

Central  
Bedfordshire

great  
prospects



# Quarterly Economic Monitoring Report

February 2018

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## What's happening nationally?

- In November the Bank of England raised interest rates to 0.5% in order to ensure a sustainable return of inflation to its 2% target. In February 2018 the rate was kept at 0.5%
- The International Monetary Fund has downgraded its outlook for UK growth for 2019, the year of Brexit, – projecting growth of 1.5%. down from 1.6%.
- UK Gross Domestic Product (GDP) increased by 0.4% between April-June 2017, July-September 2017 and remained at 0.4% between October to December, down from the initial estimate of 0.5%.
- In December the sterling euro monthly average was 1.133
- 75.3% of people aged 16-64 were in work between September 2017 to November 2017 – up from the 75.1% between August and October 2017.
- The unemployment rate for the period September 2017 to November 2017 was 4.3%, unchanged from August to October 2017.

### Construction

The underlying pattern to November 2017, shows construction output fell by 2%

### Producer Price Inflation

The annual rate of inflation for goods leaving the factory gate rose 3.3% in the year to December 2017, up from 3.1% in November 2017.

Food products had the largest upward effect on the annual rate, followed by tobacco, alcohol, chemical and pharmaceutical products.

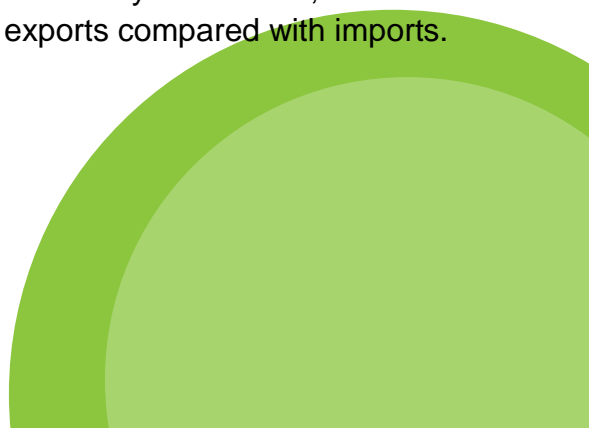
### Services

The Index of Services increased by 0.4% between October and November 2017. This is the largest month-on-month growth since August 2016. Growth rates have varied in recent months.

### Trade

The trade deficit in goods and services in November 2017 narrowed by £2.1 billion, to £6.2 billion. Trends to consider: signs of change in the balance of exports compared with imports.

(Source: ONS)





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## What's happening in Central Bedfordshire?

- 81.5% of people aged 16-64 were in work, higher than comparator areas (September 2017)
- The unemployment rate of people aged 16+ was 2.9% - lower than all comparator areas (September 2017)
- The number of out of work benefit claimants totals 8,566 in August 2017

### Business and Investment

For the first time, seven local authorities have come together to collectively promote economic growth for **the Central Area of the Oxford to Cambridge Growth Corridor**. This included a joint stand at the London MIPIM Property and Development Event in October 2017.

The Central Corridor Group's focus is in response to the National Infrastructure Commission's programme to scope the economic opportunity of the area. The Growth Corridor is already one of the most innovative and economically successful areas of the UK but its enormous growth potential is recognised by Government as a once-in-a-generation opportunity to become a knowledge intensive cluster, competing globally.

**Stratton Business Park** continues to be developed, with Biggleswade Town Council and Central Bedfordshire Council working closely with developers in promoting the site. An agreement has been signed with Zeus Packaging Ltd to deliver a 97,500 sq ft facility and a further unit of 105,000 sq ft on the adjacent plot is also being speculatively developed.

We are also working with **Lidl** who has acquired a 58 acre site off the new M1, Junction 11a, with the intention of building a 1 million sq ft fulfilment centre (subject to planning).

**RAF Henlow** is to benefit from national funding of £170,000, as part of the next round of One Public Estate (OPE) funding that supports projects where public sector bodies work together innovatively. A partnership between Central Bedfordshire Council and the Ministry of Defence received the largest allocation of funds in this round of bids. We have been working closely with the Defence Infrastructure Organisation (representing the Ministry of Defence) to explore regeneration options for the site which can be delivered at pace and with maximum benefit to the local residents and businesses.

