

Central
Bedfordshire

great
prospects



Quarterly Economic Monitoring Report

November 2017

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Table of contents

What's happening nationally?	3
What's happening in Central Bedfordshire?	4
Employment	6
Unemployment	8
Youth unemployment	10
Out of work benefit claimants	11
Vacancies	12
Skills	12
Job related training	13
Business start ups	14
Spotlight on Earnings	15
House price indicators	17
High Street vacancy levels and retail sales	17

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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
- The UK economy is forecast to grow by 1.5% in 2017
- UK Gross Domestic Product (GDP) increased by 0.4% between April-June 2017, and to July-September 2017, although GDP growth is slower than in 2016.
- In September the sterling euro monthly average was 1.1186
- 75.0% of people aged 16-64 were in work between July 2017 to September 2017 – the first decrease in the number employed since August-October 2016
- The unemployment rate for the period July 2017 to September 2017 was 4.3%, a decrease of 0.2 percentage points compared with the three months to June 2017

Construction

The interim Construction Output Price Index (OPI) for all construction rose 1.8% in the year to June 2017, down from an increase of 2.0% in the year to May 2017.

Prices rose in the year to June 2017 for all work types within new work, and repair and maintenance, with the exception of infrastructure, which fell 1.2% on the year (Source: ONS)

Producer Price Inflation

The annual rate of inflation for goods leaving the factory gate rose 2.8% on the year to October 2017, down from 3.3% in September 2017.

Prices for materials and fuels rose 4.6% on the year to October 2017, down from 8.1% in September 2017.

Services

The Index of Services increased by 0.2% between July and August 2017. The largest contribution to month-on-month growth came from the business services and finance sector.

Trade

The trade deficit in goods and services in April 2017 narrowed by £1.8 billion, to £2.1 billion. This reflects a decrease in imports of goods.





What's happening in Central Bedfordshire?

- 81.9% of people aged 16-64 were in work, higher than comparator areas (June 2017)
- The unemployment rate of people aged 16+ was 3.1% - lower than all comparator areas (June 2017)
- The number of out of work benefit claimants totalled 8,564 in May 2017 (data includes Universal Claimants not in employment)
- In 2017 there were 15,680 active enterprises in Central Bedfordshire, an increase of 3,035 between 2016 and 2017, showing 24% growth
- Between 2015 and 2016 there were 11,500 more jobs, a growth of 12.4%

Be Central Bedfordshire promotes inward investment and economic growth in the area, supported by its award winning website. Inward investment continues to be buoyant with 28 enquiries between June to September, bringing the total to 97 for this financial year. The majority of jobs will be retentions, but one success is expected to bring in 230 new jobs.

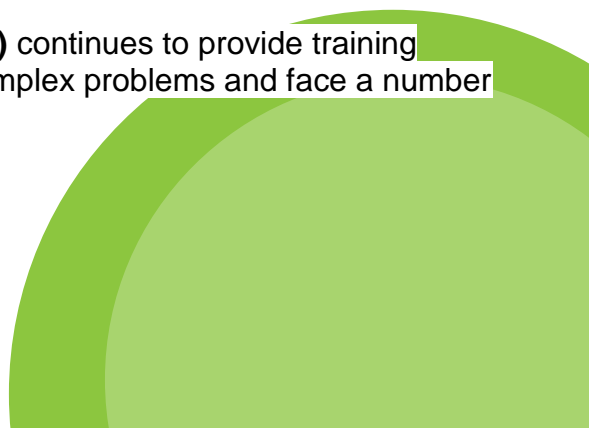
The **Business Growth team** supports local businesses to excel and advance, with particular development in the four growth sectors. Support offered includes:

- Funding opportunities (including Innovation Bridge - a project in partnership with three universities, provides innovation support to SME business and grants of up to £15,000; Business Growth and FEAST)
- Relocation support
- Corporate Social Responsibility
- Early Access to Planning expertise
- Staffing and recruitment
- Support with Regulatory Services
- Access to key partners and stakeholders





The **Market Town Regeneration Fund** is currently supporting initiatives from Ampthill, Dunstable, Flitwick, Leighton Linlade, Sandy and Shefford town councils, with projects due to be completed by March 2018.

