

Central
Bedfordshire

great
prospects



Quarterly Economic Monitoring Report

November 2018

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Table of Contents

1. National Picture	2
1.1. What's happening nationally?	2
2. Central Bedfordshire	3
2.1. What is happening in Central Bedfordshire?	3
2.2. Economic Development Indicators for Central Bedfordshire.....	4
3. Employment	5
3.1. 16+ in Employment	5
3.2. 16-64 in Employment	5
3.3. 65+ in Employment	6
3.4. Economic Activity	7
4. Unemployment.....	9
4.1. Unemployment rate aged 16+.....	9
4.2. Job Seekers Allowance.....	10
4.3. Youth Unemployment	11
4.4. Out of Work Benefit Claimants.....	13
5. Vacancies	14
5.1. Vacancies advertised and occupations sought by jobseekers	14
5.2. Online vacancies advertised in terms of occupations and skills in most demand.....	15
6. Skills	18
6.1. Job Related Training.....	18
7. Businesses and Earnings	20
7.1. Number of businesses	20
7.2. Job Growth	20
7.3. Self-Employment.....	21
7.4. Spotlight on earnings	22
8. House Price Index.....	24
9. High Street Vacancy Rates	25

1. National Picture

1.1. What's happening nationally?

- In November 2018 the Bank of England interest rates remained consistent at 0.75% since August 2018 in order to ensure a sustainable return of inflation to its 2% target inflation rate.
- UK Gross Domestic product: UK GDP grew by 0.61% in Quarter 3 (July to September) 2018. GDP growth was driven by services, offset by a fall in production.
- In September, the Sterling/Euro monthly average was 1.1195, which is an increase of 0.038 over the previous month.
- 74.9% of people aged 16-64 were in work between July 2017-June 2018. This is down by 0.3 percentage points from the period April 2017- March 2018.
- The model-based unemployment rate for the 12-month period up to June 2018 was 42%, down 1% from the 12 month period up to March 2018.
- UK house prices grew by 2.7% in the year to October 2018, down from 3.0% in the year to September 2018. This is the lowest annual growth for the UK since July 2013, when house prices increased by 2.3%.

Construction

- 1.1.1. Construction output grew by 1% in Quarter 3 (July to September) 2018, (ONS November 2018)

Producer Price Inflation

- 1.1.2. The headline rate of inflation for goods leaving the factory gate (output prices) was 3.3% on the year to October 2018, down from 3.1% in September 2018. Prices for materials and fuels (input prices) slowed to 10.0% on the year to October 2018, down from 10.5% in September 2018. (ONS August 2018)

Services

- 1.1.3. Services output increased by 0.4% in Quarter 3 (July to September) 2018 compared with Quarter 2 (April to June) 2018; following growth of 0.6% between Quarter 1 (January to March) and Quarter 2 2018.

Trade

- 1.1.4. The total UK trade deficit narrowed from £3.2 billion to £2.9 billion in the three months to September 2018, mainly due to improving goods balance (ONS August 2018).

2. Central Bedfordshire

2.1. What is happening in Central Bedfordshire?

- **83.4% of people aged 16-64 were in work at June 2018. This rate is higher than comparator areas and an increase of 1 percentage point from the previous month.**
- **In June 2018, the model-based unemployment rate of people aged 16+ was 3.0% - Lower than all comparator areas.**
- **The number of out of work benefit claimants in May 2018 was 8,892.**





2.1.1. The second Find Your Future event was held in November and proved to be a great success. This one-day event was aimed at young people between 15-19 years old and adults looking for local employment, career inspiration and advice on recruitment and next steps in their career paths. It was held at the Rufus Centre in Flitwick and there was a focus on career pathways, developing effective relationships between education and employment and raising awareness of the range of employment opportunities available.

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

Local Plan

2.1.3. The Central Bedfordshire Local Plan was submitted to Government on 30th April 2018 and will now be subject to an independent Examination by a Planning Inspector. The Local Plan seeks to deliver 24,000 new jobs and 39,350 new homes across Central Bedfordshire.

2.2. Economic Development Indicators for Central Bedfordshire

Key Economic Monitoring Indicator	Number	RAG rating ¹	Performance since last quarter	Reason for RAG
Number of people in employment aged 16-64 <i>(ONS, APS, via Nomis)</i>	147,200 (June 2018)	Green		This has increased by 1,700 people in the last quarter and the rate of 83.4% continues to be above all comparator areas.
Employment rate across Central Bedfordshire remains 5% above the England Rate <i>(ONS, APS, via Nomis)</i>	8.2% points above the England (June 2018)	Green		The gap between Central Bedfordshire and England has risen to 8.2 percentage points and exceeds our target of remaining 5 percentage points above the national rate.
Number of out of work benefit claimants <i>(Department for Work and Pensions)</i>	8,892 (May 2018)	Amber		The number of people claiming out of work benefits is 8,892 (this figure was 8,789 in February 2018). Data for this indicator includes Universal Credit claimants not in employment as areas across Central Bedfordshire move to receiving Universal Credit.
Economic activity rate (aged 16-64) <i>(ONS, APS, via Nomis)</i>	86.2% (June 2018)	Green		The number of economically active people has increased by 1,400 in the last quarter and there has been an increase in the rate from 85.3% to 86.2%. The rate 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.

3. Employment

3.1. 16+ in Employment

3.1.1. In the year to June 2018, there were 151,600 people aged 16+ in employment in Central Bedfordshire. This is 2,300 more than the year to March 2018 and 2,800 more than the year to June 2017.

3.2. 16-64 in Employment

3.2.1. The number of people aged 16-64 in employment in the year to June 2018 was 147,200. This is 1,700 more than the year to March 2018. Increases in economic activity were seen across most age bands including the 16-19 age band, whilst there were slight reductions in the 20-24 and 35-49 age bands.

3.2.2. The employment rate of 83.4% is slightly increased from the previous quarter when it was 82.4%, and it remains higher than comparator areas.

