

Central
Bedfordshire

great
prospects



Quarterly Economic Monitoring Report February 2016

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What's happening nationally?

- **74.1% of people aged 16-64 were in work between October to December 2015 -, the highest employment rate since comparable records began in 1971**
- **The unemployment rate for October to December 2015 was 5.1%, down from 5.7% from a year earlier**
- **There were 150,000 more disabled people in work over the past year**
- **The employment rate of people aged 50-64, is at a new record high of 70.1%**
- **Over a million more women are in work since 2010 and the female employment rate remains at a record high**
- **The number of people claiming unemployment-related benefits is at its lowest level since 1975**

The UK economy grew by 0.5% in the fourth quarter of 2015 (October to December) compared with growth of 0.4% in Quarter 3 (July to Sept) 2015. GDP was 1.9% higher in Quarter 4 2015 compared with the same quarter a year ago. GDP in 2015 as a whole increased by 2.2% on 2014. In Quarter 4 2015, GDP was estimated to have been 6.6% higher than the pre-economic downturn peak of Quarter 1 (Jan to Mar) 2008. Output increased in two of the main industrial groupings within the economy in Quarter 4 (Oct to Dec) 2015. Services increased by 0.7% and agriculture increased by 0.6%. In contrast, production decreased by 0.2%, while construction output decreased by 0.1%.

While the economy is still expanding steadily, sector performance is mixed. Services are growing robustly but manufacturing and construction are falling. Construction output decreased by 2.2% and within production, manufacturing fell by 0.3%. In contrast, output increased in 3 of the main industrial groupings within the economy. Services increased by 0.7%, production increased by 0.3% and agriculture increased by 0.5%.

Consumer Price Inflation (CPI) has fallen in recent quarters, but in the year to January 2016 it rose by 0.3%, compared with the 0.2% rise in the year to December 2015. This is the third consecutive month of small increases, with the rate in January 2016 being the same as it was in January 2015. The main contributors to the rise in rate were motor fuels, and to a lesser extent food, alcoholic beverages and clothing. Air fare prices partially offset the rise in the rate, falling by more than they did a year ago. The main UK interest rate has been at a record low of 0.5 per cent for more than five years, though there continue to be market expectation over a forthcoming rise.



The unemployment rate for October to December 2015 stood at 5.1%, a marginal fall from 5.2% in the previous quarter, but its lowest rate since the three months to October 2015.

The number of people out of work was 1.69 million in the three month period, an increase from the September to November figure of 1.68 million.

The employment rate of people aged 16-64 for October to December 2015 hit 74.1% - the highest since comparable records began in 1971. There were 31.42 million people in work, 205,000 more than for July to September 2015, and 512,000 more than for a year earlier.

Average weekly earnings, including bonuses, were up 1.9%, averaging £495 over the three months October 2015 to December 2015, the slowest increase since February 2015. Excluding bonuses, average weekly earnings slowed to 2.0%, average £464, in the same three months, according to Office for National Statistics data.

Annual borrowing has generally been falling since the peak in the financial year ending March 2010. So far this financial year (April to December 2015), the public sector has borrowed £74.2 billion. This was £11.0 billion lower than at the same point in the previous financial year. The Office for Budget Responsibility expects that the public sector will borrow £73.5 billion during the financial year ending March 2016.

What's happening in Central Bedfordshire?

78.6% of people aged 16-64 were in work - higher than all comparator areas (September 2015)

The unemployment rate of people aged 16+ was 3.4% - lower than all comparator areas (September 2015)

17,900 people received job-related training (September 2015)

142 new small business start-ups in January 2016

The level of Inward Investment has continued to grow in Central Bedfordshire with 2015 seeing a record level of enquiries being received. New developments such as Stratton Business Park in Biggleswade and Thorn Turn in Houghton Regis have attracted strong advance interest from both developers and occupiers.

Central Bedfordshire has also been successful in securing Food Enterprise Zone status for the Ivel Valley, which includes a local development order that has been awarded to accelerate planning and growth for the Stratton Business Park.

Economic Development Plan 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, Annual Population Survey, via Nomis)	132,800 (Sep 2015)	Green	↑	This has gone up by 800 (0.4%) people in one quarter and continues to be above all comparator areas.
Employment rate across Central Bedfordshire remains 5% above the England Rate	5.0 % points above (Sep 2015)	Green	↑	The gap between Central Bedfordshire and England has increased to be 5.0 percentage points and meets our target of remaining 5 percentage points above the national rate (Central Bedfordshire 78.6%, England 73.6%, SEMLEP 77.1% and the East of England 76.8%).
Number of out of work benefit claimants (Department for Work and Pensions, via Nomis)	9,270 (August 2015)	Green	↑	The number of people claiming out of work benefits marginally fell from 9,310 or 5.4% in May 2015 to a total of 9,270, remaining at 5.4%, in August 2015. This remains significantly below England by (3.5%), SEMLEP by (1.7%) and the East of England (1.8%).
Economic activity rate (ONS, Annual Population Survey, via Nomis)	81.3% (Sep 2015)	Green	↓	The number of economically active people has marginally decreased by 300 (0.2%) in the last quarter but 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 September 2015 there were 137,300 people aged 16+ in employment in Central Bedfordshire, 200 more than in June 2015 but 3,800 fewer than in September 2014.

The number of people aged 16-64 in employment is 132,800. This employment rate of 78.6% is higher than all comparator areas – England 73.6%, East of England 76.8%, and SEMLEP 77.1%.

