

WEST OF ENGLAND QUARTERLY ECONOMIC BULLETIN

MAY 2019

INTRODUCTION

This quarterly bulletin uses a range of indicators to provide an overview of the economic health of the West of England Local Enterprise Partnership area. It complements our [Local Industrial Strategy evidence base](#).

The Local Enterprise Partnership area covers the West of England Combined Authority (Bath & North East Somerset, Bristol and South Gloucestershire) area and North Somerset.

The bulletin is divided into 4 sections, reflecting our [Operating Framework](#):

1. [Economic Overview](#)
2. [Business](#)
3. [Skills](#)
4. [Infrastructure](#)

SECTION 1: ECONOMIC OVERVIEW

INTERNATIONAL CONTEXT

Global growth is estimated to have slowed to 3.6% in 2018. Factors contributing to this include:

- Policy uncertainty in Europe.
- A decline in business and consumer confidence across OECD countries.
- A slowdown in trade growth from 5.25% in 2017 to 4% in 2018, driven by Europe and many Asian economies.

In 2018 Q4¹ global growth was particularly slow at around 3%.

Global growth is currently predicted to fall to 3.3% in 2019 and 3.4% in 2020.

1. Q4 refers to quarter 4. Quarters are defined as follows throughout the bulletin:
Q1 = Jan - Mar, Q2 = Apr - Jun, Q3 = Jul - Sep, Q4 = Oct - Dec.

NATIONAL CONTEXT

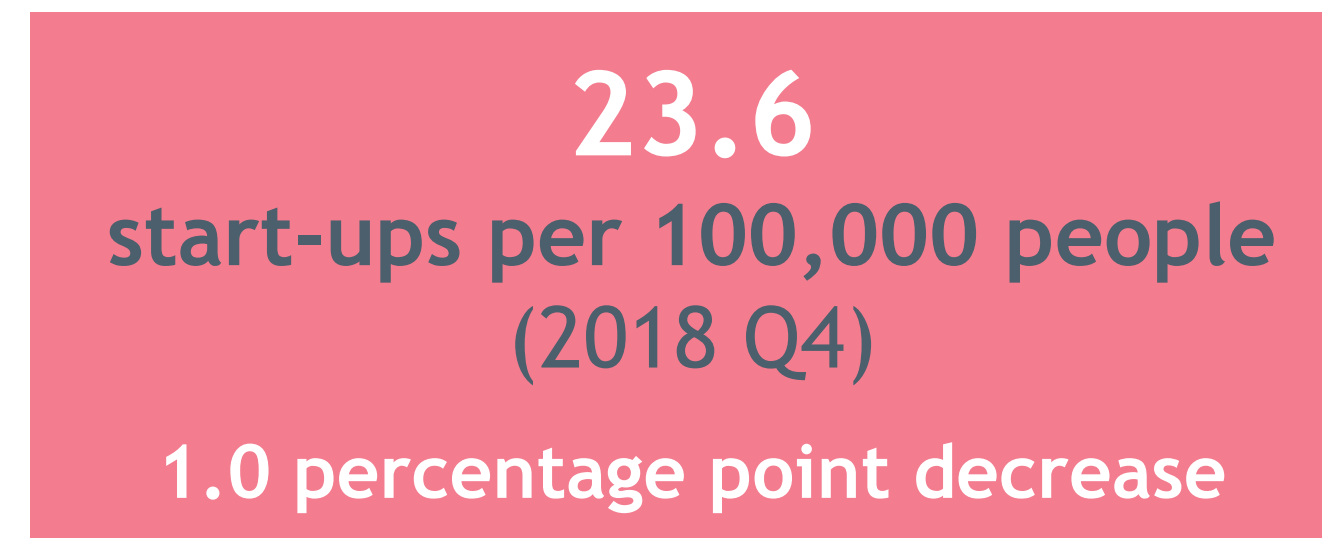
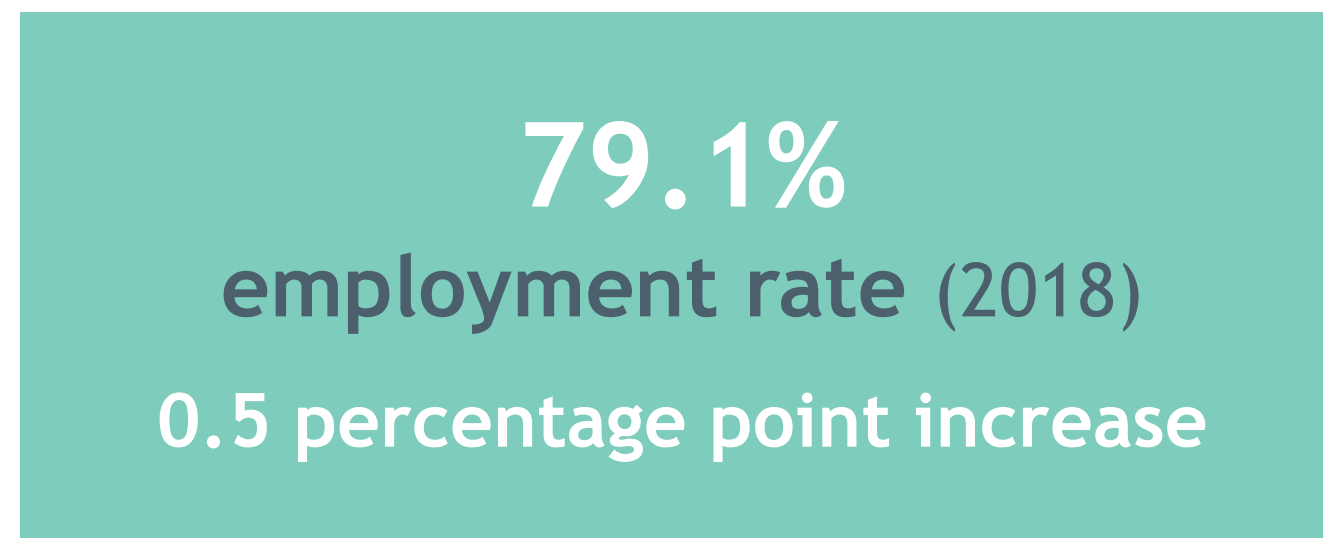
In 2018 Q4, UK economic growth was slowing. However unemployment was very low and wages were beginning to grow:

- **UK economic growth** was estimated at **0.2%** for 2018 Q4, with growth driven by the services sector. ([ONS](#))
- **UK economic growth** is currently predicted to increase slightly in 2019 before slowing in 2020. ([OECD](#))
- **UK unemployment** continued to decrease in recent months and was estimated at **3.9%** for Dec 2018 to Feb 2019, the lowest since 1975. ([ONS](#))
- **UK median full-time wages** grew by **1.2%¹** in 2018, following a decrease of 0.5% in 2017. ([ONS](#))
- **UK household spending** continued to grow modestly by **1.8%¹** in 2018. ([ONS](#))

1. After adjusting for inflation.

WEST OF ENGLAND OVERVIEW

Economy and Business



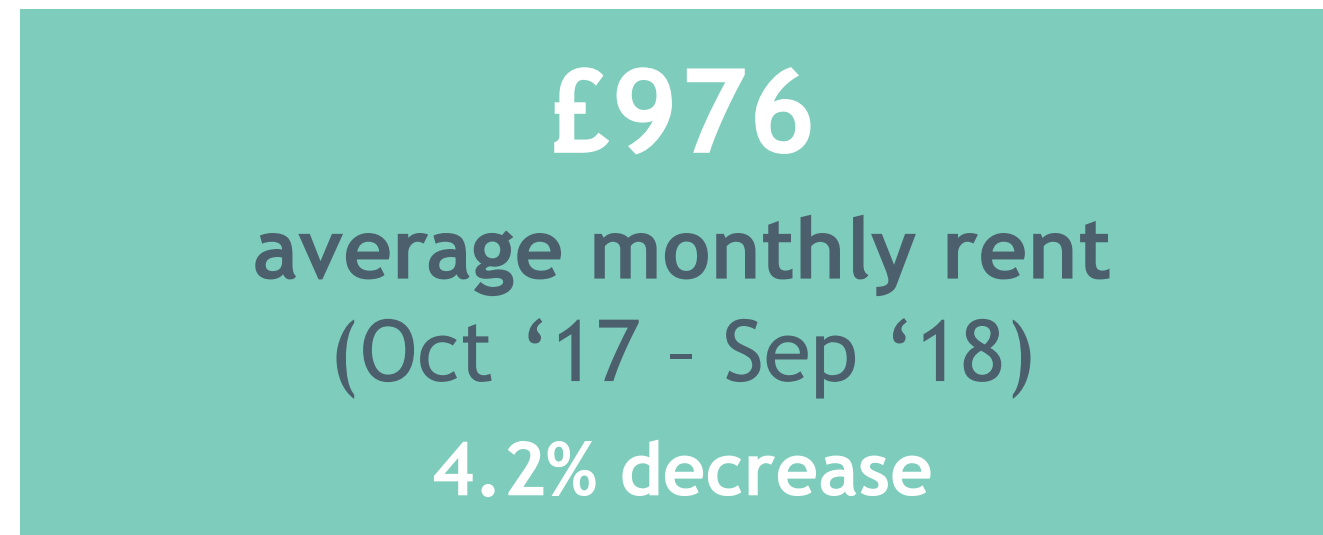
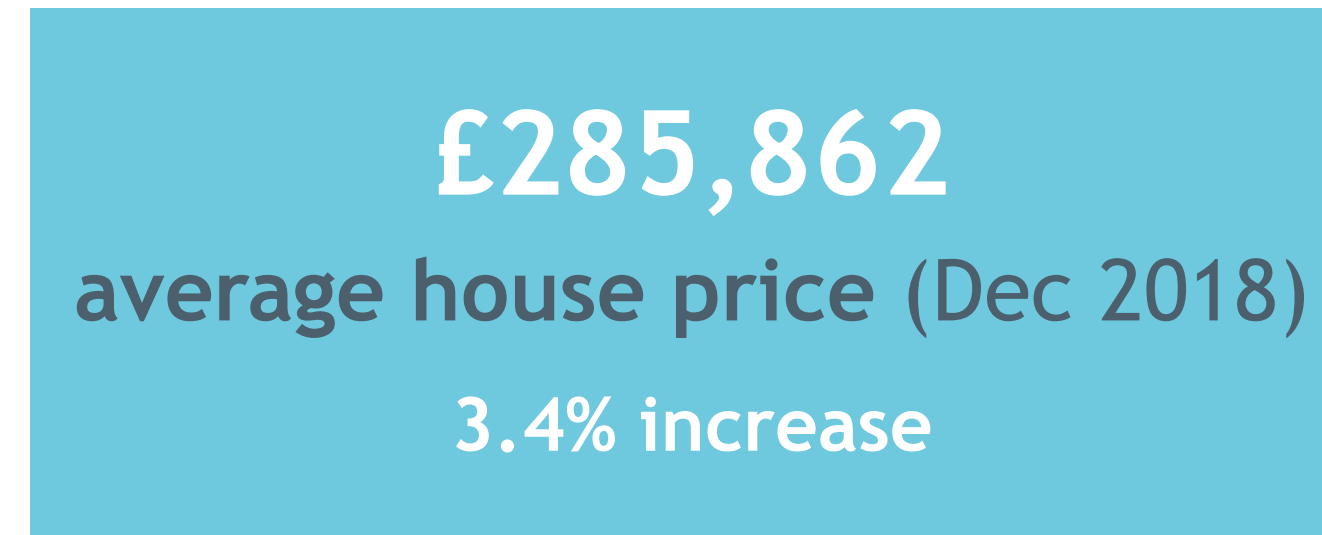
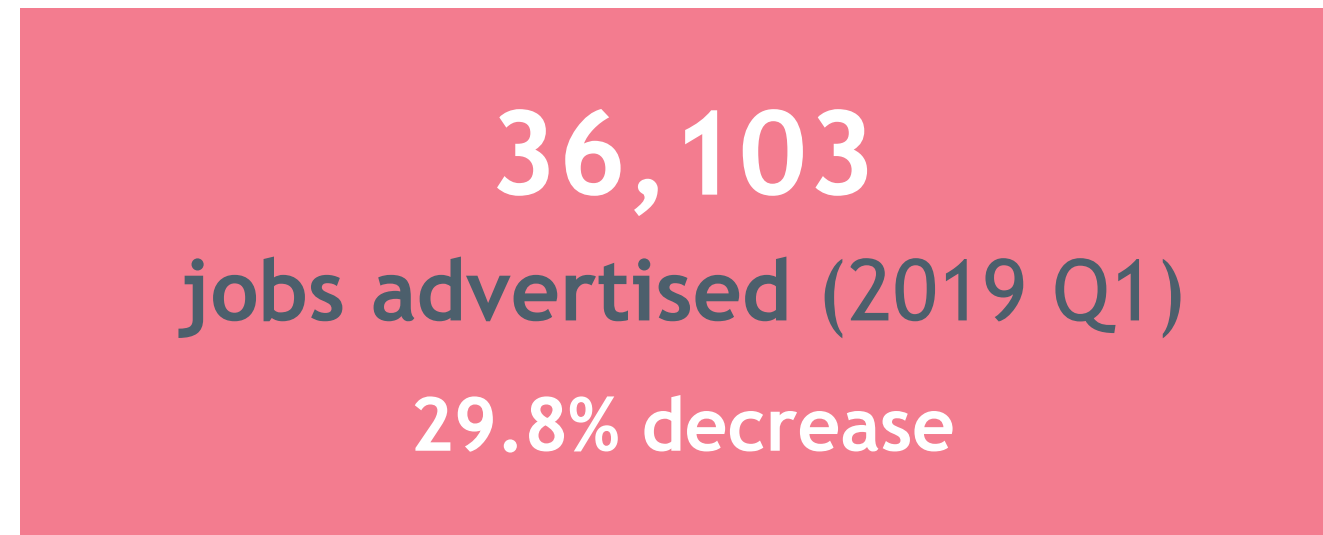
Changes are measured against the same period in the previous year. **Green** shading indicates positive change, **red** indicates negative change.

1. Gross Value Added is a measure of the increase in the value of the economy due to the production of goods and services.
2. Data is only refreshed **annually**.
3. GVA per hour worked (smoothed measure).