Table 1: Employment Rate for those aged 16-64

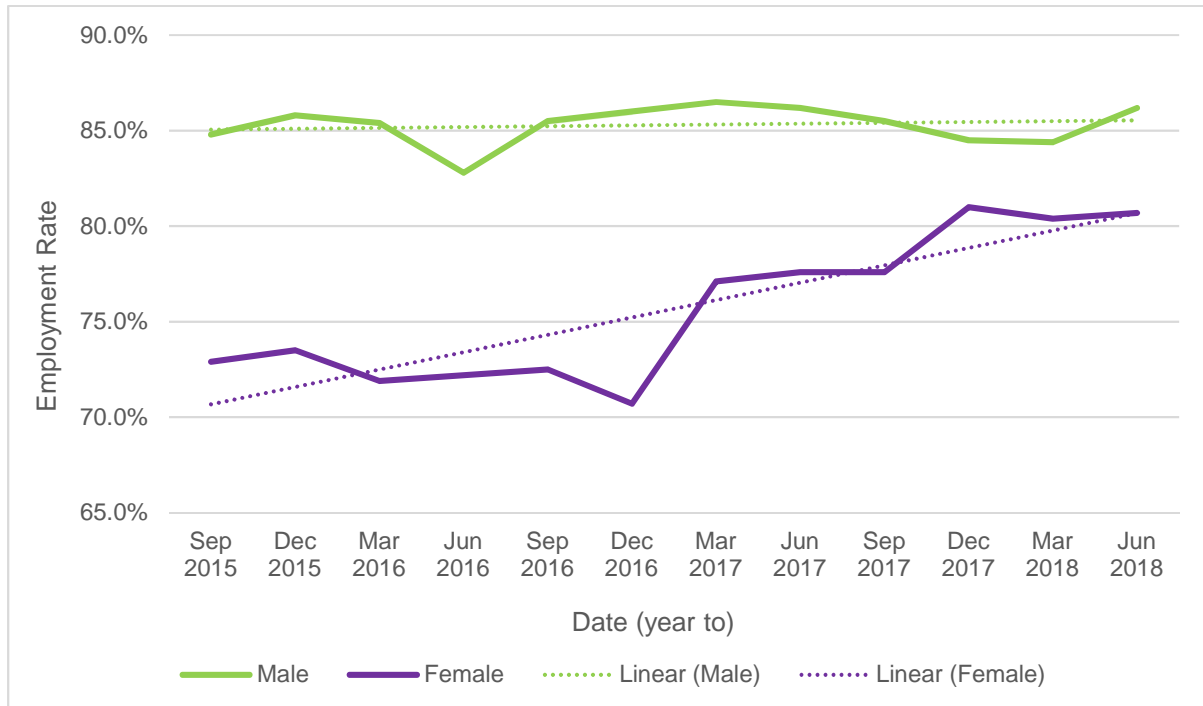
Date	Central Bedfordshire	England	SEMLEP	East of England
<i>Confidence interval for Jul 2017 - Jun 2018</i>	3.2	0.2	1.2	0.8
Oct 2015-Sep 2016	78.9%	74.1%	77.5%	76.8%
Jan 2016-Dec 2016	78.2%	74.2%	77.0%	76.8%
Apr 2016-Mar 2017	81.7%	74.4%	77.8%	77.2%
Jul 2016-Jun 2017	81.9%	74.6%	77.8%	77.0%
Oct 2016-Sep 2017	81.5%	74.7%	77.4%	77.3%
Jan 2017-Dec 2017	82.7%	75.1%	78.3%	77.8%
Apr 2017-Mar 2018	82.4%	75.2%	78.1%	77.6%
Jul 2017-Jun 2018	83.4%	75.2%	78.6%	78.2%

Source: ONS Annual Population Survey via Nomis November 2018

3.2.3. With regard to gender, the employment rate for the year to June 2018 shows a slight increase for females at 80.7%, when compared to the rate of 80.4% for the year to March 2018. The actual number of females in employment however remains static at approximately 71,600. There has however been an increase in the male employment rate over the same period from 84.4% to 86.2%. There are 1,700 more males between the ages of 16 and 64 in employment than there were during the previous quarter. Figure 1 below shows the male and female

employment rates for the last three years. There has been a steady rise in the female employment rate while the rate for males has remained relatively constant.

Figure 1: Female and male employment rate as a percentage of working age people between September 2015 and June 2018

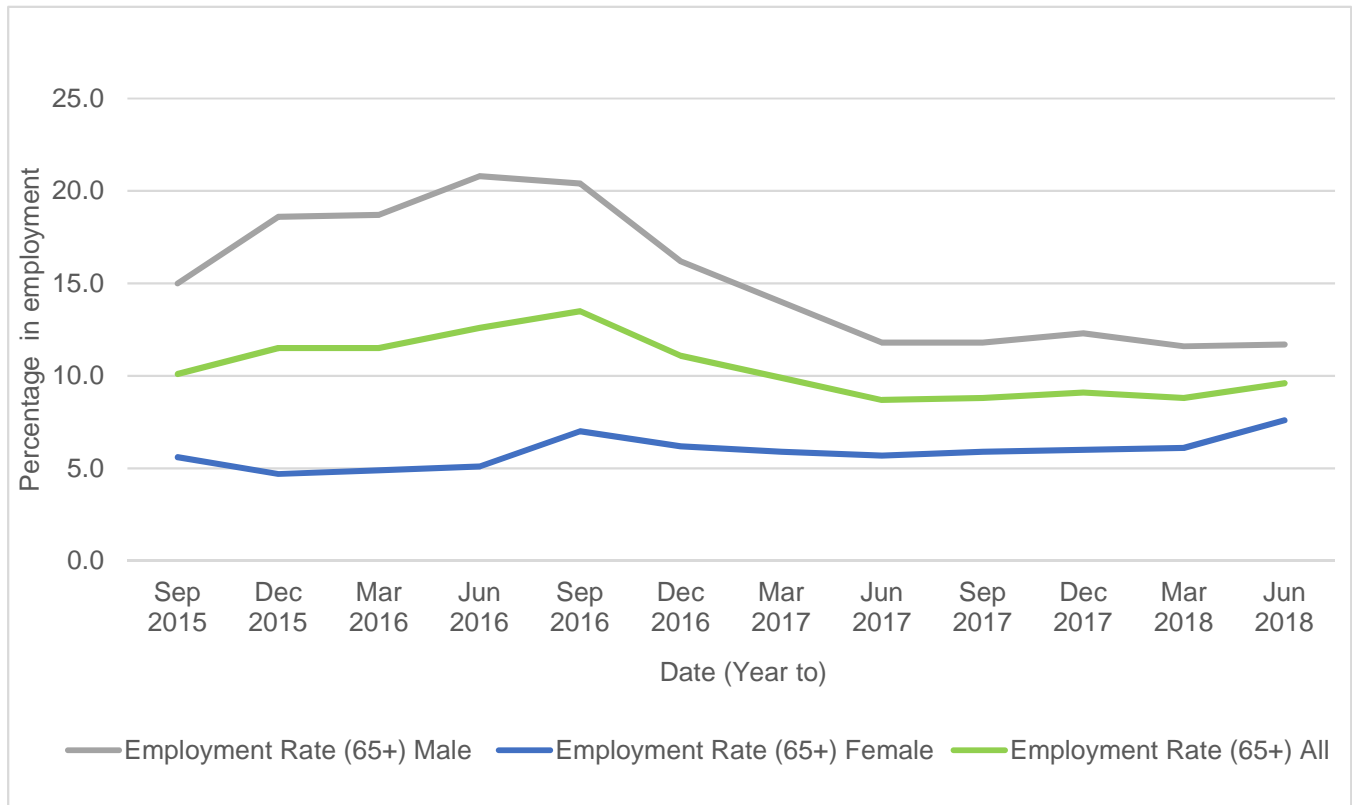


Source: ONS Annual Population Survey via Nomis November 2018

3.3. 65+ in Employment

3.3.1. In the year to June 2018, the number of people employed over the age of 65 in Central Bedfordshire was 4,400, or 9.6%. This is higher than the year to March 2018 when it was 8.8%. The number of people aged 65+ in employment has slightly declined over recent years, with a small increase over recent months. Figure 2 below shows this rate over time.

