

Economic Profile of The Winchester District

August 2017

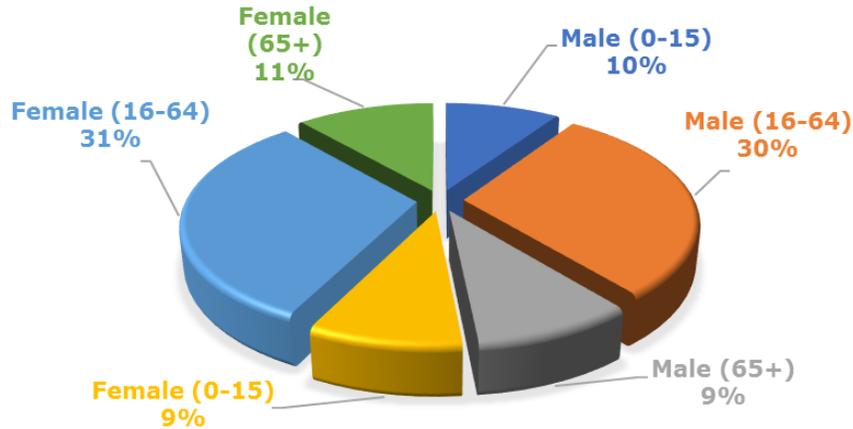
**Completed on behalf of
Winchester City Council
by DC Research Ltd**

Population and Demographics

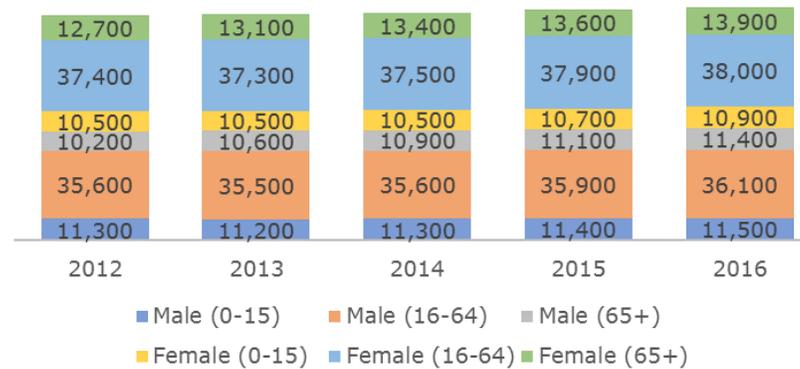
Population and Demographics

Population of Winchester 122,000 in 2016, 74,100 of working age

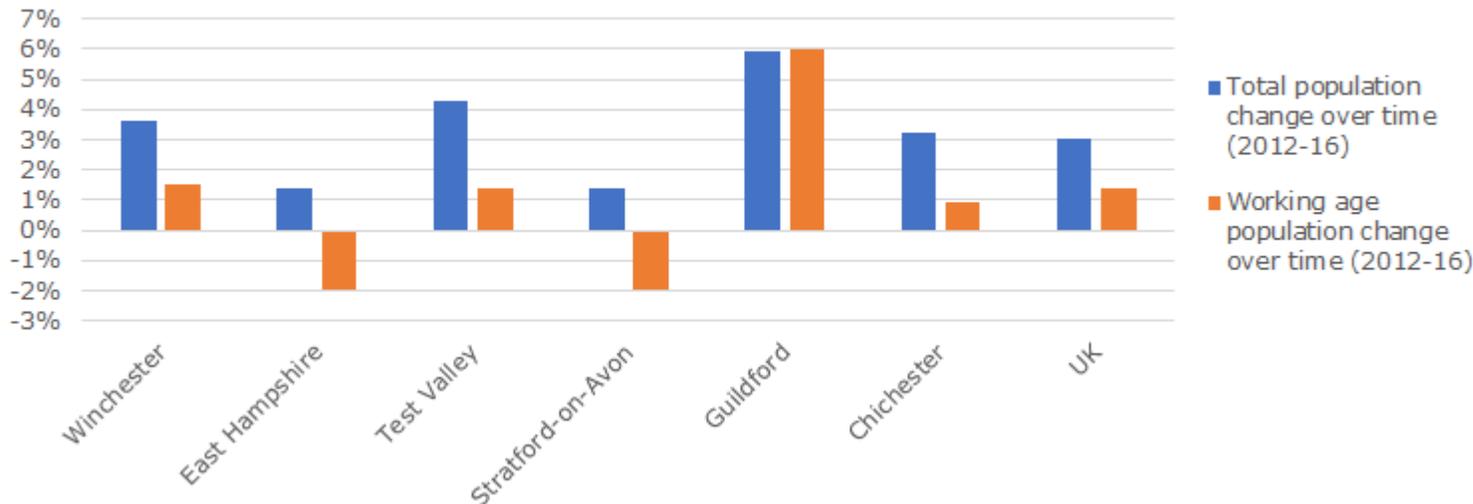
Winchester Population 2016



Population Change



Comparing Change in Population



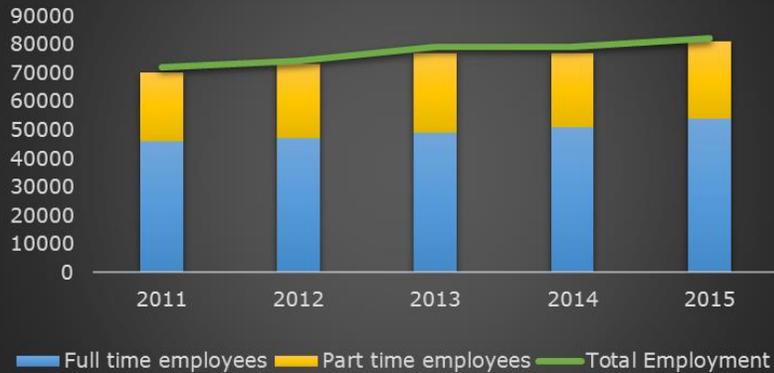
- Total population in Winchester for 2016 was 122,000, 59,100 males and 62,800 females.
- The working age (16-64) population in the same year was 74,100, 51.2% (38,000) female, and the remaining 48.8% (36,100) male.
- Analysis of change over time for total population in Winchester shows growth of 3.7% between 2012 and 2016, whilst the working age population grew by 1.5% during the same time.
- Winchester's growth in overall population is above the national average, and sits in the middle of a range of condition and aspirational comparators. For working age population, Winchester is again above the national average, and compares well against relevant comparators.
- The proportion of total population that are of working age has decreased over time for Winchester by more than 2%, more than the national average but in line with most other comparator areas.

