

Central
Bedfordshire

great
prospects



Quarterly Economic Monitoring Report February 2015

A great place to live and work.

Find us online  www.centralbedfordshire.gov.uk  www.facebook.com/letstalkcentral  [@letstalkcentral](https://twitter.com/letstalkcentral)

Table of contents

What's happening nationally	3
What's happening in Central Bedfordshire.....	3
Employment.....	5
Unemployment.....	6
Youth Unemployment.....	7
Out of work benefit claimants.....	8
Worklessness.....	9
Vacancies	9
Skills.....	12
Apprenticeships	12
Business Start Ups.....	12
Business Demography.....	12
Self Employment.....	13
Commercial Property Deals	13
High Street Vacancy Levels.....	14

Contact us...

James Cushing

james.cushing@centralbedfordshire.gov.uk

What's happening nationally

UK economic growth slowed in the fourth quarter of 2014, with the economy expanding by 0.5%, the figure was weaker than the 0.7% expansion recorded for the third quarter. GDP was 2.7% higher in Q4 2014 compared with the same quarter a year ago.

The largest contribution to Q4 2014 GDP growth came from services; these industries increased by 0.8%. This followed an increase of 0.8% in Q3 2014. In the latest quarter there was widespread growth, with increases in three of the four main services aggregates (distribution, hotels & restaurants; transport, storage & communication; business services & finance). Output from government & other services was flat for Q4 2014. In Q4 2014 output from services was 7.9% above its pre-economic downturn peak in Q1 2008.

There was a downward contribution from the production industries; these industries fell by 0.1%, with energy supply decreasing by 2.8% and mining & quarrying decreasing by 0.6%. Partially offsetting these decreases was a rise of 1.2% in water & waste management, and a rise of 0.1% in manufacturing. Construction output decreased by 1.8% in Q4 2014 when compared with Q3 2014.

The Consumer Prices Index (CPI) grew by 0.5% in the year to December 2014, down from 1.0% in November. The main contributions to the fall came from falling gas and electricity price rises and the continuing drop in motor fuel prices. The Retail Prices Index grew by 1.6% in the year ending December 2014, down from 2.0% in November.




The Bank of England held UK interest rates at a record low of 0.5%. The Bank of England's Monetary Policy Committee also voted to maintain the stock of purchased assets financed by the issuance of central bank reserves at £375 billion.

Business confidence has dipped for three consecutive quarters reaching a level of +16.8. Although this remains well into positive territory and the recent declines come from record highs in 2014, the latest cooling partly reflects growing uncertainty.

What's happening in Central Bedfordshire

The economic landscape in Central Bedfordshire is extremely positive this quarter. Employment rates are high, with 9,400 additional people in work in the past year. Just Go, a leisure and tourism business has relocated to Central Bedfordshire and is recruiting over 40 new roles to their growing business. The number of people claiming benefits is falling and the Jobseeker's Allowance claimant rate is down to just 0.9%. All key monitoring indicators are showing upward trends in performance. There has been an increase in the level of inward investment enquiries received demonstrating continued investor confidence, as witnessed by the opening of Prologis Park Dunstable, home to the first speculatively developed distribution facility in the UK, since the recession. Central Bedfordshire has also been successful in attracting £ multi million investment through the South East Midlands Local Enterprise Partnership Growth Deal, including new developments at Cranfield, Millbrook and the M1- A6 link road.

Economic Development Plan Indicators

Key Economic Monitoring Indicator	Number	RAG rating ¹	Performance since last quarter ²	Reason for RAG
Number of people in employment aged 16-64 (ONS, Annual Population Survey, via Nomis)	133,900 (Sep 2014)	Green		This has gone up by 2,600 (2%) people in one quarter and continues to be above all comparator areas. The rate is now the highest it has been since March 2009
Employment rate across Central Bedfordshire remains 5% above the England Rate	7.9 % points above (Sep 2014)	Green		The gap between Central Bedfordshire and England has again increased to 7.9 percentage points and meets our target of remaining 5 percentage points above the national rate.
Number of out of work benefit claimants (Department for Work and Pensions, via Nomis)	10,150 (May 2014)	Green	N/A	New data is not available for this indicator. However, data available on Jobseeker's Allowance (JSA), shows there were 1,515 people aged 16-64 claiming Jobseeker's Allowance (JSA) in December 2014, 19 fewer than November 2014 and 1,145 fewer than in December 2013. This is 0.9% of the working age population. The rate remains significantly below England (1.9%), SEMLEP (1.4%) and the East of England (1.4%).
Economic activity rate (ONS, Annual Population Survey, via Nomis)	84.1% (Sep 2014)	Green		The number of economically active people has increased by 3,400 (2.5%) in the last quarter and has returned to a position above all comparator areas.

