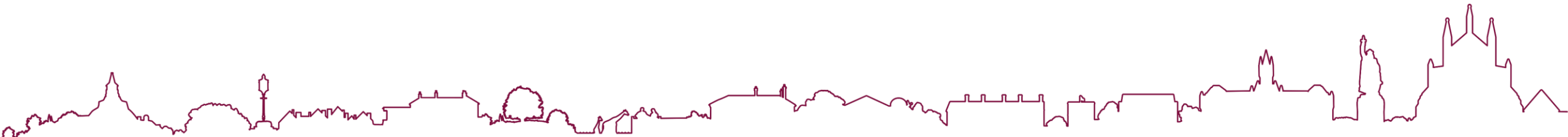


Winchester District Quarterly Economic Intelligence Dashboard



March 2023

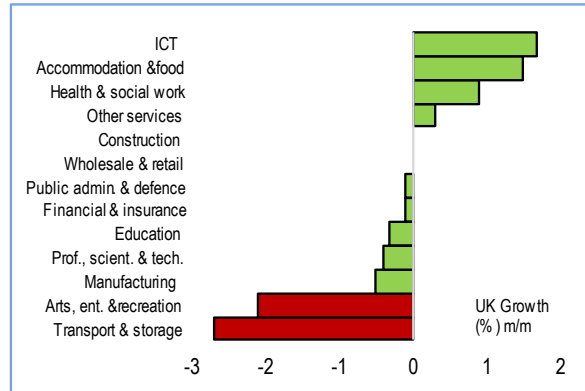
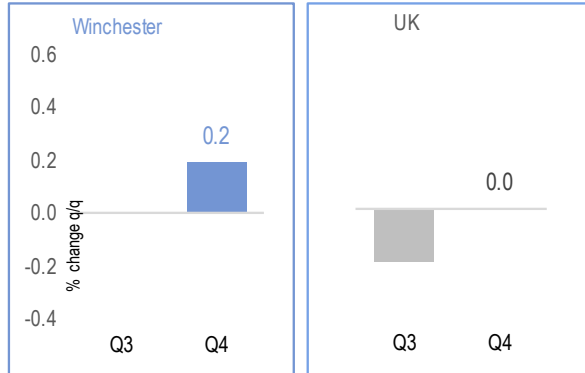


Winchester
City Council

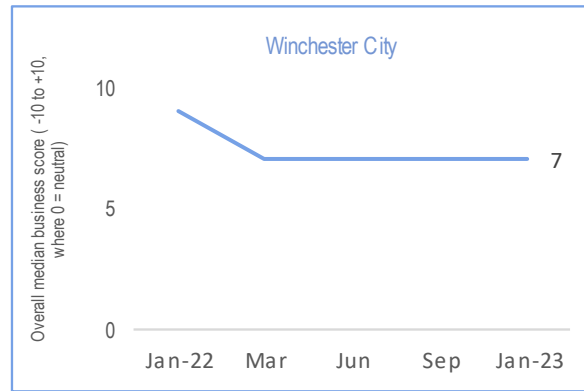
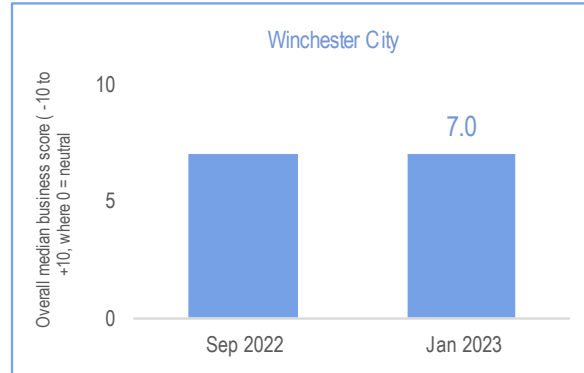
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Economic Growth

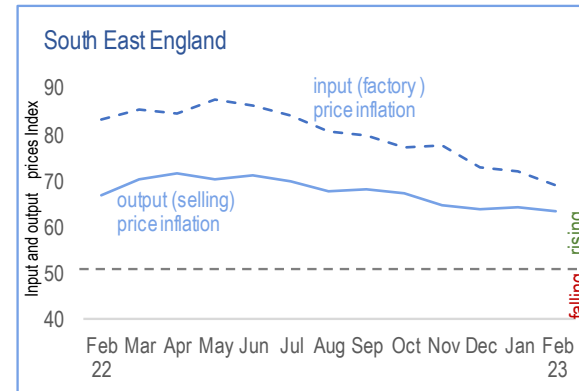
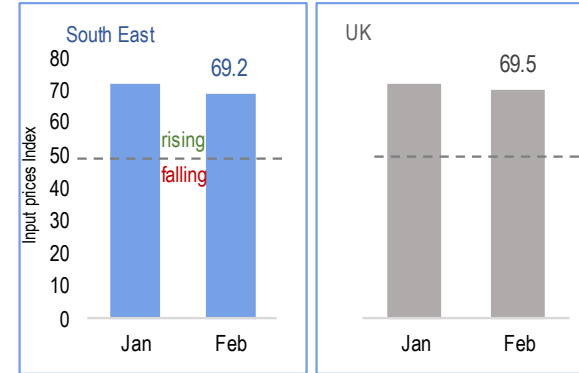