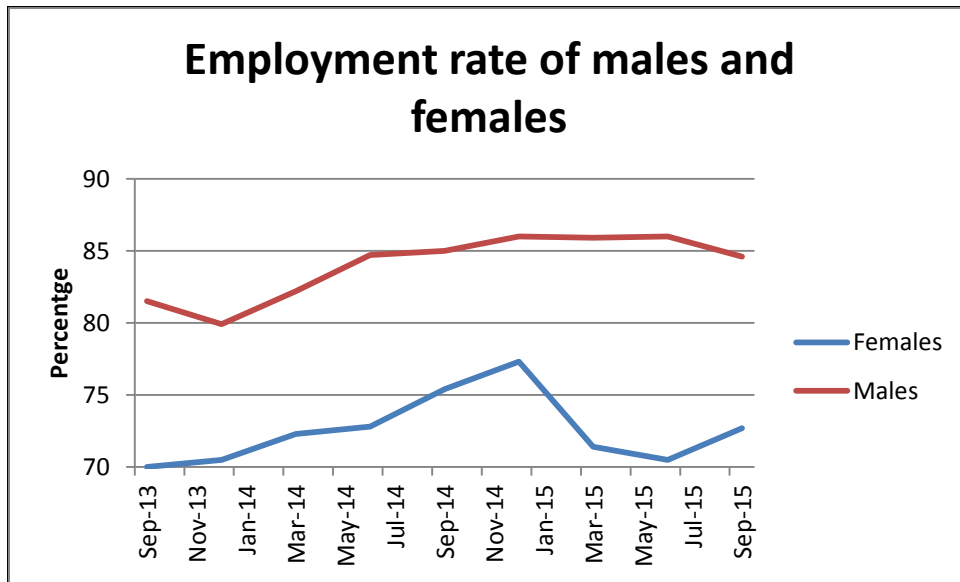
Table 1: Employment rate aged 16-64 (ONS Annual Population Survey via Nomis, September 2015)

Date	Central Bedfordshire +/- 3.6%	England +/- 0.2 %	SEMLEP +/- 1.2%	East +/- 0.8%
Sep-13	75.8%	71.2%	75.3%	75.0%
Dec-13	75.2%	71.5%	75.2%	75.3%
Mar-14	77.2%	71.7%	75.6%	75.4%
Jun-14	78.7%	72.0%	75.6%	75.7%
Sept-14	80.2%	72.3%	76.0%	75.9%
Dec- 14	81.6%	72.5%	76.3%	75.7%
Mar-15	78.6%	72.9%	76.2%	76.0%
Jun-15	78.2%	73.3%	76.4%	76.3%
Sep-15	78.6%	73.6%	77.1%	76.8%

With regard to gender, the employment rate of males aged 16-64 has declined from 72,200 (86%) in June 2015 to 71,100 (84.6%) in September 2015. Whereas, the female employment rate has increased from 70.5% (59,800) in June to 72.7% (61,700) in September 2015.

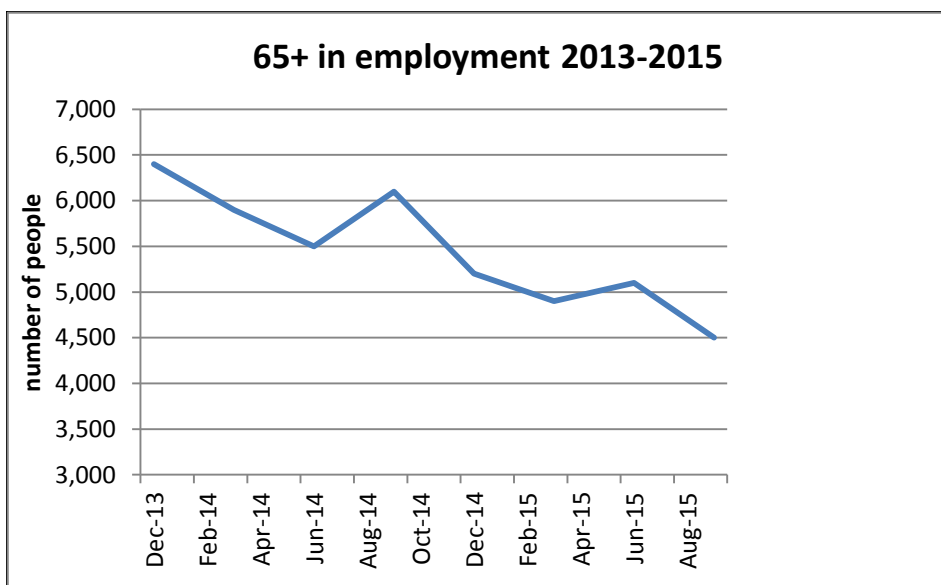


Graph 1: Employment rate – males / females (ONS Annual Population Survey via Nomis, September 2015)



The number of people in employment generally rises when taking into account those people who remain in work beyond the age of 65. The overall number of people remaining in work over the age of 65 is 4,500, a decrease of 600 in the past quarter.

Graph 2: Employment rate 65+ (ONS Annual Population Survey via Nomis, September 2015)





The economic activity rate is another method to assess the performance of the local labour market. A person is defined as economically active if they are either employed, or unemployed, but seeking work in a particular period. In September 2015, the economic activity rate of people aged 16+ in Central Bedfordshire was 81.3%, or 142,000 people. This has marginally fallen from 81.6% in March, and is above all comparator areas – England 77.8%, East of England 80.2%, SEMLEP 80.6%.

