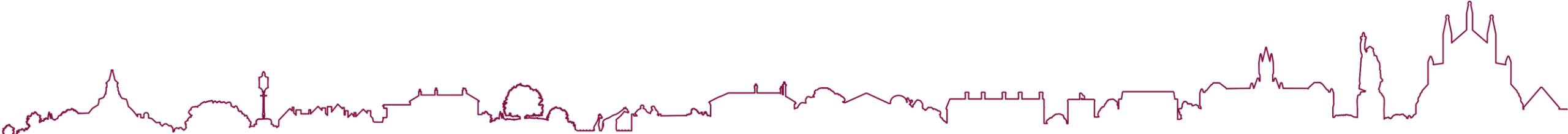


Winchester District Quarterly Economic Intelligence Dashboard



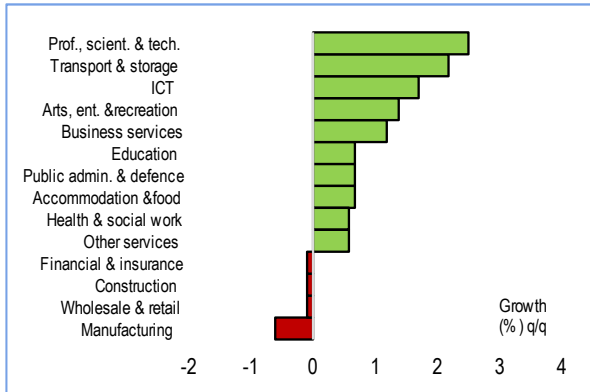
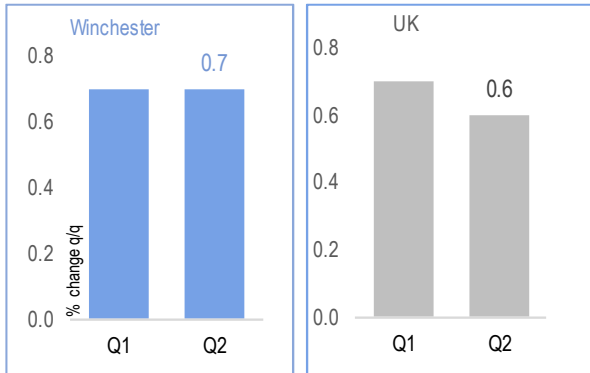
September 2024



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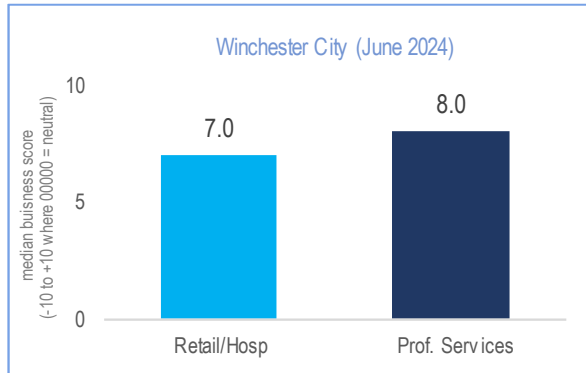
Theme	Indicators	
Business Activity	<ul style="list-style-type: none">• Business Performance• Economic Growth• Business Prices• Inflation	Page 1
Jobs and Earnings	<ul style="list-style-type: none">• PAYE Employees• PAYE Earnings• Labour Demand• Demand by Occupation	Page 2
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Economic Growth



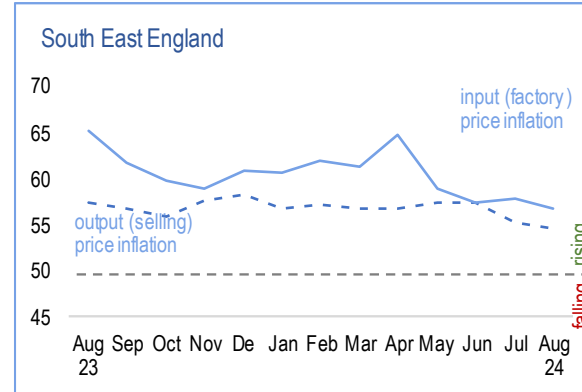
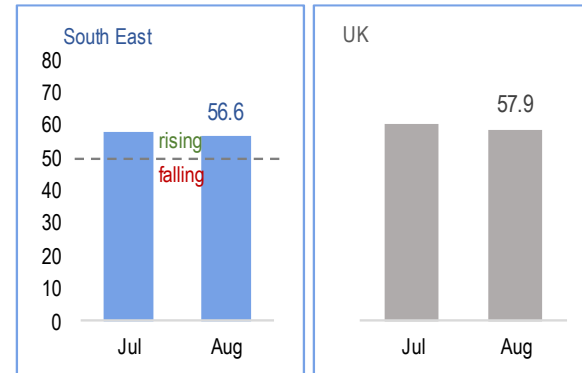
- Our preliminary growth estimate for Winchester suggests the economy grew strongly in both Q1 and Q2 2024.
- Estimated growth (0.7%) above UK average. Growth in the UK led by services sector, notably IT, legal services and professional and scientific but production contracted.

