

Central
Bedfordshire

great
prospects



Quarterly Economic Monitoring Report

February 2017

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Contact us...

James Cushing - james.cushing@centralbedfordshire.gov.uk



What's happening nationally?

- **The bank of England has increased the economic forecast in 2017 to 2% from 1.4% (but has reduced longer-term growth rates)**
- **GDP growth was 0.7% for Quarter 4 in 2016**
- **Consumer Price Index (CPI) rose to 1.8% in January 2017**
- **74.6% of people aged 16-64 were in work between October 2016 to December 2016, the highest employment rate since comparable records began in 1971**
- **The unemployment rate for the period October 2016 to December 2016 was 4.8%**

GDP - Gross Domestic Product is the standard measure of the size and health of a country's economy. GDP is an average of all of the UK's output (production), expenditure, and income.

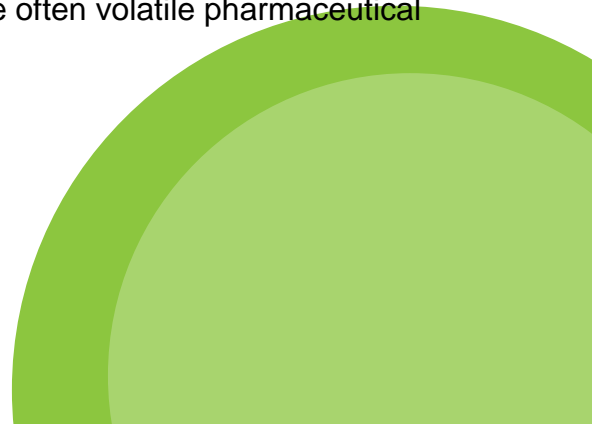
The UK has the 5th highest GDP in the world and the 4th highest among the G7 countries.

On 22nd February it was announced that UK gross domestic product (GDP) was estimated to have increased by 0.7% in October to December 2016 compared with growth of 0.6% in July to September 2016. GDP was 2.0% higher in October to December 2016 compared with the same quarter a year ago.

ONS Head of GDP Darren Morgan said: "The economy grew slightly more in the last three months of 2016 than previously thought, mainly due to a stronger performance from manufacturing. Overall, the dominant services sector continued to grow steadily, due in part to continued growth in consumer spending, although retail showed some signs of weakness in the last couple of months of 2016, which has continued into January 2017."

Value of sterling - Following the EU referendum, the value of sterling fell sharply against a basket of currencies at the end of June and into July. In October 2016, the sterling Exchange Rate Index (ERI) fell a further 4.8% from the end of September 2016 and was 20% lower compared with October 2015.

Index of Production – production activity returned to growth in Quarter 4 2016 and rose by 1.1% in December 2016. Manufacturing provided the only positive contribution to the monthly growth rate of production activity in December, rising by 2.1%; however, a significant proportion of this growth was accounted for by the often volatile pharmaceutical industry.





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What's happening in Central Bedfordshire?

- **78.9% of people aged 16-64 were in work - higher than all comparator areas (September 2016)**
- **The unemployment rate of people aged 16+ was 3.1% - lower than all comparator areas (September 2016)**
- **Central Bedfordshire had an average house price of £293,956 in December 2016, with a monthly change of – 0.04%**
- **The number of out of work benefit claimants has decreased from 8,880 in May 2016 to 8,720 in August 2016, and the 5% rate is lower than England's 8.3%.**

Inward Investment Enquiries - The rate of inward investment enquiries continues to grow with the Business Investment Team managing 189 expansion enquiries from new and existing businesses – this is up 19% compared to this time last year. So far there have been 14 successes, resulting in 900 new jobs in Central Bedfordshire.

The latest investment comes from DFS at Prologis Park at Marston Gate. They are leasing a state of the art 150,000ft mixed use unit. The site will become a regional distribution centre for DFS and the national distribution centre for their subsidiary company Dwell, and 160 employees will be based there.

The Council's **Business Support Growth Fund**, providing a range of support to inward investors or expanding business, through awards of up to £5k of business rates discounts, public protection training or pre application planning advice, has provided 6 awards totalling £20,100, which has facilitated 42 new jobs, and £231k new investment.

