

Central  
Bedfordshire

great  
prospects



# Quarterly Economic Monitoring Report

## May 2018

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## Contact us...

[economics@centralbedfordshire.gov.uk](mailto:economics@centralbedfordshire.gov.uk)





## 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, it remained 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): From January to March 2018, the economy expanded by just 0.1%, the slowest growth experienced in the first 3 months for 5 years.
- In March the sterling / euro monthly average was 1.133 (same as December 17)
- 75.1% of people aged 16-64 were in work between January 2017 to December 2017 – up from the 74.7% between October 2016 and September 2017.
- The model-based unemployment rate for the period up to December 2017 to was 4.4%, up 0.1% from the period up to September 2017.

### Construction

Construction output continued its recent decline in the three-month on three-month series, falling by 2.7% in March 2018, the biggest fall seen in this series since August 2012.

### Producer Price Inflation

The headline rate of inflation for goods leaving the factory gate was 2.7% on the year to April 2018, which is unchanged from March 2018. Prices for materials & fuels (input prices) rose 5.3% on the year to April 2018, up from 4.4% in March 2018.

### Services

In the three months to February 2018, services output increased by 0.4% compared with the three months ending November 2017.

### Trade

The UK total trade deficit (goods and services) narrowed £0.7 billion to £6.9 billion in the three months to March 2018, due mainly to falling goods imports from non-EU countries. The narrowing goods deficit with non-EU countries was due mainly to falls in imports of machinery and transport equipment (mainly ships and aircraft), and miscellaneous manufactures (mainly clothing and works of art) of £1.3 billion and £0.5 billion respectively in the three months to March 2018.

(Source: ONS)



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## What's happening in Central Bedfordshire?

- 82.7% of people aged 16-64 were in work, higher than comparator areas (December 2017)
- The model based unemployment rate of people aged 16+ was 3.1% - lower than all comparator areas (December 2017)
- The number of out of work benefit claimants totals 8,565 in November 2017

### Central Bedfordshire Context

#### Growth Corridor

Work is continuing to develop and promote **the Central Area of the Oxford to Cambridge Growth Corridor**. We are looking at options to continue promoting the area to a wide audience.

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.

#### Housing

In 2017/18, our authority saw a completion of a record 2,103 dwellings, with 633 completions in that last quarter alone. This runs in contrast to the national trend for the construction sector which has seen a continued downturn of 2.7% in March 2018, the biggest 3-month on 3-month contraction in that data series since August 2012.

Central Bedfordshire also continues to buck the national trend in housing through its return on investment for developers. In a recent report by LABC Warranty, Central Bedfordshire was rated the number one area, providing a 353.33% return on investment for developers, making Central Bedfordshire one of the most attractive places to build housing in the country.

#### Local Plan

After months of work, Central Bedfordshire's new draft **Local Plan** has been submitted for examination. This local plan seeks to deliver 24,000 new jobs across Central Bedfordshire, including 4 new strategic employment sites.



## 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)	145,000 (December 2017)	<b>Green</b>		This has increased by 1,200 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)	7.2% points above (December 2017)	<b>Green</b>		The gap between Central Bedfordshire and England has increased to be 7.2 percentage points (6.8% in Sept 2017) and exceeds our target of remaining 5 percentage points above the national rate (Central Bedfordshire 82.7%, England 75.1%, SEMLEP 78.3%).
Number of out of work benefit claimants (Department for Work and Pensions)	8,565 (November 2017)	<b>Amber</b>		The number of people claiming out of work benefits is 8,565 (8,593 August 17 - revised). 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)	85.7% (December 2017)	<b>Green</b>		The number of economically active people has increased by 700 in the last quarter, with an increase of 0.9 percentage points in the rate. 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 December 2017 there were 149,000 people aged 16+ in employment in Central Bedfordshire, 1,100 more than in September 2017, and 5,600 more than in December 2016.

The number of people aged 16-64 in employment in December 2017 was 145,000, 1,200 more than in September 2017. Increases in employment were still seen in the majority of age bands, apart from the 50-64 year age band, which saw a decrease of 1600 people. The employment rate of 82.7% remains higher than all comparator areas – England 75.1%, East of England 77.8%, and SEMLEP 78.3%.