Business Performance



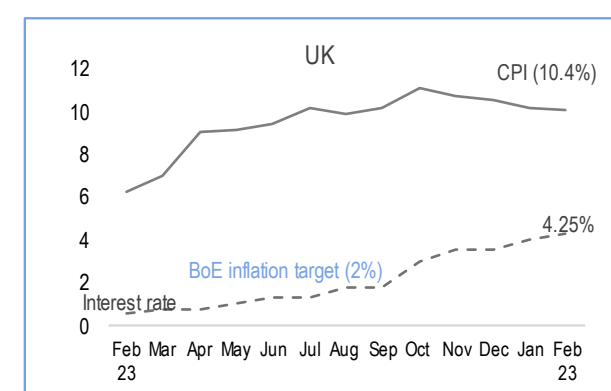
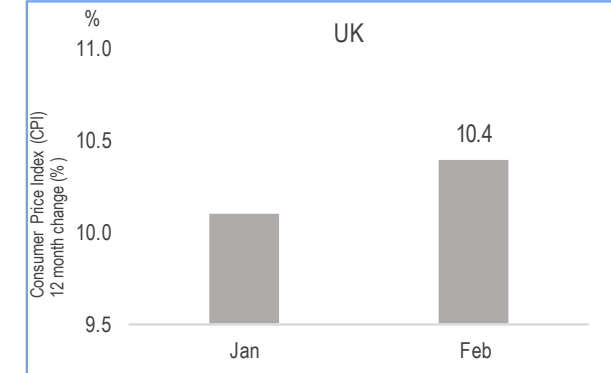
- Survey evidence from Winchester BID Business Barometer suggests that business activity (sales) in the city centre expanded in Jan but business performance was unchanged compared to Sep 2022.
- February data from regional PMI survey highlighted back-to-back increases in new orders in February.

Business Prices



- Elevated business costs in the region in February were attributed to higher food, insurance, material, utility and staff costs.
- Survey data points to the slowest increase in business costs in the region since April 2021 with output price inflation easing to 17-month low last month.

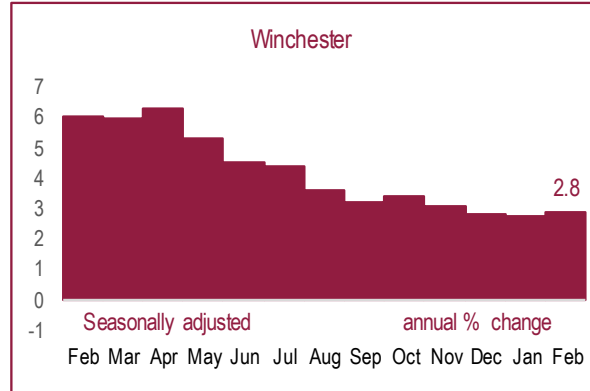
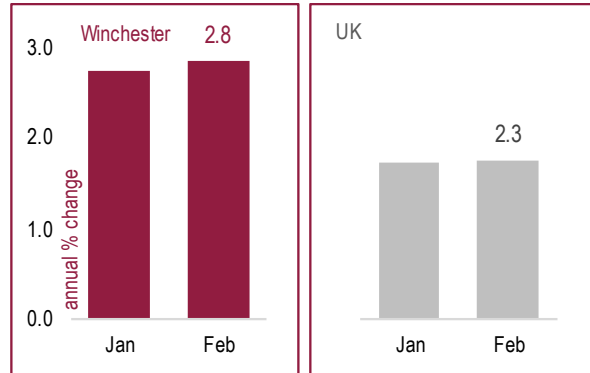
Inflation



- UK inflation increased by 10.4% in February with food & non-alcoholic drink inflation increasing by 18.2%, the highest rate in 45 years.
- Domestic price pressures (service inflation), rose by 6.6% in February, up from 6% in the previous month. The Bank of England responded by raising the rates to 4.25% in March.

