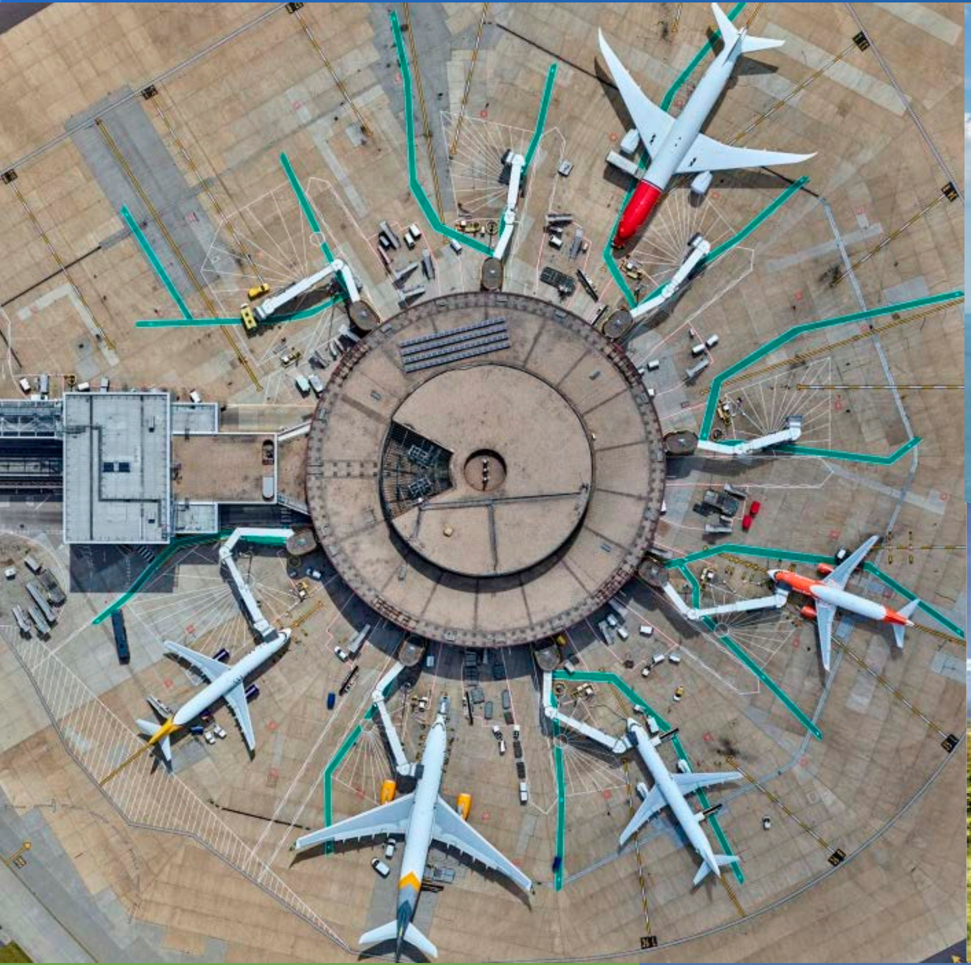
Coast to Capital LEP



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76.8%
employment rate

20%
of SE economy

1.9
million people

6th
Most prosperous region in the UK

£61,000
Average GVA per employee

£48.5 bn
GVA

84,000
SME businesses in the area

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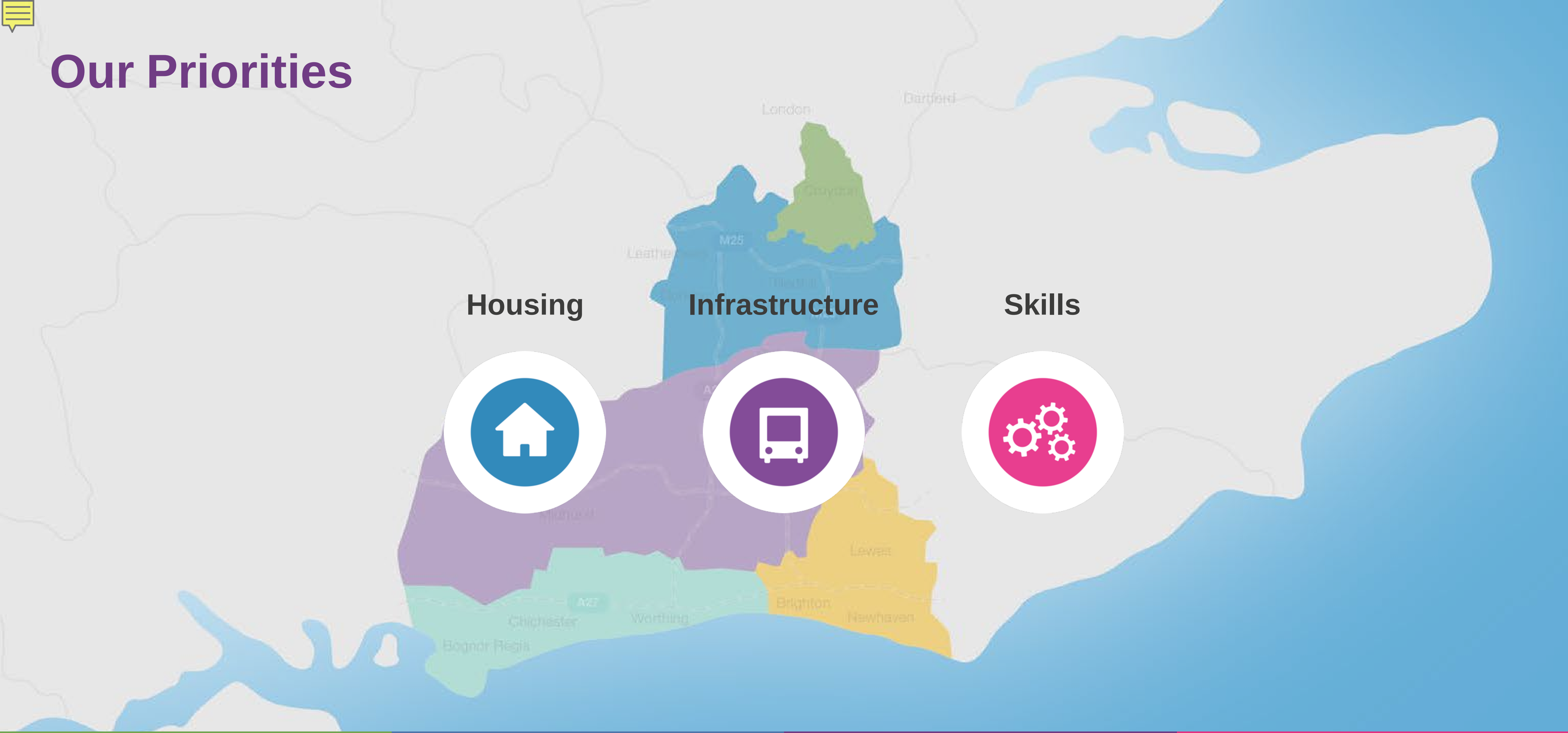
Our Priorities



Housing

Infrastructure

Skills

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Priority Sectors

Sectors targeted for growth

- Advanced manufacturing and engineering
- **Creative, Digital and IT**
- Environmental technologies
- Financial and business services
- Health and life sciences