Business Performance



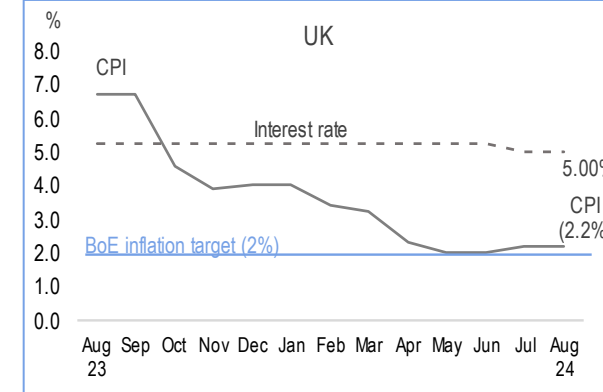
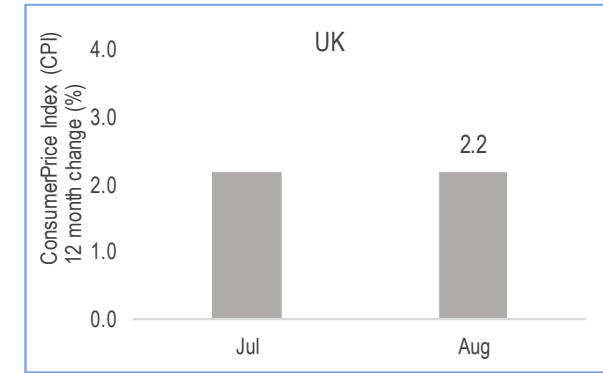
- Survey evidence from Winchester BID Business Barometer suggests that business performance by 'new' retail & hospitality (RH) and professional services (PS) measure in the city rose on the 'old' overall April median of 0.6.
- August PMI survey data points to solid growth in the South East's economy, with uptick in activity and new orders.

Business Prices



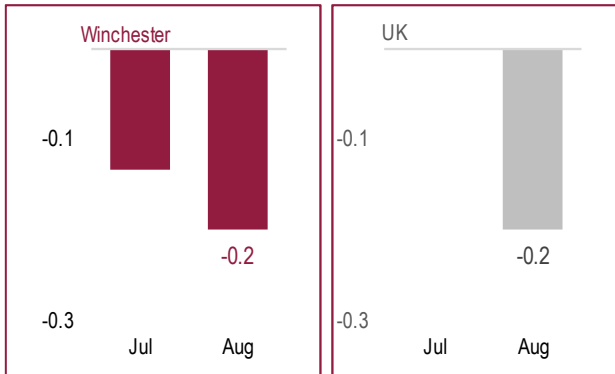
- Cost inflation receded last month with firms in the region signalling the joint-weakest rise in input prices in the UK.
- Anecdotally, firms blamed wage pressures and increased raw material as the key drivers of input inflation.
- August's output prices (selling prices) remain solid but softening – output price inflation lowest since Jan 2021.

Inflation

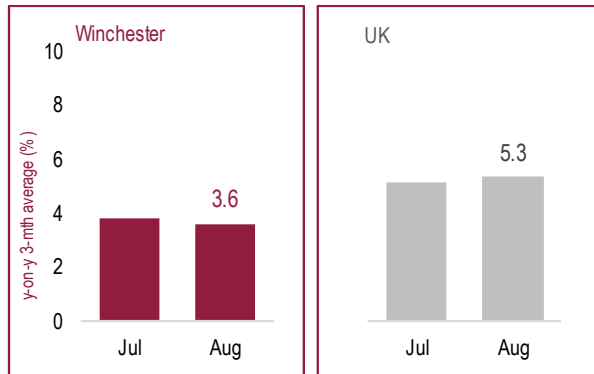


- Annual consumer price inflation (CPI) held at 2.2% as rising air fares offset by lower fuel and restaurant prices.
- Core inflation and services inflation ticked upwards in August to 3.6% and 5.6%, respectively.
- The stickiness of inflation has resulted in the Bank keeping interest rates unchanged at 5%.