¹ RAG rating applies the Red, Amber, Green traffic light system of performance and risk to each of the monitoring indicators, taking into account the relative performance of Central Bedfordshire against comparator areas. Red are of concern, amber should be monitored and green are on target.

² Performance data is subject to statistical variations (confidence interval) within a 95% standard error.

Employment

In September 2014 there were 140,000 people in employment in Central Bedfordshire. The number of people in employment has grown by 3,200 (2.4%) in the last quarter.

The number of people aged 16-64 in employment is 133,900. This has increased by 2,600 (2%) people in one quarter, and equates to an employment rate of 80.4%. This rate is higher than all comparator areas – England 72.5%, East of England 76%, and SEMLEP 76.2% - and is in line with the Council's corporate target of remaining more than 5 percentage points above the national rate, with a current difference of 7.9 percentage points. The rate is now the highest it has been since March 2009

The number of people in work remains below pre-recession levels (134,400 in September 2008), but the growth since September 2013 shows continuing positive signs of economic recovery. The number of people in employment has grown by 9,400 or 7.2%, since September 2013.

Table 1: Employment rate of working age people (ONS Annual Population Survey via Nomis, September 2014)

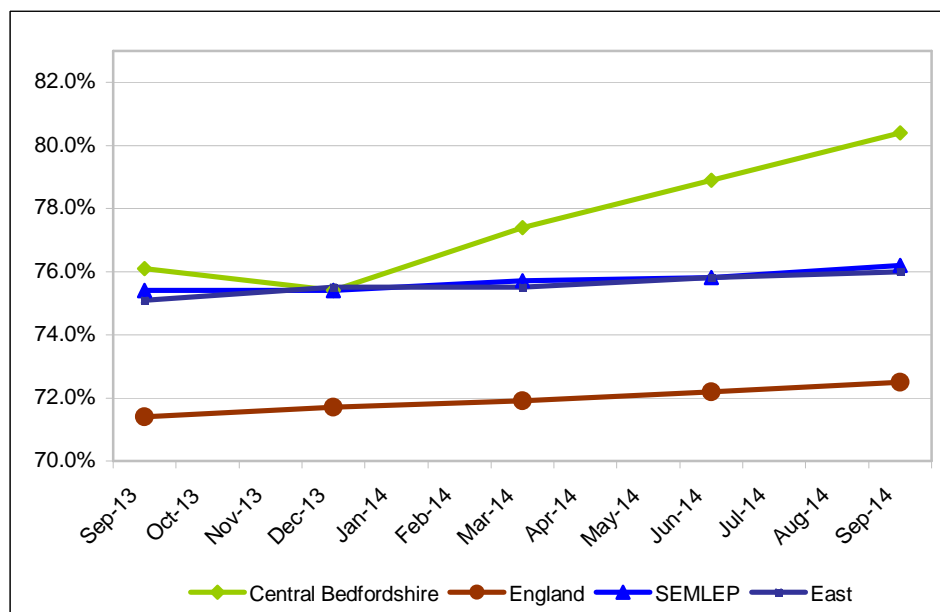
Date	Central Bedfordshire +/- 3.7%	England +/- 0.2 %	SEMLEP +/- 1.2%	East +/- 0.8%
Sep-13	76.1%	71.4%	75.4%	75.1%
Dec-13	75.4%	71.7%	75.4%	75.5%
Mar-14	77.4%	71.9%	75.7%	75.5%
Jun-14	78.9%	72.2%	75.8%	75.8%
Sept-14	80.4%	72.5%	76.2%	76.0%

With regard to gender, the employment rate of males aged 16-64 has risen by a further 500 people to 85.2% since June 2014. The female employment rate has also increased, by a further 2,500 people to 75.6%.

