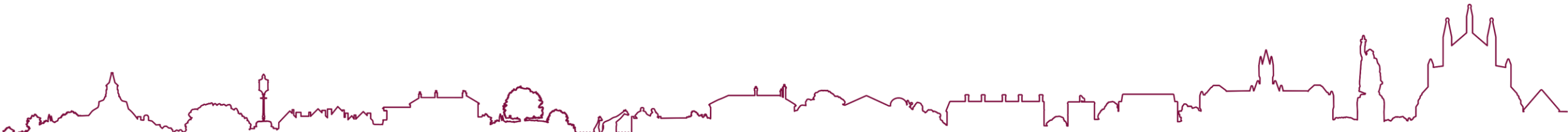


# Winchester District Quarterly Economic Intelligence Dashboard



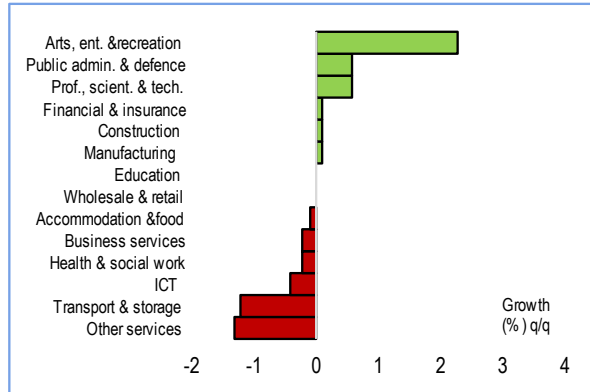
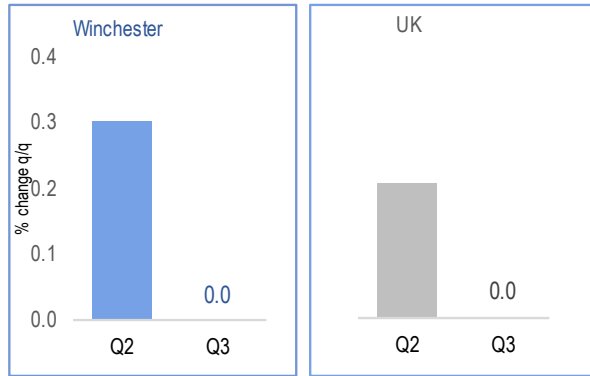
December 2023



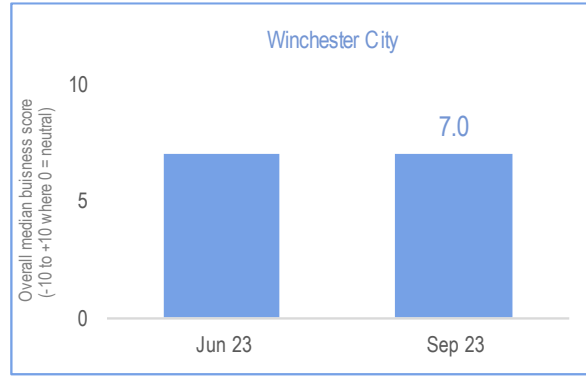
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## Economic Growth

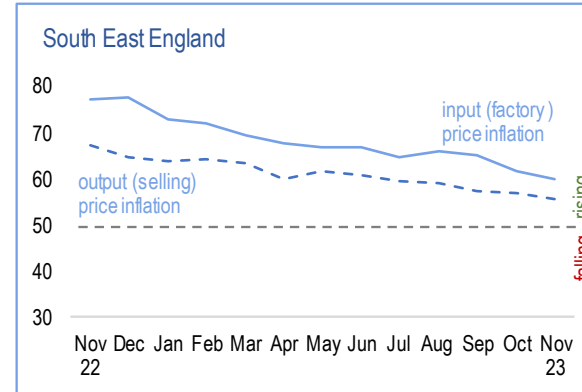
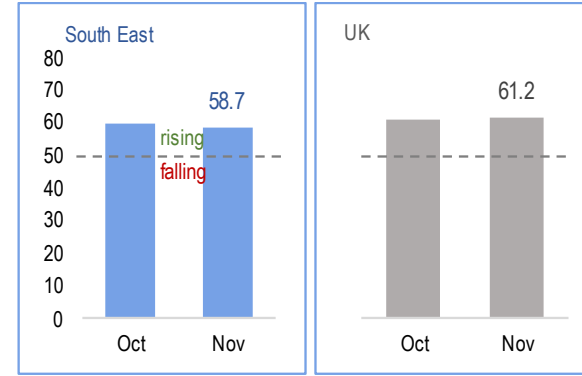