Earnings

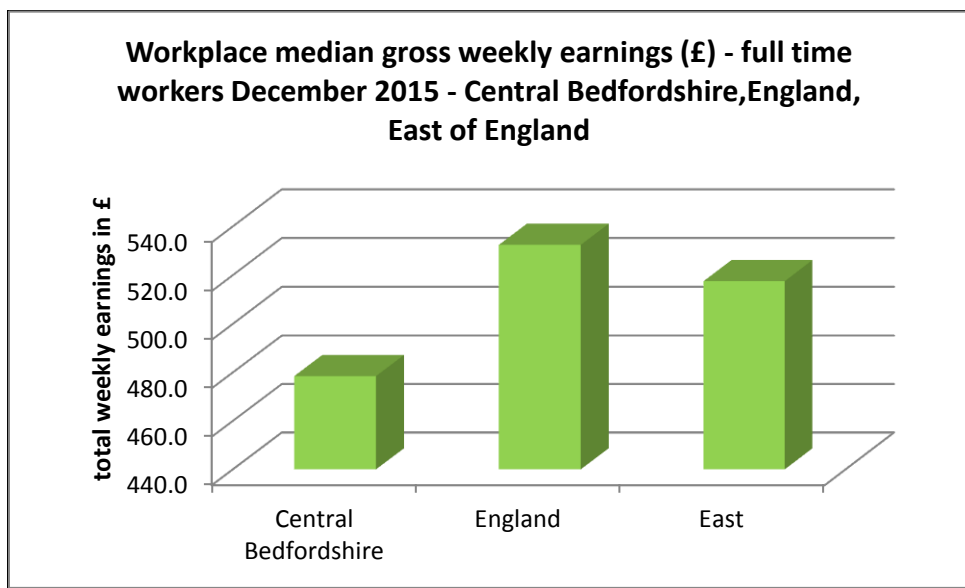
Workplace

The *Annual Survey of Hours and Earnings* reports that the 2015 workplace median gross weekly earnings for full-time employees working in Central Bedfordshire were £478.50 compared to England £532.40 and East of England £517.50.

In 2014 the Central Bedfordshire workplace median gross weekly earnings were the same as 2015, but increases were seen from the 2014 figures for England (£523.50) and East of England,) £504.10).

For men full-time workplace median earnings were £523 (£518.90 in 2014) per week, compared with £407.50 (£385.90 in 2014) median earnings for women.

Graph 3: Workplace median gross weekly pay (ONS Annual survey of hours and earnings via Nomis, November 2015)



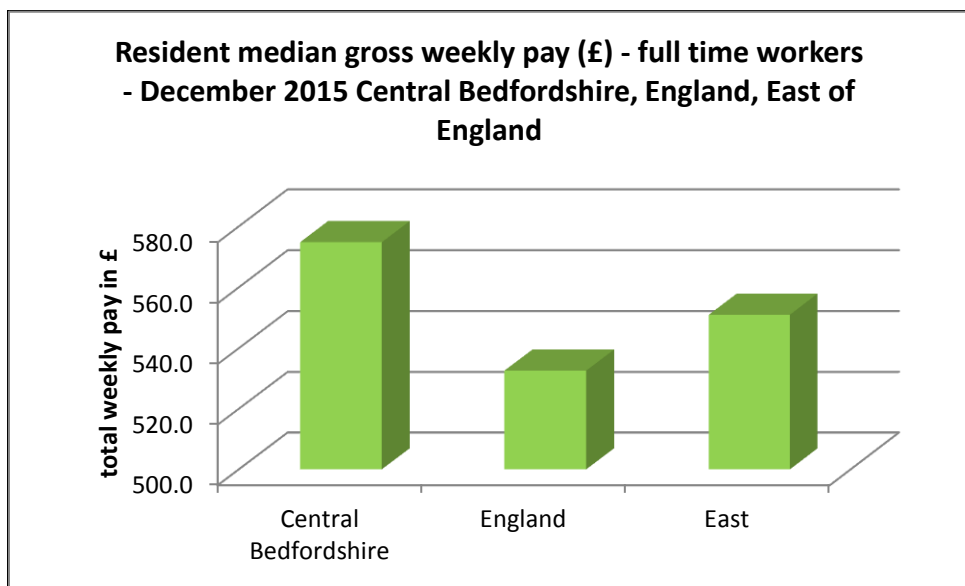


Resident

The *Annual Survey of Hours and Earnings* reports that the 2015 resident median gross weekly earnings for full-time employees working in Central Bedfordshire were £574.80 compared to England £532.60 and East of England £551.00. These earnings were all increases from the 2014 figures of £572.20 for Central Bedfordshire, £523.60 for England and £539.10 for east of England.

For men full-time workplace median earnings were £632.40 per week (a decrease from the £660.60 in 2014), compared with £504.70 (£501.30 in 2014) median earnings for women.

