LOCATE EAST SUSSEX

Creative, Digital & Technology Sector Proposition

A Wired Sussex report for
Locate East Sussex

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Executive Summary

EXECUTIVE SUMMARY

This report explores the Creative, Digital and Technology (CDT) sector in East Sussex, identifying areas of activity and opportunities for growth and future investment.

We profile CDT activity in the local authorities of East Sussex through a combination of qualitative and quantitative approaches and make a number of key findings about the position of this sector, and the challenges and opportunities it faces.

The report finds that official statistics undercount CDT activity in East Sussex. This is because many CDT businesses are either registered under the wrong SIC codes, or are not registered in their place of business, or are operating as freelancers who do not have businesses that are registered at all.

When we take these factors into account, we can see that East Sussex has a relatively large population of individual CDT firms. These are primarily micro businesses and freelancers (East Sussex has nearly as many sole trader / micro CDT businesses in total as Brighton).

This makes East Sussex distinct from some other comparable regions which typically contain clusters that include more large businesses. Despite this, the data suggests that overall, both East Sussex's CDT employment as a share of overall employment and its recent growth in CDT employment are broadly on par with similar counties such as West Sussex and Kent.

CDT Employment in East Sussex has grown in recent years, particularly in the screen sectors (film/TV/gaming). However, employment in the sector remains lower than Brighton, with individual CDT businesses in the county employing less staff on average. I.e. small CDT businesses skew towards the micro, and mid-size ones tend to employ tens of staff as against the hundreds that these anchor CDT businesses can employ in Brighton.

We find that, while CDT activity is distributed throughout the county, there is relatively little evidence of agglomeration (and the benefits it brings) apart from Eastbourne (software/IT), Hastings (media) and to a lesser extent in Lewes (arts and culture).

We conducted case studies of CDT activity in Eastbourne and Hastings, drawing upon interviews with stakeholders operating within both clusters. We found important differences between how they operate. Eastbourne is dominated by a cluster of larger IT/software businesses that primarily connect to organise enhancements in the skills base available to them. Hastings is characterised by large numbers of project-based creative freelancers who coordinate through the Hastings Creatives group to access opportunities, contacts and information.

> The survey results suggest the clusters in East Sussex are self-aware, recognise the value that they create for their respective towns and are keen to do more.

Overwhelmingly, CDT entrepreneurs who have created companies in the region say they originally moved for non-business related reasons (lifestyle, family, etc.). It is freelancers that are more likely to cite the commercial opportunities that relocation affords them (e.g. a low cost base or enhanced opportunities for networking). In part because, for many, their home doubles as a work environment too.

There is an across-the-board interest in accessing a range of business support activities. This includes significant interest in innovation support, which has the potential to enable micro-businesses to shift from project to product based commercial models.

The survey and the 1-2-1 interviews highlight the ongoing shifts in working practices. The CDT sector nationally has been at the forefront of engaging with remote, hybrid and asynchronous working practices, and that appears to be no less the case in East Sussex. Currently, this tendency is both attracting individuals to the county (as they can work remotely for firms based elsewhere), and also driving firms based locally to recruit from people who remain living further afield.

While there appears to be a growing skills base among workers with creative backgrounds, there is evidence that the number of roles, particularly advertised digital jobs, are well behind levels elsewhere. In addition, wages for employed CDT workers are well below those in Brighton & Hove. Generally, wages within the larger employment clusters will exceed those offered by employers outside of city-sized clusters. There is some debate as to why that is, but it is often attributed to scale-driven productivity gains, greater access to universities and to large clients, together with an enhanced ability to attract and retain skilled talent. All those general factors are, to a greater or lesser extent, at play in the rural and town-based CDT sector across the county, but there does not appear to be any cultural or productivity issues that are specific to East Sussex. With demand for many CDT roles outstripping supply, we may see that wage gap begin to close. The flexibility provided by freelance working - for both freelancers and employers - appears to deliver value for both parties in the region.

In the final section of this report we make recommendations based on these findings. To summarise:

1. Support cluster growth to drive agglomeration benefits, and do this by recognising the discrete nature of nascent clusters in the county's key towns.
2. Couple this with a county-wide strategic focus on encouraging higher-value combined creative and technology activity.
3. Recognise the opportunity that the county has in terms of remote and hybrid working practices, and ensure that strategic consideration is given to how to enhance those advantages.

LOCATE EAST SUSSEX

Table of Contents

TABLE OF CONTENTS

Introduction

INTRODUCTION

The creative, digital and technology (CDT) sectors play an increasingly vital role in the global economy, and represent an area of substantial competitive advantage for the UK, with CDT representing over £116bn to UK GVA in 2019, greater than aerospace, automotive, life sciences and oil and gas sectors combined. These sectors are heavily concentrated in London and the South East, which make up 62% of all creative businesses.

This report considers the current situation, prospects and potential opportunities for CDT businesses in East Sussex. As a county East Sussex has a relatively small population, with relatively small towns and rural areas in the northern and eastern parts of the county and several more built up towns and urban areas along the coast from Hastings to Peacehaven.

CDT presents a number of opportunities that could potentially serve East Sussex well. Being near both to London and to the local creative hub of Brighton means that East Sussex businesses have access to opportunities in these places. Moreover, the high quality of life and comparatively low house prices make East Sussex a desirable place for remote and hybrid workers. Yet unlocking the potential of CDT as a driver of high value-added economic growth for East Sussex will pose a number of challenges.

Aim of the Report

The aim of this report is therefore to scope out the CDT sector in East Sussex, using quantitative and qualitative approaches to help understand the state of CDT businesses in the county.

The more explicit aims of the project include:

- To identify and quantify the Creative and Tech sector and sub sectors in East Sussex. The number, size and location of these businesses in the county using a recognised source of data (FAME/Beauhurst/MNAI /Companies House) with GVA and employment numbers.
- Compare and analyse the East Sussex creative business demographic with the regional and national ones including info-graphic representations in the report.
- To identify which sub-sectors are most likely to have the greatest impact on the local economy, in particular job creation and GVA with a rationale for selection (to include software and gaming development).
- To conduct a survey of a sample of businesses in the sub-sectors recommended to identify issues and characteristics including: reasons for business location, support needs, how much training they offer staff, predictions for their and the sector's post-Covid and longer term futures.
- Select a smaller sample of businesses in the sub-sectors and carry out a more in-depth study which will feed into the marketing messages to attract more creative / tech businesses to the county and to inform prospective project proposals to support the sector.
- Carry out an audit of Creative and Tech courses available in or near East Sussex to identify skills pool and match against skills requirements of the sector.

Methodology

We use a number of methodological approaches in this report, including official statistics, scraped web data, a bespoke survey of East Sussex CDT businesses and qualitative interviews with key figures.

Official statistics

Our estimates are in the first instance based on official statistics captured by the ONS, and presented on the NOMIS labour data platform. These include business count data based on the UK Business Counts data, as well as employment from the Business Register and Employment Survey. We complement these with employment figures available on the FAME platform provided by Bureau van Dijk, which aggregates financial figures disclosed in Companies House filings. We use these for identifying individual companies.

Defining CDT in official statistics

We define CDT by bringing together two established sector classifications. For creative industries we include the DCMS definition of creative industries, which includes nine creative sub-sectors (advertising and marketing, architecture, crafts, design, film and television, IT and software, museums and galleries, publishing, and performing arts). For digital and IT we use the Tech Nation definition of technology-based firms, which includes a number of sectors not captured in the IT/software codes used in the DCMS sample. We use both of these samples, avoiding duplicates. When we break down into sub sectors we tend to use the DCMS definition of IT/software, and use other codes in the Digital/IT classification as a 'tech' category alongside the DCMS sub-sectors.

Sectors included in the study:

Creative Industries:	
3212	Manufacture of jewellery and related articles
5811	Book publishing
5812	Publishing of directories and mailing lists

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Digital & Technology:	
2620	Manufacture of computers and peripheral equipment
5821	Publishing of computer games
5829	Other software publishing
6110	Wired telecommunications activities

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The geography we use is based upon local authority areas. The LAs include two large urban areas (Eastbourne and Hastings), and three large LAs containing a mix of towns and rural areas (Lewes, Rother and Wealden).

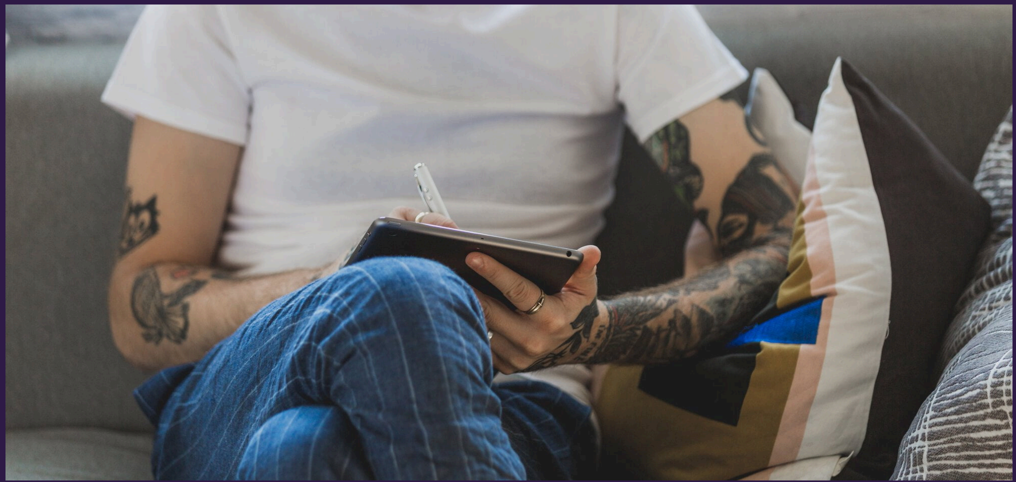
Scraped web data

While ONS official data is helpful and an obvious benchmark for capturing economic activity in East Sussex, there are limitations to the scope of analysis using official data, relating both to sector and geography:

- Sectors used in ONS classifications are self-classified by businesses at the time of registration. Because these are self-classified, they may not fully reflect the activities of the company in question. The current classifications widely used are the Standard Industry Classification (SIC) 2007 definition, first published in 2007. These have been slightly updated since publishing but also do not capture a range of activities common in contemporary creative industries (e.g. digital agencies, VR/AR, etc.).
- Locations used in ONS classifications are necessarily based on the company's registered address, rather than its trading address. Because many businesses choose to register at an accountant's office or with a specialist registration agent, the address they use may not reflect their actual trading location, particularly if the location is not in an established cluster.

To address these issues, we also use scraped web data. These data are collected by 'reading' the contents of business websites. We used data collected by the company Glass.ai, which includes companies' names, descriptions, and – crucially – inductively coded sectors (based on the activity described on the website rather than reported SIC code7), and the address listed on the web site (as companies are likely to list trading addresses rather than registered addresses). These were then geocoded, allowing them to be mapped.

Because scraped web data does not necessarily correspond to business registrations, it is best used as a complement to official data, which was our strategy for our analysis in Chapter 3, in which we manually compared registration figures to scraped web data to estimate misalignments in measures of activity in official statistics.



Survey methodology

For the survey we used a methodology which drew upon previous survey work of CDT businesses, including Brighton Fuse, Creative Radar and others. Given other survey work taking place at the same time and aimed at an overlapping audience to ours, we limited the scope of the survey to perceptions of the local area, ways of working, and perceptions of challenges.

The survey was rolled out via an online form to CDT companies throughout East Sussex, via known connections as well as social media.

45 responses were received from businesses and freelancers based in East Sussex, and 34 from those based in Brighton and Hove, allowing us to undertake some comparative reviews. Results from the survey are presented in Section 5.

Qualitative methodology

The quantitative data identified a number of key businesses in East Sussex's two main urban clusters - Hastings and Eastbourne.

One-to-one interviews were undertaken with a representative sample of founders or senior executives from 12 of them. This was supplemented by 2 further interviews with individuals with knowledge of the business sectors in each town.

Each Interview ran for 45 minutes. Some were conducted in IRL and some online, over Zoom. Either way, all interviews were recorded and then transcribed. The interview format was to follow a standard set of questions for the first 30 minutes and then, in the final 15 minutes, allow respondents to focus on issues or opportunities that they felt were significant.

It was agreed with interviewees that attribution of their comments would be anonymised by Wired Sussex in the report, to ensure they could honestly reflect on the questions asked.

CDT Businesses in East Sussex: Overview and Context

CDT BUSINESSES IN EAST SUSSEX:

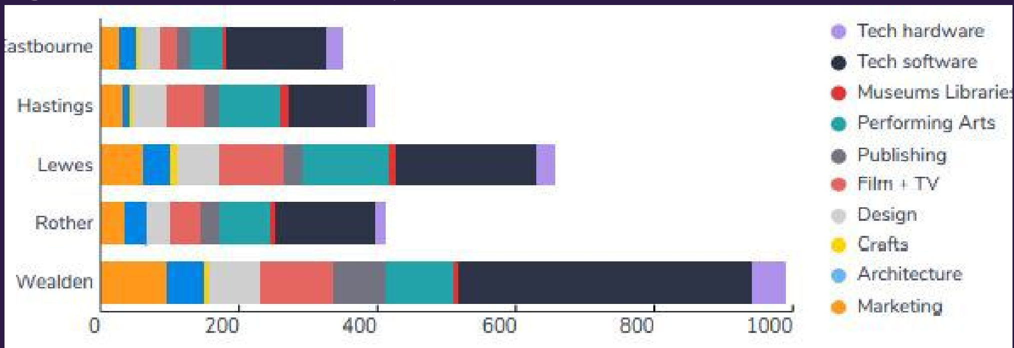
Overview and context

We use official statistics to provide an overview and context for understanding CDT activities in the East Sussex area. We will then benchmark these activities against peer groups, before discussing in the next chapter where these estimates might under- or over-count CDT activity

CDT in East Sussex

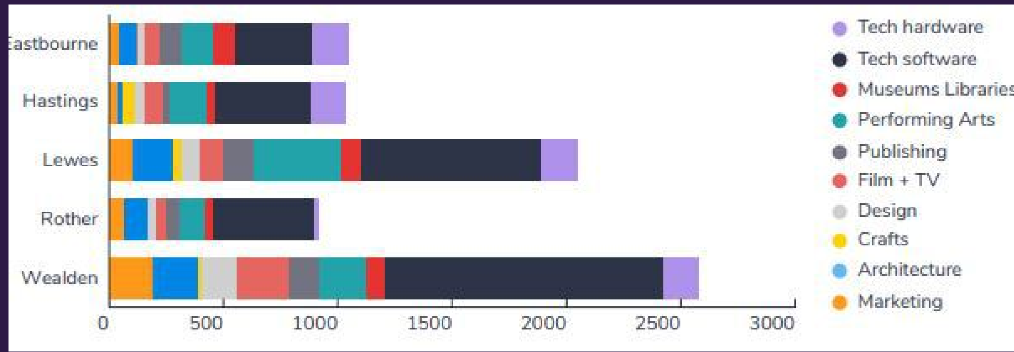
Looking at business counts in East Sussex using the ONS figures, as in Figure 2.1, we see that in terms of CDT businesses, there are a disproportionate number of businesses registered in the Wealden and Lewes LAs. Breaking these down by sector, we can see that a substantial number of these businesses in each of the East Sussex LAs is in the Tech Software category, with larger local proportions in performing arts (Lewes) and Film and TV (Wealden).

Figure 2.1: Business Counts by LA and sector, 2020



When we consider employment, as in Figure 2.2, we see that estimates of employment levels suggest that CDT employment is higher in Wealden and Lewes than in either Eastbourne or Hastings, which might otherwise be expected due to their populations. On aggregate, ONS estimates suggest there are 8,115 people employed in CDT in East Sussex. The ONS data suggest a disproportionate share of the employment of CDT workers in the Wealden area are in Tech Software related field, while in Lewes a disproportionate share are employed in Film and TV and Performing Arts.