Employment

Employment

Employment by business located in Winchester was 82,000 in 2015

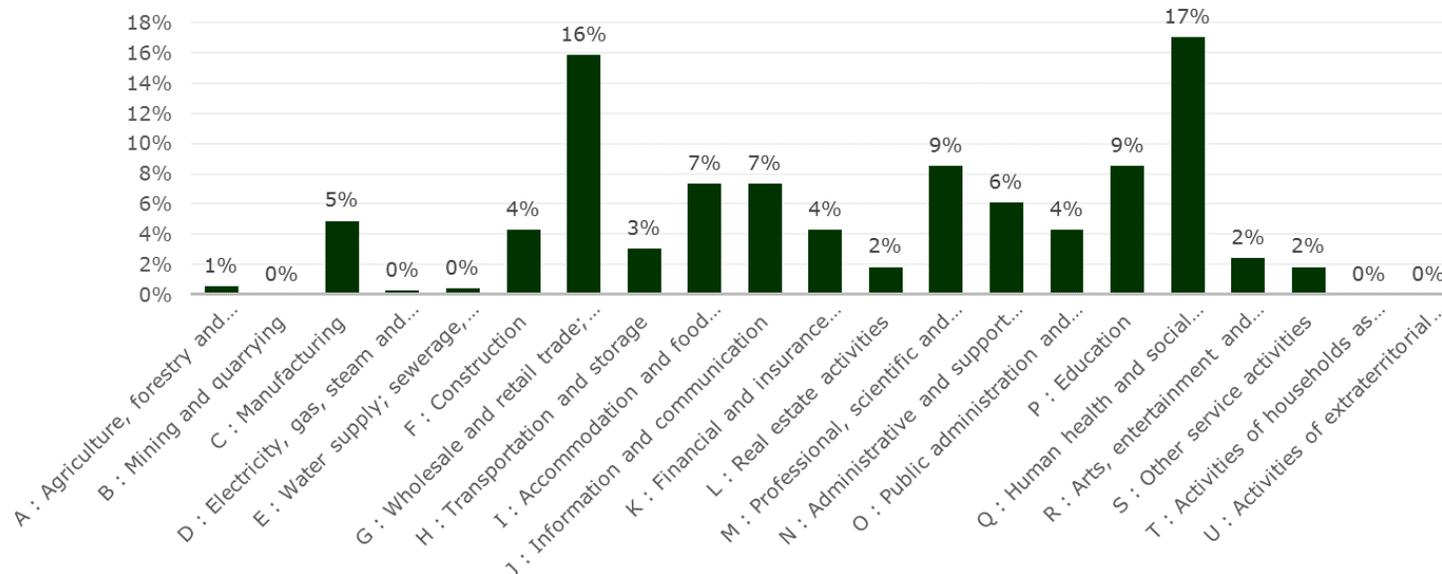
Employment 2011-2015



Largest Sectors by Number of Employees



Employment by Industry

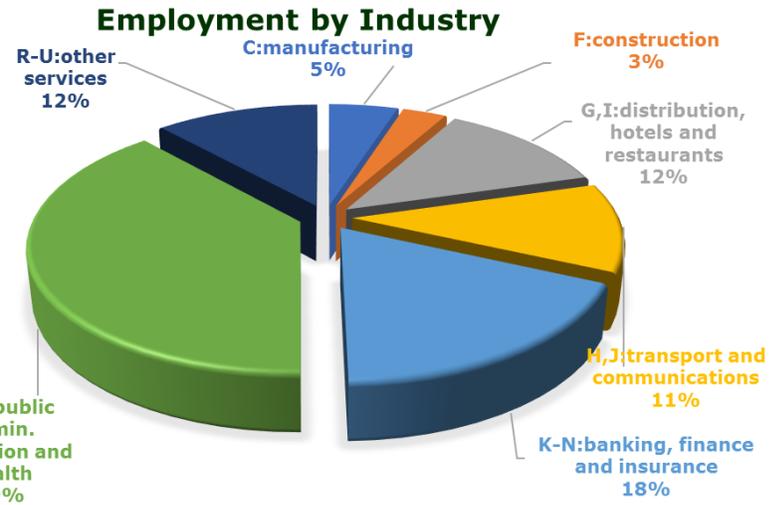
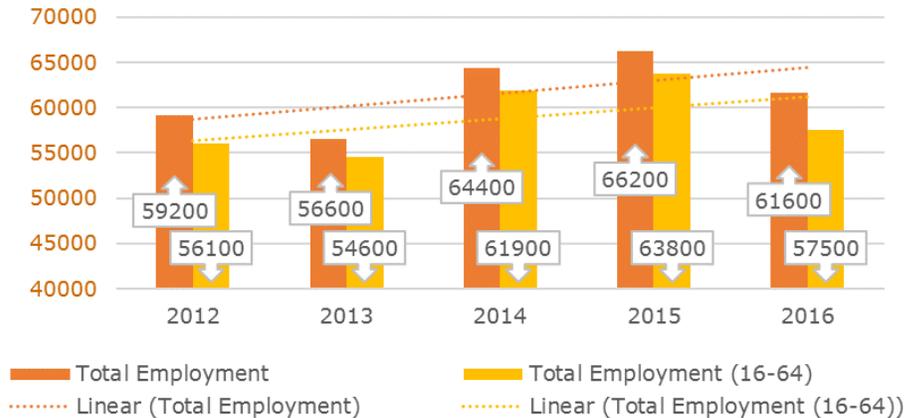


- In 2015, total employment by businesses located in Winchester was 82,000. Full-time employees accounted for around 54,000 jobs, with 27,000 part time employees making up the vast majority of the other jobs. The remainder are working owners (self-employed registered for VAT or PAYE schemes).
- Employment by business located in Winchester has grown by 10,000 since 2011, with growth in full-time jobs accounting for the vast majority of this increase.
- The two largest sections in terms of employment in 2015 were 'Human Health and Social Work Activities' at 17% of total employment, and 'Wholesale and retail trade, repair of motor vehicles and motor cycles' 16%.
- Other industrial sections include: 'Professional, scientific and technical activities' (9%); 'Education' (9%); 'Accommodation and food service activities' (7%); 'Information and communication' (7%); 'Administrative and support service activities' (6%); and 'Manufacturing' (5%).

Employment

61,600 Winchester residents were in employment in 2016

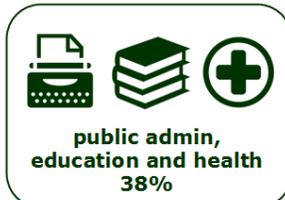
Growth in Employment 2012-16



Comparing Change in Employment



Key Sectors



- 61,600 Winchester residents aged 16+ were in employment in 2016.
- The employment rate was 76.5%.
- The overall level of employment increased by more than 4% during 2012-2016. The level of employment for those of working age (16-64) increased by 2.5%.
- Over 90% of employment was in the service sector; the largest sectors being 'public admin, education and health' (38% of employment), 'banking, finance and insurance' (18%); 'distribution, hotels and restaurants' (12%) and 'transport and communications' (11%)
- Winchester's increase in the level of employment (aged 16+) is below the UK average, and lower than Guildford (aspirational comparator), and Test Valley (condition comparator). It is higher than other comparators.

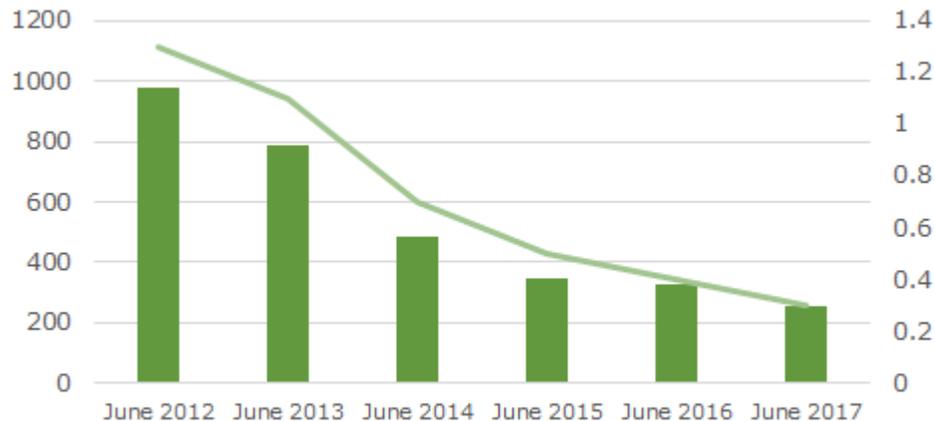
Unemployment

According to the Annual Population Survey, the unemployment rate in Winchester in 2016 was 3.5% for 16-64 year olds