The number of people in employment generally rises when taking into account those people who remain in work beyond the age of 65. In September 2014, the number of people of all ages in employment was 146,100. The overall number of people remaining in work over the age of 65 is 6,100. This has increased by 600 people in the past quarter, but still accounts for 4.2% of all people in work.

Many analysts regard the economic activity rate as a more accurate indicator of what is happening to the labour market than the employment rate alone. A person is defined as economically active if they are either employed, or unemployed but seeking work in a particular period. In September 2014, the economic activity rate in Central Bedfordshire was 84.1% of working age population, or 140,000 people. This is an increase from 82.0% in June 2014, and has returned to a position above all comparator areas – England 77.7%, East of England 80.4%, SEMLEP 80.4%.

Figure One: Economic Activity Rate of working age people (ONS Annual Population Survey via Nomis, September 2014)



Unemployment

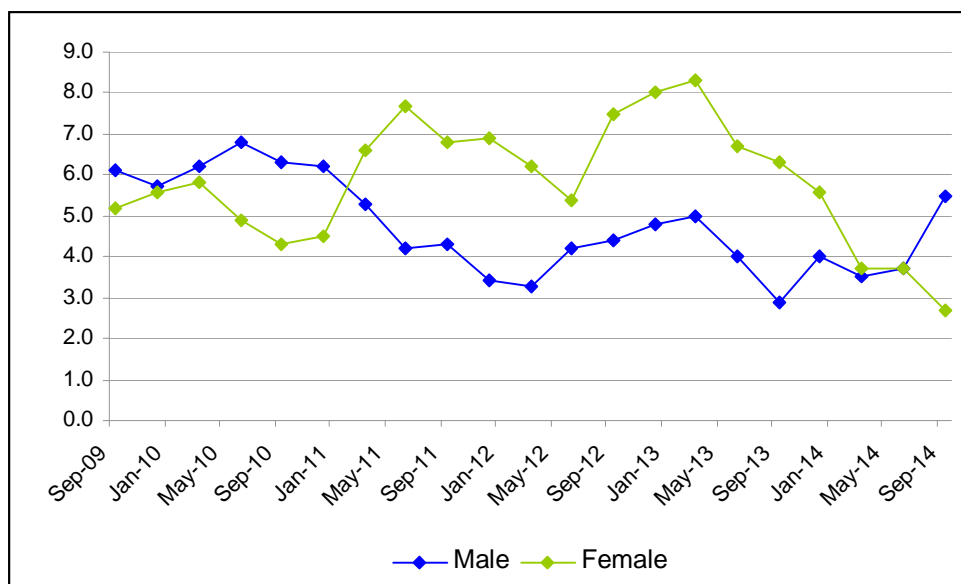
Unemployment – International Labour Organisation (ILO) measure of all people actively seeking work and able to start immediately – in Central Bedfordshire rose by 900 people to 6,100 or 4.4% in September 2014. Despite the increase, it remains below the national rate of 6.6%, the East of England rate of 5.5% and the SEMLEP rate of 5.3%. All comparator areas witnessed a fall in this quarter.

Table 2: Unemployment rate (ONS Annual Population Survey via Nomis, September 2014)

Date	Central Bedfordshire +/- 2.1%	England +/- 0.2%	SEMLEP +/- 0.8%	East +/- 0.5%
Sep-13	4.5%	7.9%	6.9%	6.4%
Dec-13	5.0%	7.6%	6.3%	6.2%
Mar-14	3.7%	7.3%	6.1%	5.9%
Jun-14	3.8%	6.9%	5.6%	5.6%
Sept-14	4.4%	6.6%	5.3%	5.5%

Female unemployment in Central Bedfordshire has fallen in this quarter, 1,800 people or 2.8%. The increase in unemployment can be seen in the male rate, which has increased by 1,500 people to 4,300 or 5.5%.

Figure Two: Unemployment rate of males and females in Central Bedfordshire (ONS Annual Population Survey via Nomis, September 2014)



With regard to Jobseeker’s Allowance (JSA), there were 1,515 people aged 16-64 claiming Jobseeker’s Allowance (JSA) in December 2014, 19 fewer than November 2014 and 1,145 fewer than in December 2013. This is 0.9% of the working age population. The rate remains significantly below England (1.9%), SEMLEP (1.4%) and the East of England (1.4%).