Figure 2: Percentage of people in employment aged 65+

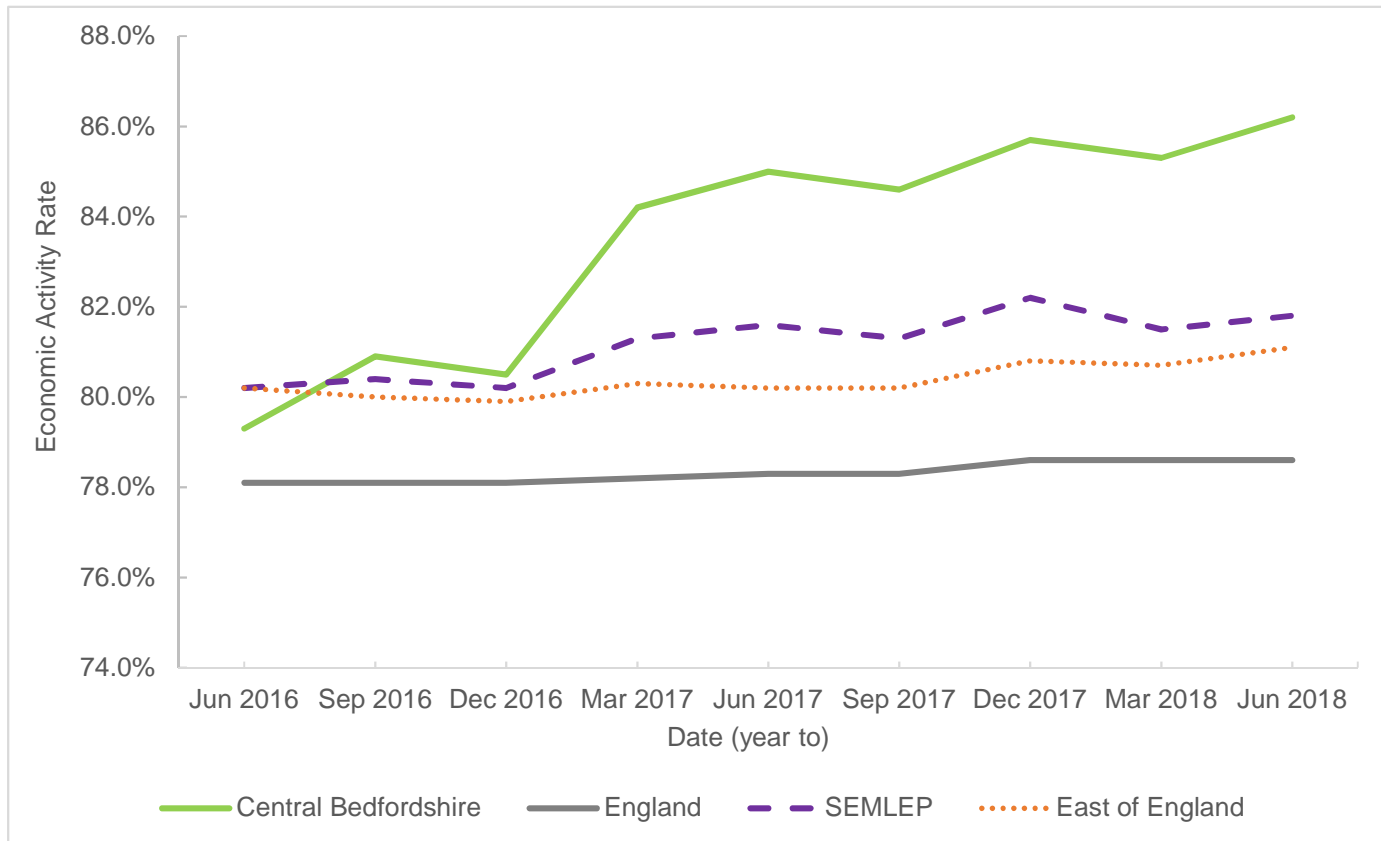


Source: ONS Annual Population Survey via Nomis November 2018

3.4. Economic Activity

3.4.1. The economic activity rate is another method used 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 the year to June 2018, the number of economically active people in Central Bedfordshire aged 16-64 was 152,200 and the rate was 86.2%. Figure 3 shows that there has been a steady increase in the economic activity rate in Central Bedfordshire over the last two years.

Figure 3: Economic activity rate of persons aged 16-64



Source: ONS Annual Population Survey via Nomis November 2018

3.4.2. The Economic Activity rate for Central Bedfordshire remains above the comparator areas (SEMLEP, East of England, England). The national and regional rates remain relatively unchanged (England 78.6% - no change since December 2017; East of England 81.1% - up 0.4 percentage points since March 2018). In contrast, SEMLEP's rate of 81.8% is up 0.3 percentage points since March 2018.

4. Unemployment

4.1. Unemployment rate aged 16+

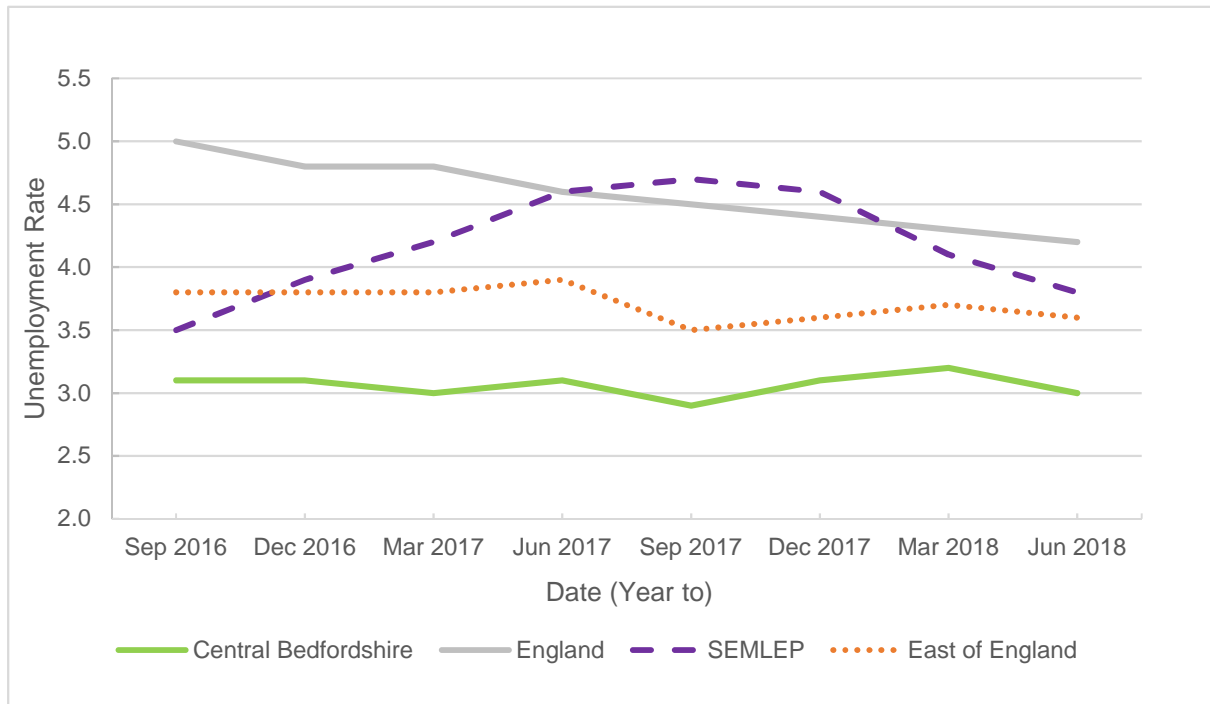
- 4.1.1. Unemployment in Central Bedfordshire remains lower than comparator areas. Model based estimates are produced by the Office of National Statistics (ONS) and take into account additional factors that provide a more accurate figure for the level of unemployment.
- 4.1.2. In the year to June 2018 the model-based unemployment figure for people aged 16+ in Central Bedfordshire was 4,700 and the rate was 3.0%. This compares favourably to all comparator areas as shown in Table 2 and Figure 4 below.