Central Bedfordshire Council's first-ever **Find Your Future employment and training fair** proved a huge success, with hundreds of people passing through the doors of The Incuba, in Dunstable, over the course of the day. The day, which was organised in conjunction with Central Bedfordshire College and part sponsored by CITB, took place on Thursday 2 November, with 450 pupils from 15 schools attending.

The **Bedfordshire Employment and Skills Service (BESS)** continues to provide training courses for local residents, many of who have a range of complex problems and face a number of barriers to gaining employment.



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)	144,600 (June 2017)	Green		This has increased by 700 people in the last quarter, and the rate of 81.9% still continues to be above all comparator areas.
Employment rate across Central Bedfordshire remains 5% above the national rate (ONS, APS, via Nomis)	7.3 % points above (June 2017)	Green		The gap between Central Bedfordshire and England has increased to be 7.3 percentage points and exceeds our target of remaining 5 percentage points above the national rate (Central Bedfordshire 81.9%, England 74.6%, SEMLEP 77.8%).
Number of out of work benefit claimants (Department for Work and Pensions)	8,564 (May 2017)	Amber		The number of people claiming out of work is 8,564. Data for this Indicator is now sourced direct from the DWP, rather than via NOMIS, and includes Universal Credit claimants not in employment. An amber RAG has been placed until comparative data from the DWP for the next quarter is available.
Economic activity rate (ONS, APS, via Nomis)	85% (June 2017)	Green		The number of economically active people has increased by 1,800 in the last quarter, and 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 June 2017 there were 148,800 people aged 16+ in employment in Central Bedfordshire, 8,200 more than in June 2016 and 300 more than in March 2017.

The number of people aged 16-64 in employment in June 2017 was 144,600, 700 more than in March 2017. Increases in employment were seen in the majority of age bands, apart from the 16-19 years and 20-24 years, with the main increases seen in the 50-64 age band (2,400 people), and 35-49 age band (600 people). The employment rate of 81.9% remains higher than all comparator areas – England 74.6%, East of England 77.0%, and SEMLEP 77.8%.

Table 1: Employment rate aged 16-64

Date	Central Bedfordshire Confidence interval June 17 +/- 3.3%	England Confidence interval June 17 +/- 0.2 %	SEMLEP Confidence interval June 17 +/- 1.2%	East of England Confidence interval June 17 +/- 0.8%
Jun-15	78.3%	73.2%	76.9%	76.3%
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%

ONS Annual Population Survey via Nomis, November 2017

With regard to gender, the number of males in employment aged 16-64 has remained the same in June as for March 2017, 75,300, with the rate of employment for males decreasing slightly from 86.5% to 86.2% in June 2017. The number of females employed continues to see an increase – 68,600 (77.1%) in March 2017 to 69,200 (77.6%) in June 2017. The chart on page 7 indicates the male and female trend lines, with the male employment rate moving on trend, and the female rate continuing to move above trend in June 2017.

