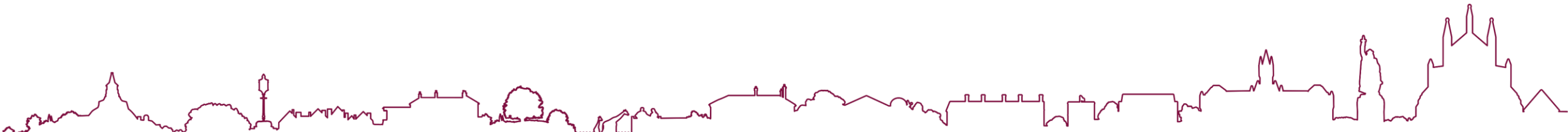


Winchester District Quarterly Economic Intelligence Dashboard



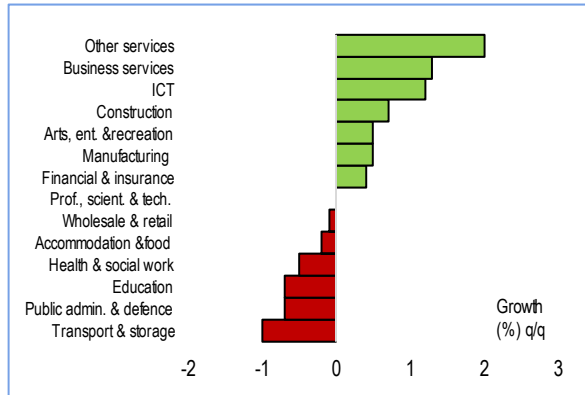
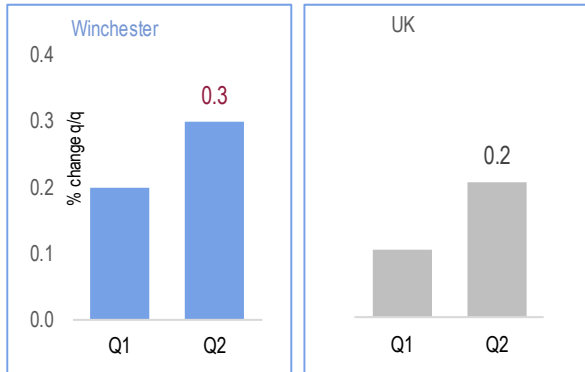
September 2023



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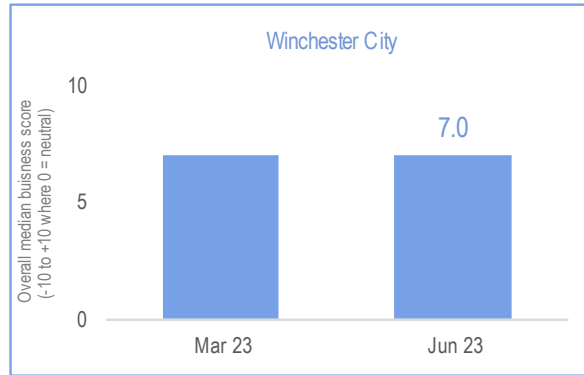
Theme	Indicators	
Business Activity	<ul style="list-style-type: none">• Business Performance• Economic Growth• Business Prices• Inflation	Page 1
Jobs and Earnings	<ul style="list-style-type: none">• PAYE Employees• PAYE Earnings• Labour Demand• Demand by Occupation	Page 2
Unemployment	<ul style="list-style-type: none">• Claimant Unemployment• Local Claimants• Youth Unemployment• Local Young Claimants	Pages 3-4
Spending and Sentiment	<ul style="list-style-type: none">• Business Confidence• Vacancies & Footfall• Spending & Consumer• House sales	Page 5
Local Business Intelligence and Public Policy News	<ul style="list-style-type: none">• Business-specific Intelligence and News• Public Policy News	Page 6