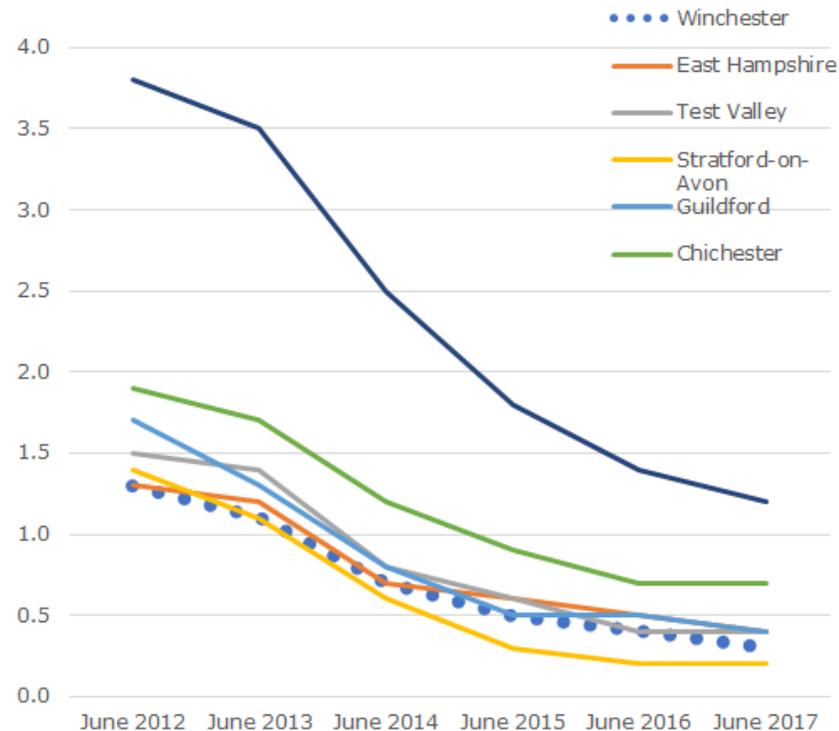
The number of people in Winchester claiming Job Seeker's Allowance in June 2017 was 255 (0.3% of those aged 16-64)

- The unemployment rate (from the Annual Population Survey) for Winchester was 3.5% for 16-64 year olds, and 3.3% for those aged 16+ in 2016.
- From 2012 to 2016 the unemployment rate reduced in Winchester from 4.6% to 3.5% (16-64) and 4.4% to 3.3% (16+).
- In June 2017, the number of people in Winchester claiming Jobseeker's Allowance (JSA) accounted for 0.3% of those aged 16-64.
- The number of Job Seeker's Allowance claimants in Winchester fell from almost 1,000 in June 2012 (1.3% of 16-64 year olds) to around 250 (0.3% of 16-64 year olds) in June 2017.
- Along with both the condition and aspirational comparator areas, the rate of Jobseeker's Allowance claimants in Winchester has decreased over recent years. All comparator areas are notably below the UK average.

Jobseeker's Allowance Claimants - Winchester



JSA Claimant Rates



JSA Claimant Rates (% of 16-64 year olds)

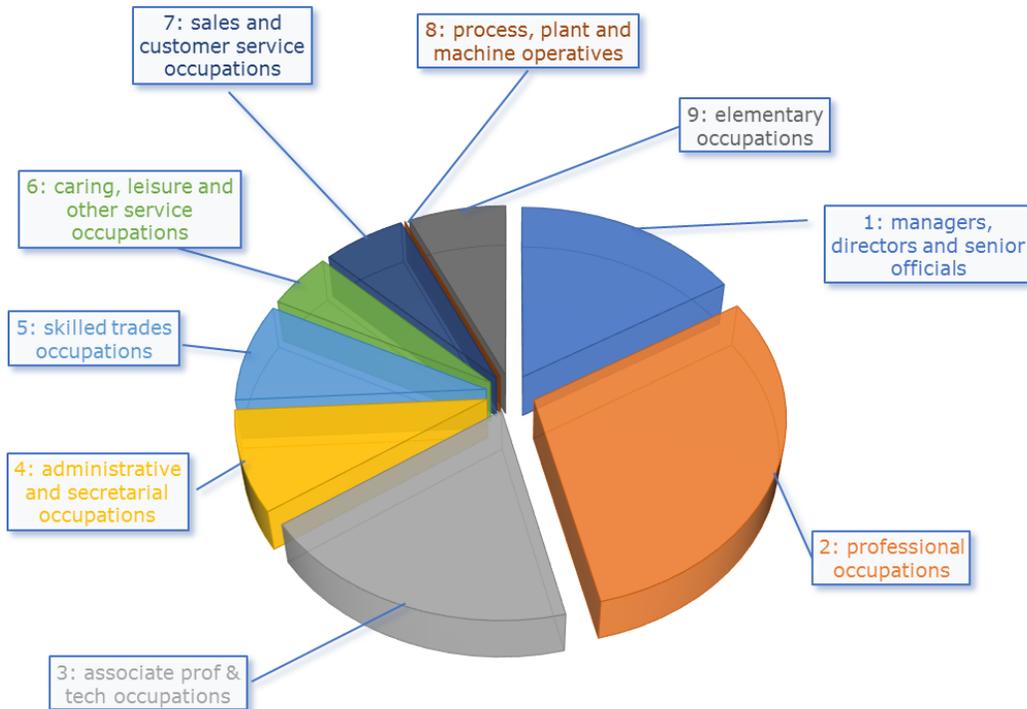
	June 2012	June 2013	June 2014	June 2015	June 2016	June 2017
Winchester	1.3	1.1	0.7	0.5	0.4	0.3
East Hampshire	1.3	1.2	0.7	0.6	0.5	0.4
Test Valley	1.5	1.4	0.8	0.6	0.4	0.4
Stratford-on-Avon	1.4	1.1	0.6	0.3	0.2	0.2
Guildford	1.7	1.3	0.8	0.5	0.5	0.4
Chichester	1.9	1.7	1.2	0.9	0.7	0.7
UK	3.8	3.5	2.5	1.8	1.4	1.2

Skills and Qualifications

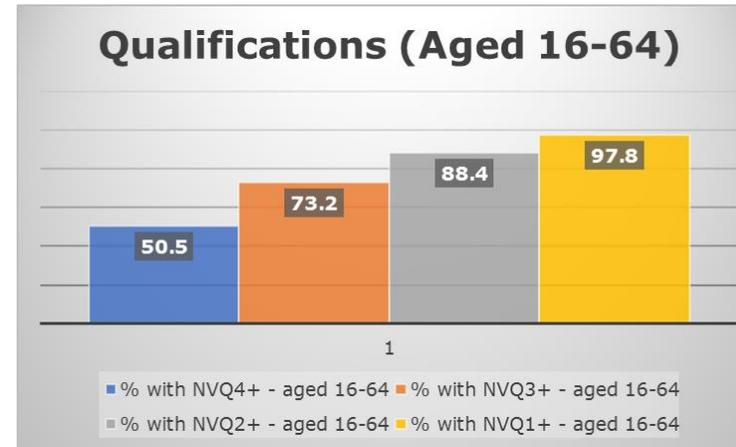
Skills and Qualifications

More than 50% of Winchester residents have a Qualification at NVQ4+

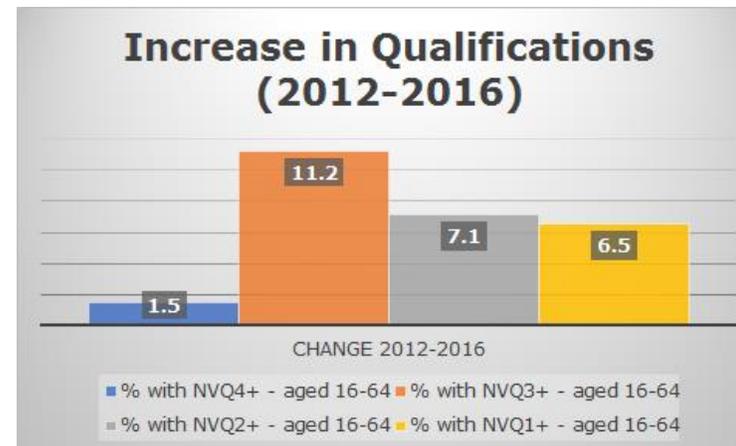
Employment by Occupation (SOC2010)



