WEST OF ENGLAND
Combined Authority

West of England Quarterly Economic Bulletin

October 2021

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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 contains data that we believe forms some of the foundations of productivity for the region.

This October 2021 bulletin displays the most recent available data.

We continue to produce our monthly economic briefings, which can be found on our Regional Insights webpage. This provides a more detailed look at data that reflects the economic impacts of coronavirus.

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

Economic Output

£40.8 billion
Gross Domestic Product (GDP) in 2019
+1.3% since 2018

£34.60
Productivity (GVA per hour worked) in 2019
+0.7% since 2018

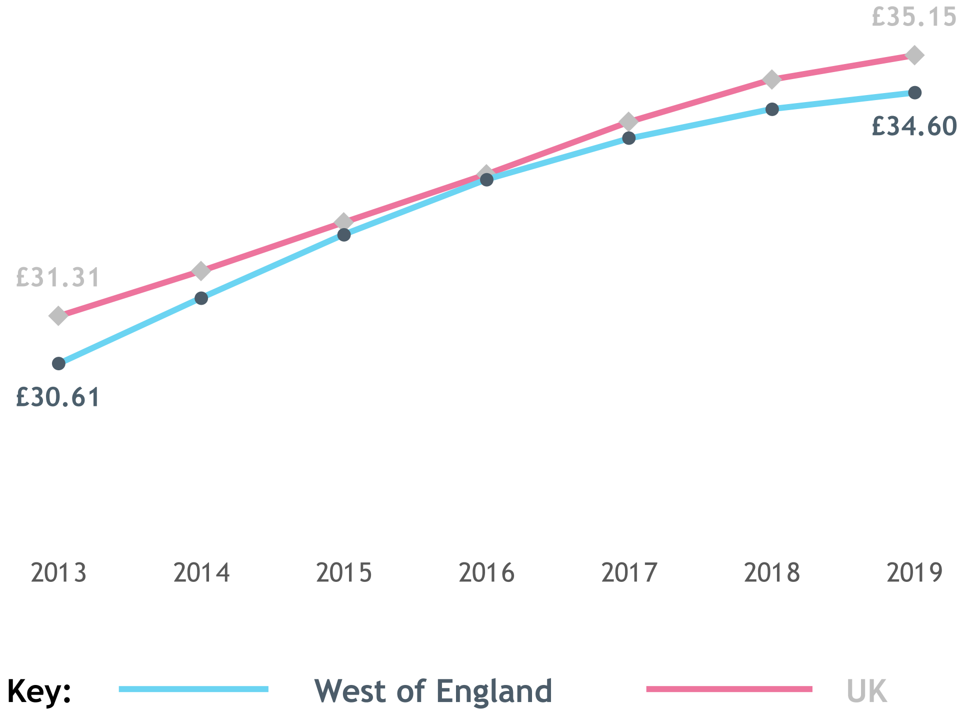
In 2019, GDP equates to **£35,257** per head, which is above the UK overall at **£32,899**.

Overall GDP growth in the region was very similar to the wider UK for 2019.

Please note that figures used are nominal (not adjusted for inflation). 2019 GDP data is also provisional.

Source: ONS (GDP and Productivity)

GVA per hour worked (£)



Productivity has increased at a similar rate to the UK in recent years.