Innovation Bridge – The Council has have launched a £3.98million European regional Development Fund project to help business access specialist university expertise and grants to innovate and grow. The delivery partners of the project are the University of Bedfordshire, Anglia Ruskin University and Suffolk University and will be available to businesses based in Aylesbury Vale, Bedfordshire, Cambridgeshire, Cherwell District, Milton Keynes, Norfolk, North Hertfordshire, Northamptonshire, Peterborough, Rutland, Suffolk and Uttlesford District. This scheme will strengthen links between businesses and universities, as well as supporting growth within the area. Eligible SMEs will work with a specialist academic to develop a business plan and receive assistance to apply for grant funding to implement it

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)	140,100 (September 2016)	Green	↑	This has increased by 4,500 (3.3%) people in one quarter, and the rate of 78.9% still continues to be above all comparator areas.
Employment rate across Central Bedfordshire remains 5% above the England Rate	4.9 % points above (September 2016)	Amber	↑	The gap between Central Bedfordshire and England has increased to be 4.9 percentage points and is only below our target of remaining 5 percentage points above the national rate by 0.1 percentage point (Central Bedfordshire 78.9%, England 74.0%, SEMLEP 77.5% and the East of England 76.8%).
Number of out of work benefit claimants (Department for Work and Pensions, via Nomis)	8,720 (August 2016)	Green	↑	The number of people claiming out of work benefits decreased from 8,880 to 8,720, falling from 5.1% to 5.0%. This remains significantly below England by 3.3% points, SEMLEP by 1.6% points and the East of England by 1.8% points
Economic activity rate (ONS, Annual Population Survey, via Nomis)	80.9% (September 2016)	Green	↑	The number of economically active people has increased by 4,700 (3.4%) 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 September 2016 there were 146,300 people aged 16+ in employment in Central Bedfordshire, 5,900 more than in September 2015 and 5,400 more than in June 2016.

The number of people aged 16-64 in employment in September 2016 is 140,100, 4,500 more than in June 2016. The increase is partially due to an increase of 2,400 in the 16-64 population, together with the statistical confidence of the data source – but despite these, it appears that there has been a small overall increase in the number of people aged 16-64 in employment. This employment rate of 78.9% is higher than all comparator areas – England 74.1%, East of England 76.8%, and SEMLEP 77.5%.

Table 1: Employment rate aged 16-64

Date	Central Bedfordshire Confidence interval +/- 3.4%	England Confidence interval +/- 0.2 %	SEMLEP Confidence interval +/- 1.3%	East of England Confidence interval +/- 0.8%
Sept-14	80.2%	72.3%	76.0%	75.9%
Dec- 14	81.7%	72.5%	76.3%	75.7%
Mar-15	78.7%	72.9%	76.2%	76.0%
Jun-15	78.3%	73.2%	76.4%	76.3%
Sep-15	78.7%	73.6%	77.1%	76.8%
Dec - 15	79.5%	73.8%	77.4%	77.3%
Mar-16	78.6%	73.9%	77.1%	77.0%
Jun -16	77.4%	74.0%	77.1%	77.1%
Sept - 16	78.9%	74.1%	77.5%	76.8%

ONS Annual Population Survey via Nomis, February 2017

With regard to gender, the employment rate of males aged 16-64 has increased to 74,800 from 72,000 between June 2016 and September 2016, with the rate of employment for males increasing from 82.7% to 85.4% in September 2016. The female employment rate has increased slightly from 72.1% (63,500) in June 2016 to 72.5% (65,400) in September 2016.