High employment sectors

- Health and Social Care
- Construction
- Visitor economy

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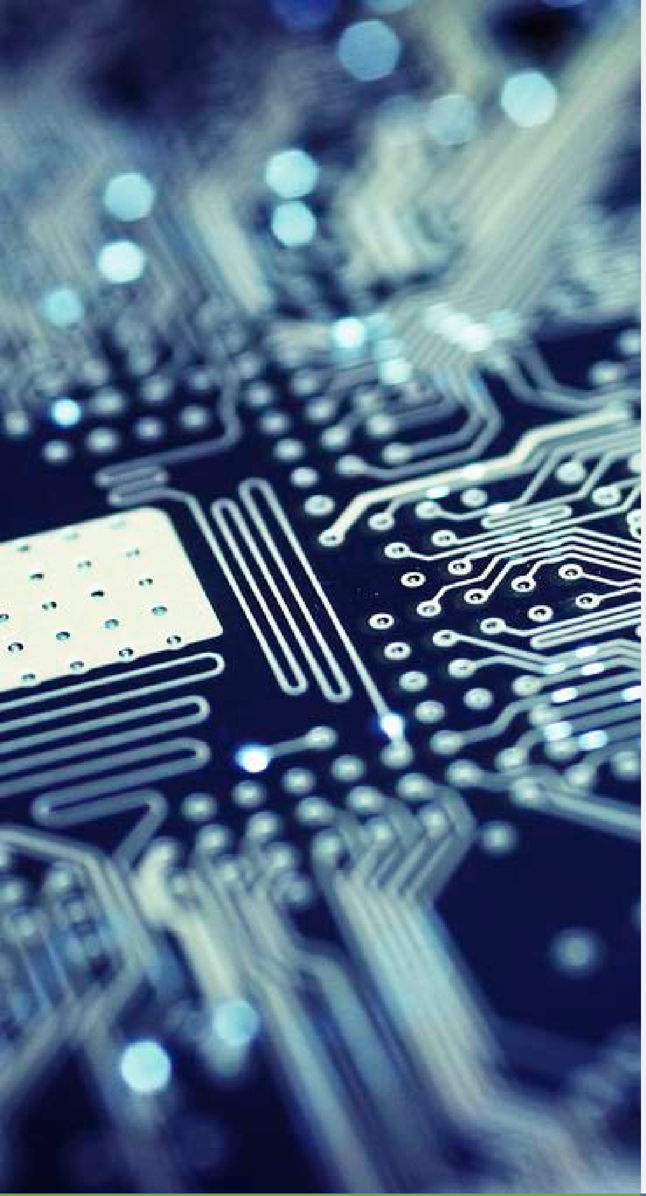

Creative, Digital and IT

Sector definitions

CREATIVE:

- 58- Publishing activities
- 59- Motion picture, video and television programme production, sound recording and music publishing activities
- 60- Programming and broadcasting activities
- 7021 – Public relations and communications activities
- 731 – Advertising
- 741 – Specialised design activities
- 742 – Photographic activities
- 743 – Translation and interpretation activities
- 8552 – Cultural Education
- 90 - Creative, arts and entertainment activities

DIGITAL AND IT:

- 61- Telecommunications
- 62- Computer programming, consultancy and related activities
- 63- Information service activities