Table 2: Unemployment rate of persons aged 16+

Date	Central Bedfordshire	England	SEMLEP	East of England
Sep 2016	3.1	5.0	3.5	3.8
Dec 2016	3.1	4.8	3.9	3.8
Mar 2017	3.0	4.8	4.2	3.8
Jun 2017	3.1	4.6	4.6	3.9
Sep 2017	2.9	4.5	4.7	3.5
Dec 2017	3.1	4.4	4.6	3.6
Mar 2018	3.2	4.3	4.1	3.7
Jun 2018	3.0	4.2	3.8	3.6

Source: ONS Annual Population Survey via Nomis November 2018

Figure 4: Model based Unemployment Rate for those aged 16+

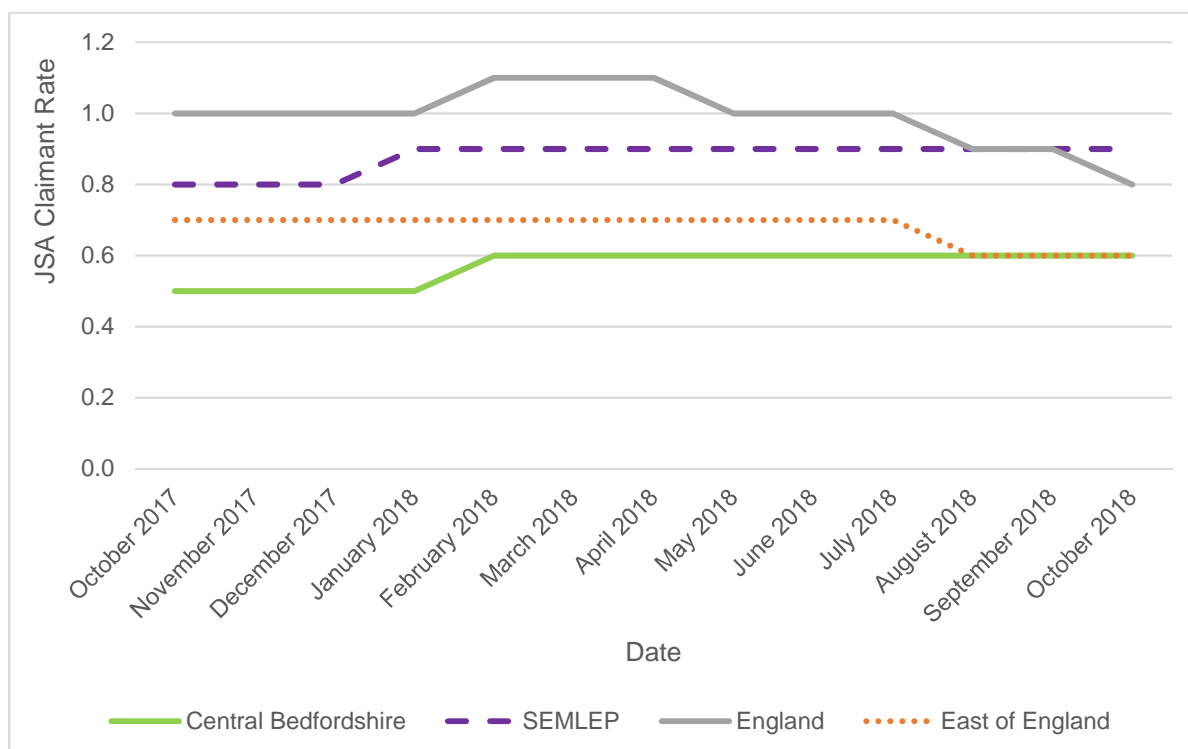


Source: ONS Annual Population Survey via Nomis November 2018

4.2. Job Seekers Allowance

4.2.1. There were 1,006 people claiming Job Seekers Allowance (JSA) in Central Bedfordshire in October 2018. Of these 592 were male and 414 were female. This is just two more people than July 2018 but 112 more than October 2017. This is 0.6% of the working population and the rate remains unchanged from the previous quarter. The rate remains below England (0.8%) and SEMLEP (0.9%) and is the same as the rate for the East of England (0.6%). It is however important to note that as more people move across to receiving Universal Credit, this data become less relevant as an indicator of the number and rate of jobseekers.

Figure 5: Jobseeker's Allowance (JSA) claimant rate



Source: ONS Jobseekers Allowance via November 2018

4.2.2. Although unemployment levels remain 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 2018, 270 people over the age of 25 years had been claiming JSA for over one year. This is five more people than July 2018 and 45 more than October 2017.

4.2.3. In October 2018 140 people over the age of 25 had been claiming JSA for over two years. This is 5 five more than July 2018 and 20 more than October 2017. (NB: There may be slight variations with past data as figures are rounded to the nearest 5)

4.3. Youth Unemployment

4.3.1. Jobseekers Allowance can be claimed by young people from 18 years (it can only be claimed by 16 and 17 year olds in exceptional circumstances). There were 135 people aged 18-24 claiming jobseekers allowance in October 2018. 75 of these were male and 60 were female. This compares to a total of 115 in July 2018 and 60 in October 2017. This is 0.7% of the 18-24 population and is 0.1 percentage point higher that of the East of England.

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

Date	Central Bedfordshire	England	SEMLEP	East
July 2017	0.4	0.8	0.7	0.6
August 2017	0.5	0.8	0.7	0.6
September 2017	0.4	0.8	0.6	0.6
October 2017	0.3	0.7	0.6	0.6
November 2017	0.3	0.7	0.5	0.6
December 2017	0.3	0.7	0.5	0.5
January 2018	0.4	0.8	0.6	0.6
February 2018	0.5	0.9	0.8	0.7
March 2018	0.6	0.9	0.8	0.7
April 2018	0.6	0.9	0.9	0.7
May 2018	0.6	0.9	0.9	0.7
June 2018	0.6	0.9	0.9	0.7
July 2018	0.6	0.9	0.9	0.7
October 2018	0.7	0.7	1.0	0.6

Source: Department for Work and Pensions (DWP), via Nomis, November 2018

4.4. Out of Work Benefit Claimants

4.4.1. Despite low levels of unemployment, the number of people aged 16-64 claiming key out of work benefits total 8,892 at May 2018.