Graph 4 :Resident median gross weekly pay (ONS Annual survey of hours and earnings via Nomis, November 2015)



Unemployment

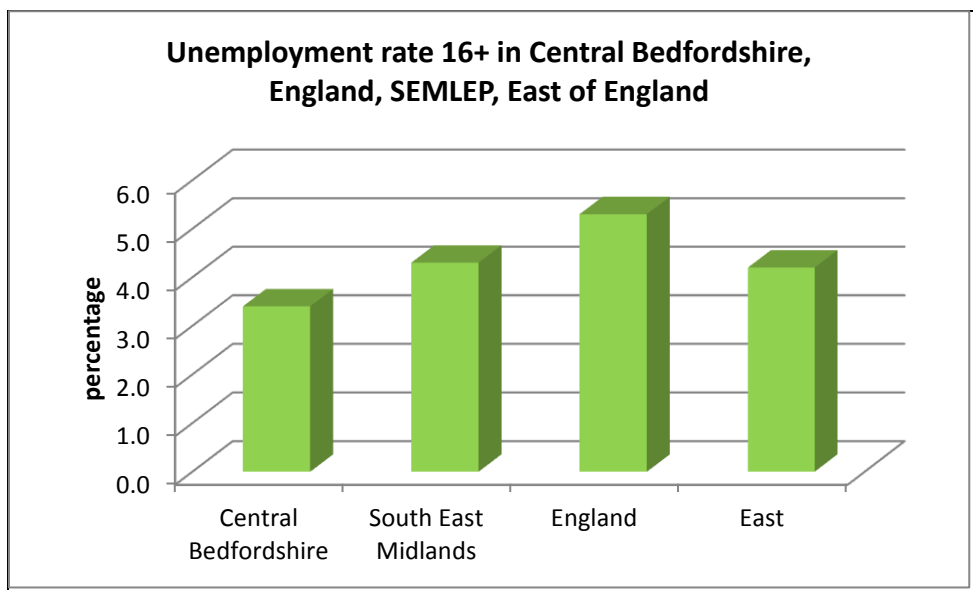
Unemployment – International Labour Organisation (ILO) measure of all people actively seeking work and able to start immediately – in Central Bedfordshire remains relatively lower than comparator areas and in September 2015 the rate was 3.4% or 4,900 people compared to 5.3% in England, 4.3% in SEMLEP and 4.2% in the East of England.



Table 2: Unemployment rate 16+ (ONS Annual Population Survey – model-based via Nomis, September 2015)

Date	Central Bedfordshire	England	SEMLEP	East
Sep-13	5.5%	7.8%	6.7%	6.3%
Dec-13	5.2%	7.5%	6.2%	6.1%
Mar-14	4.8%	7.2%	5.9%	5.8%
Jun-14	4.4%	6.8%	5.5%	5.4%
Sept-14	4.3%	6.5%	5.1%	5.3%
Dec-14	3.9%	6.2%	5.0%	5.2%
Mar-15	3.8%	5.9%	4.7%	4.9%
Jun-15	3.7%	5.6%	4.3%	4.6%
Sept-15	3.4%	5.3%	4.3%	4.2%

Graph 5 :Unemployment rate 16+ (ONS Annual Population Survey via Nomis, September 2015)

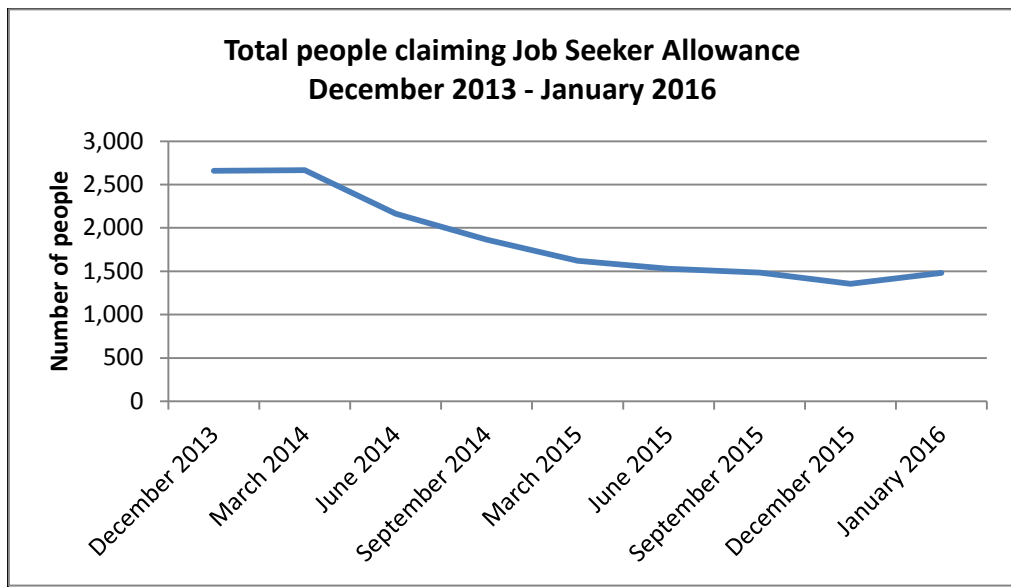




Job Seeker's Allowance

There were 1,481 people aged 18-64 claiming Jobseeker's Allowance (JSA) in January 2016 (male=924, female=557), 125 more claimants than December 2015 but still 88 fewer than in January 2015. This is 0.9% of the working age population. The rate remains significantly below England (1.5%), SEMLEP (1.2%) and the East of England (1.5%). The increase from December 2015 can perhaps be attributed to seasonal employment fluctuations in December.

Graph 6: Job Seeker Allowance (ONS Job Seeker's Allowance via Nomis, February 2016)



Youth Unemployment

Jobseeker's Allowance can be claimed by young people from 18 years (can be claimed by 16-18 year olds only in exceptional circumstances). There were 285 people aged 18-24 claiming Jobseeker's Allowance (JSA) in January 2016 (male=190, female=95), 25 more than December 2015, but 30 fewer than in January 2015. The increase from December 2015 can perhaps be attributed to seasonal employment. This is 1.4 % of the 18-24 working age population. The rate remains below England (1.8%), SEMLEP (1.5%) and the East of England (1.5%).