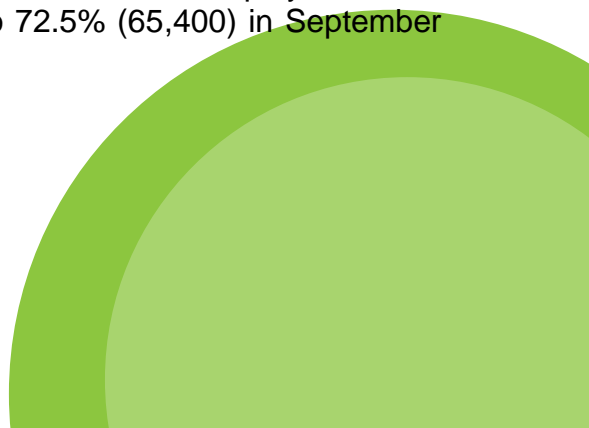
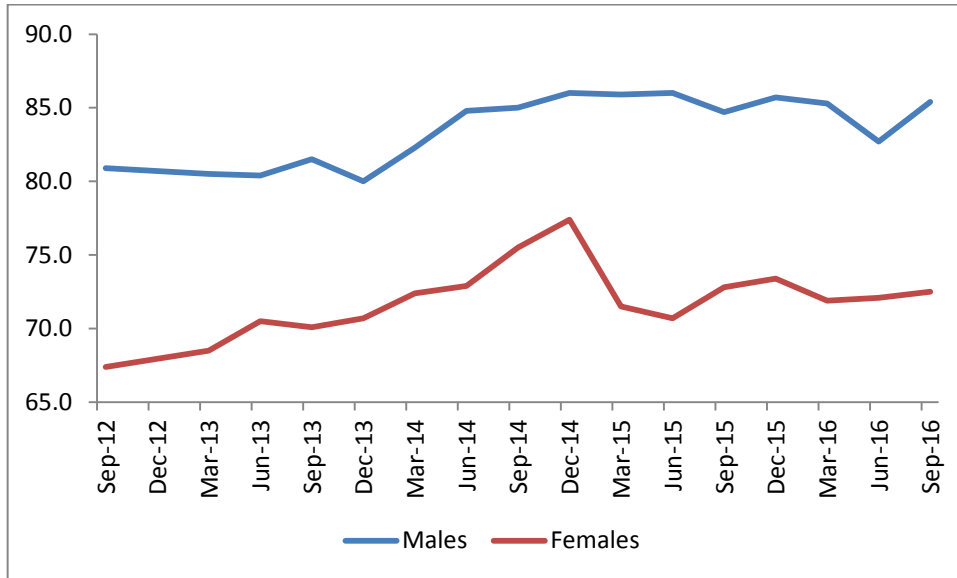




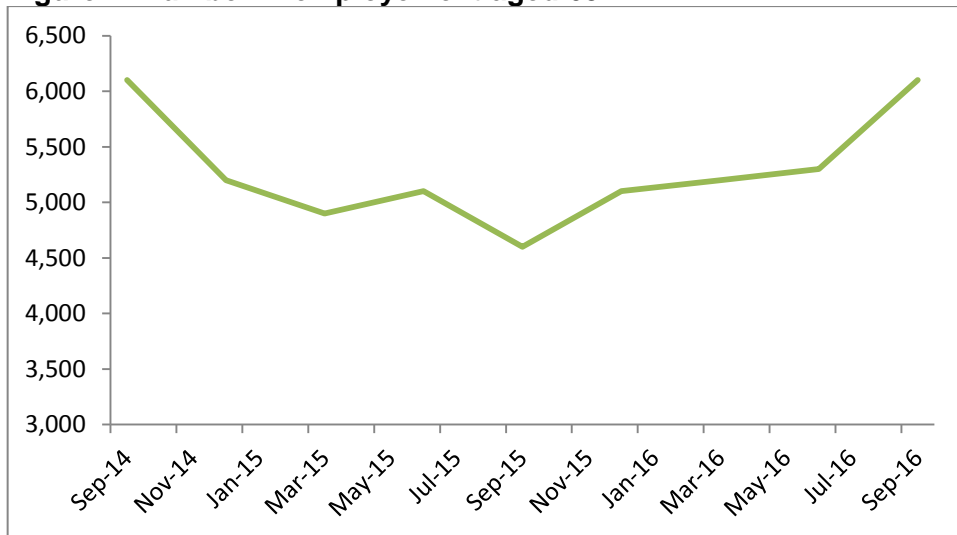
Figure 1: Female and Male employment rate as a percentage of working age people (aged 16-64), change between September 2012 and September 2016



Source: ONS Annual Population Survey February 2017, via Nomis

The number of people in employment generally rises when taking into account those people who remain in work beyond the age of 65. In September 2016 the overall number of people remaining in work over the age of 65 is 6,100 (4,500 males, and 1,600 females) an increase of 800 in the past quarter.

Figure 2: Number in employment aged 65+



ONS Annual Population Survey via Nomis, February 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 September 2016, the economic activity rate of people aged 16-64 in Central Bedfordshire was 80.9%, or 143,600 people. This rate has increased from the 79.3% in June 2016, and still remains above all comparator areas – England 78.1%, East of England 79.9%, SEMLEP 80.2%.

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 2016 the model-based unemployment rate was 3.1% or 4,600 people compared to 5.0% in England, 3.2% in SEMLEP and 3.8% in the East of England. There has been an increase of 100 people in Central Bedfordshire since June 2016.