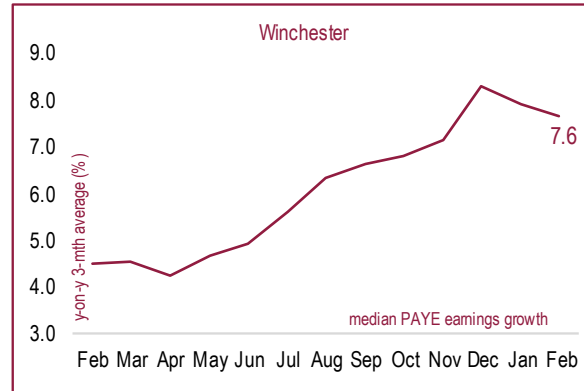
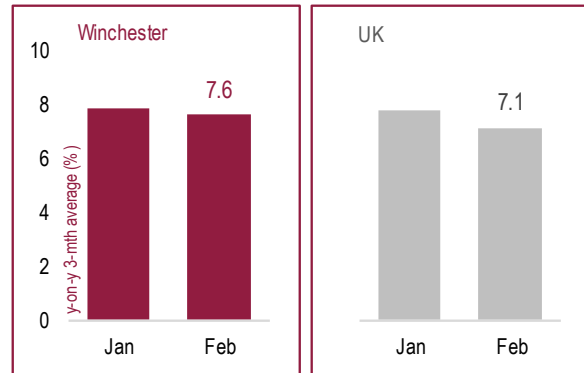
- Our preliminary estimates suggest that economic growth in Winchester district outperformed the national average in Q3 and Q4 of last year.
- Winchester expanded by 0.2% in Q4 faster than the Hampshire average.
- GVA growth in the fourth quarter was driven by ICT, accommodation & food and health and social work.

PAYE Employees



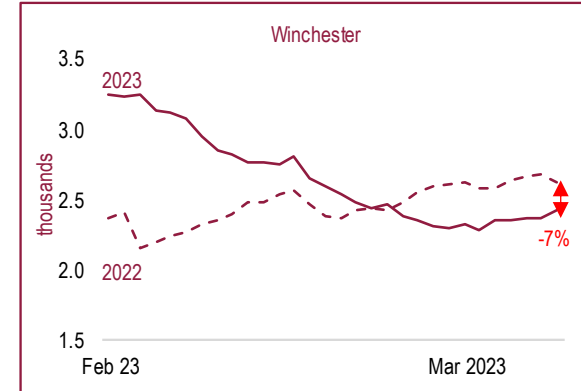
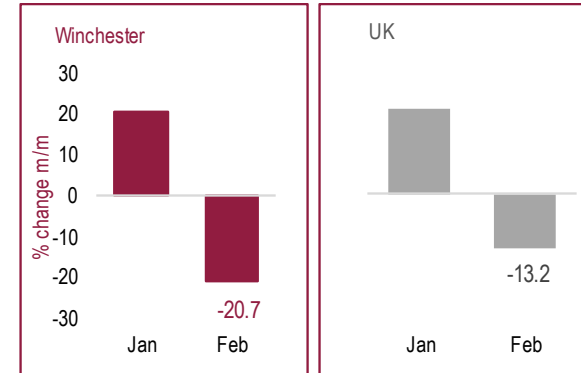
- PAYE employment data suggests that the labour market in Winchester district got tighter in February. PAYE employment increased by 265 employees to a record high of 56,983. February accounted for much of the quarterly employment growth.
- Annual and monthly growth in February was faster than in January.

PAYE Earnings



- The Bank of England will breathe a sigh of relief as wage growth eased in February. Median PAYE growth eased to 7.1% last month.
- Early payroll estimate for Winchester district points to median PAYE employee pay growth easing to 7.6% in February from 7.9% in the previous month.

Labour Demand



- Forward looking data points to some early signs of weakness in labour demand in Winchester district.
- Vacancies (online job postings) fell by about 20% in February following exceptionally strong growth in January. The fall was much larger than in Hampshire or UK and in large part driven by seasonal factors.