Economic Growth



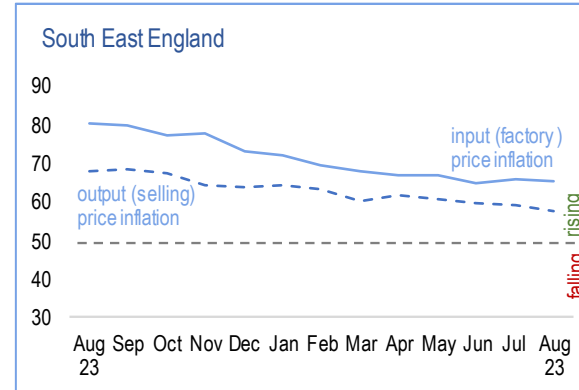
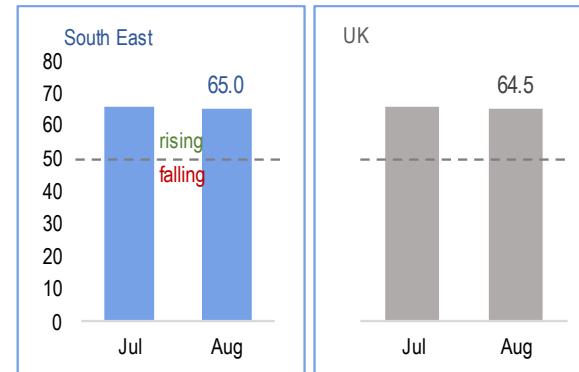
- Our preliminary estimates suggest that economic growth in Winchester district outperformed the national average in both Q1 and Q2 2023.
- Winchester expanded by 0.3% in Q2 faster than the Hampshire average.
- GVA growth in the second quarter was driven by business services, ICT and construction.

Business Performance



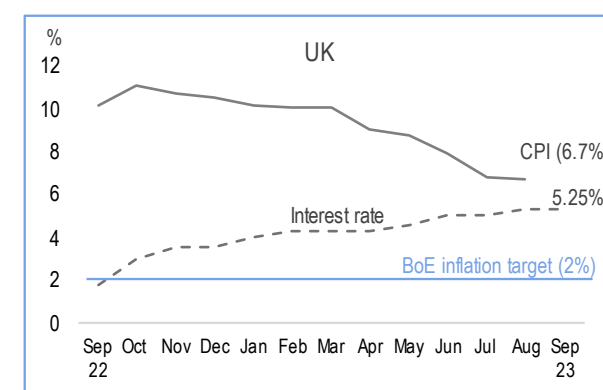
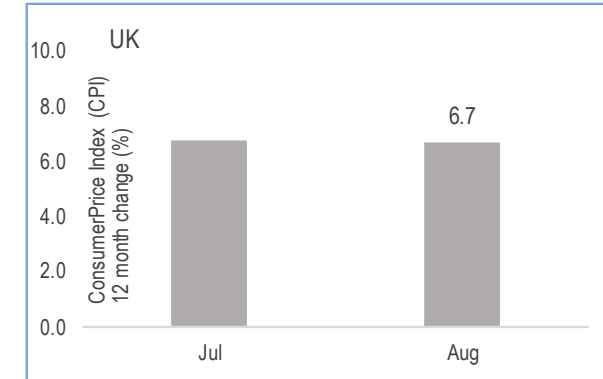
- Survey evidence from Winchester BID Business Barometer suggests that business performance in the city centre was encouraging despite the impact of the cost-of-living crisis and rise in interest rates.
- PMI survey data suggests business activity in the region deteriorating in July and August.

Business Prices



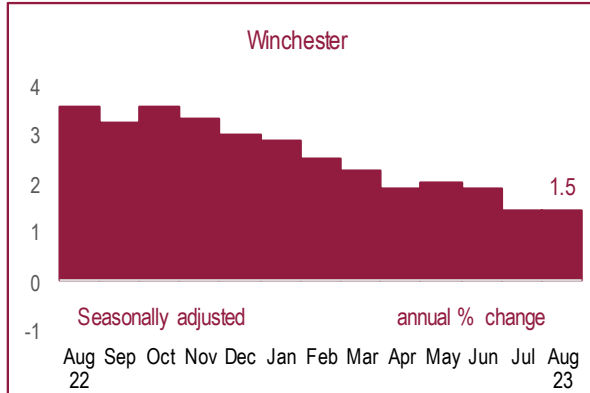
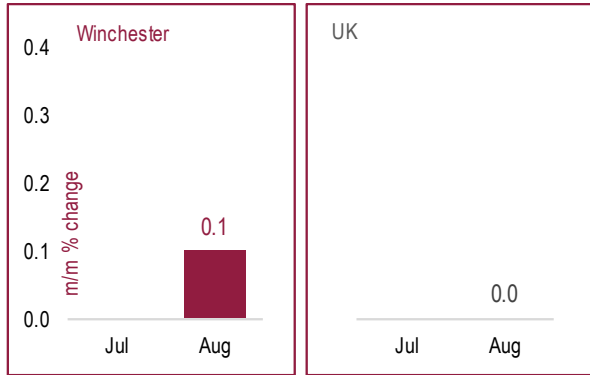
- Business costs eased slightly after July's uptick, making Aug the second-weakest increase since Feb 2021; helped by lower prices for commodities and energy, but S. East business costs rose faster than UK.
- Business selling prices (output price inflation) elevated yet slowest rise in 30-months, but S. East above UK.