Table Three: Percentage of young people (18-24 years old) in receipt of Jobseeker's Allowance (DWP via Nomis, December 2015)

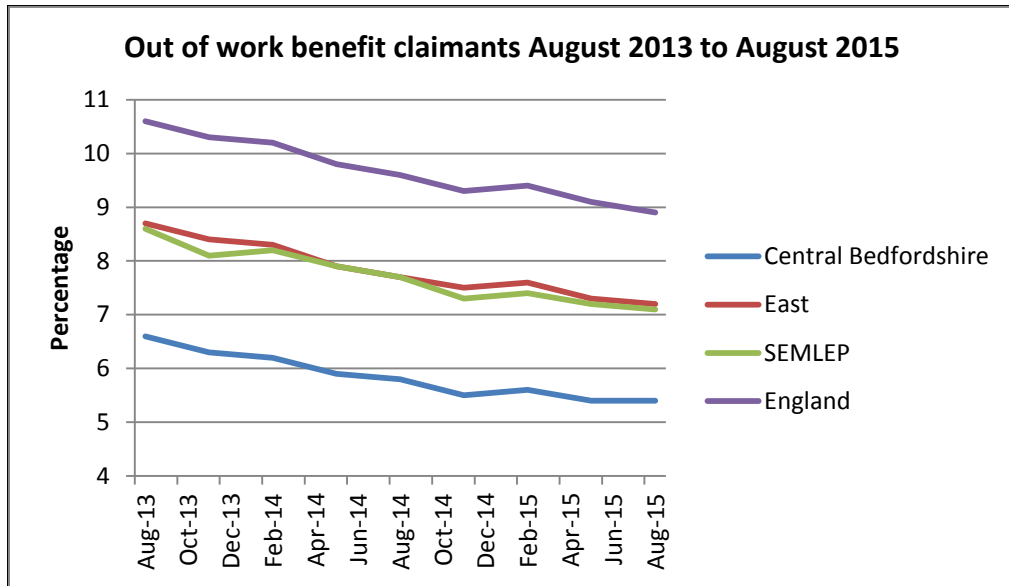
Date	Central Beds	England	SEMLEP	East
Jan 14	3.0%	5.0%	3.8%	4.4%
Apr 14	2.5%	4.5%	3.8%	3.9%
Jul 14	2.2%	3.8%	3.2%	3.1%
Dec 14	1.6%	2.9%	1.9%	2.4%
Apr 15	1.5%	2.7%	2.2%	2.3%
Jul 15	1.4%	2.3%	2.0%	1.9%
Oct 15	1.4%	2.0%	1.8%	1.7%
Dec 15	1.3%	1.7%	1.4%	1.4%
Jan 16	1.4%	1.8%	1.5%	1.5%

Out of work benefit claimants

The number of people aged 16-64 claiming key out of work benefits marginally fell from 9,310 (5.4%) in May 2015 to a total of 9,270 (5.4%) in August 2015, in comparison to England having 8.9% of people claiming out of work claimants in August 2015, SEMLEP having 7.1% and East of England having 7.2%. Key out of work benefit claimants include those claiming Job Seeker Allowance (JSA), Employment Support Allowance (ESA) and Incapacity Benefit, lone parents and others on income related benefits.



Graph 7 : Out of work benefit claimants (DWP via Nomis, February 2016)



Worklessness

The number of economically inactive residents (not working and not looking for a job), has marginally risen from 31,500 or 18.4% of working age people in June 2015 to 31,600 or 18.7% in September 2015. This compares to 22.2% in England and 19.4% in SEMLEP and 19.8% the East of England.

