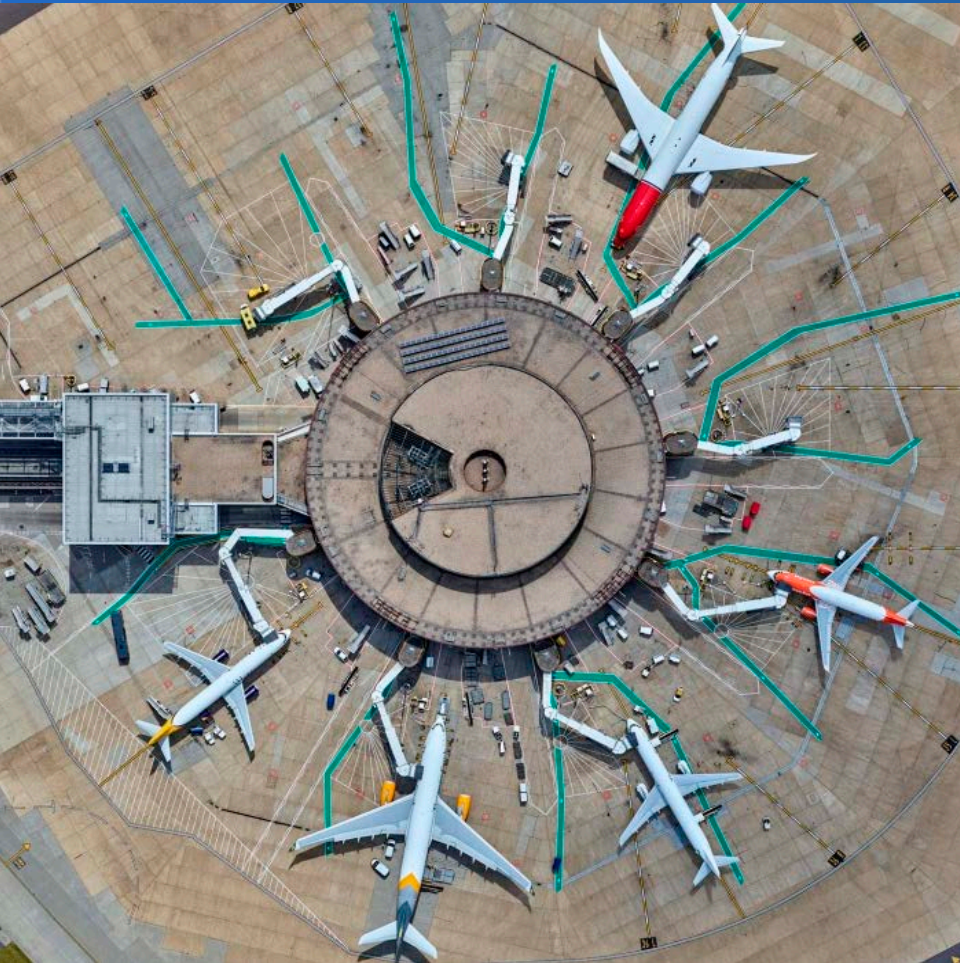




# Coast to Capital LEP





76.8%

employment rate

20%

of SE economy

6th

Most prosperous region in the UK

1.9

million people

£61,000

Average GVA per employee

£48.5 bn

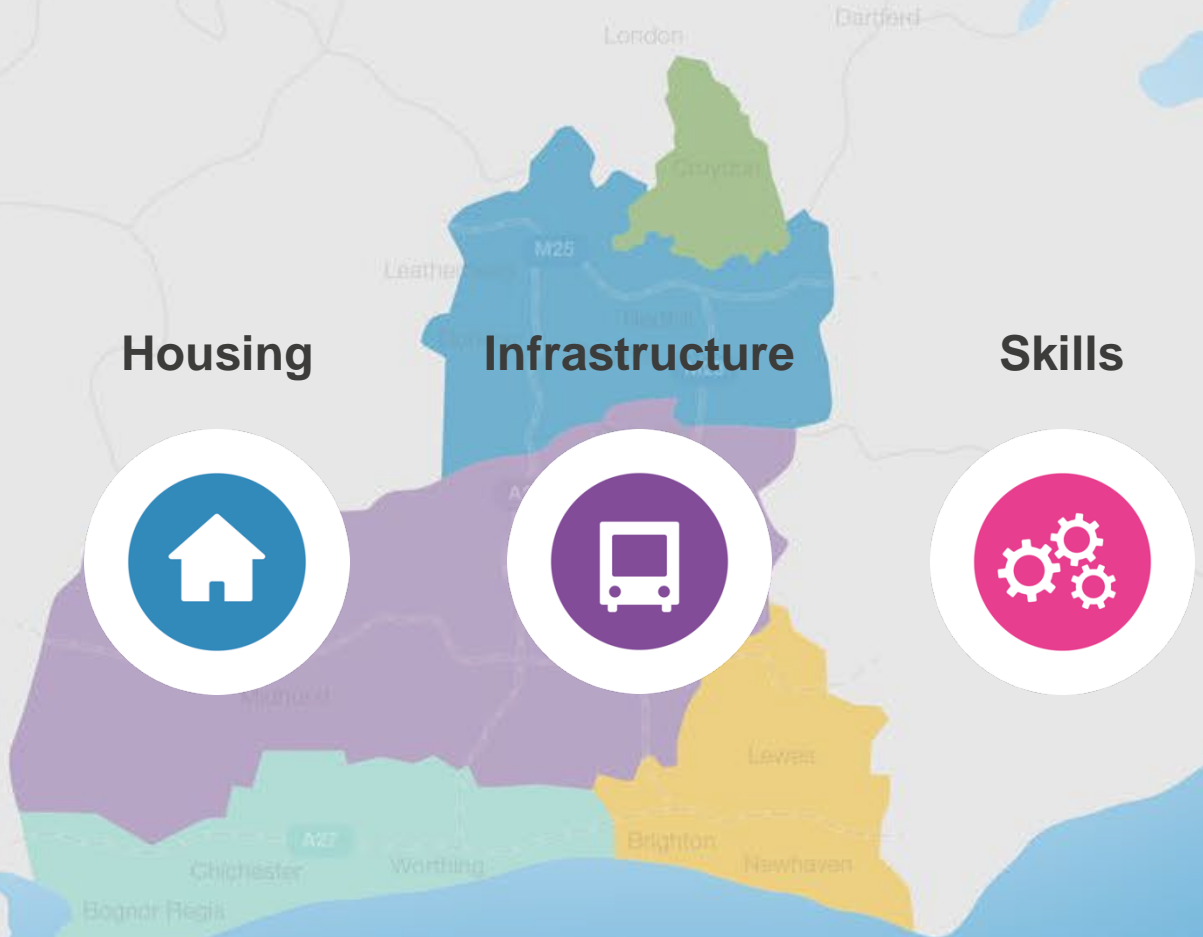
GVA

84,000

SME businesses in the area



# Our Priorities



# 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**







# Visitor Economy

## Sector definitions

### Accommodation

e.g. hotels, camping grounds, holiday centres

### Food and drink

e.g. restaurants, pubs, cafes

### Passenger transport

e.g. rail, road, water, air, rental

### Culture, sport and recreation

e.g. performing arts, museums, zoos, sports

# Visitor Economy

## Sector characteristics

- 6,700 businesses in the Coast to Capital visitor economy
- 9% of total businesses (same as national)
- 3% growth between 2010 and 2014 (same as national)
- 93,300 jobs in the sector
- 12% of total jobs in the Coast to Capital region (10% nationally)
- 10% growth in jobs in the region (compared to 6% nationally)
- Much of the growth came in the Food and Drink sub sector
- Sector predicted to keep growing and high level of replacement demand expected



# VALUE OF THE VISITOR ECONOMY



Value of Tourism to Local Regions - 2011	Tourism Ratio	Tourism Direct-GVA (£billion)
Outer London - South	2.95%	0.61
Brighton and Hove	7.29%	0.41
East Sussex CC	3.84%	0.30
Surrey	1.15%	0.35
West Sussex	10.47%	1.78
United Kingdom	3.58%	48.68

**Gross value added (GVA)** measures the contribution to an economy of an individual producer, industry, sector or region.

