

WEST OF ENGLAND

Combined Authority

Quarterly Economic Bulletin

June 2018

Introduction

This quarterly bulletin looks at a variety of indicators to provide an overview of the economic health of the West of England Local Enterprise Partnership area, which covers the West of England Combined Authority (B&NES, Bristol & South Gloucestershire) and North Somerset.

The bulletin is divided into six sections:

1. [Economic overview](#)
2. [Business conditions](#)
3. [Businesses that succeed](#)
4. [World class skills for employment](#)
5. [Infrastructure fit for the future](#)
6. [An attractive place to visit](#)

1. Economic Overview



2. Business Conditions

International Context

- Global output strengthened to 3.8 percent in 2017, driven by investment recovery in advanced economies and continued strong growth in Asia.
- Global growth at the end of 2017 was above 4%, the strongest since the second half of 2010.
- Global growth for 2018 and 2019 is expected to reach 3.9 percent.

National Context

- UK economic growth is expected to remain a modest 1.4 in 2018, and 1.3 in 2019 due to continued uncertainties around Brexit negotiations.
- ONS put growth for the first 3 months of 2018 at 0.1%, with a notable slowdown in the manufacturing sector.
- UK unemployment continues to fall but wage growth is slowing resulting in a prolonged consumer spending squeeze.

Local Context

- The West of England economy continues to perform strongly although showing signs that its slowing, reflecting national economic conditions.
- There remains a clear mismatch between jobs sought and jobs advertised in the area; with businesses seeking higher skilled workers and job seekers looking for lower skilled occupations.

3. Businesses that succeed

3.1 Business Start-ups



Top Sectors for start-ups Q1

1. Real estate, professional services & support activities: 578 start-ups
2. Wholesale & retail trade: 224 start-ups
3. Construction: 218 start-ups

N.B Start-ups are an indication of entrepreneurialism and innovation and it is within these business start-ups that the jobs of the future will be created. However, rising start-ups can also signal times of economic distress; survival and positive churn within these start-ups are what matters .

3.2 Growth Hub

The West of England Growth Hub offers access to an extensive, connected network of business knowledge and skills partners, supporting local businesses to confidently expand and grow. <https://www.wearegrowth.co.uk/>

- **90** new sign ups in May

Top visited sites (May)

- [Business is Great](#)
- [DIT](#)
- [Sales Coaching Solution](#)

Top areas of need (May)

- Financing growth
- Sales
- New products and services

3.2.1 Scale-ups

183

Visible scale-up businesses according to Companies House.

Likely nearly 500 additional 'invisible' scale ups.

Combined turnover

>£6Bn

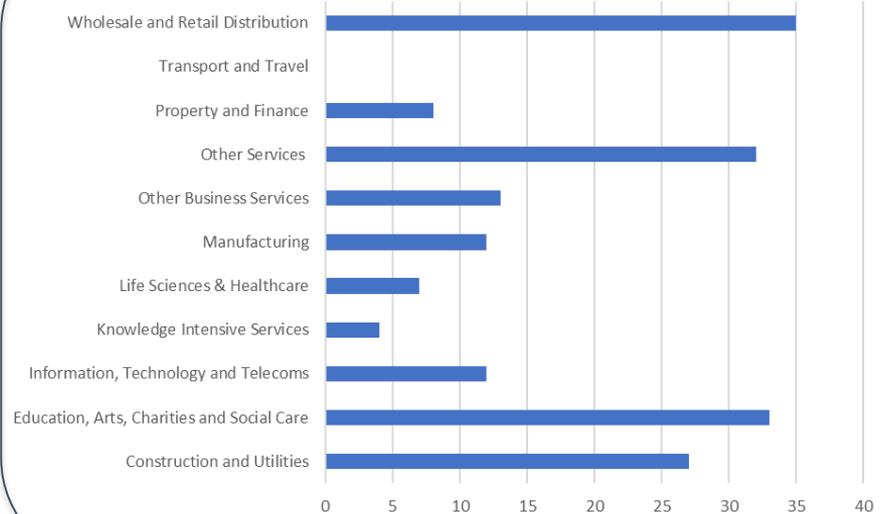
Average turnover growth

>£80k

Combined employee number

45k

Scale-up Sectors



These insights only include 'visible' scale-up businesses whose turnover is £10M+ and who submit full accounts to Companies House. We are actively developing a more comprehensive dataset to include 'invisible' scale-ups and those who don't yet meet the Scale-up Institute definition.

3.2.1 Scale-ups

What's the challenge?

Office space availability, affordability and suitability

What exists to support scale-ups?

The [Scale-up Enabler](#) has created an [ecosystem map](#) to share available support.

Company founders are invited to book a session with the Property Advisor in Residence:

<https://bristolpropertyiir.youcanbook.me/>

Where can you find out more?

<http://www.engine-shed.co.uk/scale-up-challenges-room-for-growth/>

What's the challenge?

Access to and understanding of finance options

What exists to support scale-ups?

The Business Finance Guide:

<https://thebusinessfinanceguide.co.uk/>

Alternative Business Funder:

<https://www.alternativebusinessfunding.co.uk/>

Regional Scale up investment map:

<http://www.engine-shed.co.uk/investment-ecosystem/>

Ideas we're exploring

- New and more active angel syndicates.
- Tools to bring finance options to life.

Where can you find out more?