Figure 2.2: Total CDT employment by LA and sector, 2021 [Data: ONS]



Benchmarking in East Sussex

Benchmarking CDT in East Sussex against other parts of the UK can be a useful exercise as it allows us to identify areas of comparative strengths and weaknesses. But to whom should we be comparing East Sussex? Locally, West Sussex, Kent and Brighton & Hove are ideal comparators. Brighton & Hove, whilst smaller, has a best-in-region CDT cluster which is ideal for benchmarking. While West Sussex and Kent are substantially larger in population than East Sussex, they have a similar industrial base and represent the ‘competition’ in terms of other locations where companies might choose to operate rather than East Sussex. We also compare East Sussex to the South East average, but this is a less ideal comparison as this includes many large corporates along the M4 and M3 corridors, which pushes up average levels of employment across the region.

This is illustrated in Table 2.1. This shows the share of CDT employment as a share of total employment for these benchmark regions. Most notably, CDT as a share of employment is the same in East Sussex as in Kent, and is only slightly lower than West Sussex. In Brighton & Hove, CDT employment is more than twice that of the other counties, as might be expected given Brighton & Hove's large CDT cluster. Following the previous figures, the share of CDT employment in Lewes and Wealden are above the county average, while Eastbourne, Hastings and Rother are all below.

The CDT share of employment suggests that, proportionally, East Sussex is broadly on a par with its main benchmark regions. But we can get a clearer picture by disaggregating these employment figures by firm size; the policy implications of one 100-employee firm are quite different from 100 one-employee firms. These are presented below in Table 2.2

Table 2.1: CDT employment as share of total employment [Data: ONS]

Region	CDT employment	% All employment
East Sussex	8,115	4.3%
Eastbourne	1,160	2.9%

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Table 2.2: Number of CDT Companies with Full time Employees 2020 (Data: ONS)

Businesses with number of employees							
	0 to 4	5 to 9	10 to 19	20 to 49	50 to 99	100 to 249	250+
East Sussex	3350	180	85	35	0	0	0
Brighton & Hove	3690	175	150	95	30	0	0

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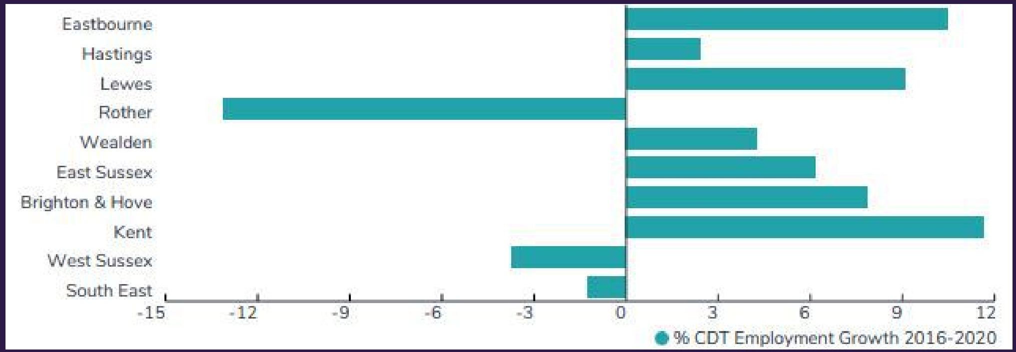
The table shows that, compared to its benchmark regions, East Sussex has substantially fewer high-employment CDT businesses. For instance West Sussex has approximately 15 CDT businesses with 100-249 employees, while East Sussex has none. This has substantial implications for our analysis. In the absence of a large number of anchor CDT firms –

at least as reflected in the ONS data (we will explore, and challenge, this figure in Chapter 3) – East Sussex instead has a CDT sector dominated by super micro (e.g. 1-4 employee) and freelancer firms. This poses challenges but also opportunities, as we will explore later in the report. From the table above we also note that the composition of CDT in East Sussex is more similar to Brighton & Hove, which has also been noted for its creative ecosystem and comparative lack of large, 'anchor' employers than the other regions where large employers dominate.

Trends in growth

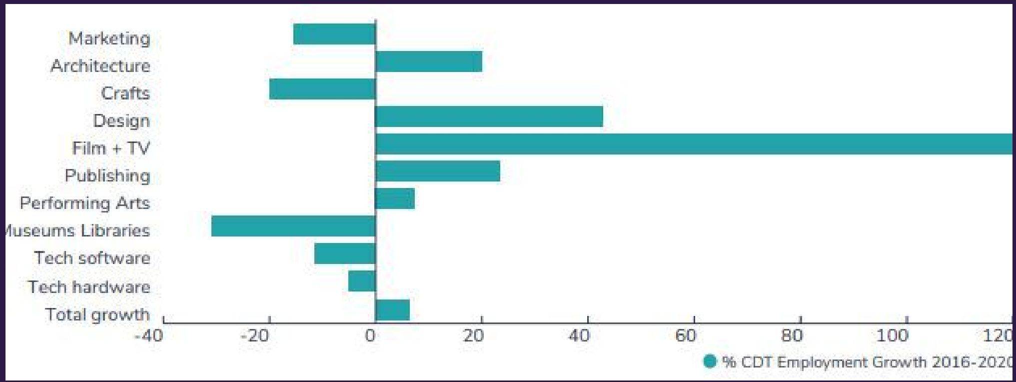
The previous figures have considered the most recent data available for East Sussex, but now we consider growth trends for the county, its LAs and its benchmark areas. Figure 2.3 shows CDT employment growth between 2016-2020, by LA and regions. The figures show that as a country the growth rate of CDT employment was, at 7%, higher than Brighton & Hove, West Sussex and the South East average, but lower than the 12% growth rate in Kent in the same period. Looking at the LAs within East Sussex, all of the LAs apart from Rother showed employment growth over this period. The figure for Rother should be interpreted carefully given the relatively lower CDT employment (and also for reasons we will discuss in Chapter 3). Among the LAs to have shown growth, Eastbourne and Lewes had the highest levels of growth at 10% and 8%, respectively, followed by Wealden at 4% and Hastings at 2.5%.

Figure 2.3: Percentage CDT Employment Growth 2016-2020 by LA [Data: ONS]



Considering employment growth by sub-sector we see a relatively clear picture of areas of growth across East Sussex. These are shown in Figure 2.4. According to these figures there was substantial growth in the Film & TV sector, with employment increasing over 120% over the four-year period (although it should be noted this was from a low base). There was also substantial growth in design and publishing. There were decreases in museums and libraries (though this is also from a low base), as well as crafts, marketing and software.

Figure 2.4: Percentage CDT Employment Growth 2016-2020, by CDT sub-sector [Data: ONS]



Understanding the actual levels of CDT activities in East Sussex

Looking at the figures and analysis in Chapter 2, a series of initial insights might emerge. First, CDT in East Sussex is dominated by micro businesses and freelancers. Second, the highest levels of employment appear to be in Lewes and Wealden Districts. Third, the main area of growth appears to be Film & TV. Yet these figures do not necessarily appear to tell the whole story. Anecdotal evidence suggests that there are, for instance, strong IT/software activities in Eastbourne and a vibrant digital/media cluster in Hastings, yet shares of CDT employment in ONS activities in these areas are very low. Moreover, while Lewes District is known to have a strong cultural sector (including Glyndebourne, for instance), and many companies are based in Wealden District, it seems odd that these would report substantially more employment than, for instance, Eastbourne.

To understand this, it is important to consider how ONS estimates are calculated. Sector is based on 4-digit SIC codes, which are self-reported by businesses at the time of registration. The sector in which a business chooses to classify itself has no implications for its performance, but may have an impact on where it appears in official statistics. Moreover, company locations in ONS estimates are based on company registrations, rather than where companies trade. In effect, this means that a company that is registered at the office of an accountant in Hailsham but has an office in Eastbourne would count in official statistics as being based in Hailsham, and thus in Wealden District rather than Eastbourne.

Moreover, a company registered in London but trading in Hastings might not appear in the employment figures for East Sussex at all. This introduces a number of biases that could lead to the underestimation of CDT activities in East Sussex (and, indeed, everywhere else).

In order to address and document this issue we took two approaches. First, where there were trade groups in these areas (e.g. Hastings Creatives and Chalk Eastbourne), we manually cross referenced companies listed on these websites with company registration figures to see whether companies that clearly identified themselves as being part of those clusters were, in fact, registered in those areas. Second, we then used scraped web data. Web data has the advantage of telling customers where to actually find a company, so using scraped web data and cross-referencing against company registrations has the potential to 'find' companies that are currently active but might not appear in official statistics.

Who are the major CDT companies in East Sussex?

If we start from the company-level data rather than official data, for instance through the FAME dataset, we can identify specific larger companies that are major employers within the East Sussex region. This can also play an illustrative role in some of the issues identified above. Using FAME we identify 50 companies that are listed as having more than 20 employees. Of these 50 there are:

- 18 Cultural organisations
- 6 Publishing (e.g. newspapers)
- 5 Software developers
- 5 IT consultancies
- 3 Architecture
- 2 Digital agencies
- 2 Tech/hardware
- 9 other (including companies listed with CDT SIC codes but clearly not with CDT activities, including care homes and swimming pool manufacturers)

Notably, these do not include a number of major CDT employers who should ex ante be categorised as CDT, including Holograph, a digital agency in Hastings (different SIC code); Booksy, a digital booking platform in Eastbourne (registered in London); King & McGaw, a visual arts producer in Newhaven (different SIC code); Five Dollar Shake, a greeting card publisher in Hastings (different SIC code); and Hastings Direct, which has substantial CDT operations but is classed as an insurance company for business registration purposes.

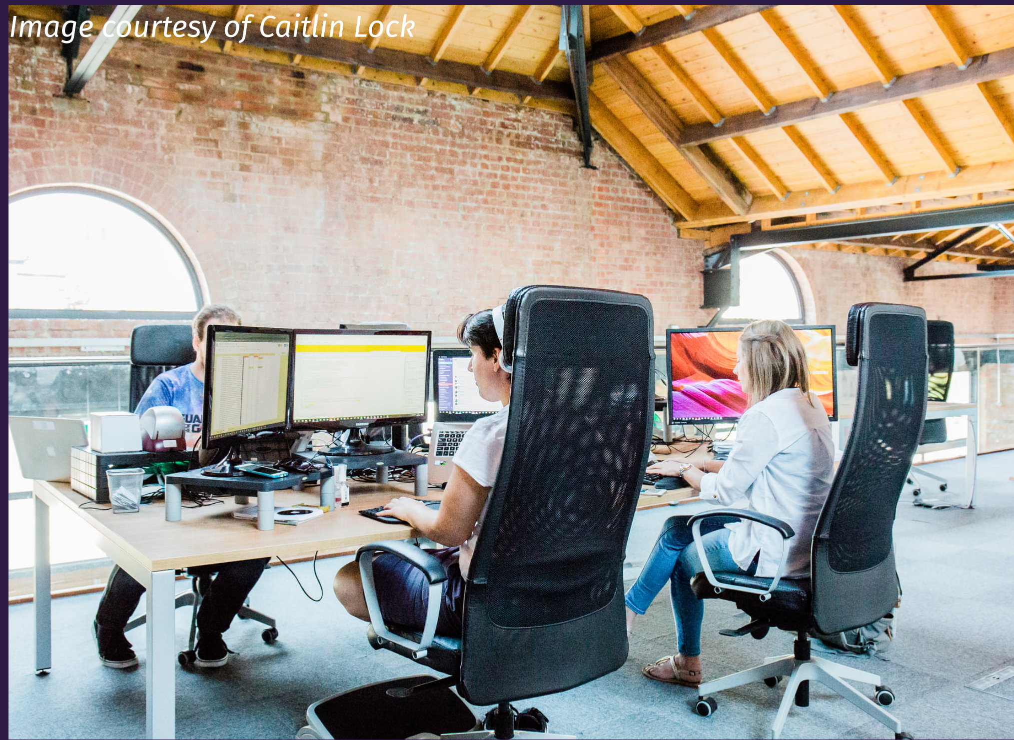


Image courtesy of Caitlin Lock

›LOCATE EAST SUSSEX

CDT in Local Authority Areas

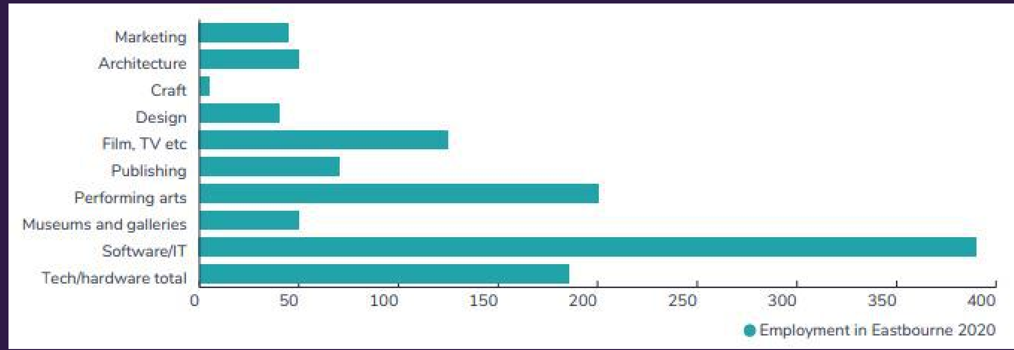
CDT IN LOCAL AUTHORITY AREAS

We now provide data-driven profiles of the five local authorities that make up East Sussex. In these, we are presenting a combination of official data as well as figures based on scraped online data from company websites and manual desk research.

Eastbourne

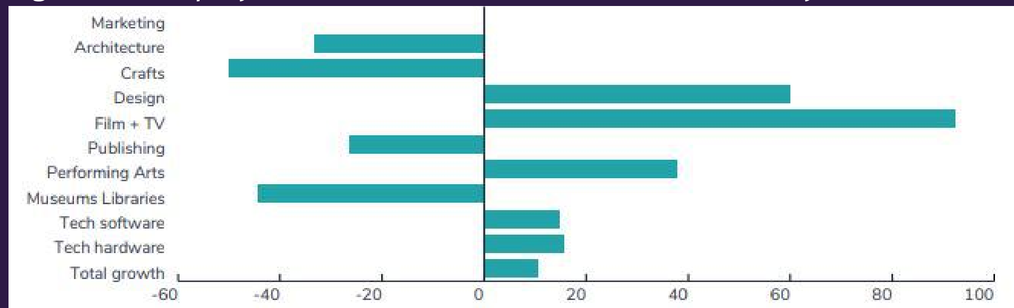
Eastbourne is unusual as the figures presented above appear to indicate comparatively low levels of CDT activity, but anecdotal evidence suggests that there is more taking place in Eastbourne than these figures might suggest. The employment figures for CDT in Eastbourne in Fig. 3.1 show employment levels in Eastbourne being highest for Software/IT, with relatively high number employed in Performing Arts and Tech/Hardware sectors as well.

Figure 3.1: Employment in Eastbourne 2020, by CDT sector



Figures for growth from the ONS also show substantial growth (albeit from a low base) in Film & TV and Design, with declines (also from a low base) in Crafts, Architecture, Museums/ libraries, and Publishing. There is some evidence of growth over this period in the technology sectors as well.

Figure 3.2: Employment Growth 2016-2020 in Eastbourne, by Sector



Yet using these figures as a baseline, we can use the techniques discussed above to show that CDT employment levels in Eastbourne may be substantially underreported. The ONS suggests that 325 CDT companies are registered in Eastbourne. Of the 26 companies on the Chalk Eastbourne list of digital/creative companies in Eastbourne, eight of these were not registered in Eastbourne, a further three were not registered in CDT sectors, and a further four were not registered at all (i.e. they were sole traders). Collectively more than half (15 of 26) of the companies on the Chalk Eastbourne list do not show up on official statistics.

Looking at the scraped web data is even more illuminating. Of the 156 companies in Eastbourne where we were able to identify a website linked back to an operating company, 61% of these companies were not registered in Eastbourne despite trading at that address. Many of these were smaller companies but on balance this suggests that employment is substantially underestimated in Eastbourne. Given the official figures in the report above suggest IT/ software employment of approximately 450, we estimate this likely undercounts the figure by approximately 30%.