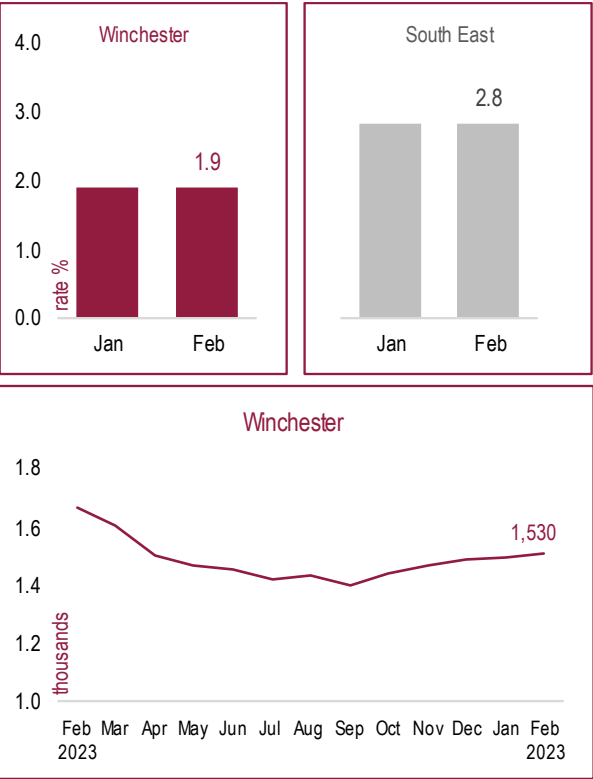
Demand by Occupation

Unique jobs postings by Occupation (SOC)	Feb	% of total
Care Workers and Home Carers	248	8.2
Nurses	214	7.1
Other Administrative Occupations n.e.c.	184	6.1
Kitchen and Catering Assistants	144	4.8
Chefs	110	3.6
Cleaners and Domestics	107	3.5
Sales Related Occupations n.e.c.	90	3.0
Nursing Auxiliaries and Assistants	88	2.9
Customer Service Occupations n.e.c.	82	2.7
Nursery Nurses and Assistants	81	2.7

Unique jobs postings by Occupation (SOC)	Dec	% of total
Care Workers and Home Carers	370	8.6
Nurses	334	7.8
Other Administrative Occupations n.e.c.	227	5.3
Chefs	219	5.1
Programmers & Software Development Professionals	209	4.9
Kitchen and Catering Assistants	208	4.8
Sales Related Occupations n.e.c.	131	3.0
Customer Service Occupations n.e.c.	128	3.0
Cleaners and Domestics	119	2.8
IT Business Analysts, Architects & Systems Designers	108	2.5

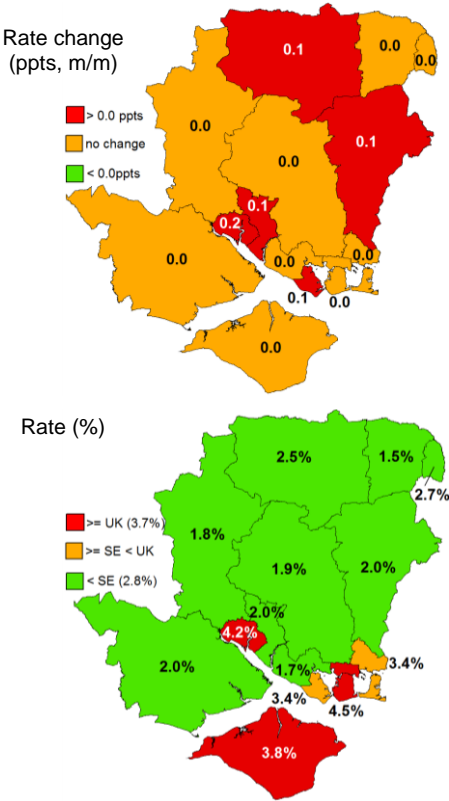
- In-demand jobs in Winchester district in February were in social care and health, hospitality, IT, and business services (admin., sales & customer services).
- Health and care demand eased on the quarter.
- Top in-demand specialised skills were in auditing finance, and health.

Claimant Unemployment ↔



• Working age unemployed claimant counts in Winchester district (not adjusted for seasonal factors) saw little change in February (+10) to stand at 1,530; largely down to youth unemployment. Little change across other age groups. The rate was unchanged at 1.9%. The count is 54% higher than pre-pandemic levels.

Local Claimants

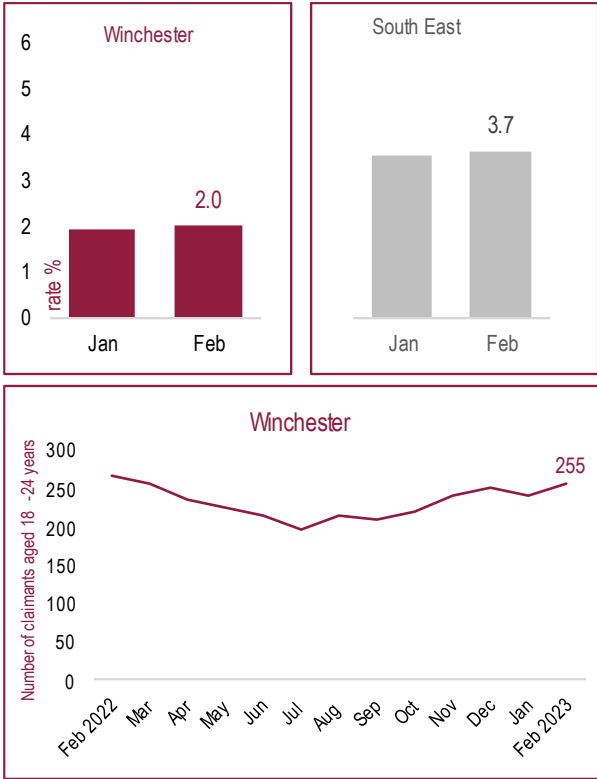


• Winchester district was one of nine local authorities in Hampshire & Isle of Wight to see no change in the monthly claimant count rate.