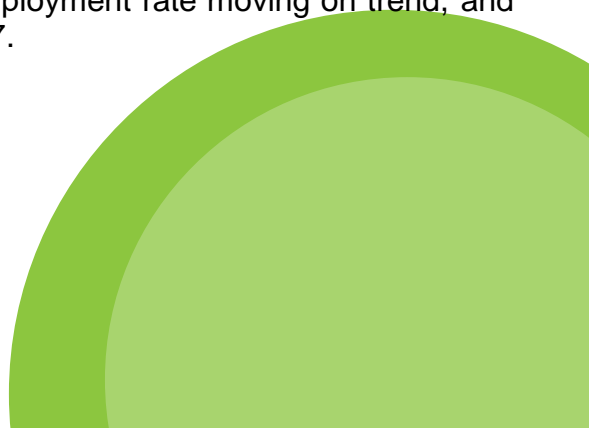
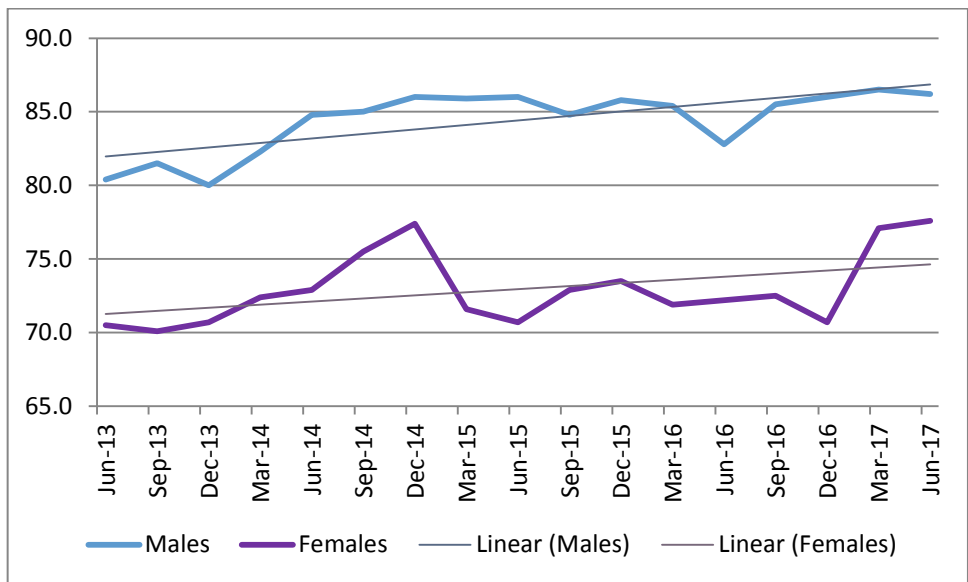




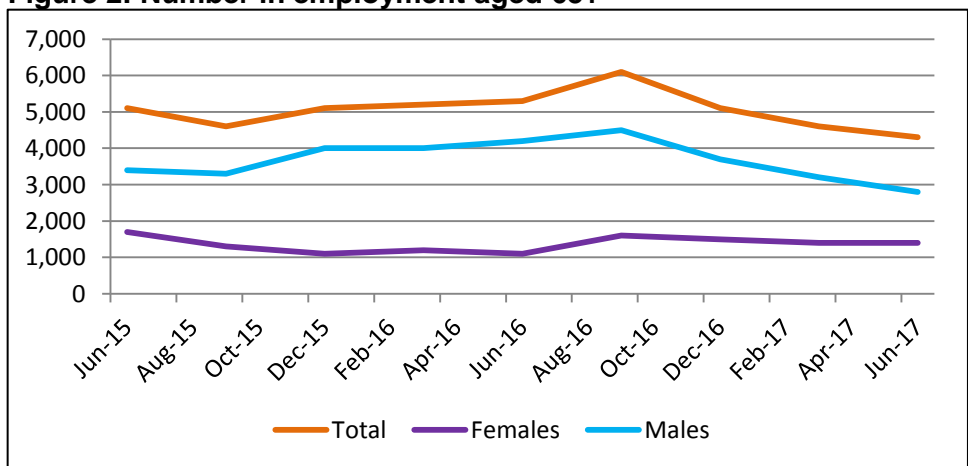
Figure 1: Female and Male employment rate as a percentage of working age people (aged 16-64), change between June 2013 and June 2017



Source: ONS Annual Population Survey November 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 June 2017 the number of people remaining in work over 65+ was 4,300 (2,800 males, 1,400 females) a decrease of 300 over the past quarter. This reduction, together with the 500 people reduction in March 2017, and 1,000 people reduction in December 2016, 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, November 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 June 2017 the economic activity rate of people aged 16-64 in Central Bedfordshire was 85%, or 150,000 people (148,200 in March 17). This rate has shown a good increase from the 80.5% in December 2016, and still remains above all comparator areas – England 78.3%, East of England 80.2%, SEMLEP 81.6%, with small increases being seen nationally and with SEMLEP, and just the regional rate seeing a small 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 June 2017 the model-based unemployment rate was 3.1% or 4,800 people, compared to 4.6% in England, 4.6% in SEMLEP and 3.9% in the East of England. There has been an increase of 300 people in Central Bedfordshire since March 2017, with the rate increasing by 0.1 percentage point, to 3.1%.