Qualifications (Aged 16-64)



Increase in Qualifications (2012-2016)



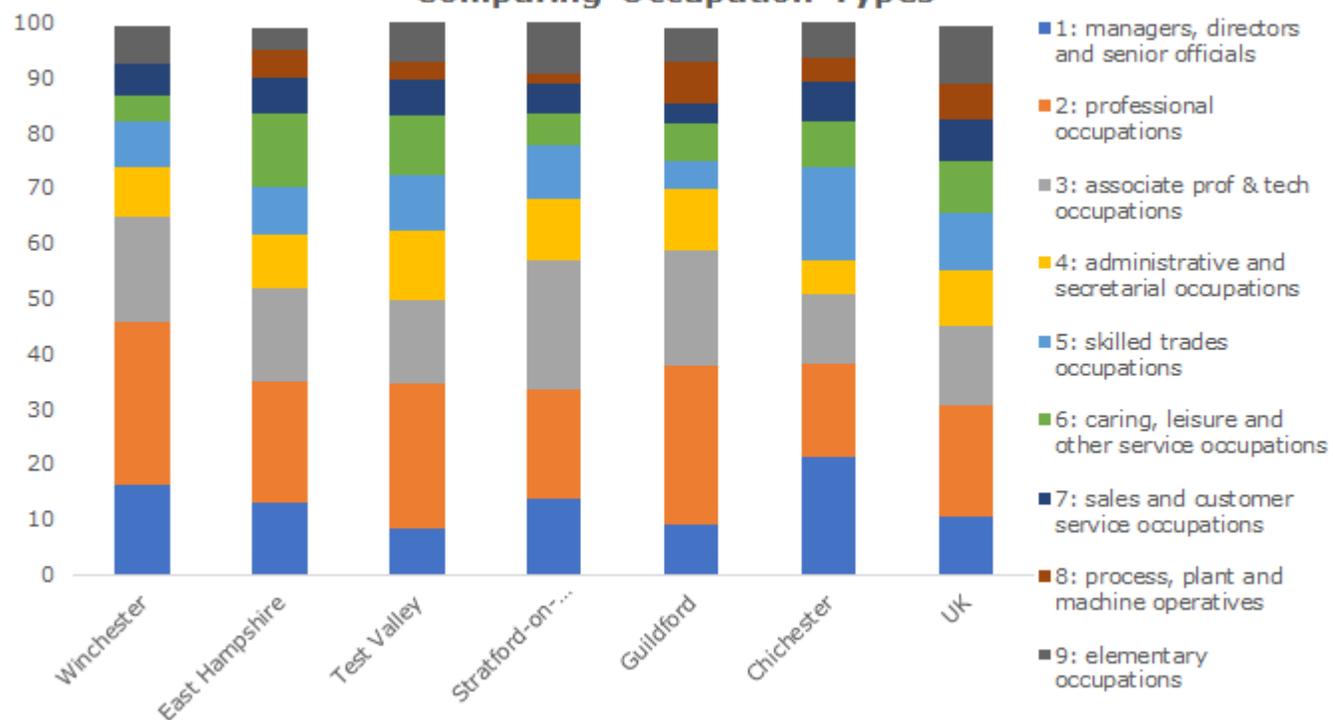
- In terms of occupations (Standard Occupational Classification (SOC2010)), the most common category in Winchester is 'professional occupations' accounting for 30% of employment.
- The next most common occupation type is 'associate prof & tech occupations' with almost 20% of employment, followed by 'managers, directors and senior officials' at 16%.
- More than half of Winchester residents have a qualification at NVQ4 or above, and almost three-quarters have NVQ3+ level qualifications.
- The percent of people with each level of qualification has changed over time, with increases at each level – with the largest increase being at NVQ3+ (by more than 11% between 2012 and 2016).

Skills and Qualifications

	% with NVQ4+	% with NVQ3+	% with NVQ2+	% with NVQ1+	% with other qual. (NVQ)	% with no qual. (NVQ)
Winchester	50.5	73.2	88.4	97.8	-	-
East Hampshire (c)	43.8	62.1	78.6	85.8	6.5	7.6
Test Valley (c)	44.6	65.5	79.2	93.4	2.7	3.9
Stratford-on-Avon (c)	45.4	68.8	86.7	93.7	2.3	4.1
Guildford (a)	45.2	58.4	73.0	84.2	9.8	6.1
Chichester (a)	39.3	62.1	78.7	87.7	4.9	7.3
UK	38.0	56.7	74.2	85.1	6.6	8.3

- Winchester is consistently higher than the national average and across all other comparator areas – both condition (c) and aspiration (a) – in terms of the percent of the population with each level of qualification.
- For example, only Winchester has more than half of the population with NVQ4+ level qualifications, and more than 70% with NVQ3+.
- In terms of occupation types, Winchester is well above the national average for occupation groups 1 to 3 (managers, directors, and senior officials; professional occupations; and associate professional and technical occupations). 65% of occupations are in these groups for Winchester, compared to 45% nationally.
- Conversely, Winchester is under-represented in terms of groups 7 to 9, with 13% of occupations in these groups compared to 25% nationally.

Comparing Occupation Types



65%

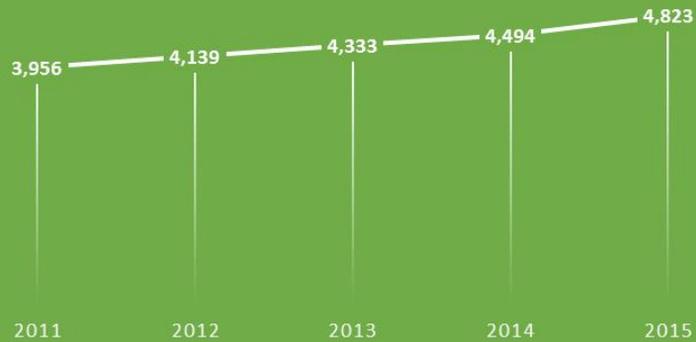
Two-thirds of occupations are in the top 3 major groups, well above national average.

Gross Value Added (GVA)