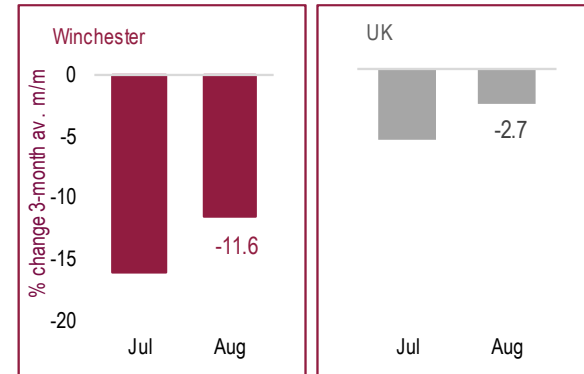
PAYE Employees



PAYE Earnings

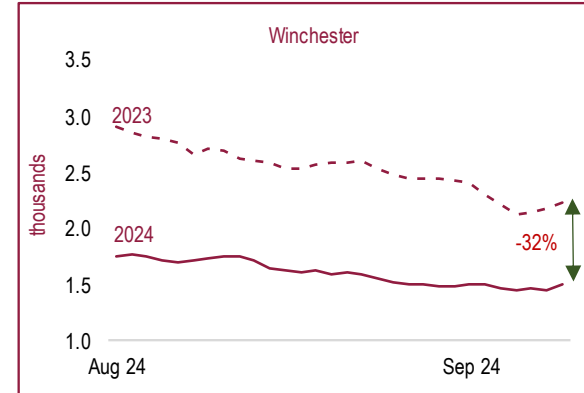
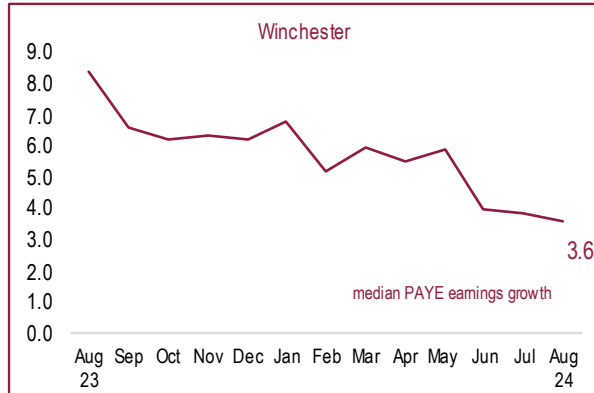
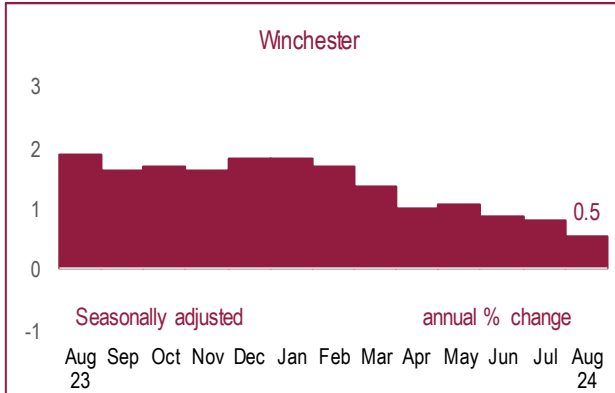


Labour Demand



Demand by Occupation

Unique jobs postings by Occupation (SOC)	Aug	% of total
Cleaners and Domestic	115	6.8
Care Workers and Home Carers	95	5.6
Sales Related Occupations n.e.c.	82	4.8
Customer Service Occupations n.e.c.	75	4.4
Chefs	71	4.2
Kitchen and Catering Assistants	62	3.7
Other Administrative Occupations n.e.c.	54	3.2
Early Education and Childcare Practitioners	43	2.5
Managers and Directors in Retail and Wholesale	42	2.5
Solicitors and Lawyers	40	2.4



Unique jobs postings by Occupation (SOC)	May	% of total
Cleaners and Domestic	105	5.8
Care Workers and Home Carers	93	5.1
Sales Related Occupations n.e.c.	79	4.3
Kitchen and Catering Assistants	74	4.1
Chefs	72	3.9
Customer Service Occupations n.e.c.	61	3.3
Programmers and Software Development Professionals	55	3.0
Early Education and Childcare Practitioners	55	3.0
Solicitors and Lawyers	50	2.7
Other Administrative Occupations n.e.c.	49	2.7