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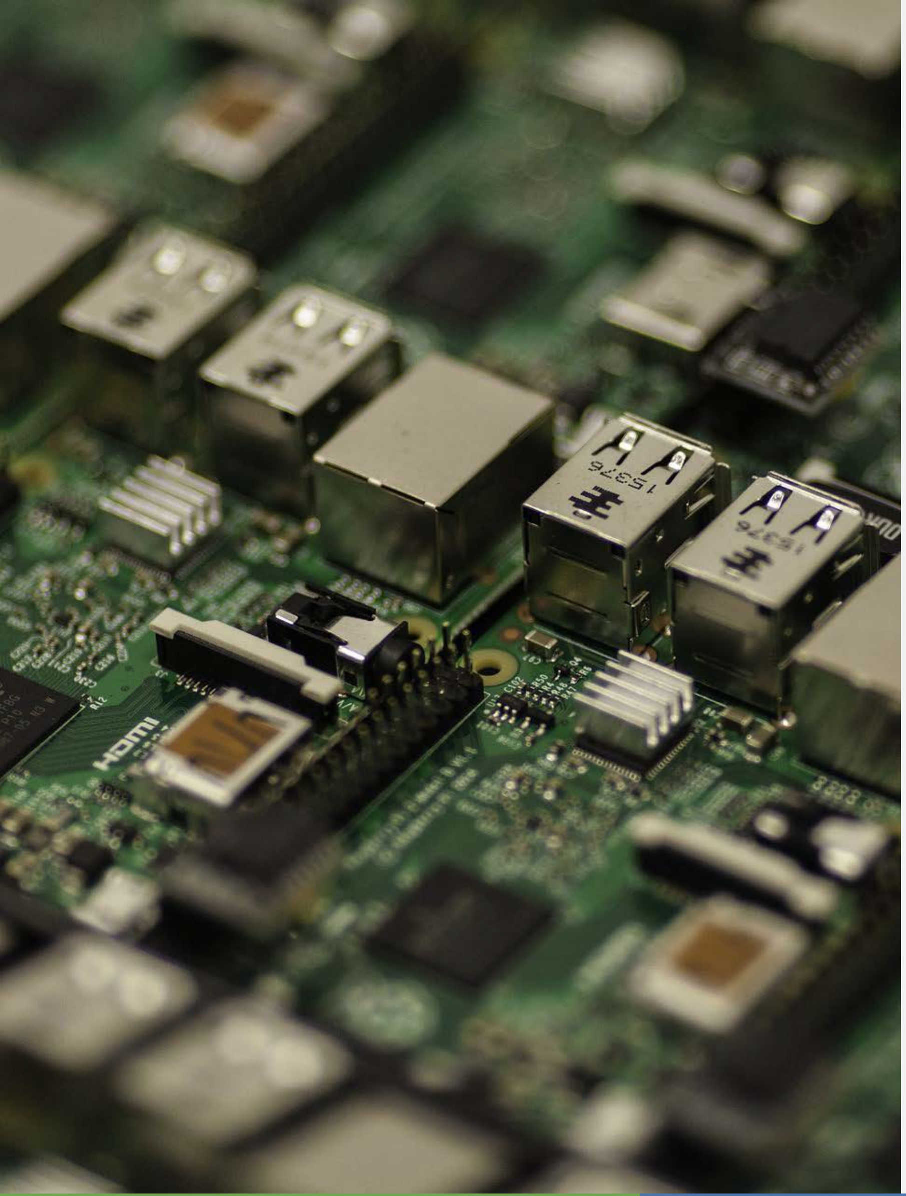


Creative, Digital and IT

Sector characteristics

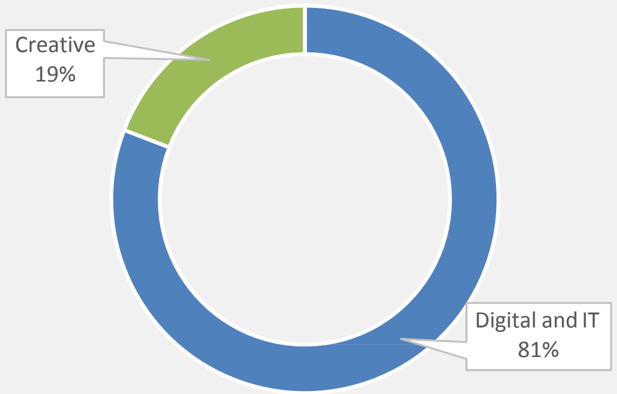
- 12,000 businesses in the sector
- 14.5% of total businesses
  - 12.3% of England's businesses
  - 14.5% of the South East's businesses
- 21.4% growth 2010-2014
  - 20.5% growth in England
  - 17.4% growth in the South East
- Split 45% Creative - 55% Digital & IT

- 39,600 employees
- 5% of the total
  - 5.4% of England's employment
  - 6.7% of the South East's employment
- 8.2% growth in Coast to Capital 2010-2014
  - 14% growth in England
  - 11.2% growth in the South East
- Split 35% Creative – 65% Digital & IT