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

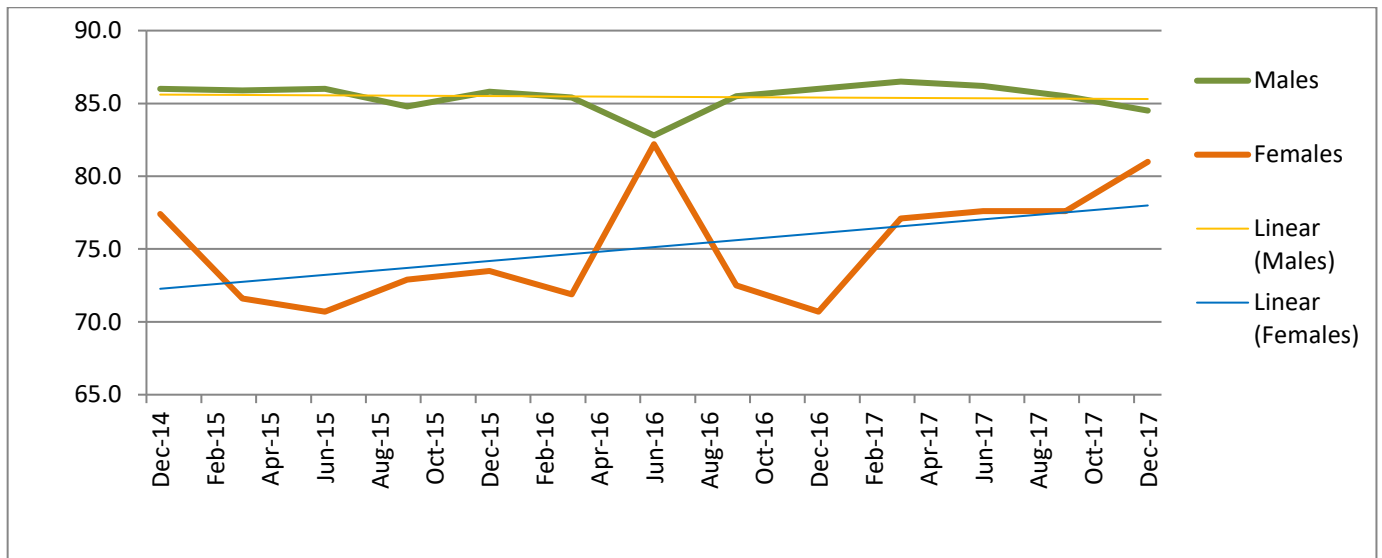
Date	Central Bedfordshire Confidence interval September 17 +/- 3.1%	England Confidence interval September 17 +/- 0.2 %	SEMLEP Confidence interval September 17 +/- 1.2%	East of England Confidence interval September 17 +/- 0.8%
Sep-15	78.8%	73.5%	77.4%	76.8%
Dec - 15	79.6%	73.8%	77.5%	77.3%
Mar-16	78.6%	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%
Dec-17	82.7%	75.1%	78.3%	77.8%

ONS Annual Population Survey via Nomis, May 2018

With regard to gender, the number of males in employment aged 16-64 has decreased by 1,100 since September 2017 (73,800 December 2017), with the rate of employment for males decreasing from 85.5% to 84.5% in December 2017. In contrast, the number of females employed has seen an increase – from 68,900 in September 2017 to 71,200 in December 2017, with the rate of 81% increasing from the previous 77.6% rate. The chart on page 7 shows the male and female trend lines, with the male employment rate slightly dipping from trend, and female rate moving above trend in December 2017.



**Figure 1: Female and Male employment rate as a percentage of working age people (aged 16-64), between December 2014 and December 2017**



Source: ONS Annual Population Survey via Nomis, May 2018

The number of people in employment generally rises when taking into account those people who remain in work beyond 65 years. In December 2017 the number of people remaining in work over 65+ was 4,000 (2,600 males, 1,400 females) a decrease of 100 over the past quarter. The number of 65+ in employment has been reducing over the last year (5,100 in December 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, May 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 December 2017 the economic activity rate of people aged 16-64 in Central Bedfordshire was 85.7%, or 150,100 people (149,400 in Sept 17). This rate has shown a continued increase from the 80.5% in December 2016, and still remains above all comparator areas. The national and regional rates remain relatively unchanged (England 78.6% - up 0.3%; East of England 80.8% - up 0.6%), but SEMLEP's rate of 82.2% sees a 2.0 percentage point increase in line with Central Bedfordshire's 1.1 percentage point increase.

## 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 2017 the model-based unemployment rate was 3.1% or 4,300 people, compared to 4.4% in England, 4.6% in SEMLEP and 3.6% in the East of England. There has been an increase of 500 people in Central Bedfordshire since September 2017, with the rate increasing by 0.2 percentage points, to 3.1%.