Inflation



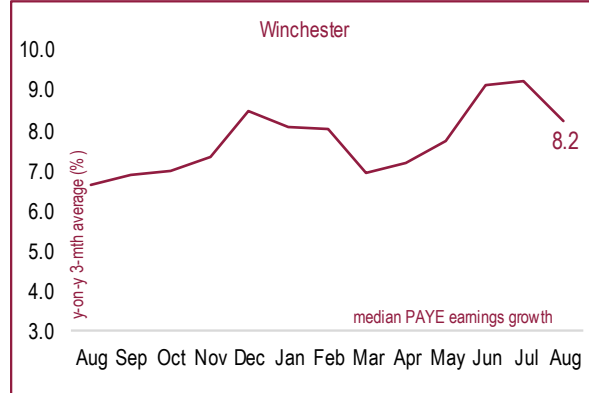
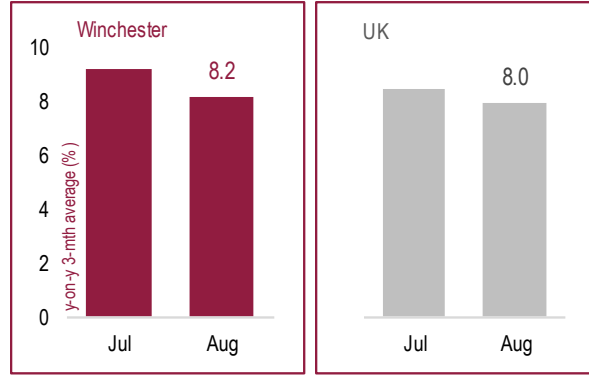
- Annual consumer price inflation (CPI) rose by 6.7% in August, slower than expected. Food prices increased more slowly but fuel prices at 10 month high.
- Core (ex. food and energy) and services inflation rose more slowly than expected. Interest rates might have peaked with no change in Sep.

PAYE Employees



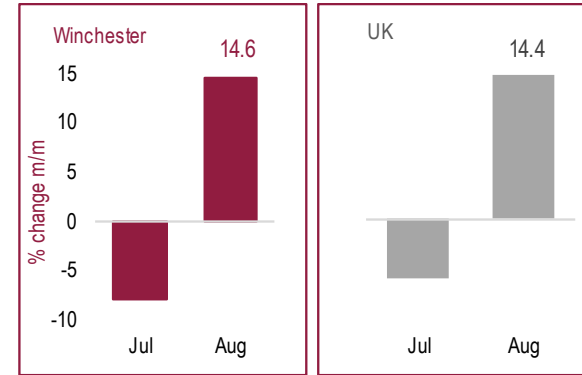
- PAYE employment growth in Winchester was up slightly in August. Employee numbers increasing by around 100 to 57,100, a record high.
- Monthly growth was up on the previous month by 0.1% and marginally above the UK which saw no growth. Annual (Y-on-Y) growth in Aug 1.5% unchanged on July.

PAYE Earnings



- Median PAYE pay growth in Winchester eased to 8.2% in August, slower than in July but above the UK. Real PAYE wage growth has caught up with rising prices.
- Increasing evidence of a slowdown in business activity and inflation suggest that wage growth will ease in time.

Labour Demand



- Forward looking data points to a strong (seasonal) uptick in labour demand in Winchester district.
- Vacancies (online job postings) increased by about 14.6% in Aug following a modest fall in July. The increase was marginally above the national average but marginally below the Hampshire average (14.8%).

