

Central
Bedfordshire

great
prospects



Quarterly Economic Monitoring Report

May 2017

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What's happening nationally?

- **In May the Bank of England decreased its economic forecast in 2017 to 1.9% from 2%, with interest rates remaining at 0.25%**
- **The Bank of England's forecast for inflation rose to 2.8%, from its February forecast of 2.4%. The Consumer Prices Index (CPI) 12-month rate was 2.7% in April 2017, up from 2.3% in March**
- **Sterling rose to \$1.30, the highest rate since September 2016, following the growth in retail sales figures**
- **UK gross domestic product (GDP) was estimated to have increased by 0.3% in Quarter 1 (Jan to Mar) 2017, the slowest rate of growth since Quarter 1 2016**
- **75% of people aged 16-64 were in work between December 2016 to February 2017**
- **The unemployment rate for the period December 2016 to February 2017 was 4.7%**

Construction and Production

Construction and production sectors showed a small growth in Quarter 1 (Jan to Mar) 2017. In March the construction sector witnessed falls in the output of housing repair and maintenance, and infrastructure (partially offset by new housing work). The largest downward impact on production came from electricity generation, due to warmer than average temperatures.

Services

Output in the services industry increased by 0.2% in February 2017, following a 0.1% fall in January, with 3-month on 3-month growth figure slowing in each consecutive month since October 2016. Part of the slowdown in services growth has been due to a decline in the output of "consumer-focused" industries such as retail trade.

Trade

The overall trade deficit (goods and services) widened both in Quarter 1 2017 and in the month of March, mostly due to an increase in imports of oil, chemicals, mechanical machinery and motor vehicles. The total trade deficit in Quarter 1 2017 widened to £10.5 billion.



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What's happening in Central Bedfordshire?

- **78.2% of people aged 16-64 were in work - higher than all comparator areas (December 2016)**
- **The unemployment rate of people aged 16+ was 3.1% - lower than all comparator areas (December 2016)**
- **The number of out of work benefit claimants has decreased from 8,720 in August 2016 to 8,540 in November 2016, and the 4.9%% rate is lower than England's 8.1%.**

In order to create an environment where businesses can prosper and grow, the Council is investing in a range of infrastructure, developments and regeneration. Latest infrastructure developments include the recently opened Woodside Link road, which will benefit local businesses and residents with improved road systems. We are also investing in our town centres through our Market Town Regeneration Fund and the High Street Improvement Scheme, which will help rejuvenate our town centres and improve shop fronts, respectively.

Two of the local businesses , ZSL Whipsnade Zoo and Peli BioThermal, have recently received royal recognition and this has put Central Bedfordshire in the spotlight. ZSL Whipsnade Zoo plays a huge part of Central Bedfordshire's thriving Visitor Economy, with its new elephant conservation centre recently celebrated with a visit from HM the Queen and The Duke of Edinburgh. Peli BioThermal's Queen's Award for Enterprise in providing life science industry with temperature controlled packaging is a great moment to recognise our High Performance Technology sector.

The Council has produced the first Property Market Review outlining the commercial property and development opportunities and successes for the area http://www.becentralbedfordshire.co.uk/Property_and_Development . This highlights, the ongoing strength of the commercial property market in the area. The Council has also produce an Authority Monitoring report, monitoring Planning policies. This shows over 1600 new homes completed in 2015/16 and over 25,000sqm of new commercial floorspace developed. http://www.centralbedfordshire.gov.uk/Images/amr-2015-2016_tcm3-20847.pdf



Economic Development 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, APS, via Nomis)	139,200 (December 2016)	Amber		This has decreased by 900 people in one quarter, but the rate of 78.2% still continues to be above all comparator areas. The decrease can be explained within the statistically tolerance of this statistic
Employment rate across Central Bedfordshire remains 5% above the England Rate (ONS, APS, via Nomis)	3.9 % points above (December 2016)	Amber		The gap between Central Bedfordshire and England has decreased to be 3.9 percentage points and is below our target of remaining 5 percentage points above the national rate (Central Bedfordshire 78.2%, England 74.3%, SEMLEP 77.0%.
Number of out of work benefit claimants (Department for Work and Pensions, via Nomis)	8,540 (November 2016)	Green		The number of people claiming out of work benefits decreased from 8,720 to 8,540, falling from 5.0% to 4.9%. This remains significantly below England by 3.2% points, SEMLEP by 1.5% points and the East of England by 1.7% points
Economic activity rate (ONS, Annual Population Survey, via Nomis)	80.5% (December 2016)	Amber		The number of economically active people has decreased by 300 in the last quarter but the rate still remains 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 December 2016 there were 144,300 people aged 16+ in employment in Central Bedfordshire, 1,000 more than in December 2015 but 3,000 less than in September 2016.