The Office for National Statistics (ONS) also produces a model-based estimate of unemployment for local authorities. This uses both the Annual Population Survey data and the Jobseeker’s Allowance claimant count to produce an estimate with a smaller confidence interval. It should be noted that this measure only covers all people ages 16+ and no age or gender breakdowns are produced. The model-based estimate of unemployment for Central Bedfordshire in September 2014 was 4.4%, or 6,600 people. This estimate has fallen by 500 people since June 2014. Comparator rates based on this model are: SEMLEP 5.3%, East 5.5% and England 6.6%.

Youth Unemployment

Recent figures for JSA claimant count show 315 people aged 16-24 claiming Jobseeker’s Allowance (JSA) in December 2014, remains the same as November 2014 and 245 fewer than in November 2013. This is 1.2% of the 16-24 working age populations. The rate remains below England (2.3%), SEMLEP (1.5%) and the East of England (1.8%). People in the age group 16-24, however, still account for 20.4% of all people claiming JSA in Central Bedfordshire.

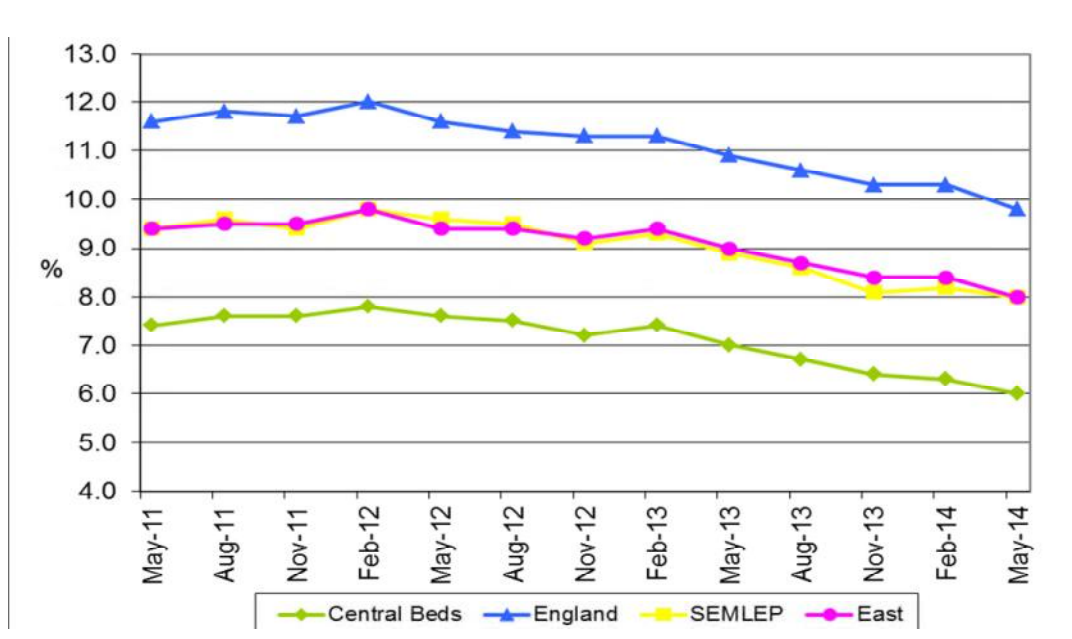
Table Three: Percentage of young people (16-24 years old) in receipt of Jobseeker’s Allowance (DWP via Nomis, December 2014)

Date	Central Beds	England	SEMLEP	East
Oct-13	2.6%	4.3%	3.3%	3.7%
Jan-14	2.3%	3.9%	2.9%	3.4%
Apr-14	1.9%	3.5%	2.9%	3.0%
Jul-14	1.7%	3.0%	2.5%	2.4%
Oct 14	1.3%	2.7%	1.9%	2.1%
Nov 14	1.2%	2.5%	2.5%	1.9%
Dec 14	1.2%	2.3%	1.5%	1.8%

Out of work benefit claimants

New data on out of work benefits is not available. The number of people claiming key out of work benefits stood at 10,150, or 6.0% in May 2014. Key out of work benefit claimants include those claiming JSA, Employment Support Allowance (ESA) and Incapacity Benefit, lone parents and others on income related benefits.

