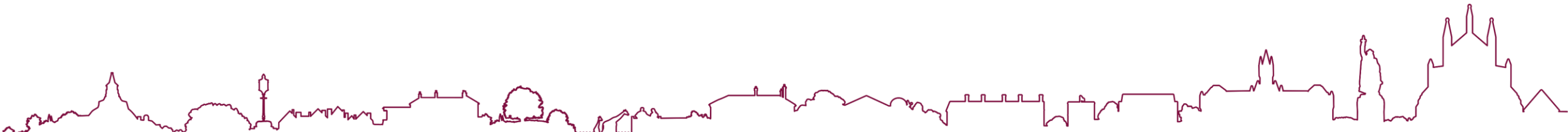


Winchester District Quarterly Economic Intelligence Dashboard



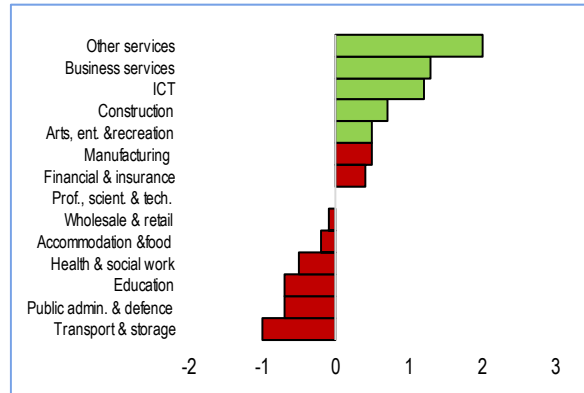
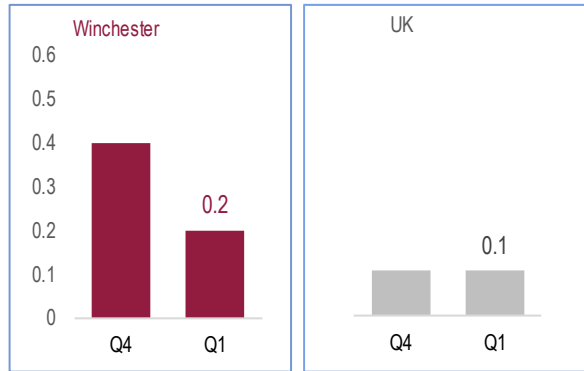
June 2023



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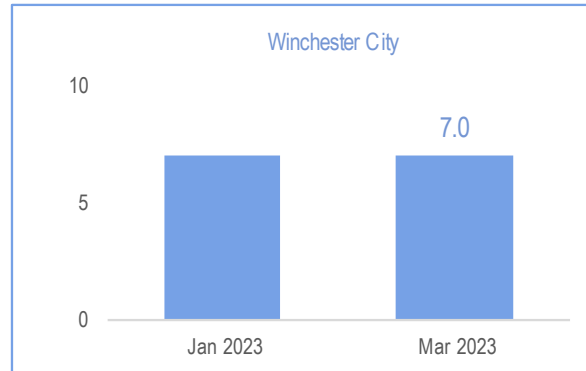
Theme	Indicators	
Business Activity	<ul style="list-style-type: none">• Business Performance• Economic Growth• Business Prices• Inflation	Page 1
Jobs and Earnings	<ul style="list-style-type: none">• PAYE Employees• PAYE Earnings• Labour Demand• Demand by Occupation	Page 2
Unemployment	<ul style="list-style-type: none">• Claimant Unemployment• Local Claimants• Youth Unemployment• Local Young Claimants	Pages 3-4
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Economic Growth



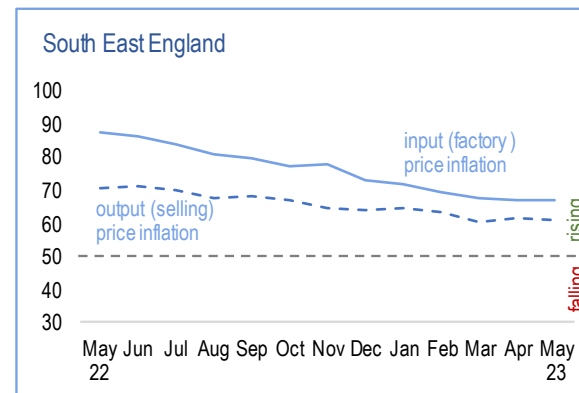
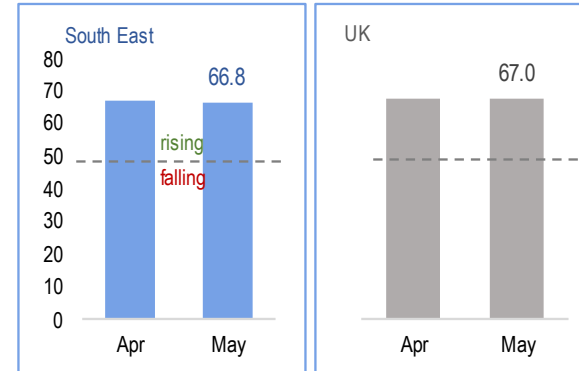
- Our preliminary estimates suggest that economic growth in Winchester district outperformed the national average in Q4 2022 and in Q1 2023.
- Winchester expanded by 0.2% in Q1 faster than the Hampshire average.
- GVA growth in the first quarter was driven by business services, ICT and construction related activities.