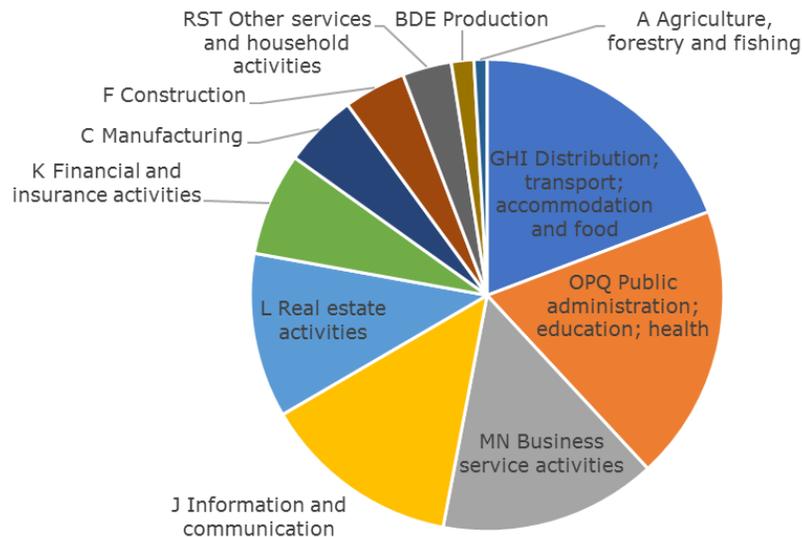
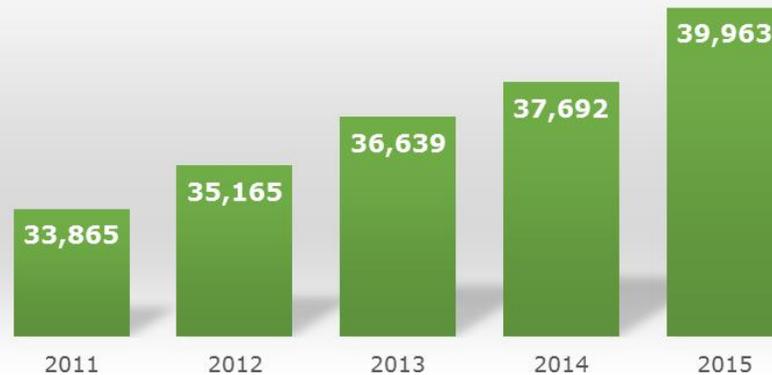
Gross Value Added (GVA)

Gross Value Added for Winchester was £4,823 million in 2015

GROSS VALUE ADDED (£MILLIONS)



GVA per head (£)




Public administration; education; health
19%



Distribution; transport; accommodation and food
19%

Largest Contributors to GVA



Information and communication
14%



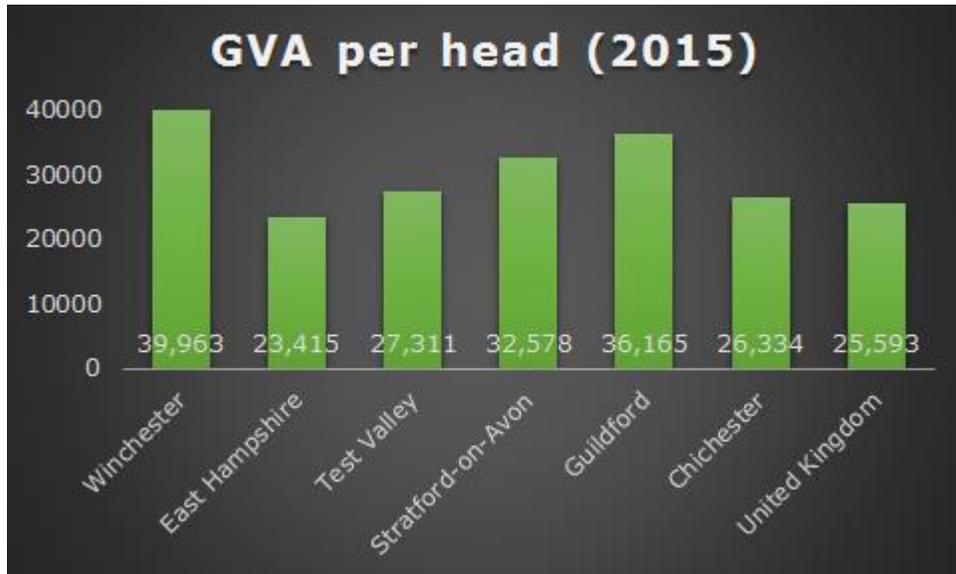
Business service activities
15%



Real estate activities
11%

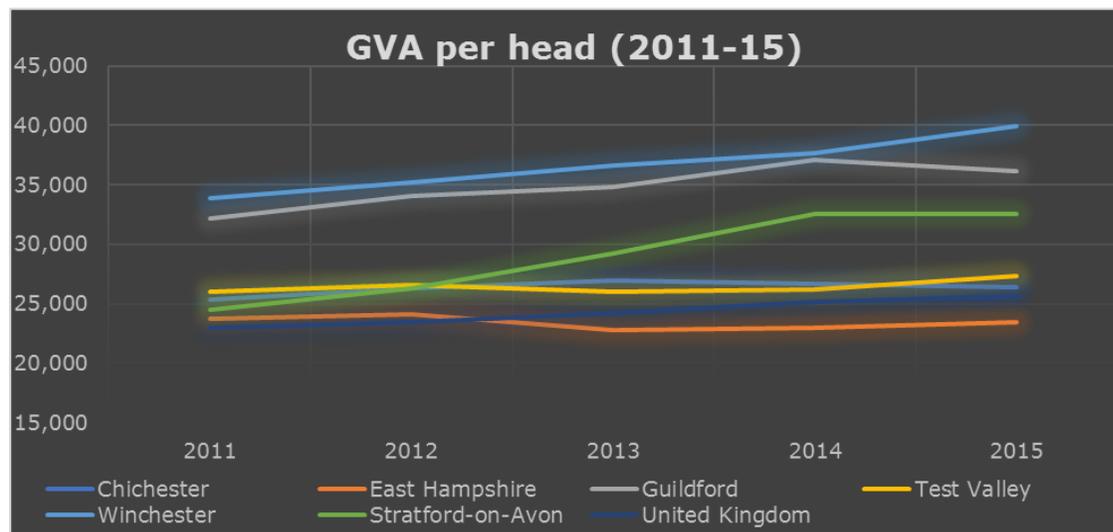
- Total Gross Value Added for Winchester was £4,823 million in 2015, having grown by 22% between 2011 and 2015.
- GVA per head has also shown growth in recent years – by 18% to £39,693 in 2015.
- The industrial sectors that contribute the greatest proportions to overall GVA are 'Distribution; transport; accommodation and food' and 'Public administration; education; health' both of which each provide almost one-fifth of total GVA (19%).
- These are followed by 'Business service activities' (15%); 'Information and communication' (14%) and 'Real estate activities' (11%).

Gross Value Added (GVA)



Area	Total GVA Change (2011-15)
Stratford-on-Avon	+33.6%
Winchester	+21.9%
Guildford	+19.4%
United Kingdom	+14.8%
Test Valley	+8.8%
Chichester	+6.8%
East Hampshire	+0.3%

Area	GVA per head index 2015 (UK = 100)
Winchester	157.6
Guildford	142.7
Stratford-on-Avon	128.5
Test Valley	107.7
Chichester	103.9
United Kingdom	101.0
East Hampshire	92.4



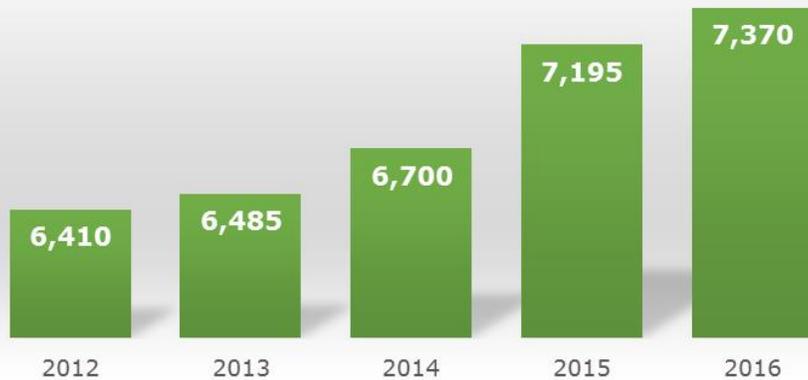
- Assessing Winchester against a range of comparator areas shows GVA per head in Winchester for 2015 is well above the UK average - at almost £40,000.
- Winchester is also above all other comparators – both condition and aspirational – for GVA per head. This position is sustained over time, with Winchester remaining in this position for every year included in the analysis.
- The change in Total GVA over time (2011-15) shows Winchester’s GVA increasing by 22%, lower than Stratford on Avon, but higher than the national average and also higher than all other comparator areas.
- The GVA per head index for Winchester shows it is well above the UK average, and also clearly exceeds all other comparator areas.