Figure Three: Out of work benefit claimants (DWP, via Nomis, May 2014)



Worklessness

In September 2014, the worklessness level (people who are not employed and are either looking for work or do not want a job) fell by a further 8,500 people to 26,500 or 15.9% of working age people. This compares to 22.3% in England and 19.6% in both SEMLEP and the East of England. The number of economically inactive residents (not working and not looking for a job), also fell by 9,600 to 20,300 or 14.0% of the working age population. The economically inactive figure is split into those who do and those who do not want a job, even though they are not looking for one at the time of the survey. The number of economically inactive people who do not want a job has remained the same at 20,300 and still accounts for 76.7.1% of all economically inactive people. This compares to 75.0% in England, 74.9% in the East of England and 80.7% in SEMLEP. The largest single reason for inactivity is looking after family/home.

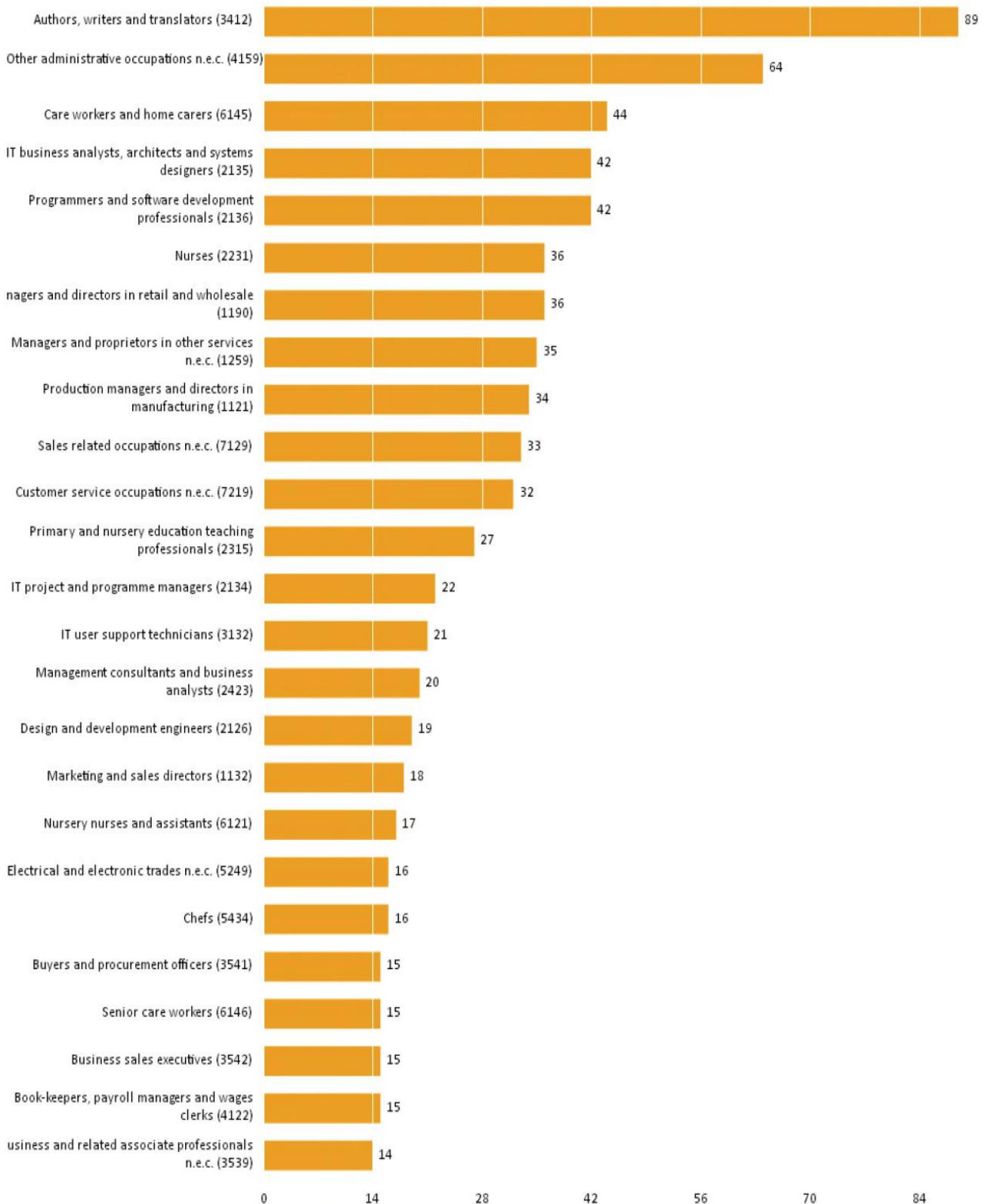
Vacancies

Data from Labour Insight, which records jobs posted by employers on job search websites, shows that there were 1,504 job postings by employers in Central Bedfordshire in the period November to January 2015, down by 400 on the previous quarter. The top occupations advertised were Authors, writers and translators (89) Administrators (64) Care Workers (44) IT business analysts, architects and systems designers (42) and Programmers and software development professionals (42)

Figure Four: Top detailed occupations in demand in Central Bedfordshire, Nov-Jan 2015 (Labour Insight, November 2014)

Active Selections

Nov. 1, 2014 - Jan. 31, 2015 AND (County/UA : Central Bedfordshire, ENG)