Creative, Digital and IT

Sector characteristics

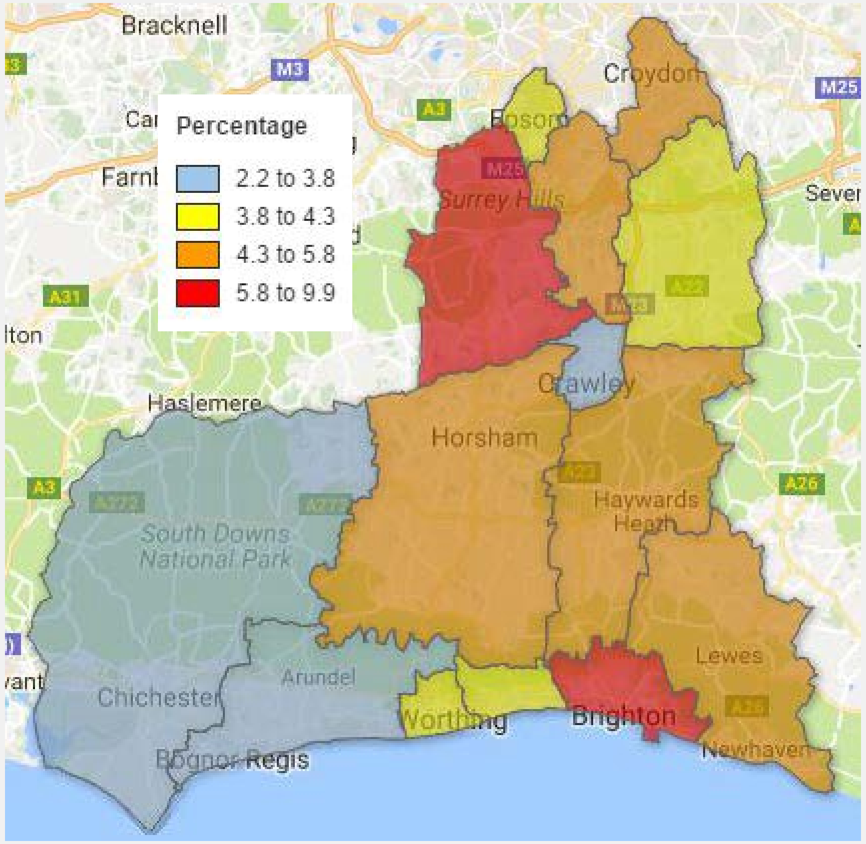
- Contributed £3.7bn GVA in 2014
- Accounts for 7.6% of Coast to Capital region's economy
  - 8.3% of England's economy
  - 10.9% of the South East's economy
- Grown 18.6% 2010-2014
  - 18.2% growth in England
  - 20% growth in the South East