Keep an eye on the scale-up news via the Engine Shed for new initiatives and events planned for Q3.

What's the challenge?

Leadership development and appointment of NEDs and leadership team.

What exists to support scale-ups?

SWFoundersPro and various groups described in the blog linked below.

Ideas we're exploring

Regional register of non exec directors

A variety of third party scale-up programmes

<http://www.engine-shed.co.uk/scale-up-support-programmes/>

Where can you find out more?

<http://www.engine-shed.co.uk/finding-founder-support/>

Contact Briony Phillips, Scale-up Enabler:

Briony.Phillips@engine-shed.co.uk

3.4 Invest Bristol & Bath

Invest Bristol & Bath (IBB) is the investment promotion agency for the West of England LEP area. The organisation undertakes a range of marketing activity and works directly with client companies to attract investment and employment into the area.

New successes since April 2018:



7 new
investments



340
new jobs

Investment Pipeline:

135

active leads

80

early opportunities



9,530

Potential new jobs

4. World Class Skills for Employment

4.1 Employment Rate

**Employment
Rate**

78.7

up on previous
year by 1.5p.p



- Higher than the employment rate for England which stands at 75.1
- Performing better than Core City LEP areas who have an average employment rate of 72.0
- But performing less well than our Southern LEP comparators who have an average employment rate of 79.9

Source: employment rate – 16-64; Jan 2017- Dec 2017; ONS Annual Population Survey

4.2 Unemployment Rate

**Unemployment
rate**

3.9

remaining static
on the previous
year



- Lower than the unemployment rate for England which stands at 4.5
- Performing better than Core City LEP areas who have an average unemployment rate of 5.2
- But performing less well than our Southern LEP comparators who have an average unemployment rate of 3.2

Source: Unemployment rate – 16-64 ; Jan 2017-Dec 2017; ONS Annual Population Survey

4.3 Claimants

**Claimant
Rate**

1.6

up on April
2017 by 0.2p.p



- Jobseeker's Allowance Claimant Count 11,620
- Lower than the claimant rate for England at 2.2
- Under Universal Credit a broader span of claimants are required to look for work than under Jobseeker's Allowance. As Universal Credit Full Service is rolled out in particular areas, the number of people recorded as being on the Claimant Count is therefore likely to rise.

Source: April 2018 claimant count with rates and proportions; ONS

4.4 Vacancies



45,770
jobs advertised
Q1 2018



14,560
less than in Q1
2017

Top 5 Occupations Advertised Q1 2018

Occupation	No. Ads
Programmers & software development	3,129
Nurses	2,111
Sales related occupations	1,861
HR & industrial relations officers	1,395
IT business analysts, architects & system designers	1,283

Top 5 Skills Advertised Q1 2018

Skills	No. Ads
Customer service	4,562
Teamwork / collaboration	3,672
Sales	3,633
Budgeting	2,993
Project management	2,766

Source: Labour Insight / Burning Glass (Jan. 01 2018 – Mar. 31 2018)

4.5 Vacancies by Sought Occupation

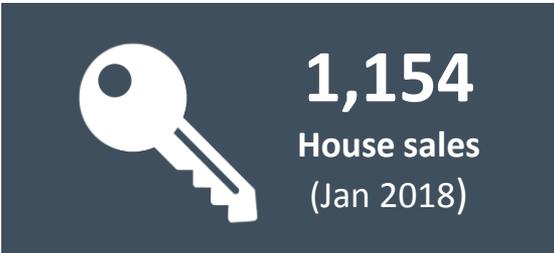
Occupation	Advertised Vacancies	Sought Occupation
Unknown	23	325
Managers & senior officials	1,934	200
Professional occupations	6,172	40
Associate prof & technical	3,149	45
Admin & secretarial	1,461	360
Skilled trades	994	125
Personal service	997	60
Sales & customer service	1,353	4,005
Process plant & machine	577	65
Elementary	693	400

- A clear mismatch between advertised vacancies and sought occupations.
- Demand for higher more specific skilled workers.
- Job seekers tend to look for lower skilled occupations.

Source: Labour Insight / Burning Glass / Claimant Count, ONS (April, 2018)

5. Infrastructure fit for the future

5.1 Housing Prices and Affordability



South Glos	£30,236	£264,805	8.8
North Som	£30,154	£249,744	8.2
Bristol	£27,980	£267,949	9.6
B&NES	£29,722	£326,799	11
Median Annual Earnings		Average house price	Ratio

Source: House Price Index, Land Registry; and Annual Survey of Hours and Earnings, Office for National Statistics

5.2 Office take-up and rents



124,080 sq.ft

Bristol City Centre
take-up Q1 2018

31,833 sq.ft

Bristol out of town
take-up Q1 2018

Source: GVA The Big Nine, Quarter 1 2018

	Rents(£psf)
Bristol City Centre Rents	£32.50
Bristol Out of Town Rents	£22.00
Bath Rents	£31.00

Source: GVA The Big Nine, Quarter 1 2018

- Tight supply in office stock and high demand is pushing up rents in both Bristol City Centre and Bath.

6. An attractive place to visit

6.1 Tourism



c. 1,559,683

Passengers through
Bristol Airport during Q1 2018



+1%

on Q1 2017

1,024,534

Visitors to attractions
during Q1 2018



+7%

on Q1 2017

425,287

Room sales
during Q1 2018



+4.2%

on Q1 2017