Business Performance



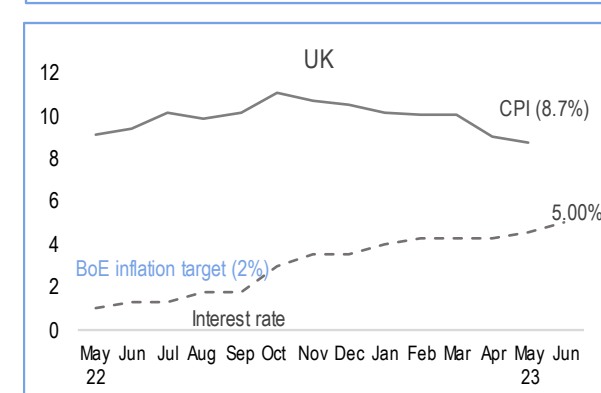
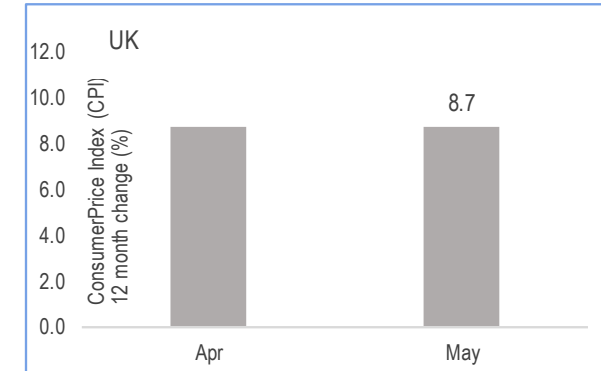
- Survey evidence from Winchester BID Business Barometer suggests that business performance in the city centre was encouraging in Q1 2023 with unchanged business activity (sales) on Q1 2022.
- May data from regional PMI survey points to second-fastest rise in new business since March 2022.

Business Prices



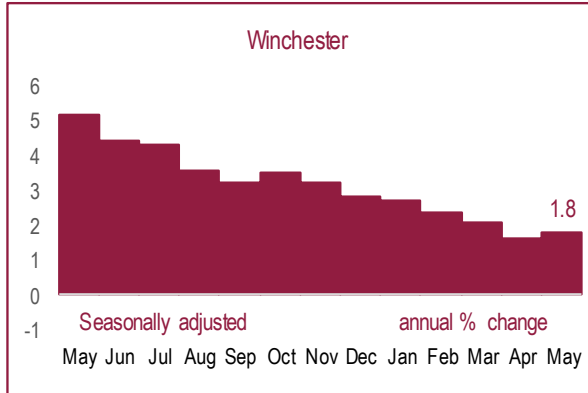
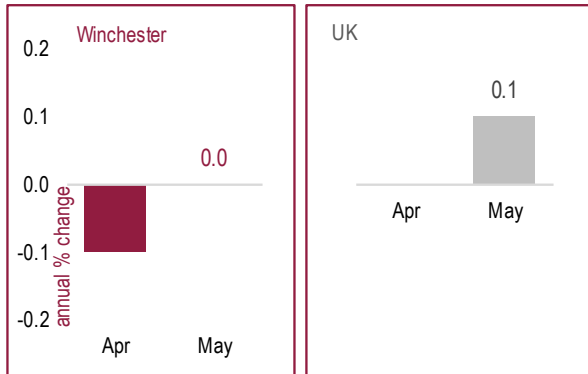
- May saw slowest increase in input costs in the region since Feb 2021, but costs remain historically elevated. Regional rate of input price inflation broadly similar to the UK average.
- Business selling prices softened in May but South East had the highest output inflation. Businesses expect inflation in their selling prices to fall.