• Two districts accounted for 63% of the overall rise: Southampton (+330) and Basingstoke & Deane (+110).

• The district working age rate is well below the SE and UK averages.

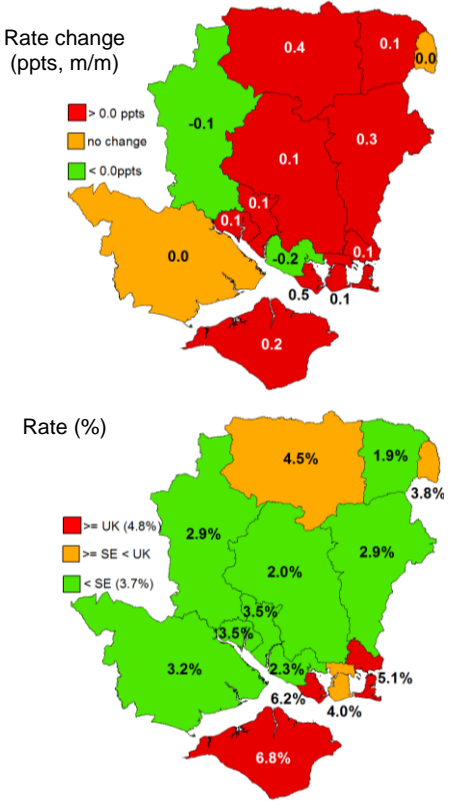
Youth Unemployment ↑



• The number of young unemployed claimants aged 18–24-year-olds in Winchester district also increased (+15) in February to 255 claimants.

• The youth claimant unemployment rate increased to 2.0% in February. However, the district rate is well below both the South East (3.7%) and UK (4.8%) averages.

Young Local Claimants

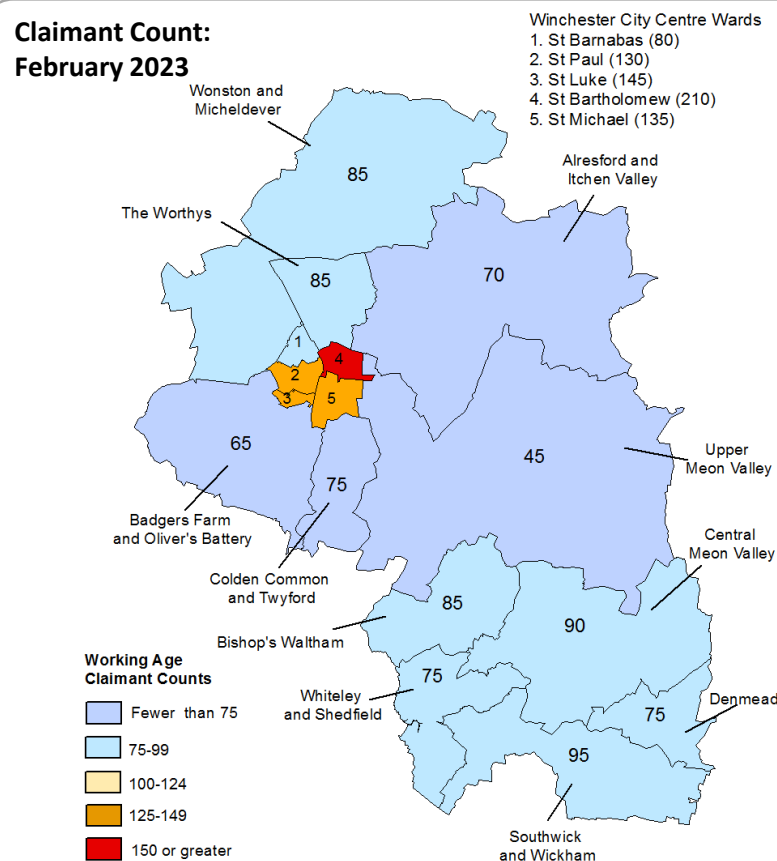


• Winchester district was one of ten local authorities in Hampshire & Isle of Wight to see an increase in the monthly claimant count rates.

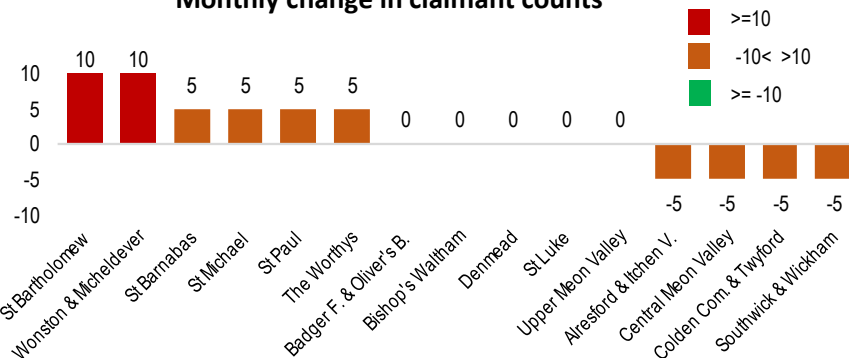
• The district is one of nine Hampshire & Isle of Wight districts below the SE and UK rates, while Gosport (6.2%), Havant (5.1%), and IoW (6.8%) are above to the UK rate.