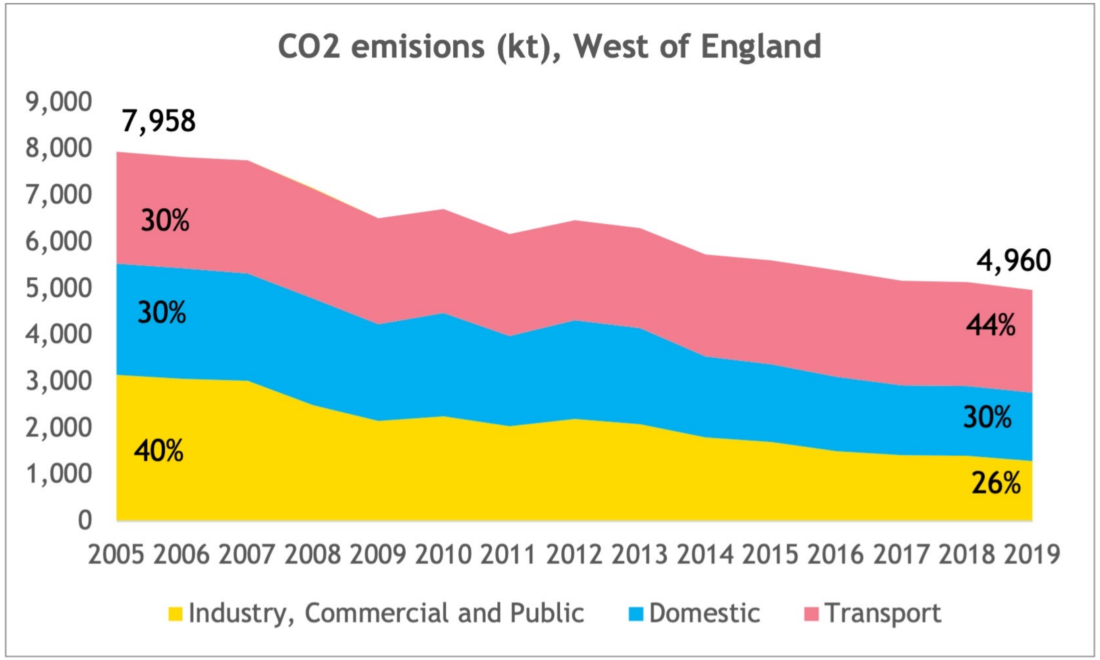
Climate emergency

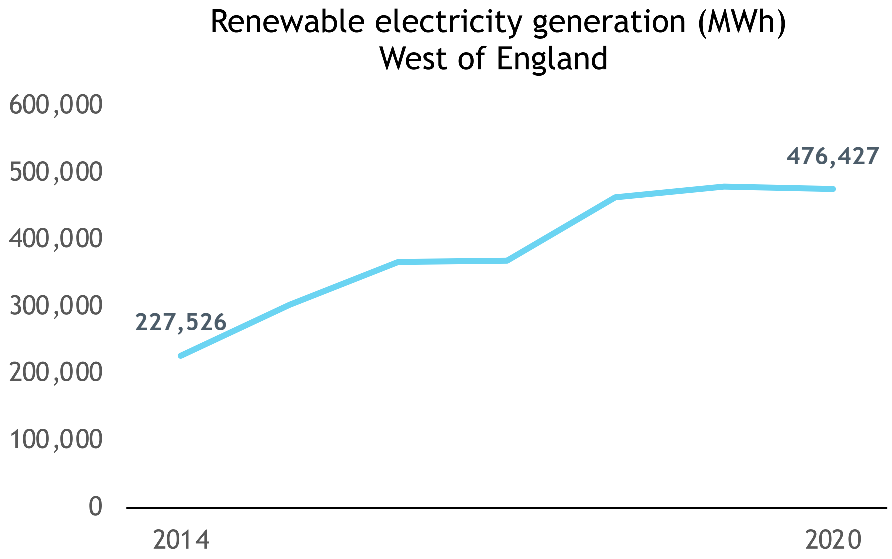
In 2019, the region produced 4,960kt of CO_2, which is 38% less than in 2005:

- This represents 4.3 tonnes of CO_2 per person, which compares with 5.2 tonnes per person across the UK.
- Note that only CO_2 is included because data on other greenhouse gasses (approx. 20% of total UK emissions) are not available. Similarly, emissions 'imported' with the goods we consume are not included.

1,142 domestic (April 2014 to August 2021) and 193 non-domestic (November 2011 to August 2021) installations have been accredited under the Government's Renewable Heat Incentive programme.

19,472 electric vehicles are licenced in the region (2021 Q2), up from 15,525 in the previous quarter and up from 56 in 2011. This is approximately 2.6% of cars and light goods vehicles in the region.





Sources: BEIS (emissions), (renewables), (heat), DfT (vehicles)

Innovation: Innovate UK Grants

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226

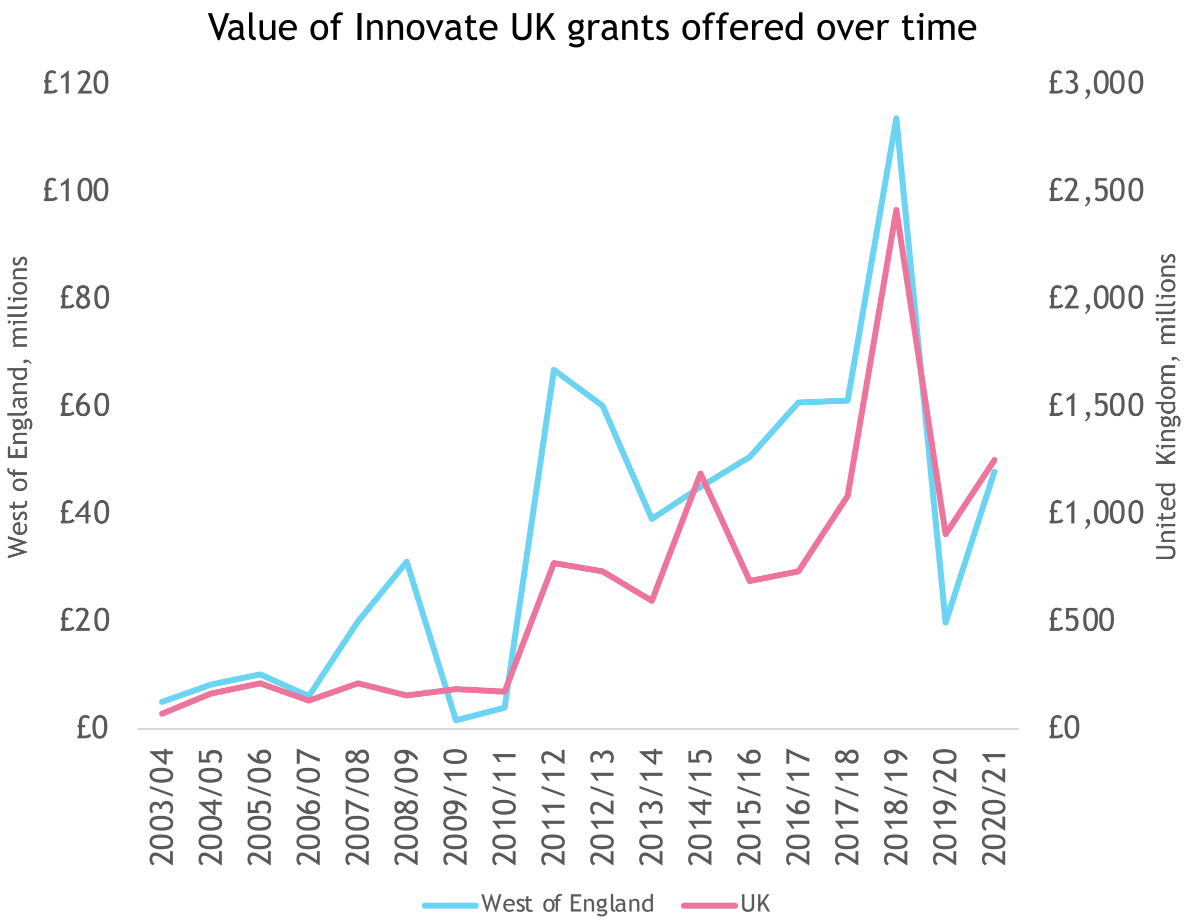
grants awarded to West of England businesses in 2020/21