Inflation



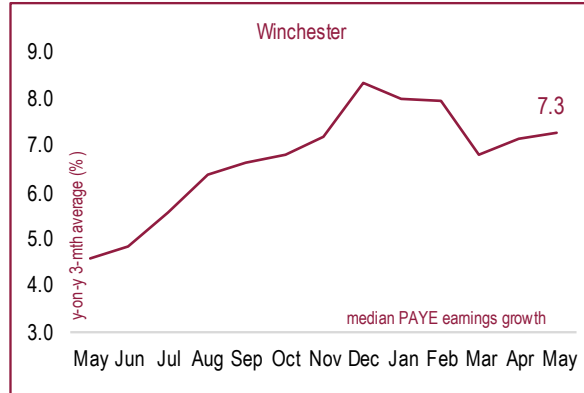
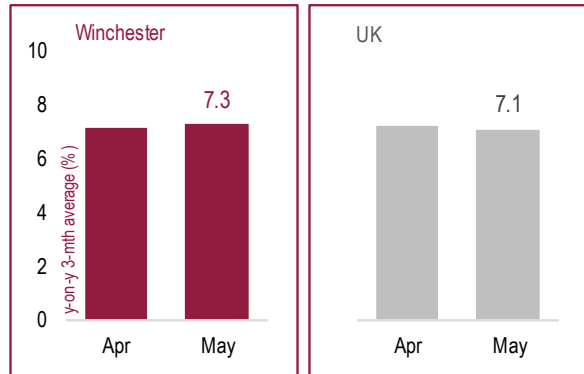
- Consumer price inflation did not fall in May as hoped, staying at 8.7%. Despite falling motor fuel prices, air travel and food kept prices elevated.
- Core inflation (ex. food and energy) rose to 7.1%, the highest since Mar 92. Services inflation rose to 7.4%, well above expectations, with BoE raising the base rate to 5% in June.

PAYE Employees



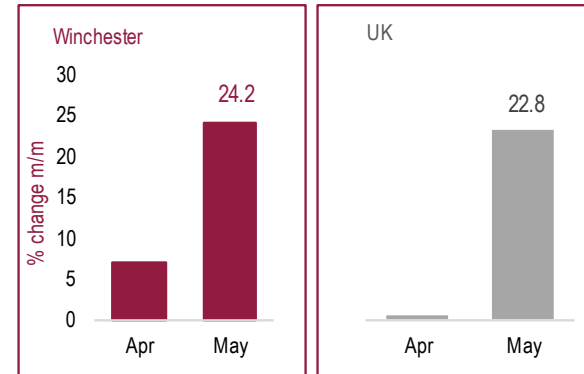
- PAYE employment growth was broadly flat in May and the three months to May. Employees numbers increasing by around 20 to 56,900 in May, close to March's record high.
- Monthly growth was unchanged on the previous month and slower than UK (0.1%). Annual (Y-on-Y) growth in May 1.8% up on April (1.6%).

PAYE Earnings



- Median PAYE pay growth in Winchester increased by 7.3% in May, faster than in April and above UK. Basic pay is growing at fastest pace since current records began.
- Strong growth in wages and domestic price pressures suggest we are likely to see further increases in interest rates later this year.

Labour Demand



- Forward looking data points to a strong (seasonal) uptick in labour demand in Winchester district.
- Vacancies (online job postings) increased by about 24% in May following modest growth in April. Increase was above the national average but below the Hampshire average.

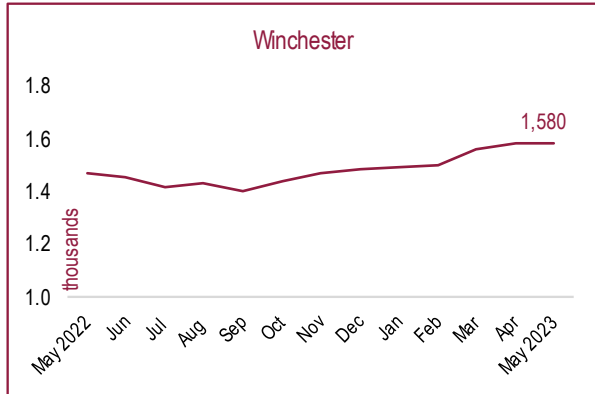
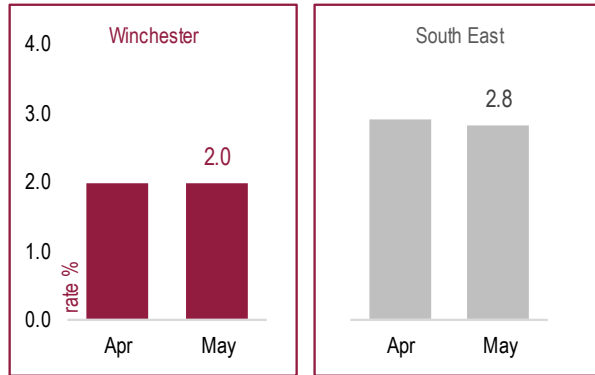
Demand by Occupation