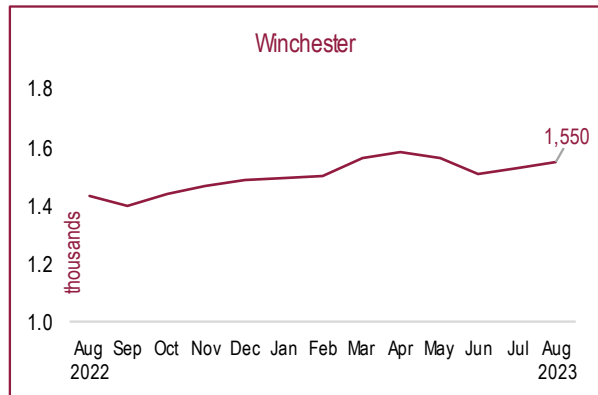
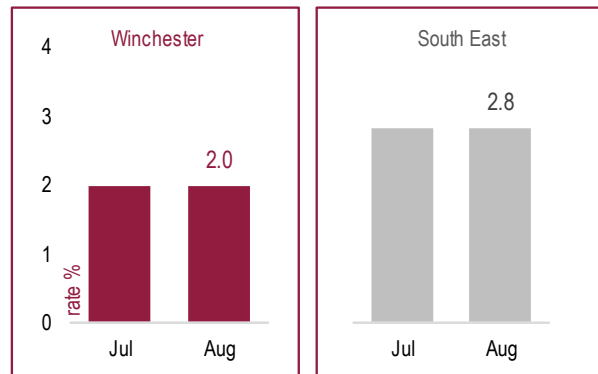
Demand by Occupation

Unique jobs postings by Occupation (SOC)	Aug	% of total
Other Administrative Occupations n.e.c.	249	6.5
Kitchen and Catering Assistants	223	5.8
Chefs	222	5.8
Nurses	201	5.3
Care Workers and Home Carers	165	4.3
Cleaners and Domestic	149	3.9
Sales Related Occupations n.e.c.	143	3.7
Customer Service Occupations n.e.c.	138	3.6
Nursing Auxiliaries and Assistants	109	2.9
Nursery Nurses and Assistants	104	2.7

Unique jobs postings by Occupation (SOC)	Jun	% of total
Other Administrative Occupations n.e.c.	272	6.8
Nurses	236	5.9
Kitchen and Catering Assistants	231	5.7
Chefs	178	4.4
Care Workers and Home Carers	157	3.9
Cleaners and Domestic	155	3.8
Customer Service Occupations n.e.c.	129	3.2
Sales Related Occupations n.e.c.	128	3.2
Programmers & Software Development Professionals	110	2.7
Nursing Auxiliaries and Assistants	108	2.7

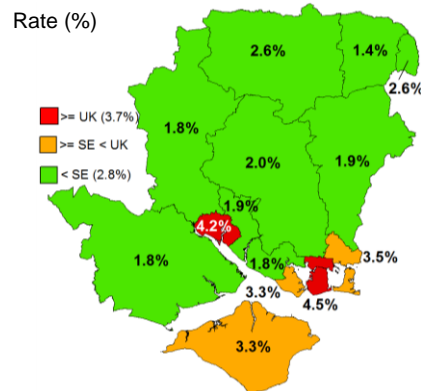
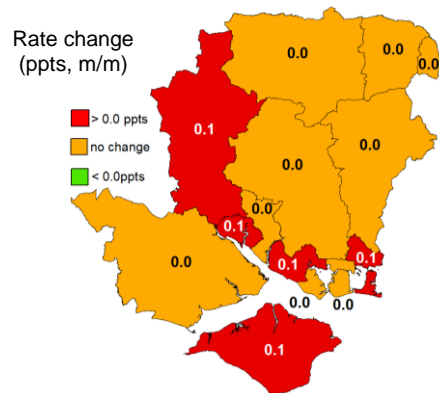
- In-demand jobs in Winchester district in August similar shares to June although vacancy numbers have risen or fallen.
- IT (programmers) out of Aug top 10, nursery nurses & assistants come in.
- Top in-demand specialised skills: project managers, auditing, finance, and restaurant operations.