The number of people aged 16-64 in employment in December 2016 was 139,200, 900 fewer than in September 2016. Decreases in employment were seen in the 50+ age bands, with the main increases seen in the 35-49 age band. Although there has been some increase in those aged 50+ who are inactive, together with a small increase in the number receiving out of work benefits who are aged 50+, apart from those claiming JSA, it appears that a number of people aged 50+ are choosing not to be in employment. This apparent trend will continue to be monitored, especially as the self-employment rate continues to fall.

This employment rate of 78.2% remains higher than all comparator areas – England 74.3%, East of England 76.8%, and SEMLEP 77.0%.

Table 1: Employment rate aged 16-64

Date	Central Bedfordshire Confidence interval +/- 3.5%	England Confidence interval +/- 0.2 %	SEMLEP Confidence interval +/- 1.2%	East of England Confidence interval +/- 0.8%
Dec- 14	81.7%	72.5%	76.7%	75.7%
Mar-15	78.7%	72.9%	76.6%	76.0%
Jun-15	78.3%	73.2%	76.9%	76.3%
Sep-15	78.7%	73.6%	77.3%	76.8%
Dec - 15	79.5%	73.8%	77.4%	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%	77.6%	76.8%
Dec - 16	78.2%	74.3%	77.0%	76.8%

ONS Annual Population Survey via Nomis, April 2017

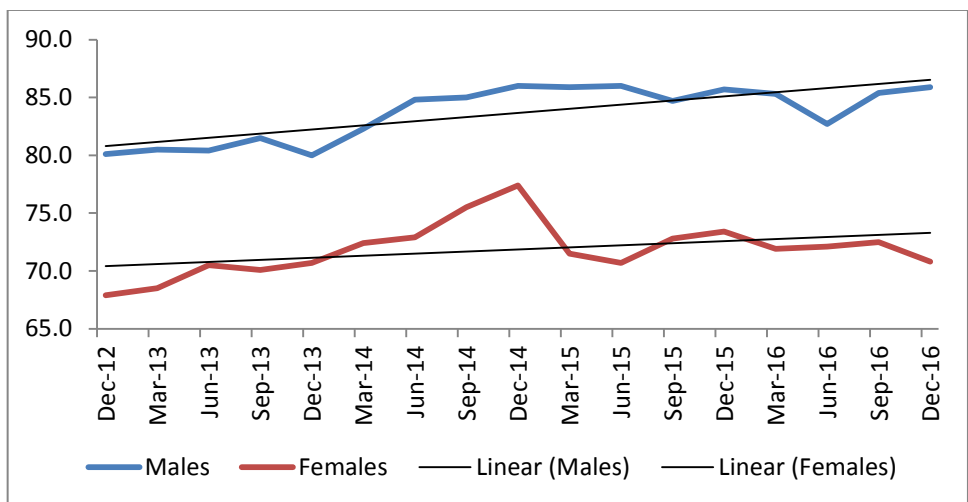
With regard to gender, the number of males in employment aged 16-64 has increased to 75,400 from 74,800 between September 2016 and December 2016, with the rate of employment for males increasing very slightly from 85.4% to 85.9% in December 2016. The female employment





rate has decreased from 72.5% (65,400) in September 2016 to 70.8% (63,900) in December 2016. The chart below indicates the male and female trend lines, with the male employment rate moving on trend, whereas the female rate is falling.

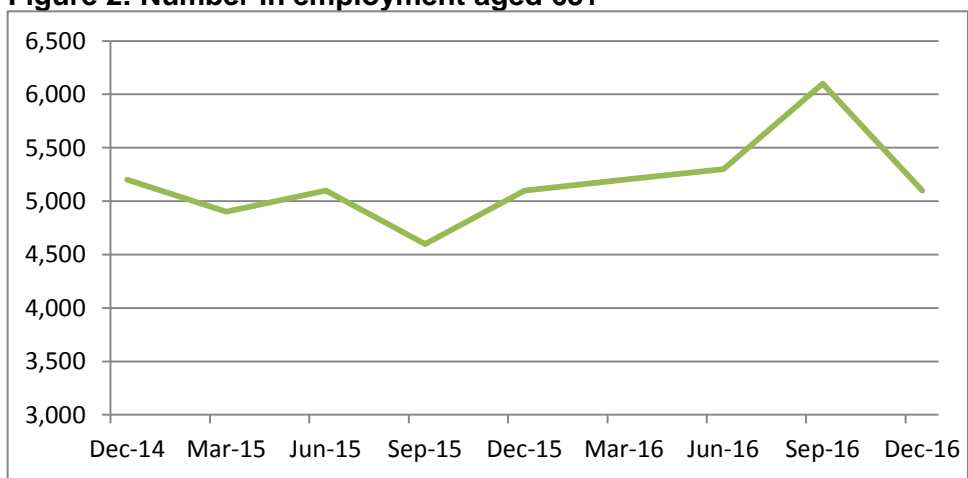
Figure 1: Female and Male employment rate as a percentage of working age people (aged 16-64), change between December 2012 and December 2016



Source: ONS Annual Population Survey April 2017, via Nomis

The number of people in employment generally rises when taking into account those people who remain in work beyond 65 years. In December 2016 the number of people remaining in work over 65+ was 5,100 (3,700 males, 1,500 females) a decrease of 1,000 over the past quarter (800 of whom are males). This reduction 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+



ONS Annual Population Survey via Nomis, April 2017



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 December 2016, the economic activity rate of people aged 16-64 in Central Bedfordshire was 80.5%, or 143,300 people (143,600 in September 16). This rate has decreased slightly from the 80.9% in September 2016, but still remains above all comparator areas – England 78.1%, East of England 79.9%, SEMLEP 80.2%, who all saw no change.