Table 2: Unemployment rate aged 16+

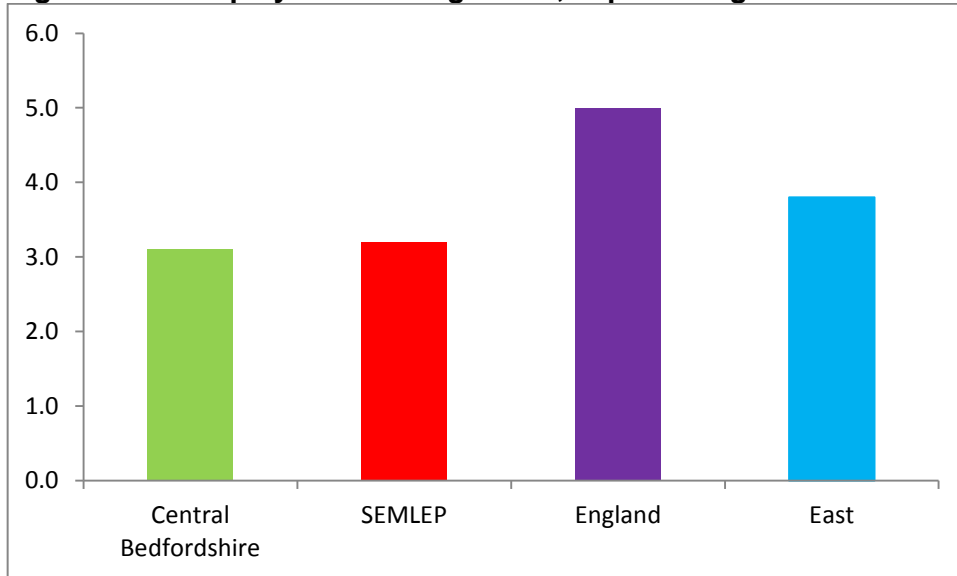
Date	Central Bedfordshire	England	SEMLEP	East
Sept-14	4.3%	6.5%	5.1%	5.3%
Dec- 14	3.9%	6.2%	5.0%	5.2%
Mar-15	3.8%	5.9%	4.7%	4.9%
Jun-15	3.7%	5.6%	4.3%	4.6%
Sept-15	3.4%	5.3%	4.3%	4.2%
Dec-15	3.3%	5.1%	3.7%	3.9%
Mar-16	3.2%	5.1%	3.6%	3.8%
Jun-16	3.1%	5.1%	3.5%	3.7%
Sept -16	3.1%	5.0%	3.2%	3.8%

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





Figure 3 : Unemployment rate aged 16+, in percentages

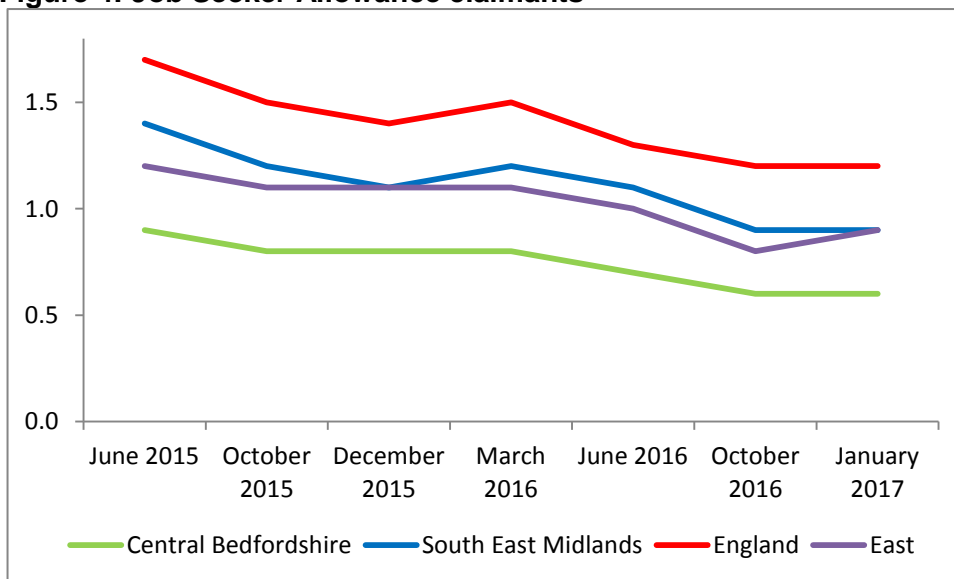


ONS Annual Population Survey via Nomis, February 2017

Job Seeker’s Allowance

There were 1046 people aged 18-64 claiming Jobseeker’s Allowance (JSA) in January 2017 (male=618, female=428), 74 more than December 2016, but 435 fewer than January 2016. This is 0.6% of the working age population, and the rate remains unchanged from the previous month. The rate remains significantly below England (1.2%), SEMLEP (0.9%) and the East of England (0.9%).