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

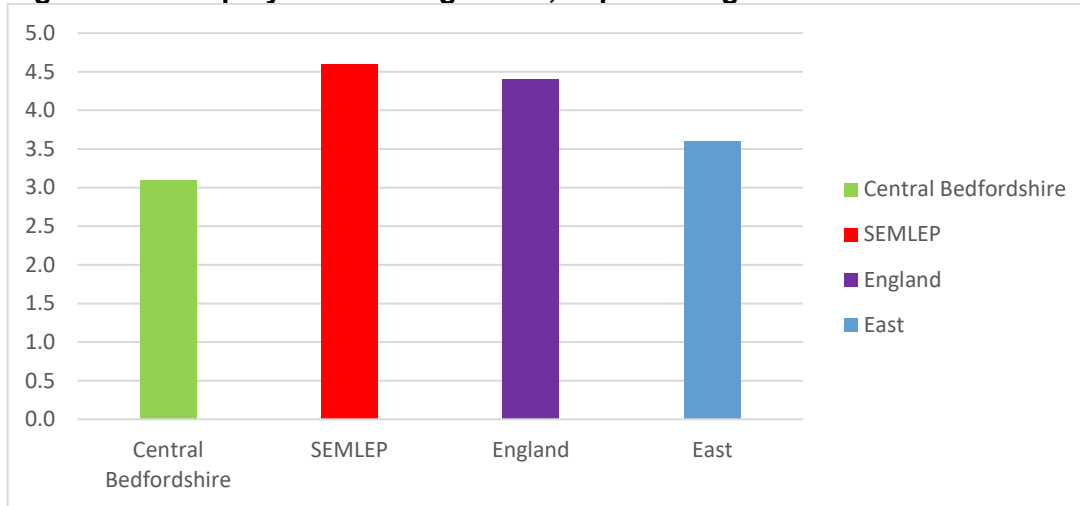
Date	Central Bedfordshire	England	SEMLEP	East
Dec – 15	3.3%	5.1%	3.6%	3.9%
Mar – 16	3.2%	5.1%	3.6%	3.8%
Jun – 16	3.1%	5.1%	3.7%	3.7%
Sept – 16	3.1%	5.0%	3.5%	3.8%
Dec – 16	3.1%	4.8%	3.9%	3.8%
Mar – 17	3.0%	4.8%	4.2%	3.8%
Jun – 17	3.1%	4.6%	4.6%	3.9%
Sept – 17	2.9%	4.5%	4.7%	3.5%
Dec – 17	3.1%	4.4%	4.6%	3.6%

