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Bedfordshire

great
prospects



Quarterly Economic Monitoring Report May 2014

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What's happening nationally

The UK economy continues to show signs of economic growth. Gross domestic product (GDP) in volume terms was estimated to have increased by 0.8% between Q4 2013 and Q1 2014. GDP is estimated to have increased by 1.7% in 2013, compared with 2012. Higher fares for flights and ferries helped to push the rate of inflation up in April, the first increase in the rate for 10 months.

The Consumer Prices Index, rose to 1.8% in April from 1.6% in March, according to the Office for National Statistics, the first increase in 10 months. Interest rates remain at 0.5% and there has been no increase in the Bank of England's Quantitative Easing Programme. Businesses confidence remains high, evident in the British Chamber of Commerce's upgraded growth forecast for 2014 – from 2.8% to 3.1% - which, if achieved, would be the highest rate since pre-2007.

Total production output grew by 0.7% in Q1 2014 compared with Q4 2013. Manufacturing (the largest component of production) and the water supply and sewerage industry both rose on the quarter, with the latter contributing most to the positive growth in production.

The service industries grew by 0.9% in Q1 2014, following a 0.8% increase in Q4 2013, marking the fifth consecutive quarter of positive growth. The increase in the latest quarter was broad based, the largest contributions coming from the wholesale & retail industries and the scientific, administration & support industries, which grew by 1.8% and 1.7% respectively. Household consumption expenditure rose by 0.8% in Q1 2014 and has increased for ten consecutive quarters. It is 2.1% higher than the same period in 2013.

What's happening in Central Bedfordshire

The data this quarter shows a variable picture in the labour market. There has been a small fall in the number of working age people in employment and a rise in the unemployment rate, but this has not been accompanied by a rise in the number of out of work benefits claimants – the Jobseekers Allowance claimant rate is at a low of 1.5%. Likewise, the number of people in work over the age of 65 continues to increase, as does the number of self-employed people and people receiving job related training.





Labour market data shows a high number of job vacancies this quarter for programmers and software development professionals and an increase in the number of apprenticeship vacancies.

Central Bedfordshire Council's Regeneration and Business Team is committed to helping local people and businesses take advantage of the improving economy and is working hard to increase the number of people in employment through such initiatives as Enterprise and Work Clubs, Business Support and advice, and training opportunities to help people access the labour market. Between February and April 2014 296 people attended work clubs run by Central Bedfordshire Council's Adult Skills Team.

The team has run business clinics to provide 1-1 growth acceleration sessions with experienced business advisers. One attendee said, "The clinic was very helpful and confidence boosting. It's helped me to focus my vision on what need to be done to improve and develop my business."

The team has also been involved in running a successful series of business marketing seminars with Cranfield University Technology Park and SEMLEP. Approximately 50 delegates attended each seminar and more are planned for the autumn.

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 <small>(ONS, Annual Population Survey, via Nomis)</small> | 124,800 (Dec 2013) | Amber |  | This has gone down by 400 people in one quarter, which is in contrast to comparator areas which all saw a rise in the number of people in employment in this time. |
| Employment rate across Central Bedfordshire remains 5% above the England Rate | 3.7 % points above (Dec 2013) | Amber |  | The gap between Central Bedfordshire and England has decreased to 3.7 % points and, although the rate is still above the national rate, it remains below our target of 5 % points, hence the Amber RAG rating. |
| Number of out of work benefit claimants <small>(Department for Work and Pensions, via Nomis)</small> | 10,620 (Nov 2013) | Green |  | The number fell by a further 580 people in this quarter and continues to be lower than SEMLEP, regional and national levels. The rate is the lowest it has been since November 2008. |
| Economic activity rate <small>(ONS, Annual Population Survey, via Nomis)</small> | 79.4% (Dec 2013) | Amber |  | Although the number of economically active people has increased by 300 people, the overall working age population has also increased, meaning that the economic activity rate has decreased very slightly (by 0.2 % points) to 79.4%. Comparator areas have either remained static or seen marginal changes to their rate, so Central Bedfordshire is in line with national and regional trends. |

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

The total number of people in employment across all ages (16+) in Central Bedfordshire in December 2013 was 131,200, an increase of 600 people from September and 5,000 more than the same time in 2012. However, the number of people of working age in employment (16-64) fell in this quarter by 400 people to 124,800 or 75.4%. This is of concern as the rate in Central Bedfordshire had been increasing steadily over the previous 18 months.