Unique jobs postings by Occupation (SOC)	May	% of total
Other Administrative Occupations n.e.c.	263	7.0
Nurses	245	6.5
Kitchen and Catering Assistants	215	5.7
Care Workers and Home Carers	172	4.5
Cleaners and Domestics	129	3.4
Chefs	127	3.4
Customer Service Occupations n.e.c.	119	3.1
Sales Related Occupations n.e.c.	115	3.0
Programmers and Software Development Professionals	105	2.8
Mechanical Engineers	101	2.7

Unique jobs postings by Occupation (SOC)	Mar	% of total
Other Administrative Occupations n.e.c.	191	6.8
Nurses	176	6.3
Care Workers and Home Carers	160	5.7
Kitchen and Catering Assistants	146	5.2
Cleaners and Domestics	108	3.9
Sales Related Occupations n.e.c.	92	3.3
Chefs	87	3.1
Customer Service Occupations n.e.c.	83	3.0
Nursing Auxiliaries and Assistants	73	2.6
Nursery Nurses and Assistants	71	2.5

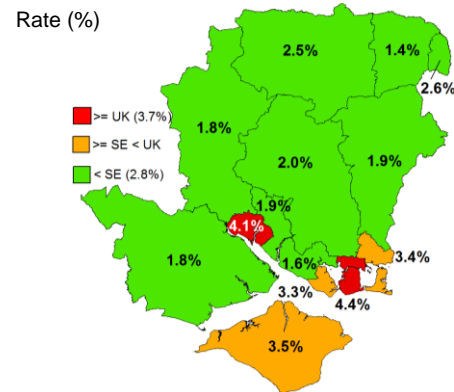
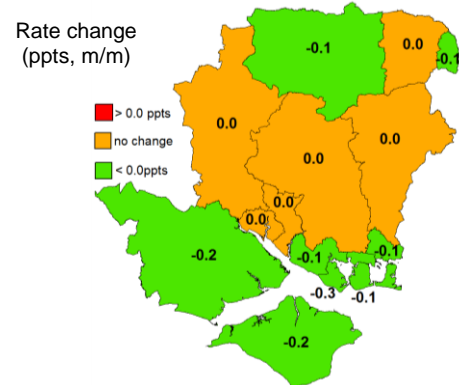
- In-demand jobs in Winchester district in May similar to March although demand has increased, notably for general admin, nursing and food-based occupations.
- In addition, mechanical engineering makes the top 10 in May.
- Top in-demand specialised skills in auditing, project managers, and food.

Claimant Unemployment



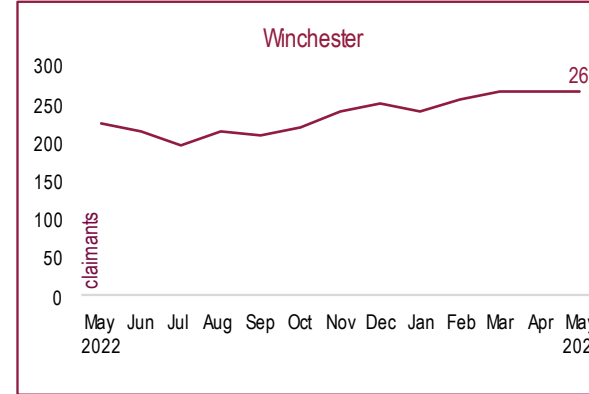
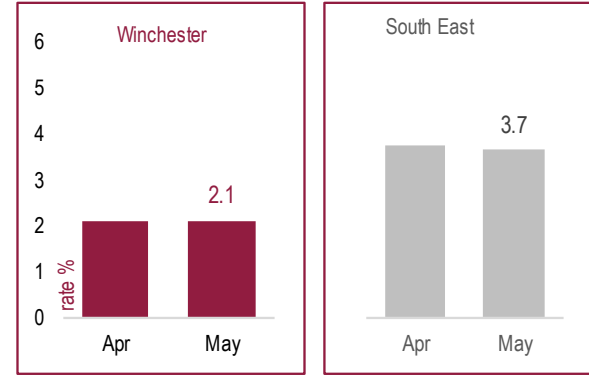
- Working age unemployed claimant counts in Winchester district (not adjusted for seasonal factors) saw no real change in May (-5) to stand at 1,580, although higher on the year (+115).
- The rate was unchanged at 2.0%, below the region. The count is 61% higher than pre-pandemic levels.