Figure 4: Job Seeker Allowance claimants



ONS Job Seeker’s Allowance via Nomis, February 2017



Youth Unemployment

Jobseeker's Allowance can be claimed by young people from 18 years (it can only be claimed by 16-18 year olds only in exceptional circumstances). There were 100 people aged 18-24 claiming Jobseeker's Allowance (JSA) in January 2017 (male=55, female=45), the same as for December 2016, but 185 fewer than in January 2016. This is 0.5 % of the 18-24 working age population. The rate remains below England (0.9%), SEMLEP (0.7%) and the East of England (0.7%), although where comparators all saw a 0.1 percentage point decrease in the last 3 months, Central Bedfordshire's rate remained unchanged.

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

Date	Central Beds	England	SEMLEP	East
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%
Mar 16	1.0%	1.3%	1.2%	1.1%
Jun 16	0.7%	1.0%	0.9%	0.8%
Oct 16	0.5%	1.0%	0.8%	0.8%
Jan 17	0.5%	0.9%	0.7%	0.7%

Department for Work and Pensions, via Nomis, February 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 December 2016, 56.7% (550) of the JSA claimants resident in Central Bedfordshire were looking for work in sales and customer services. 68.6% of JSA claimants are looking for work in low or relatively low skills (Sales and Customer Service and Elementary Occupations). The data is summarised in the table 4.



Table 4: JSA claimants by sought occupation

Occupation (SIC2000 group)	December 2014	December 2015	December 2016
Occupation unknown	40	110	95
Managers and Senior Officials	45	80	50
Professional Occupations	25	15	5
Associate Professional and Technical Occupations	55	40	20
Administrative and Secretarial Occupations	170	115	60
Skilled Trades Occupations	75	60	30
Personal Service Occupations	65	45	25
Sales and Customer Service occupations	640	605	550
Process, Plant and Machine Operatives	75	50	25
Elementary Occupations	325	235	115
	1,515	1,355	970

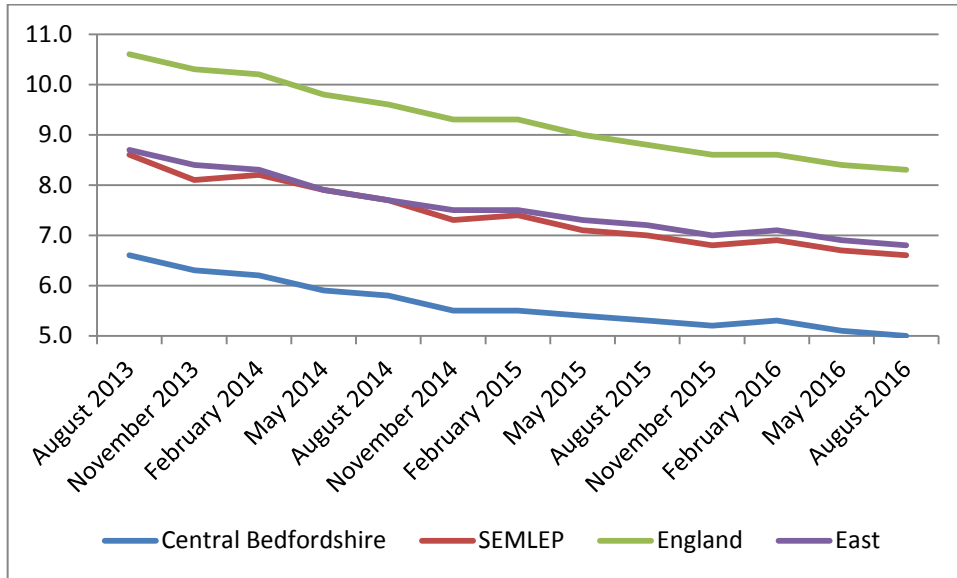
*Source: Office for National Statistics via Nomis, February 2017
 Data rounded to the nearest 5*

Out of work benefit claimants

The number of people aged 16-64 claiming key out of work benefits fell from 8,880 (5.1%) in May 2016 to a total of 8,720 (5.0%) in August 2016. These figures and rate continue to be the lowest since the start of records in NOMIS in August 1999. This rate is lower than England having 8.3% of people claiming out of work claimants in August 2016, SEMLEP having 6.6% and East of England having 6.8%. 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.