The employment rate of the working age population is higher than England (71.7%), but is exactly the same as South East Midlands Local Enterprise Partnership area (SEMLEP) (75.4%) and almost the same as the East of England region (75.5%). The gap between Central Bedfordshire and England now stands at 3.7 percentage points, falling further below our target of remaining 5 percentage points above the national rate. The number of people of working age would need to increase by just over 2,000 people to meet the target. As always, the confidence interval should be taken into account when looking at this figure as the rate in Central Bedfordshire could vary by as much as 3.7 percentage points in either direction. It should be noted that the working age population is growing more quickly in comparator areas, which could explain the widening of the gap between the Central Bedfordshire and England employment rates and the resultant number of people required to close that gap.

Table 1: Employment rate of working age people (ONS Annual Population Survey via Nomis, December 2013)

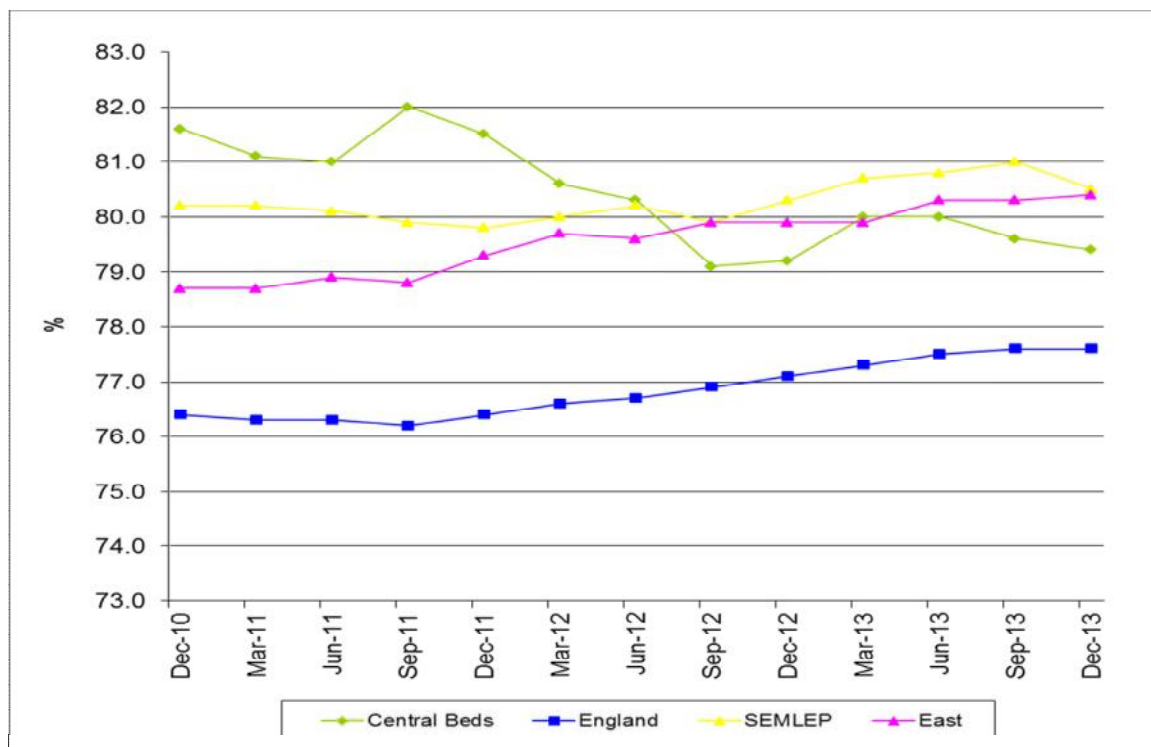
| Date | Central Bedfordshire +/- 3.7% | England +/- 0.2 % | SEMLEP +/- 1.3% | East +/- 0.8% |
|---------|----------------------------------|----------------------|--------------------|------------------|
| Dec-12 | 74.2% | 70.9% | 74.7% | 74.6% |
| Mar-13 | 74.8% | 71.1% | 75.3% | 74.5% |
| June-13 | 75.8% | 71.3% | 75.1% | 75.0% |
| Sep-13 | 76.1% | 71.4% | 75.4% | 75.1% |
| Dec-13 | 75.4% | 71.7% | 75.4% | 75.5% |