Table 2: Unemployment rate aged 16+

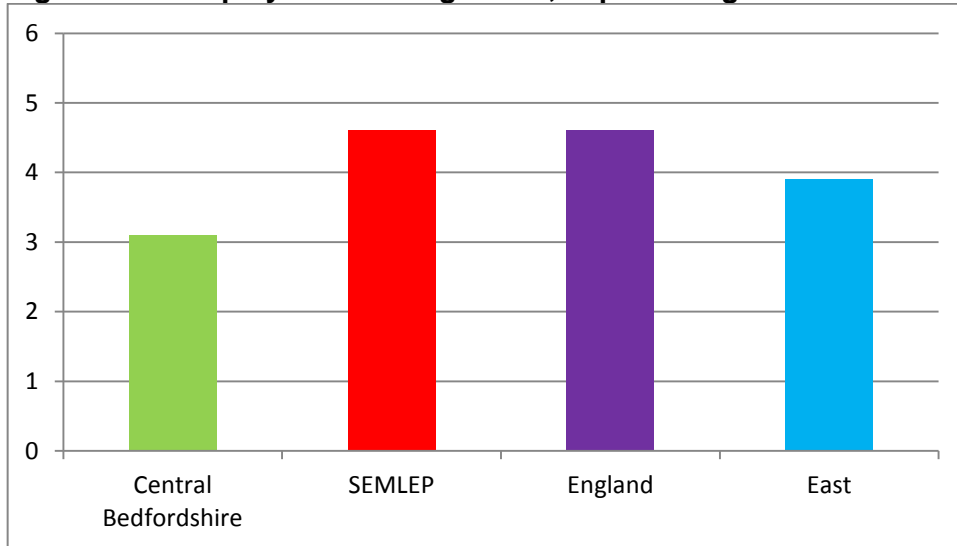
Date	Central Bedfordshire	England	SEMLEP	East
Jun-15	3.7%	5.6%	4.1%	4.6%
Sept-15	3.4%	5.3%	4.1%	4.2%
Dec-15	3.3%	5.1%	3.6%	3.9%
Mar-16	3.2%	5.1%	3.6%	3.8%
Jun-16	3.1%	5.1%	3.7%	3.7%
Sept -16	3.1%	5.0%	3.5%	3.8%
Dec-16	3.1%	4.8%	3.9%	3.8%
Mar 17	3.0%	4.8%	4.2%	3.8%
Jun -17	3.1%	4.6%	4.6%	3.9%

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





Figure 3: Unemployment rate aged 16+, in percentages

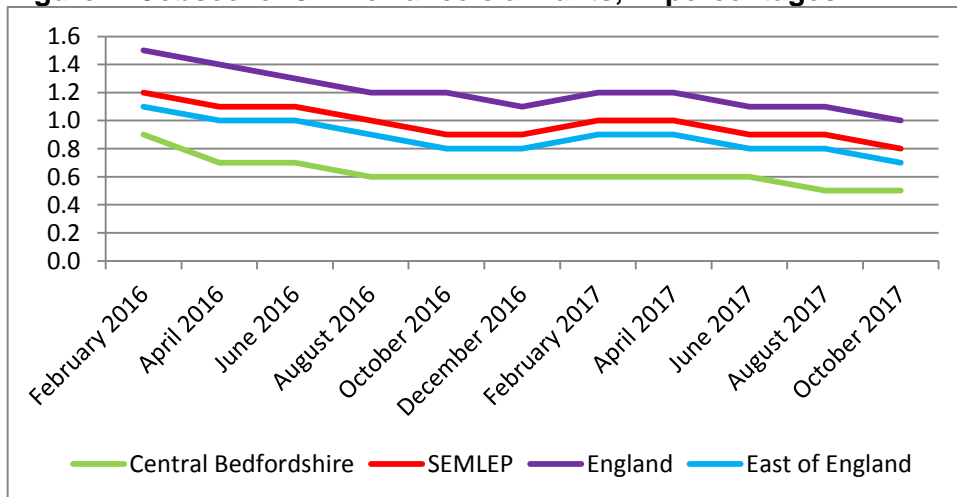


ONS Annual Population Survey via Nomis, October 2017

Jobseeker's Allowance

There were 894 people aged 18-64 claiming Jobseeker's Allowance (JSA) in October 2017 (male=490, female=404), 18 more than September 2017, but 27 less than August 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%).