## Business Performance



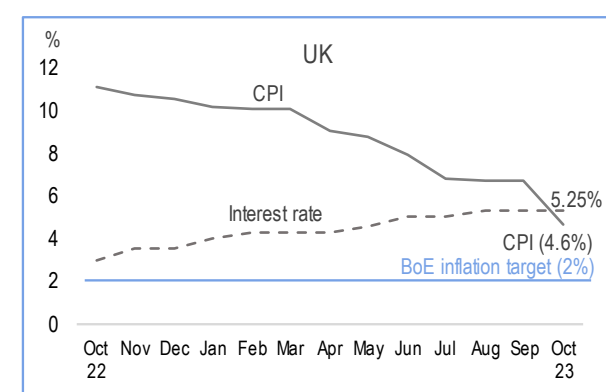
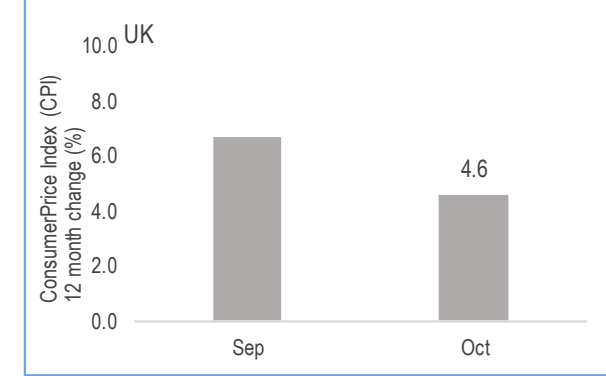
- Survey evidence from Winchester BID Business Barometer suggests that business performance in the city remained unchanged between June and September despite challenging business environment.
- PMI survey data suggests business activity in the region deteriorating in October and November.

## Business Prices



- Business costs eased to a 34-month low with Nov's rate of input inflation softer than in Oct; among the slowest regional price increases and slower than UK. Anecdotal evidence points to geopolitical tensions, higher wages and fuel costs driving up prices.
- Business selling prices (output price inflation) rose as costs passed on.

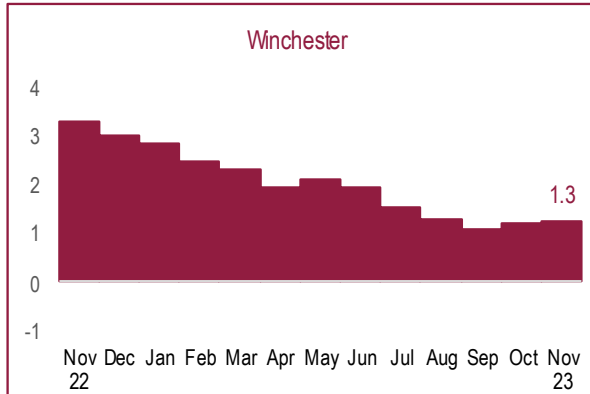
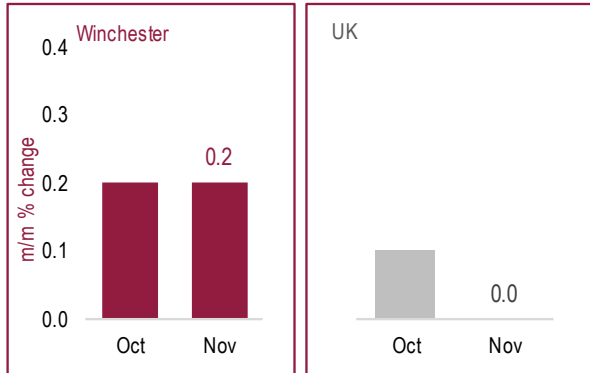
## Inflation



- Annual consumer price inflation (CPI) dropped sharply to 4.6% in Oct, the lowest price increases in two years and the largest annual fall since 1992, as energy costs ease from Oct's lower energy price cap.
- Core inflation (ex. food and energy) rose by 5.7%. BoE is expected to keep the 5.25% rate at Dec's MPC.