- At the ward level in Winchester district, the number of unemployed claimants in November was higher in two of the 16 wards.
- Changes of 10 or more claimants were in St Bartholomew and Wonston & Micheldever wards.
- The remaining wards, 14 in total, effectively had no change (between -10 and 10 claimants).
- Three of the 16 district wards saw an increase in their claimant rates in February, with St Bartholomew, St Paul, and Wonston & Micheldever wards all seeing a 0.1 percentage points (ppts) increase.
- Ten wards saw no monthly change in rates while Upper Meon, Central Meon, Whiteley & Shedfield, and Colden Common & Twyford decreased by 0.1 ppts.
- St Luke and St Bartholomew wards are the only wards with a working age unemployment rate above the South East average (2.8%).

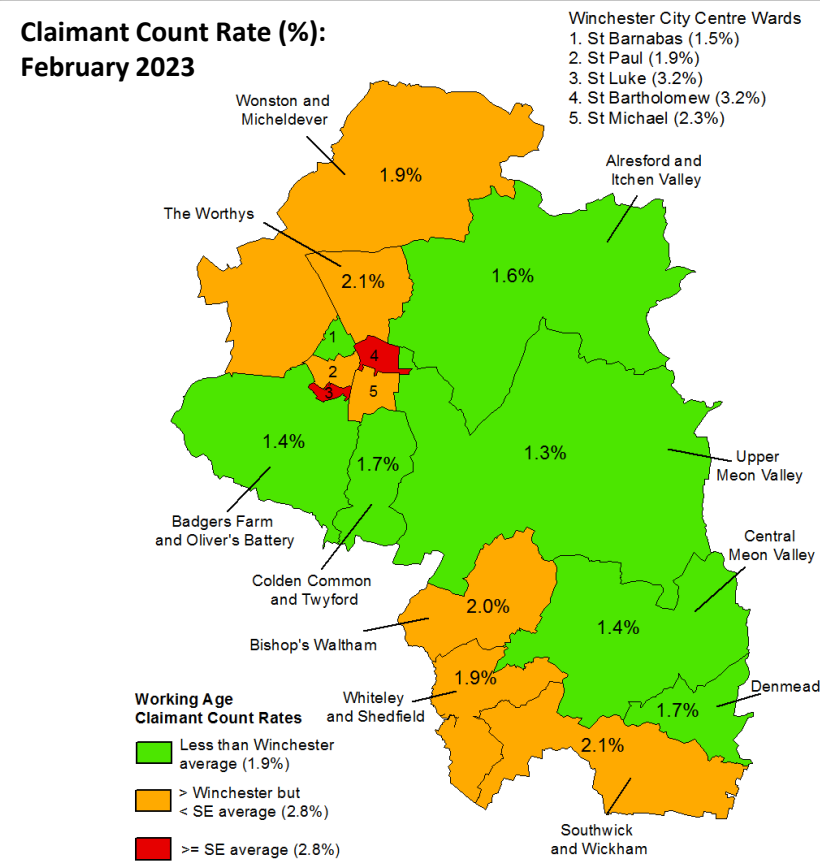
**Claimant Count:
February 2023**



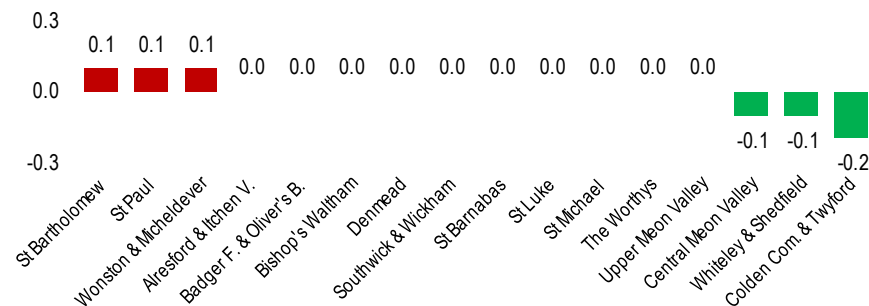
Monthly change in claimant counts



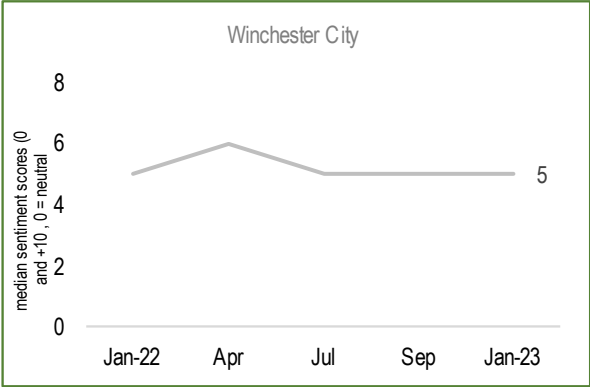