Table 4: Out of Work Benefit Claimants May 2018)

Benefit	Number of Claimants
Jobseekers Allowance	1,000
Employment Support Allowance	5,900
Incapacity Benefit	80
Lone parents	1,180
Universal Credit (not in employment)	732
Total	8,892

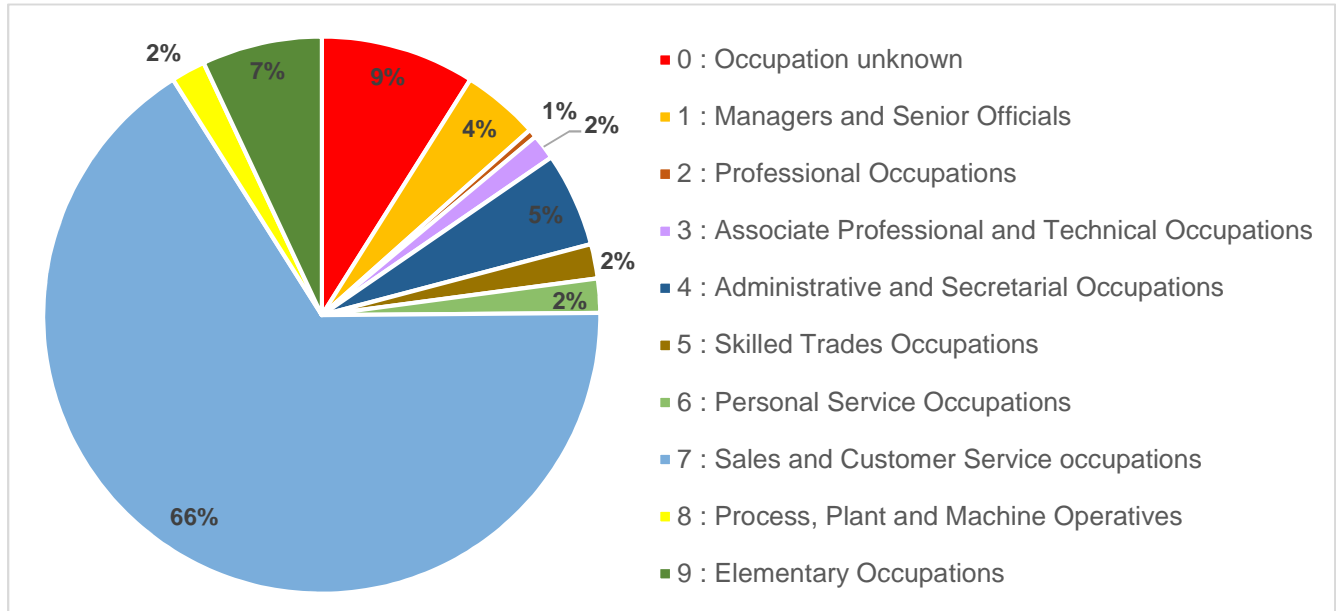
Source: DWP & ONS via Nomis & Stat-Xplore, November 2018

5. Vacancies

5.1. Vacancies advertised and occupations sought by jobseekers

5.1.1. There is a general balance between the vacancies advertised by businesses and the occupations sought by Jobseeker Allowance claimants.

Figure 6: Occupations sought by JSA claimants



Source: ONS via Nomis November 2018

5.1.2. As of October 2018, 66% (665) of the JSA claimants resident in Central Bedfordshire were looking for work in sales and customer services and 73% (735) of JSA claimants were looking for work in low or relatively low skilled jobs (sales and customer service and elementary occupations), a slight increase from the 71% in July 2018. A comparison with previous years is provided in the table below.

Table 5: Occupations sought by JSA claimants

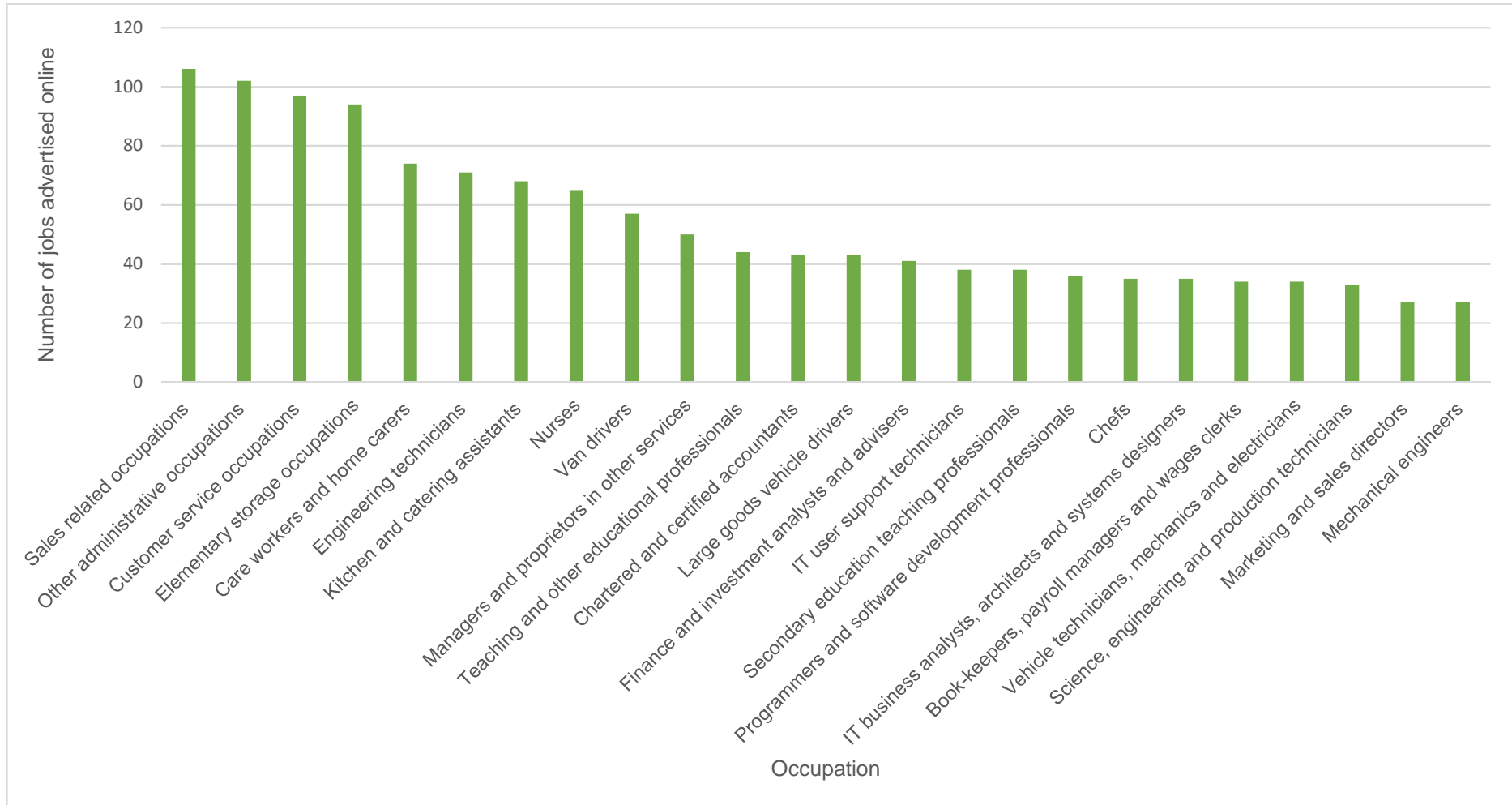
Occupation sought (SIC 2000 major group)	October 2016	October 2017	October 2018
0 : Occupation unknown	105	125	90
1 : Managers and Senior Officials	45	40	45
2 : Professional Occupations	5	5	5
3 : Associate Professional and Technical Occupations	25	10	15
4 : Administrative and Secretarial Occupations	80	40	55
5 : Skilled Trades Occupations	25	25	20
6 : Personal Service Occupations	25	15	20
7 : Sales and Customer Service occupations	505	535	665
8 : Process, Plant and Machine Operatives	25	15	20
9 : Elementary Occupations	135	80	70
	980	895	1,005