Business and Enterprise

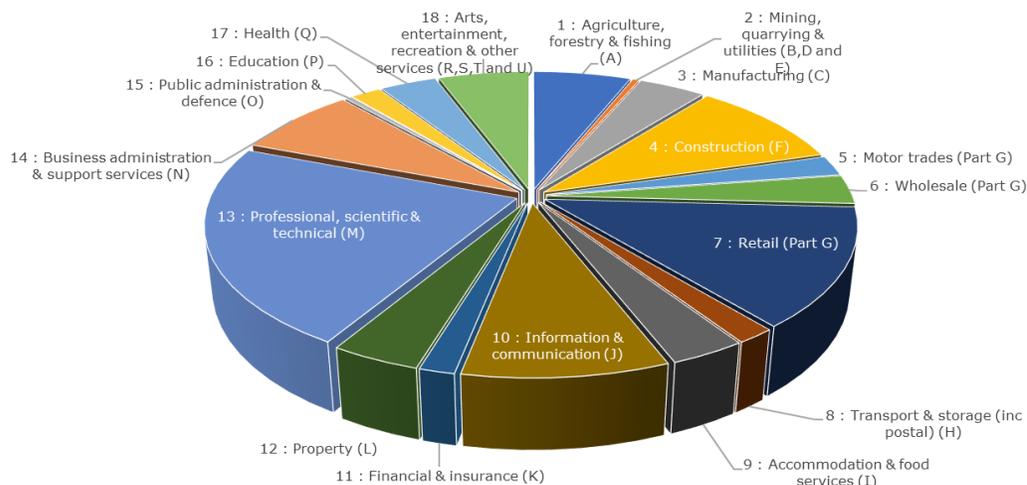
Business and Enterprise

There were almost 7,400 enterprises in Winchester in 2016

Enterprises in Winchester



Types of Enterprise



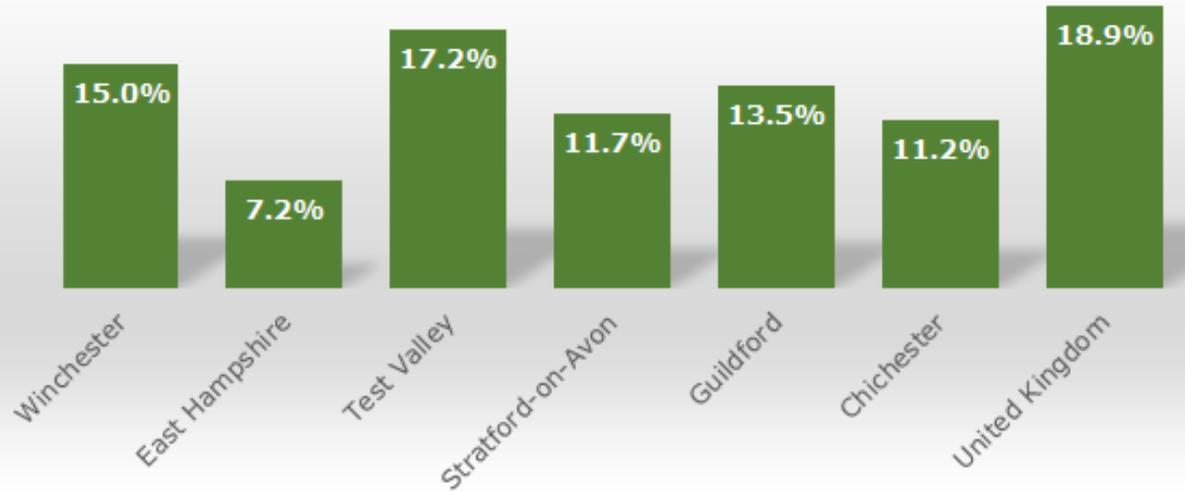
Largest Sectors by Enterprise Type



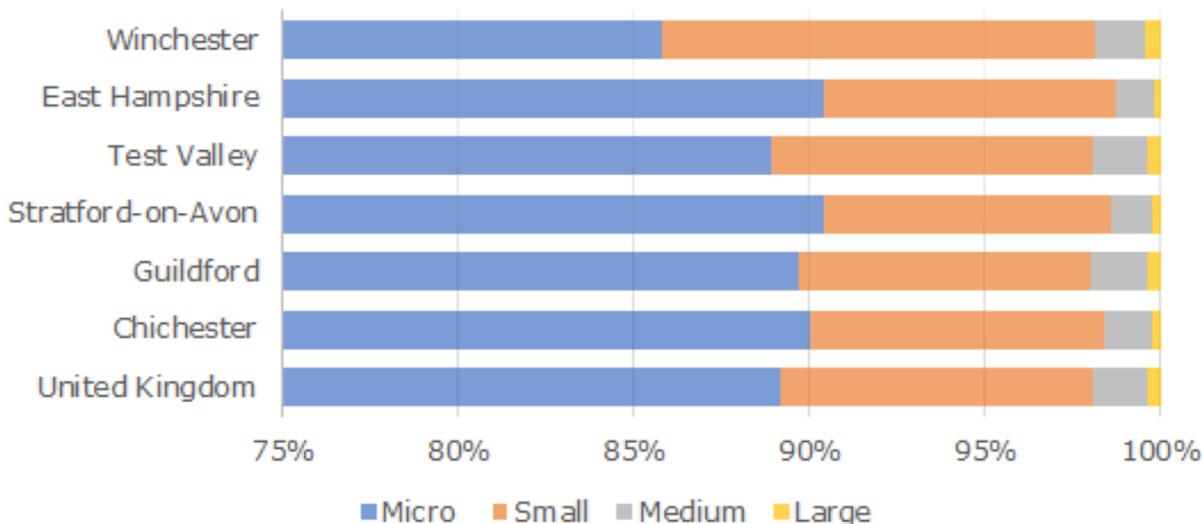
- The number of businesses (enterprises) in Winchester in 2016 was almost 7,400.
- Micro-businesses account for the vast majority of these enterprises (86%), followed by small businesses which make up 12% of all enterprises in Winchester. The remainder (just less than 2%) are medium and large enterprises. This pattern of domination by micro-enterprises occurs across all years under analysis.
- In terms of key sectors, 22% of businesses are in the 'Professional, scientific and technical' sector, 13% are 'Retail', and 10% are in 'Construction'. Other notable sectors include: 'Information & communication' (9%); 'Business administration & support services' (8%); 'Agriculture, forestry & fishing' (6%); and 'Arts, entertainment, recreation & other services' (6%).

Business and Enterprise

Growth in Number of Enterprises 2012-2016



Comparison of Types of Enterprise



- Winchester has seen growth across all types of enterprise between 2012 and 2016. Whilst the vast majority of this overall growth has been in micro-businesses, the number of small enterprises has grown by around one-quarter.
- When compared to other areas in terms of growth in number of enterprises, Winchester is below the national average, but has shown greater growth than East Hampshire, Stratford on Avon, Guildford and Chichester.
- Winchester has a greater proportion of business that are small enterprises when compared to the UK average (and comparator areas), and a smaller proportion that are micro enterprises. Most notably, small enterprises make up more than 12% of Winchester's business stock, the only comparator that reports double figures for this measure.
- Analysing the industrial breakdown of enterprises for Winchester identifies the sectors for which Winchester has an above, or below, average representation (above +/-1%):
 - Above UK average: 'Professional, scientific and technical activities' (+4.3%); 'Wholesale and retail trade; repair of motor vehicles and motorcycles' (+4.2%)
 - Below UK average: 'Accommodation and food service activities' (-2.5%); 'Construction' (-2.0%); 'Transportation and storage' (-1.9%); 'Manufacturing' (-1.1%).