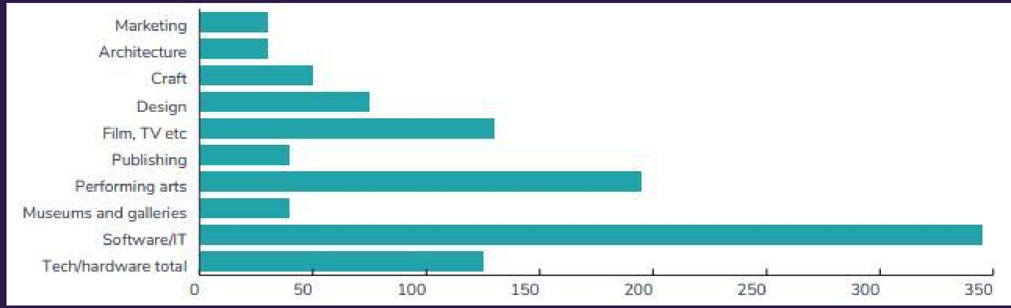
Another way to assess the nature of CDT activities in an area is to use the keywords of websites located in the area to map out common themes that emerge. We do this below in Figure 3.3, which shows keywords used frequently in CDT websites in Eastbourne. Key words that emerge from the word cloud include a number of words around software design and online advertising, in addition to other keywords around Eastbourne's arts scene (particularly around visual arts) and tourism.

Figure 3.3: Word cloud of keywords from CDT websites based in Eastbourne

Hastings

Hastings is, on the surface, rather similar to Eastbourne in that the official figures indicate relatively low levels of CDT activity, with 1,060 employees identified in 2020. Of those, similar to other areas, there were proportionately more employees in Software/IT, performing arts and film/TV.

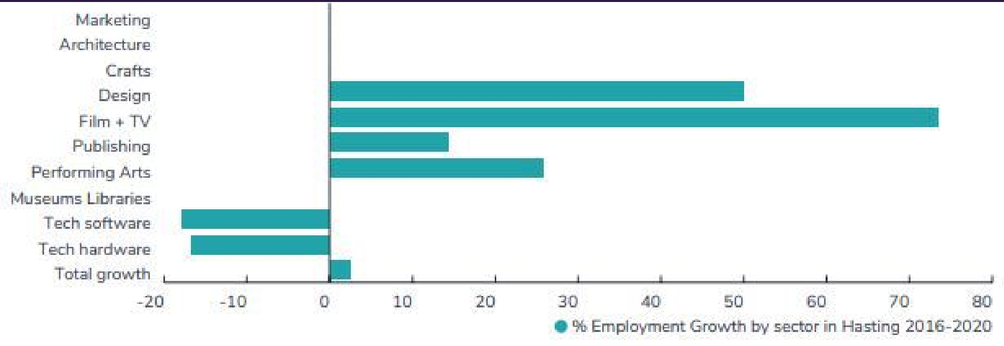
Figure 3.4: Hastings employment by CDT sectors



The employment growth figures for Hastings also show substantial increases in film/TV and design (also, again, from small bases) in the period prior to 2020, but also small declines in the tech sectors. But similar to Eastbourne, there are good reasons to believe that these figures substantially underestimate the actual levels of CDT activity within Hastings.

For instance, in the Hastings Creatives directory of creative/CDT businesses and organisation, at time of writing there were approximately 198 non-craft/arts listings (n.b. the figure is an approximation due to double counting). Of those non-craft/arts listings, only 24% of the organisations indicated in the directory were linked to registered companies. Of those 24%, half (12% of the total) were registered outside Hastings. Given that ONS data suggests 385 registered CDT businesses in Hastings, just data from Hastings Creatives suggests that there are another 174 businesses or freelancers based in Hastings that do not appear in official documents.

Figure 3.5: % Employment growth by sector in Hastings, 2016-2020



A similar picture emerges from looking at the scraped data of CDT websites in Hastings. Scraped data from 239 CDT websites shows us that 25% of registered companies operating in Hastings are not registered in Hastings (or St Leonards). A further 42 websites are activebut not linked to a registered company. Of these, 20 were picked up in the Hastings Creatives group but the remaining 22 do not appear. On this basis, we can estimate that the total number of business registrations in Hastings is likely understated by approximately 40%. If we take a conservative interpretation of these businesses and assume each of these uncounted businesses had effectively one employee (notwithstanding legal arrangements used by freelancers, for instance), this would mean a total employment in Hastings of 1255, suggesting the original figure undercounts CDT employment in Hastings by at least one-third.

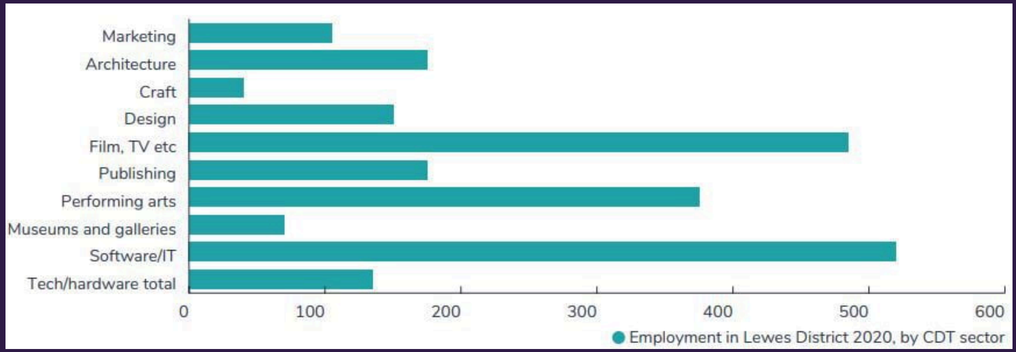
Beyond these, the trends from our analysis of business registrations and scraped web data suggests that Hastings has substantial strengths in digital and media sectors. This is manifested in some of the larger CDT businesses in the region, Sotic, a digital sports agency and Holograph, a digital agency (the latter of which is not registered in Hastings). The word cloud below in Figure 3.X shows how prominently digital media appears in the web profiles of businesses in Hastings. One factor that is unclear in Hastings is the extent to which demand is local, as opposed to servicing the London market; many of the Hastings Creative companies are registered in London but are based in Hastings, so the question of the local market is something that is not completely clear.

Figure 3.6: Word cloud of keywords from CDT websites in Hastings

Lewes District

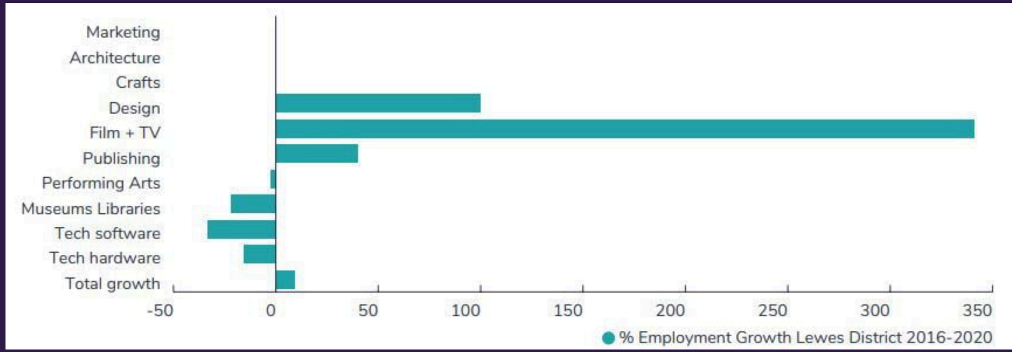
Lewes District, which includes Lewes, Newhaven, Seaford, Peacehaven and surrounding rural areas, showed 9% employment growth from 2016-2020. Figure 3.7 below shows the CDT employment by sectors in Lewes. From these figures, Tech/software, Film & TV and Performing Arts all seem to be the sectors with the highest levels of employment.

Figure 3.7: Employment in Lewes District, by CDT sector



Looking at the employment growth from 2016-2020, as in Figure 3.8, we see substantial increases in Film & TV, at over 300%. Design increased by 100%, while other sectors, including technology sectors had small decreases over this period.

Figure 3.8: Employment Growth CDT, Lewes District 2016-2020



The major employers CDT employers in Lewes District include a number of cultural venues, including Glyndebourne, The Depot and Charleston. These cultural organisations are also notable in that part time employment is common, which explains an anomaly of the data that in some records (such as on FAME) Glyndebourne is listed as having 200 employees, but the ONS records suggest that there are no CDT businesses with more than 50 full-time employees in Lewes District. Likewise, the growth of the Film & TV sector appears at least in part to be driven by the Depot cinema, which appears to be double-counted in FAME data.

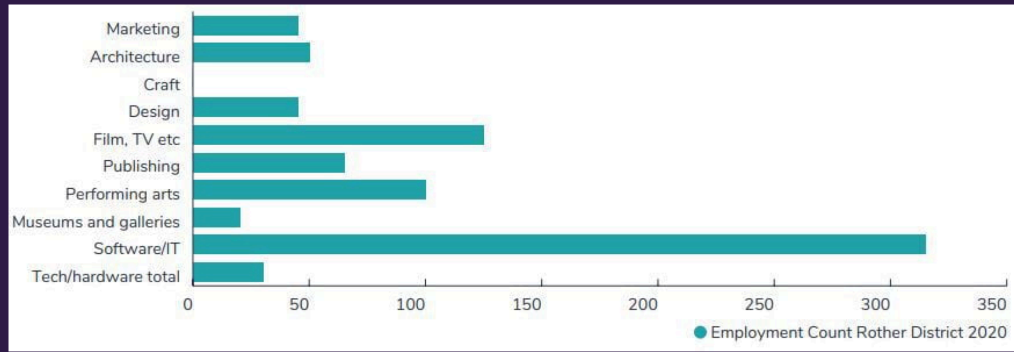
Using the scraped web data we can also explore local specialisations of the micro clusters in Lewes and Newhaven/Seaford. These are below in Figures 3.9. These show differences between these clusters – for instance in Lewes the keywords are more focused on culture, design and arts, while Seaford/Newhaven has more terms around business and services, pointing to potential differences in activities between these clusters.

Figure 3.9: Word cloud of keywords from CDT websites based in Lewes and Seaford/Newhaven

Rother District

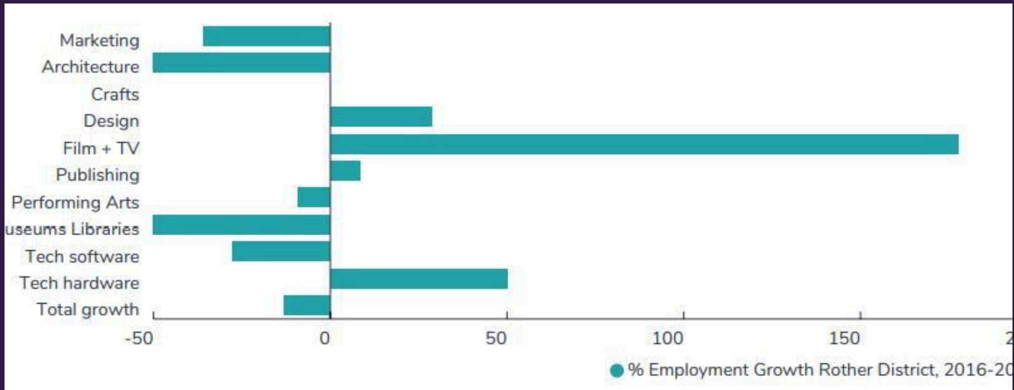
The Rother District area, which includes Bexhill and Rye as well as rural areas to the east of the county, has the lowest CDT employment, technically speaking. Employment by sector is presented in Figure 3.10 below, which shows that Tech/software is the largest employer, with smaller numbers of other sectors present as well.

Figure 3.10: Employment in Rother by sector



Looking at growth rates in the district in Figure 3.11, there was a substantial increase in Film & TV employment, but corresponding declines in Software, Architecture, Marketing and Museums & Libraries, which between them explain the aggregate decline in employment identified above. With this said, there is comparatively little evidence that we have been able to find in terms of explanations for these declines (e.g. through closures or relocations of other businesses). Our other analysis does suggest substantial movement between Bexhill and Hastings given their proximity, so some of these changes may be explained by firm relocations between these locations.

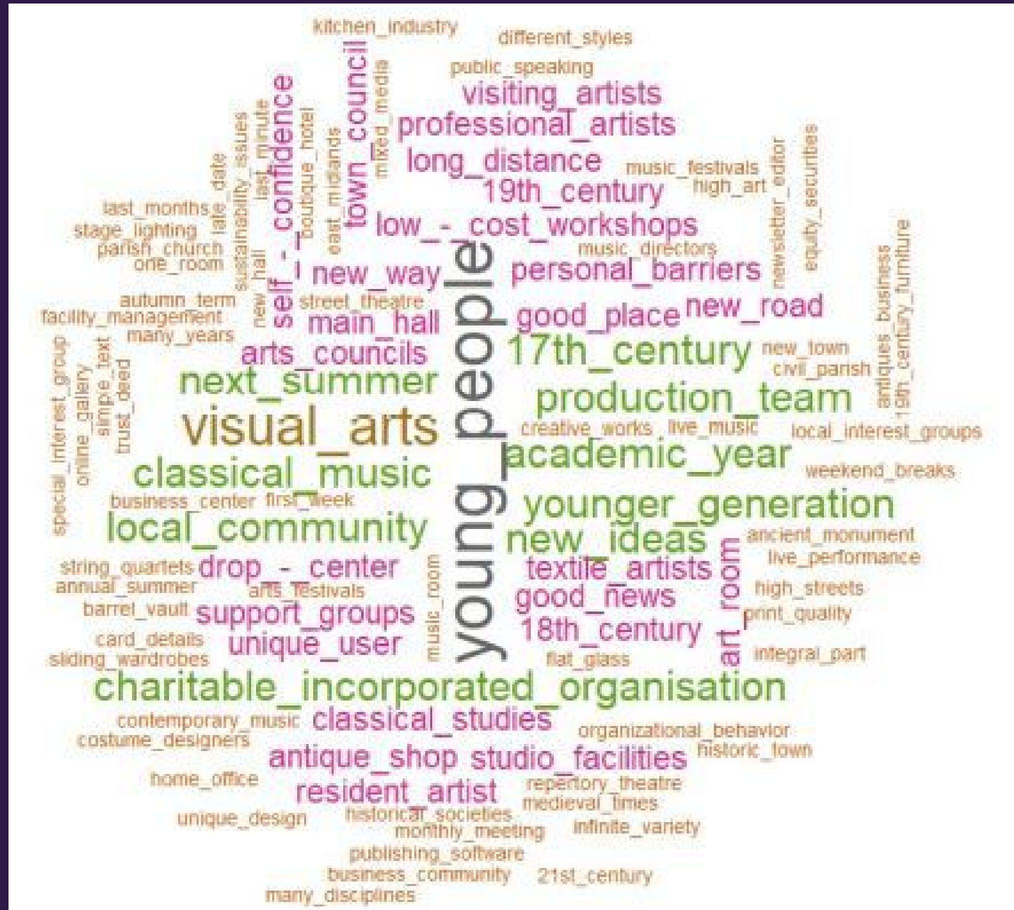
Figure 3.11: Employment Growth in CDT Rother District 2016-2020



In terms of major companies in the Rother area, these include Noetica (Software) and Greenblue Urban (Architecture). Yet among these, arguably the biggest CDT player in Rother – and potentially Hastings as well – is Hastings Direct, which is based in Bexhill. Although technically not a CDT company (it is classed as insurance by SIC code), Hastings Direct is without doubt a technology-reliant and is almost certainly a source of potential spill over effects in terms of workers and workforce.

In terms of specialisations in micro clusters, the Rye micro cluster word cloud is presented below in Figure 3.12. It can be seen here that much focus of the Rye micro cluster is on culture and education.