With regard to gender, the employment rate of males aged 16-64 has fallen by 1,300 people to 80.3% since September 2013. In contrast, the female employment rate has increased by 1,000 people from 70.1% to 70.6%. It should be noted that the confidence intervals for the female employment rate can be as high as 5.6%.

The number of people aged 65 and over in employment has increased yet again, with 6,400 people remaining in work over the age of 65. This is an additional 1,000 people since September and accounts for 5% of all people in work.

The economic activity rate – those who are either in work, or unemployed and looking for work – in Central Bedfordshire increased by 300 people, to 131,400 in December 2013. Although the number has increased, the overall number of working age people in Central Bedfordshire has also increased, meaning the rate fell slightly to 79.4%. This remains above England (77.6%) but is below SEMLEP (80.5%) and the East of England (80.4%). Comparator areas have seen only marginal changes to their rate too, so Central Bedfordshire is in line with national trends.

Figure One: Economic Activity Rate of working age people (ONS Annual Population Survey via Nomis, December 2013)



Unemployment

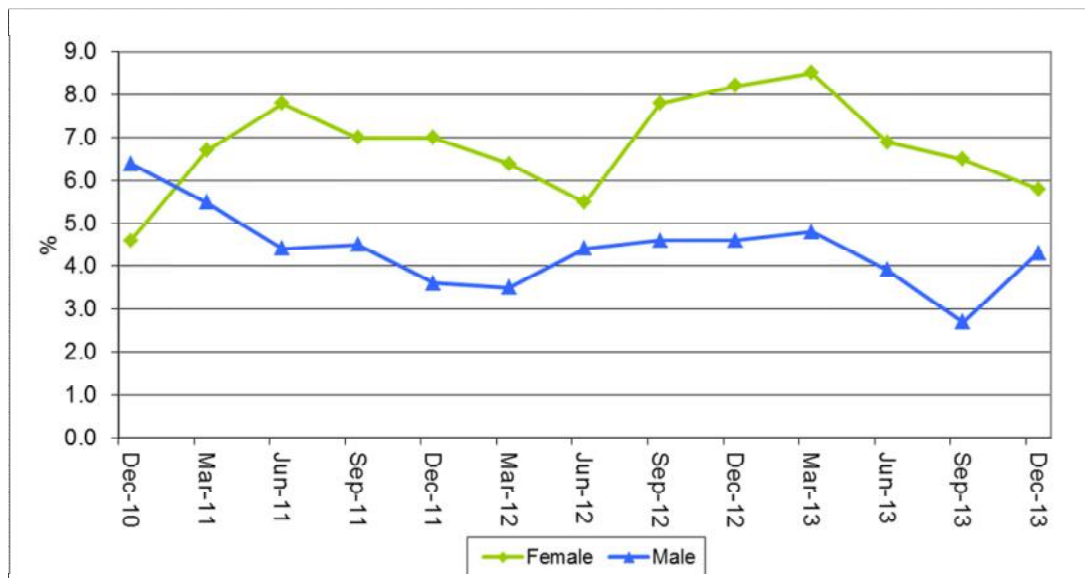
Unemployment – International Labour Organisation (ILO) measure of all people actively seeking work and able to start immediately – in Central Bedfordshire increased by 600 people to 6,500 or 5.0% in December 2013. This remains well below the national rate of 7.6%, the East of England rate of 6.2% and the SEMLEP rate of 6.3%. In contrast to Central Bedfordshire, all comparator areas witnessed a fall in this quarter. It should be noted that the ILO measure of unemployment is a survey based measure and that there have been no major business closures in the period that would account for the increase.