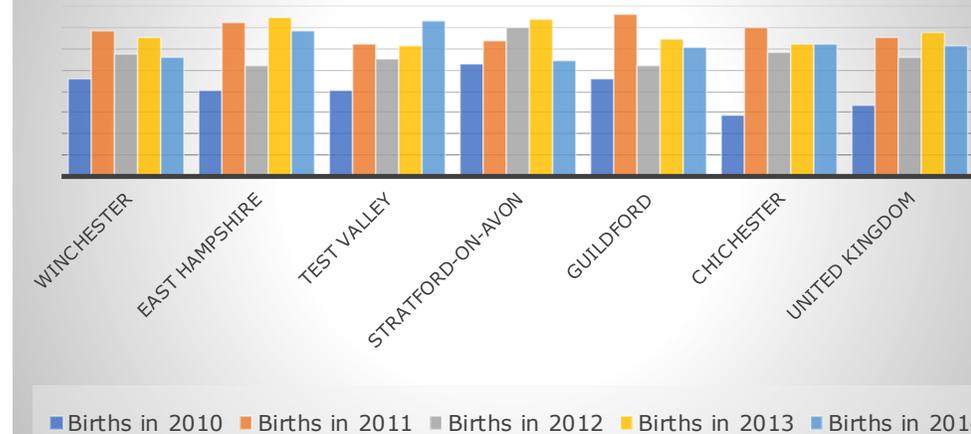
Business and Enterprise

**Survival of Newly Born Enterprises
(1 Year Survival Rates)**



Births in 2010 Births in 2011 Births in 2012 Births in 2013 Births in 2014

**Survival of Newly Born Enterprises
(1 Year Survival Rates)**



- The one-year survival rates for new enterprises in Winchester over the last five years has been consistently close to, or in excess of, 90%, peaking at 93.7% in 2011.
- This is similar to the comparator areas, with all areas exhibiting rates of between 86% and 95% over the time period.
- The survival of enterprises over a longer time period (up to five years) shows that the 5-year survival rate for newly born enterprises in Winchester from 2010 is above the national average, and also exceeds all comparator areas.

1-Year to 5-Year Survival Rates of Newly Born Enterprises (Births in 2010)

	1-year	2-year	3-year	4-year	5-year
Winchester	89.1	75.8	61.7	53.1	48.4
East Hampshire	88.1	75.2	60.6	51.4	43.1
Test Valley	88.1	75.2	60.4	52.5	45.5
Stratford-on-Avon	90.5	78.6	61.1	50.8	45.2
Guildford	89.1	76.6	62.8	55.5	46.7
Chichester	85.7	73.2	59.8	52.7	44.6
UK	86.7	72.5	57.1	48.1	41.4

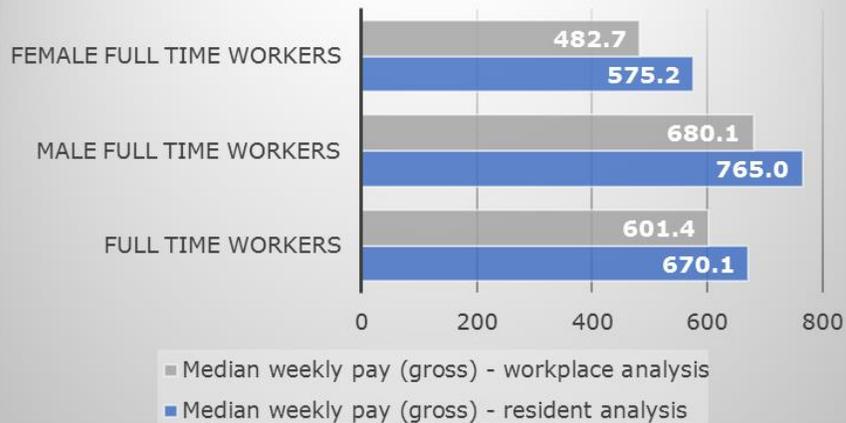
Wages and Earnings

Wages and Earnings

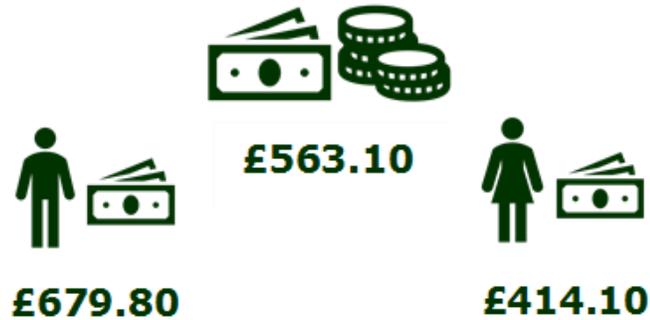
The gross weekly wages of full-time employees in 2016 was £670 for those living in Winchester and £601 for those working in Winchester

- For those living in Winchester, the gross weekly wages of full-time employees in 2016 was £670.10. The hourly rate was £17.17 in 2016.
- For those working in Winchester, the gross weekly wages of full-time employees in 2016 was £601.40. The hourly rate was £15.45 in 2016.
- The gender variance in worker earnings for Winchester – both those living in and those working in the area - exists to the same extent in other comparator areas across the country.
- Comparison between the earnings of full-time employees living in Winchester and employees working in Winchester shows those living in Winchester have higher earnings than those working in Winchester.
- These results suggest that those employees living in Winchester and commuting out of the area for work are higher earners compared to those working in Winchester but living outside the district.

Median weekly pay (gross)



All Employees Living in Winchester



All Employees Working in Winchester



Median hourly pay (gross)