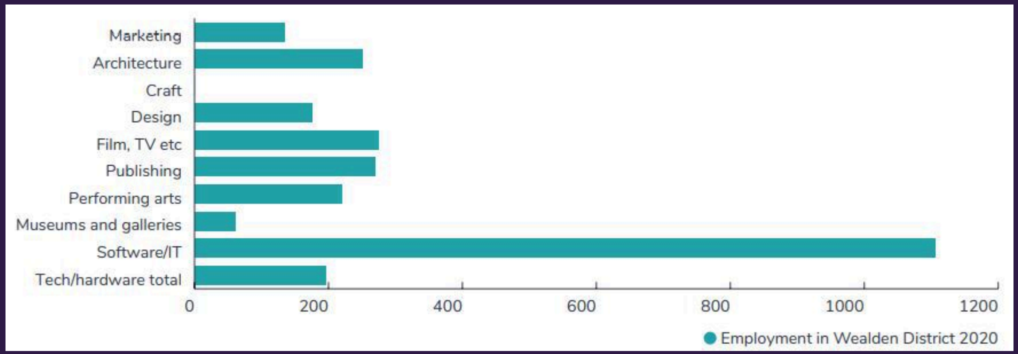
Figure 3.12: A Word cloud of keywords for Rye micro cluster



Wealden District

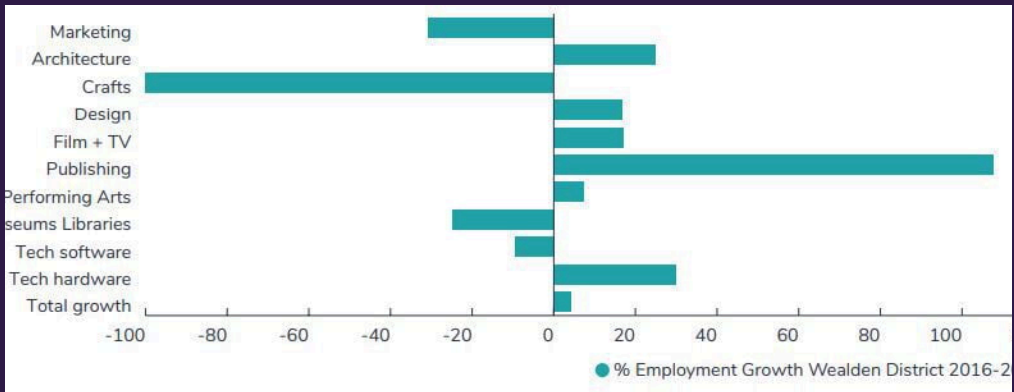
For the Wealden District area, the official statistics suggest that more people are employed in CDT sectors here than anywhere else in East Sussex. These figures suggest there are 1100 employees working in software/IT in Wealden District, but these estimates do not match the figures accessible from FAME and other sources. One explanation may be that companies registered at their accountants in Wealden District but operating elsewhere, particularly in Eastbourne (some Eastbourne companies appear to be registered either in Hailsham or Pevensey).

Figure 3.13: Employment in Wealden District by Sector



Looking at employment growth figures below in Figure 3.14, these appear to be borne out as the figures show a substantial increase in publishing (which may be associated with growth and/or management changes in the Pureprint Group in Uckfield) and, less surprisingly, a 100% decrease in crafts (though it should be noted this was from 5 employees to zero, and the way the ONS rounds figures means that this could reflect, for instance, a decline from 4 employees to 1, with rounding taking place in opposite direction).

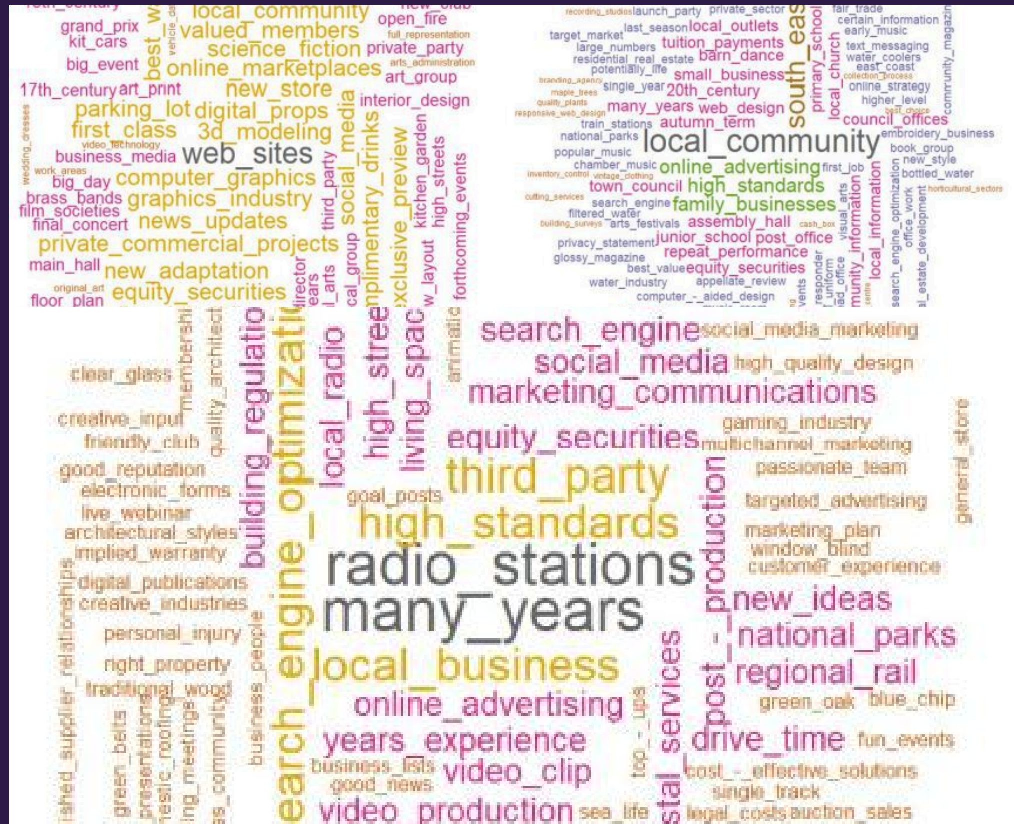
Figure 3.14: Employment growth in CDT sectors in Wealden District, 2016-2020



In Wealden district, major employers include Pureprint Group (marketing and printing); KHL (publishing); Veritek Global (telecoms repair); Oxygen (IT consulting); Essential Christian (media/ content); Chalvington Communications (IT consulting); Baileybridge (Architecture); Monarch Software Systems (Software); and Selectapension (Software). It is notable that while there are a number of good-sized companies in Wealden District, there is relatively little evidence of agglomeration, that is, cluster-like behaviour, and the larger companies are widely spread out through the towns in East Sussex as part of a broader mix of companies.

Using keyword analysis for the micro clusters identified in our previous analysis, we see differences in the sites for Uckfield, Hailsham and Crowborough, below in Figure 3.15. These show that while Uckfield has keywords focusing on technology, in Crowborough the keywords are more focused on community and cultural events. By contrast Hailsham includes frequent mention of media and radio and television keyword terms.

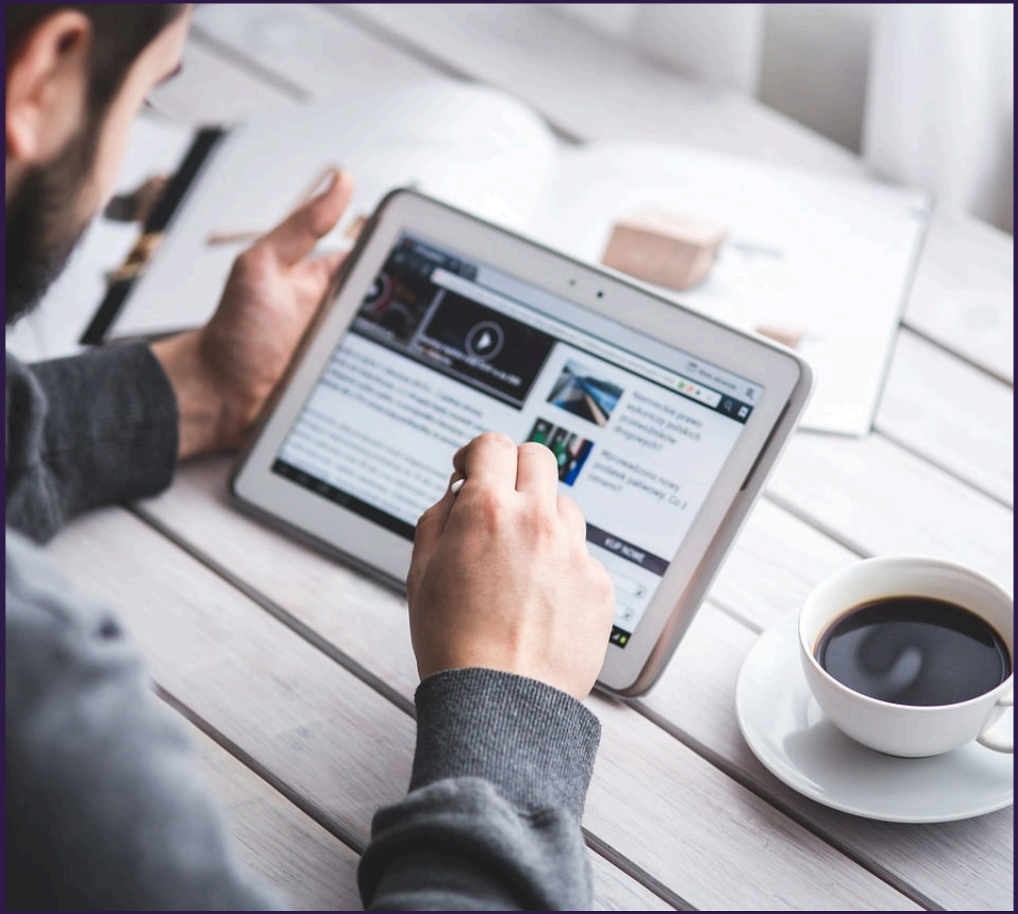
Figure 3.15: Word clouds for micro clusters in Uckfield (upper left), Crowborough (upper right) and Hailsham (lower)



Survey results

SURVEY RESULTS

In order to complement the research undertaken elsewhere in this report, we invited CDT businesses in the East Sussex region to complete a survey. We discuss below the approach taken to the survey and key headline findings. Section 4.2 below lists some of the key findings from them.



Survey methodology

The questionnaire was designed with Locate East Sussex to identify ways of working, locations of work, ways in which local factors impacted businesses, barriers faced and ways companies think local government could help their businesses. It was distributed online through networks including those of Wired Sussex, Hastings Creatives, LES and others. Although the branding and marketing of the survey clearly indicated that the survey was for CDT companies and freelancers located in East Sussex, a number of CDT businesses in Brighton & Hove also responded. The final counts were 45 responses from East Sussex and 34 from Brighton & Hove. We have not reported on all the Brighton and Hove responses, only those where we believe we can use them to give comparative insights between East Sussex and the more developed CDT cluster in Brighton.

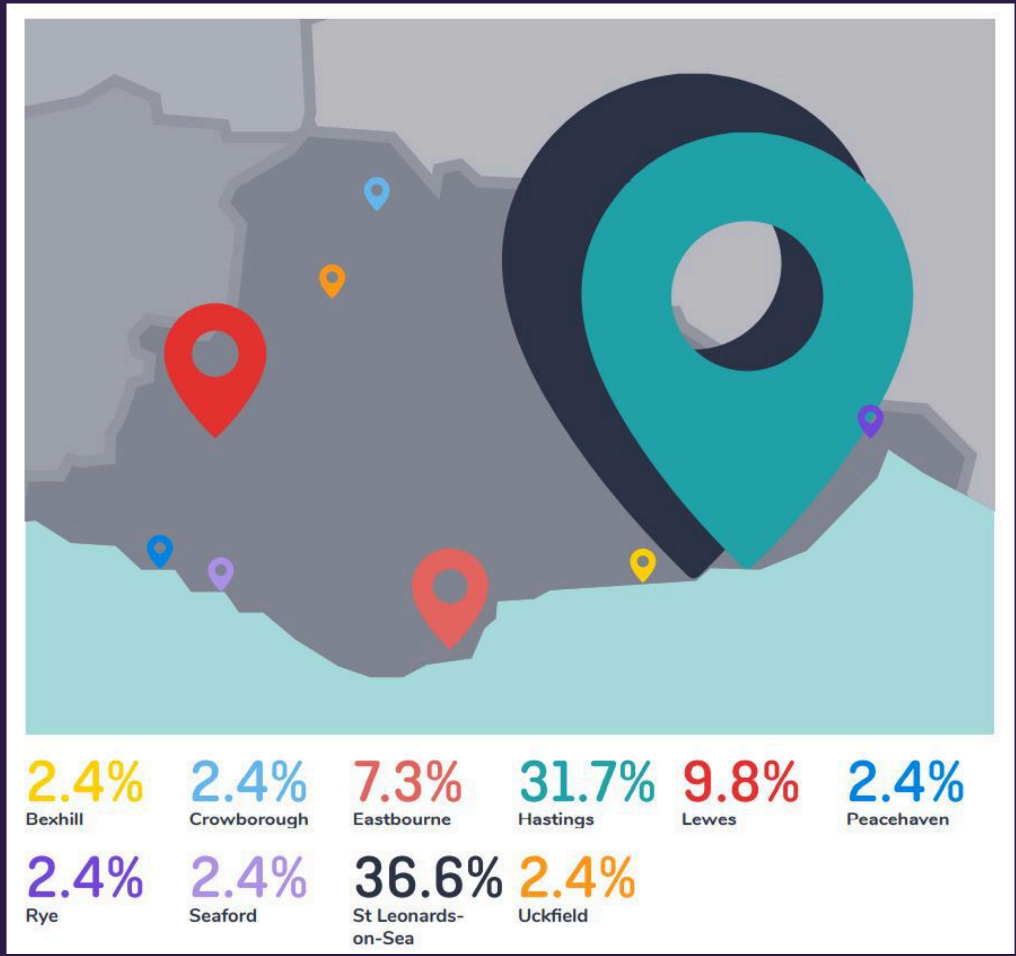
Key survey findings

The 45 companies in the survey reflected the freelancer-heavy demographics already identified previously in the report. 77% of the respondents were freelancers/sole traders. In this regard, survey results may be seen as a useful guide to their specific needs and perspectives.

For comparison, in the Brighton & Hove sample, 44% of respondents were freelancers. This both reflects the ongoing importance of freelancers to more mature CDT clusters, but also their reduced dominance (24% of Brighton respondents were from businesses with 11+ employees versus 7% for East Sussex).

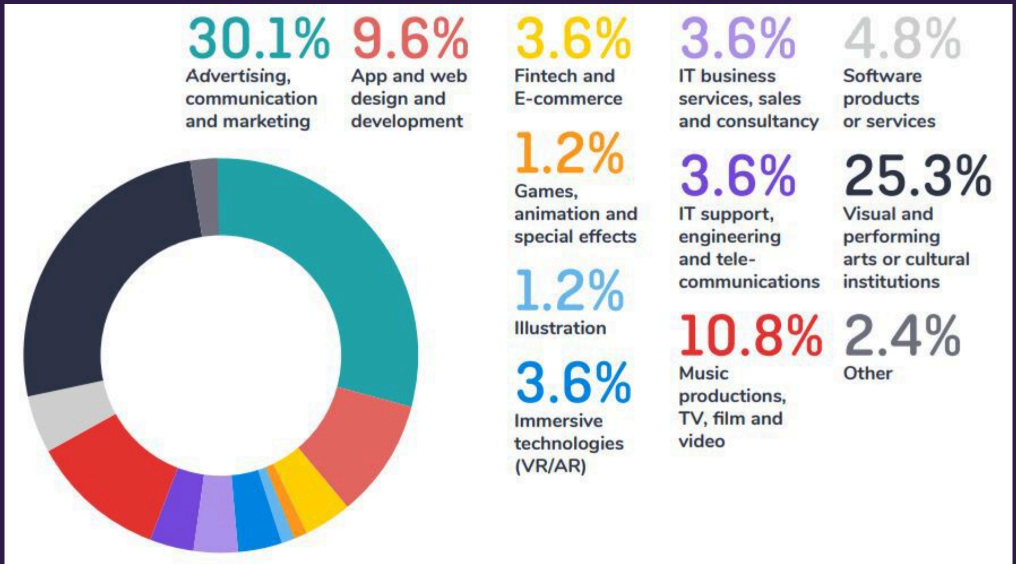
Location - 34% of respondents self-identified as being in St. Leonards and 30% self-identified as being in Hastings. This suggests that respondents perceive distinctions in identity between the two places, even though they are contiguous and might be considered in aggregate by policy makers.