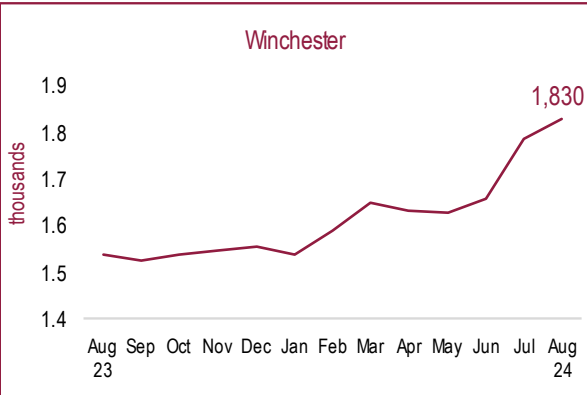
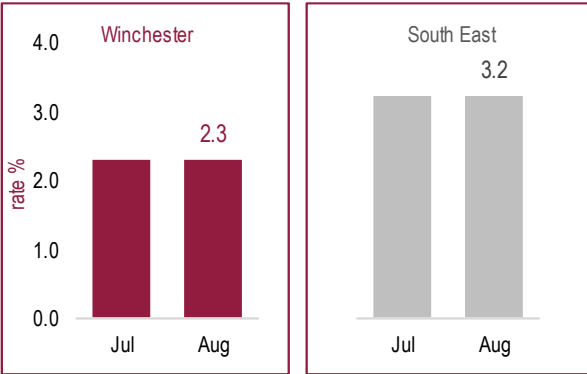
- Timely preliminary estimates from HMRC suggest that PAYE employment in Winchester decreased in August. The fall in August was faster than in July.
- August's PAYE employment saw negative growth on the month and the quarter, while annual PAYE employment growth eased to 0.5%.

- PAYE earnings in Hampshire and Isle of Wight increased in August at the weakest pace since December 2021. However, PAYE pay in Hampshire and Isle of Wight remains well above headline inflation..
- The further easing in wage growth is another sign that labour market conditions are continuing to cool..

- Forward looking data suggests that labour demand as measured by the number of online job postings continues to ease and at faster pace than the UK average.
- Daily job postings data points to gradual softening in August although ticking up in early Sep. Postings lower than at the same time a year ago.

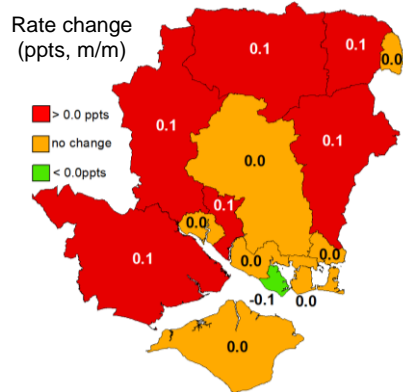
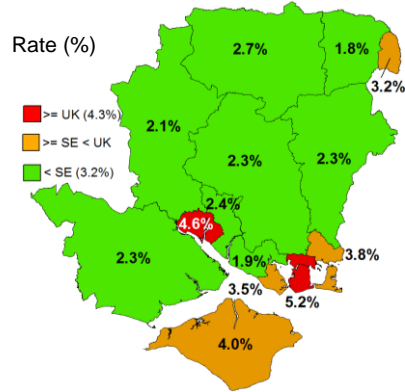
- Top in-demand skills in Winchester largely unchanged although vacancies increased on the previous quarter for cleaners and customer services. Managers and directors in retail back in the top ten in August.
- The top specialised skills: project management, auditing, finance, marketing, KPIs and invoicing.

Claimant Unemployment ↔



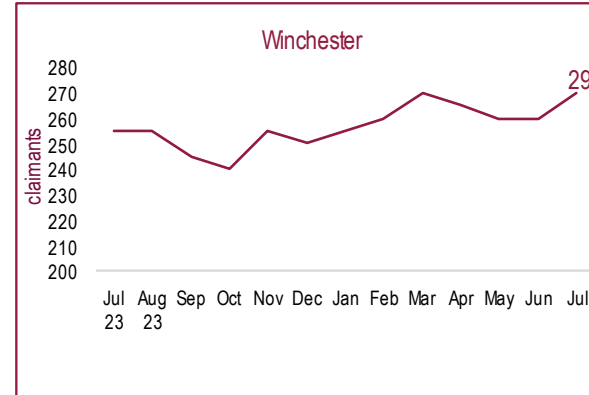
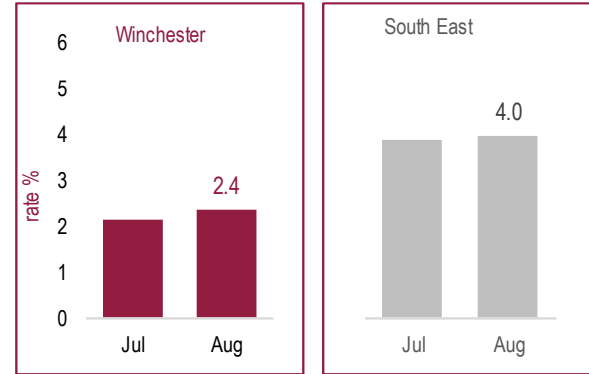
- The number of unemployed claimants in Winchester district (not adjusted for seasonal factors) increased by 45 to 1,830 and higher on the year (+295). Increases were in the 18-24 and over 50s age groups.
- The rate was unchanged at 2.3%, which is well below South East and UK rates.