Source: ONS via Nomis, November 2018. (Data rounded to the nearest 5)

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

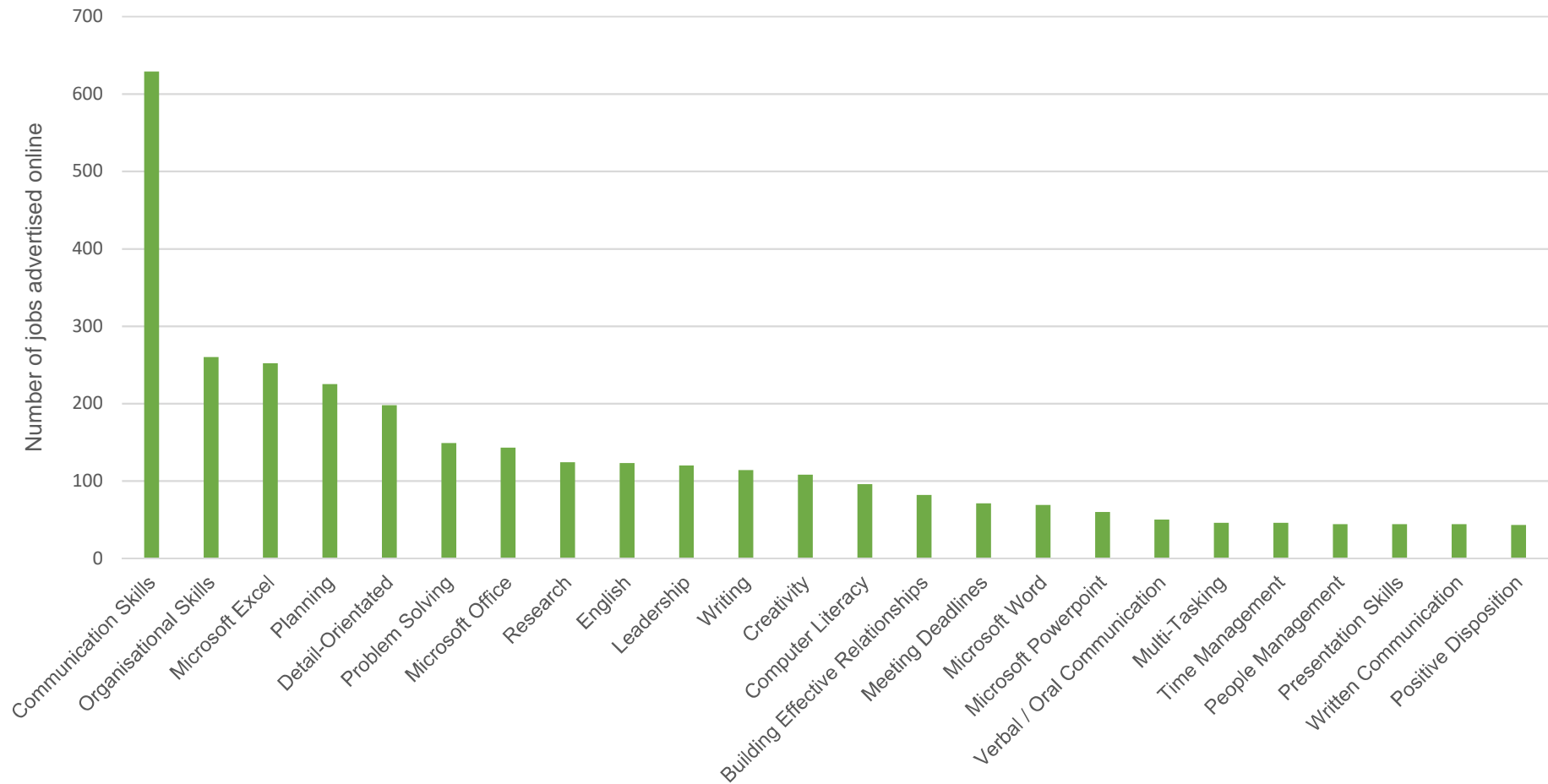
5.2.1. Figure 7 below shows the top 25 occupations ranked in order of demand as advertised online by employers across Central Bedfordshire. Those jobs in most demand are in sales related, administrative and customer service occupations. Figure 8 indicates the top baseline skills which are in greatest demand as advertised online by employers across Central Bedfordshire.

Figure 7: Top 25 most common occupation types advertised online by employers across Central Bedfordshire (Between August 2018 and the end of October 2018)