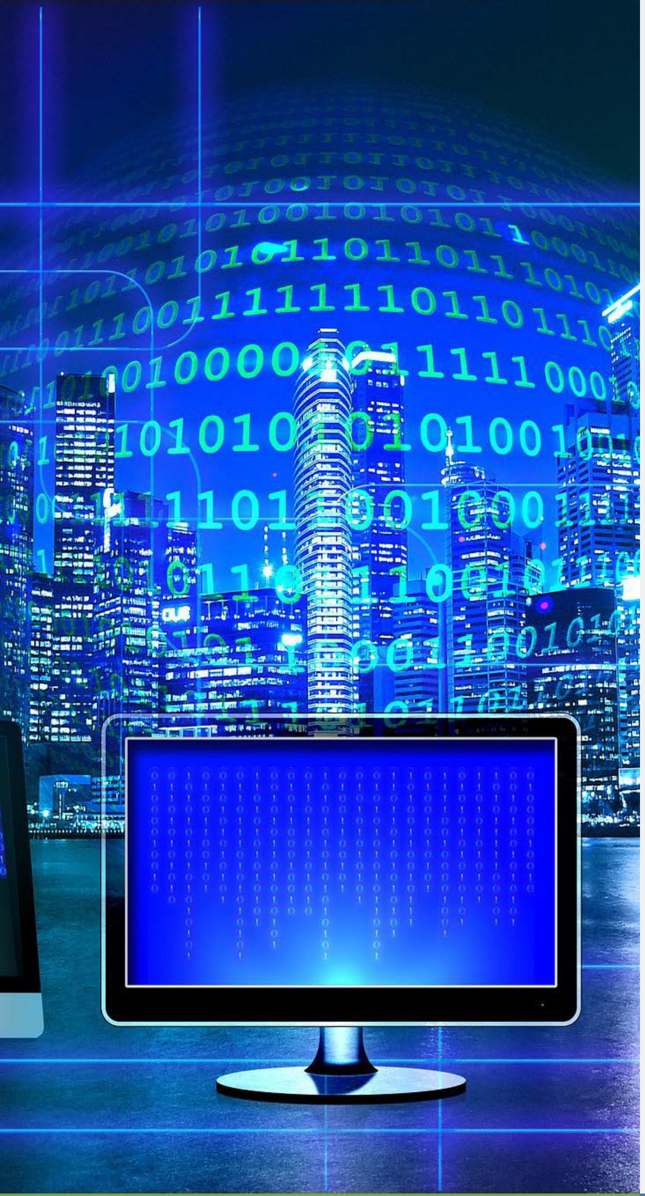


Creative, Digital and IT

Geographic concentrations - Employment

• Mole Valley	9.8 %
• Brighton and Hove	6.8 %
• Reigate and Banstead	5.7 %
• Horsham	5.6 %
• Croydon	5.0 %
• Mid Sussex	5.0 %
• Lewes	4.7 %
• Adur	4.0 %
• Worthing	4.0 %
• Tandridge	4.0 %
• Epsom and Ewell	3.9 %
• Chichester	3.7 %
• Crawley	3.5 %
• Arun	2.2 %