Local Claimants



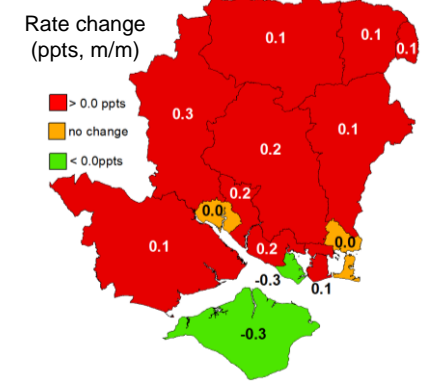
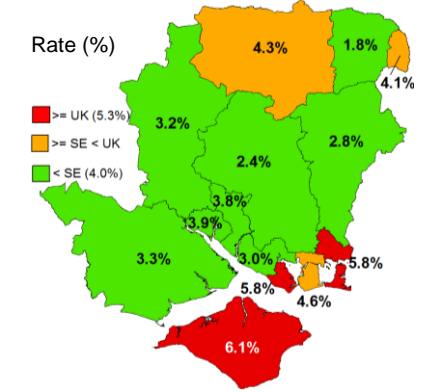
- Winchester district was one of seven local authorities in Hampshire & Isle of Wight to see no change in the monthly claimant count rate.
- Like most Hampshire & Isle of Wight authorities, Winchester is below the two benchmarks, with the two cities above UK rate and Gosport and Havant and IoW above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