The Inward Investment team have produced 3 "How to films" to help businesses find a commercial property, understand the planning process and provide an overview of the benefits of being a business in Central Bedfordshire. These will be made available to the public in April via twitter and [www.becentralbedfordshire.co.uk](http://www.becentralbedfordshire.co.uk) .



**Economic Development Indicators**

Key Economic Monitoring Indicator	Number	RAG rating <sup>1</sup>	Performance since last quarter <sup>2</sup>	Reason for RAG
Number of people in employment aged 16-64 (ONS, APS, via Nomis)	143,800 (September 2017)	<b>Red</b>		This has decreased by 800 people in the last quarter, but the rate of 81.5% still continues to be above all comparator areas.
Employment rate across Central Bedfordshire remains 5% above the England Rate (ONS, APS, via Nomis)	6.8 % points above (September 2017)	<b>Green</b>		The gap between Central Bedfordshire and England has decreased to be 6.8 percentage points (7.3% in June 2017) but still exceeds our target of remaining 5 percentage points above the national rate (Central Bedfordshire 81.5%, England 74.7%, SEMLEP 77.4%).
Number of out of work benefit claimants  (Department for Work and Pensions)	8,566 (August 2017)	<b>Amber</b>		The number of people claiming out of work benefits is 8,566 (8,564 May 17). Data for this indicator includes Universal Credit claimants not in employment, as areas across Central Bedfordshire move to receiving Universal Credit.
Economic activity rate  (ONS, APS, via Nomis)	84.6% (September 2017)	<b>Red</b>		The number of economically active people has decreased by 600 in the last quarter, with a decrease of 0.4 percentage points in the rate, but the rate still remains above all comparator areas.

<sup>1</sup> 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.

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



## Employment

In September 2017 there were 147,900 people aged 16+ in employment in Central Bedfordshire, 900 less than in June 2017, but still 2,300 more than in September 2016.

The number of people aged 16-64 in employment in September 2017 was 143,800, 800 less than in June 2017. Increases in employment were still seen in the majority of age bands, apart from the 20-24 year and 50-64 year age bands, who saw decreases of 700 and 500 people respectively. The employment rate of 81.5% remains higher than all comparator areas – England 74.7%, East of England 77.3%, and SEMLEP 77.4%.

**Table 1: Employment rate aged 16-64**

Date	Central Bedfordshire Confidence interval September 17 +/- 3.2%	England Confidence interval September 17 +/- 0.2 %	SEMLEP Confidence interval September 17 +/- 1.2%	East of England Confidence interval September 17 +/- 0.8%
Sep-15	78.8%	73.5%	77.4%	76.8%
Dec - 15	79.6%	73.8%	77.5%	77.3%
Mar-16	78.6%	73.9%	77.2%	77.0%
Jun -16	77.4%	74.0%	77.2%	77.1%
Sept - 16	78.9%	74.1%	77.5%	76.8%
Dec - 16	78.2%	74.2%	77.0%	76.8%
Mar - 17	81.7%	74.4%	77.8%	77.2%
Jun -17	81.9%	74.6%	77.8%	77.0%
Sept-17	81.5%	74.7%	77.4%	77.3%