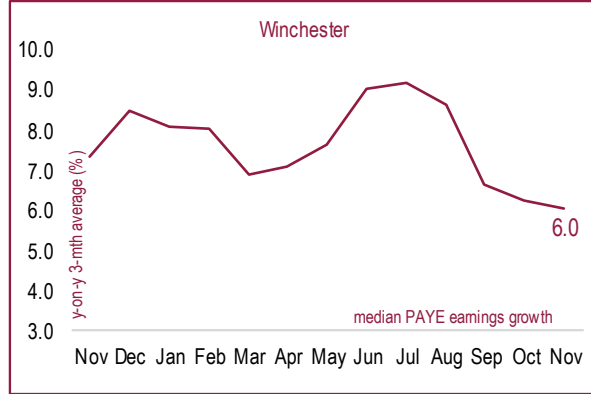
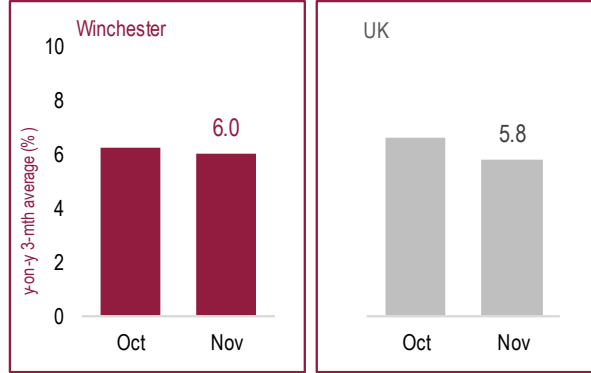
- Our preliminary growth estimate points to flat growth in the Winchester economy in Q3 following 0.3% growth in Q2, with Q3 in line with national growth trends. The service sector contracted by 0.1%.
- Increase in net trade was offset by falls in investment, and household and government spending in UK..

## PAYE Employees



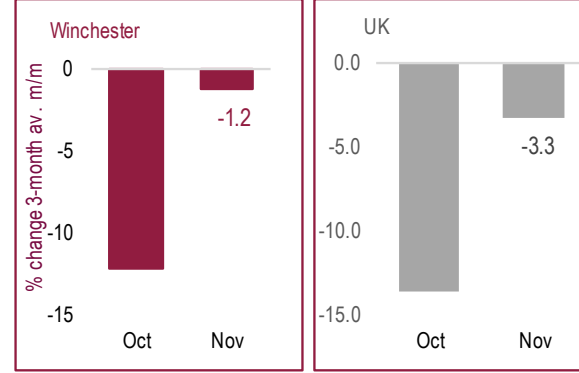
- PAYE employment growth in Winchester was up slightly in Nov. Employee numbers increased by around 100 to 57,400, a record high.
- Monthly growth was up on the previous month by 0.2% and well above the UK which saw no growth. Annual (Y-on-Y) growth in Nov of 1.3% up marginally on October.

## PAYE Earnings



- Median PAYE pay growth in Winchester eased to 6.0% in Nov, slower than in Oct but above the UK.
- Elevated wage growth and real PAYE earnings outpacing inflation imply that the Bank of England is unlikely to cut the rates before mid-to late 2024.

## Labour Demand



- Vacancies (online job postings) in Winchester were on average down by 1.2% in the 3-month to November, much softer than in Oct, and still better pace than the South-East average.
- Amid subdued economic outlook, demand for workers in Winchester is likely to soften further in early 2024.

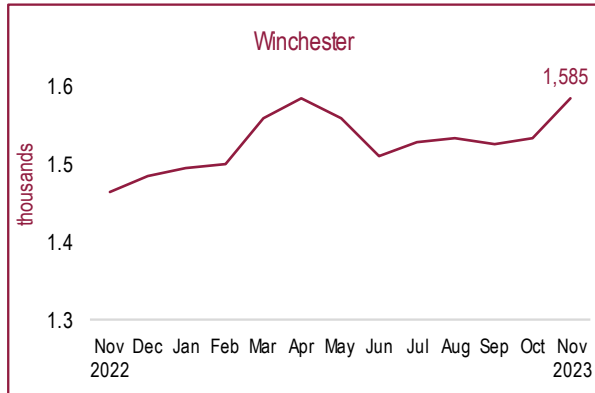
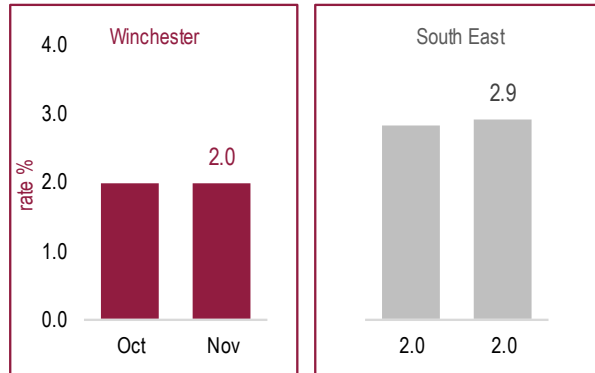
## Demand by Occupation