Source: Labour Insight November 2018

Figure 8: Top baseline skills advertised for online



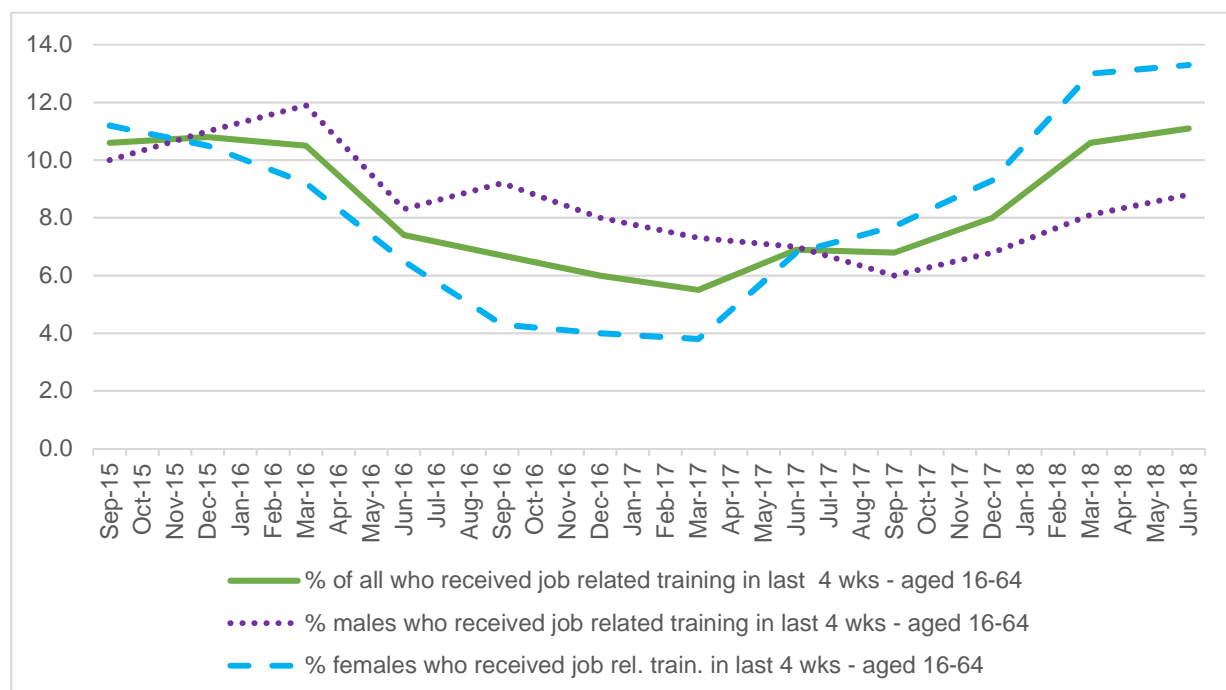
Source: Labour Insight November 2018

6. Skills

6.1. Job Related Training

6.1.1. The number of people receiving job related training in June 2018 was 19,600. This is 900 more than March 2018. Of these, 7,700 were males and 11,800 were females. Overall, a greater percentage of women than men receive job related training.

Figure 9: Female and male job-related training



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

Figure 9: Full and part-time job-related training



Source: ONS Annual Population Survey, November 2018, via Nomis.

6.1.2. The number of people working full time receiving training has reduced from 15,800 (14.4%) in March 2018 to 15,200 (13.45%) in June 2018. In contrast 4,300 (12.9%) part time workers received training over a 4-week period in the 12 months to June 2018. This has increased from 3,000 (8.3%) which was reported for March 2018. (Differences in total figures are due to rounding)

7. Businesses and Earnings

7.1. Number of businesses

7.1.1. In 2018 there were 13,015 active enterprises in Central Bedfordshire. This is a decrease of 2,665 and shows a 17% drop since 2016.

Table 6: Active enterprises

	2014	2015	2016	2017	2018
Total number of active enterprises	10,860	11,570	12,645	15,680	13,015
Micro (0 to 9)	9,715	10,395	11,480	14,240	11,820
Small (10 to 49)	960	975	965	1,240	990
Medium-sized (50 to 249)	145	155	160	160	170
Large (250+)	40	40	45	40	40

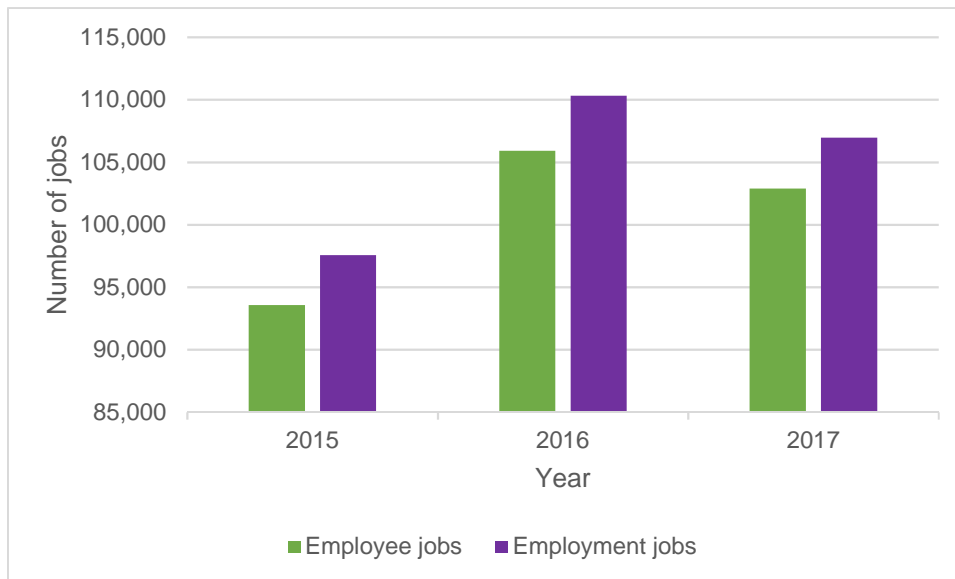
Source: Inter Departmental Business Register, ONS via Nomis, November 2018

7.1.2. Micro businesses saw the greatest drop in numbers between 2017-2018 with a reduction of 2,420 enterprises (17%). Only large businesses did not see a drop in numbers and remained unchanged from 2017.

7.2. Job Growth

7.2.1. Jobs growth figures previously reported by this council for the period 2015 to 2016 showed an increase of 11,500 jobs. This represented a large spike in the annual data which did not follow previous trends. Because of this spike, data for 2016-2017 appears to show a significant reduction in the number of jobs in Central Bedfordshire. 2015 -2016 is however an anomalous year and the chart below shows that there has been steady job growth since 2015.

Figure 10: Job growth in Central Bedfordshire



Employees: An employee is anyone aged 16 years or over that an organisation directly pays from its payroll(s), in return for carrying out a full-time or part-time job or being on a training scheme. It excludes voluntary workers, self-employed, working owners who are not paid via PAYE.

Employment includes employees plus the number of working owners. BRES therefore includes self-employed workers as long as they are registered for VAT or Pay-As-You-Earn (PAYE) schemes. Self employed people not registered for these, along with HM Forces and Government Supported trainees are excluded.

Source: Business Register and Employment Survey, ONS via Nomis November 2018

7.3. Self-Employment

- 7.3.1. The Annual Population Survey (APS) in June 2018 showed that 20,200 people aged 16 and over in employment were self-employed. This is 500 higher than the 19,700 figure for March 2018 and 3,700 higher than in June 2017. When looking at the gender split, 12,900 of these people are males and 7,300 are females.
- 7.3.2. The rate of self-employment in Central Bedfordshire is 13.3% and is below the national rate of 15.4%, the East of England rate of 15.8% and the SEMLEP area rate of 14.8%.

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

	June 2016	June 2017	June 18	Percentage point change 2016-2018
Central Bedfordshire	13.8%	11.1%	13.3%	-0.5
SEMLEP	14.2%	14.4%	14.8%	0.6
East of England	14.8%	15.5%	15.8%	1.0
England	15.3%	15.6%	15.4%	0.1