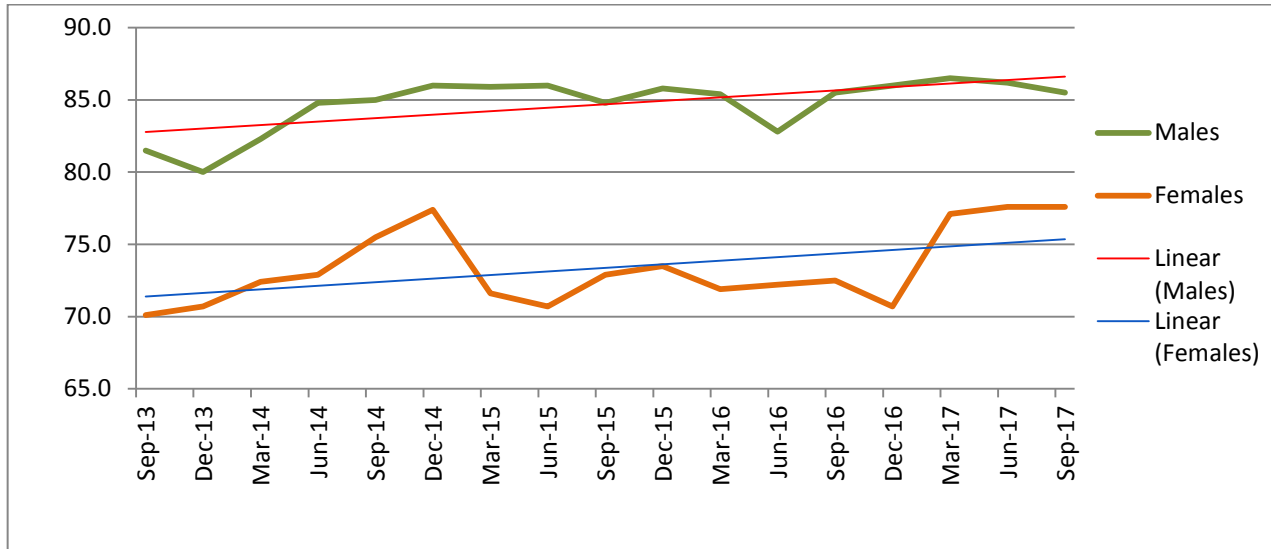
ONS Annual Population Survey via Nomis, January 2018

With regard to gender, the number of males in employment aged 16-64 has decreased by 400 since March and June 2017 (74,900 September 2017), with the rate of employment for males decreasing from 86.2% to 85.5% in September 2017. The number of females employed has also seen a small decrease – from 69,200 in June 2017 to 68,900 in September 2017, with the rate of 77.6% remaining unchanged. The chart on page 7 shows the male and female trend lines, with the male employment rate slightly dipping from trend, and the female rate continuing to move above trend in September 2017.





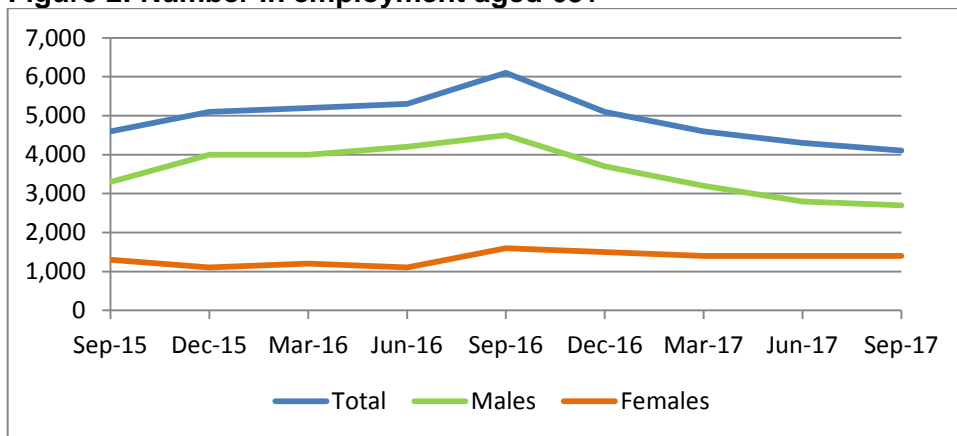
**Figure 1: Female and Male employment rate as a percentage of working age people (aged 16-64), between September 2013 and September 2017**



Source: ONS Annual Population Survey via Nomis, January 2018

The number of people in employment generally rises when taking into account those people who remain in work beyond 65 years. In September 2017 the number of people remaining in work over 65+ was 4,100 (2,700 males, 1,400 females) a decrease of 200 over the past quarter. The number of 65+ in employment has been reducing over the last year (6,100 in September 2016), this trend could be due to people aged 65+ deciding to leave employment, or to employers deciding not to offer work to the 65+.

**Figure 2: Number in employment aged 65+**



Source: ONS Annual Population Survey via Nomis, January 2018



The economic activity rate is another method to assess the performance of the local labour market. A person is defined as economically active if they are either employed, or unemployed, but seeking work in a particular period. In September 2017 the economic activity rate of people aged 16-64 in Central Bedfordshire was 84.6%, or 149,400 people (150,000 in June 17). This rate has shown a good increase from the 80.5% in December 2016, and still remains above all comparator areas despite its small fall. The national and regional rates remain unchanged (England 78.3%, East of England 80.2%), but SEMLEP’s rate of 81.3% sees a 0.3 percentage point decrease in line with Central Bedfordshire’s 0.4 percentage point decrease.