Unique jobs postings by Occupation (SOC)	Nov	% of total
Care Workers and Home Carers	193	5.6
Cleaners and Domestic	189	5.5
Chefs	181	5.3
Sales Related Occupations n.e.c.	157	4.6
Customer Service Occupations n.e.c.	134	3.9
Programmers and Software Development Professiona	125	3.6
Mechanical Engineers	98	2.8
Other Administrative Occupations n.e.c.	93	2.7
Kitchen and Catering Assistants	93	2.7
Early Education and Childcare Practitioners	86	2.5

Unique jobs postings by Occupation (SOC)	Sep	% of total
Kitchen and Catering Assistants	172	6.8
Chefs	154	6.1
Other Administrative Occupations n.e.c.	148	5.9
Nurses	130	5.1
Cleaners and Domestic	106	4.2
Care Workers and Home Carers	104	4.1
Customer Service Occupations n.e.c.	98	3.9
Sales Related Occupations n.e.c.	86	3.4
Nursing Auxiliaries and Assistants	73	2.9
Nursery Nurses and Assistants	69	2.7

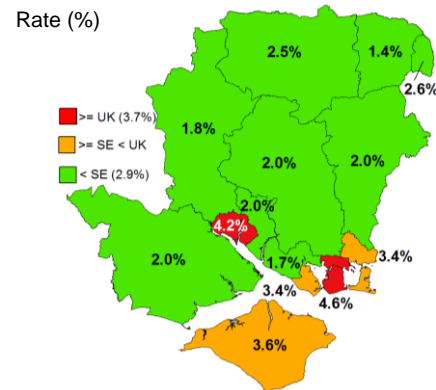
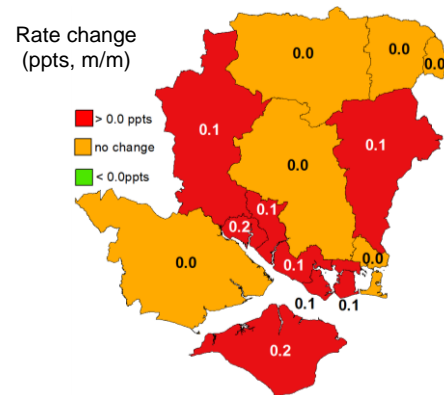
- Top in-demand jobs in Winchester in Nov are higher than in Oct with strong 'seasonal' demand in retail and hospitality occupations. Demand for care workers & home carers and cleaners remains high, and in high-skilled IT and engineering.
- The top in-demand specialised skills in Project Management and Finance.

## Claimant Unemployment



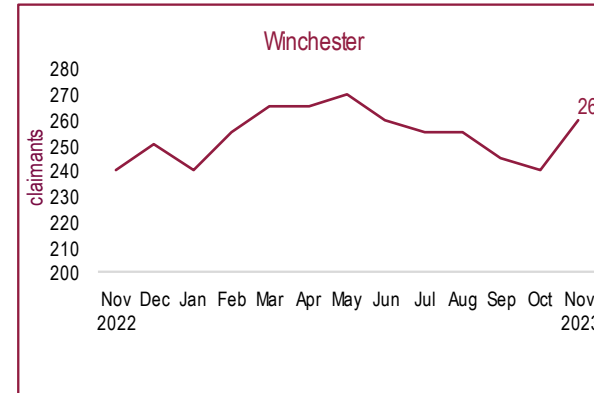
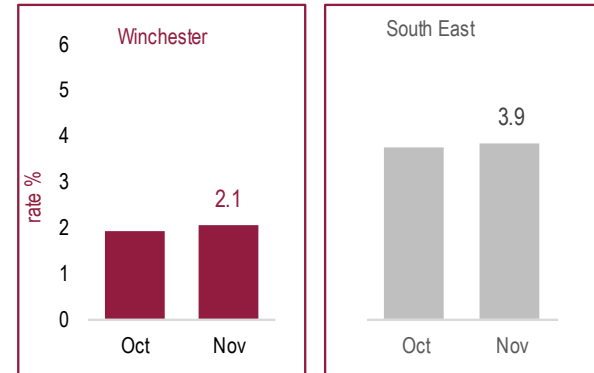
- Working age unemployed claimant counts in Winchester district (not adjusted for seasonal factors) increased for the 3<sup>rd</sup> consecutive month to reach 1,585 in November, and higher on the year (+120).
- However, the rate was unchanged at 2.0%, well below SE, but the count 62% higher than pre-pandemic levels.