Table 2: Unemployment rate (ONS Annual Population Survey via Nomis, December 2013)

| Date | Central Bedfordshire +/- 2.1% | England +/- 0.2% | SEMLEP +/- 0.8% | East +/- 0.5% |
|--------|----------------------------------|---------------------|--------------------|------------------|
| Dec-12 | 6.3% | 8.0% | 6.9% | 6.7% |
| Mar-13 | 6.6% | 8.0% | 6.7% | 6.7% |
| Jun-13 | 5.3% | 8.0% | 7.1% | 6.9% |
| Sep-13 | 4.5% | 7.9% | 6.9% | 6.4% |
| Dec-13 | 5.0% | 7.6% | 6.3% | 6.2% |

Female unemployment in Central Bedfordshire has fallen by a further 300 people to 5.8% in the quarter to December 2013. Male unemployment however, rose by 1,100 people to 4.3% from 2.7% last quarter.

Figure Two: Unemployment rate of males and females in Central Bedfordshire (ONS Annual Population Survey via Nomis, Dec 2013)



With regard to Jobseeker’s Allowance (JSA), there were 2,475 (1.5%) claimants in April 2014, 306 fewer than in January and over 1,500 fewer than April 2013. The rate remains well below England (2.7%), SEMLEP (2.2%) and East of England (2.1%) and has fallen at a faster rate than these areas.

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 December 2013 was 5.3%, or 7,400 people. This estimate has fallen by 300 people since September 2013. Comparator rates based on this model are: SEMLEP 6.2%, East 6.1% and England 7.4%.

Youth Unemployment

Recent figures for JSA claimant count show 505 16-24 year olds (1.9%) in receipt of JSA in April 2014. This is a decrease of 90 people since January 2014, and 480 fewer than it was a year ago in April 2013. Again, this is below England (3.5%), SEMLEP (2.9%) and the East of England (3.0%). 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, April 2014)

| Date | Central Beds | England | SEMLEP | East |
|--------|--------------|---------|--------|------|
| Apr-13 | 3.8% | 5.2% | 4.6% | 4.6% |
| Jul-13 | 3.4% | 4.8% | 4.2% | 4.1% |
| 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% |