Figure 5 : Rate of out of work benefit claimants



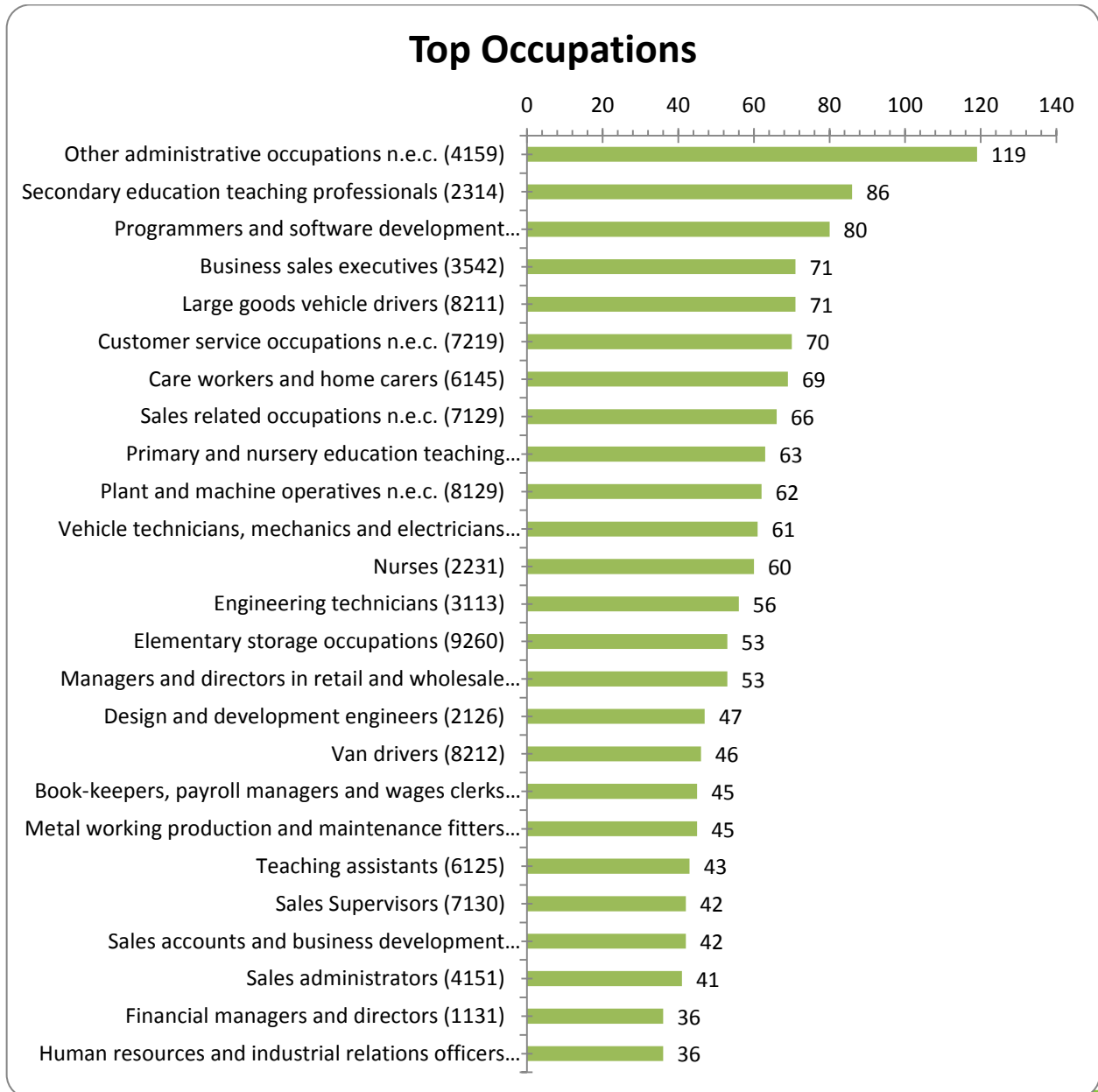
Department for Work and Pensions, via Nomis, February 2016