Youth Unemployment ↑



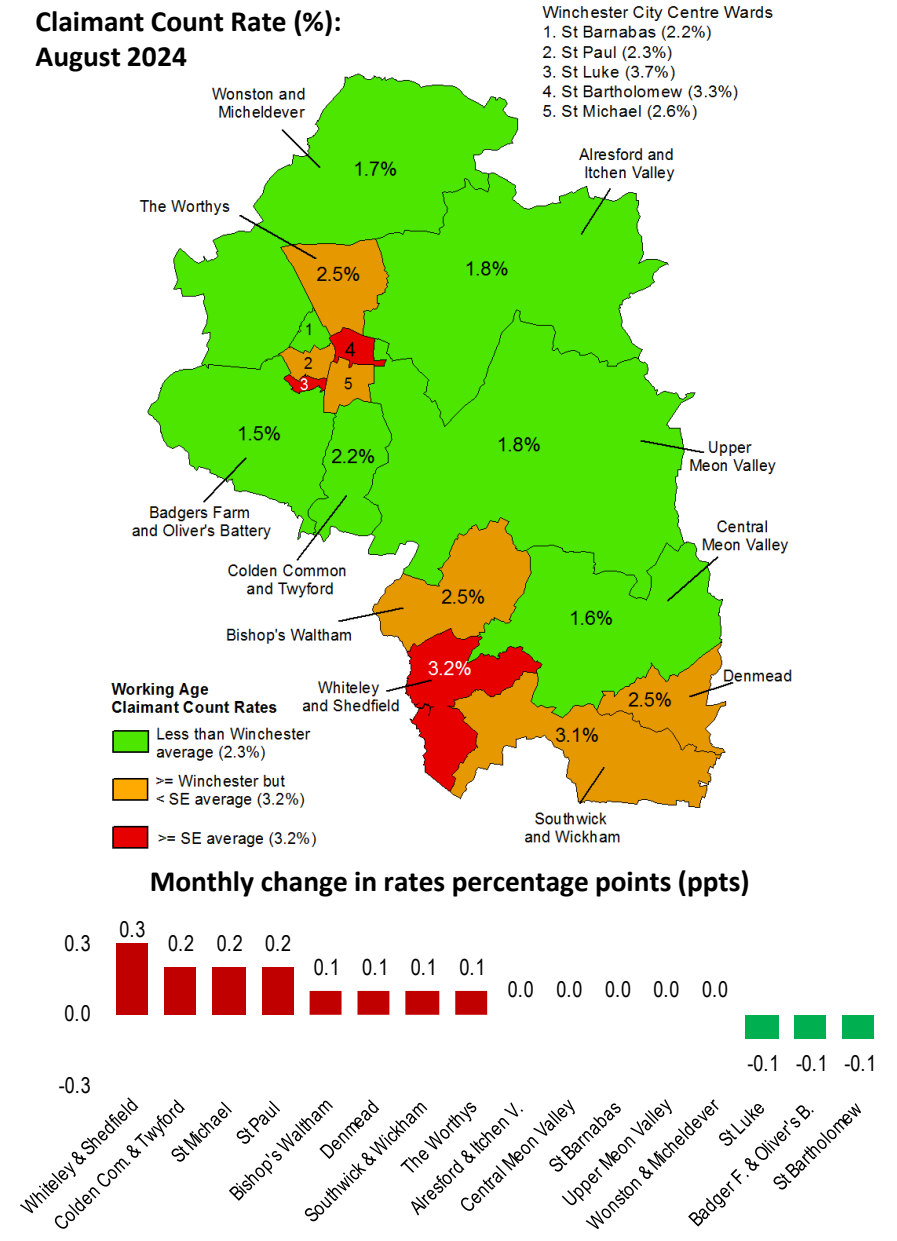
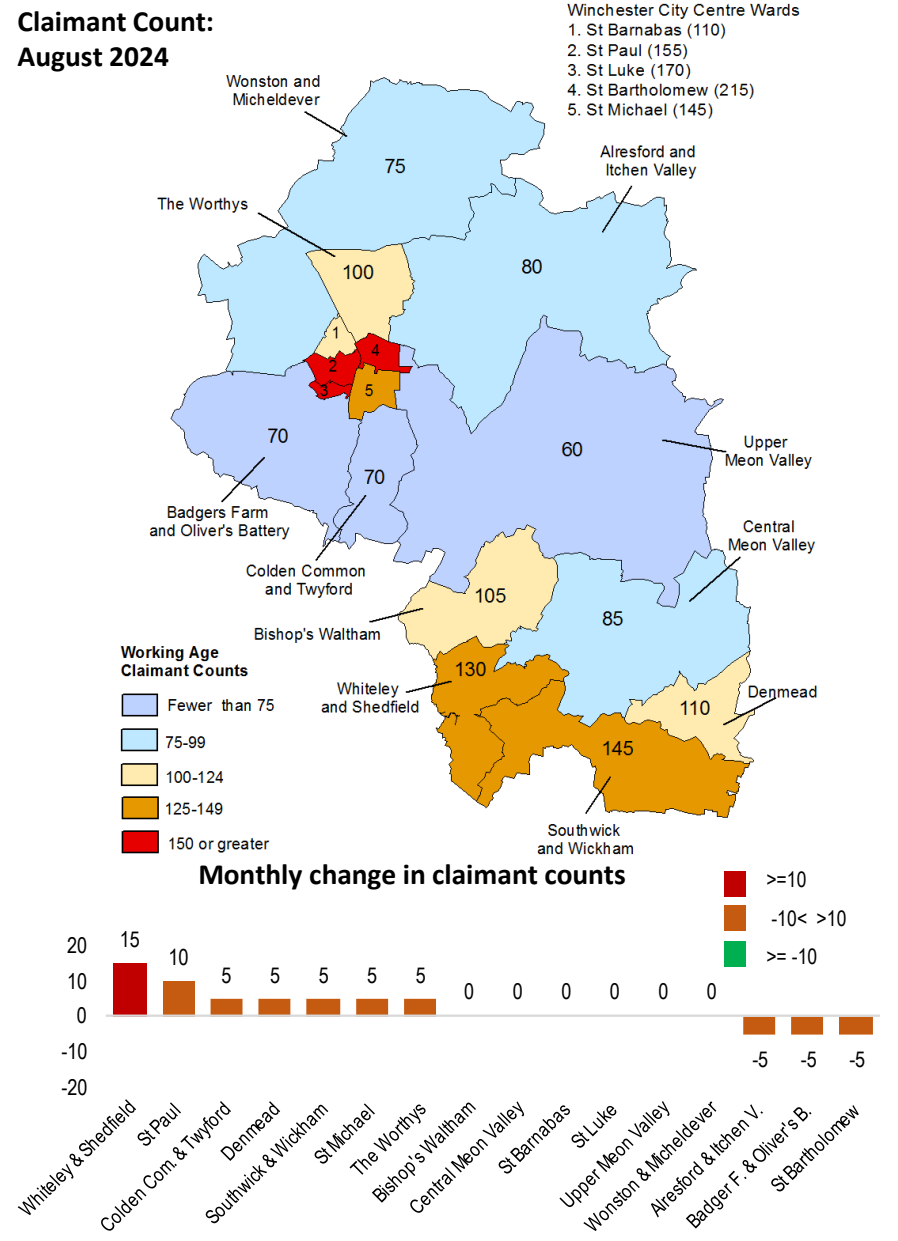
- The number of young unemployed claimants aged 18–24-year-olds in Winchester district increased by 25 to 295 in August.
- The youth claimant unemployment rate increased to 2.4%. The Winchester district 18-24-year-old rate is well below the South East (4.0%) and the UK (5.3%) averages.