## Local Claimants



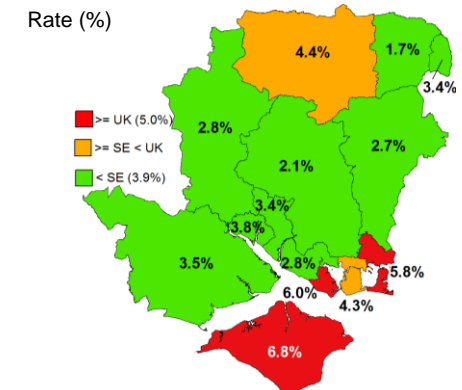
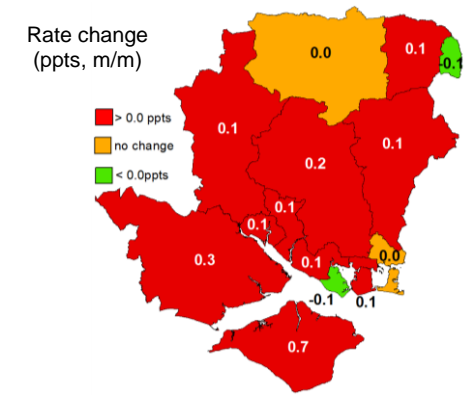
- Winchester district was one of six local authorities in Hampshire & Isle of Wight to see no change in the monthly claimant count rate.
- Like most Hampshire & Isle of Wight authorities, Winchester is below the two benchmarks, with only the two cities above the UK rate. Gosport, Havant and Isle of Wight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

## Youth Unemployment



- The number of young unemployed claimants aged 18–24-year-olds in Winchester district increased by 20 in November and up on the year (+20).
- The youth claimant unemployment rate increased to 2.1%. However, the Winchester district 18-24-year-old rate is well below the South East (3.9%) the UK (5.0%) averages.

## Young Local Claimants



- A majority of Hampshire & Isle of Wight local authorities saw youth unemployment rates increase on the month (including Winchester), two saw no change, and two a decrease.
- Most Hampshire & Isle of Wight districts had rates below the SE and UK rates, while Havant, Gosport and IoW remain above the UK rate.

- At the ward level in Winchester district, the number of unemployed claimants in November increased by 15 in Southwick and Wickham Ward.

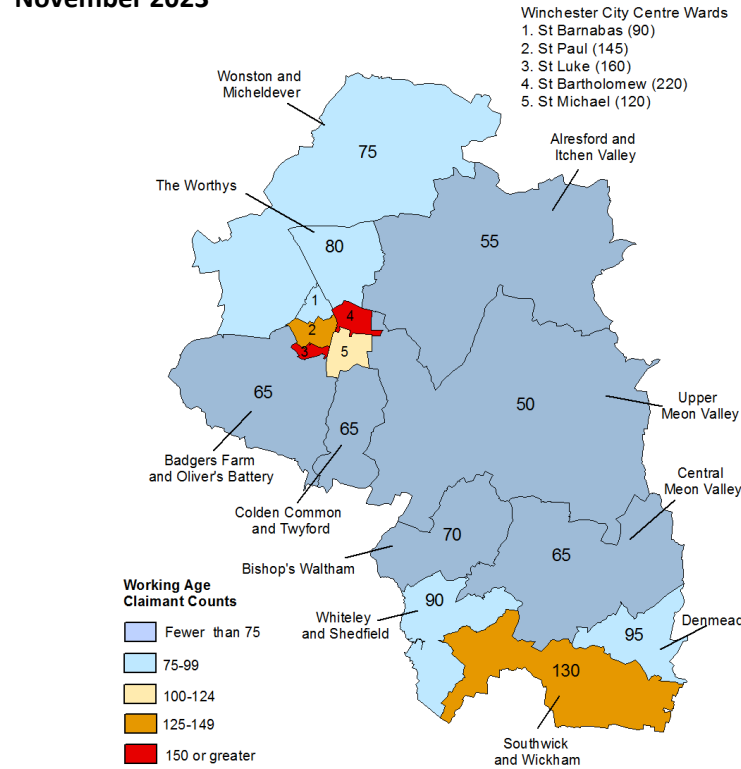
- All remaining wards fall within the threshold for little or no change (between -10 and +10 claimants).

- However, all but five of the 16 district wards saw an increase in their claimant rates in November, with Bishops Waltham the highest at +0.3 percentage points (albeit from a small base). One ward saw no monthly change in rates.