Local Claimants



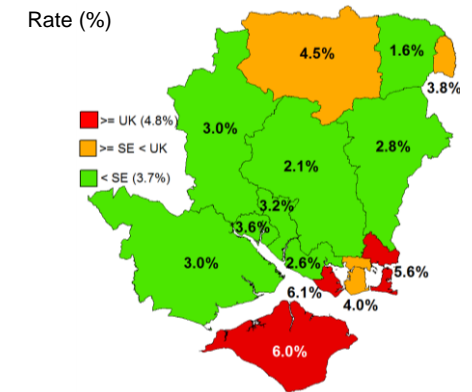
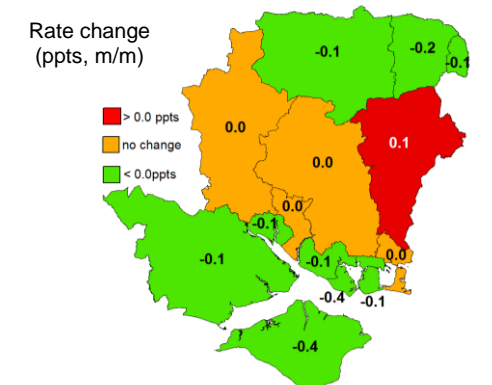
- Winchester district was one of nine local authorities in Hampshire & Isle of Wight to see no change in the monthly claimant count rate.
- Like most Hampshire & Isle of Wight authorities, Winchester is below the two benchmarks, with only the two cities above the UK rate. Gosport, Havant and Isle of Wight above SE.