£48 million

total value of grants offered to West of England businesses in 2020/21

Innovate UK is a non-departmental public body. It funds business and research collaborations to accelerate innovation and drive business investment into research and development.

In 2018/19 the Government introduced the Industrial Strategy Challenge Fund, and there was a spike in grants in this period.



Source: Innovate UK

Foreign Direct Investment (FDI)

£18.8 billion

FDI stock position in 2019

(West of England Combined Authority area only - excluding North Somerset)

+5.0% since 2018

£0.8 billion

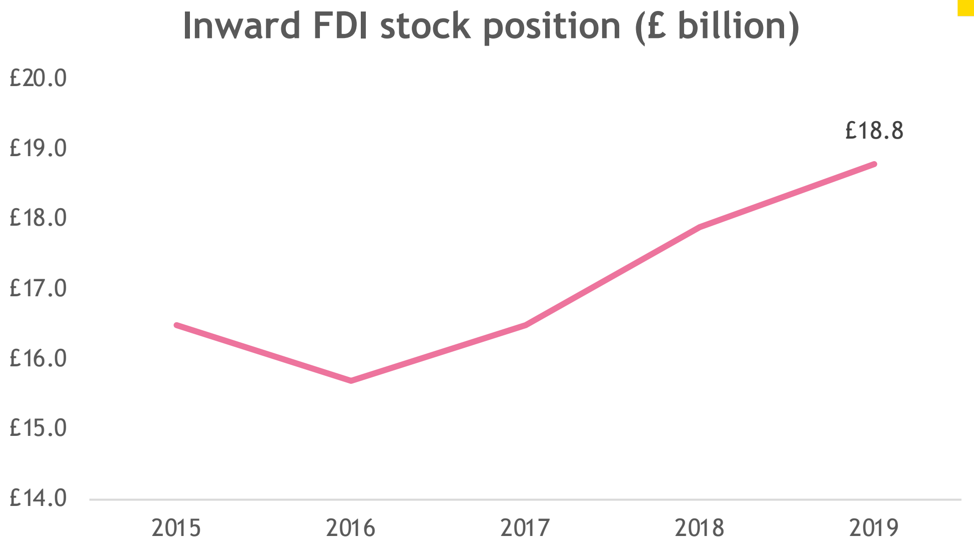
FDI earnings in 2019

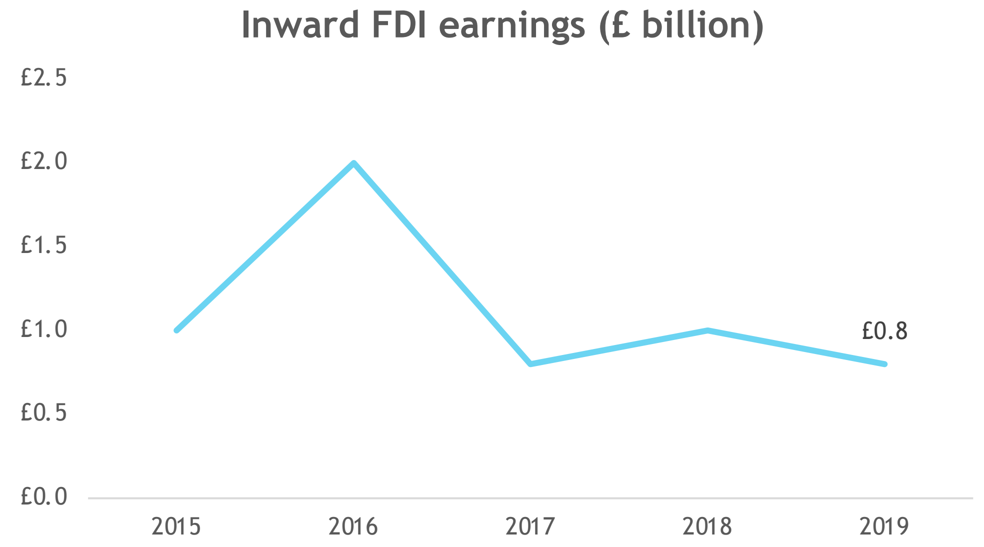
(West of England Combined Authority area only - excluding North Somerset)