## Unemployment

Unemployment in Central Bedfordshire remains lower than comparator areas. Model based estimates are produced by the Office of National Statistics, taking into account additional factors that provide a more accurate level of unemployment. In September 2017 the model-based unemployment rate was 2.9% or 4,300 people, compared to 4.5% in England, 4.7% in SEMLEP and 3.5% in the East of England. There has been a decrease of 500 people in Central Bedfordshire since June 2017, with the rate decreasing by 0.2 percentage points, to 2.9%.

**Table 2: Unemployment rate aged 16+**

Date	Central Bedfordshire	England	SEMLEP	East
Sept-15	3.4%	5.3%	4.1%	4.2%
Dec-15	3.3%	5.1%	3.6%	3.9%
Mar-16	3.2%	5.1%	3.6%	3.8%
Jun-16	3.1%	5.1%	3.7%	3.7%
Sept -16	3.1%	5.0%	3.5%	3.8%
Dec-16	3.1%	4.8%	3.9%	3.8%
Mar 17	3.0%	4.8%	4.2%	3.8%
Jun -17	3.1%	4.6%	4.6%	3.9%
Sept- 17	2.9%	4.5%	4.7%	3.5%

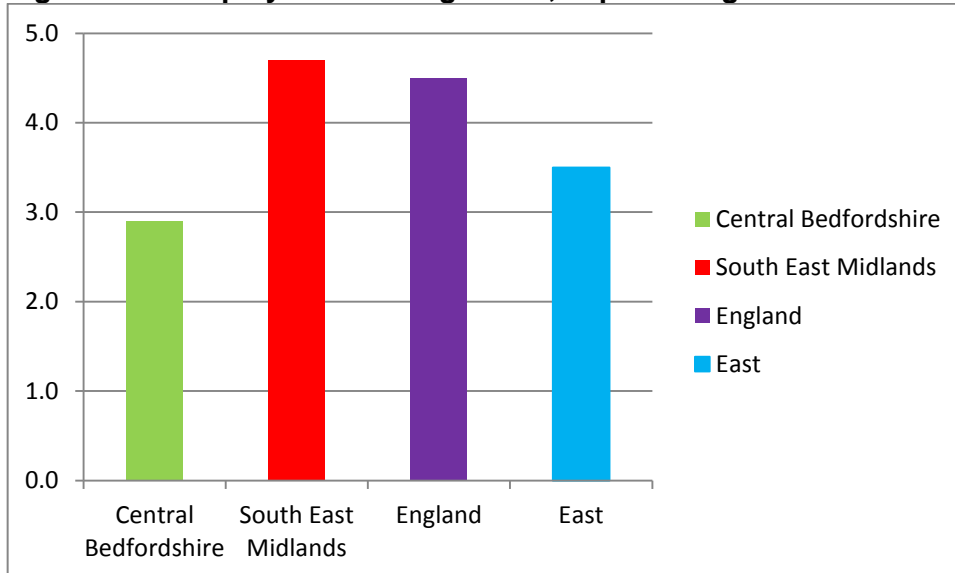
ONS Annual Population Survey – model-based via Nomis, January 2018