Figure 4: Jobseeker's Allowance claimants, in percentages



ONS Jobseeker's Allowance via Nomis, November 2017

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 October 2017 225 people over the age of 25 years had been claiming JSA for over 1 year, and 120 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 only in exceptional circumstances). There were 60 people aged 18-24 claiming Jobseeker’s Allowance (JSA) in October 2017 (male=35, female=30), 5 fewer than for September 2017, and 40 fewer than in October 2016. This is 0.3 % of the 18-24 working age population. The rate remains below England (0.7%), SEMLEP (0.6%) and the East of England (0.6%).

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

Date	Central Bedfordshire	England	SEMLEP	East
Aug 16	0.8%	1.2	1.0	0.9
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
Sep 17	0.4	0.6	0.8	0.6
Oct 17	0.3	0.7	0.6	0.6

Department for Work and Pensions, via Nomis, November 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 October 2017, 60% (535) of the JSA claimants resident in Central Bedfordshire were looking for work in sales and customer services. 69% of JSA claimants were looking for work in low or relatively low skills (sales and customer service and elementary occupations), unchanged from August. The data is summarised in table 4.



Table 4: JSA claimants by sought occupation

Occupation (SIC 2000 group)	October 2015	October 2016	October 2017
Occupation unknown	115	105	125
Managers and Senior Officials	65	45	40
Professional Occupations	15	5	5
Associate Professional and Technical Occupations	40	25	10
Administrative and Secretarial Occupations	150	80	40
Skilled Trades Occupations	65	25	25
Personal Service Occupations	55	25	15
Sales and Customer Service occupations	595	505	535
Process, Plant and Machine Operatives	55	25	15
Elementary Occupations	255	135	80
	1,410	980	895

*Source: Office for National Statistics via Nomis, November 2017
 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 totalled 8,564 in 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.

Data for this Indicator is now sourced direct from the DWP, rather than via NOMIS, and now includes Universal Credit claimants not in employment, as claimants move across to the new benefit.



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, August 2017 – October 2017

Top occupations

Top baseline skills

<p>Programmers and software dev. professionals Other administrative occupations Large goods vehicle drivers Care workers and home carers Managers and directors in retail & wholesale Business sales executives Customer Service occupation Plant and machine operatives IT user support technicians Nurses Human resources & industrial relations officers Engineering technicians Elementary storage occupations IT business analysts, architects & sys design Vehicle technicians, mechanics & electricians Sales accounts & business dev. managers Van drivers Primary and nursery ed. teaching profess Sales related occupations Sales supervisors</p>	<p>Communication Skills Organisational Skills Detail-Orientated Team Work / Collaboration Planning Writing Problem Solving English Research Computer Skills Mathematics Leadership Meeting Deadlines Quality Assurance and Control Creativity Presentation Skills Prioritising Tasks Troubleshooting File Management Time Management</p>
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Source: Labour Insight November 2017

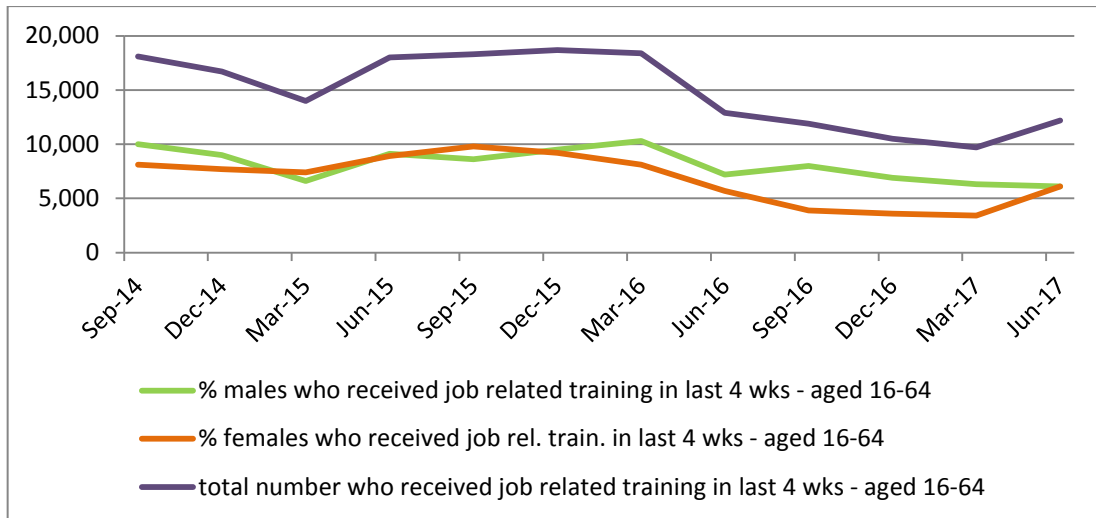
The top four occupations advertised online by employers between August 2017 and the end of October 2017 were programmers and software development; other administrative occupations; large goods vehicle drivers; and care workers and home carers. It is interesting to see that there is more demand for plant and machine operatives this quarter than previous, possibly reflecting the growth seen in British manufacturing in recent months. Vacancies have also been seen in the areas of sales and human resources that may indicate that businesses are seeing the opportunity for new orders, and new staff.