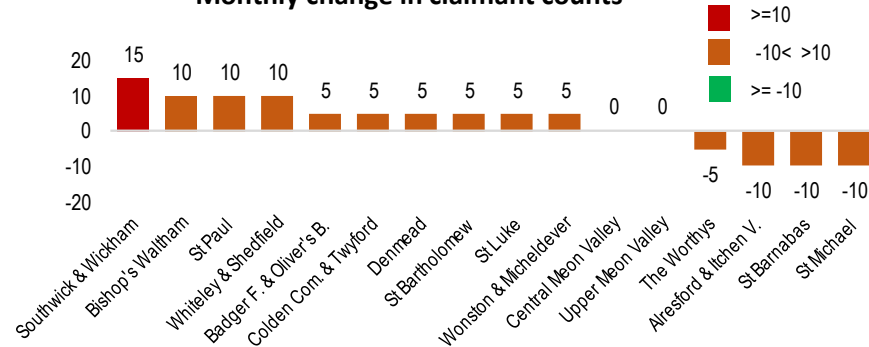
- The remaining four wards saw a decrease in rates of between 0.1 and 0.2 percentage points.

- St Luke and St Bartholomew and wards are the only two wards with an unemployment rate above the South East average (2.9%). No Winchester district wards are above the UK average (3.7%) – but St Luke Ward with 3.5% is the closest.