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





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

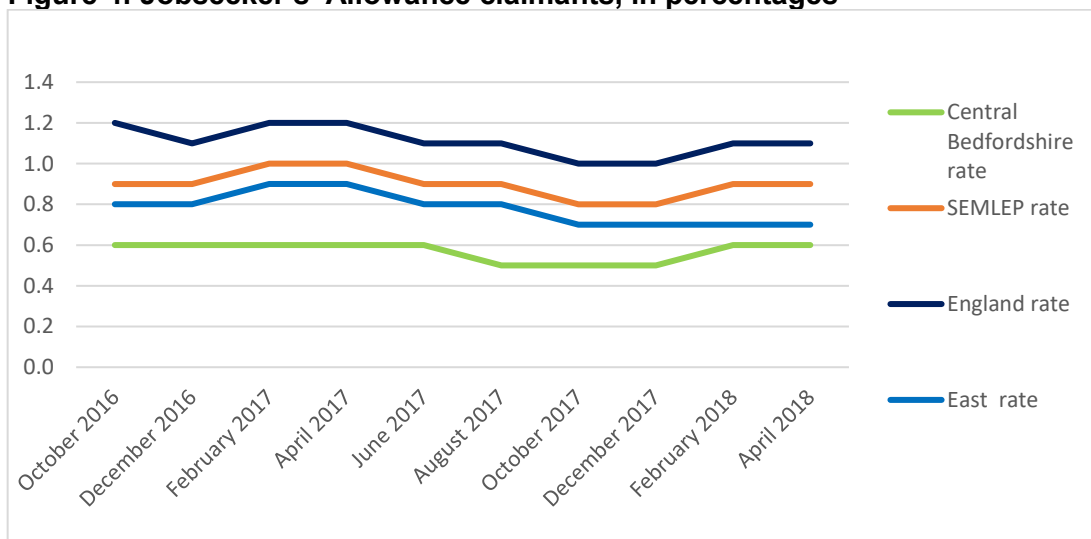


ONS Annual Population Survey via Nomis, May 2018

### Jobseeker’s Allowance

There were 1050 people aged 18-64 claiming Jobseeker’s Allowance (JSA) in April 2018 (male=590, female=460), 45 more than February 2018, but 30 less than February 2017. This is 0.6% of the working age population, and the rate remains unchanged from the previous month. The rate remains significantly below England (1.1%), SEMLEP (0.9%), whose results increased slightly (both by 0.1%) and the East of England (0.7%), where the rate remains unchanged.

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



ONS Jobseeker’s Allowance via Nomis, May 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 April 2018, 265 (245 in December 2017, 250 in February 2018) people over the age of 25 years had been claiming JSA for over 1 year, and 120 (120 in December 2017, 125 in February 2018) 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 110 people aged 18-24 claiming Jobseeker’s Allowance (JSA) in April 2018 (male=60, female=50), 45 more than for December 2017, and 20 more than in February 2018. This is 0.6 % of the 18-24 working age population. The rate continues to remain below England (0.9%), SEMLEP (0.9%) and the East of England (0.7%).

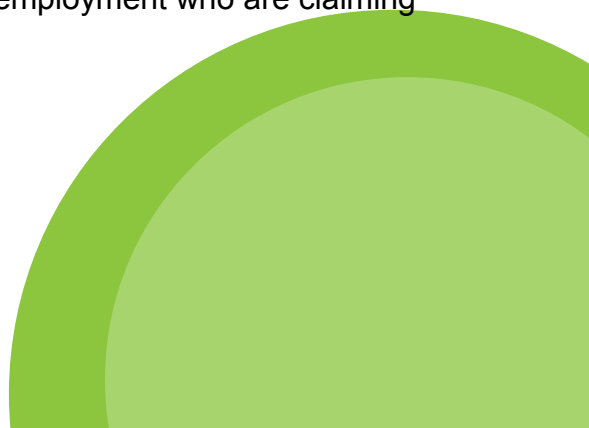
**Table 3: Percentage of young people (18-24 years) receiving JSA**

Date	Central Bedfordshire	England	SEMLEP	East
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
Feb 18	0.5	0.9	0.8	0.7
Apr 18	0.6	0.9	0.9	0.7

*Department for Work and Pensions, via Nomis, May 2018*

## Out of Work Benefit Claimants

Despite low levels of unemployment, the number of people aged 16-64 claiming key out of work benefits total 8,565 in November 2017 (8,593 August 2017 - revised). 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 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 2018, 62% (655) of the JSA claimants resident in Central Bedfordshire were looking for work in sales and customer services, and 70% (740) of JSA claimants were looking for work in low or relatively low skills (sales and customer service and elementary occupations), a slight decrease from the 71% in December. The data is summarised in table 4.

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

Occupation (SIC 2000 group)	December 2015	December 2016	December 2017	April 2018
Occupation unknown	110	95	115	125
Managers and Senior Officials	80	50	45	55
Professional Occupations	15	5	5	5
Associate Professional and Technical Occupations	40	20	5	10
Administrative and Secretarial Occupations	115	60	40	55
Skilled Trades Occupations	60	30	25	25
Personal Service Occupations	45	25	15	15
Sales and Customer Service occupations	605	550	590	655
Process, Plant and Machine Operatives	50	25	15	15
Elementary Occupations	235	115	75	85
	<b>1,355</b>	<b>970</b>	<b>930</b>	<b>1050</b>

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



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## 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 professionals Customer service occupation Care workers and home carers Programmers and software dev. professionals Nurses Engineering technicians Other administrative occupations Primary & nursery education teaching profs Large goods vehicle drivers Managers & proprietors in other services IT business analysts, architects, system design Business & Financial project management profs Management consultants & business analysts Vehicle technicians mechanics & electricians Elementary storage occupations Production managers / directors in manufacture IT user support technicians Kitchen and catering assistants Van drivers Financial managers & directors Marketing & sales directors Teaching / other education professionals Human resource & industrial relations officers	Communication Skills Organisational Skills Planning Detail Orientated Microsoft Excel English Leadership Problem Solving Creativity Microsoft Office Writing Research Building Effective Relationships Computer Literacy People Management Meeting Deadlines Presentation Skills Time Management Mentoring Microsoft Powerpoint Listening Articulate Microsoft Word

Source: Labour Insight May 2018

The top occupations advertised online by employers between February 2018 and the end of April 2018 were concerning sales and customer service. There is more demand for Primary and nursery teaching roles, together with business and financial project management roles.