Claimant Unemployment



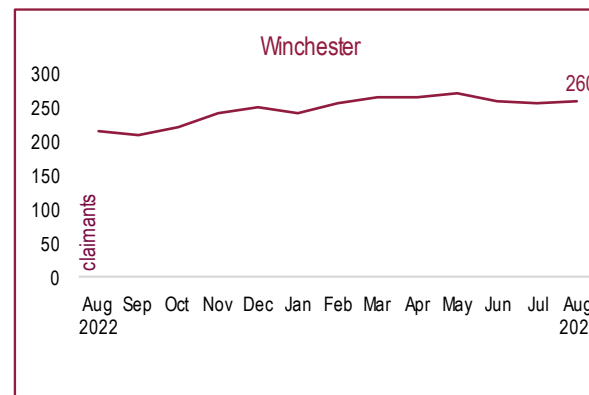
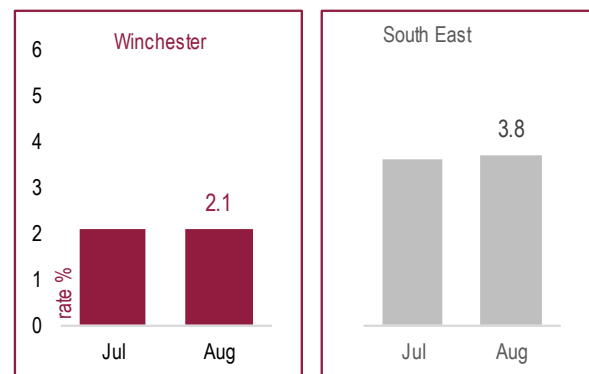
- Working age unemployed claimant counts in Winchester district (not adjusted for seasonal factors) saw a modest increase in August (+20) to stand at 1,550, and higher on the year (+120).
- The rate was unchanged at 2.0%, well below the region. But the count is 58% higher than pre-pandemic levels.

Local Claimants



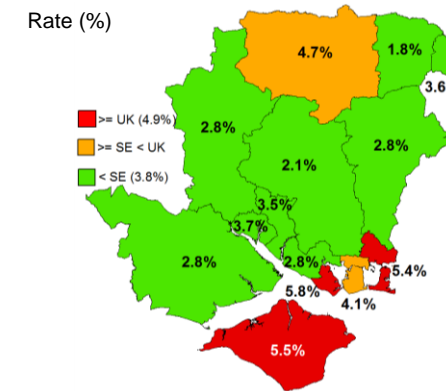
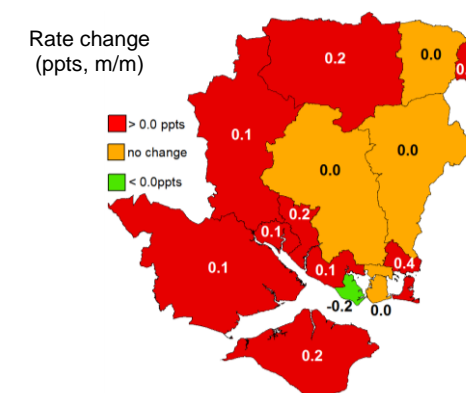
- Winchester district was one of nine local authorities in Hampshire & Isle of Wight to see no change in the monthly claimant count rate.
- Like most Hampshire & Isle of Wight authorities, Winchester is below the two benchmarks, with only the two cities above the UK rate. Gosport, Havant and Isle of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

Youth Unemployment



- The number of young unemployed claimants aged 18–24-year-olds in Winchester district saw little change in Aug (+5), but up on the year (+45).
- The youth claimant unemployment rate was unchanged at 2.1%. The Winchester district 18-24-year-old rate is well below the South East (3.8%) the UK (4.9%) averages.