-20.0% since 2018

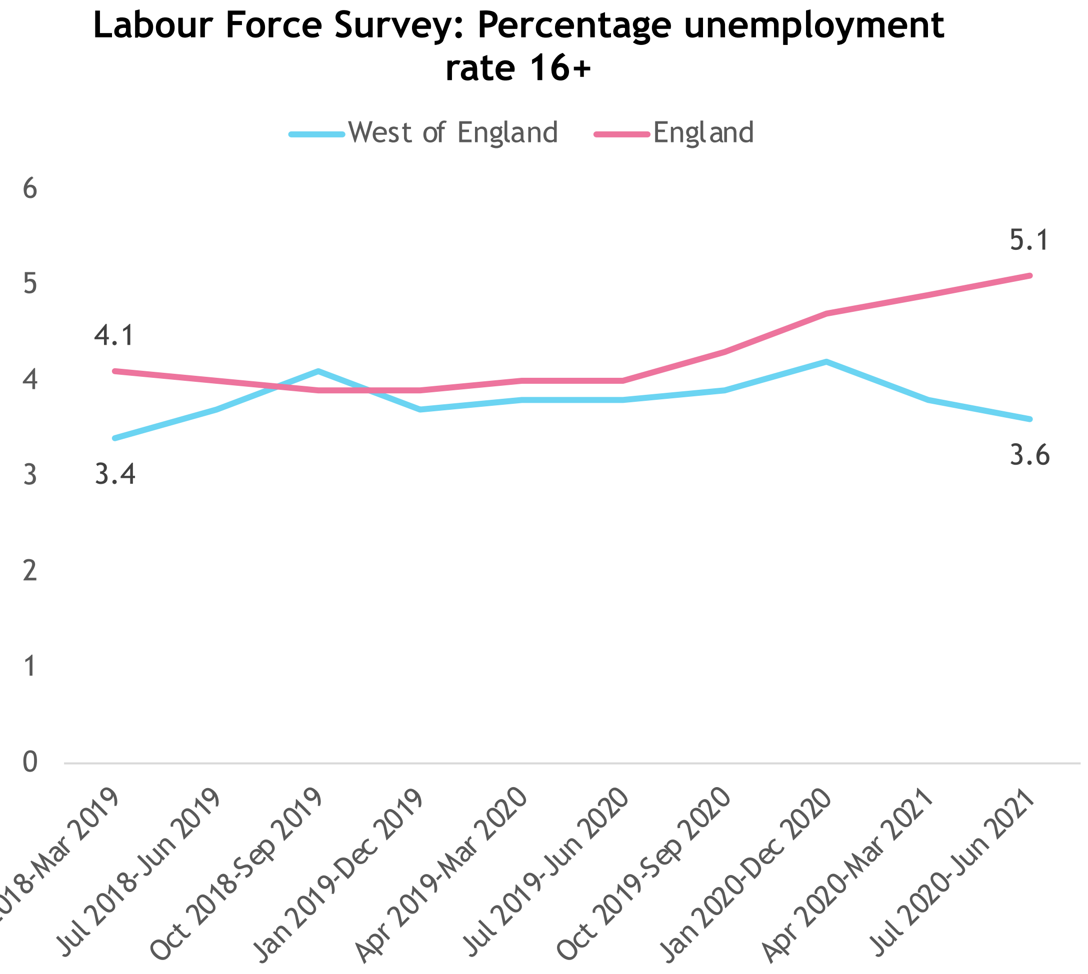
The Inward FDI stock position is the value of the stock of investment in the West of England controlled by foreign companies. The Inward FDI earnings are the profits generated from this stock of investment. This data is experimental and more details of it can be found at the below source link.