Skills

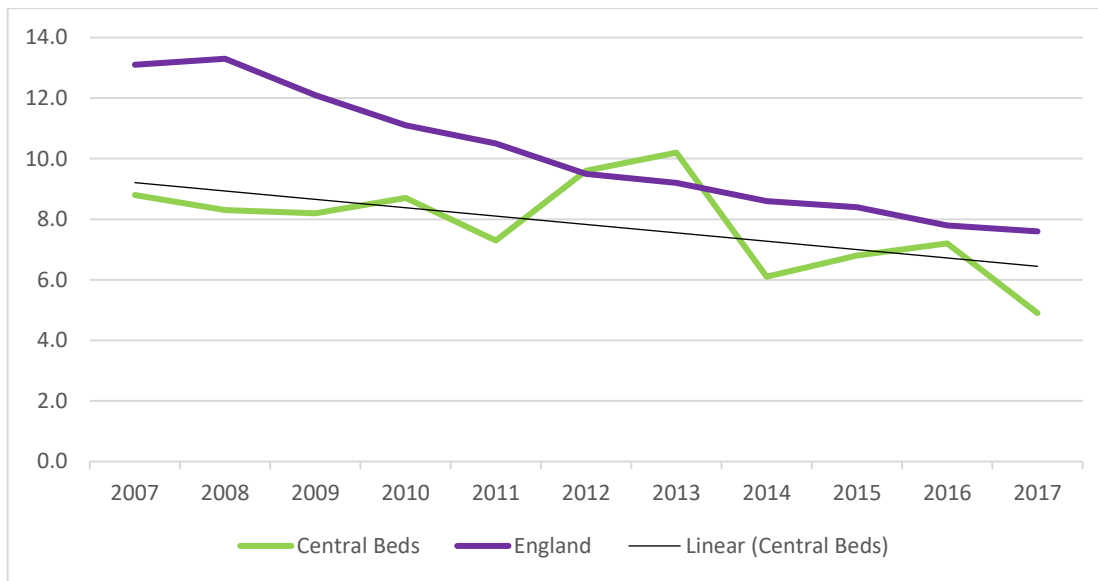
NVQ Qualifications

The December 2017 NVQ skill level achievements saw small increases across NVQ levels 2+ and 3+ for Central Bedfordshire Council, with a small decrease in NVQ4+. 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.

No qualifications

There has been a decrease in people aged 16-64 in Central Bedfordshire having no qualifications - from 7.2% in December 2016 to 4.9% in December 2017. This rate remains below the national rate of 7.6%.

Figure 5: Percentage of working age people having no qualifications



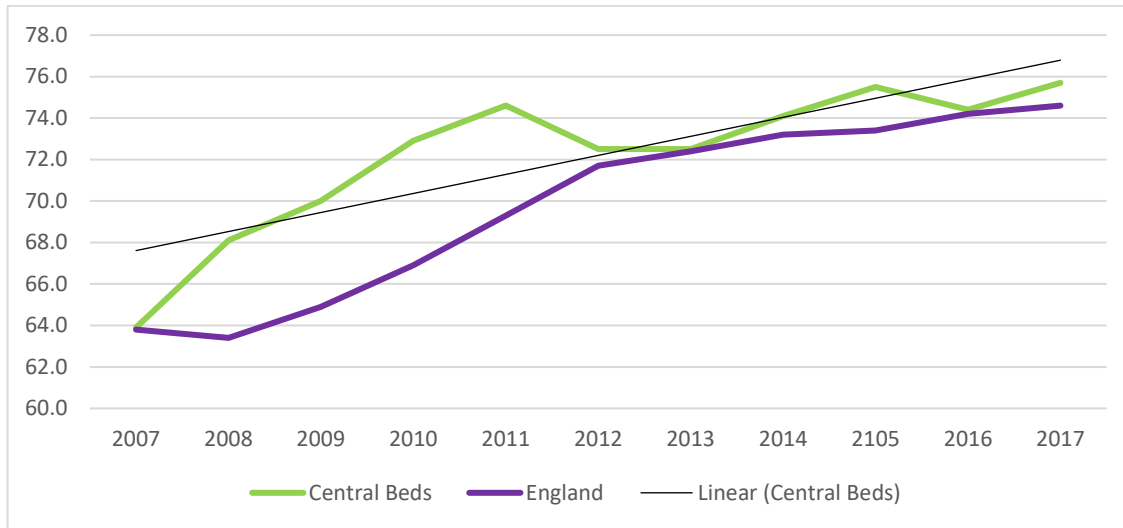
Source: Annual Population Survey, ONS via Nomis, May 2018