Where is your business based? (Nearest town)



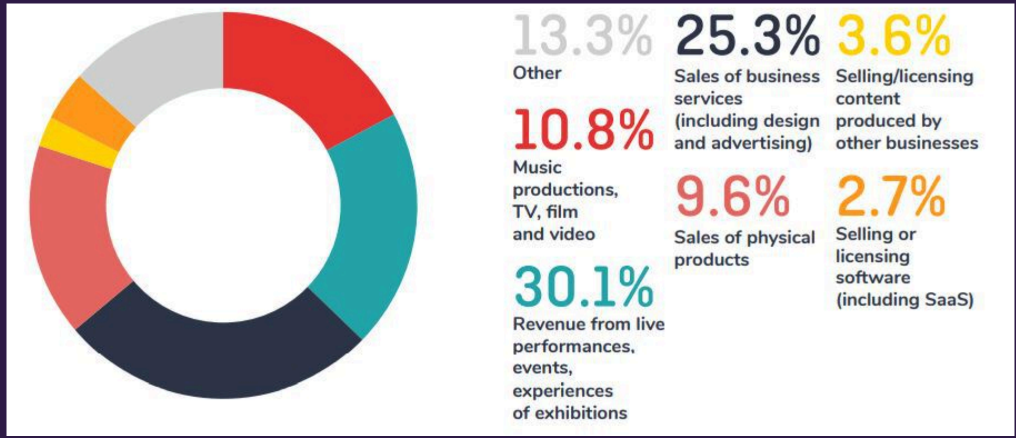
Sub-sectors - The sub-sectors listed most by respondents were advertising, communications and marketing (30%) and visual and performing arts (25%)

Does your business (or freelance work) operate in any of the following sectors?



The business models employed by the respondents were generally balanced between sales of business services (27%), revenues from live performances (20%), monetising content production (17%), and sales of physical products (16%).

Thinking about what you or your business does, what does it involve?



Only 18% of respondents did not work with or use freelancers or were not freelancers themselves, highlighting the extent to which CDT in East Sussex is a freelance-connected economy.

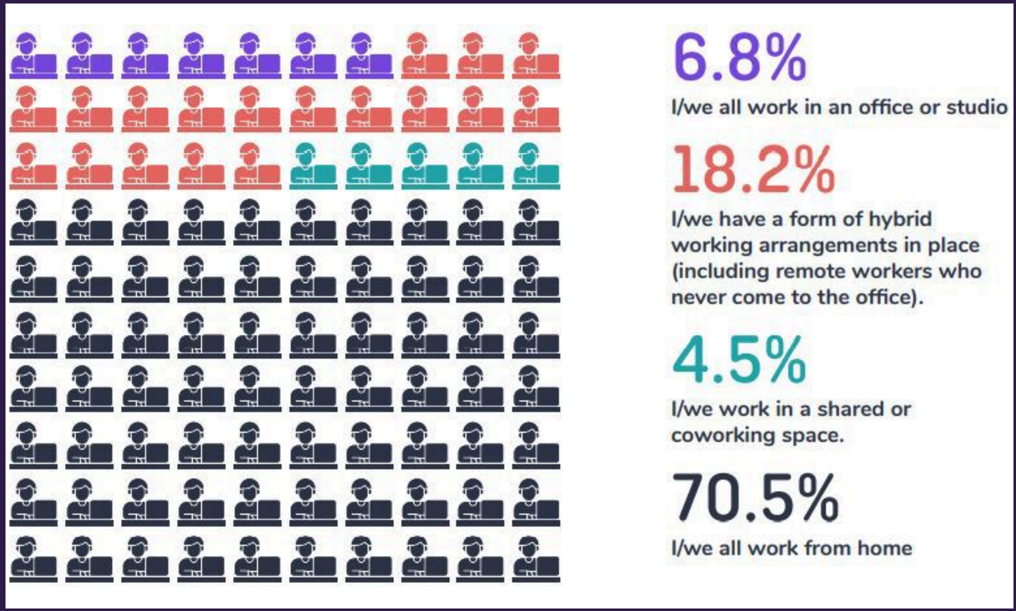
For comparison, that figure was very similar (20%) for the Brighton responses, reflecting the significance of freelancers, even in developed CDT clusters.

East Sussex: Which statement best applies to your situation?

Working Arrangements - A significant number of respondents (77%) said they worked exclusively from home. This matches the percentage of freelancers who completed the survey, and so is likely to be a reflection of that.

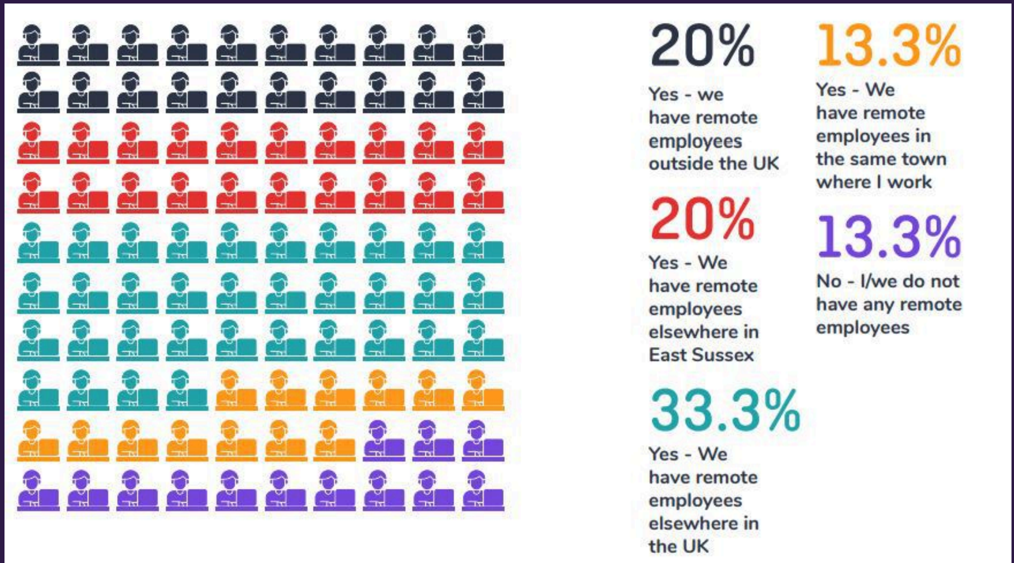
Hybrid working practices are significantly more popular in the Brighton cluster, with 53% reporting that as their working arrangement model as against 18% for East Sussex.

What are your business's current working arrangements?



If we exclude freelancers, of the company respondents who answered the East Sussex survey, around 60% reported having remote employees on staff. Half had remote employees in the same town, half had remote employees in East Sussex, three-quarters had remote employees elsewhere in the UK, and half had remote employees outside the UK. Whilst we advise caution before making generalisations based on relatively small numbers of answers to this specific question in the survey, these responses do mirror those given in the 1-2-1 interviews (see section 5).

Do you have any remote employees (not freelancers) who never come into the office?

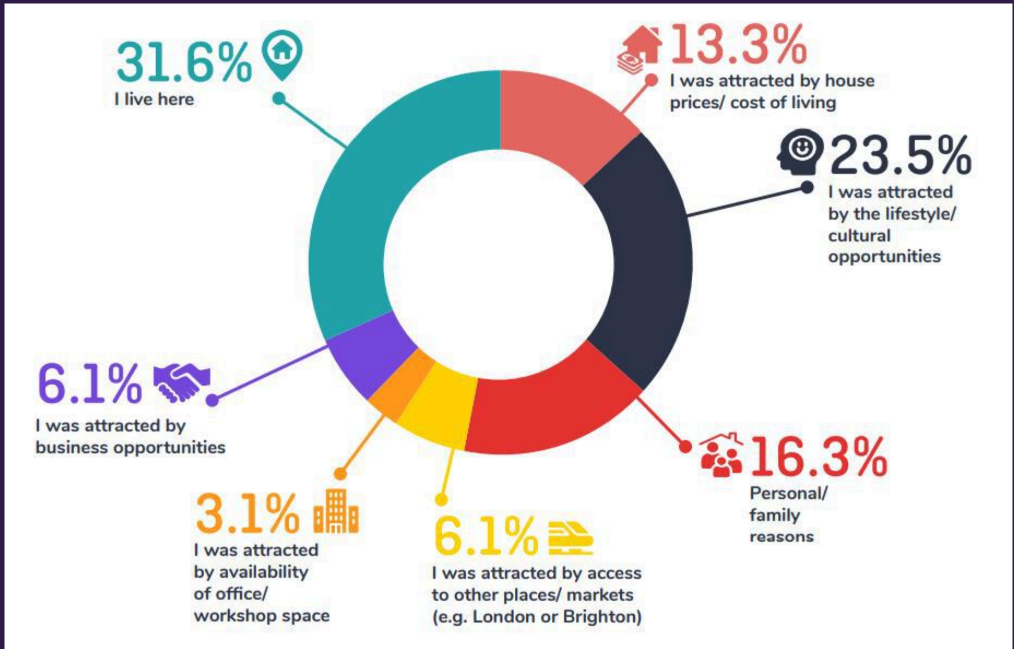


Business Location - The overwhelming majority of respondents said that where they situated their business was a choice, with only 7% saying that it “couldn’t be anywhere else”. 62% said that their location was helpful to their business, but 31% claimed its success was not at all predicated on where their business was located, and it could be anywhere.

By comparison, 23% of Brighton respondents said that they “couldn’t be anywhere else”, perhaps reflecting Brighton businesses’ recognition of the impact of significant agglomeration effects on their success?

Does it matter to the success of your business where it is located?

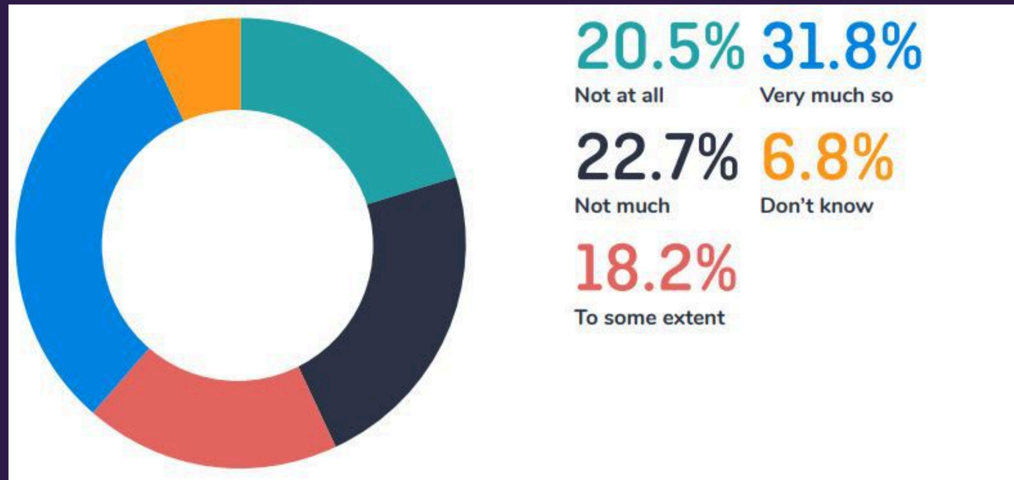
Why did you choose to locate your business where it is?



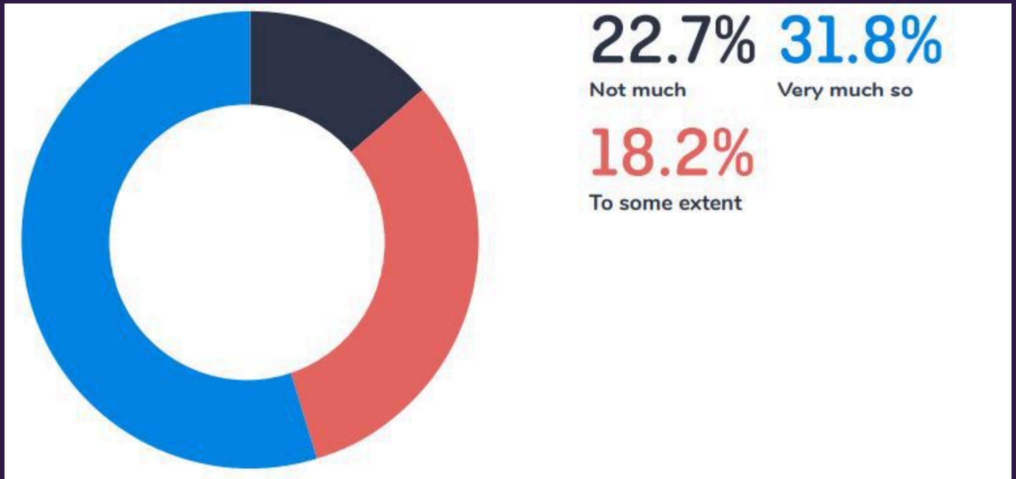
Business Challenges & Sentiment - Around half of respondents suggested that they continue to suffer business challenges with their international activity (customs, talent, vat, etc.) as a consequence of the UK's exit from the EU.

A significant proportion (85%) said that the current economic climate (i.e. inflation, cost of living, etc.) is having a tangible impact on their business, with over 50% of respondents saying this made things "very challenging" for them. For comparison, 27% of the Brighton respondents saw the current economic climate as "very challenging".

Are any of the following currently challenges for your business? Post-Brexit challenges with overseas trading (e.g. VAT, customs etc.)



The economic climate (e.g. inflation, cost of living etc.)



Around 18% of respondents were pessimistic about the future of their business activity, and slightly more (25%) were pessimistic about the future of their sector. Just 16% were “very optimistic” about the future of their business and a similar % were very optimistic about the future of their sector.

These differed significantly from the Brighton responses, where only 3% were pessimistic about the future of their business and 53% were very optimistic about the future of their business. Interestingly, no-one surveyed from Brighton was pessimistic about the future of their sector.

Thinking about the future, how optimistic do you feel about your business’s prospects?

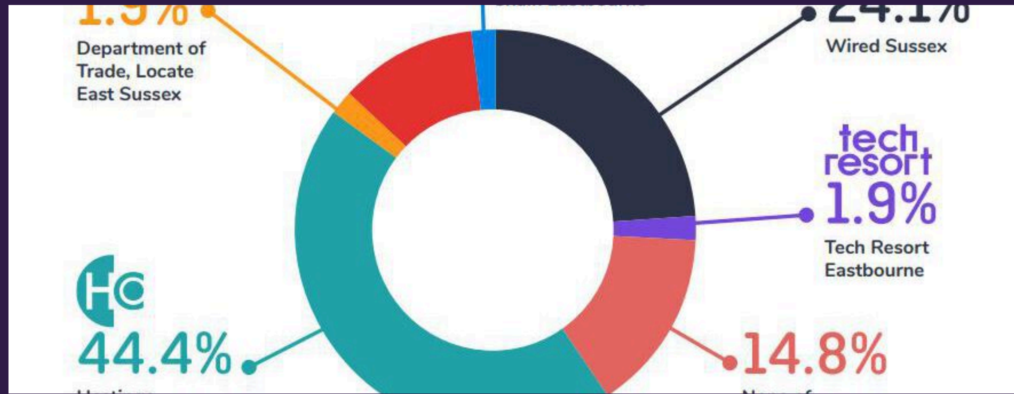
Business Support - When asked how the public sector (locally and regionally) could support their business success, responses were fairly evenly divided between people issues (recruitment, training and skills), infrastructure (broadband and workspace) and business support (finance, innovation, business advice). Around 19% of all respondents (including freelancers) recognised the importance of innovation to their business growth and resilience.

Thinking about how the government or your council could support your business, which of these types of support would be most valuable? Choose three that are most important to you.