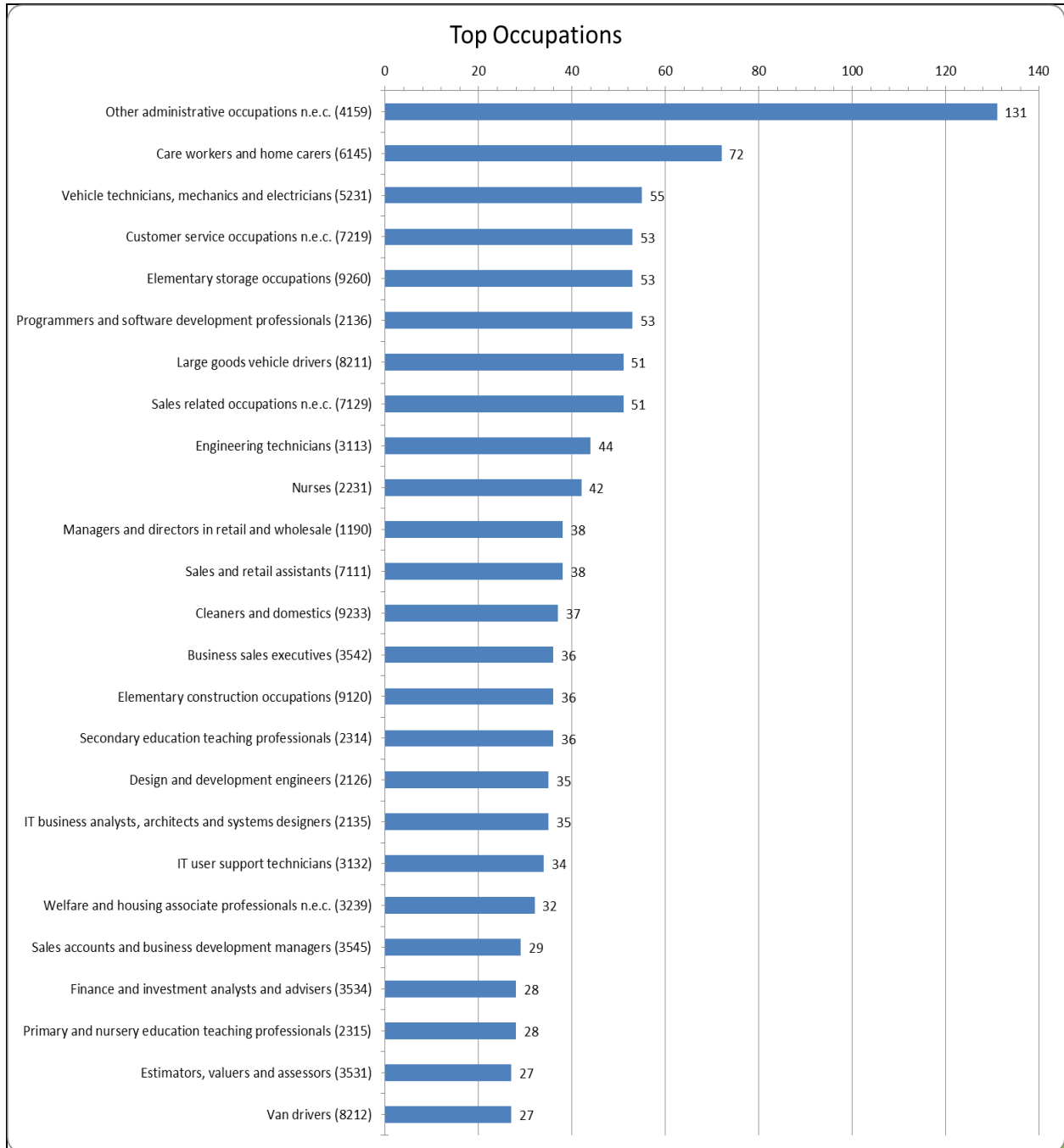
The economically inactive figure is split into those who do and those who do not want a job, even though they are not looking for one at the time of the survey. The number of economically inactive people who do not want a job has decreased to 22,500 (71.3%) in September 2015 compared to 22,600 (71.8%) in June 2015. This is in comparison to 75.8% in England, 75.6% in the East of England and 81.2% in SEMLEP. The largest single reason for inactivity is looking after family/home.



Vacancies

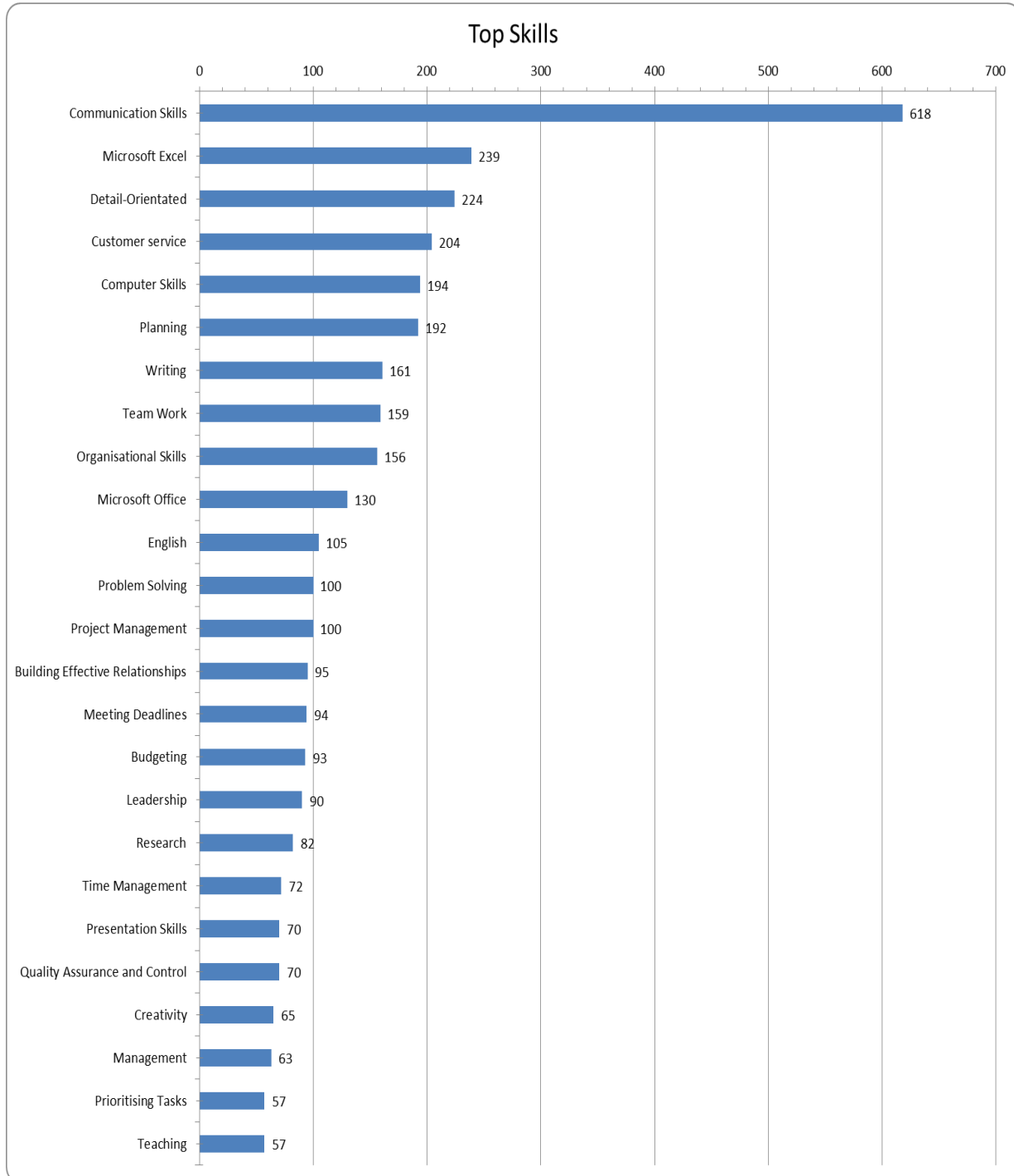
Vacancies advertised in terms of occupations and skills in most demand