**Figure 3: Unemployment rate aged 16+, in percentages**

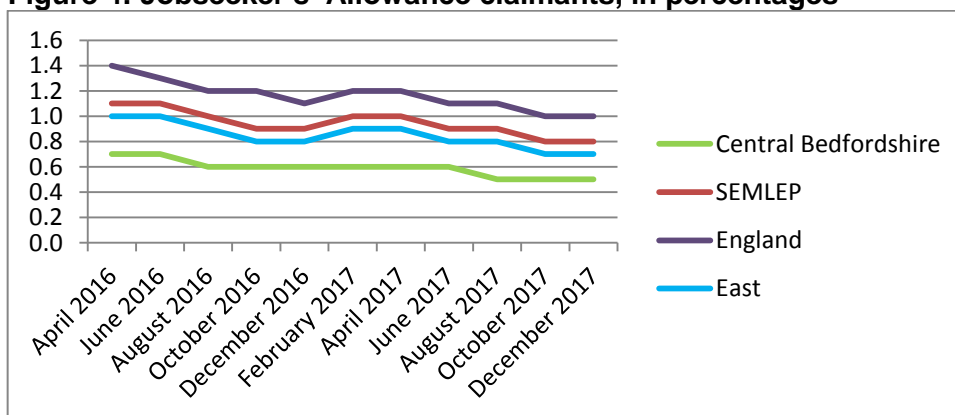


ONS Annual Population Survey via Nomis, January 2018

### Jobseeker’s Allowance

There were 930 people aged 18-64 claiming Jobseeker’s Allowance (JSA) in December 2017 (male=533, female=397), 30 more than November 2017, but 40 less than July 2017. This is 0.5% of the working age population, and the rate remains unchanged from the previous month. The rate remains significantly below England (1.0%), SEMLEP (0.8%) and the East of England (0.7%), whose rates also remain unchanged.

**Figure 4: Jobseeker’s Allowance claimants, in percentages**



ONS Jobseeker’s Allowance via Nomis, January 2018

Although unemployment levels remain significantly lower than comparator areas, it is notable that the number of people claiming Jobseeker’s Allowance for long periods of time is not falling away. In December 2017 245 (225 in October 2017) people over the age of 25 years had been



claiming JSA for over 1 year, and 125 (120 in October 2017) had been claiming JSA for over 2 years.

## Youth Unemployment

Jobseeker’s Allowance can be claimed by young people from 18 years (it can only be claimed by 16-18 year olds in exceptional circumstances). There were 65 people aged 18-24 claiming Jobseeker’s Allowance (JSA) in December 2017 (male=35, female=30), 5 more than for November 2017, but 30 fewer than in December 2016. This is 0.3 % of the 18-24 working age population. The rate continues to remain below England (0.7%), SEMLEP (0.5%) and the East of England (0.5%).

**Table 3: Percentage of young people (18-24 years) receiving JSA**

Date	Central Bedfordshire	England	SEMLEP	East
Oct 16	0.5	1.0	0.8	0.8
Dec 16	0.5	0.9	0.7	0.7
Feb 17	0.6	1.0	0.8	0.8
Apr 17	0.5	0.9	0.8	0.7
Jun 17	0.5	0.8	0.7	0.7
Aug 17	0.4	0.8	0.7	0.6
Oct 17	0.3	0.7	0.5	0.5
Dec 17	0.3	0.7	0.5	0.5

*Department for Work and Pensions, via Nomis, December 2017*

## Vacancies Advertised and Occupations Sought by Jobseekers

There is a general balance between the vacancies advertised by businesses and the occupations sought by Jobseeker Allowance claimants. As of December 2017, 63% (590) of the JSA claimants resident in Central Bedfordshire were looking for work in sales and customer services, and 71.5% (665) of JSA claimants were looking for work in low or relatively low skills (sales and customer service and elementary occupations), a slight increase from the 69% in October. The data is summarised in table 4.



**Table 4: JSA claimants by sought occupation**

Occupation (SIC 2000 group)	December 2015	December 2016	December 2017
Occupation unknown	110	95	115
Managers and Senior Officials	80	50	45
Professional Occupations	15	5	5
Associate Professional and Technical Occupations	40	20	5
Administrative and Secretarial Occupations	115	60	40
Skilled Trades Occupations	60	30	25
Personal Service Occupations	45	25	15
Sales and Customer Service occupations	605	550	590
Process, Plant and Machine Operatives	50	25	15
Elementary Occupations	235	115	75
	<b>1,355</b>	<b>970</b>	<b>930</b>

Source: Office for National Statistics via Nomis, February 2018  
 Data rounded to the nearest 5

## Out of Work Benefit Claimants

Despite low levels of unemployment, the number of people aged 16-64 claiming key out of work benefits total 8,566 in August 2017 (8,564 May 2017). Key out of work benefit claimants include those claiming Jobseeker's Allowance (JSA), Employment Support Allowance (ESA) and Incapacity Benefit, lone parents and those not in employment who are claiming Universal Credit.