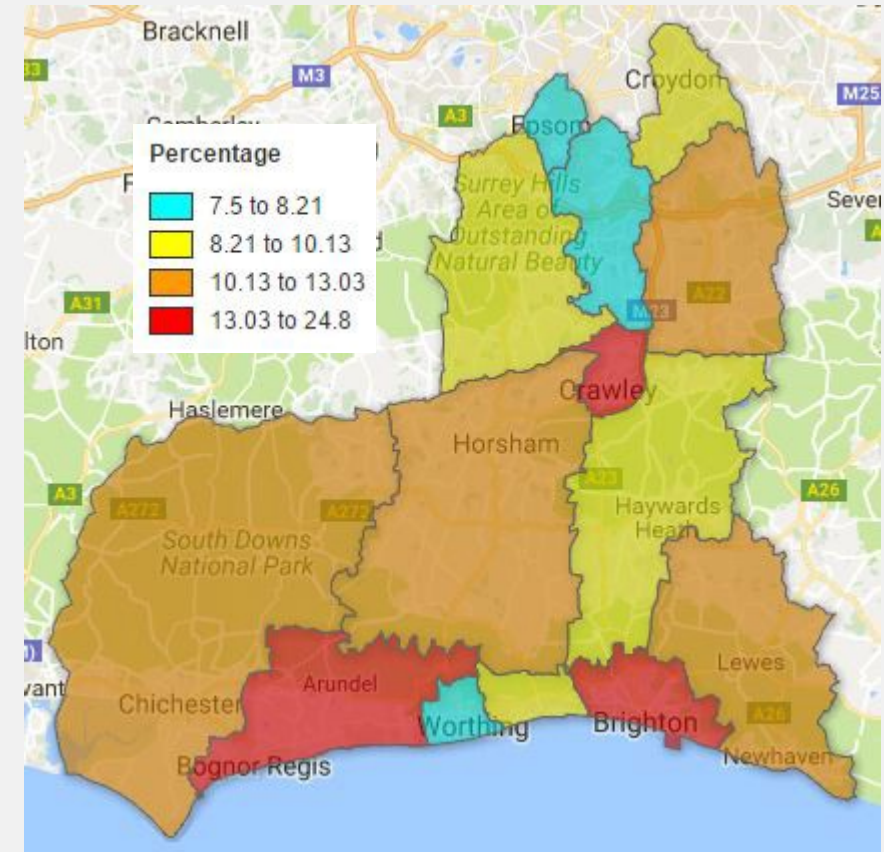
Tourism Direct GVA is the contribution of Tourism related activities once local residents use has been removed



# Visitor Economy

## Geographic Concentration – Employment

🚧 Crawley	23.7%	🚧 Mole Valley	10.0%
🚧 Arun	16.6%	🚧 Mid Sussex	8.9%
🚧 Brighton and Hove	14.5%	🚧 Adur	8.5%
🚧 Chichester	12.5%	🚧 Croydon	8.3%
🚧 Tandridge	11.7%	🚧 Worthing	7.9%
🚧 Lewes	10.3%	🚧 Epsom and Ewell	7.8%
🚧 Horsham	10.2%	🚧 Reigate and Banstead	7.6%





# Visitor Economy

## Key Employers

- ✈ Gatwick Airport
- ✈ Virgin Atlantic
- ✈ The Goodwood Estate
- ✈ Millennium Hotels
- ✈ Thomson Airways
- ✈ Independent Catering Management Limited
- ✈ Brighton and Hove Albion Football Club
- ✈ Chichester Festival Theatre
- ✈ Compass Travel Limited
- ✈ Brighton Dome and Festival Limited



# Visitor Economy

## Sector Characteristics

- GVA per worker £20,000 – compared to £34,000 in whole economy
- 45% of jobs are part-time – compared to 25% in whole economy
- Sector jobs are in lower level occupations - nearly a third of employees are in Elementary occupations – compared to 10% in whole economy
- 20% of the workforce has a level 4+ qualification – compared to 34% in whole economy
- The sector is generally younger – a third of employees are under 25 – compared to 13% in the whole economy
- There are high levels of turnover in the workforce
- The sector has a lower skilled workforce than the whole economy – 79.3% have QCF level 3 qualifications or lower in the sector compared to 65.6%
- By 2020 there is expected to be a 62% increase in demand for people with QCF level 4+ qualifications and a 2% decline in demand for those with QCF level 3 or less
- There will still be a 25% increase in the demand for QCF level 1 employees however – QCF levels 1 and 2 will remain the largest qualification groups