Vacancies

Vacancies advertised in terms of occupations and skills in most demand

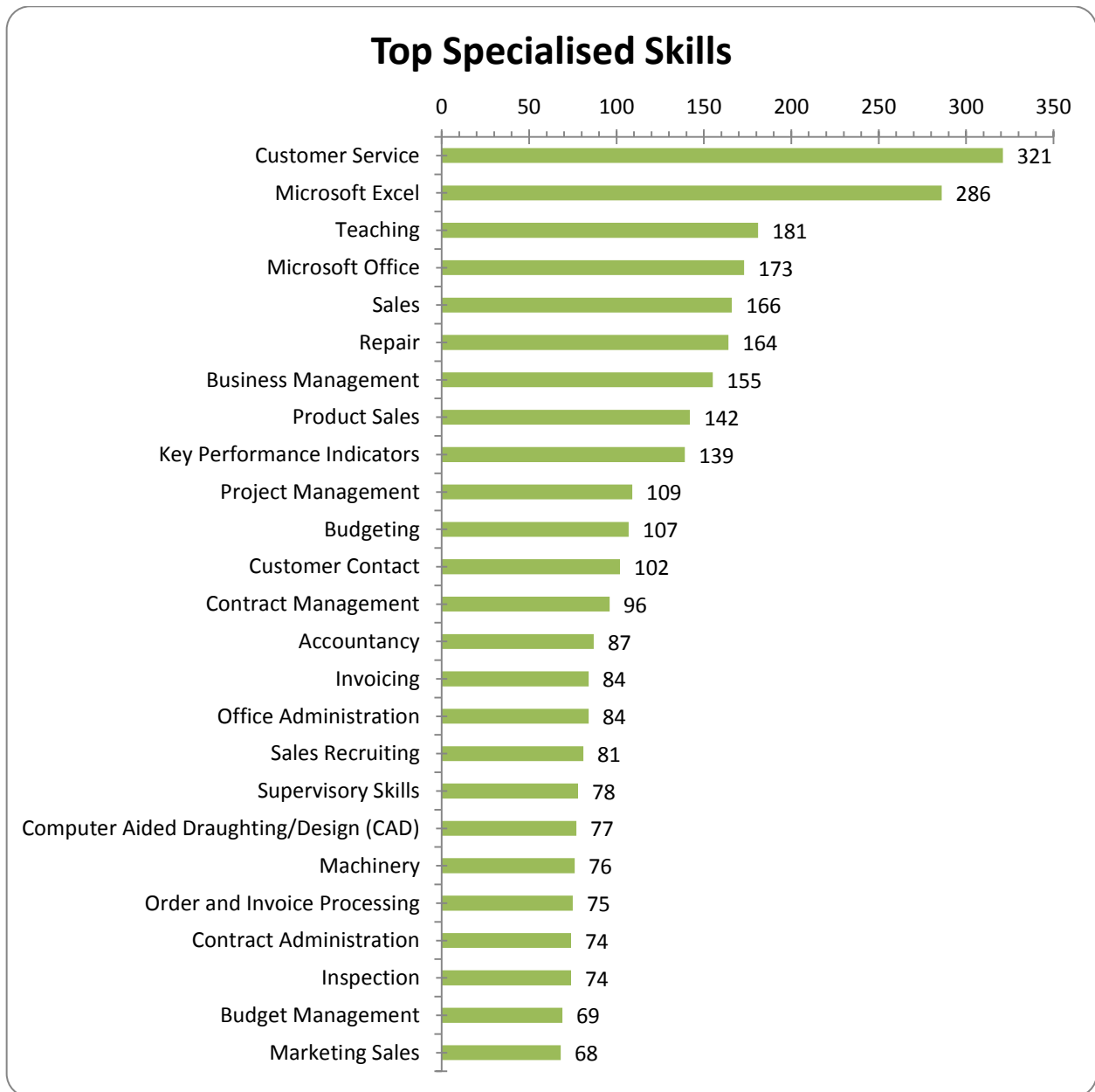
Figure 6 : Occupations in greatest demand as advertised by employers in Central Bedfordshire, November 2016 – January 2017



Labour Insight, February 2017



Figure 7 : Specialised skills in greatest demand as advertised by employers in Central Bedfordshire, November 2016 – January 2017



Labour Insight, February 2017

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The top five occupations advertised by employers between November 2016 and the end of January 2017 were other administrative occupations, secondary education teaching professionals, programmers and software development, and business sales executives. Between November 2016 and the end of January 2017, the specialised skill most often required was “customer service”, ‘Microsoft Excel’, this was followed by ‘teaching’ and ‘Microsoft Office’ skills.