Young Local Claimants

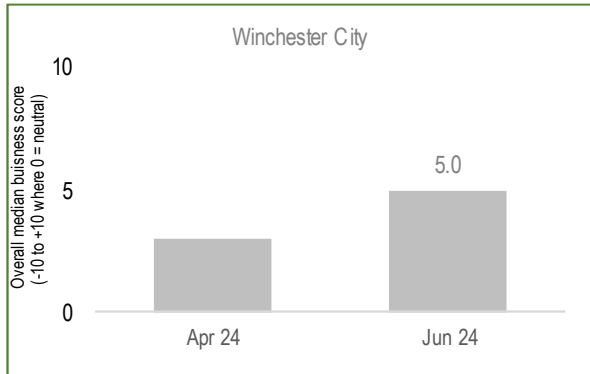


- Most Hampshire & Isle of Wight districts have rates below the SE and UK rates, while Havant, Gosport and IoW remain above the UK rate.
- Ten of the 14 Hampshire & Isle of Wight local authorities (including Winchester) saw unemployment rates for young people increase on the month.

- Only Whiteley & Shedfield Ward saw increase in claimant count on the previous month above the threshold (>+10).
- The remaining wards all met the threshold for no change (between -10 and +10 claimants).
- Claimant count concentrations (over 125) are in the City of Winchester or in the south in Whiteley & Shedfield and Southwick and Wickham Wards.
- Half of the 16 district wards saw an increase in their claimant rates in August, with four wards seeing 0.2 or more percentage points increase (albeit from a small base). five wards saw no monthly change in rates. The remaining three wards saw a decrease in rates of 0.1 percentage points.
- There are three wards with an unemployment rate above or equal to the South East average (3.2%). No Winchester district wards are above the UK average (4.3%) – but St Luke Ward with 3.7% is the closest.



Business Confidence ↑



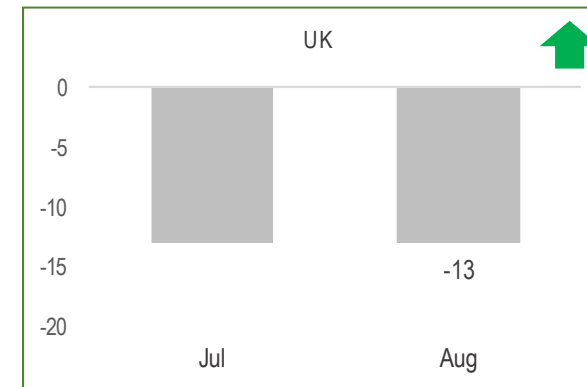
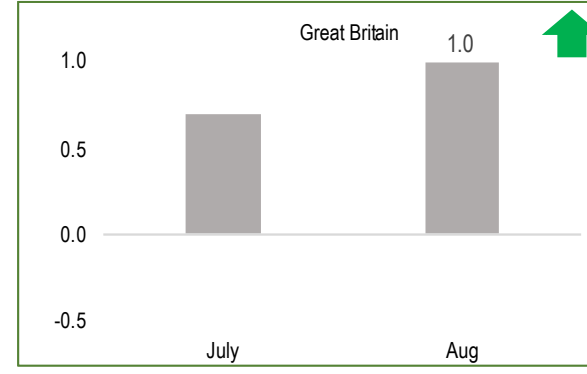
- Business sentiment score in Winchester city centre was 5 in Jun 2024, higher than in April. The outlook is less buoyant for Independent RH outlets.
- August's PMI regional survey points to improved sentiment, with optimism for future demand as new business rises at fastest rate since May 2023.