Youth Unemployment



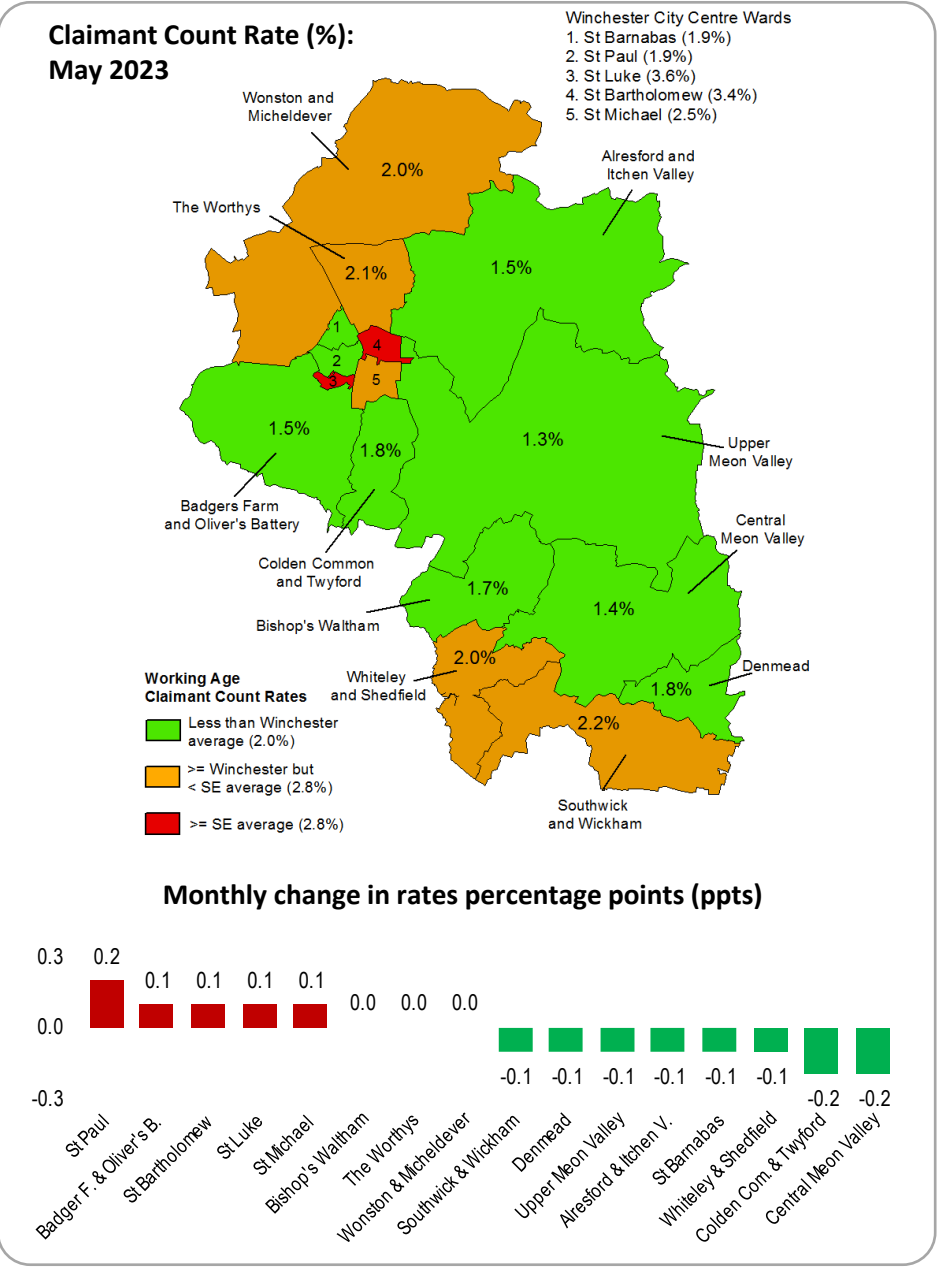
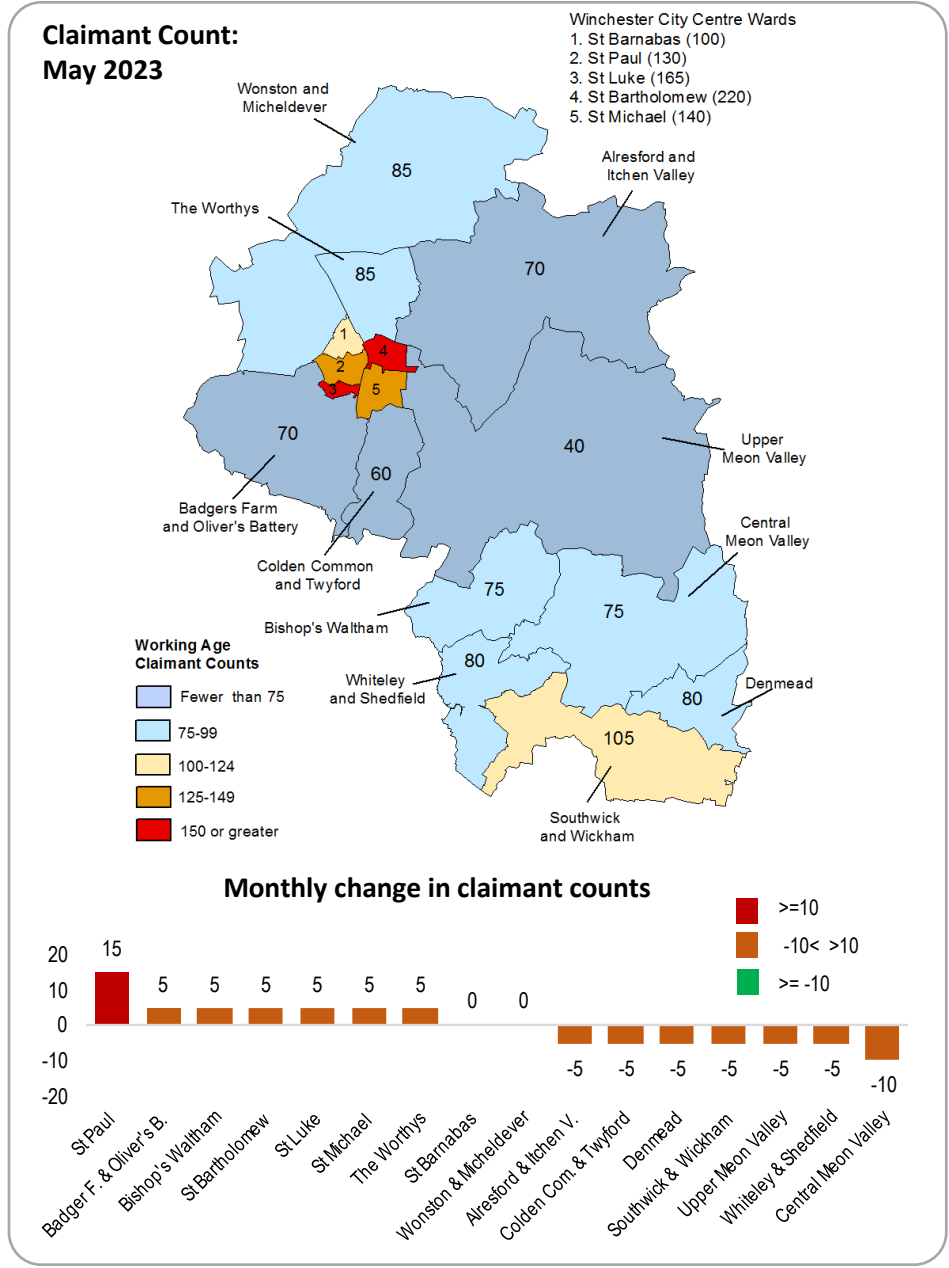
- The number of young unemployed claimants aged 18–24-year-olds in Winchester district saw no change in May, but up on the year (+40).
- The youth claimant unemployment rate was unchanged at 2.1% in May. The district rate is well below both the South East (3.7%) and UK (4.8%) averages.

