawley and this is balanced by the opposite being present in personal services occupations. This means that Crawley has more need than the average area in the South East for technical people. It is very interesting to also note the fact that almost a third of vacancies are in elementary occupations.

This links with the need for training in certain specified areas. It also ties in with the issue raised before concerning women workers.



Source: Labour Force Survey

6: Qualifications



Source: Labour Force Survey

The table above shows that there are more people with the NVQ level 3+ qualification than there are in employment. This would suggest that people who have the skill do not enter employment. This could be due to them gaining further qualifications or they have to move away to find work that requires their skills, as noted in the section 5 on vacancies.

The area has a higher percentage of its population qualified to level 4+ (20.7%) than Sussex as a whole (20.5%), but slightly lower than the South East (21.7%).

On the job training is useful for ensuring standards are maintained. It can also be used to gauge confidence in the market- if you feel confident concerning the future; you will be more likely to train workers for the future. It is interesting to note that more people in employment and self-employment received training than those of working age. This may lead to greater disparities in qualifications between those in work and those trying to find work.

Percentage	Type
16.3	% of all receiving job-related training - working age
15.2	% of all receiving job-related training - aged 25 to retirement
19.5	% of all receiving job-related training - employees + self-emp
21.3	% of all receiving job-related training - in service industries

7: Socio Economic

Variable1	Indices of multiple Deprivation					
Period	2000					
Variable2	Index of multiple deprivation		Income domain		Employment domain	
Units	Score	Rank	Score	Rank	Score	Rank
Area						
Bewbush	25.83	2,527	20.44	2,899	6.39	5,559
Broadfield	32.28	1,749	29.07	1,479	7.33	4,821
Furnace Green	5.79	7,846	6.53	7,911	2.53	8,282
Gossops Green	19.97	3,573	19.87	3,035	8.86	3,858
Ifield	18.26	3,918	16.20	4,036	6.75	5,264
Langley Green	25.09	2,641	18.94	3,277	9.78	3,391
Northgate	18.45	3,869	19.30	3,169	6.83	5,205
Pound Hill North	5.73	7,865	6.64	7,883	3.91	7,600
Pound Hill South	5.43	7,935	10.61	6,221	3.95	7,567
Southgate	25.21	2,626	19.98	3,006	6.54	5,439
Three Bridges	11.72	5,788	13.83	4,847	4.79	6,900
Tilgate	21.00	3,368	12.95	5,184	6.56	5,416
West Green	16.71	4,266	17.32	3,705	7.76	4,526

Source: www.statistics.gov.uk

In the table, the lower the score indicates that the performance of the area is better. With a lack of employment, well-paid employment and lone parent employment, there can be a greater risk of income poverty. It can also be caused by ill health, lack of skills and lead to poorer health and standard of living. This can therefore become a vicious circle.

In Crawley, 4228 people claim income support. The number of income deprived is 15972, with a rank of 222 (where 1 is the most and 354 is the least deprived). This would suggest that people are able to find work, but these jobs are not sufficient to ensure that they do not become income deprived. This has been noted throughout the profile.

Conclusion

The research provided will hopefully provoke some thought about the economy and the future. The Crawley economy is strong, but to ensure the long-term health of the economy, points raised in this profile and other thoughts about policy implications must be taken into account.

Like every other local economy in the UK, we are dependent on the national economy. We hope that there are no adverse shocks in the coming year, and with this in mind we can look forward to 2004/5 with much hope and enthusiasm.