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 December 2016 the model-based unemployment rate was 3.1% or 4,700 people compared to 4.8% in England, 3.9% in SEMLEP and 3.8% in the East of England. There has been a small increase of 100 people in Central Bedfordshire since September 2016, with the rate remaining unchanged.

Table 2: Unemployment rate aged 16+

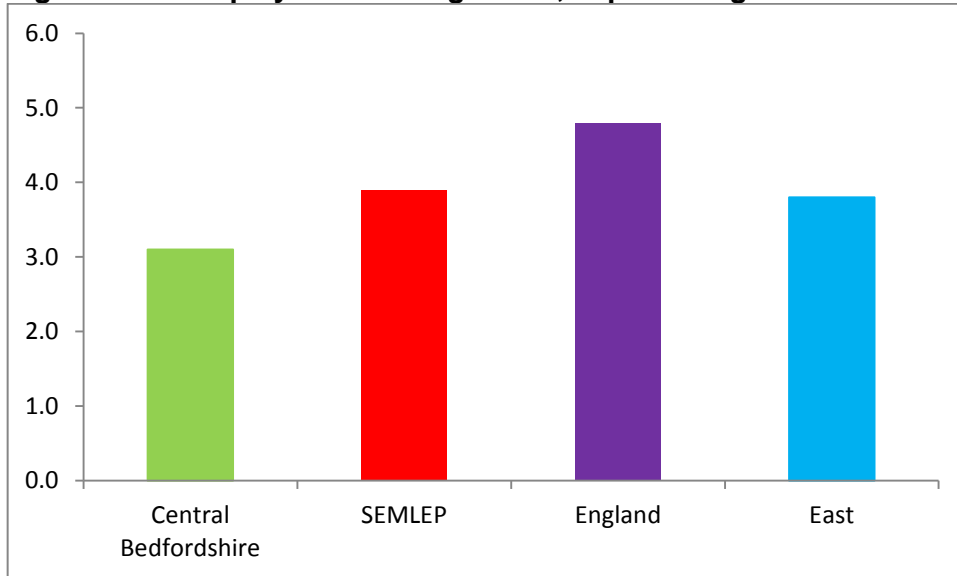
Date	Central Bedfordshire	England	SEMLEP	East
Dec- 14	3.9%	6.2%	4.8%	5.2%
Mar-15	3.8%	5.9%	4.4%	4.9%
Jun-15	3.7%	5.6%	4.1%	4.7%
Sept-15	3.4%	5.3%	4.1%	4.2%
Dec-15	3.3%	5.1%	3.7%	3.9%
Mar-16	3.2%	5.1%	3.7%	3.8%
Jun-16	3.1%	5.1%	3.7%	3.7%
Sept -16	3.1%	5.0%	3.5%	3.8%
Dec-16	3.1%	4.8%	3.9%	3.8%