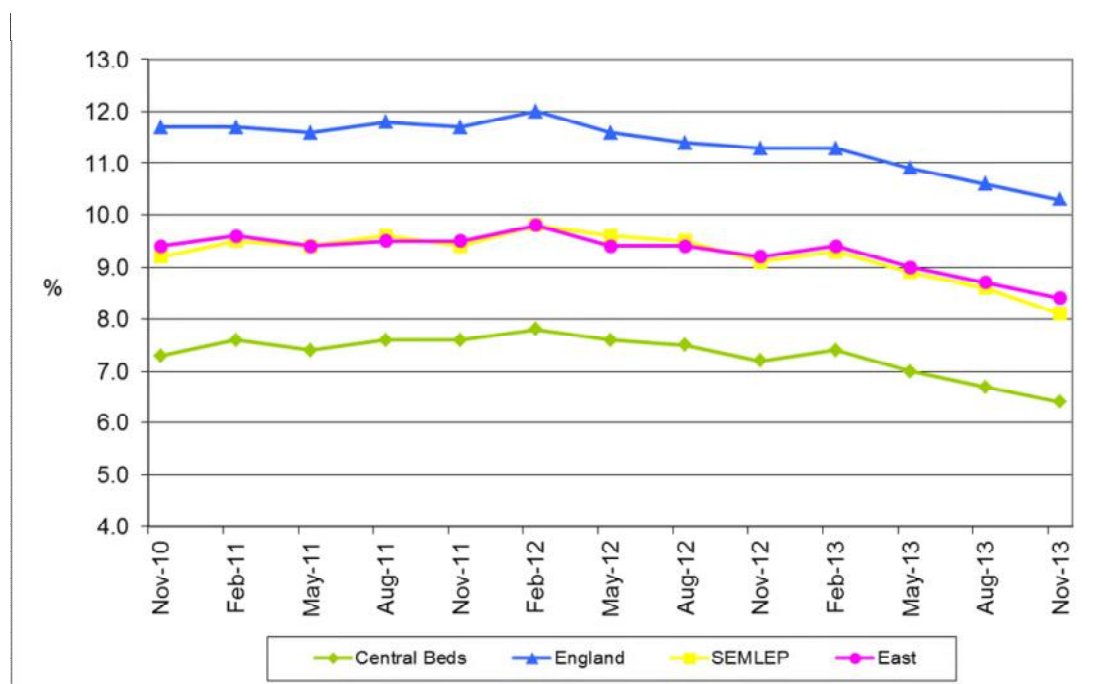
Worklessness

In December 2013, the worklessness level (people who are not employed and are either looking for work or do not want a job) increased by 1,200 people to 24.5% of working age people. The number of economically inactive residents (not working and not looking for a job), also increased by 600 to 34,100 or 20.6% of the working age population, compared to 22.4% nationally. The number of economically inactive people who do not want a job has gone down by 100 people to 26,500 but still accounts for 77.6% of all economically inactive people. The most common reason for economic inactivity is looking after the family/home.

Out of work benefit claimants

The number of people claiming key out of work benefits fell again this quarter by 580 people to 10,620 in November 2013, or 6.4%. Key out of work benefit claimants include those claiming JSA, Employment Support Allowance and Incapacity Benefit, lone parents and others on income related benefits. Comparator areas also witnessed an almost identical level of decrease over the same period but are all still considerably higher than Central Bedfordshire: England (10.3%), East of England (8.4%) and SEMLEP (8.1%).

Figure Three: Out of work benefit claimants (DWP, via Nomis, November 2013)



Vacancies

Data from Labour Insight, which records jobs posted by employers on job search websites, shows that there were 1,960 job postings by employers in Central Bedfordshire in the period February to April 2014, up by 79 from the previous quarter. The top occupation with vacancies in this time was once again Programmers and Software Development Professionals (70). Followed by Care Workers and Home Carers (57), Nurses (56), IT Business Analysts, Architects And Systems Designers (53) and Elementary Construction Occupations (48).