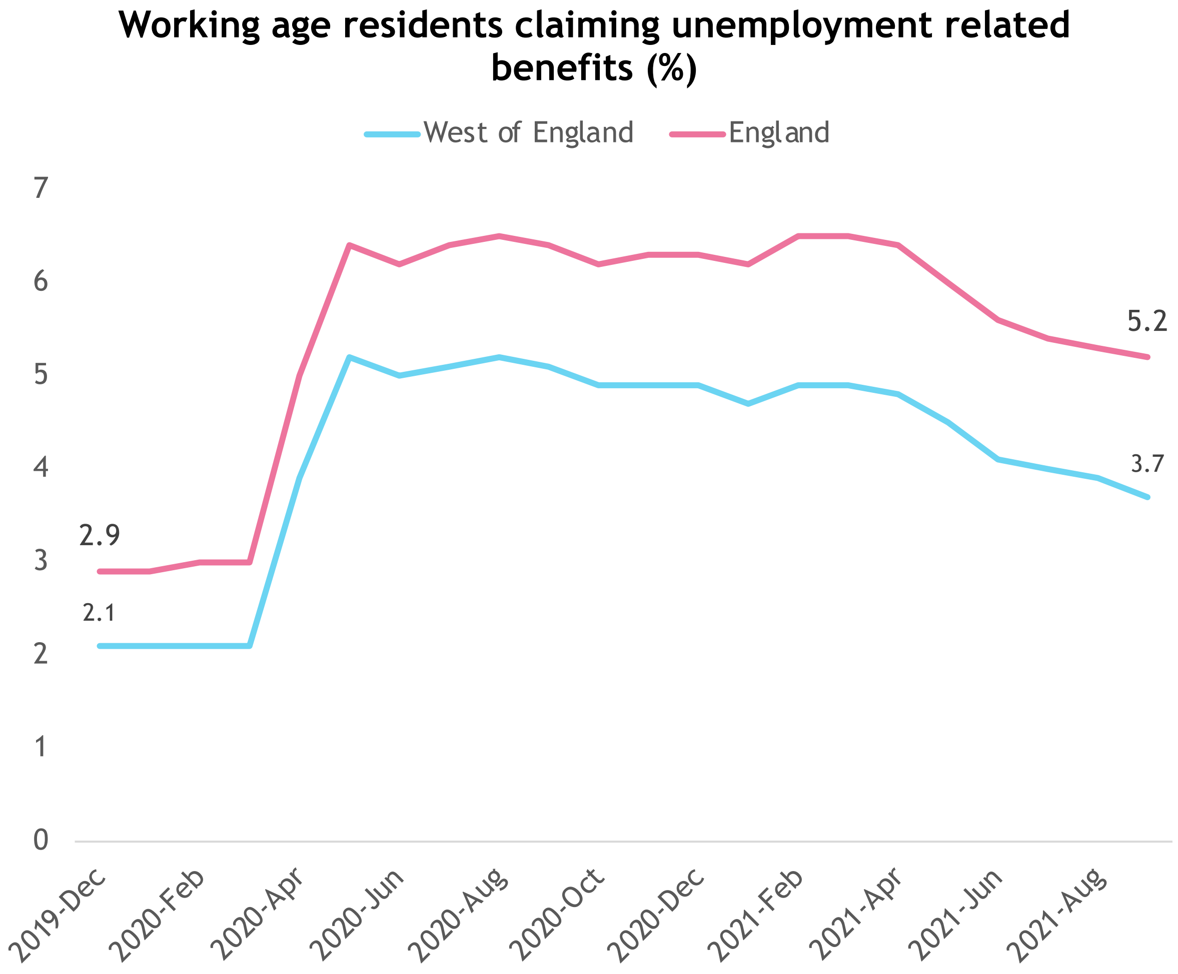
Source: ONS FDI experimental UK sub-national statistics