Sources: [ONS](#) (GVA),
 ONS via [NOMIS](#) (Employment), Banksearch (Start-Ups)

WEST OF ENGLAND OVERVIEW

Skills and Infrastructure



Changes are measured against the same period in the previous year. **Green** shading indicates positive change, **red** indicates negative change.

1. For full-time workers.
2. Data is only refreshed annually.

Sources: Labour Insight/Burning Glass (Jobs Advertised),
[HM Land Registry](#) (House Prices), [Valuation Office Agency](#) (Rental Prices), [ONS](#) (Earnings)

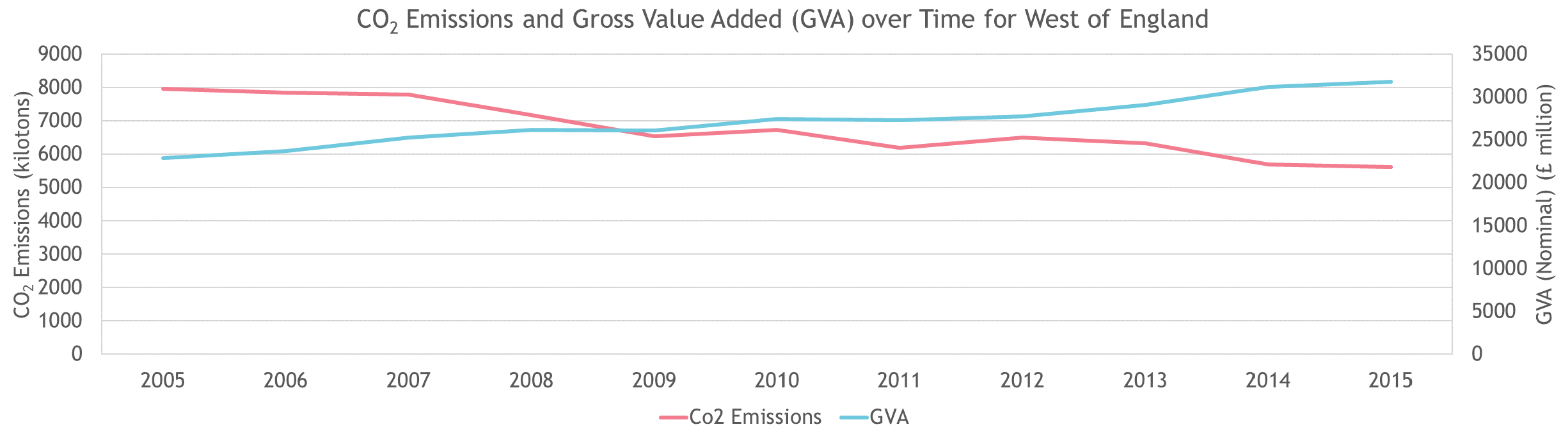
1. ECONOMIC OVERVIEW

CLEAN GROWTH

Our ambition is for clean and inclusive economic growth in the West of England.

As of 2016¹:

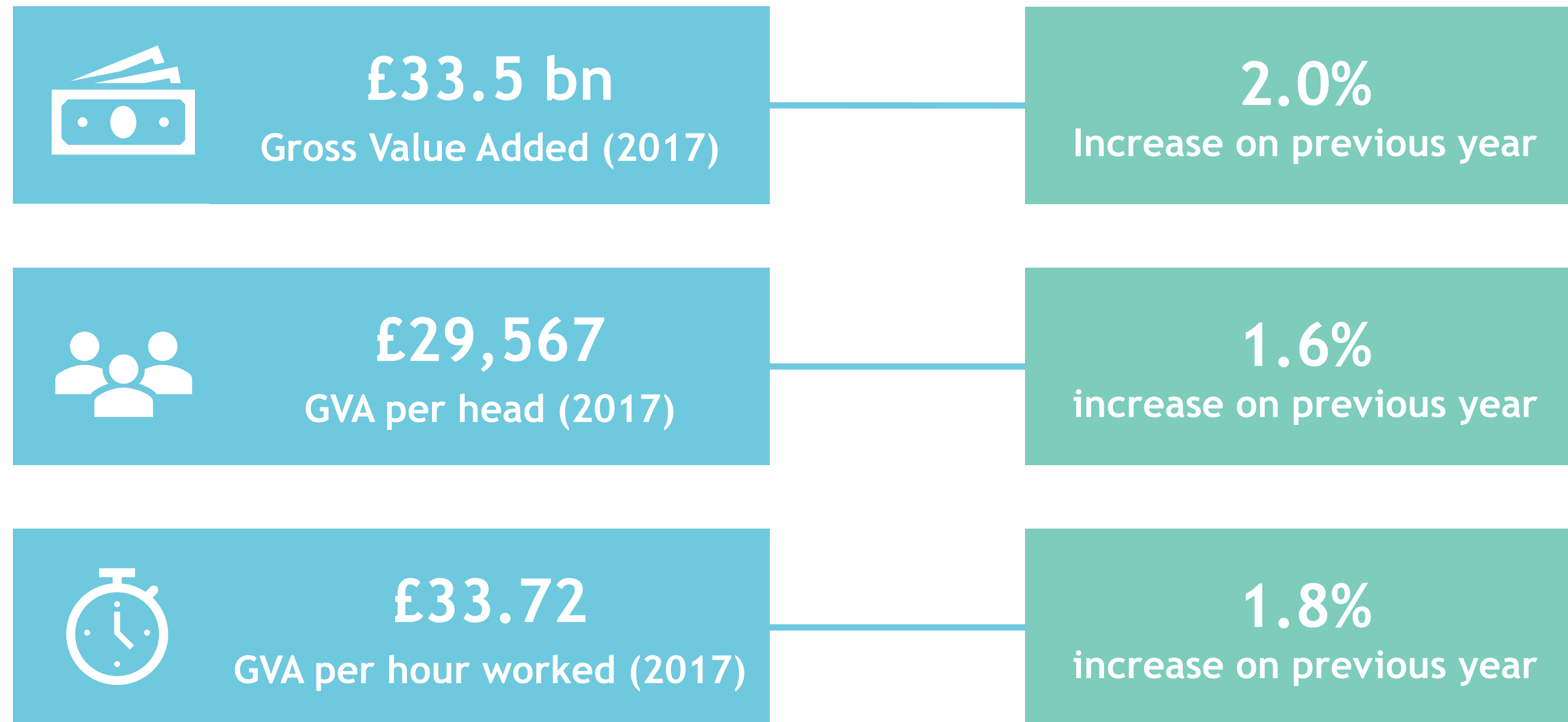
- The West of England produced **5,378 kilotons** of carbon dioxide (CO₂), which is **47.5 kilotons** per 10,000 people. This is **12.7%** less than the UK overall.
- The region continues to decrease CO₂ emissions while maintaining economic growth.



1. These figures are only refreshed annually.

Sources: [BEIS](#) (CO₂ Emissions), [ONS](#) (Gross Value Added)

ECONOMIC OUTPUT & PRODUCTIVITY



SECTION 2: BUSINESS

START-UPS AND SURVIVAL



Top sectors for start-ups in 2018 Q4:

1. Real estate, professional services & support activities (470 start-ups)
2. Transport, storage & communication (221)
3. Wholesale & retail trade (221)

Business Survival Rates

Area	% of businesses that survived after:	
	1 year ¹	5 years ²
West of England	90%	46%
UK	92%	43%

1. Openings of first current accounts from banks' small business product range.

2. Number of start-ups per 10,000 population.

3. Based on businesses that started in 2012.

4. Based on businesses that started in 2016.

Sources: BankSearch (Start-Ups), [ONS Business Demography](#) (Survival Rates)

BUSINESS VIEWS

The West of England Growth Hub supports businesses throughout the area to innovate, grow and thrive. Businesses can access this support via the website (www.wearegrowth.co.uk) or by contacting the Growth Hub team.

The connections we make through the Growth Hub provide us with information about the issues that concern businesses and the areas they would like support with. Between April 2018 and March 2019, the Growth Hub supported **800** businesses.

Top 3 pages on Growth Hub's website:

- GOV.UK
- [Better Business for All](#)
- [Social Enterprise Works](#)

Top 3 areas that Growth Hub provided advice on:

- Financing Growth
- Sales
- Strategy

SECTION 3: SKILLS

3. SKILLS

EMPLOYMENT RATE



- **Higher** employment than the rate for England (75.4%)
- **Performing better** than Core City LEP¹ areas (72.7%)
- **Performing less well** than our Southern LEP² comparators (79.7%)

1. **Core City LEPs** are: Derby, Derbyshire, Nottingham and Nottinghamshire; Greater Birmingham and Solihull; Greater Manchester; Leeds City Region; Liverpool City Region; North East; Sheffield City Region

2. **Southern LEP areas** are: Gloucestershire; Greater Cambridge and Greater Peterborough; Oxfordshire; Swindon and Wiltshire; Thames Valley Berkshire

3. SKILLS

VACANCIES

The employment market appears to be slowing in the most recent quarter:



Top 5 occupations advertised:

Occupation	Number of Adverts
Programmers and software development professionals	1,406
Sales related occupations	1,263
Other administrative occupations	1,330
Nurses	1,090
Managers and proprietors in other services	984

Top 5 skills advertised:

Skill	Number of Adverts
Customer Service	3,864
Teamwork / Collaboration	3,325
Sales	2,533
Project Management	2,169
Budgeting	2,129