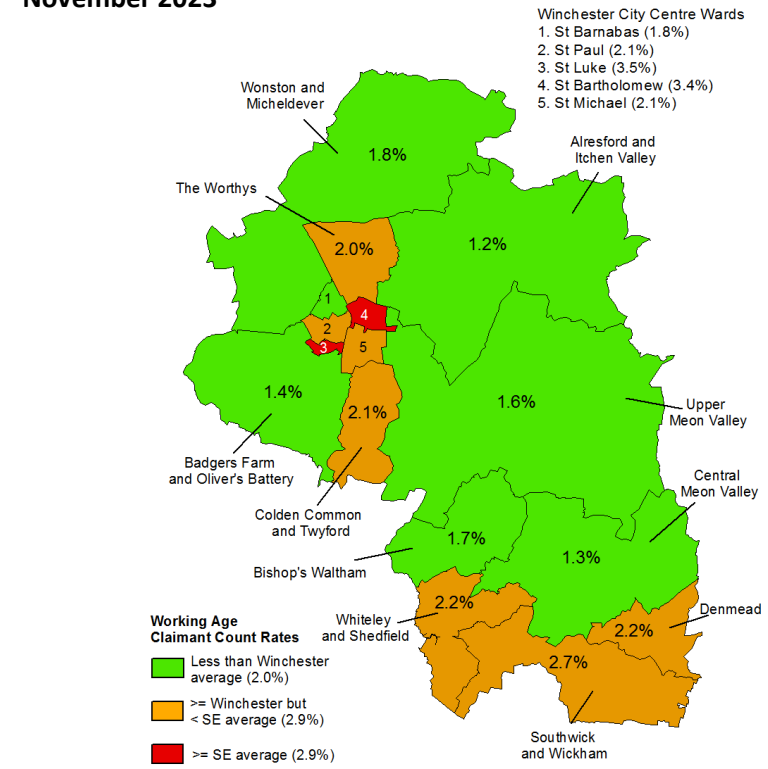
**Claimant Count: November 2023**



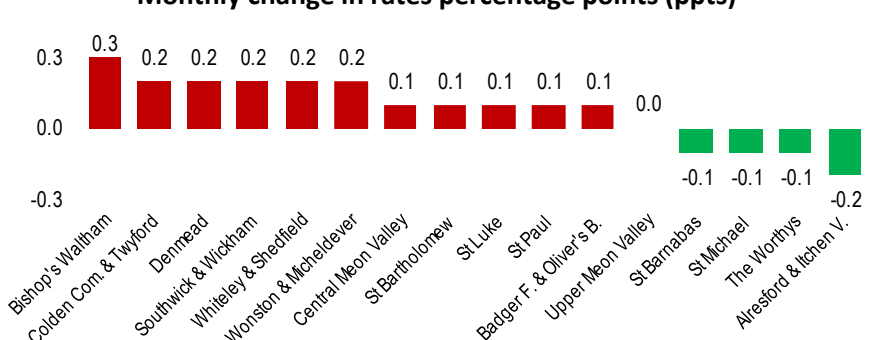
**Monthly change in claimant counts**



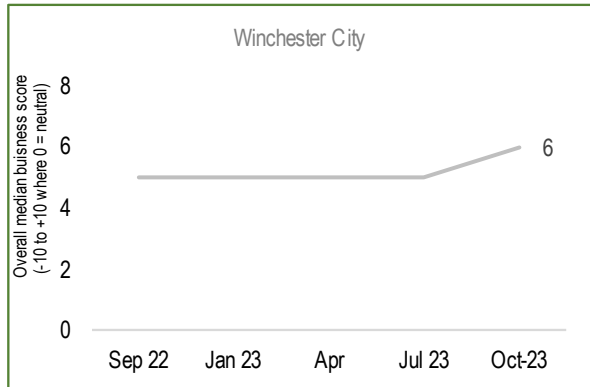
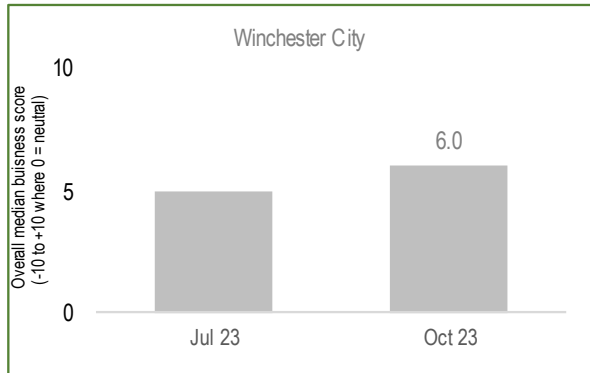
**Claimant Count Rate (%): November 2023**



**Monthly change in rates percentage points (ppts)**

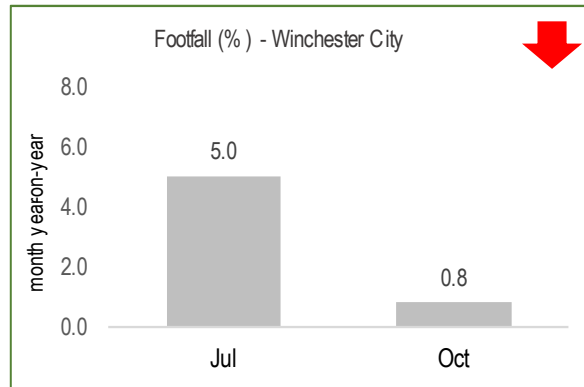
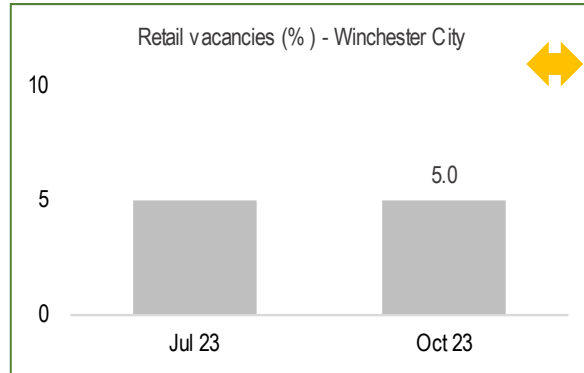


## Business Confidence ↑



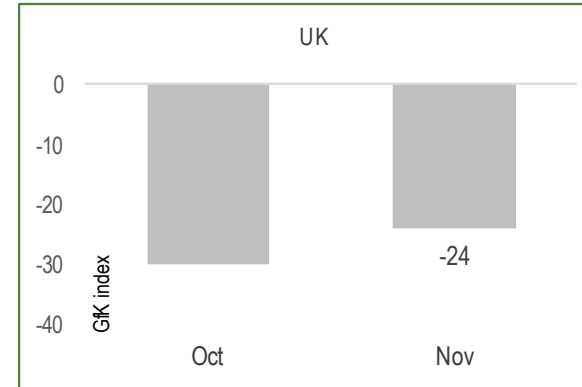
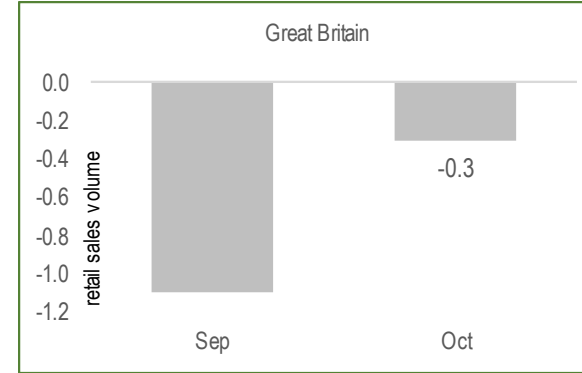
- Business sentiment score in Winchester city centre rose to 6 in Oct, higher than July and on the year, and is at the highest level since the end of the pandemic .
- British Chambers of Commerce survey points to businesses being averse to large investments while interest rates remain high.