ONS Annual Population Survey – model-based via Nomis, April 2017





Figure 3 : Unemployment rate aged 16+, in percentages

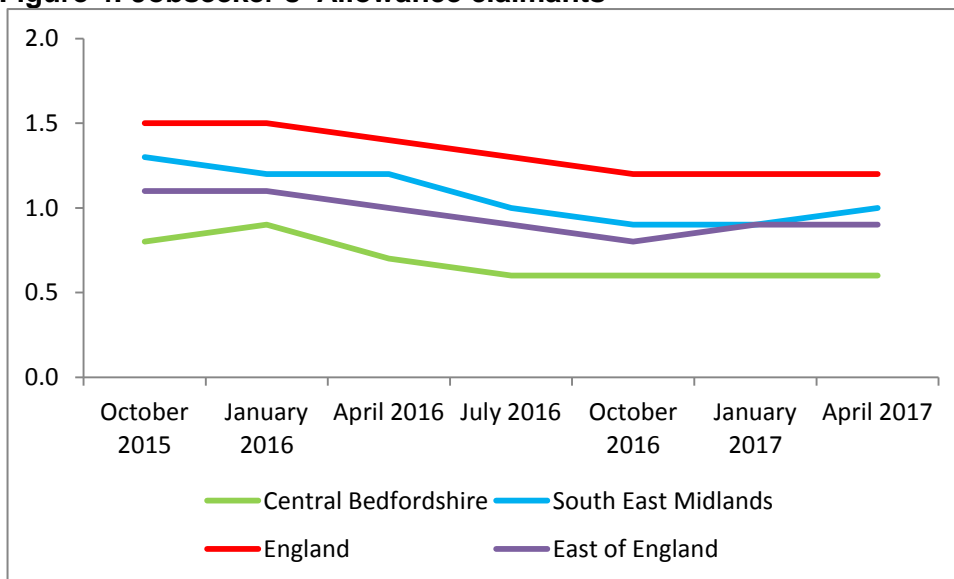


ONS Annual Population Survey via Nomis, April 2017

Jobseeker's Allowance

There were 1035 people aged 18-64 claiming Jobseeker's Allowance (JSA) in April 2017 (male=590, female=445), 31 less than March 2017, and 261 fewer than April 2016. This is 0.6% of the working age population, and the rate remains unchanged from the previous month. The rate remains significantly below England (1.2%), SEMLEP (1.0%) and the East of England (0.9%).

Figure 4: Jobseeker's Allowance claimants



ONS Jobseeker's Allowance via Nomis, May 2017



Youth Unemployment

Jobseeker’s Allowance can be claimed by young people from 18 years (it can only be claimed by 16-18 year olds only in exceptional circumstances). There were 90 people aged 18-24 claiming Jobseeker’s Allowance (JSA) in April 2017 (male=45, female=45), 10 fewer than for March 2017, and 135 fewer than in April 2016. This is 0.4 % of the 18-24 working age population. The rate remains below England (0.7%), SEMLEP (0.6%) and the East of England (0.6%), with just the national rate seeing a 0.1 percentage change since March 2017.

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

Date	Central Bedfordshire	England	SEMLEP	East
Jul 15	1.4%	2.3%	2.1%	1.9%
Oct 15	1.4%	2.0%	1.8%	1.7%
Dec 15	1.3%	1.7%	1.4%	1.5%
Jan 16	1.4%	1.8%	1.5%	1.5%
Mar 16	1.4%	1.7%	1.5%	1.4%
Jun 16	0.9%	1.3%	1.1%	1.0%
Oct 16	0.5%	1.0%	0.8%	0.8%
Jan 17	0.5%	0.9%	0.7%	0.7%
April 17	0.5%	0.9%	0.8%	0.7%

Department for Work and Pensions, via Nomis, May 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 April 2017, 60% (620) of the JSA claimants resident in Central Bedfordshire were looking for work in sales and customer services. 71% of JSA claimants are looking for work in low or relatively low skills (Sales and Customer Service and Elementary Occupations). The data is summarised in table 4.





Table 4: JSA claimants by sought occupation

Occupation (SIC2000 group)	April 2015	April 2016	April 2017
Occupation unknown	55	85	115
Managers and Senior Officials	50	70	55
Professional Occupations	25	10	5
Associate Professional and Technical Occupations	55	35	15
Administrative and Secretarial Occupations	170	100	50
Skilled Trades Occupations	90	45	25
Personal Service Occupations	65	40	20
Sales and Customer Service occupations	670	635	620
Process, Plant and Machine Operatives	65	40	20
Elementary Occupations	360	230	115
	1,600	1,295	1,035

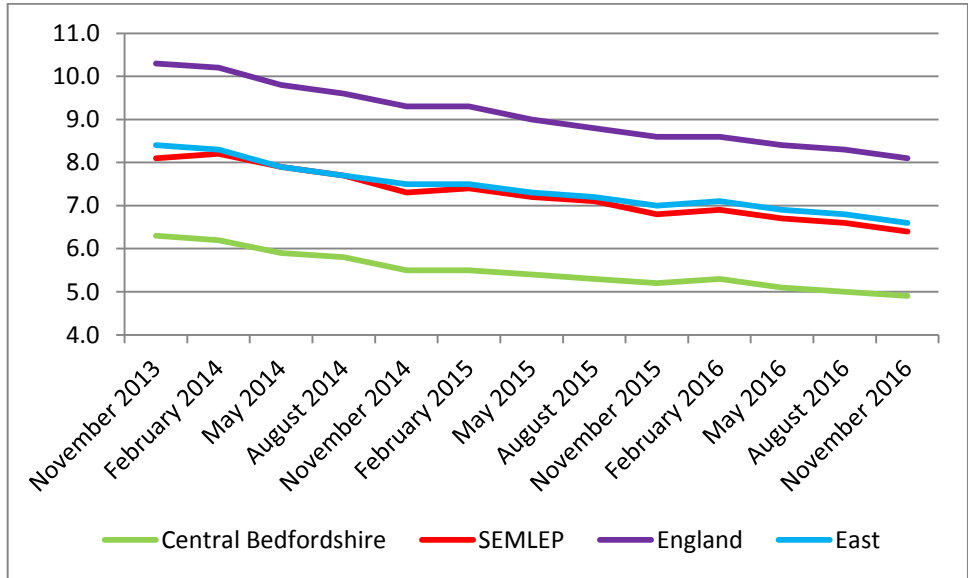
Source: Office for National Statistics via Nomis, May 2017
 Data rounded to the nearest 5