3. SKILLS

VACANCIES BY SOUGHT OCCUPATION

Occupation	Number of Vacancies	Number of Jobseekers Allowance Claimants Seeking Occupation
Unknown	102	795
Managers and Senior Officials	3,756	325
Professional	11,680	60
Associate Professional and Technical	6,522	80
Administrative and Secretarial	3,465	485
Skilled Trades	2,144	205
Personal Service	2,059	95
Sales and Customer Service	2,986	6,665
Process, Plant and Machine Operatives	1,276	120
Elementary Occupations	2,113	755

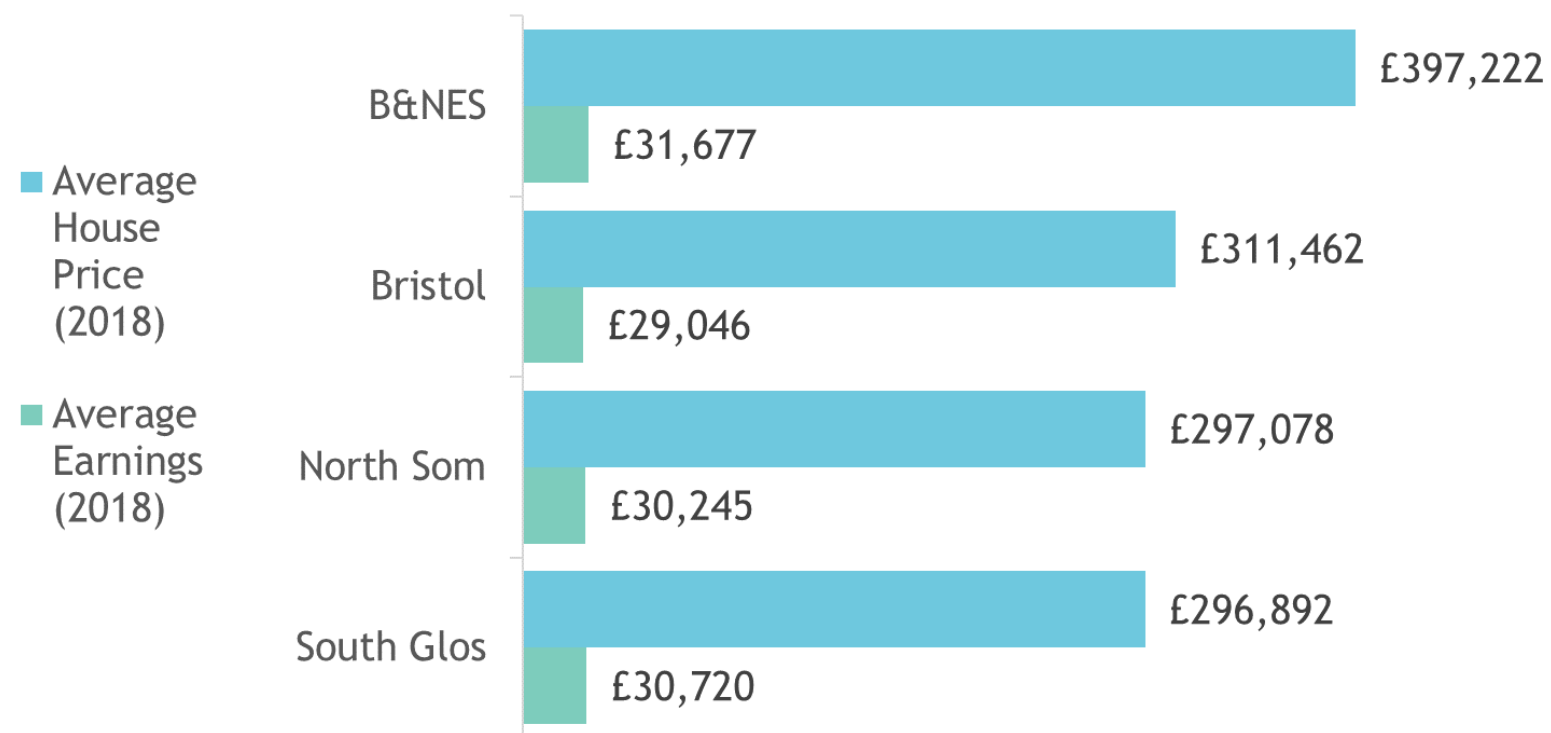
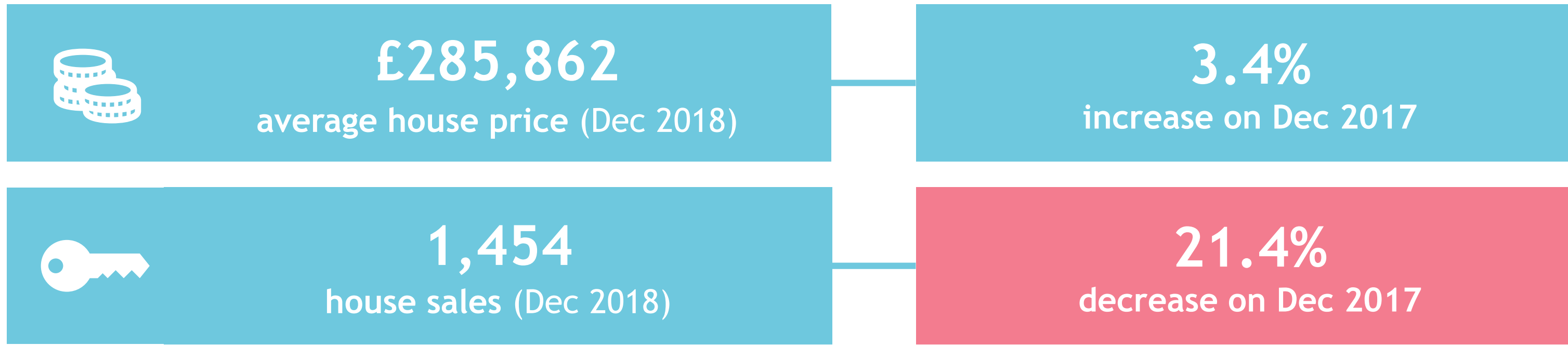
There is a mismatch between advertised vacancies and sought occupations by those claiming Jobseeker’s Allowance:

- There is demand for higher, more specific skilled workers.
- Job seekers tend to look for lower skilled occupations.

SECTION 4: INFRASTRUCTURE

4. INFRASTRUCTURE

HOUSING PURCHASES

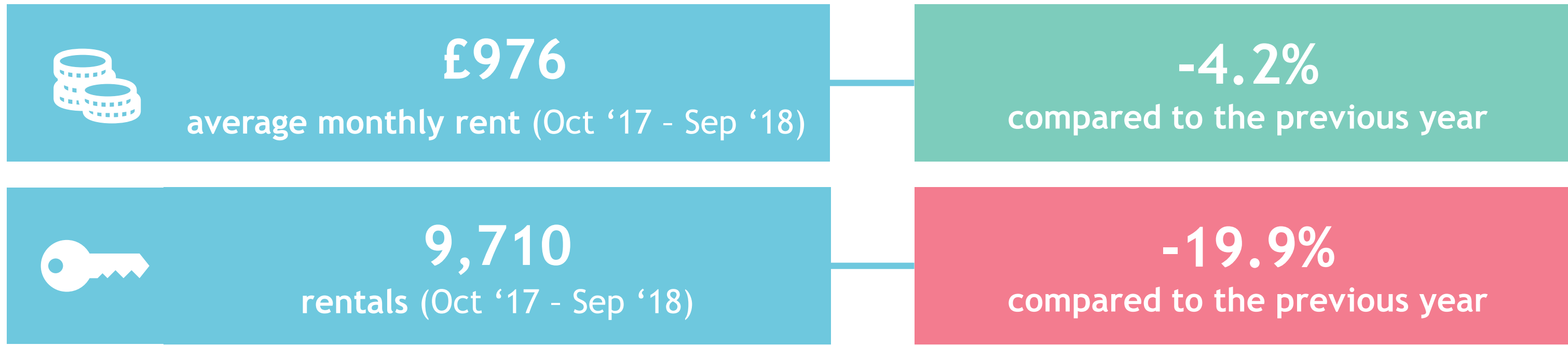


Ratios of House Prices to Earnings

Area	Ratio
Bath and North East Somerset	12.5
Bristol	10.7
North Somerset	9.8
South Gloucestershire	9.7