Skills

The number of people receiving job-related training decreased by a total of 900 people, from 12,900 in June 2016 to 12,000 in September 2016. The number was 18,300 in September 2015. This amount comprised of 8,000 males and 3,900 females receiving training, compared with the 7,200 males and 5,700 females receiving training in June 2016. Interestingly, 11,200 people (93.3%), working full time received job-related training, compared to just 800 people working part-time. A similar trend is true for public versus private training with both levels falling in the period, but with private sector training being consistently below public sector levels (7.2% against 11.4%). This trend of consistently lower private than public sector training is true for SEMLEP and national levels.

Apprenticeships

There were 2,060 apprenticeship starts in Central Bedfordshire in the full year 2015 / 2016, compared to 2,070 in the full year 2014 / 2015, a small decrease of 0.5% compared with the small increase of 2% seen nationally. The sectors having the highest percentage of starts were Business, Administration and Law, having 26.7% of the starts, and Health, Public Services and Care with 26.7% of the starts.

Business Start Ups

Data from BankSearch (providing details of new business bank accounts) shows in the year 2016 there had been 1,850 new small business start-ups in Central Bedfordshire, only 9 fewer than reported for 2015, but the lowest yearly total since 2008. Data shows that there were fewer business start ups in June, July and August 2016, pre and post the EU referendum, with numbers increasing in September, October and November.

Self-Employment

The Annual Population Survey (APS) in September 2016 showed that 19,200 people aged over 16+ in employment were self-employed, 300 lower than the 19,500 in June 2016, and 5,100 lower than September 2015.

The rate of self-employed in Central Bedfordshire is 13.1% (13.8% in June 2016), below the national rate of 15.4% and slightly lower than the SEMLEP rate of 13.9%. Looking at the gender split, 14,900 of these people are male and 4,200 are female, with males seeing a small reduction from the 15,600 in June 2016, and females seeing a small increase from



June's 3,900. Since September 2015, there are 4,000 fewer self employed males and 1,200 fewer self employed females.

Table 5 : Percentage in employment aged 16 and over, who are self-employed

	September 2014	September 2015	September 2016	Percentage point change 2014 - 2016
Central Bedfordshire	14.8	17.3	13.1	-1.7%
SEMLEP	14.4	13.9	13.9	-0.5%
East of England	15.4	14.5	15.6	+0.2%
England	15.1	15.1	15.4	+0.3%

Source: ONS Annual Population Survey via Nomis, February 2017

House Price Index

Central Bedfordshire had an average house price of £293,956 in December 2016, with a monthly change of – 0.04% and an annual growth of 10.87%. The index for Central Bedfordshire was 125.05, a decrease from December's 125.05 (this index is still an experimental statistic).

As of December 2016 the average house price in England was £236,424, and the index stood at 116.55. Property prices have risen by 1.61% compared to the previous month, and risen by 7.67% compared to the previous year.

High Street Vacancy Levels

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 is 5.06% in February 2017. This has increased slightly from 4.41% in November 2016 due to more vacant units in Ampthill, Biggleswade, and Houghton Regis, with an decrease seen in Dunstable. Dunstable still remains the town with the most vacancies, 33 or 13.4% of all premises. It is good to note that 4 recently vacant units at Dunstable are currently under development for tenants; that a florist at Biggleswade has moved to a unit having a more prominent position; and that a restaurant at Arlesey has received refurbishment. Arlesey



and Flitwick have no vacancies. Central Bedfordshire’s vacancy rate is lower than Britain’s rate of 12.1% in February 2017 (Source: The Local Data Company).

Table 6: Town centre vacancies % in Central Bedfordshire, February 2016 – February 2017

Town	Feb 16	May 16	Aug 16	Nov 16	Feb 17
Ampthill	2.2	0	1.1	0	2.2
Arlesey	6.7	6.7	6.7	0	0
Biggleswade	6.9	7.6	6.9	4.8	7.6
Dunstable	17.7	18.8	15.4	15.4	13.4
Flitwick	2.6	0	0	0	0
Houghton Regis	3.4	3.4	3.4	3.4	6.9
Leighton Buzzard	5.4	6.9	6.4	4.9	4.9
Sandy	4.5	6	4.5	7.5	7.5
Shefford	2.5	2.5	2.5	2.5	2.5
Stotfold	5.6	5.6	5.6	5.6	5.6
Average vacancy rate	5.75%	5.75%	5.25%	4.41%	5.06%

Source: Central Bedfordshire Council February 2017