Out of Work Benefit Claimants

The number of people aged 16-64 claiming key out of work benefits fell from 8,720 (5.0%) in August 2016 to a total of 8,540 (4.9%) in November 2016. These figures and rate continue to be the lowest since the start of records in NOMIS in August 1999. This rate is lower than England having 8.1% of people claiming out of work claimants in November 2016, SEMLEP having 6.4% and East of England having 6.6%. Key out of work benefit claimants include those claiming Jobseeker's Allowance (JSA), Employment Support Allowance (ESA) and Incapacity Benefit, lone parents and others on income related benefits.



Figure 5 : Rate of out of work benefit claimants



Department for Work and Pensions, via Nomis, May 2017





Vacancies

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

Table 5 : Occupations and specialist skills ranked in greatest demand as advertised online by employers across Central Bedfordshire, February 2017 – April 2017

Top occupations

Top specialist skills

<p>Other administrative occupations Programmers and software dev. professionals Vehicle technicians, mechanics & electricians Design and development engineers Engineering technicians Web design and development professionals Managers and proprietors in other services Care workers and home carers Business sales executives Financial managers and directors Book-keepers, payroll managers, wage clerks Large goods vehicle drivers Primary and nursery ed. teaching profess. Sales related occupations Electrical and electronic trades Sales accounts and business dev..managers Managers and directors in retail & wholesale Marketing associate professionals Business and financial project man.profess Secondary education teaching professionals H.R. and industrial relations officers</p>	<p>Communication Skills Organisational Skills Detail-Orientated Team Work/ Collaboration Planning Writing Problem Solving Research Leadership Mathematics Creativity Meeting Deadlines Computer Skills English Time Management Prioritising Tasks Listening Presentation Skills Quality/Assurance/ Control Man Decision Making Team Building</p>
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Source: Labour Insight May 2017

The top four occupations advertised online by employers between February 2017 and the end of April 2017 were other administrative occupations; programmers and software development; vehicle technicians, mechanics and electricians; and design and development engineers. Between February 2017 and the end of April 2017, the specialised skill most often required was communication skills; organisational skills; detail-orientated and team work / collaborating.





Skills

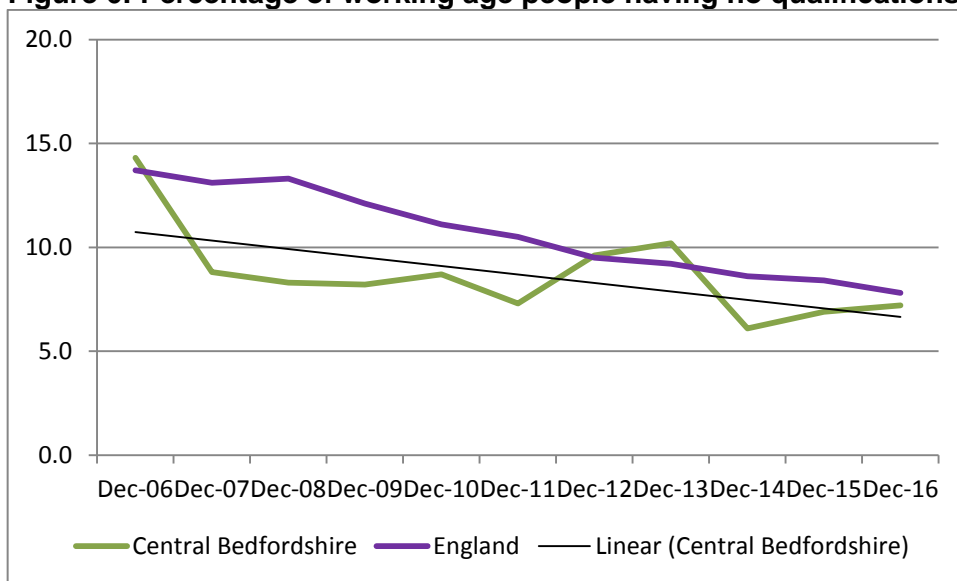
NVQ Qualifications

The December 2016 NVQ skill level achievements saw small decreases across NVQ levels for Central Bedfordshire Council. Meanwhile comparators saw increases in all but a few levels. It must be noted that all the NVQ data is survey based data and is subject to revision. Despite this year's fall in NVQ achievements, as the black trend line for Central Bedfordshire shows on the following charts, the long term trends remain very positive across all NVQ Levels.

No qualifications

There has been a small increase in people aged 16-64 in Central Bedfordshire having no qualifications - from 6.9% in December 2015 to 7.2% in December 2016. This rate still remains below the national rate of 7.8%.