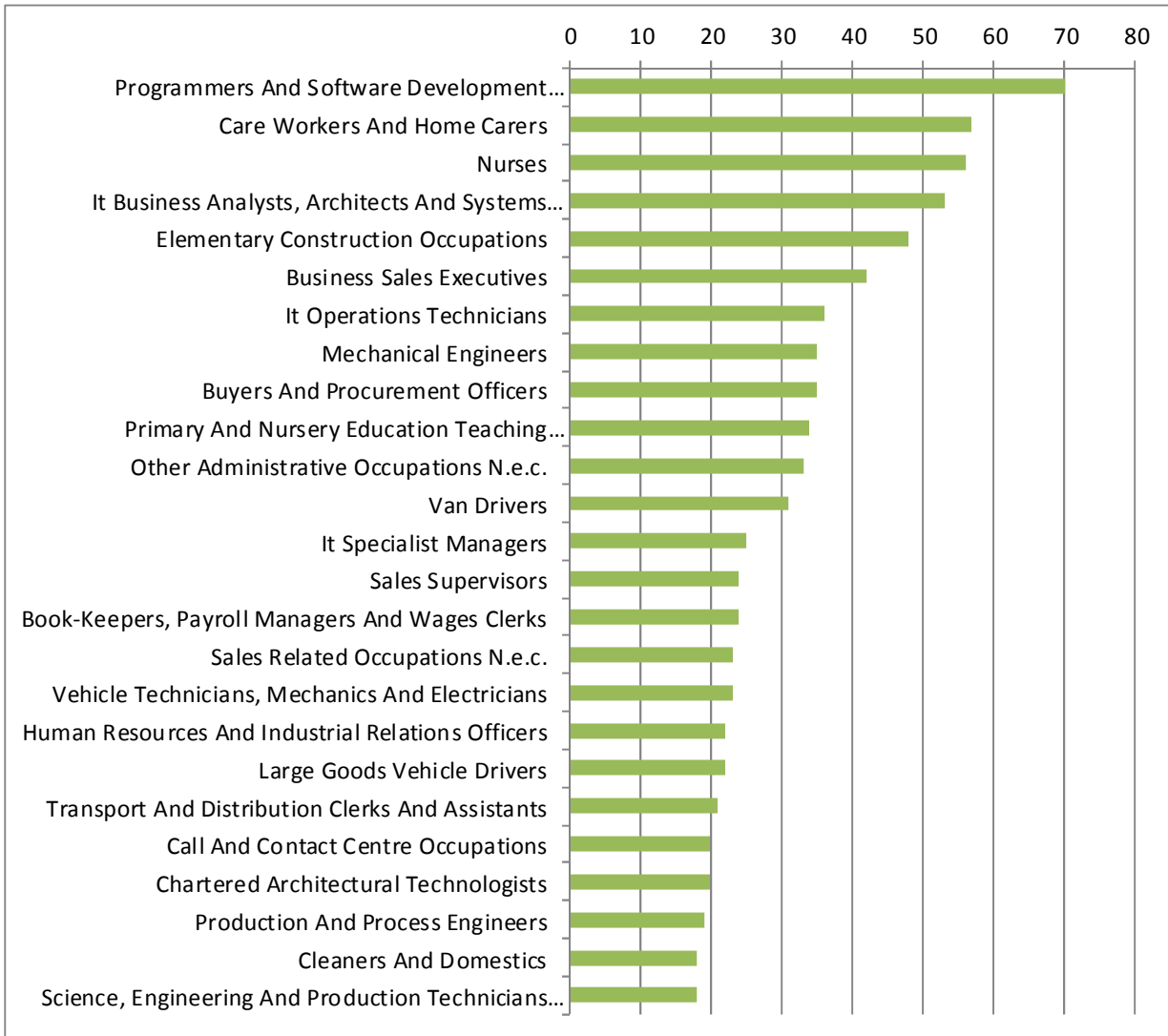


Figure Four: Top detailed occupations in demand in Central Bedfordshire, Feb – Apr 2014

Source: Labour Insight May 2014

The top five skills sought by employers in this period were Communication Skills, Training Skills, Management, Organisational Skills, and Planning. The only new skill in the top five this quarter is Planning.