Vacancies & Footfall ↑



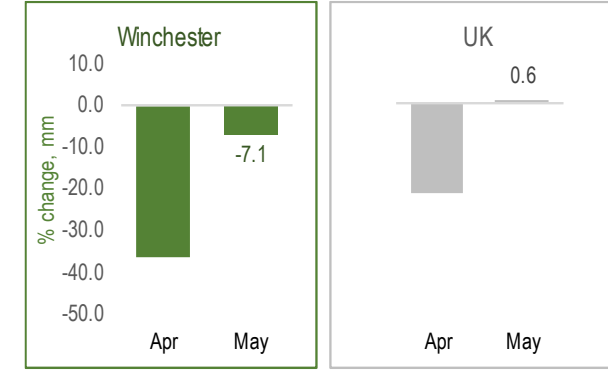
- Winchester high street vacancy rate increased to 7% in June, the highest since April 2023 (8.5%) but well below its peak of 12.4% (Jan 2021) and below national High Street vacancy rate of 13.8% (Co-pilot)
- Winchester businesses reported an 1.7% increase in footfall in July 2024 recovering from a fall in June.

Spending & Sentiment ↑



- Retail sales volumes increased by 1% in Aug, as warmer weather and end-of-season sales boosted food and clothing sales. Consumer sentiment has been improving but remained stable in August. Consumer expectations for the economy fell (first time since Feb) but optimism on personal finances.

House Sales ↓



- Winchester saw house sales fall in May, but the fall was considerably smaller than in April.
- House prices decreased 2.2% in Winchester in July 2024 following a 2.3% growth in June.
- The average price in Winchester stood at around £492K in July with detached houses worth around £793K.

Business-specific Intelligence and News

- Winchester city centre BID has split findings into retail and hospitality (RH) outlets and 'professional services' (PS). The BID for June 2024 reported a **median performance score for RH outlets at 7, and median performance score at for PS businesses at 8**. Both denote strong performances as the economy expanded strongly in the first two quarters of 2024.
- Anecdotal **reasons for the solid performances** were down to both **repeat and new customers, range and variety of stock, and in-store promotions**. Conversely, bad weather, cost of living and recruitment of staff remained a challenge.
- **Both RH and PS businesses, saw short term sentiment scores improve over the past three months**. However, the outlook was less upbeat for Independent RH outlets with sentiment lower (3) than the previous score (5).
- **Sales in the first half of 2024 saw no change in Winchester city centre non-food sales, including Hospitality, with local retail sales figures faring better than national results.**
- **Looking ahead, median expected RH sales have moderated** from three months ago where sales projection for 2024 was a 7% down to 4%. PS saw median 1% increase in sales during the first half of 2024 and by 2% over 2024
- **The Winchester High Street vacancy rate was 7%** more than double the healthy rate (3%, Savills) but **about half the national vacancy rate**. This was higher than six months ago (5%) but not unusual given the lagged impact of economic downturns on vacancy rates. The 'churn' rate increased with closures such as Ecco and Phase Eight.
- Latest Monthly Place Report has **Winchester businesses seeing 1.7% increase in footfall in July 2024** compared a fall in June of 3.4%.

Public Policy News

- **New Labour Government formed on July 5th 2024**, with Sir Keir Starmer as Prime Minister and; Angela Rayner as Deputy Prime Minister and Secretary of State for Housing, Communities and Local Government; Rachel Reeves as Chancellor of the Exchequer.
- New government announced **substantial rework of the National Planning Policy Framework (NPPF)**, with open consultation ending 24th September. Part of the proposed Planning Reform Bills that include:
 - **New mandatory house building targets-** new standard method that will require 90% of local authorities outside the capitals to build more.
 - **Change in land use** of Brownfield, Green Belt and new 'Grey Belt' definition to free up land for housing development (but risks of high remediation costs).
 - **Creation of a New Towns Taskforce** (expected to be large-scale communities with at least 10,000 new homes each and sited on transport corridors with existing rail and road links to larger cities.)
 - **Planning and Infrastructure Bill** including new powers for local government (more leeway to acquire private land for affordable housing under a reworked compulsory purchase order scheme).
 - **Changes to the Nationally Significant Infrastructure Projects (NSIP)** - under new rules, the local planning authority would need to identify suitable locations for labs, gigafactories and data centres and their supply chains.
 - **Lift on the Ban on New On-Shore Wind Farms.**
- British workers set for better working conditions as the **Government takes its first steps towards its Plan to Make Work Pay**. The **Employment Rights Bill** (key role to delivering Plan to Make Work Pay) includes inter alia: a ban on exploitative zero hours contracts; end of fire and rehire; and minimum wage aligned to a living wage by accounting for the cost of living.
- The **Autumn Budget 2024** will take place on **Wednesday 30 October**.

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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