Figure 6: Percentage of working age people having no qualifications



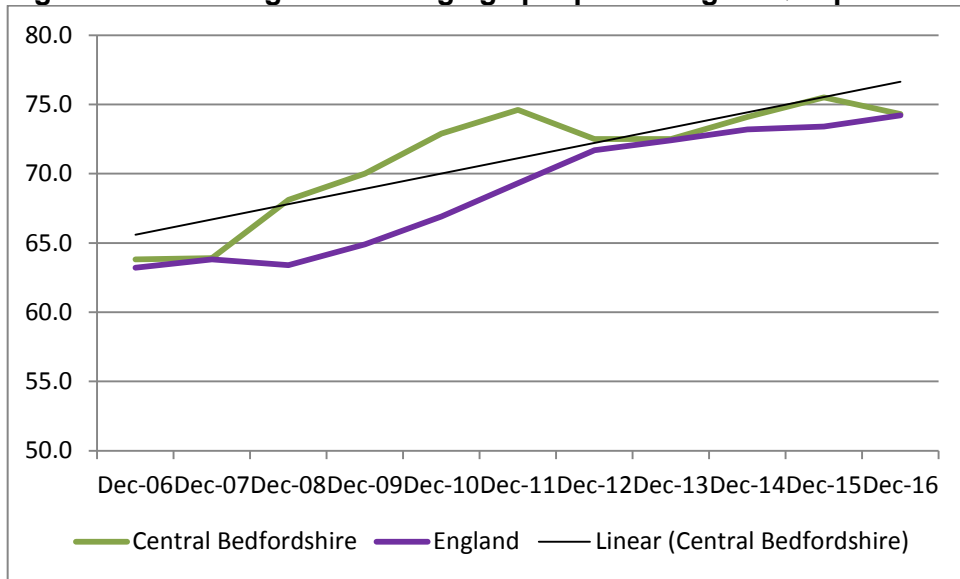
Source: Annual Population Survey, ONS via Nomis, May 2017



NVQ 2

There has been a small increase in people aged 16-64 in Central Bedfordshire having NVQ2+ qualifications over the last 2 years, from 74.1% in December 2014 to 74.3% in December 2016 (with the rate rising to 75.5 in 2015, before the 2016 decrease). These figures just exceed the national figure, standing at 74.2% in December 2016.

Figure 7: Percentage of working age people having NVQ 2 qualifications



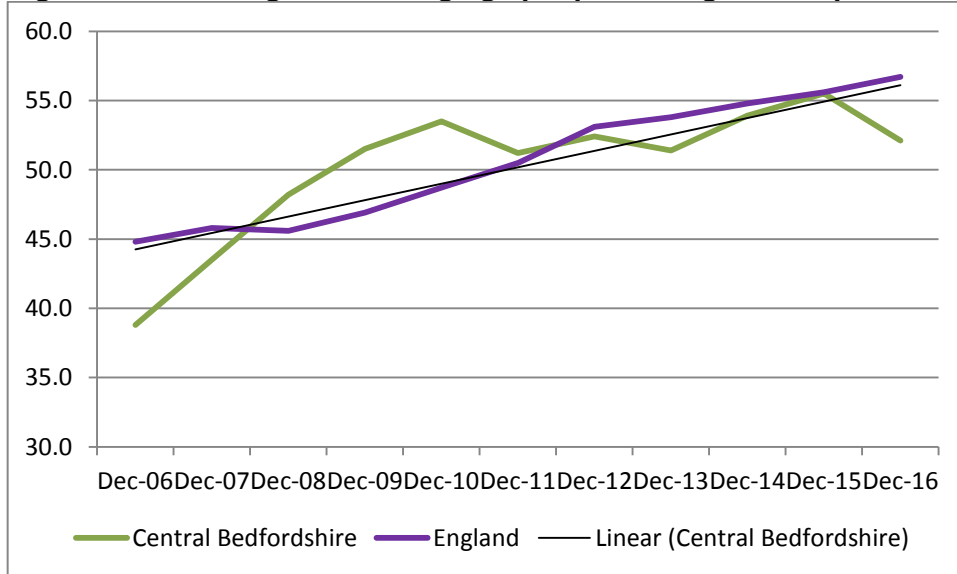
Source: Annual Population Survey, ONS via Nomis, May 2017

NVQ 3

There has been a decrease in people aged 16-64 in Central Bedfordshire having NVQ3+ qualifications over the last year, from 55.5% in December 2015 to 52.1% in December 2016. The national rate showed a small increase from 55.6% to 56.7% between December 2016 and December 2016.