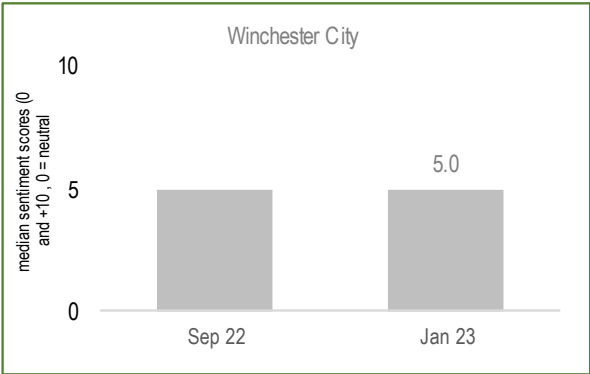
**Claimant Count Rate (%):
February 2023**



Monthly change in rates percentage points (ppts)



Business Confidence ↔



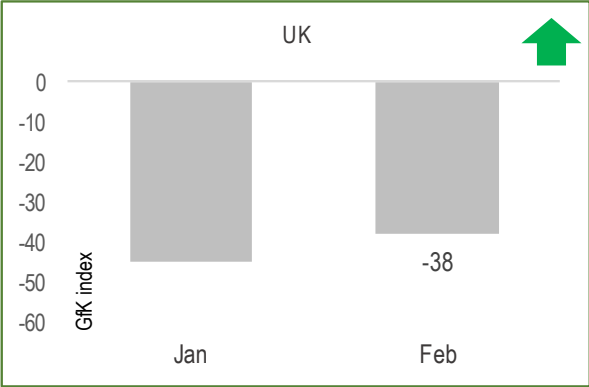
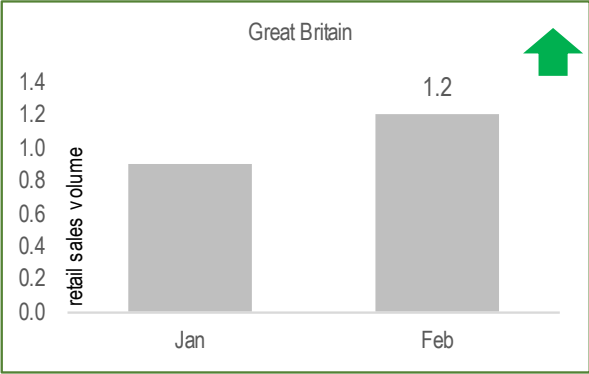
- Business sentiment score in Winchester city centre was 5 in Jan, unchanged on Sept but lower among hospitality businesses according to the latest business barometer.
- Investment intentions in the UK improved in the first quarter of this year as uncertainty about the economic outlook diminished slightly.

Vacancies & Footfall



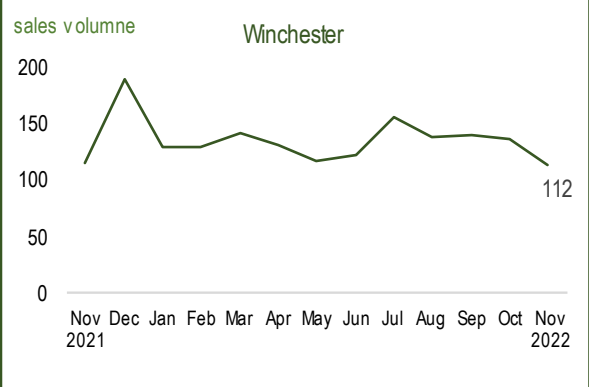
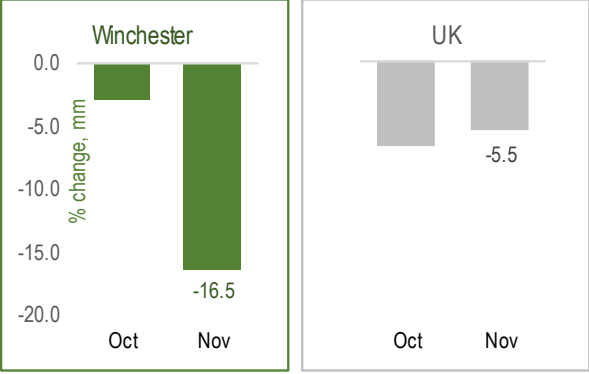
- In early January 2023, Winchester high street vacancy rate was 6.2% or less than half the national average. The January rate was still above the pre-pandemic level of 5.4%.
- Winchester businesses reported that footfall into their shops in Feb stood at 160,885, some 5% lower than in Jan and 7% lower than last year.