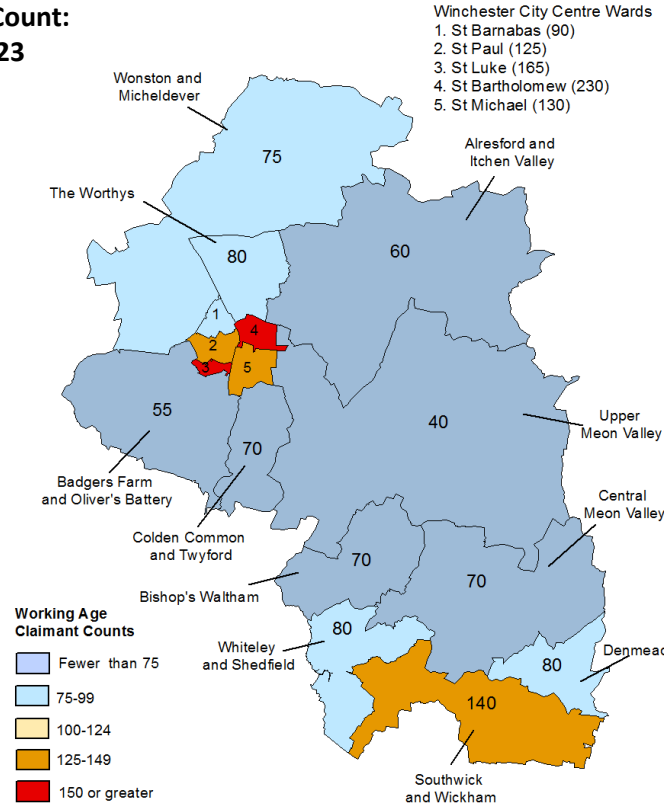
Young Local Claimants



- 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 nine Hampshire & Isle of Wight districts below the SE and UK rates, while Gosport (5.8%), Havant (5.4%), and IoW (5.5%) are above to the UK rate.

- At the ward level in Winchester district, the number of unemployed claimants in August increased by 15 in St Paul and St Bartholomew wards.
- 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 August, with Denmead the highest at +0.3 percentage points.
- Five wards saw no monthly change in rates in August.
- The remaining six wards saw a decrease in rates of 0.1 percentage point.
- St Luke, St Bartholomew and Southwick and Wickham wards are the only three wards with a working age unemployment rate above the South East average (2.8%). No Winchester district wards are above the UK average (3.7%) – but St Luke Ward is closest.