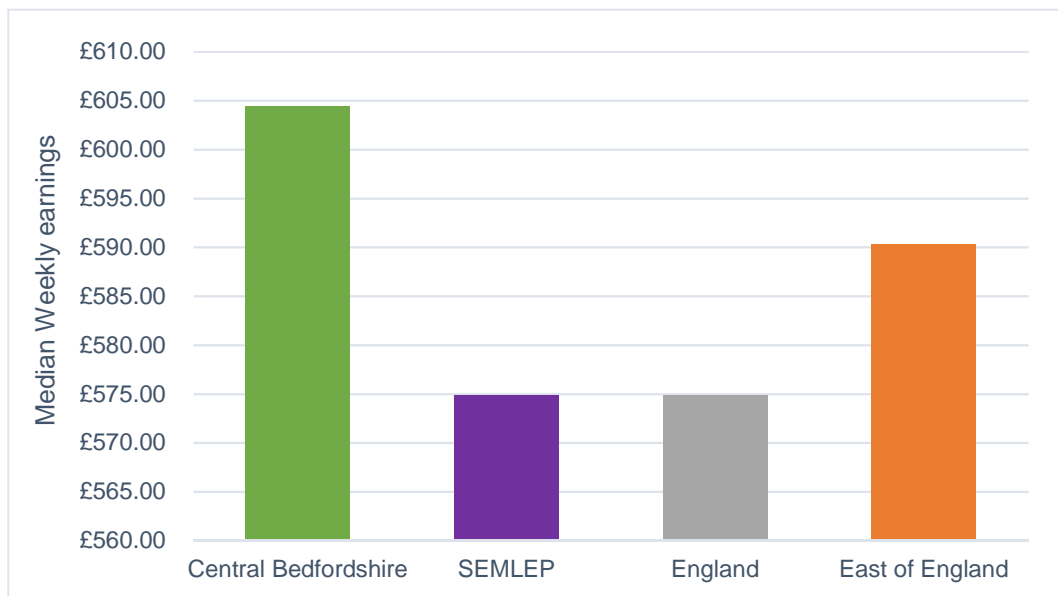
Source: ONS Annual Population Survey via Nomis, November 2018

7.4. Spotlight on earnings

Resident

7.4.1. The Annual Survey of Hours and Earnings reports that the gross median weekly earnings of Central Bedfordshire residents in 2018 was £604.40. This is higher than comparators but a reduction of £1.30 from the 2017 revised earning figure of £605.70.

Figure 11: Resident median gross weekly pay for full time workers.



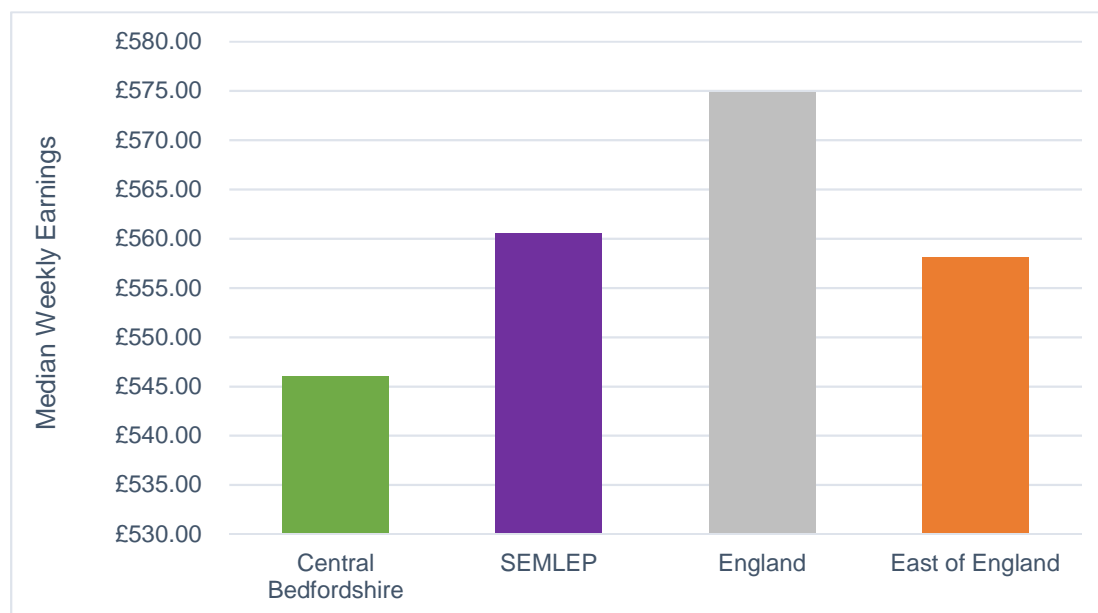
Source: Annual Survey of Hours and Earnings, ONS via Nomis November 2018

7.4.2. The rate of earnings for full time female workers is consistently lower than that for males. For resident males, full time median weekly earnings in 2018 are £643.80 (a slight decrease from £644.60 in 2017). This compares to £547.00 for females (an increase from £538.10 in 2017).

Workplace

7.4.3. 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. This reflects that fact that there are higher paying jobs outside of the area. In 2018 the Central Bedfordshire workplace median gross weekly earnings were £546.10. This is lower than comparator areas but an increase of £23.40 from the 2017 revised earning figure of £522.70.

Figure 12: Workplace median gross weekly pay for full time workers



Source: Annual Survey of Hours and Earnings, ONS via Nomis, November 2018

7.4.4. Full time median weekly earnings for males working in Central Bedfordshire were £586.00 per week (an increase from the £522.70 in 2017). This compares with the weekly median earnings of £476.40 for females.

7.4.5. The gap between resident and workplace-based earnings in 2018 is £58.30. This compares to £83.00 in 2017 and shows that workplace earnings are increasing at a greater rate and the gap is closing.

8. House Price Index

- 8.1.1. The UK House Price Index (HPI), calculated by ONS, indicates that Central Bedfordshire had an average house price of £311,483 in October 2018 with an annual growth of 1.5%.
- 8.1.2. Comparators have lower average house prices than Central Bedfordshire. Bedford's is £293,726, Luton's is £235,878 and Milton Keynes' is £269,417
- 8.1.3. As of October 2018, the average house price in England was £247,914, a reduction of 0.2% when compared to the previous month with an annual growth of 2.4%.

9. High Street Vacancy Rates

9.1.1. The Council monitors the level of high street vacancies for 'use class A' premises in Central Bedfordshire's town centres. The overall average vacancy rate across Central Bedfordshire's town centres in November 2018 was recorded as 3.7% which is an encouraging reduction from the 4.7% vacancy rate recorded for August 2018.

9.1.2. During that last quarter there has been a notable reduction in the overall number of vacant units within Central Bedfordshire. Reductions in vacant units have been seen in Biggleswade, Dunstable, Flitwick, Houghton Regis and Leighton Buzzard. While traditional shops may be struggling, vacant units have become occupied buy food and drink establishments and businesses offering services such as hair and beauty etc.

9.1.3. The overall vacancy rate for Central Bedfordshire town centres is 6.07%. this is a reduction from the 7.7% figure recorded for May 2018.

Table 8: High street vacancy rates

Town	Nov 17	Feb 18	May 18	August 18	November 18
Amphill	4.4	4.4	5.6	5.6	6.7
Arlesey	0	0	0.0	0.0	0.0
Biggleswade	5.5	8.3	9.7	4.8	3.5
Dunstable	13.4	13.4	14.6	13.4	12.6
Flitwick	2.6	0	0.0	5.1	2.6
Houghton Regis	3.4	3.4	3.4	6.9	0.0
Leighton Buzzard	3.9	3.4	4.9	4.4	3.0
Sandy	3	1.5	3.0	4.5	6.0
Shefford	5	0	2.6	2.6	2.6
Stotfold	5.6	5.6	0.0	0.0	0.0
Average vacancy rate	4.68%	4.0%	4.4%	4.7%	3.7%

Source: CBC November 2018



**Central
Bedfordshire**

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