Graph 8 : Occupations in greatest demand as advertised by employers in Central Bedfordshire, November 2015 – January 2016 (Labour Insight)





Graph 9 : Skills in greatest demand as advertised by employers in Central Bedfordshire, November 20 15 – January 2016 (Labour Insight)





The top five occupations advertised by employers between November 2015 and January 2016 were administrators; care workers and home carers; vehicle technicians, mechanics and electricians; customer service occupations and elementary storage occupations.

The top five skills sought by employers in this period were communication skills, Excel, detail orientated skills, customer service and computer skills. These are closely aligned to previous quarters, although detail orientated skills have increased in priority over planning.

Skills

The number of people receiving job-related training increased by a total of 300 people, from 17,600 in June to 17,900 in September 2015. This amount comprised of 8,400 males and 9,500 females receiving training, compared with the 8,900 males and 8,600 females receiving training in June 2015.

Apprenticeships

In January 2016 there were 52 live apprenticeship vacancies advertised across Central Bedfordshire. In February this increased by 4, to 56 live apprenticeships advertised.

There were 700 apprenticeship starts in Central Bedfordshire between August – October 2015, and 2070 starts in the full year 2014 / 2015.

In the year 2013 / 2014 there were 970 successfully completed apprenticeships, compared with 990 in the year 2012 / 2013.

Business Start Ups

In January 2016 it was reported that there had been 142 new small business start-ups in Central Bedfordshire, 12 more than reported in December 2015.

In January 2016 2015 there were 8.5% start-ups for every 10,000 working age in Central Bedfordshire and this compares with a business start-up rate of 9.1% for the whole of the East of England.



Business Demography

The Business Register and Employment Survey (BRES) reports that the number of business births in Central Bedfordshire increased marginally by 0.65% from 1,540 to 1,550 between 2013 and 2014. This rate is slightly below national comparators (UK 1.18% and England 1.41%), but above regional comparator (0.08%).

Table 4: Business births 2009-2014 (Business Register and Employment Survey, via Nomis)

COUNT OF BIRTHS OF NEW ENTERPRISES for 2009 - 2014	2009	2010	2011	2012	2013	2014
UNITED KINGDOM	236,030	235,145	261,370	269,565	346,485	350,585
ENGLAND	209,035	207,520	232,460	239,975	308,770	313,200
EAST REGION	23,535	22,580	24,930	25,335	32,570	32,595
Central Bedfordshire	1,055	1,010	1,095	1,150	1,540	1,550

The number of business deaths in Central Bedfordshire decreased by 5.1 % from 1,085 to 1,030 between 2013 and 2014. This decrease is not inline with the number of business deaths witnessed in regional and national comparators, who all saw increases (UK increase of 3.44%, England 3.68% and East region 1.27%).

Table 5: Business deaths 2009-2014 (Business Register and Employment Survey, via Nomis)

COUNT OF DEATHS OF ENTERPRISES for 2009 - 2014	2009	2010	2011	2012	2013	2014
UNITED KINGDOM	277,435	248,595	229,525	252,810	237,660	245,835
ENGLAND	247,150	219,030	202,365	222,115	209,465	217,175
EAST REGION	28,475	24,030	22,660	24,555	23,285	23,580
Central Bedfordshire	1,360	1,050	1,010	1,060	1,085	1,030

The total count of active enterprise in Central Bedfordshire increased from 11,395 to 12,030 between 2009 and 2014. This is an increase of 635 active enterprises between 2013 – 2014, an increase of 5.57%.

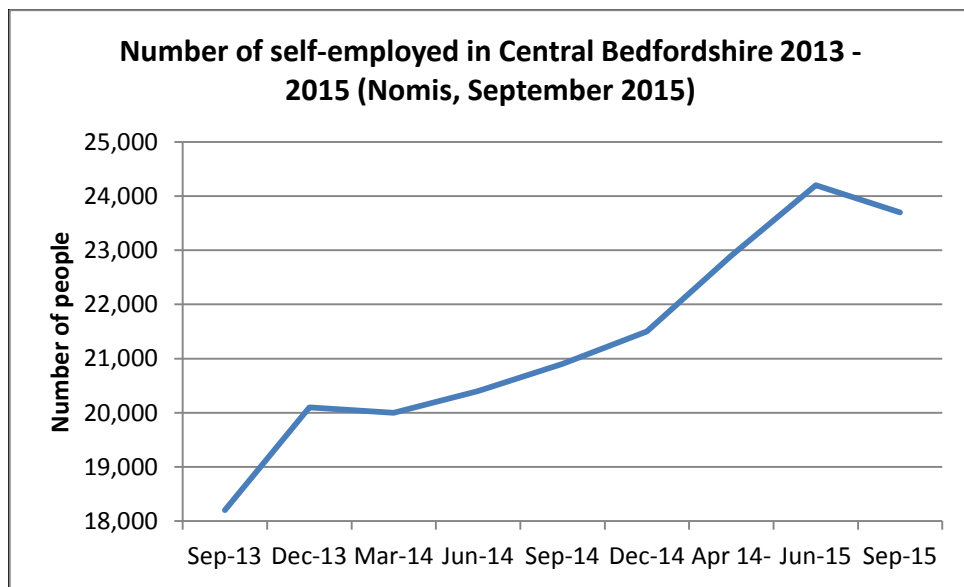
Survival rate of newly born enterprises in Central Bedfordshire in 2009 after five years is 46.9% and survival rate of newly born enterprises in 2013 after one year is 94.8%. In both cases this is above national and comparator area survival rates.