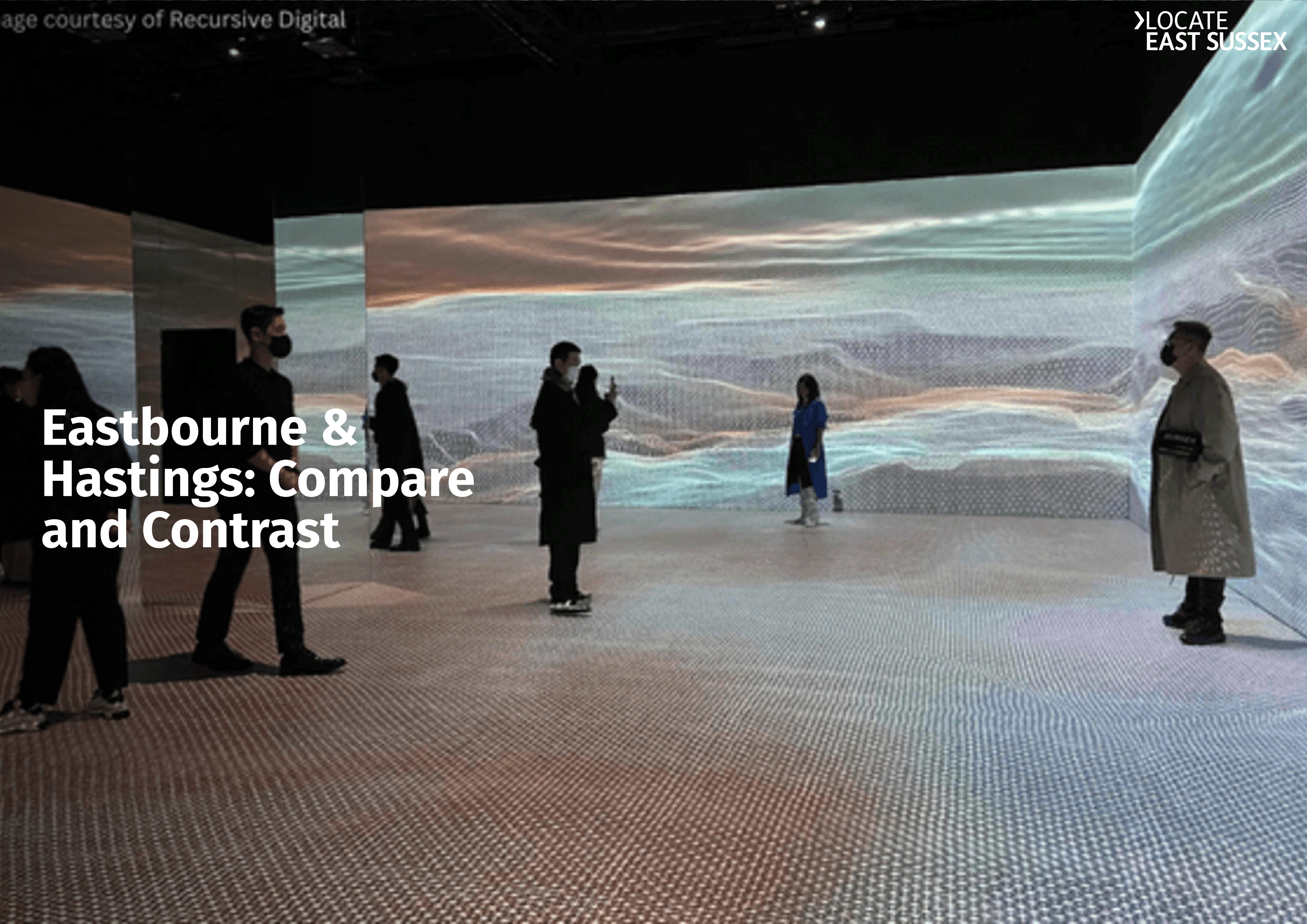
Unsurprisingly, given their comparative geographical absence in the county, over three quarters of respondents felt universities were neither a help nor a hindrance.

Industry and business groups appear well-utilised by the respondents, with Hastings Creatives the most popular (44% engagement), followed by Wired Sussex (24%) and the Chamber of Commerce (11%).

Have you attended events or used the services of any of the following industry or business groups?



Eastbourne & Hastings: Compare and Contrast



age courtesy of Recursive Digital

COMPARING AND CONTRASTING CDT IN EASTBOURNE & HASTINGS

Eastbourne and Hastings are the two primary towns within East Sussex. They are the largest urban centres in East Sussex, with their combined populations making up around 35% of the county total. The previous section of this report demonstrated that the degree of creative & technology activity in each of them is under-represented in official ONS data. Moreover, any aims of building or supporting long-term CDT activity within East Sussex will most likely rely upon the development of clusters in these towns. In order to better understand what is currently happening within the creative technology sector in these locations, and what the future opportunities for growth are, we conducted a series of in-depth 1-2-1 interviews with creative technology business owners in the two towns. Anonymity was important to ensure a forthright discussion and honest answers, so it was agreed that specific quotes or opinions would not be attributed without the interviewee's prior approval. Quotes in the report are therefore unattributed unless agreed. It should be made clear that the comparison is not intended to be judgemental, nor to suggest that either of these towns is better equipped to grow its CT sector than the other.

Summary Finding

The quantitative data demonstrated that the dominant form of Creative Technology business in each town is different:

- In Eastbourne it is software businesses and in Hastings it's the creative industries.
- Eastbourne's software businesses include those delivering Software as a Service (and its offshoots Infrastructure as a Service and Platform as a Service), plus programming services, IT, the creation of bespoke-for-client software products, and telecom provision.
- Creative activity in Hastings includes the provision of services in the production and delivery of TV, corporate videos, film, marketing and advertising, theatre and performance, music & audio, and design services.
- The goal of businesses in both towns is, of course, to create and capture value. The dominant sub-types in each town create and capture value for themselves (and their towns) in different ways.
- They have therefore developed approaches that reflect that and look for different models of support from the public sector.

Eastbourne

There are a range of software businesses in Eastbourne, from micro businesses like Axis and TrueByte to large infrastructure firms like Lighting Fibre. Four of the most representative are SMEs, each currently employing between 15 and 50 staff: Booksy, Cyclr, ZooNou, and Switchplane.

Booksy is a SaaS business delivering appointment software; Zoonou is a software testing and QA business; Cyclr is a fast-growing integration platform for SaaS; and Switchplane creates bespoke software products.

Image courtesy of Caitlin Lock

Two significant (and complimentary) support organisations have been established to support this sector, Chalk Eastbourne and Tech Resort.

Tech Resort provides help to grow digital skills, either at the individual or the organisational level. Chalk Eastbourne was started by Switchplane and has a similar focus, looking to attract and grow the digital talent pool available to businesses located in the town.

Software businesses generate and capture value at firm level. Each business will deliver products and services to clients and to markets. To do so, they employ an above averagely skilled workforce, most of which typically live and work locally.

The town (and the region) benefit from their presence through business rates, but also because they provide higher-paid and more productive employment opportunities.

“

The reputation of Eastbourne is not as good as the place deserves. That makes it harder to hire. People not considering it as a place to come and live and work

As individual firms, their primary challenge is accessing the skilled (and currently much in demand) talent they need to thrive and grow.

Businesses come together through Chalk to better find and attract software developer and programming talent to the region. They do this by, for instance, highlighting the cost of housing benefits over Brighton and the better lifestyle opportunities over London.

This is an instrumental approach to networking. By that we mean being preoccupied by what needs to be done to address specific and pressing issues for the firm.

To these companies, networking activity is seen as useful in those terms but “means you have got to take time away from doing your fee-paying work”.

This approach colours their response to the closure of the University of Brighton’s campuses and anticipated reduction of Higher Education students in the town.

Because the courses were not specifically teaching students software business relevant skills, the closure of the University’s Eastbourne campuses is viewed as unfortunate but not disastrous. In fact, it is seen by some as an opportunity to grow new approaches to developing software talent in a way that puts the software business community in the driving seat:

“This is something we could do something about…giving people the skills in a much more software, agile, learn, rinse, repeat kind of way.

As a national sector, software businesses have led the way in supporting asynchronous and remote working practices.

As an approach, remote working gained momentum during the early days of the Covid pandemic as firms learnt how to manage and support team members who, for the first time, were not based together in the same workspace.

Now, recruiting well beyond local, regional and even national geographies for skilled talent to work remotely has become an accepted part of the strategies for software businesses located in Eastbourne.

“

In a utopia, we would hire lots of talent from Eastbourne. But hiring is difficult and when we can’t hire locally then we will hire someone who lives further afield.

“

We have hired remote developers from parts of the UK and abroad where paying them an Eastbourne level salary is a bit of a competitive advantage.

Remote recruitment has become a necessary way for these Eastbourne businesses to meet growing demand for their products and services.

It may be worth considering the impact of that strategy in terms of how value accrues through this strategy. It could be argued that it reduces the benefit to the towns if firms are hiring staff to work remotely outside the region. Conversely, benefit to the towns is increased (arguably more so than to the firms) if potential employees can be encouraged to relocate, or are already based locally and can train/retrain for these roles:

“

There is a way that we, as a town, could lean into this hybrid working stuff a lot more than we are currently doing.

The entrepreneurs, founders and owners in Eastbourne that we interviewed did not claim that they moved to the town to start or grow a business. They either grew up in the town and wanted to stay, or moved there for lifestyle or family reasons:

“

It’s a great place to live, with the Downs, the schools, the airport and everything. And it’s becoming a more progressive place.

“

I originally moved here (to Eastbourne) 15 years ago because it worked for us as a family. I then started my business in Brighton because of the availability of talent and it helped with clients. But now we are in Eastbourne and, yes, it does work.

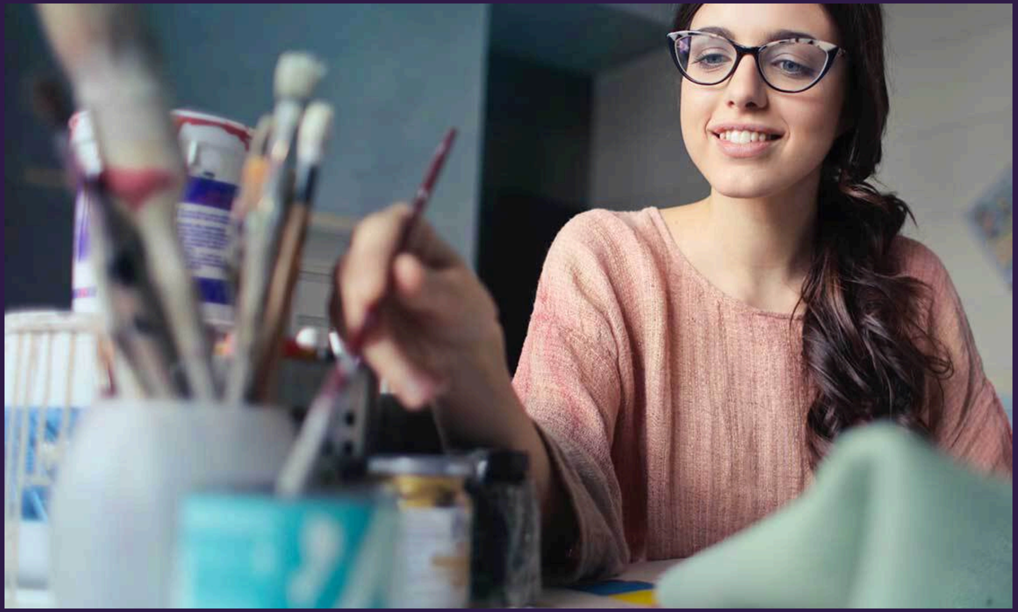
We asked what they needed in terms of support, the software businesses talked about three things:

1. Changes the perception of Eastbourne, to help attract more software talent to the town.
2. Sector-specific business support to enable them to develop growth plans, and access investment or markets.
3. Support to develop and grow non-traditional routes into programming and software development careers.

Hastings

In Hastings the creative & technology sector is dominated by a significant number of creative freelancers, sole traders and micro businesses. They operate in (and also across) a range of fields including TV, corporate videos, film, marketing and advertising, theatre and performance, music & audio, and design.

As a subsector, creative businesses of this type are typically reliant on bringing together (or becoming part of) teams for specific and time-limited projects.



Creative businesses or organisations operating these project-based production systems rely on being able to put together and manage teams on a temporary basis. Consequently, they need access to specialist service providers with knowledge and skills relevant to the project at hand.

Conversely, businesses or individuals whose business model is to become a part of those project teams need to be constantly engaged with looking for (and sharing) opportunities, enhancing their skills and building their profiles.

The main cluster organisation in Hastings for those working in this creative sector is Hastings Creatives. With over 1,000 online participants and over 400 businesses listed, Hastings Creatives is an extremely active and informative forum. It helps those engaged discover work opportunities, learn skills, access information, and locate specialist suppliers or possible collaborators.

For those in the Hastings creative sector, regular social connectivity is not an add-on but a commercial necessity. It is significant to the way that most of those involved actually generate and capture value. It is intrinsic networking.

"

We run a production company, producing theatre and film. We use it to find actors, designers, certain musicians. We've made great connections.

"

I'm an author with a new book out. People have been telling me this would be a great theatre piece or radio show. So, on Hastings Creatives I've started talking to people about it. And I've started talking to screenwriters and actors and producers and directors. Found them on Hastings Creatives.

"

(Hastings Creatives) has set up a structure that helps creatives to do interesting projects. I am using it to find people to help me with what I am doing.

That is in part why Hastings Creatives operates differently to Chalk Eastbourne. Whilst income per person levels in the creative sector are on average lower than software businesses, research does suggest that creative industries activity in a place typically delivers value that extends beyond the firm level. This includes innovation ("spill over" activity), increases in cultural consumption (which is associated with a healthier citizenship) and a more value-oriented visitor economy.

This is something those interviewed also appeared to recognise:

"

I think together all these individual creatives (in Hastings) probably generate more value to the town than some of the big, much publicised major initiatives.

"

I have seen city councils in other places spend large amounts of money to attract artists and I look at Hastings Creatives and they are doing it for free.

Like Eastbourne, Hastings is also impacted by the University of Brighton's decision to close its campus in the town.

However, Hastings interviewees appeared more concerned about the consequent reduction of student numbers in the town. They saw students as refreshing the sector, but also helping to give the town a social vibrancy that they believed was positive in attracting more creatives and clients.

“That kind of creative start-up mind-set often really benefits from lots of students being around, particularly university students.

Even the founders of the most well-known example of a successful tech-based business in Hastings, MelodyVR, thinks and acts similarly:

“If East Sussex Council was to do anything it'd be to really nurture our start-up, kind of hacker mentality of people getting together in cheap spaces and creating a business.... And grants shouldn't be about kind of staffing up too early, because that is hard to manage and a poisoned chalice.

The creative entrepreneurs we interviewed came to the town from a variety of places, with Brighton and London being the ones most commonly cited.