4. INFRASTRUCTURE

HOUSING RENTALS

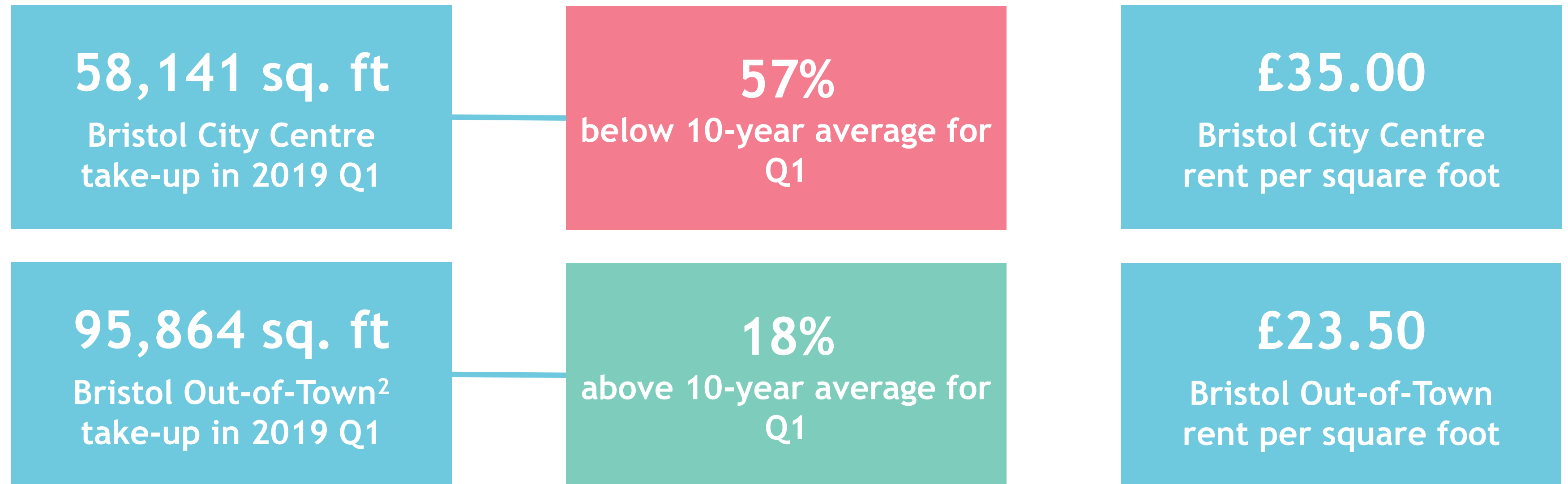


Monthly Rent and Earnings

Area	Average Monthly Earnings (2018)	Average Rent (Oct '17 - Sep '18)	Average Rent as a Proportion of Average Earnings
Bath and North East Somerset	£2,560	£1,320	52%
Bristol	£2,520	£1,074	43%
North Somerset	£2,421	£750	31%
South Gloucestershire	£2,640	£934	35%

OFFICE TAKE-UP AND RENTS

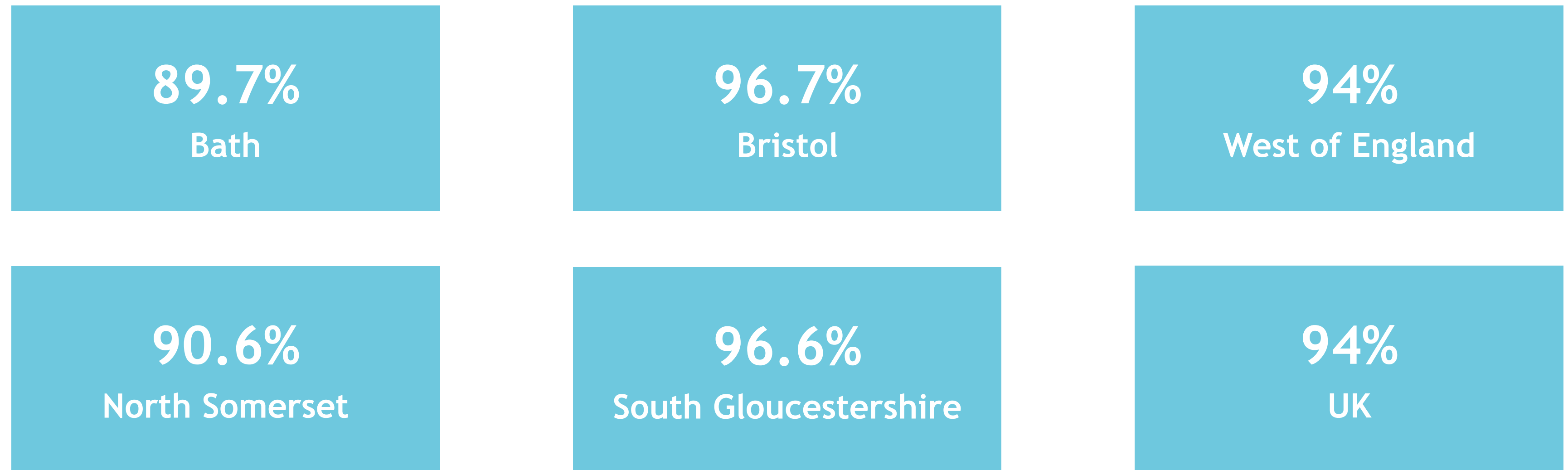
Office take-up¹ for Bristol in 2018 was 932,000 square foot, 8% above the ten year average.



1. Take-up refers to the amount of gross leasable space added to the market in the period.
 2. Bristol Out-of-Town covers the outer areas of Bristol, and may include offices outside of the Bristol Unitary Authority.

BROADBAND COVERAGE¹

Superfast broadband is defined as speeds of 30Mbit/s or more. As of 2018, the percentage of premises with access to superfast broadband was:



1. These figures are only refreshed annually.

Source: [Ofcom Connected Nations 2018](#)

CONTACT US

For further information about the West of England Combined Authority and our partner organisations visit www.westofengland-ca.gov.uk

If you have any queries about this bulletin, please email our Strategy and Policy team at strategy@WestOfEngland-CA.gov.uk