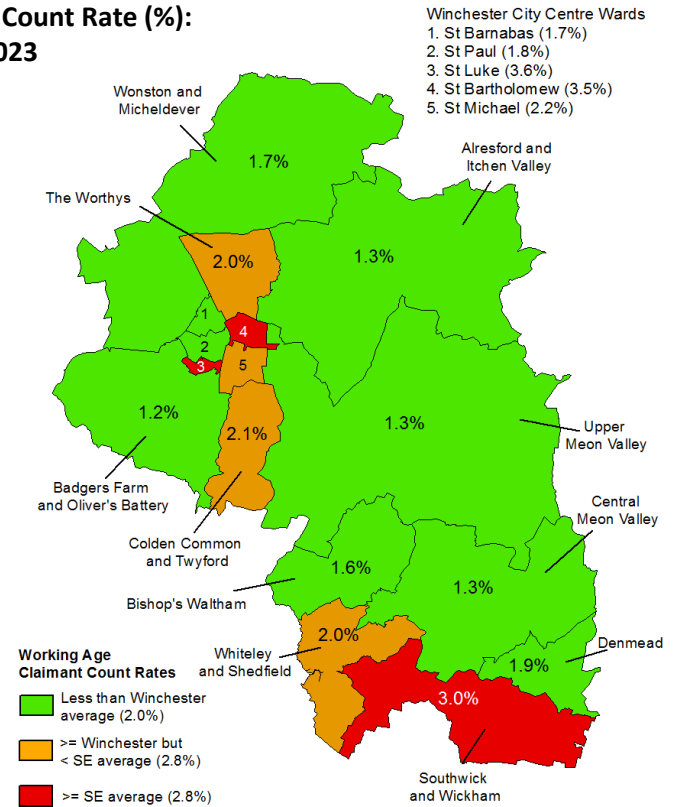
Claimant Count: August 2023



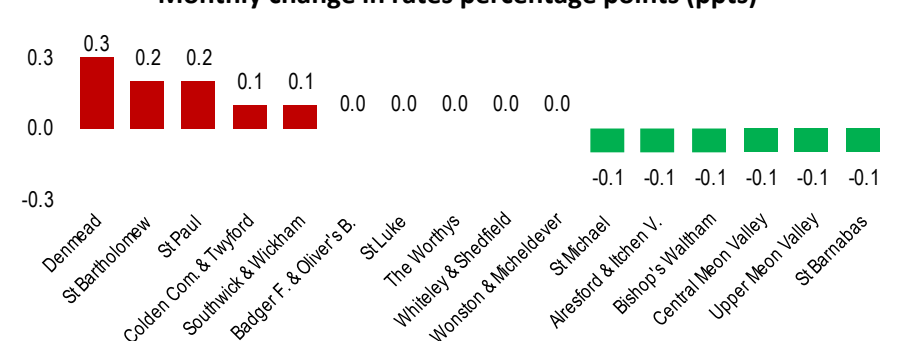
Monthly change in claimant counts



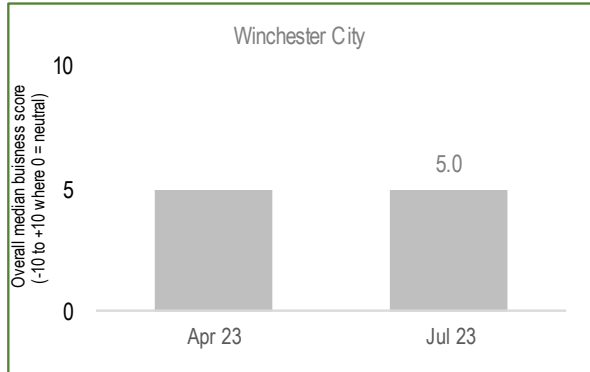
Claimant Count Rate (%): August 2023



Monthly change in rates percentage points (ppts)

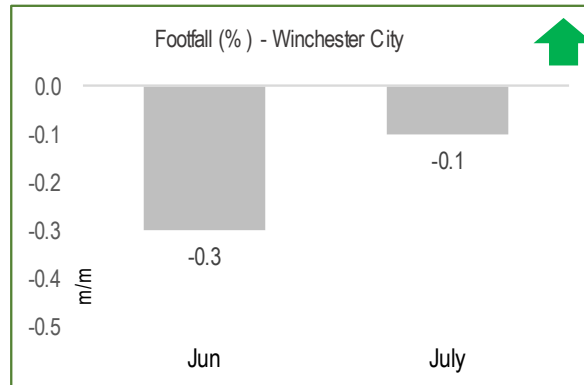


Business Confidence



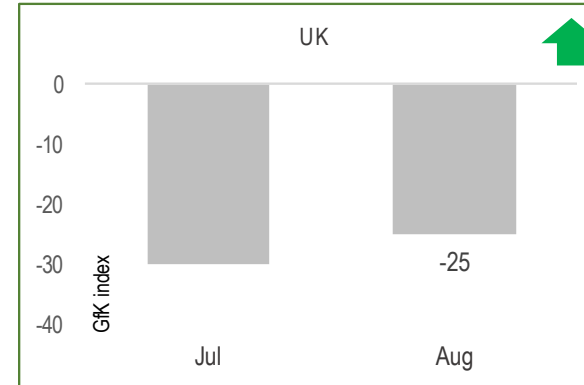
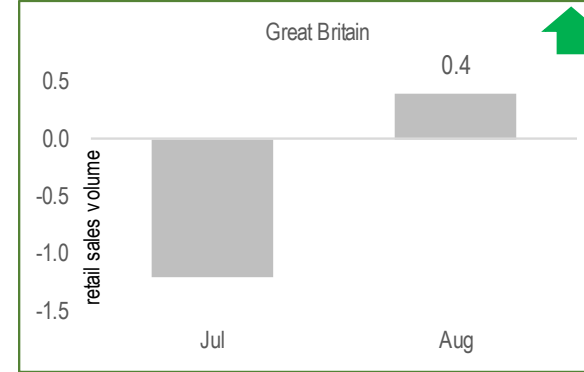
- Business sentiment score in Winchester city centre was 5 in July, unchanged on April and on the year, with strong sales outlook reported for the rest of 2023.
- PMI survey data suggests that a degree of business optimism in the South East was maintained in August.