Figure 8: Percentage of working age people having NVQ 3 qualifications

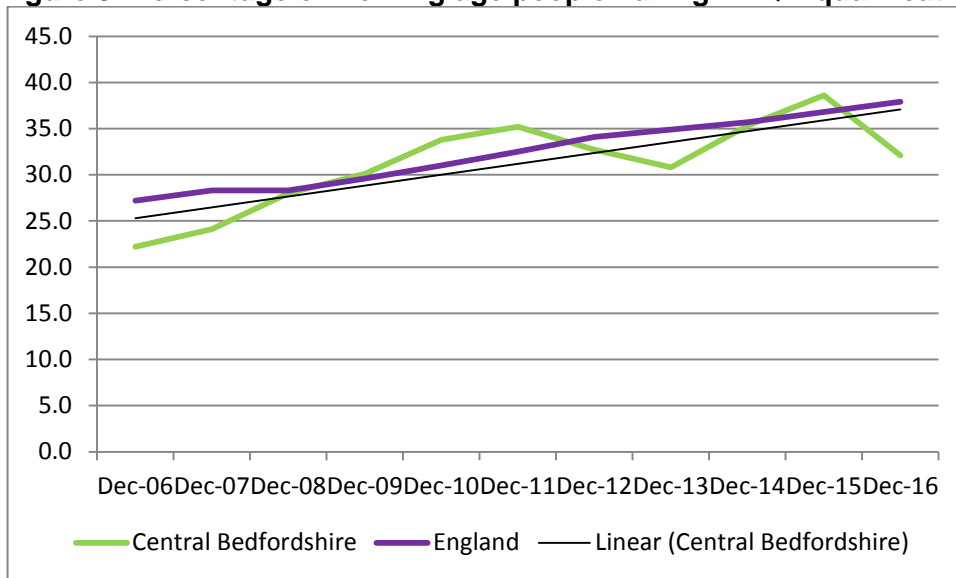


Source: Annual Population Survey, ONS via Nomis, May 2017

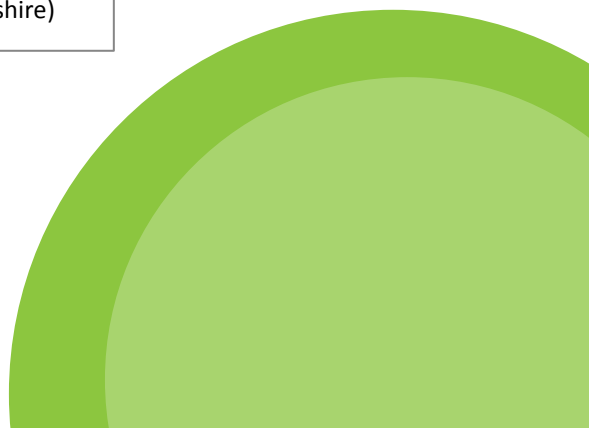
NVQ4

There has been a decrease in people aged 16-64 in Central Bedfordshire having NVQ4+ qualifications over the last year, from 38.6% in December 2015 to 32.1% in December 2016. This figure is below the December 2016 national rate of 37.9%.

Figure 9: Percentage of working age people having NVQ 4 qualifications



Source: Annual Population Survey, ONS via Nomis, May 2017





Job Related Training

The number of people receiving job related training over a 4 week period decreased by a further 1,400 people, from 12,000 in September 2016 to 10,600 in December 2016. The number was 18,800 in December 2015. This amount comprised of 7,000 males and 3,600 females receiving training, compared with the 8,000 males and 3,900 females receiving training in September 2016.

Figure 10: Female and Male job related training between March 2014 and December 2016

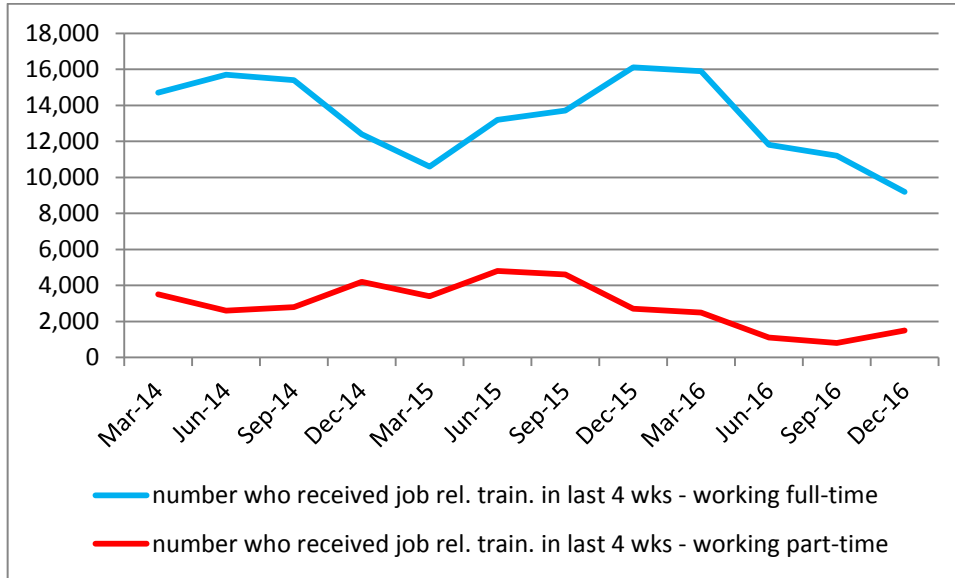


Source: ONS Annual Population Survey, April 2017, via Nomis

Interestingly 9,200 people working full time received job-related training, compared to just 1,500 people working part-time, although an additional 700 people working part-time received training this quarter. A similar trend is true for public versus private training with both levels falling in the period, but with private sector training being consistently below public sector levels (6.8% against 9.3%). This trend of consistently lower private than public sector training is true for SEMLEP and national levels.