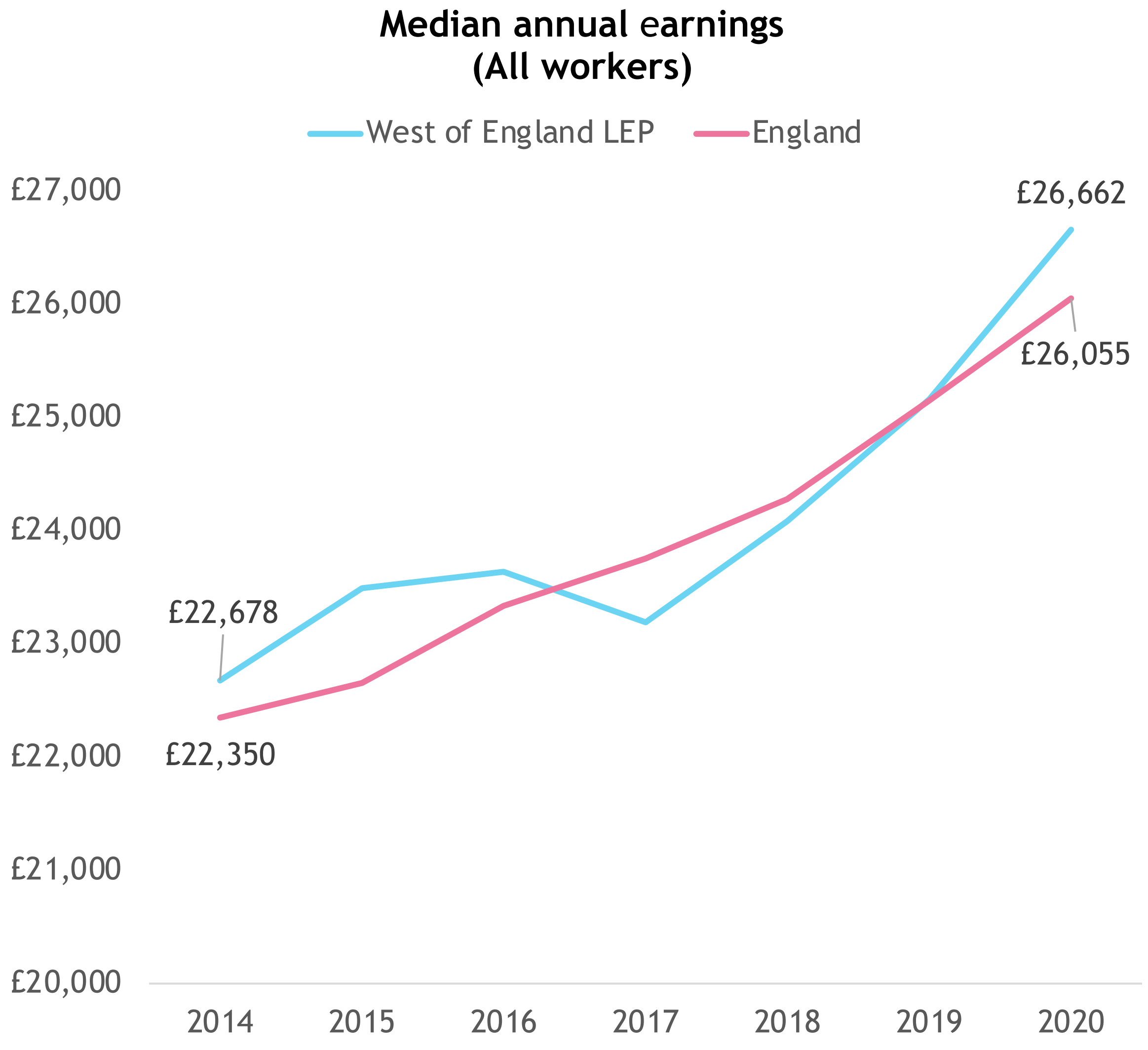
People & Skills: Employment and Claimant Count