NVQ 2

There has been a small increase in people aged 16-64 in Central Bedfordshire having NVQ2+ qualifications from 74.4% in December 2016 to 75.7% in December 2017. These figures just exceed the national figure, standing at 74.6% in December 2017.



**Figure 6: Percentage of working age people having NVQ 2 qualifications**

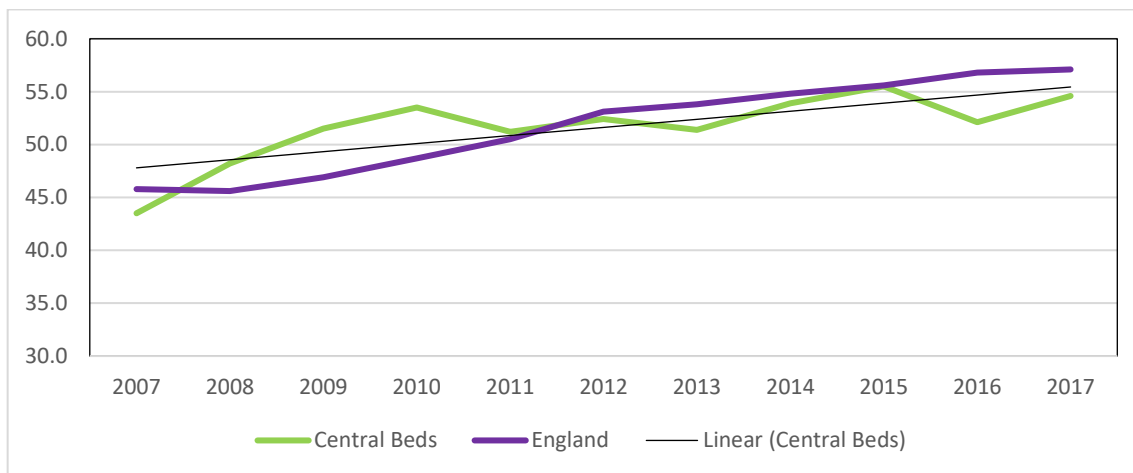


Source: Annual Population Survey, ONS via Nomis, May 2018

### NVQ 3

There has been a increase in people aged 16-64 in Central Bedfordshire having NVQ3+ qualifications over the last year, from 52.1% in December 2016 to 54.6% in December 2017. The national rate showed a small increase from 56.8% to 57.1% between December 2016 and December 2017.

**Figure 7: Percentage of working age people having NVQ 3 qualifications**



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

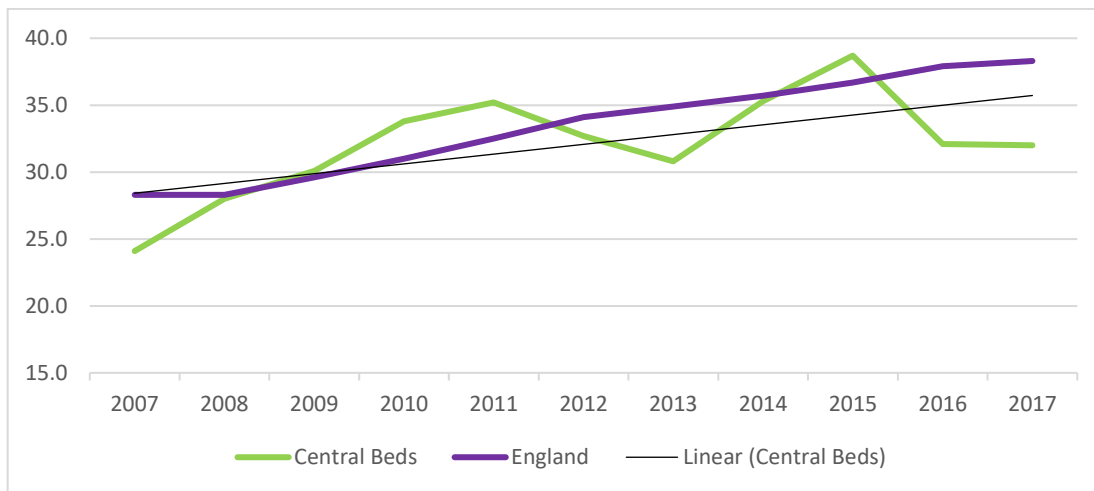




**NVQ4**

There has been a very slight decrease in people aged 16-64 in Central Bedfordshire having NVQ4+ qualifications over the last year, from 32.1% in December 2016 to 32.0% in December 2017 (a continuation of a decrease since the rate of 38.2 in December 2015). This figure is below the December 2017 national rate of 38.3%.