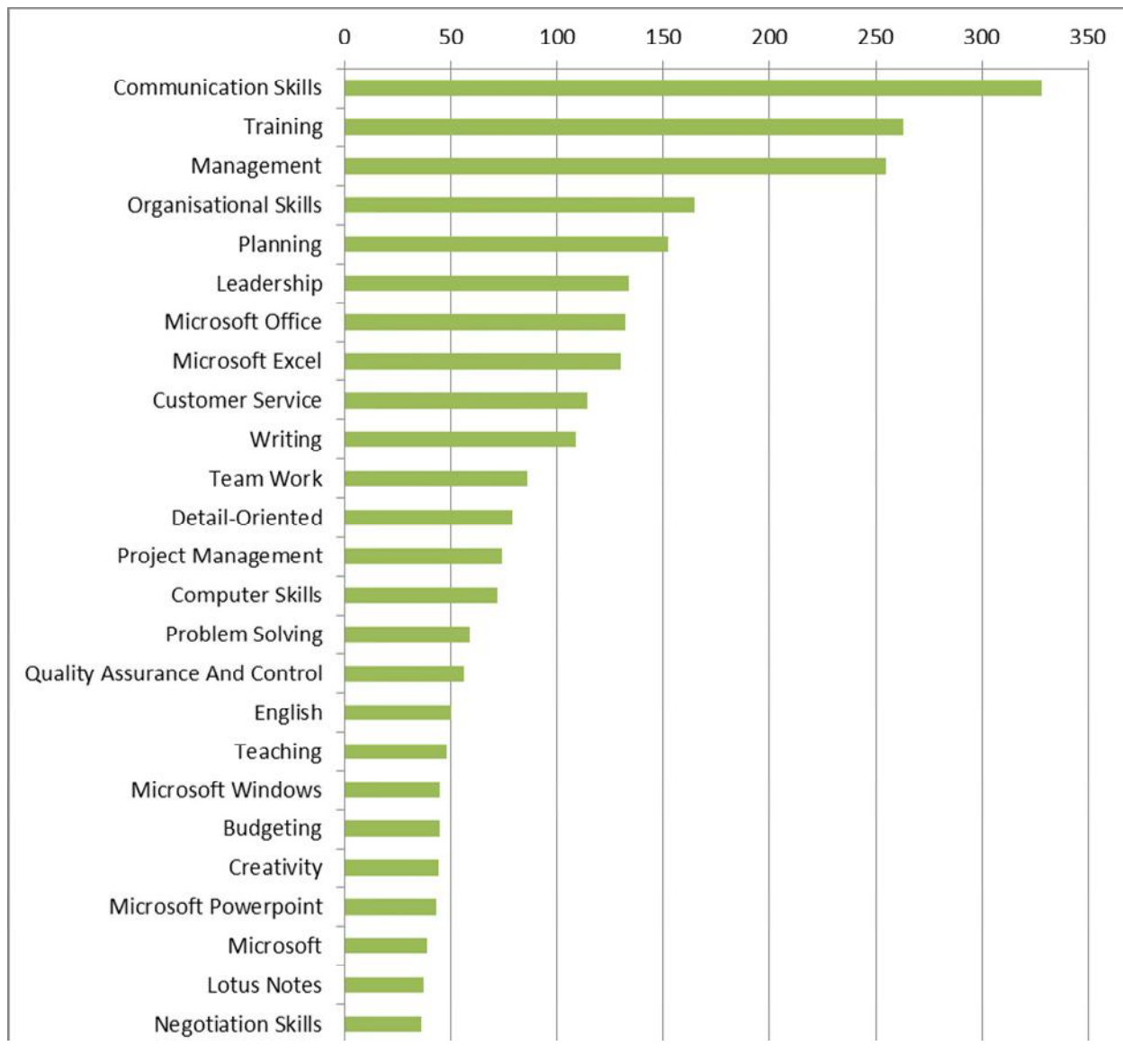


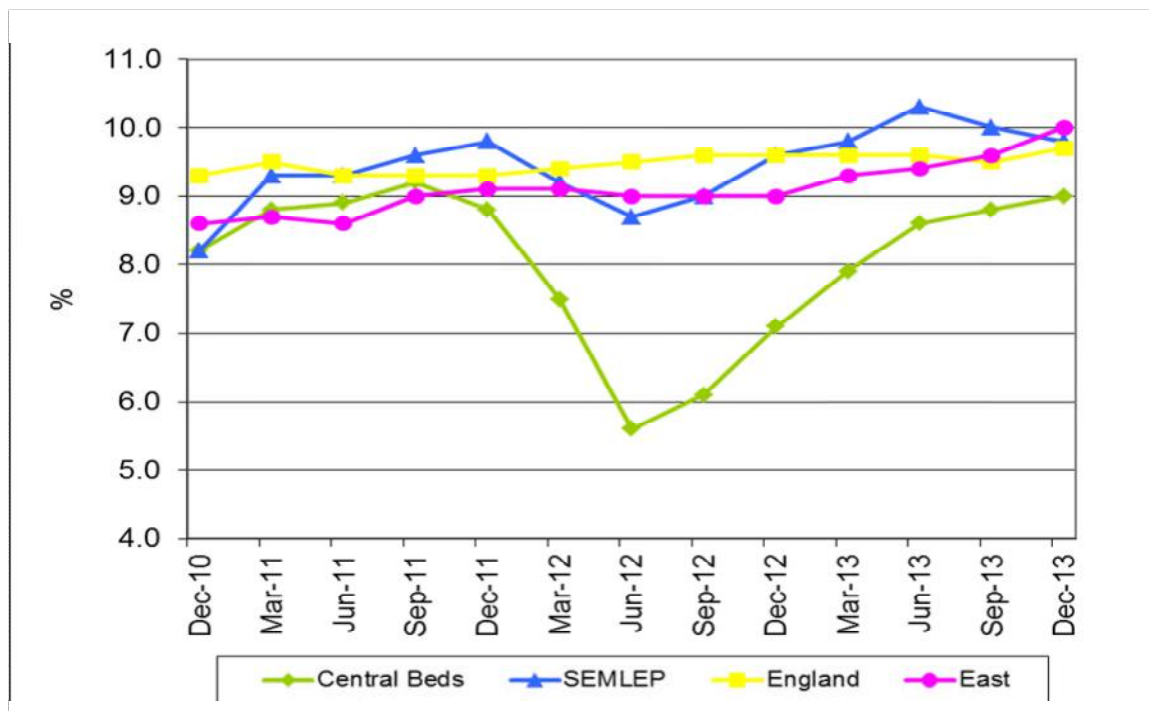
Figure Five: Skills in greatest demand in Central Bedfordshire, Feb - Apr 14

Source: Labour/Insight, April 2014

Skills

The number of people receiving job-related training in Central Bedfordshire has increased by a further 400 people between September and December 2013 to 14,800 people. At 9.0%, the rate is increasing but continues to be below national (9.7%), SEMLEP (9.8%) and regional (10.0%) levels. It should be noted that the smaller sample size for Central Bedfordshire could lead to a greater degree of fluctuation than other areas.