## Vacancies & Footfall



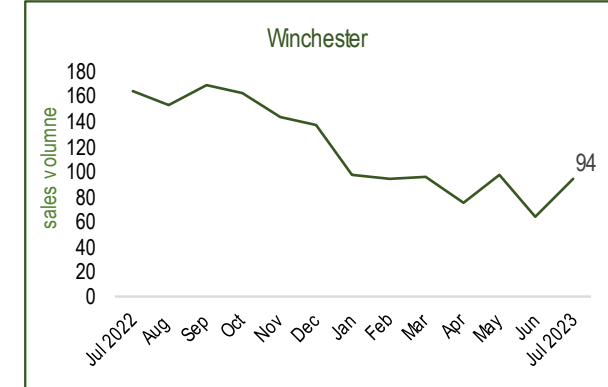
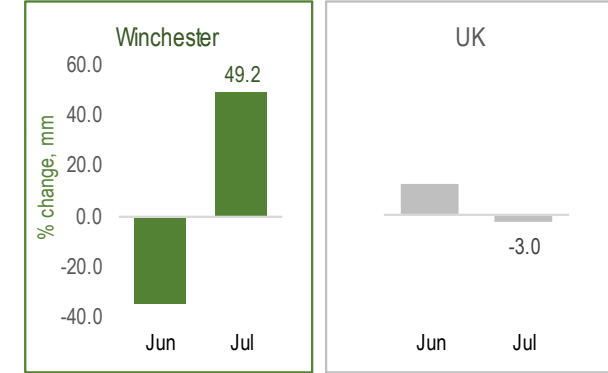
- Winchester high street vacancy rate remains at 5.0% in October, joint lowest since Jan 2020, and much lower than latest national High Street vacancy rate of 13.9% (BRC).
- Winchester businesses reported little change in footfall in Oct 23 (0.8%) compared Oct 22 and lower than in July as cost-of-living hits consumers.

## Spending & Consumer ↓



- Retail sales volumes unexpectedly decreased by 0.3% in Oct 2023, but slower than Sep's revised 1.1% fall. Sales volumes lowest since 2021
- UK Consumer confidence rallied in Nov to bounce back from Oct fall, as inflation eases and consumers more optimistic about their personal financial situation going forwards.

## House Sales ↑



- House sales in Winchester saw seasonal uptick in July with nearly 100 (49.2%) more sales than June.
- Prices increased in Winchester the County and UK in July. Timelier survey points to house price rises due to shortage of properties rather than demand with prices holding up as mortgage rates begin to ease.

## 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 remain resilient in Q3**, as the overall median sentiment or confidence score rose to +6, the highest level since the end of the pandemic when the confidence score fell to +3.
- Positive results **show that average spend for each customer is increasing**, with customer loyalty important for Independent businesses.
- **Entering the 'Golden Quarter' in the lead up to Christmas** has seen greater emphasis devoted to in-store and online promotions and sales. The final quarter of 2023 is an important trading period so short-term confidence levels are rising. However, **competitive pricing will be essential** given the current economic environment.
- On the downside, **theft a problem** with stores further up the High Street away from the main footfall, and with inflationary pressures seeing **higher staffing costs** to attract and retain the quality of employee required.
- The **High Street vacancy rate remains at 5%, the joint lowest since January 2020**, much lower than national High Street vacancy figure of 13.9%
- Latest Monthly Place Report for **July 2023 showed town footfall grew by just 0.8%** in October compared to the same period a year ago and lower than July
- **New arrivals to Winchester City High Street** include men's outfitters **Suave Owl**, upmarket estate agents **John D Wood**, and stationery outlet **Mooch** in St. George's street.

## Public Policy News

### Autumn Statement saw a number of policy announcements:

- The main employee **NI rate to be cut by 2 percentage** points to 10% from January 2024. A worker on an average salary of £35,000 will save over £450 a year. There are **around 57,000 PAYE employees in Winchester District who potentially benefit from the cut.**
- The **self-employed also to gain** from changes to self-employed NICs from April 2024. There are **an estimated 6,500 working age self-employed people in Winchester District** who may benefit, around one in ten of the workforce.
- **Business rates support package** worth £4.3 billion over the next 5 years to help high streets and protect small businesses critical to local communities, including a **rollover of 75% business rates relief for Retail, Hospitality and Leisure** sectors for another year. This could **benefit over 600 hospitality & tourism businesses in Winchester directly employing 11,000 workers.**
- **R&D reliefs simplified**, and the system improved from April 2024, with thousands of Winchester businesses potentially stand to benefit from either the freezing of the multiplier or from small business rate relief.
- **Made Smarter Adoption Programme**, a programme helping SME manufacturers access technology and digital skills, to be rolled out to all nine English regions in 2025-26.
- **Permanent full expensing for capital allowances** from 2026-27, enabling businesses to reclaim 100% of capital allowances in year one for investments into plant and machinery to boost investment and productivity growth.



## 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 Team

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