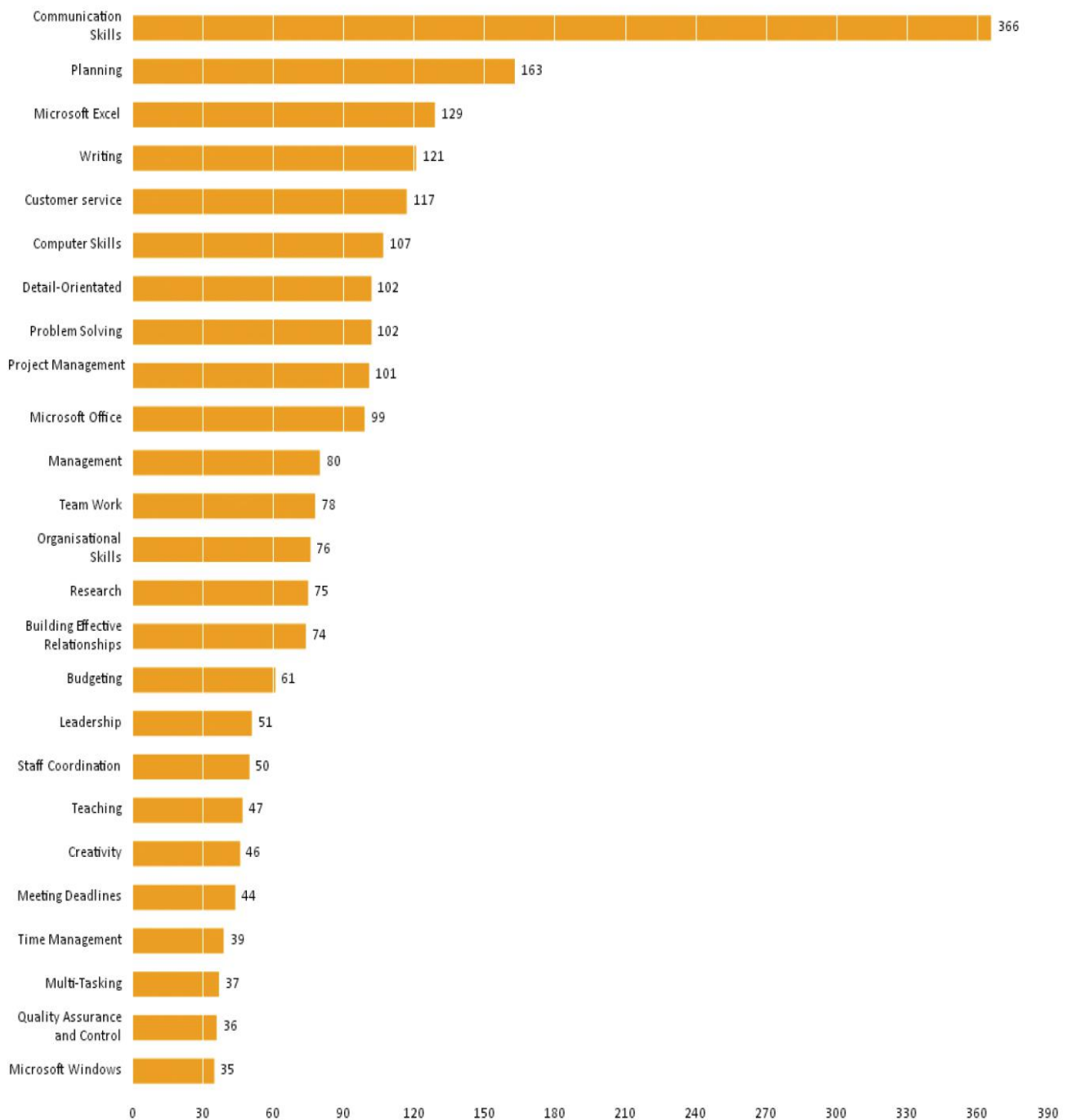


The top five skills sought by employers in this period were Communication Skills, Planning, Excel, Customer services. These are closely aligned to previous quarters, though communication skills have increased in priority.

Figure Five: Skills in greatest demand in Central Bedfordshire, Aug-Oct 14 (Labour Insight, November 2014)

Active Selections

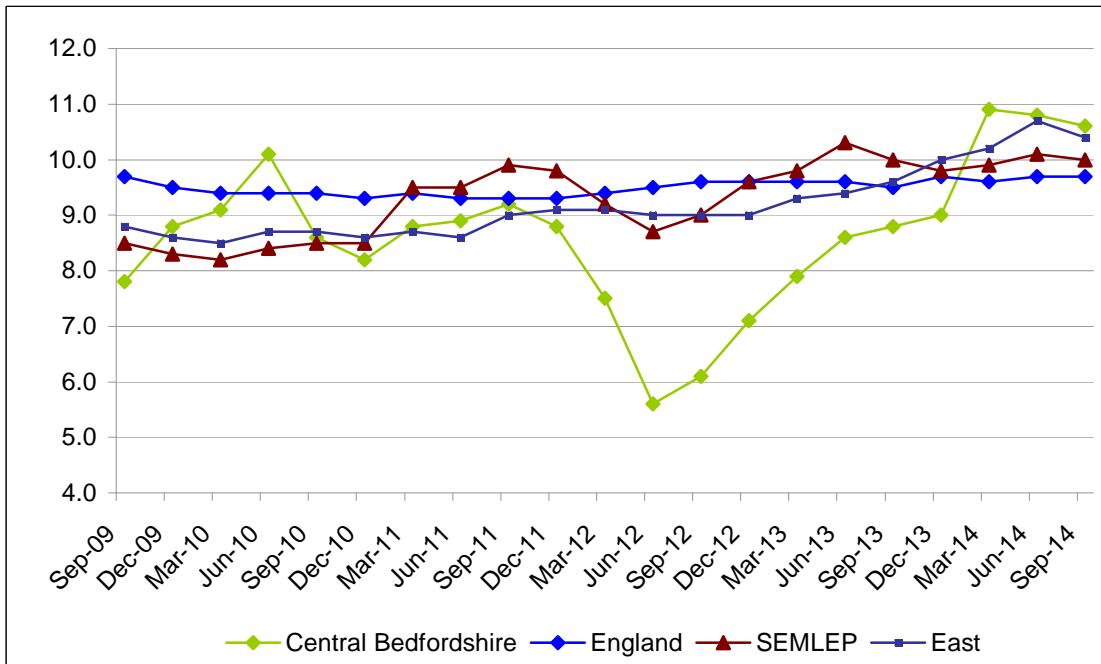
Nov. 1, 2014 - Jan. 31, 2015 AND (County/UA : Central Bedfordshire, ENG)



Skills

The number of people receiving job-related training in Central Bedfordshire has fallen slightly this quarter, by 200 people, to 17,700 or 10.6% of all people aged 16-64 in September 2014. This slight fall comes immediately after a large increase in the previous quarter, and remains a major improvement on the previous two years. This is compared to 9.7% in England, 10.4 in East of England and 10.0% in SEMLEP.

Figure Six: % of working age people who have received work related training in the past four weeks (ONS Annual Population Survey via Nomis, September 2014)



Apprenticeships

Data from **Labour Insight** shows that in the period November to January 2015 there were 37 apprenticeship posts advertised by employers in Central Bedfordshire, this is a significant drop from the 108 witnessed in the previous quarter. The top categories of apprenticeships were sales related, administration, chefs and customer services.