## Vacancies

Online vacancies advertised in terms of occupations and skills in most demand

**Table 5: Occupations and baseline skills ranked in greatest demand as advertised online by employers across Central Bedfordshire, November 2017 – January 2018**

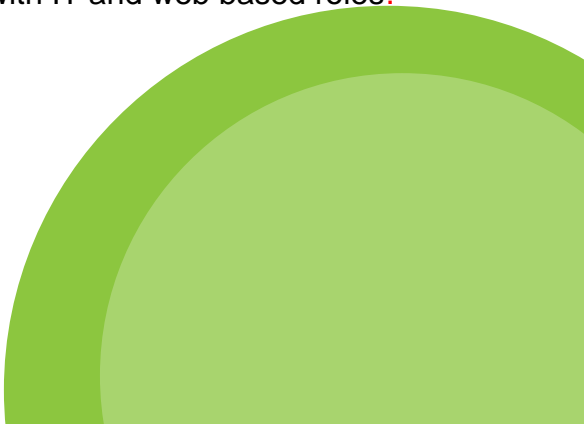
Top occupations

Top baseline skills

Sales related occupations	Communication Skills
Large goods vehicle drivers	Microsoft Excel
Customer service occupation	Planning
Programmers and software dev. professionals	Organisational Skills
Care workers and home carers	Detail-Orientated
Engineering technicians	English
Managers and proprietors in other services	Problem Solving
Nurses	Leadership
IT business analysts, architects & sys design	Writing
Other administrative occupations	Microsoft Office
Elementary storage occupations	Research
Book-keepers, payroll man. & wage clerks	Building Effective Relationships
IT & telecoms professionals	Computer Literacy
Chartered & certified accountants	Creativity
Engineering professionals	People Management
Management consultants & business analysts	Meeting Deadlines
Web design & development professionals	Presentation Skills
Marketing & sales directors	Microsoft PowerPoint
Van drivers	Microsoft Word
Marketing associate professionals	Time Management

Source: Labour Insight February 2018

The top occupations advertised online by employers between November 2017 and the end of January 2018 were concerning sales and customer service. There is more demand for accountants and payroll management this quarter, together with IT and web based roles.

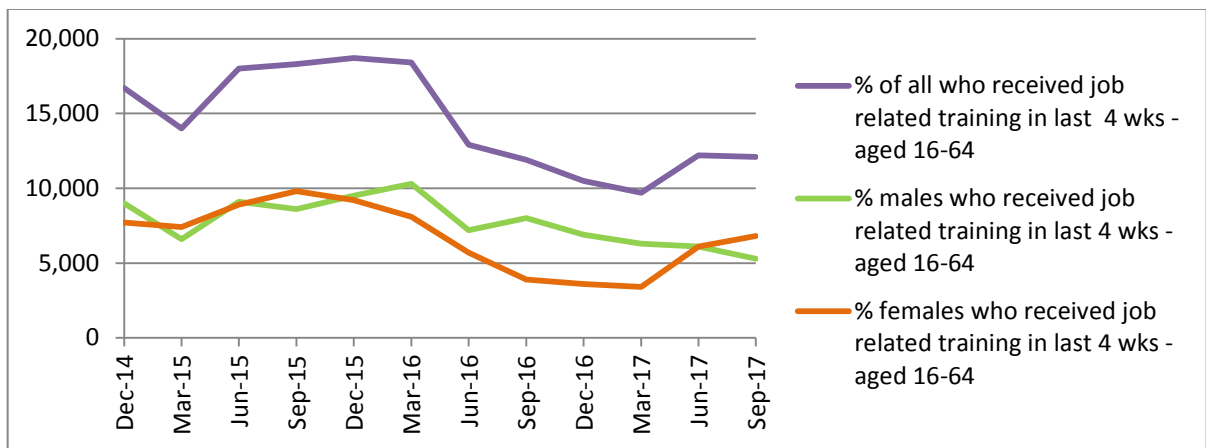




## Job Related Training

The number of people receiving job related training over a 4 week period decreased by just 100 people, from 12,200 in June 2017 to 12,100 in September 2017, still maintaining the highest number since September 2016. This amount comprised of 5,300 males and 6,800 females receiving training, compared with the 6,100 males and 6,100 females receiving training in June 2017.

**Figure 5: Female and Male job related training September 2017**



Source: ONS Annual Population Survey, February 2018, via Nomis

The number of people working full time receiving training over a 4 week period remains fairly constant, 8,800 in September 2017, but is almost a 50% decrease from December 2015 when 16,500 full time workers received training. This is in contrast to the 3,200 part time workers who received training in September (2,800 in June 2017).