Job Related Training

The number of people receiving job related training over a 4 week period increased by 2,500 people, from 9,700 in March 2017 to 12,200 in June 2017, the highest number since September 2016. This amount comprised of 6,100 males and 6,100 females receiving training, compared with the 6,300 males and 3,400 females receiving training in March 2017.

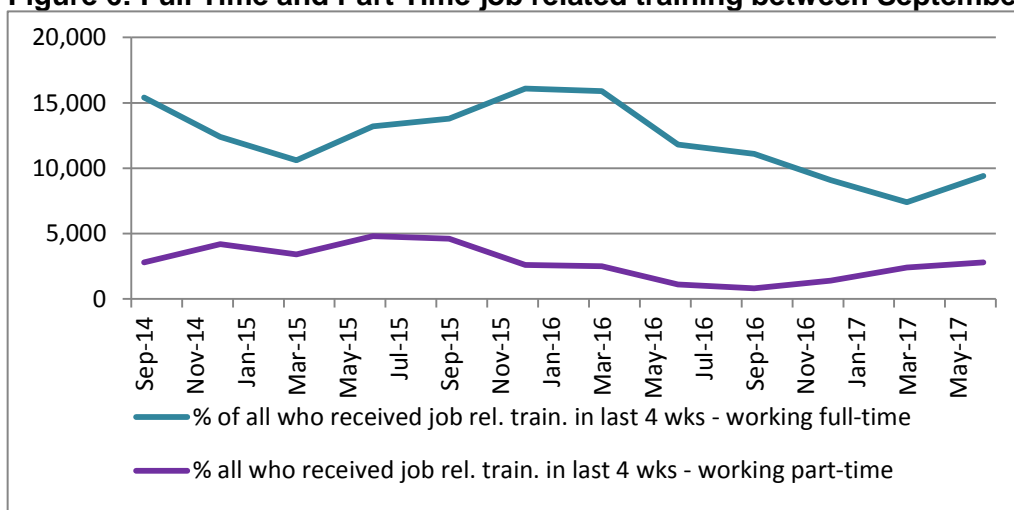
Figure 5: Female and Male job related training between September 2014 and June 2017



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

Interestingly 9,400 people (7,400 in March 2017) working full time received job-related training, compared to just 2,800 people (2,400 people in March 2017) working part-time.

Figure 6: Full Time and Part Time job related training between September 2014 and June 2017



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



Number of Businesses

In 2017 there were 15,680 active enterprises in Central Bedfordshire, an increase of 3,035 between 2016-2017, showing 24% growth – over double the growth seen between 2015-2016.

	2011	2012	2013	2014	2015	2016	2017
Central Bedfordshire	10,065	10,345	10,455	10,860	11,570	12,645	15,680

Source: Inter Departmental Business Register, ONS, November 2017

Small Businesses showed the largest growth in numbers between 2016-2017 (28.5%), followed by growth of 24% for Micro Businesses, with a decrease of 11% seen for Large Businesses.

Job growth

Provisional figures show that an additional 11,500 jobs were available between 2015 and 2016. This growth rate of 12% makes Central Bedfordshire Council the 3rd fastest growing Local Authority in UK, and is above all comparators, with the national growth in jobs being 1.9%. Growth has been seen across Central Bedfordshire's four key sectors.