**Figure 8: Percentage of working age people having NVQ 4 qualifications**

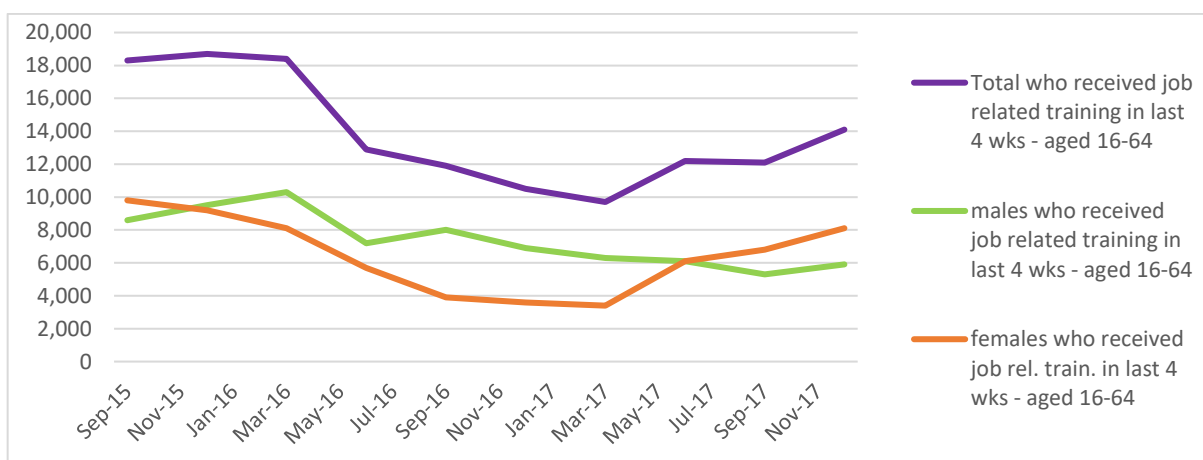


Source: Annual Population Survey, ONS via Nomis, May 2018

**Job Related Training**

The number of people receiving job related training over a 4 week period increased by 2000 people, from 12,100 in September 2017 to 14,100 in December 2017, the highest number since December 2015. This amount comprised of 5,900 males and 8,100 females receiving training, compared with the 5,300 males and 6,800 females receiving training in September 2017.