Young Local Claimants

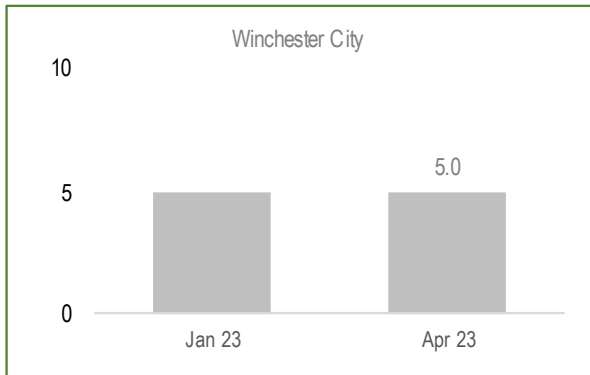


- Winchester district was one of four local authorities in Hampshire & Isle of Wight to see no change in the monthly claimant count rates.
- The district is one of eight Hampshire & Isle of Wight districts below the SE and UK rates, while Gosport (6.1%), Havant (5.6%), and IoW (6.0%) are above to the UK rate.

- At the ward level in Winchester district, the number of unemployed claimants in May was higher in St Paul Ward (+15).
- All remaining wards fall within the threshold for little or no change (between -10 and +10 claimants).
- Five of the 16 district wards saw an increase in their claimant rates in May, with St Paul the highest at +0.2 percentage points.
- Three wards saw no monthly change in rates in May.
- Half the number of wards saw a decrease in rates with Colden Common & Twyford and Central Meon Valley wards decreasing by 0.2 percentage points.
- St Luke and St Bartholomew wards are the only wards with a working age unemployment rate above the South East average (2.8%).

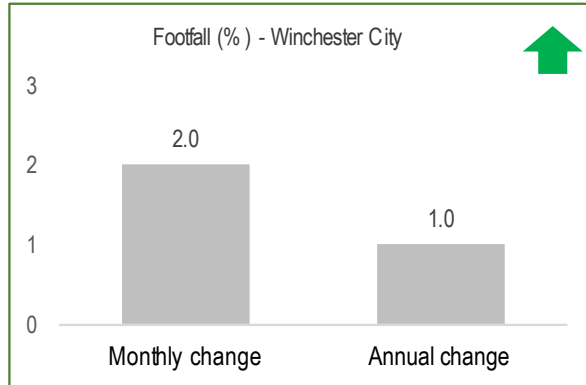


Business Confidence



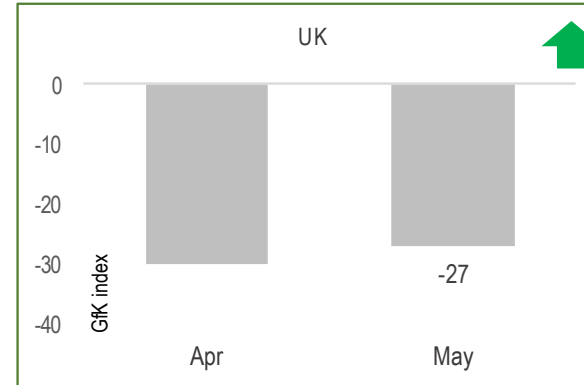
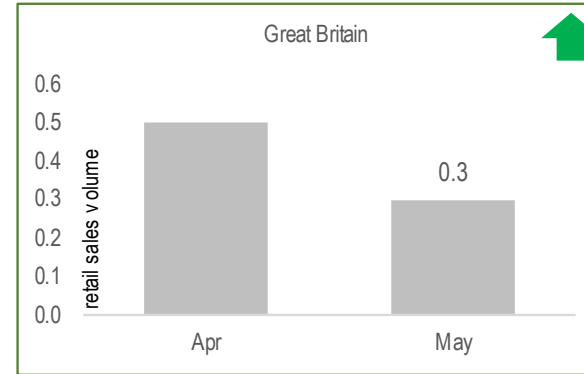
- Business sentiment score in Winchester city centre was 5 in April, unchanged on Jan with hospitality doing well in Q1 according to latest business barometer.
- Business investment set to rise, reaching pre-crisis levels by end of 2024 (growing by 1.9%) according to latest CBI forecasts.