**Figure 6: Full Time and Part Time job related training September 2017**



Source: ONS Annual Population Survey, February 2018, via Nomis



## Business Start Ups

In Central Bedfordshire 101 new businesses started up in December 2017, 45 fewer than the previous month and 28 fewer than in December 2016.

Data from BankSearch (providing details of new business bank accounts) shows in the year 2017 there had been 1,762 new small business start-ups in Central Bedfordshire, 88 fewer than reported for 2016, and a decrease in number of 4.8 percentage points.

**Table 6: New Business Start Ups in Central Bedfordshire by Legal Status**

Year	Total	Limited Company	Sole Trader	Partnership	Limited Liability partnership	Not for Profit	Unknown
2016	1,850	1,250	407	64	2	126	1
2017	1,762	1,187	395	52	1	125	2

Source: BankSearch, January 2018

## Self-Employment

The Annual Population Survey (APS) in September 2017 showed that 16,300 people aged over 16+ in employment were self-employed, 200 lower than the 16,500 in June 2017, and 2,700 lower than September 2016.

The rate of self-employment in Central Bedfordshire is 11.0% (11.1% in June 2017), and is below the national rate of 15.5% and the SEMLEP rate of 14.1%. Looking at the gender split, 10,500 of these people are male and 5,800 are female (11,200 males and 5,200 females in June 2017). Since September 2016, there are 4,300 fewer self-employed males, but the number of self-employed females has shown an increase of 1,600.

**Table 7: Percentage in employment aged 16 and over, who are self-employed**

	September 2015	September 2016	September 2017	Percentage point change 2015 - 2017
Central Bedfordshire	17.3%	13.1%	11.0%	- 6.3%
SEMLEP	14.3%	14.1%	14.1%	-0.2%
East of England	14.5%	15.6%	15.4%	+0.9%
England	15.1%	15.4%	15.5%	+0.4%

Source: ONS Annual Population Survey via Nomis, February 2018







## House Price Index

The UK House Price Index (HPI), calculated by ONS, indicates that Central Bedfordshire had an average house price of £315,297 in December 2017, with a monthly change of 1.4% and an annual growth of 8.6%.

Comparators have lower average house prices than Central Bedfordshire; Bedford's is £295,955, Luton's is £240,277 and Milton Keynes is £263,505.

As of December 2017 the average house price in England was £243,582, a rise of 0.4% compared to the previous month, with an annual growth of 5.0%.

## High Street Vacancy Levels and Retail Sales

As part of the ongoing monitoring of the Economic Development Plan the Council is monitoring the level of high street vacancies in 'A' class premises in Central Bedfordshire's town centres. According to Springboard, in collaboration with BRC, the national town centre vacancy rate was 8.9% in January 2018, down from 9.3% in October 2017.

The overall average vacancy rate across Central Bedfordshire town centres in February 2018, 4.0%, has decreased further from November's 4.7%, and the towns now collectively have the fewest number of vacant retail units since data was first collected in April 2012. Reductions have been seen in four town centres, Flitwick, Leighton Buzzard, Sandy and Shefford, with Arlesey, Flitwick and Shefford having no vacant retail units.

**Table 8: Town Centre vacancies % in Central Bedfordshire, February 2017 – February 2018**

Town	Feb 17	May 17	Aug 17	Nov 17	Feb 18
Ampthill	2.2	2.2	3.3	4.4	4.4
Arlesey	0	0	0	0	0
Biggleswade	7.6	8.3	6.9	5.5	8.3
Dunstable	13.4	13.8	13.4	13.4	13.4
Flitwick	0	0	2.6	2.6	0
Houghton Regis	6.9	3.4	3.4	3.4	3.4
Leighton Buzzard	4.9	3.9	4.9	3.9	3.4
Sandy	7.5	9	4.5	3	1.5
Shefford	2.5	2.5	2.5	5	0
Stotfold	5.6	0	5.6	5.6	5.6
Average vacancy rate	<b>5.06%</b>	<b>4.31%</b>	<b>4.7%</b>	<b>4.68%</b>	<b>4.0%</b>

Source: Central Bedfordshire Council February 2018