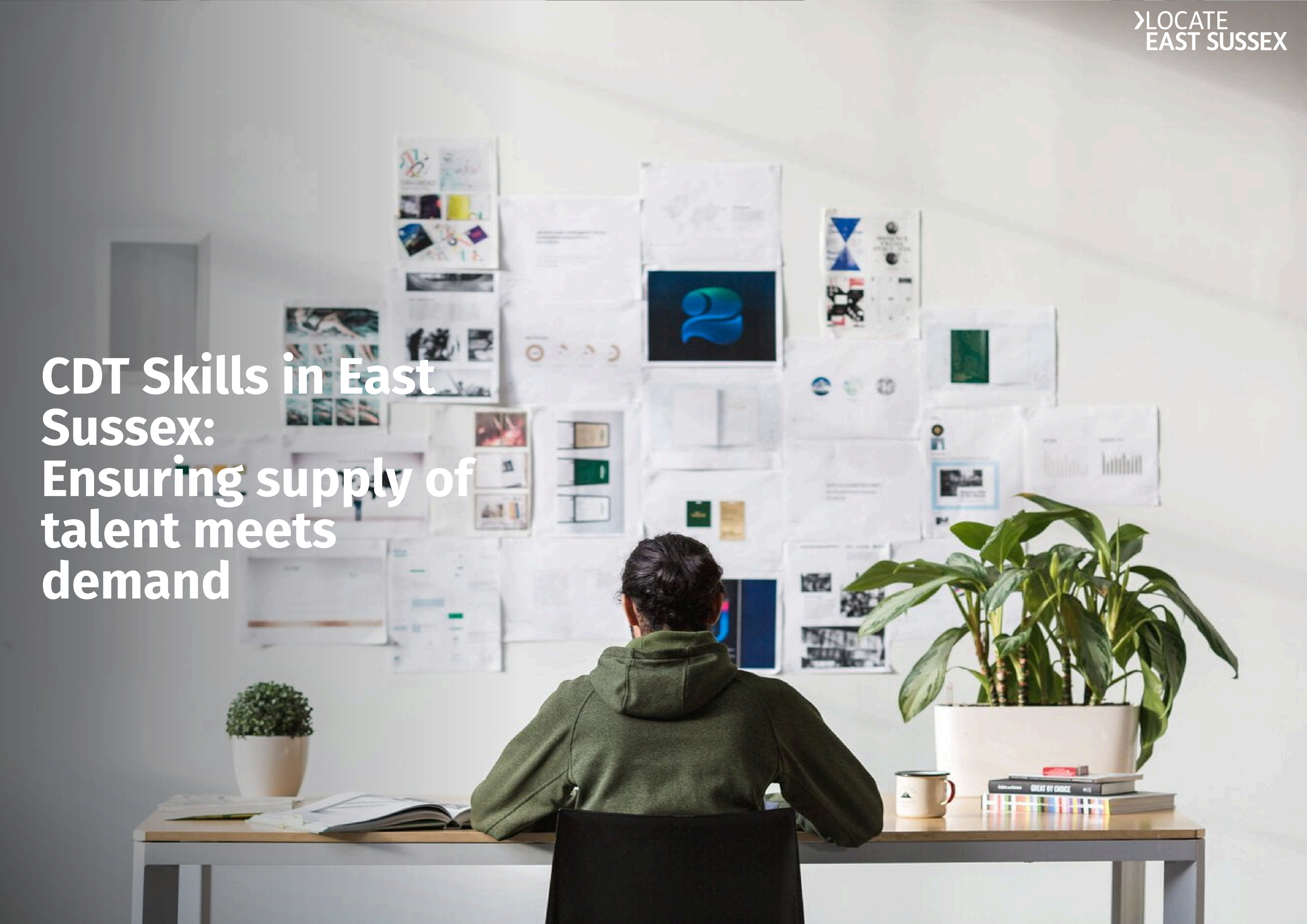
Unlike Eastbourne's founders and owners, those in Hastings did claim that they moved to the town for business reasons, with the primary ones being to take advantage of a lower cost base and to more easily access business opportunities.

“I moved from Brighton, a great creative place and everything. But for my money, everything was costing too much, and I felt that Hastings was a bit more viable.

“I found it an ideal place to start a business. The rent was cheap... it wasn't as distracting as London, you could concentrate on what you're doing.

Asked what they needed in terms of support, the creative businesses talked about three things:

1. Recognition: confirmation at a local policy level that an aggregate of sole traders and micro-businesses together, generate significant value to the town.
2. More collaborative hubs – creative, connected, open innovation & hack spaces “like the FuseBox”.
3. “Small amounts of cash distributed as widely as possible in a hands-off way to help keep community engagement going”



CDT Skills in East Sussex: Ensuring supply of talent meets demand

AUDITING CDT SKILLS IN EAST SUSSEX:

Ensuring supply of talent meets demand

Understanding supply of skills

Skills can come from a number of sources: from formal education (e.g. schools, colleges and universities); from re-training (e.g. employees learning on the job); and from workers relocating from elsewhere, either for jobs or for personal reasons. We focus here on skills coming through formal education, drawing upon an audit of courses offered by institutions in and around East Sussex.

OFFERINGS BY EAST SUSSEX AND ADJACENT PROVIDERS

As part of this project we conducted a skills audit of the courses offered by colleges and universities within the East Sussex region for courses associated with CDT skills. The complete list of the courses identified (correct as of August 2022) is included in Appendix 3. The approach taken here was to identify all FE colleges within East Sussex and within approximately 10 miles of the borders of East Sussex in all directions, and review and code all courses offered by those institutions. We summarise some key findings of the research below:

Location: We identify 131 distinct courses in the CDT field within the region, with courses identified in eight towns/cities and across 11 institutions (considering separately the branches of East Sussex College). It is difficult to clearly identify gaps in provision (particularly given that there is no data about the home location of students at these colleges) but there appeared to be relatively good coverage across the breadth of East Sussex. The largest number of courses offered, unsurprisingly, is in Brighton. Both Hastings and Eastbourne have comparatively lower shares of CDT courses offered, but it is worth noting that there appears to be good provision in Bexhill, which is located between both towns. At the north of the county there is good specialist provision across the Kent border in Tonbridge, and across the Surrey border toward Redhill.

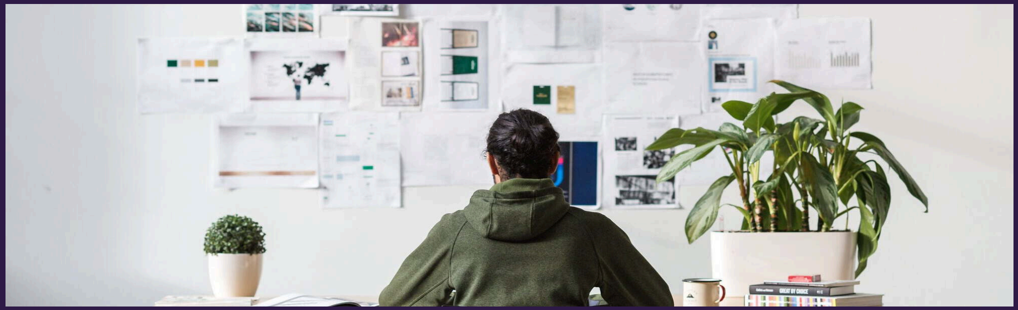
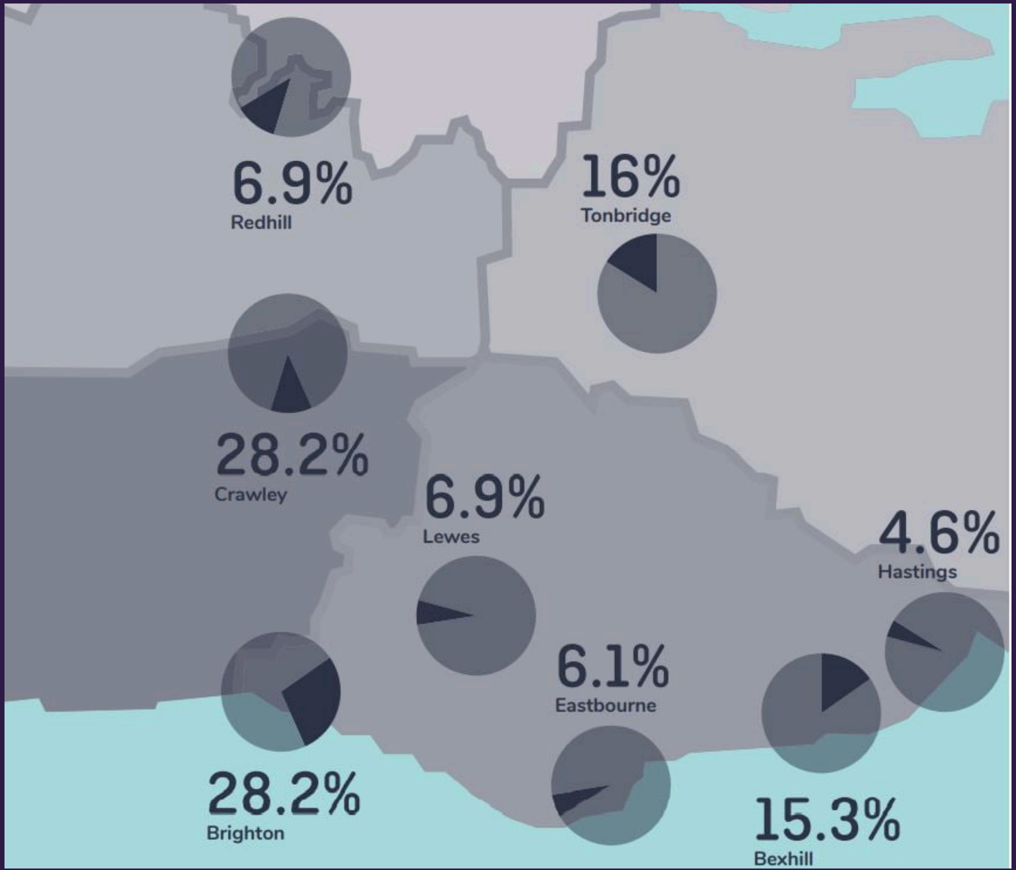
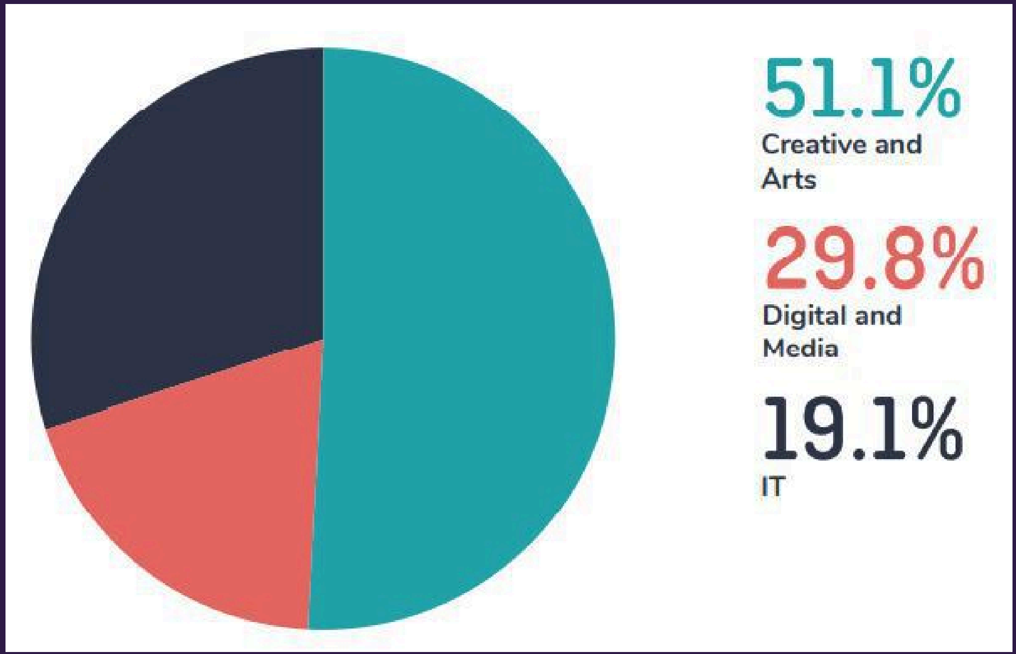


Figure 6.1: Geographical spread of CDT courses



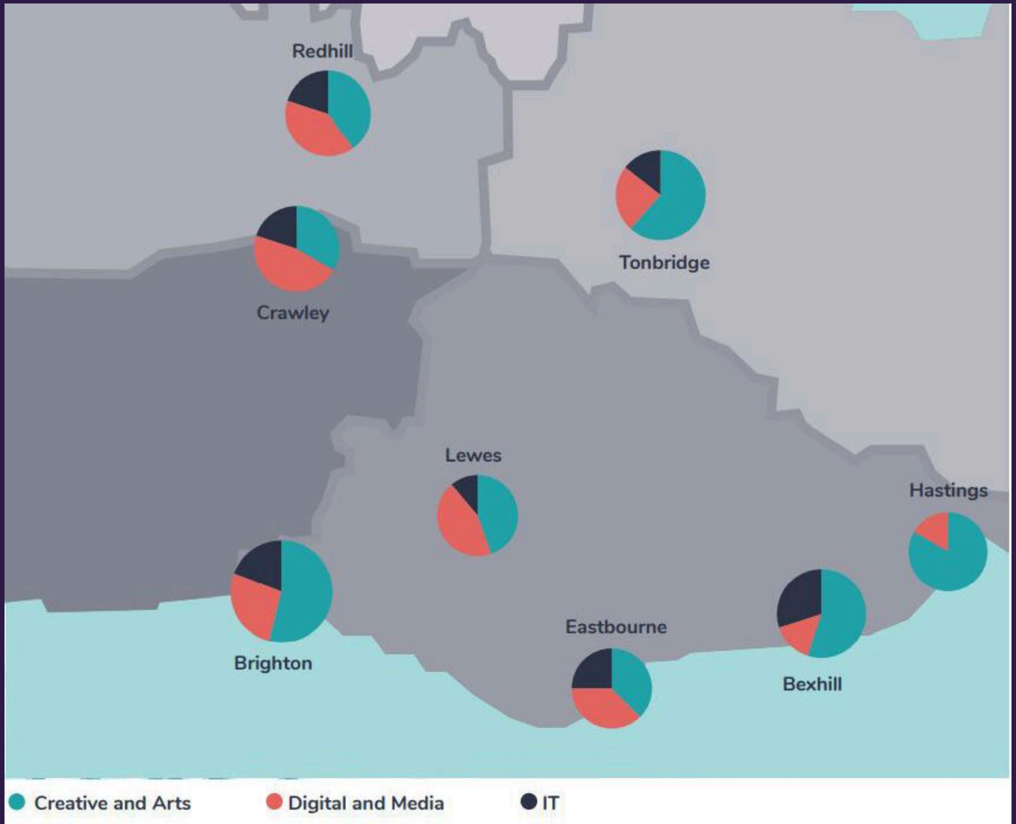
Topics: All courses are listed in the appendix, but we coded these into three larger categories: Creative and arts (inclusive of topics such as music, arts and design, photography etc.); Digital and media (inclusive of topics such as media production and computer games development); and IT (including topics such as computer programming, IT etc.). Of the courses identified, approximately half were in creative and arts topics, approximately 30% were in digital and media topics and approximately 20% were in IT topics. These are summarised in Figure 5.2.

Figure 6.2: Topics of CDT courses offered around East Sussex



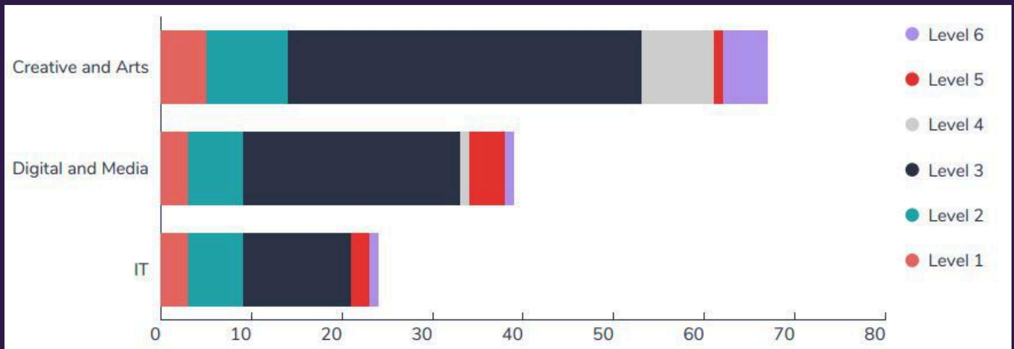
When we combine these we can see the share of provision across the locations in and around East Sussex. Notably there are substantially more creative courses and in Brighton, Bexhill and Tonbridge, while in the other places there is comparative balance, at least between creative and digital, with relatively fewer courses on IT topics.

Figure 6.3: Topics of CDT courses by location



Another factor is the level of awards offered, as there are a myriad of qualifications from Level 1 (GCSE Grades D-G) to Level 6 (a full undergraduate degree) Figure 6.4 below shows the breakdown of the topic areas by levels of offerings in these topics. Level 3 courses (which include A-Levels, BTEC and T-Level qualifications) are most common. Given the points raised earlier in the report around the relationship to universities and the different impact of the closure of University of Brighton campuses in Hastings and Eastbourne, it is notable that there is some provision at Levels 4-6 in the region. There are more creative and arts programmes offered at or above Level 4 than the other topics.