Figure Six: % of working age people who have received work related training in the past four weeks (ONS Annual Population Survey via Nomis, Dec 2013)



Apprenticeships

Data from Labour Insight shows that in the period February to April 2014 there were 65 apprenticeship posts advertised by employers in Central Bedfordshire, up from just 12 in the previous quarter. A snapshot of vacancies taken by the National Apprenticeship Service on 27 May 2014, shows 37 live apprenticeship vacancies in Central Bedfordshire.

NEETs

NEETs are young people in Years 12-14 that are not currently engaging in education, employment or training. In March 2014, Central Bedfordshire's NEET rate was 4.2%. The area is performing well in comparison to national (5.3%) and regional (5.1%) rates.

The Not Known figure for Central Bedfordshire in March (6.8%) was lower than national and statistical neighbour averages but higher than the regional rate (6.0%). In relation to those in learning, Central Bedfordshire (82.4%) is performing the same or better than the national (82.4%), regional (81.1%) and statistical neighbour (80.9%) averages.

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 January to March 2014, 518 new businesses were started in Central Bedfordshire. This is 33 more than the previous quarter but 20 fewer than the same quarter in 2013. The ward with the most start ups was Leighton Buzzard South with 37 start ups for the second consecutive quarter, followed by Ampthill (34) then Arlesey (33). The wards with the fewest start ups were Silsoe & Shillington (7) and Tithe Farm (5).

Self Employment

In December 2013 the number of people in employment who were self employed increased by 1,800 people to 20,100, or 15.3%. All comparator areas also rose in this quarter, however Central Bedfordshire has risen to slightly above them all: England – 14.7%, East of England – 15.0%, SEMLEP – 14.6%.

With regard to gender, the number of self employed males rose by 500 while the number of self employed females rose by 1,300.

Commercial Property Deals

Published data from Estates Gazette Interactive (EGI) shows that between February and April 2014, 9 commercial property deals were completed in Central Bedfordshire. In terms of property use type, the distribution was as follows:

| | |
|-------------------------------|---|
| Farm, Houses | 1 |
| Industrial/Distribution | 4 |
| General retail / Self storage | 1 |
| General / General retail | 3 |

With regard to location, 4 deals were in Dunstable, 3 in Leighton, 1 in Sandy and 1 in Biggleswade. 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. Dunstable remains the town with the most vacant premises, although there are 2 fewer than the previous quarter. Four towns have seen a fall in their rate, four have remained the same and two, Sandy and Arlesey, have seen a slight increase with 1 new vacancy each.

Table Four: Town Centre Retail Vacancies, February 2014

| Town | July 2013 | November 2013 | February 2014 | May 2014 | % of all A class premises |
|------------------|-----------|---------------|---------------|-----------|---------------------------|
| Amphill | 4 | 4 | 3 | 2 | 2.2 |
| Arlesey | 1 | 2 | 1 | 2 | 13.3 |
| Biggleswade | 10 | 11 | 10 | 9 | 6.3 |
| Dunstable | 49 | 47 | 56 | 54 | 20.3 |
| Flitwick | 1 | 2 | 1 | 1 | 2.6 |
| Houghton Regis | 0 | 0 | 0 | 0 | 0 |
| Leighton Buzzard | 9 | 7 | 7 | 7 | 3.4 |
| Sandy | 2 | 5 | 3 | 4 | 6.1 |
| Shefford | 2 | 2 | 1 | 1 | 2.5 |
| Stotfold | 0 | 0 | 1 | 0 | 0 |
| Total | 78 | 80 | 83 | 80 | 8.8% |

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