Figure 11: Full Time and Part Time job related training between March 2014 and December 2016



Source: ONS Annual Population Survey, May 2017, via Nomis

Business Start Ups

Data from BankSearch (providing details of new business bank accounts) shows in the year 2016 there had been 1,850 new small business start-ups in Central Bedfordshire, only 9 fewer than reported for 2015, but the lowest yearly total since 2008. To date, there are more business starts ups in Quarter 1 2017 (498) compared to Quarter 1 2016 (473).

Self-Employment

The Annual Population Survey (APS) in December 2016 showed that 18,700 people aged over 16+ in employment were self-employed, 500 lower than the 19,200 in September 2016, and 3,700 lower than December 2015.

The rate of self-employed in Central Bedfordshire is 12.9% (13.1% in September 2016), and is below the national rate of 15.5% and the SEMLEP rate of 14.6%. Looking at the gender split, 14,600 of these people are male and 4,100 are female. Since December 2015, there are 3,700 fewer self employed males, with the number of self employed females remaining unchanged.



Table 6 : Percentage in employment aged 16 and over, who are self-employed

	December 2014	December 2015	December 2016	Percentage point change 2014 - 2016
Central Bedfordshire	15.1	15.6	12.9	-2.2%
SEMLEP	14.0	14.1	14.6	+0.6%
East of England	15.0	14.6	15.9	+0.9%
England	15.1	14.6	15.5	+0.4%

Source: ONS Annual Population Survey via Nomis, April 2017

House Price Index

Central Bedfordshire had an average house price of £292,144 in February 2017, with a monthly change of – 0.37% and an annual growth of 8.89%. The index for Central Bedfordshire was 124.28, a decrease from January’s 124.74 (this index is still an experimental statistic).

As of February 2017 the average house price in England was £234,466, and the index stood at 115.58. Property prices have risen by 0.8% compared to the previous month, with an annual growth of 6.27%.

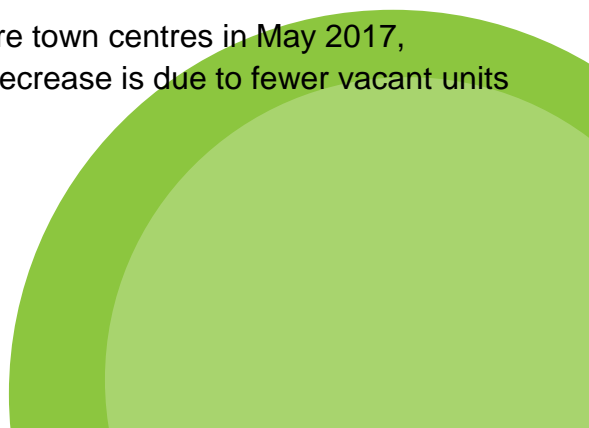
High Street Vacancy Levels and Retail Sales

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, the national town centre vacancy rate was 9.3% in April 2017, down from 9.4% in January 2017. This is largely due to sharp declines in Greater London and the East, the high street vacancy rates in all other nations / regions having risen in April.

Retail sales for the UK in April jumped to 2.3% from March, and by 4% compared with April 2016, possibly due to recent good weather. Caution needs to be given regarding this growth as the three month trend showed sales were up by just 0.3%.

The overall average vacancy rate across Central Bedfordshire town centres in May 2017, 4.31%, has improved slightly from February’s 5.06%. This decrease is due to fewer vacant units





in Houghton Regis, Leighton Buzzard and Stotfold with one new overall vacant unit seen in both Biggleswade and Dunstable.

Table 7: Town centre vacancies % in Central Bedfordshire, May 2016 – May 2017

Town	May 16	Aug 16	Nov 16	Feb 17	May 17
Ampthill	0	1.1	0	2.2	2.2
Arlesey	6.7	6.7	0	0	0
Biggleswade	7.6	6.9	4.8	7.6	8.3
Dunstable	18.8	15.4	15.4	13.4	13.8
Flitwick	0	0	0	0	0
Houghton Regis	3.4	3.4	3.4	6.9	3.4
Leighton Buzzard	6.9	6.4	4.9	4.9	3.9
Sandy	6	4.5	7.5	7.5	9
Shefford	2.5	2.5	2.5	2.5	2.5
Stotfold	5.6	5.6	5.6	5.6	0
Average vacancy rate	5.75%	5.25%	4.41%	5.06%	4.31%

Source: Central Bedfordshire Council May 2017