Figure 6.4: Level of awards offered



These figures around course offerings are borne out by figures on student numbers. Figures provided by the Department of Education for the Sussex Local Skills Improvement Plan (LSIP) show that across Sussex (unfortunately disaggregated data for East Sussex/West Sussex/ Brighton and Hove are not available), the number of new age 16-19 students starting courses in arts and media courses were substantially higher than any other type of qualification. Across Sussex, in the 2019/2020 school year just over 20,000 students undertook new qualifications in the topics of media and communication, crafts, creative arts and design, and performing arts. By contrast, approximately 3,000 took up ICT courses across Sussex.

Other mechanisms for skills development include apprenticeships and training. Available data on apprenticeships is limited but suggests that while apprenticeships are more common among ICT topics than creative and digital topics, the uptake is limited with around 600 students starting apprenticeships in 2019-20 across Sussex. Another approach is adult retraining, and figures in this area are particularly challenging for CDT topics as adult training also includes leisure courses (e.g. arts for hobbyists) and skills. Nearly 19,000 adults started courses across Sussex in this period, though separate to this there was relatively strong uptake of ICT practitioner training (approximately 3,000 adult starters), suggesting workers were updating their skills.

On the basis of this analysis, it appears that there is substantial throughput into education, particularly for creative topics. Yet it is unclear the extent to which this supply then meets commensurate demand, as we discuss below.

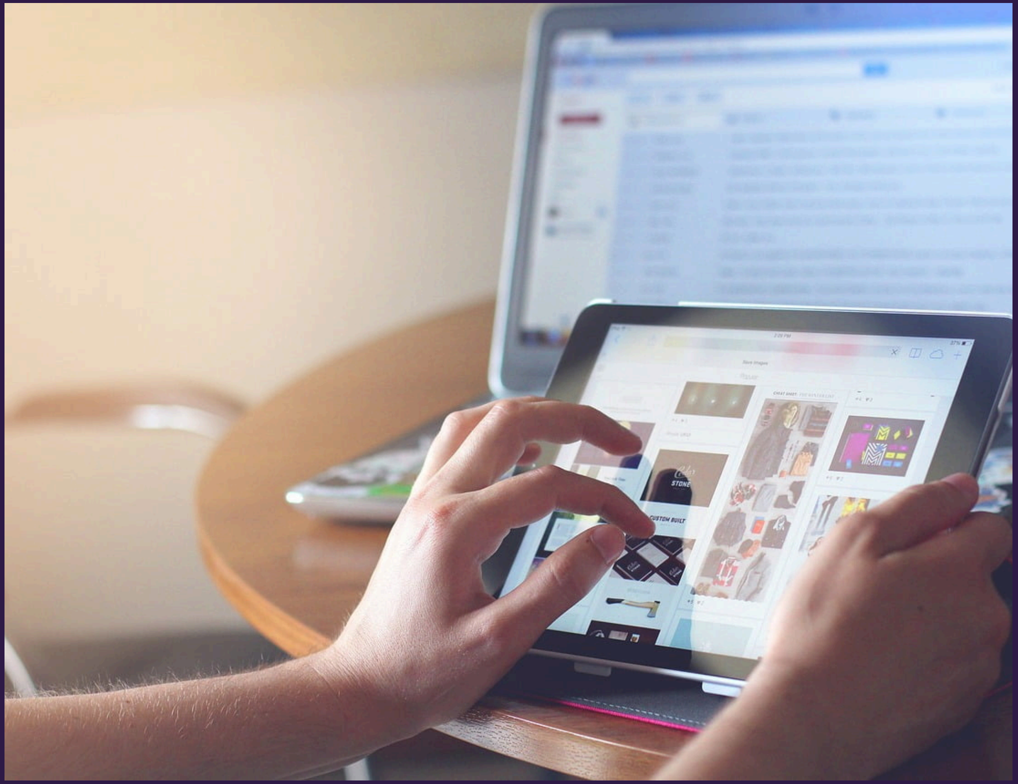
Understanding demand for skills

The figures above show the supply of skills, but equally the demand for skills is also crucial. These skills, at least in terms of the analysis for the LSIP initiative, have been disaggregated into digital skills and skills for the visitor and cultural economy. Both of these have been identified as focus areas for Sussex in the LSIP project, but there is comparatively more data available on digital.

<u>DIGITAL SKILLS</u>

In terms of demand for digital skills, evidence from the LSIP initiative shows that across the board, the number of job postings requiring digital skills was substantially lower from November 2021-March 2022 in East Sussex than both Brighton & Hove and West Sussex. For instance, in this period there were 391 roles for programmers and software developers in Brighton and Hove, 493 roles posted in West Sussex, and only 100 in East Sussex. Of the places In East Sussex where job postings were being made, Hastings saw the most digital job postings with approximately 180, while Eastbourne had approximately 100, Lewes had approximately 80, Wealden had approximately 50 and Rother had approximately 20.

Part of the issue seen with demand for workers relates to the volume of workers being sought, and the salaries offered. While the number of companies posting jobs in East Sussex was about the same as Brighton and Hove (both areas had approximately 250 companies posting adverts), the total number of jobs posted for Brighton and Hove was approximately 1,250, compared to slightly less than 500 postings in East Sussex. Moreover, looking at salaries for digital jobs, the median salary for jobs advertised in Brighton & Hove was £32,078, while for East Sussex it was £27,090. With the median digital job being paid £5,000 less than roles in Brighton, and fewer posts coming up, these appear to explain some of the issues around demand for skills.



Beyond the above, it should be noted that these figures are based on full/part-time job postings. In places that are freelancer dependent (including Brighton and - as identified in this report - Hastings), it is also likely that job postings are inefficient ways to recruit workers, when freelancers are more likely to be delivering digital skills as freelancers, rather than as employees. This is in line with the points made earlier about the composition of the CDT sector in East Sussex compared to the larger employers seen particularly in West Sussex.

CREATIVE WORK

There is comparatively less data available on demand for creative workers. There were sufficiently few job adverts in the Nesta work for Sussex that creative workers were excluded from the analysis. There are indications in the job listings data that Sussex is slightly less likely to have media, digital and creative jobs postings as part of the overall share of vacancies, but this may be due to the freelance-heavy nature of this work, as discussed previously.

Recommendations

RECOMMENDATIONS AND SUGGESTED ACTIONS

Recommendations

Our research has enabled us to identify a number of key issues that bear consideration by Locate East Sussex and East Sussex County Council.

Creative + Technology

It is widely recognised that value-generation is enhanced where commercial creative activity and commercial technology activity co-exist, either at the firm level or the geographic level. This was originally demonstrated in the Brighton Fuse research, and has since been confirmed in various pieces of research undertaken by the Creative Industries Policy and Evidence Centre. The current manifestation of that fusion is CreaTech, the integration of new, advanced technologies (VR, AI, etc.) with the Creative Industries. Commercial investment in the UK's CreaTech businesses surpassed £1bn last year (second only to that of the USA and China) and is now also supplemented by growing public sector funded support.

As we have seen, the two main centres of CDT activity in East Sussex (Eastbourne and Hastings) have discrete (not fused) CDT sectors. It is of course important to focus on what each location is good at and to build on their existing strengths. The number of ambitious, high-growth IT/software companies in Eastbourne augurs well for the future development of the cluster, particularly if these companies can be supported in meeting their needs in terms of the skills base. Likewise, as one interviewee highlighted, many other local authorities have spent large sums to attract even a fraction of the number of creatives who are currently based in Hastings and have been attracted to live and work there. This is an important asset for Hastings, and the distinction of the ways in which Hastings businesses work - collaborative, freelancer-led - should be supported to grow.

Public sector support that is specific to those existing, localised strengths will help enhance the current entrepreneurial activity, at both the individual and the firm level, and across businesses. This has the potential to start realising further benefits (knowledge sharing, talent attraction, etc.) from the specific sub-sectoral clusters in each town.

That is not to say that there are no creative technology businesses in these towns. Recursive Media in Eastbourne and Melody VR in Hastings are both growing, internationally successful CreaTech firms, and active advocates for their respective locations.

So we suggest it would also be strategically prudent to provide support to those and similar businesses. Enhancing the missing element in each town (i.e. more of a tech presence in Hastings, more of a creative presence in Eastbourne) delivers an opportunity for greater growth and, crucially, enhanced value-generation.

New Ways of Working

The Covid pandemic has accelerated and mainstreamed what were previously niche tendencies. This is especially true as regards the world of work. Remote and asynchronous working is becoming normalised in the CDT sector. In Eastbourne this is driving the recruitment of those that will work for local companies but remain living outside of the county. In Hastings it has enabled creative freelancers previously based elsewhere to situate themselves in the town with the confidence that they can continue to sustain their existing client base.

CDT businesses both large and small are re-calibrating what they will require in terms of workplaces (size, teams, resources and locations). The common theme is that new, hybrid business practices are real and are still evolving.

And as competition for CDT talent intensifies, businesses are grappling with strategies to support staff welfare, diversity & inclusion, and collaborative working in new hybrid environments.

We suggest that it is incumbent upon East Sussex to recognise these themes as both challenges and opportunities. It may represent a challenge to some existing strategies around business premises, business support programmes and the like.

However, it is also an opportunity to be a place that, as one respondent said, “leans into this hybrid working opportunity”, making support for these modes of operating an East Sussex selling point to new and existing businesses.

CDT Freelancers and Micro Businesses in East Sussex

The creative industries are defined by the UK Government as commercial activity that has its "origin in individual creativity, skill and talent", so it's therefore unsurprising that a significant proportion of East Sussex's CDT sector operates at the level of self-employment or very small business units.

Research has shown that the self-employed are an important part of a healthy CDT ecosystem. Whilst in other sectors, self-employment might be viewed as displaced employment, odd jobs or a temporary solution, within CDT the self-employed are often "prosperous... use a range of different business models in their work (and) may exploit cutting-edge technologies. Moreover some diversify their offer, and promote themselves in different ways to different markets"

The CDT self-employed and micro businesses in East Sussex provide specific skills and expertise to larger businesses, enabling those firms to thus respond in an agile way to opportunities. They also collaborate with others locally to create added value, and this can then evolve into micro-businesses.

Freelancers do not lack aspiration, whether it's to realise their personal business ideas, or to achieve more flexibility and autonomy in their lives. Our research shows that many invest their time in side-projects alongside their freelance work, some of which are intended for future monetisation, others are the individual equivalent of R&D, and still others are passion projects, often for artistic or philanthropic purposes. Some simply find the autonomy of freelancing more convenient to manage family life.

Our research shows that even in well developed CDT clusters like Brighton, freelancing and micro businesses remain a significant and important aspect of the cluster.

Suggested Actions

Develop discrete town-based plans that support local existing CDT strengths

These should be finalised after engagement and discussion with CDT businesses and freelancers, but should be primarily strategic and not short-term or merely tactical.

Our suggestions would include:

HASTINGS

- Continue to proactively welcome and support the growth of the CDT freelance community, and to attract the project-based businesses that can provide them with work.
- Identify ways to provide the specific additional knowledge and skills that can enable CDT freelancers and sole traders to grow their revenue levels (e.g. IP, legal, finance, pitching, etc.).
- Actively support and encourage the creation of a range of coworking spaces and other practical resources that can aid this sub-sector.
- Ensure that key local and regional assets (e.g. councils, colleges, etc.) have procurement and other processes in place that support this sub-sector.

EASTBOURNE

- Create a town-wide strategy that recognises the growing significance of remote working practices and adopts an approach that delivers economic and social value to the region from it.
- Promote the growing cluster of software businesses in the town and provide easy landings for entrepreneurs who want to build or grow similar businesses.
- Develop and find ways to resource programmes that can help individuals to acquire the software and programming skills that the cluster needs to thrive. Consider methods that do not solely rely on educational institutions to provide training.

Develop a county-wide approach that has a goal of growing the Creative + Tech (C+T) fused economy

Our suggestions would include:

Identify, promote and support those existing C+T businesses that have potential.

- Join and support the Coastal CreaTech Open Innovation Network (COIN), to enable it to extend along the East Sussex coast to Hastings.
- Provide ways that arts and creative assets and activity can engage with new technologies (e.g. leverage cultural institutions, festivals, ACE support etc.)
- Provide ways that individual technologists can grow their C+T understanding, including resourcing Hackathons that help structure knowledge-development around value-generation.

Appendix A: Underlying Data

Table A1: Business counts by sector and LA/benchmark regions

	Eastbourne	Hastings	Lewes	Rother	Wealden	Brighton	East Sussex	Kent	West Sussex	South East
Marketing	45	30	105	45	135	750	360	1700	725	16000
Architecture	50	30	175	50	250	400	600	1500	700	9000
Craft	5	50	40	0	0	75	100	75	25	500
Design	40	75	150	45	175	600	500	1500	700	10000
Film, TV etc.	125	130	485	125	275	1770	1155	2270	1330	21725
Publishing	70	40	175	65	270	255	585	1710	1405	15200
Performing arts	200	195	375	100	220	1900	1100	2075	1350	15000
Museums and galleries	50	40	70	20	60	25	245	900	725	5225
Tech/ software	390	345	520	315	1105	5980	2820	12890	8740	177050
Tech/ hardware	185	125	135	30	195	1190	650	3025	2105	46800
Local CDT jobs	1160	1060	2230	795	2685	12945	8115	27645	17805	316500
Total employment	39975	31650	35450	29450	52350	141725	188750	636000	393000	4231000

Table A2: Employment growth by Sector and LA, 2016-2020

	Eastbourne	Hastings	Lewes	Rother	Wealden	Brighton	East Sussex	Kent	West Sussex	South East
Marketing	0.0%	0.0%	0.0%	-35.7%	-30.8%	-15.3%	7.1%	11.5%	-12.1%	-15.8%
Architecture	-33.3%	0.0%	0.0%	-50.0%	25.0%	20.0%	14.3%	20.0%	0.0%	0.0%
Crafts	-50.0%	0.0%	0.0%	0.0%	-100.0%	-20.0%	66.7%	-25.0%	66.7%	11.1%
Design	60.0%	50.0%	100.0%	28.6%	16.7%	42.9%	71.4%	50.0%	40.0%	42.9%
Film + TV	92.3%	73.3%	340.9%	177.8%	17.0%	120.0%	67.8%	71.3%	58.3%	52.5%
Publishing	-26.3%	14.3%	40.0%	8.3%	107.7%	23.2%	24.4%	7.9%	-10.5%	-17.3%
Performing Arts	37.9%	25.8%	-2.6%	-9.1%	7.3%	7.3%	-12.0%	36.1%	29.2%	1.0%
Museums Libraries	-44.4%	0.0%	-22.2%	-50.0%	-25.0%	-31.0%	-16.7%	-10.9%	-3.3%	-16.4%
Tech software	14.7%	-17.9%	-33.3%	-27.6%	-9.4%	-11.3%	2.8%	14.2%	-10.3%	-1.8%
Tech hardware	15.6%	-16.7%	-15.6%	50.0%	30.0%	-5.1%	-8.1%	-27.2%	-15.8%	-8.2%
Total growth	10.5%	2.4%	9.0%	-13.1%	4.3%	6.1%	7.8%	11.7%	-3.7%	-1.3%

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Image courtesy of De La Warr Pavil

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Of course, the analysis provided in those chapters and in the rest of this document generally are strictly and solely the responsibility of the authors, and should not be understood as reflecting the specific opinions of any of those acknowledged.

The Creative Radar data used in this report is provided courtesy of the AHRC Creative Industries Policy and Evidence Centre (PEC). The analysis of the Creative Radar data is the work of the authors and should not be seen to reflect the views of the PEC.

Any errors are also the authors’ responsibility.

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Last but not least, we would like to thank Locate East Sussex for the opportunity to engage with the creative, digital and technology businesses in the county.

Thank you for reading

Creative, Digital & Technology Sector Proposition

For more information please visit www.locateeastsussex.org.uk