Business Start Ups

Data from Banksearch, which determines the number of small business start ups based on the opening of new business bank accounts, found that in the period October to December 2014, 415 new businesses were started in Central Bedfordshire. This is 63 fewer than the previous quarter and 70 less than the same quarter in 2013. The ward with the most start ups was Cranfield and Marston Moretaine (26) followed by Leighton Buzzard North (25) and Leighton Buzzard South (25) and Ampthill (24). The ward with the fewest start ups was Houghton Conquest (2), followed by Silsoe and Shillington (4), Parkside (5) and Tithe Farm (5).

Business Demography

The number of business births in Central Bedfordshire increased by 34% from 1,150 to 1,540 between 2012 and 2013. This rate is above national and regional comparators.

COUNT OF BIRTHS OF NEW ENTERPRISES for 2009 - 2013	2009	2010	2011	2012	2013
UNITED KINGDOM	236,030	235,145	261,370	269,565	346,485
ENGLAND	209,035	207,520	232,460	239,975	308,770
EAST REGION	23,535	22,580	24,930	25,335	32,570
Central Bedfordshire	1,055	1,010	1,095	1,150	1,540

The number of business deaths marginally increased by .038% from 1,055 to 1,095 between 2012 and 2013. This increase is not inline with falls in the number of business deaths witnessed in regional and national comparators.

COUNT OF DEATHS OF ENTERPRISES for 2009 - 2013	2009	2010	2011	2012	2013
UNITED KINGDOM	277,435	248,595	229,525	252,810	237,660
ENGLAND	247,150	219,030	202,365	222,115	209,465
EAST REGION	28,475	24,030	22,660	24,605	23,260
Central Bedfordshire	1,360	1,050	1,010	1,055	1,095

The total count of active enterprise in Central Bedfordshire increased from 11,395 to 11,660 between 2009 and 2013. Survival rate of newly born enterprises in 2008 after four years is 54%. Survival rate of newly born enterprises in 2010 after three years is 61%. Survival rate of newly born enterprises in 2011 after three years is 77%. Survival rate of newly born enterprises in 2012 after one year is 93%.

Self Employment

In September 2014 the number of people of all ages in employment who were self employed rose by 200 people to 20,500, or 14.7%. England (15.0%) with marginal increase this quarter, while the East of England (15.4%) and SEMLEP (14.4%) witnessed a slight increase. With regard to gender, the number of self-employed males fell by 7,600 to 12,700 while the number of self-employed females rose by 600 to 5,800.

Commercial Property Deals

Published data from Estates Gazette Interactive (EGI) shows that between November and August and October 2014, 10 commercial property deals were completed in Central Bedfordshire – a fall of five since the previous quarter. In terms of property use type, the distribution was as follows:

Industrial/Distribution	7
Retail	3

With regard to location, 6 were in Dunstable, 3 were in Leighton Buzzard and 1 was in Sandy. It must be noted that not all commercial property deals are published on EGI.

High Street Vacancy Levels

Monitoring “High Street” vacancies by counting all vacant A class premises within the town centre boundaries has shown a total of 80 vacant units (8.8% of all units) in town centres in Central Bedfordshire. This is a fall of 5 units since the previous quarter. Dunstable remains the town with the most vacant premises, but has seen a fall of 2 this quarter. Data from the Local Data Company shows that the national vacancy rate in December 2014 was 11.7%, meaning that Central Bedfordshire as a whole and all towns, except Dunstable, are below the national rate.

Table Four: Town Centre Retail Vacancies, November 2014

Town	May 2014	August 2014	November 2014	February 2015	% of all A class premises
Amphill	2	2	1	2	2.2
Arlesey	2	1	1	1	6.7
Biggleswade	9	14	12	11	7.6
Dunstable	54	56	54	52	19.5
Flitwick	1	2	1	1	2.6
Houghton Regis	0	1	2	1	3.6
Leighton Buzzard	7	7	9	7	3.4
Sandy	4	4	4	4	6.1
Shefford	1	0	1	1	2.5
Stotfold	0	0	0	0	0.0
Total	80	87	85	80	8.8