Self-Employment

The Annual Population Survey (APS) in June 2017 showed that 16,500 people aged over 16+ in employment were self-employed, 2,100 lower than the 18,600 in March 2017, and 2,900 lower than June 2016.

The rate of self-employed in Central Bedfordshire is 11.1% (12.2% in March 2017), and is below the national rate of 15.6% and the SEMLEP rate of 14.4%. Looking at the gender split, 11,200 of these people are male and 5,200 are female. Since June 2016, there are 4,300 fewer self-employed males, but the number of self-employed females has shown an increase of 1,300.

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

	June 2015	June 2016	June 2017	Percentage point change 2015 - 2017
Central Bedfordshire	17.7%	13.8%	11.1%	- 6.6%
SEMLEP	14.1%	14.2%	14.4%	+0.3%
East of England	14.6%	14.8%	15.5%	+0.9%
England	15.1%	15.3%	15.6%	+0.5%

Source: ONS Annual Population Survey via Nomis, October 2017



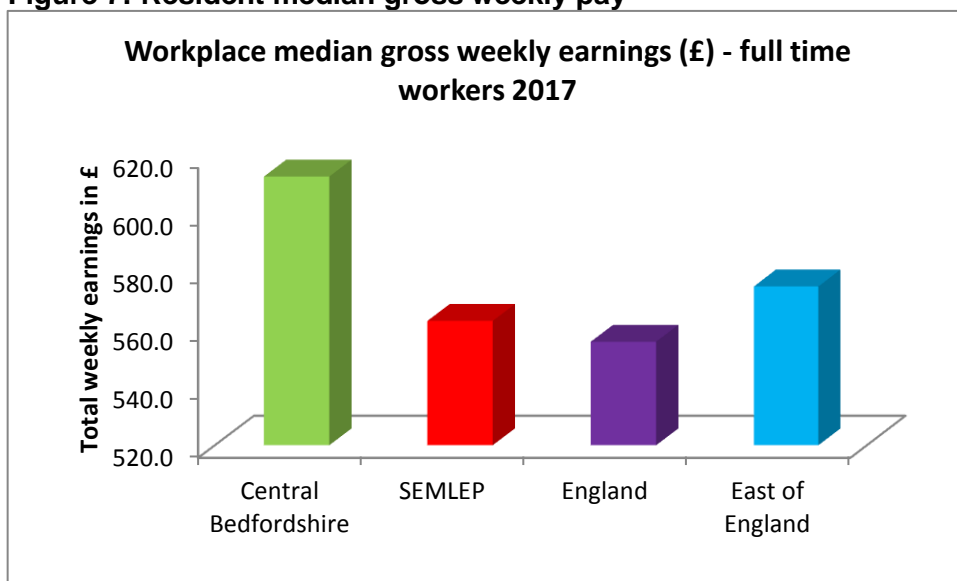


Spotlight on Earnings

Resident

The *Annual Survey of Hours and Earnings* reports that the gross median weekly earnings of Central Bedfordshire residents in 2017 was £612.70, higher than comparators, and an increase of 3.7%, or £21.80, from the 2016 revised earnings of £590.90.