**Figure 9: Female and Male job-related training December 2017**

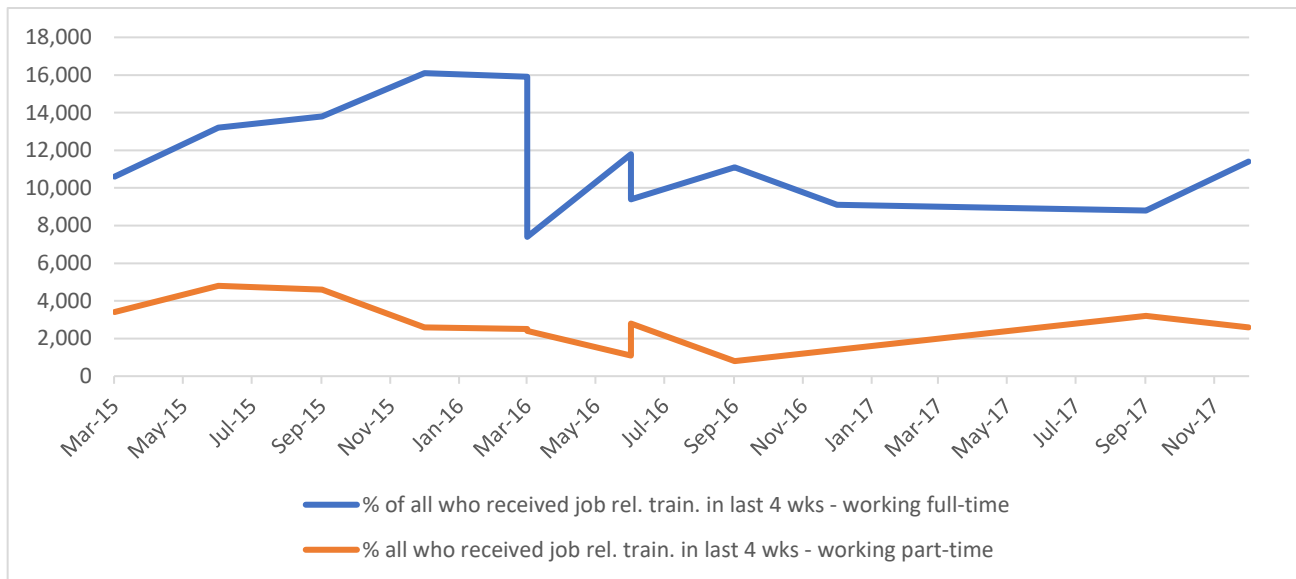


Source: ONS Annual Population Survey, May 2018, via Nomis



The number of people working full time receiving training over a 4 week period has increased from 8,800 in September 2017 to 11,400 in December 2017. However, this is a 30% decrease from December 2015 when 16,500 full time workers received training. In contrast, 2,600 part time workers received training in December (3,200 in September 2017, 2,800 in June 2017)

**Figure 10: Full Time and Part Time job related training December 2017**



Source: ONS Annual Population Survey, May 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

From January to March 2018, there had been 412 business start-ups in Central Bedfordshire, down 86 from the 498 in the same period in 2017.



## Self-Employment

The Annual Population Survey (APS) in December 2017 showed that 18,800 people aged over 16+ in employment were self-employed, 1,500 higher than the 16,300 in September 2017, and 300 higher than December 2016.

The rate of self-employment in Central Bedfordshire is 12.6% (11.0% in September 2017), and is below the national rate of 15.5% and the SEMLEP rate of 14.1%. Looking at the gender split, 13,000 of these people are male and 5,800 are female (10,500 males and 5,800 females in September 2017). Since December 2016, there are 1,500 fewer self-employed males, but the number of self-employed females has shown an increase of 1,700.

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

	December 2015	December 2016	December 2017	Percentage point change 2015 - 2017
Central Bedfordshire	15.7%	12.9%	12.6%	-3.1
SEMLEP	14.1%	14.6%	14.1%	0
East of England	14.6%	15.9%	15.3%	+0.7%
England	15.1%	15.5%	15.5%	+0.4%

Source: ONS Annual Population Survey via Nomis, May 2018

## House Price Index

The UK House Price Index (HPI), calculated by ONS, indicates that Central Bedfordshire had an average house price of £312,250 in February 2018, with a monthly change of 0.7% and an annual growth of 6.8%.

Comparators have lower average house prices than Central Bedfordshire; Bedford's is £299,652 Luton's is £243,794 and Milton Keynes is £268,503.

As of February 2018, the average house price in England was £242,176, a rise of 0.2% compared to the previous month, with an annual growth of 4.1%.

## 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.



The overall average vacancy rate across Central Bedfordshire town centres in May 2018, 7.7%, has increased further from February's 4.0%, and the towns now collectively have the highest number of vacant retail units since August 2016. Reductions in the number of vacant units has been seen in one town centre: Stotfold. However, Arlesey, Flitwick and Stotfold are at capacity and have no vacant retail units.

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

Town	Feb 17	May 17	Aug 17	Nov 17	Feb 18	May 18
Amphill	2.2	2.2	3.3	4.4	4.4	5.6
Arlesey	0	0	0	0	0	0
Biggleswade	7.6	8.3	6.9	5.5	8.3	9.7
Dunstable	13.4	13.8	13.4	13.4	13.4	14.2
Flitwick	0	0	2.6	2.6	0	0
Houghton Regis	6.9	3.4	3.4	3.4	3.4	3.4
Leighton Buzzard	4.9	3.9	4.9	3.9	3.4	4.9
Sandy	7.5	9	4.5	3	1.5	3.0
Shefford	2.5	2.5	2.5	5	0	2.6
Stotfold	5.6	0	5.6	5.6	5.6	0
Average vacancy rate	<b>5.06%</b>	<b>4.31%</b>	<b>4.7%</b>	<b>4.68%</b>	<b>4.0%</b>	<b>7.7</b>

Source: Central Bedfordshire Council February 2018