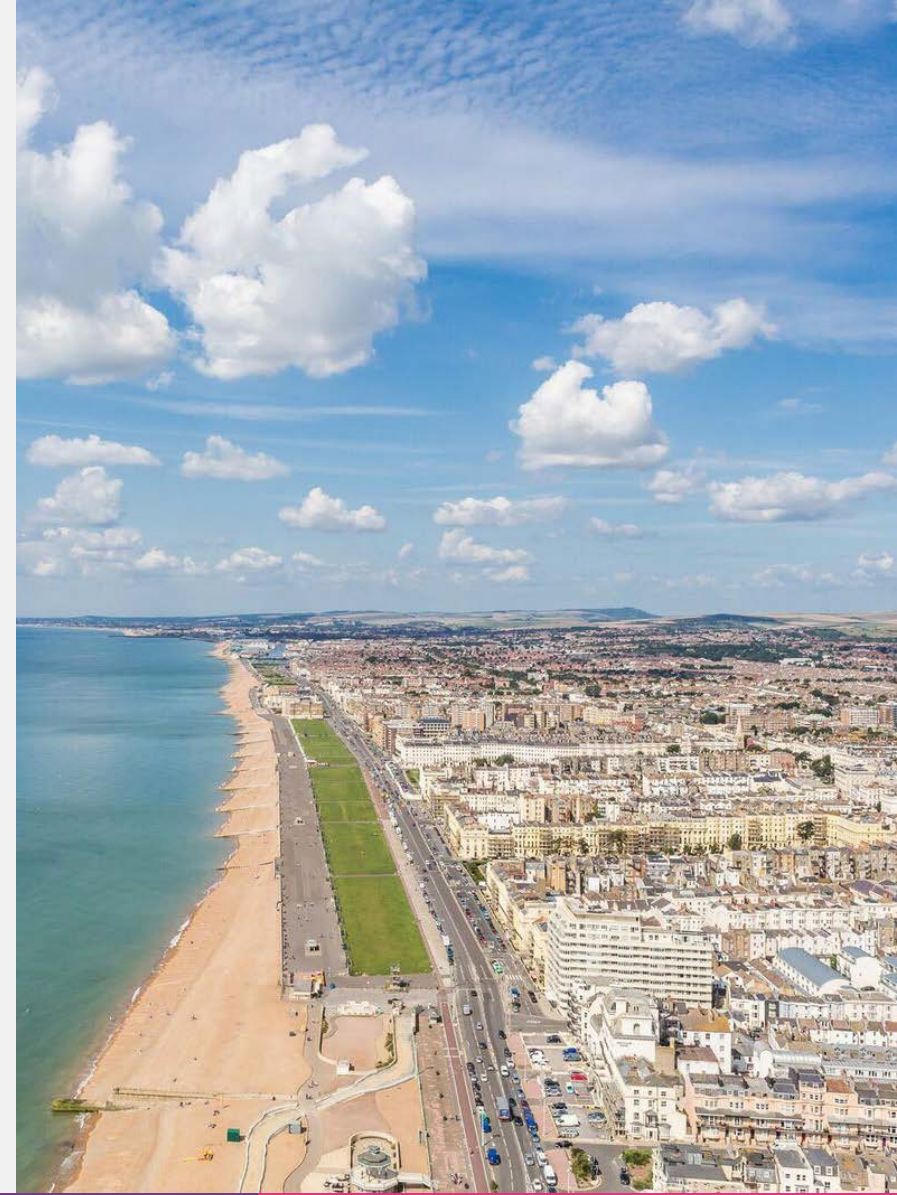




# Visitor Economy

## Drivers of Growth

- Online booking and mobile technology – Businesses will increasingly interact with the customer online, through bookings, promotion and after-service
- Customer Relationship Management (CRM) – building and maintaining relationships with the customer online will become increasingly important
- Data security – certain parts of the sector (hotels, travel businesses) are increasingly storing large amounts of personal data on customers
- As the world population continues to grow, its middle class is projected to grow too. This is likely to benefit the UK as a tourism destination as more people are able to travel to the UK
- Customers are becoming less destination driven and increasingly experience driven, meaning that what to do is becoming more important than where to go
- Consumers are also seeking more sophisticated dining opportunities, driving up quality in the restaurant market





# Visitor Economy

## Barriers to Growth

- Training is lower in the sector (19.4%) compared to the wider economy (25.5%)
- Involvement is slightly lower than the whole economy despite high levels of hiring of young people
- There are high levels of vacancies in the sector (32 per 1000 employees) compared to the wider economy (23 per 1000)
- There are 7.9 hard to fill vacancies per 1000 employees in the sector vs 5.2 in whole economy
- There are 4.8 skills shortage vacancies per 1000 employees in the sector compared to 3.8 in the economy
- Skills gap rates are 83.7 per 1000 employees in the sector compared to 54.1 in the wider economy







**Effective management skills can drive performance improvements in the sector by raising productivity through better staff planning and scheduling, employing new technology and improving employee motivation, thereby reducing staff turnover.**

# Visitor Economy Skills Challenges

- ✔ Reduce labour turnover
  - ✔ develop and promote progression routes for careers in the sector
- ✔ Raise productivity levels
- ✔ Secure sufficient supply of skills to the sector
  - ✔ to meet expected high levels of expansion and replacement demand
- ✔ Improve employee engagement and motivation
  - ✔ employers and employees can reap the benefits of training and improved customer service
- ✔ Continually improve the skill base of existing staff
  - ✔ to minimise skill gaps and make up for skill shortages. This will include investing in management skills and customer service skills.





# Thank you for listening