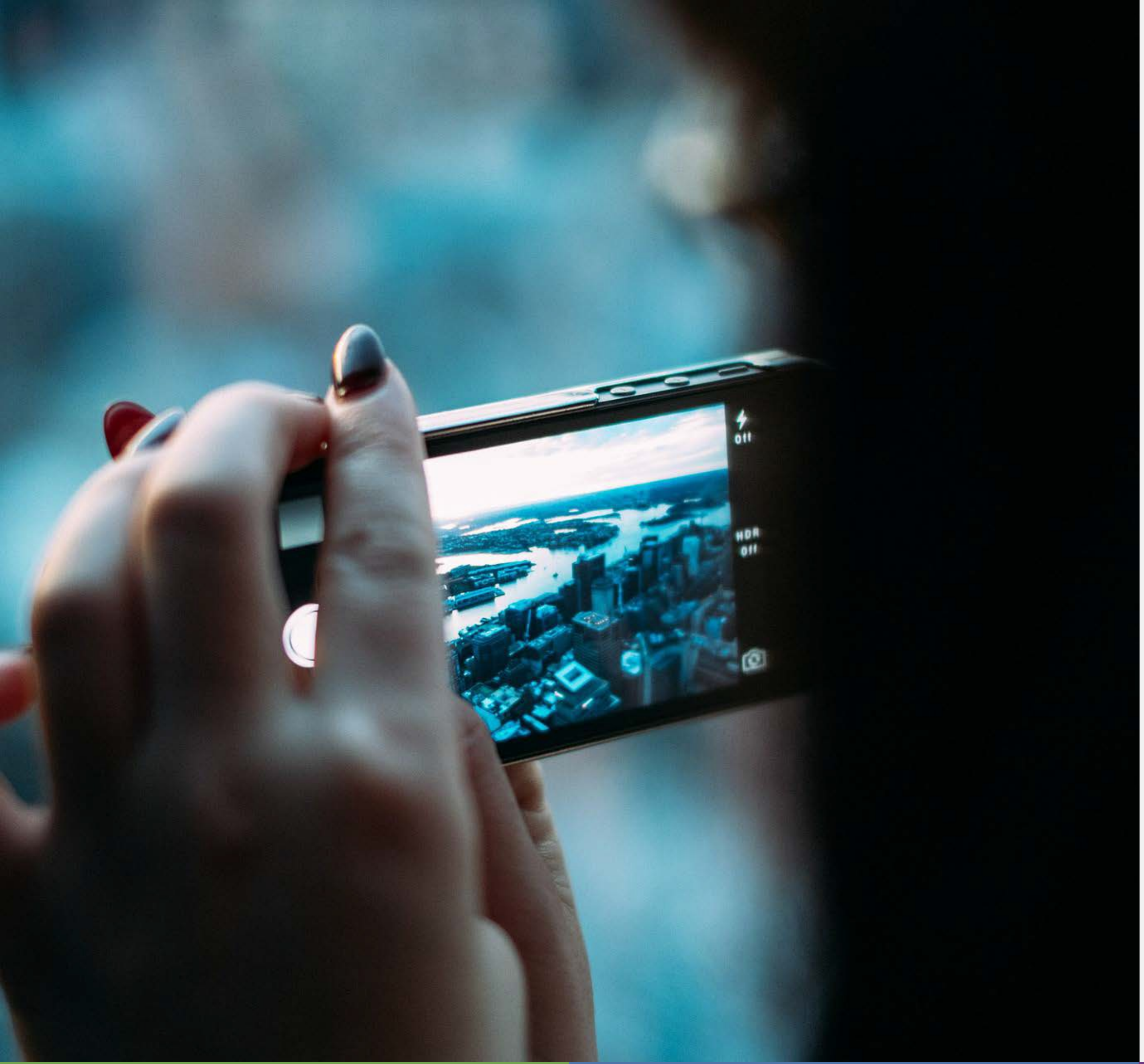




Creative, Digital and IT

Key Employers

- Jellyfish Online Marketing
- LEO Learning
- Cogapp
- Brandwatch
- Relentless Software
- Creative Assembly
- iCrossing UK
- Fresh Egg Limited
- Aircom International
- Spirent Communications



Creative, Digital and IT

Labour Market Characteristics

- Highly qualified – 42% have level 4+ qualification compared to 24% in the wider economy
- A third of graduates in the region study a CDIT related degree – 47% have a 2:1 or higher
- Starts in CDIT related apprenticeships have doubled since 2009
- Skills gaps are lower in the CDIT sector than across the economy – 7% vs 13% - skills gaps generally found in higher occupations
- Hard to fill vacancies in CDIT are 16% vs 23% in the wider economy
- 16% of employees are under-utilised – slightly lower than the wider economy
- Training is lower in the sector – 18% vs 25% in the wider economy

Creative, Digital and IT

Drivers of Growth

- Businesses are raising investment in IT systems, in particular cloud based solutions and big data collection and analytics (which is providing deeper insight into customers and their preferences)
- The digital native population grew up with computers and the internet, their preferences are shaping and increasing demand for digital products and services
- The internet makes borderless businesses, those that have customers in many global locations, easier to set up and operate, creating a highly competitive environment
- The highly competitive environment in the sector pushed continual innovation to find the next big app, service, or hardware
- Government support for the 8 great technologies will help drive the sector, particularly around big data, satellites, and robots and autonomous systems

Creative, Digital and IT

Barriers to Growth

- There is strong competition for talent in the area, creating issues finding and keeping staff, and for customers. This is an issue both domestically and internationally, it is easier for borderless businesses to work in any market around the world.
- There is a lack of funds for re -investment in businesses in the sector and excessive workloads are a drag on productivity
- A lack of managerial and business skills may be linked to this, as the lack of business skills reduces profitability and the lack of managerial skills leads to poor workload management.
- A consistent issue in the area is a lack of move on space for growing businesses, particularly in the Brighton and Gatwick Diamond areas
- Audience fragmentation is both an driver and barrier, increasingly niche audiences make profitability difficult, but on the other hand increased niche markets open up new business opportunities and allow for increase customisation for previously overlooked consumers