Source: Nomis Labour Force Survey, Nomis Labour Market Profile

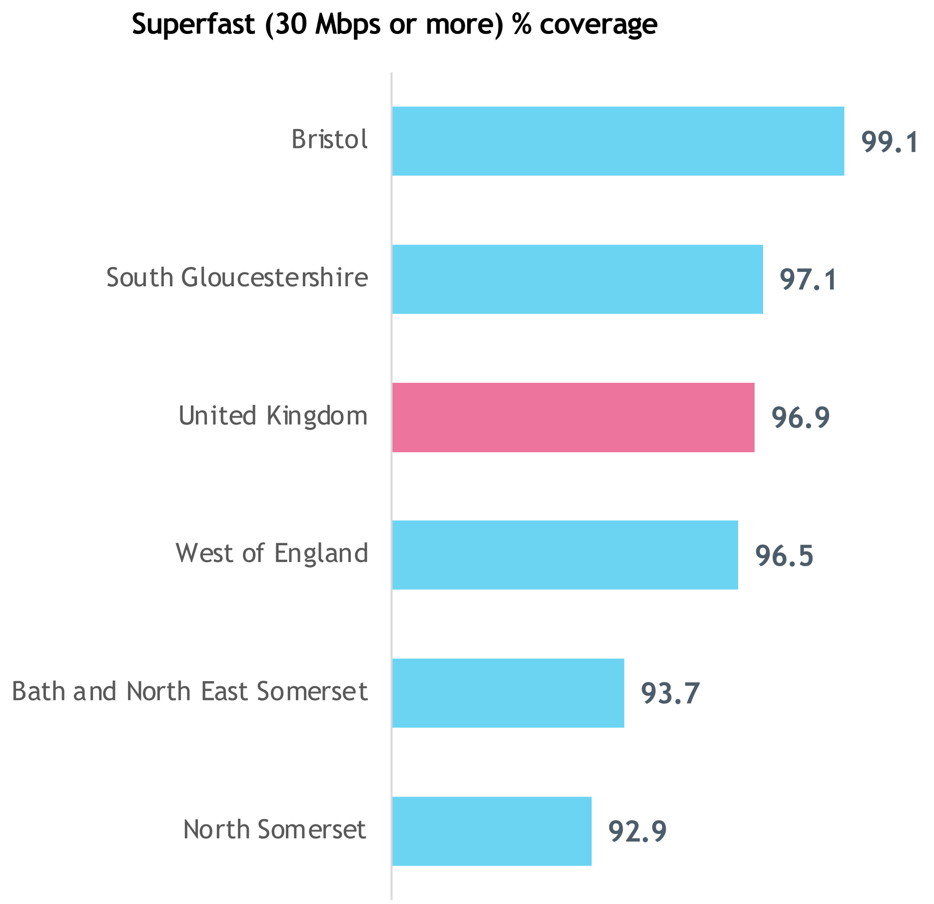
People & Skills: Earnings

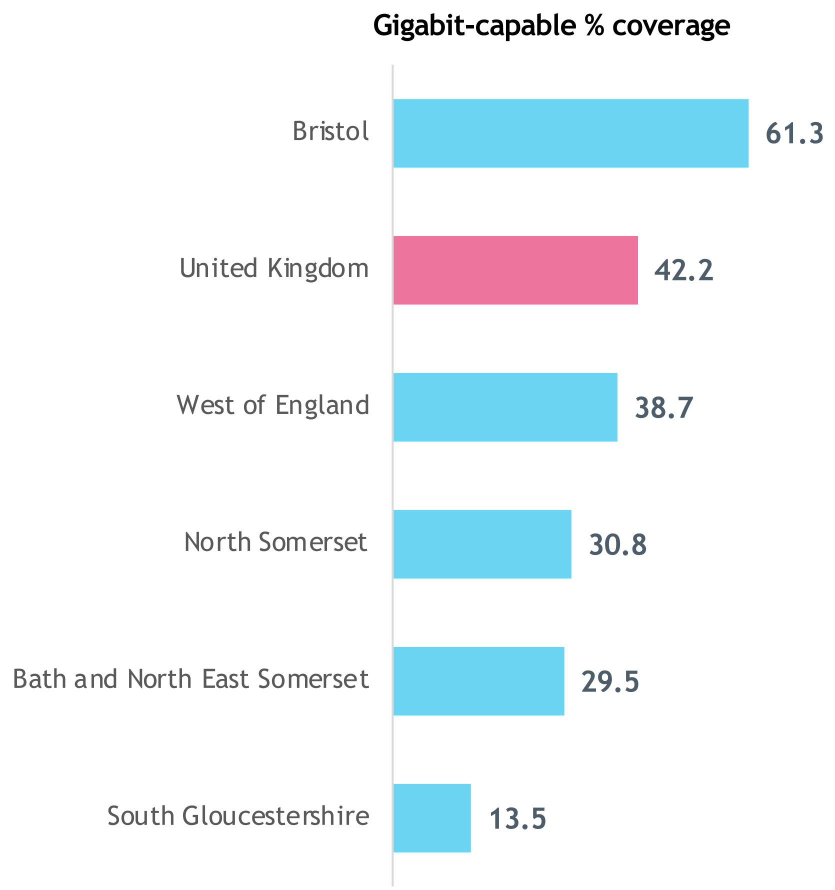


Source: ONS via NOMIS

Infrastructure: Broadband Coverage

As of July 2021, the percentages of premises with access to Superfast (30 Mbps or more) and Gigabit-capable were:





Please note that Gigabit-capable is defined as Full Fibre and DOCSIS 3.1.

Source: Thinkbroadband (July 2021)