Spending & Consumer



- Retail sales volumes in the UK increased by 1.2% in February and January was better than previously thought. Sales volumes have returned to February 2020 levels.
- Consumer sentiment in the UK improved faster than market expectation in February reaching the highest reading since April 2022.

House Sales ↓



- House sales in Winchester district decreased sharply in Nov (-16.5%) with 23 fewer sales as the housing market continues to cool.
- Timelier survey data suggests a further slowing in annual house price growth with underlying market activity continuing to indicate a general downward trend in 2023.

Business-specific Intelligence and News

- For Winchester's city centre businesses, retailers and non-retailers alike, **median total sales** during 2022 increased by 10% compared with 2021. The prediction in January 2022 was 9%.
- The **median expected increase in total sales** for the city centre businesses in 2023 versus 2022 is estimated at 2% - a notable contrast to last year's result of 10% - but cautious and realistic as the cost-of-living crisis is likely to continue until the second half of 2023.
- In mid-January 2023, the **city centre vacancy rate** covering the Brooks Centre, Colebrook Street, St. George's Street, the High Street, Jewry Street, Market Street, Middle and Upper Brook Streets, Parchment Street, St. Thomas Street, Southgate Street and The Square was 7.1% [10.8% in January 2022].
- The **attractiveness of the 'Brooks'** has been recognised by Winchester-based Gentian Developments – the local 'lead' in the consortium buying the centre from Catalyst Capital.
- The **High Street vacancy rate** is also lower at 6.2% compared to 9.3% a year ago. It is now at half the level of the peak of 12.4% in January 2021. The current 6.2% vacancy rate is just above the pre-pandemic level.
- Winchester city centre retains its **ability to attract new retail and hospitality ventures** including, for example, Aspiga, CUPP Bubble Tea, the F45 'Community Gym' and the GDK fast food outlet in the High Street. And Yiayias Kitchen, a Greek restaurant, in St. George's Street.

Public Policy News

- **Energy support** measure announced in the Spring Budget – the energy price guarantee will remain at its current level until the end of June 2023. This measure will support some 50,400 private households in Winchester.
- **Defence** – the Government will spend an additional £2 billion per year between 2023/24 and 2027/28 (£3 billion in 2024/25) on defence and national security priorities thus benefiting Hampshire's large defence cluster.
- **Capital allowance** – from April, and for the next three years, businesses will be able to deduct 100% of all plant and machinery investment spending immediately when calculating taxable profits.
- **Support for R&D** intensive small and medium enterprises (SMEs) through an enhanced rate of tax relief for loss-making firms. Businesses in Winchester's knowledge intensive services and manufacturing will be able to claim £27 from the Government for every £100 of research and development investment.
- Several measures announced in the Spring Budget aimed at boosting **labour supply and skills** shortages should benefit Winchester. The government will increase funding for existing childcare provision thus increasing labour participation among women. Current skills programmes will be expanded by focussing on support for people aged over 50 ("returnerships").
- Five **construction** occupations have been added to the Shortage Occupation List (SOL) - this will make it easier for Winchester employers to hire construction workers from abroad.

How to read 'traffic lights':



Refers to decline or growth relative to the previous period (GVA, PMI business activity and business prices indicators, job postings, business investment, retail and house sales).

In the case of inflation, PAYE employment & earnings and consumer sentiment, it refers to the direction of travel relative to the previous period.

For claimant count unemployment indicators the change refers to the rate not the level. For example, a decrease in youth unemployment would see a downward green arrow.



Little or no change on previous period.

† The local estimate is preliminary and it needs to be treated with a high degree of caution since it is based on the sectoral mix of the Portsmouth economy and the national sectoral impacts.

Sources:

The primary data sources are the Office for National Statistics (ONS) and HMRC, while additional data comes from several commercial sources such as S&P Global, Lightcast, CBI, BCC, HM Land Registry, the Bank of England and Winchester BID.

Monthly/Quarterly data for Business Activity, Jobs & Earnings, Unemployment and Sentiment & Investment.

In the case of several monthly indicators, the South East is used as a proxy geography for Winchester and Hampshire.

Estimates of payrolled employees and their pay from HMRC Pay As You Earn (PAYE) Real Time Information are preliminary but seasonally adjusted. Employment figures differ from the ONS Labour Force Survey (LFS) data. Moreover, median pay figures differ from the ONS Average Weekly Earnings (AWE) and are based on gross earnings which do not cover other sources of income, such as self-employment.

For further information on Winchester's labour market see Quarterly Labour Market Updates and Monthly Ward Claimant Count Reports available at:

<https://www.hants.gov.uk/business/ebis/reports>

Produced by Winchester City Council in partnership with the Economic & Business Intelligence Service (EBIS)

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