Creative, Digital and IT

Future Skills Needs

- **Employment expected to rise 16% by 2022 (compared to 5% in wider economy) and demand for level 4+ qualifications expected to rise by 10% by 2022**
- **As the use of personal and business data increase so does the need to keep it secure, both from accidental leaks and malicious attacks and the need for more analytic and research skills to extract value from the data**
- **The sector requires increased business and management skills mixed with the technical skills it already has, to improve business operations and deal with the intense competition of the sector – IP monetisation is of particular need in the creative sector**
- **Linked to IP monetisation is the skills required for effective and consistent multi-platform content and distribution to a fragmented audience**
- **In a global market place foreign language skills will become increasingly important**

Creative	Digital	Information Technology
• Art and Design • Photography • Cinematography • Production • Multi-Platform Content	• Web Design • Programming Languages e.g. SQL, C#, .NET • Big Data Analytics • Data Protection	• IT Architecture, Analysis, and Design • Cloud Storage Systems • Networked Communication Systems • Network Security

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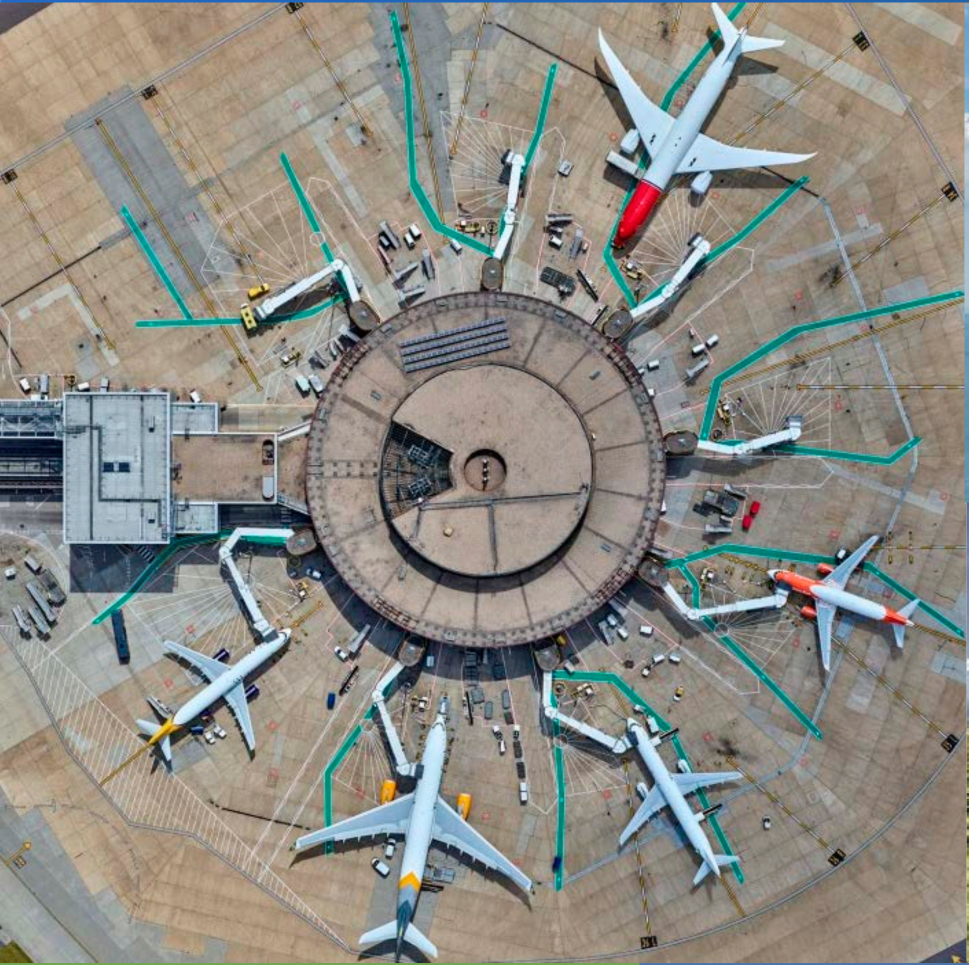
Thank you for listening



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