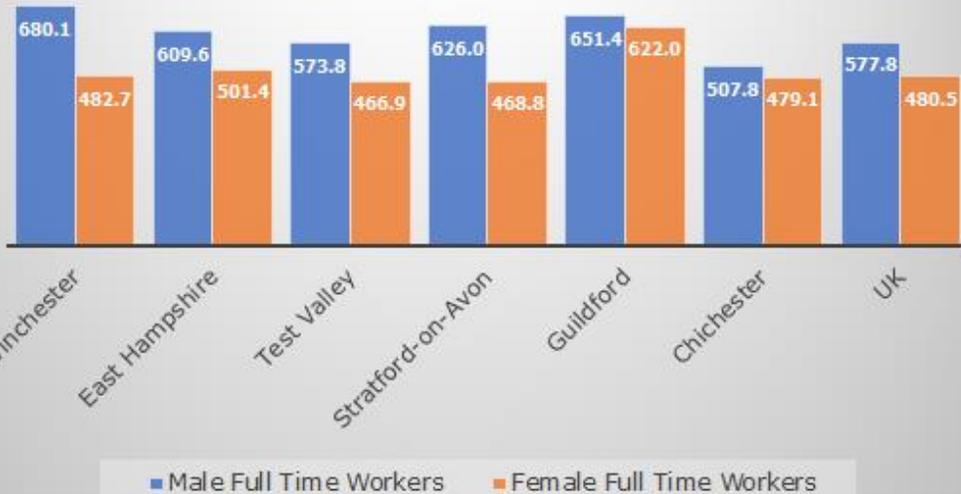


Wages and Earnings

Comparing Resident Earnings



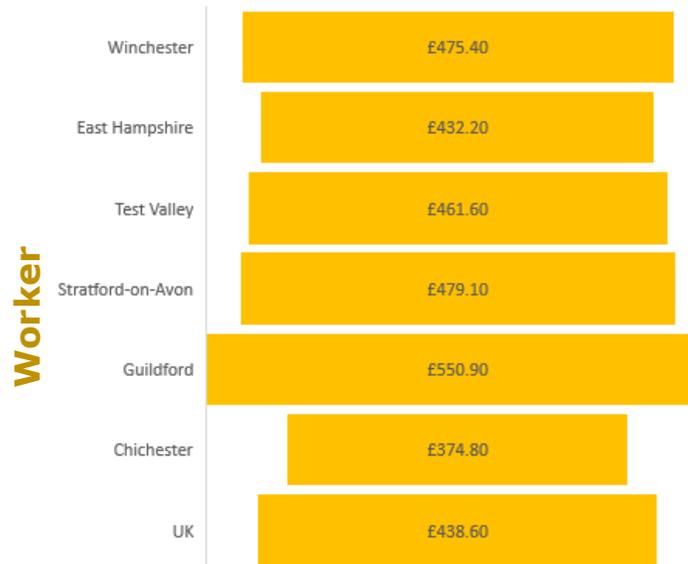
Comparing Worker Earnings



Resident



All Employees – Gross Weekly Wages



Worker

- The gross weekly wages of full-time employees – both those living in Winchester and those working in Winchester – are well above national averages.
- This is the case for both male and female full-time employees both living in and working in Winchester.
- The median weekly gross pay for Winchester residents for all employees in 2016 was £563.10.
- For all employees, earnings for Winchester residents exceeds the national average, as well as being higher than all (except one - Guildford) of the condition and aspirational comparators.
- Earnings for those working in Winchester is lower at £475.40 for all employees, although it is still above the national average and fairs well when compared to other areas.

Appendix: Explanatory Notes and Definitions

Standard Industrial Classification (SIC2007): SECTIONS

- A : Agriculture, forestry and fishing
- B : Mining and quarrying
- C : Manufacturing
- D : Electricity, gas, steam and air conditioning supply
- E : Water supply; sewerage, waste management and remediation activities
- F : Construction
- G : Wholesale and retail trade; repair of motor vehicles and motorcycles
- H : Transportation and storage
- I : Accommodation and food service activities
- J : Information and communication
- K : Financial and insurance activities
- L : Real estate activities
- M : Professional, scientific and technical activities
- N : Administrative and support service activities
- O : Public administration and defence; compulsory social security
- P : Education
- Q : Human health and social work activities
- R : Arts, entertainment and recreation
- S : Other service activities
- T : Activities of households as employers; undifferentiated goods-and services-producing activities of households for own use
- U : Activities of extraterritorial organisations and bodies

Standard Occupational Classification (SOC2010)

The Standard Occupational Classification consists of the following major (and sub-major) groups:

1. Managers, Directors and Senior Officials

- 11: CORPORATE MANAGERS AND DIRECTORS; 12: OTHER MANAGERS AND PROPRIETORS

2. Professional Occupations

- 21: SCIENCE, RESEARCH, ENGINEERING AND TECHNOLOGY PROFESSIONALS; 22: HEALTH PROFESSIONALS; 23: TEACHING AND EDUCATIONAL PROFESSIONALS; 24: BUSINESS, MEDIA AND PUBLIC SERVICE PROFESSIONALS

3. Associate Professional and Technical Occupations

- 31: SCIENCE, ENGINEERING AND TECHNOLOGY ASSOCIATE PROFESSIONALS; 32: HEALTH AND SOCIAL CARE ASSOCIATE PROFESSIONALS; 33: PROTECTIVE SERVICE OCCUPATIONS; 34: CULTURE, MEDIA AND SPORTS OCCUPATIONS; 35: BUSINESS AND PUBLIC SERVICE ASSOCIATE PROFESSIONALS

4. Administrative and Secretarial Occupations

- 41: ADMINISTRATIVE OCCUPATIONS; 42: SECRETARIAL AND RELATED OCCUPATIONS

5. Skilled Trades Occupations

- 51: SKILLED AGRICULTURAL AND RELATED TRADES; 52: SKILLED METAL, ELECTRICAL AND ELECTRONIC TRADES; 53: SKILLED CONSTRUCTION AND BUILDING TRADES; 54: TEXTILES, PRINTING AND OTHER SKILLED TRADES

6. Caring, Leisure and Other Service Occupations

- 61: CARING PERSONAL SERVICE OCCUPATIONS; 62: LEISURE, TRAVEL AND RELATED PERSONAL SERVICE OCCUPATIONS

7. Sales and Customer Service Occupations

- 71: SALES OCCUPATIONS; 72: CUSTOMER SERVICE OCCUPATIONS

8. Process, Plant and Machine Operatives

- 81: PROCESS, PLANT AND MACHINE OPERATIVES; 82: TRANSPORT AND MOBILE MACHINE DRIVERS AND OPERATIVES

9. Elementary Occupations

- 91: ELEMENTARY TRADES AND RELATED OCCUPATIONS; 92: ELEMENTARY ADMINISTRATION AND SERVICE OCCUPATIONS

List of Comparator Areas Used

As part of the Economic Profile of The Winchester District a range of comparators were included in the analysis – in order to consider Winchester District’s position relative a small number of both condition (i.e. other local authority districts with similar characteristics to Winchester) and aspirational (i.e. other local authority districts that Winchester wants to emulate or aspires to position itself alongside).

The condition comparators were selected based on the CIPFA Nearest Neighbours Model (<http://www.cipfastats.net/resources/nearestneighbours/>) whilst the aspirational comparators were agreed via discussions between representatives of DC Research and Winchester City Council.

In addition to the condition and aspirational comparators data for the UK was also included to show Winchester’s position relative to the national average.

The full list of comparators used were:

- East Hampshire (c)
- Test Valley (c)
- Stratford-on-Avon (c)
- Guildford (a)
- Chichester (a)
- UK

(Note: ‘(a)’ indicates an aspirational comparator and ‘(c)’ represents a condition comparator).

Definitions & Explanations

GROSS VALUE ADDED (GVA)

- Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. It is measured at current basic prices, which include the effect of inflation, excluding taxes (less subsidies) on products (for example, Value Added Tax). GVA plus taxes (less subsidies) on products is equivalent to gross domestic product (GDP).
- These regional estimates of gross value added are measured using the income approach. This involves adding up the income generated by UK individuals or corporations in the production of goods and services. It is calculated gross of deductions for consumption of fixed capital, which is the amount of fixed assets used up in the process of production in any period. These estimates are consistent with the National Accounts Blue Book 2016. National aggregates for the components of GVA are allocated to regions using the most appropriate regional indicator available.
- The GVA(I) estimates presented here are on a workplace basis (allocated to the location where the economic activity takes place). **GVA(I) per head of population** is a useful way of comparing regions of different size and is an important indicator for both domestic and European policy purposes. Total GVA(I) estimates in millions of pounds (£m) are divided by the total resident population of a region (including the economically inactive) to give GVA per head in pounds (£). While GVA(I) per head can be a useful way of comparing regions of different size, comparisons can be affected by commuting flows into or out of the region. Small areas, such as local authorities, can be subject to very large distortions and this should be borne in mind when interpreting the statistics as an indicator of relative economic prosperity. GVA per head is not a measure of productivity.

Source:

<https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=183#https://www.nomisweb.co.uk/query/construct/summary.asp?mode=construct&version=0&dataset=183#>

WAGES AND EARNINGS – MEDIAN VALUES

- The wages and earnings data used in this report is drawn from the Annual Survey of Hours and Earnings (ASHE) accessed via NOMIS (<https://www.nomisweb.co.uk/>).
- The headline statistics for ASHE are based on the median rather than the mean. The median is the value below which 50% of employees fall. It is ONS's preferred measure of average earnings as it is less affected by a relatively small number of very high earners and the skewed distribution of earnings. It therefore gives a better indication of typical pay than the mean.