Figure 7: Resident median gross weekly pay



Source: *Annual Survey of Hours and Earnings (ASHE)*, ONS, November 2017

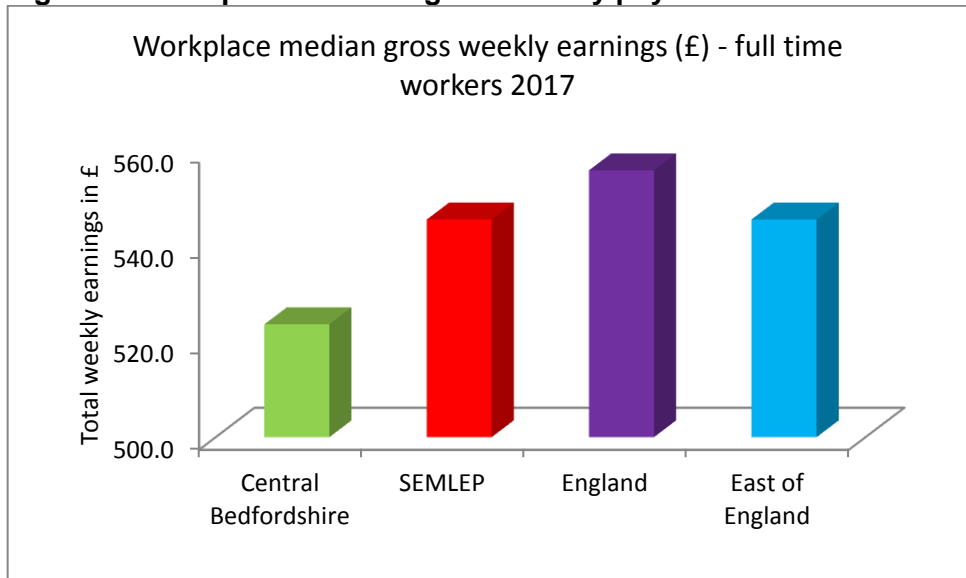
The rate of earnings for female residents in Central Bedfordshire is consistently lower than that for males. For men full-time resident median weekly earnings were £644.70 per week (a decrease from the £651.60 in 2016), compared with £538.10 (£540.30 in 2016) median resident earnings for women.

Workplace

The gross median weekly earnings of people working in Central Bedfordshire, but who may be resident elsewhere are significantly lower per week than resident earnings, reflecting the fact that there are higher paying jobs outside of the area. In 2017 the Central Bedfordshire workplace median gross weekly earnings were £523.60, lower than comparators, but an increase of 8.2%, or £39.60, from the 2016 revised earnings of £484.00.



Figure 8 : Workplace median gross weekly pay



Source: Annual Survey of Hours and Earnings (ASHE), ONS, November 2017

For men full-time workplace median weekly earnings were £583.20 per week (an increase from the £503.30 in 2016), compared with £440.40 (£414.40 in 2016) median workplace earnings for women.

The gap between resident and workplace earnings reduced in 2017 – it is now £89.10, compared with £106.90 in 2016, but still remains the largest gap in earnings compared to that of our comparators.

House Price Index

The HM Land Registry HPI advises that Central Bedfordshire had an average house price of £316,489 in September 2017, with a monthly change of 1.66% and an annual growth of 10.58%.

Comparators have lower average house prices than Central Bedfordshire; Bedford - £283,109, Luton - £240,884 and Milton Keynes - £263,994.

As of September 2017 the average house price in England was £243,945, a rise of 0.62% compared to the previous month, with an annual growth of 5.67%.



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 9.3% in October 2017, down from 9.6% in August 2017.

Figures from ONS show that UK retail sales rose by 0.3% in October from September but despite this, retail sales were 0.3% lower than for October 2016.

Lisa Hooker, consumer markets leader at PwC said that many factors held back October sales:

Unseasonably warm weather and Storms Brian and Ophelia coinciding with half-term saw some shoppers temporarily stay away from the High Street, impacting footfall and sales of non-food items – particularly new season clothing lines.

The overall average vacancy rate across Central Bedfordshire town centres in November 2017, 4.68%, has decreased fractionally from August's 4.7%. Reductions have been seen in three town centres, Biggleswade, Leighton Buzzard and Sandy, with Sandy having the fewest vacant units since July 2013, and Biggleswade the fewest for a year. It is pleasing to note that Ampthill, Biggleswade, Dunstable, Leighton Buzzard, Sandy and Shefford all have units that are currently under offer or being refurbished.

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

Town	Nov 16	Feb 17	May 17	Aug 17	Nov 17
Ampthill	0	2.2	2.2	3.3	4.4
Arlesey	0	0	0	0	0
Biggleswade	4.8	7.6	8.3	6.9	5.5
Dunstable	15.4	13.4	13.8	13.4	13.4
Flitwick	0	0	0	2.6	2.6
Houghton Regis	3.4	6.9	3.4	3.4	3.4
Leighton Buzzard	4.9	4.9	3.9	4.9	3.9
Sandy	7.5	7.5	9	4.5	3
Shefford	2.5	2.5	2.5	2.5	5
Stotfold	5.6	5.6	0	5.6	5.6
Average vacancy rate	4.41%	5.06%	4.31%	4.7%	4.68%

Source: Central Bedfordshire Council November 2017