Self Employment

In September 2015 the number of people of all ages in employment who were self-employed decreased to 23,700 (17.3%) compared to 24,200 (17.7%) in June 2015. This is compared to England (15.1%), SEMLEP (13.9%) and the East of England (14.5%).

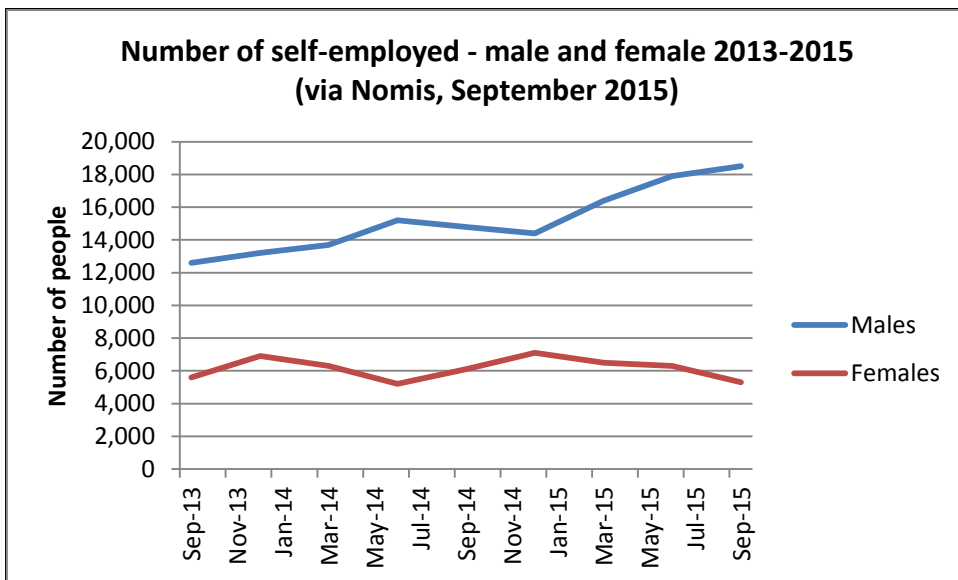
Graph 10: Number of self-employed in Central Bedfordshire 2013-2015 (via Nomis September 2015)



With regard to gender, the number of self-employed males increased by 600 (from 17,900 or 19.1% in June 2015 to 18,500 in September 2015) while the number of self-employed females significantly fell by 1000 (from 6,300 in June 2015 to 5,300 in September 2015).



Graph 11: Number of self-employed – male / female in Central Bedfordshire 2013-2015 (via Nomis September 2015)



Commercial Property Deals

Published data from Estates Gazette Interactive (EGI) shows that between November 2015 and February 2016, 12 commercial property deals were completed in Central Bedfordshire – an increase of 2 since the previous quarter. In terms of property use type, the distribution was as follows:

Industrial/Distribution	8
Retail	2
Office	2

With regard to location, 5 were in Dunstable, 4 were in Leighton Buzzard and 3 were in Ampthill. It must be noted that not all commercial property deals are published on EGI.

High Street Vacancy Levels

The national town centre vacancy rate was 8.7% in January 2016, down from the 9.1% rate reported in October 2015 (BRC/ Springboard Footfall and Vacancies Monitor). This is the lowest reported rate since such rates were first collected in July 2011. Caution regarding this data is needed, as there is evidence that the pop-ups and temporary lets seen in vacant units in the run-up to Christmas have remained in-situ.

Monitoring “High Street” vacancies by counting all vacant A class premises within the town centre boundaries has shown a total of 78 vacant units (8.6% of all units) in town centres in Central Bedfordshire. This is an increase of 9 units since the previous quarter, with both Biggleswade and Leighton Buzzard seeing increases. Dunstable remains the town with the most vacant premises, but has seen a fall of 3 since August 2015. Data from the BRC / Springboard Footfall and Vacancies Monitor shows that the national vacancy rate in January 2016 was 8.7%, meaning that Central Bedfordshire as a whole and all towns, except Dunstable, are below the national rate.

Table 6: Town Centre Retail Vacancies, February 2016

Town	February 2015	May 2015	August 2015	November 2015	February 2016	% of all A class premises
Amphill	2	1	0	2	2	2.2
Arlesey	1	1	1	1	1	6.7
Biggleswade	11	7	4	5	10	6.9
Dunstable	52	47	50	47	47	17.7
Flitwick	1	1	1	1	1	2.6
Houghton Regis	1	2	2	1	1	3.4
Leighton Buzzard	7	7	4	7	11	5.4%
Sandy	4	4	4	3	3	4.5
Shefford	1	0	0	1	1	2.5
Stotfold	0	0	0	1	1	5.6
Total	80	70	66	69	78	8.6%