Vacancies & Footfall



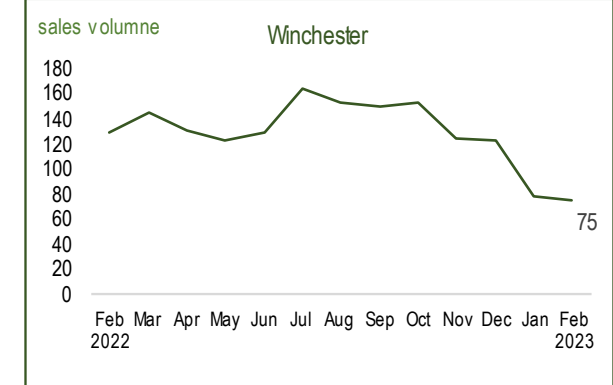
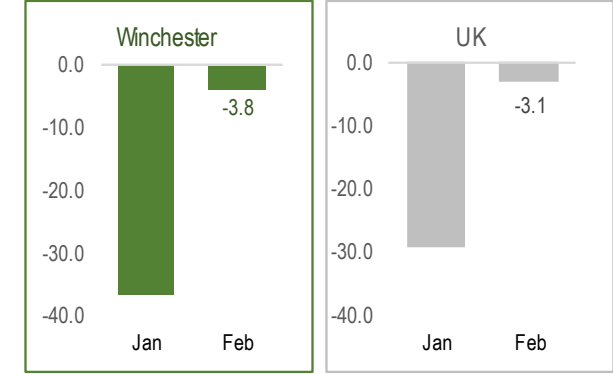
- In early April 2023, Winchester high street vacancy rate was 8.5%, well below the national average. The April rate unchanged on year but above the pre-pandemic level of 5.4%.
- Winchester businesses reported that footfall into their shops in May stood at 196,800, some 2% higher than in April and 1% higher than last year.

Spending & Consumer



- Retail sales volumes in the UK increased by 0.3% in May slower than April (0.5%). Increases in non-store retailing and fuel partly offset by falls in food and non-food stores.
- Consumer confidence continues to recover with May index at -27, up 3 points on April but higher rates will dent sentiment and spending..

House Sales



- House sales in Winchester district fell in February but at a much slower pace than in the previous month..
- House prices in Winchester in February fell by 0.4% to £501,346 (average). Timelier national surveys also point to falling house prices as higher borrowing costs knock confidence and dampen demand.

Business-specific Intelligence and News

- Although concerns over cost-of-living and inflationary pressures remain, Winchester's city centre **businesses reported satisfactory results during Q1, 2023**; 'better than expected' despite disappointing sales figures. There was **no change compared with Q1, 2022**.
- **Sales** overall are now **expected to increase by 7% in 2023** compared to 2022 with the CFS, EFS and Hospitality sectors leading the way.
- In mid-April 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 7.7% [**unchanged from last time**].
- The **High Street vacancy rate is unchanged** at 8.5% compared a year ago, but well below the national rate of 13.9%. It is now at just under one third below the level of the peak of 12.4% in January 2021. The current 8.5% vacancy rate is above the pre-pandemic level.
- Footfall has been increasing nationally and locally. In the first quarter (Jan-Mar) of 2023 **footfall was up 9% compared to Q1 2022**. Timelier May data also suggests an uptick in footfall.
- Winchester City Council to consider a series of **potential options for the Station Approach development**. A capacity study considered the development opportunities of the council and Network Rail-owned Station West, Station East, Carfax and the Cattle Market.

Public Policy News

- **Energy Bills Discount Scheme (EBDS)** for non-domestic customers has replaced the Energy Bill Relief Scheme from April 2023 to March 2024. Eligible non-domestic customers will receive a per-unit discount to their energy bills during the 12-month period if wholesale prices are above a certain price threshold. There are approximately 8,900 local business units in Winchester that should benefit.
- **Government (DEFRA) publishes 'Unleashing Rural Opportunity'** outlining how it intends to support growth and prosperity in rural areas. The strategy focuses on investing in the rural economy and removing barriers to enterprise; building connections through improved digital connectivity and transport options, delivering affordable housing, and sustainable energy for rural communities.
- **DLUHC launches consultation** seeking views on draft regulations to implement the **Business Rates Improvement Relief Scheme**. The consultation closes on 28 August 2023.
- **HM Treasury and Bank of England** publishes **joint consultation paper** on the potential case for a UK central bank digital currency, or "**digital pound**" for use by households and businesses. Consultation ends 30 June.
- **British Chambers of Commerce (BCC) launches new Business Council** to lobby government of behalf of businesses, with a focus on initiatives directed at: Digital Revolution; People and Work; Net Zero; Global Britain; and the High Street.

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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