Vacancies & Footfall



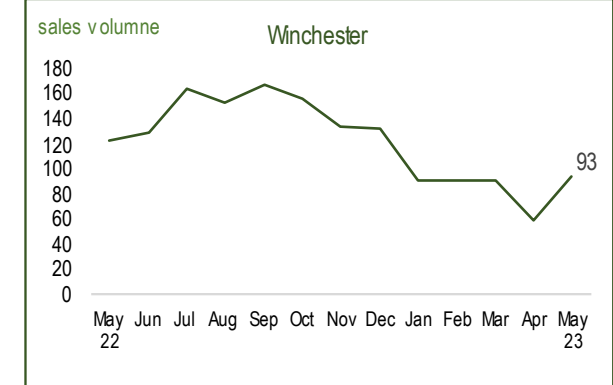
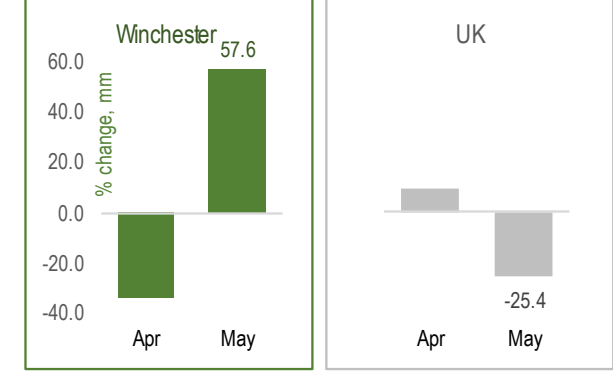
- In early July 2023, Winchester high street vacancy rate was 5.0%, the lowest since Jan 2020. The July rate was almost half (9.5%) on year but below pre-pandemic level of 5.4%.
- Winchester businesses reported that footfall into their shops in July stood at 887,107, down -0.1% on the month but better than in June.

Spending & Consumer



- Retail sales volumes increased by 0.4% in August 2023 following a fall of -1.2% in July. Volumes were 1.5% lower than in February 2020.
- UK Consumer confidence rises five points in Aug to largely reverse July's fall, with consumers showing renewed resilience despite rising interest rates.

House Sales



- House sales in Winchester saw seasonal uptick in May with 34 (57.6%) more sales than Apr.
- Prices fell in Winchester in July while County and UK grew. Timelier survey points to a further softening in the annual rate of house price growth as borrowing costs rise and sellers adjust their expectations.

Business-specific Intelligence and News

- Persistent concerns over cost-of-living and rising interest rates should be denting business performance, but Winchester's city centre **businesses reported good results in Q2**. There was **no change compared with March Q1 2023**. Business confidence remains steady at the mid-point (5 score), but confidence was marginally stronger on the high street.
- **Sales in Q1 2023 were subdued** with no growth, however, over the **first half of 2023 total median sales growth achieved 3.6%**. Expectations for 2023 remain positive, albeit downgraded, with the **expected increase in total sales for 2023 on 2022 now estimated at 6%** (down from 7%), although independent traders less confident. The hospitality sector remains bullish with predicted sales growth of 15%.
- Close to half (45%) of businesses surveyed in July **expect profits to be higher in 2023 than last year**, lower than 53% in April due to persistent higher levels of inflation and higher interest rates.
- The **High Street vacancy rate is 5%, the lowest since January 2020**, and less than half the latest national High Street vacancy figure of 13.9%
- Latest Monthly Place Report for **July 2023 showed town footfall down 0.1%** but an improvement on June (-0.3%).
- **New arrivals to Winchester City** include **Wenzel's Bakery and Claire's** jewellery store, while the Boots Hearing outlet towards the top of the High Street has been sold.

Public Policy News

- **Consultation on Improving Price Transparency and Product Information for Consumers launched by Government:** Follows July report by Competition and Markets Authority (CMA) published a report into grocery unit pricing covering display of pricing information, hidden fees and drip pricing, fake and misleading reviews, online platforms and online interface orders. The views will also feed into the Digital Markets, Competition and Consumers Bill implementation. The consultation closes on 15 October 2023.
- **Department for Business and Trade** announced an indefinite extension to the use of CE marking for businesses.
- **Environment Agency launches consultation on unlimited fines for the worst water polluters** (closes 8 October 2023), potentially removing £250,000 penalty cap.
- **Transfer of Local Enterprise Partnership (LEP) core functions to combined and local authorities.** From April 2024, the Government's sponsorship and funding of LEPs will cease. The Government will now support local and combined authorities to take on the functions currently delivered by LEPs.
- **DLUHC announces plans to scrap legacy EU laws on nutrient neutrality** seen blocking the delivery of new homes. To mitigate Government pledged to double investment to £280m in the Nutrient Mitigation Scheme run by Natural England. DLUHC also announce full opening of the Cladding Safety Scheme (CSS), so all buildings in England over 11 metres have a pathway to fix unsafe cladding.

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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