Infrastructure: Housing Purchases

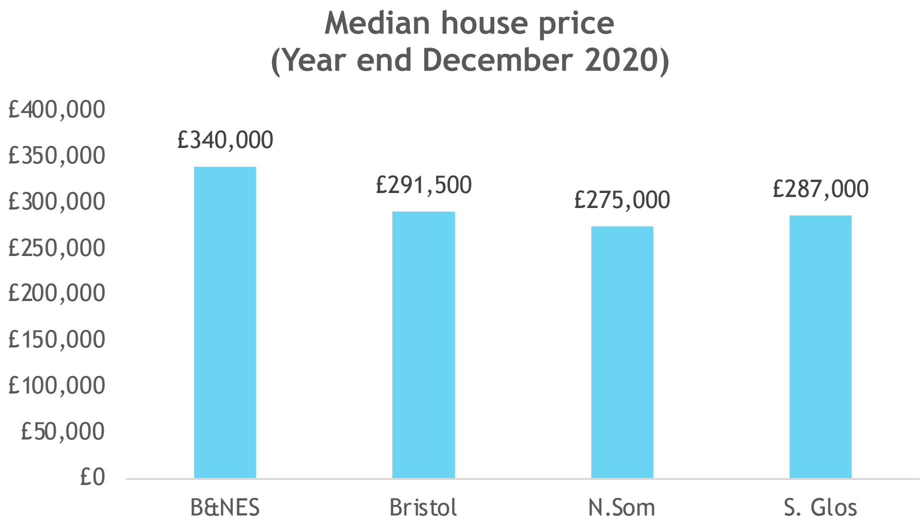
£298,000

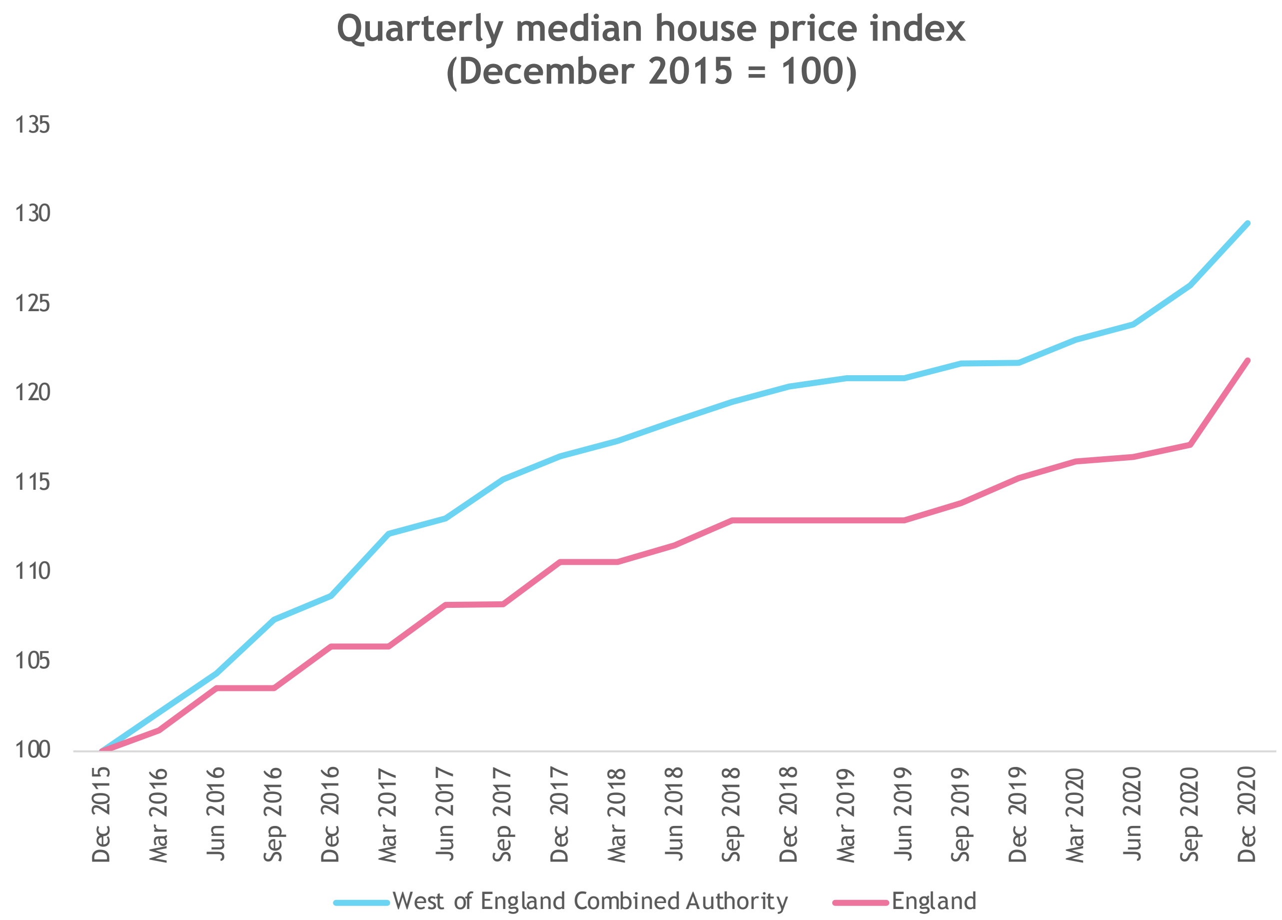
median house price in December 2020

(West of England Combined Authority area only - excluding North Somerset)

+6.4% since December 2019

Median house prices have risen quicker in the West of England Combined Authority area than in England as a whole (+5.7%).



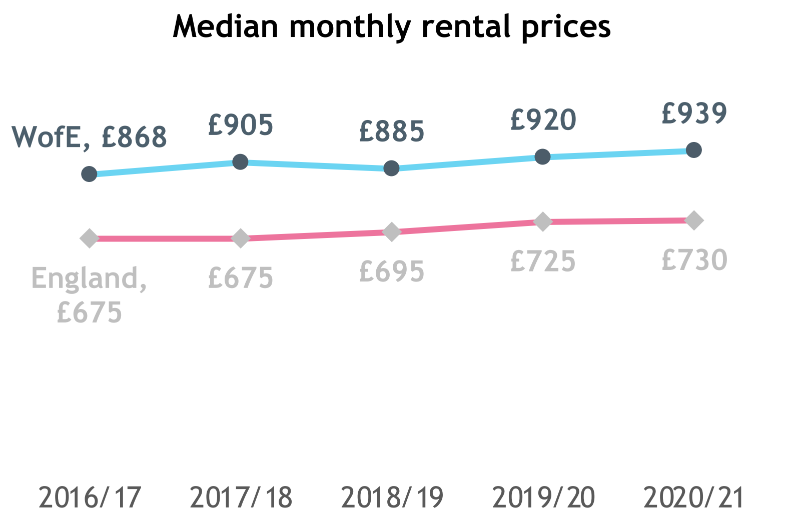


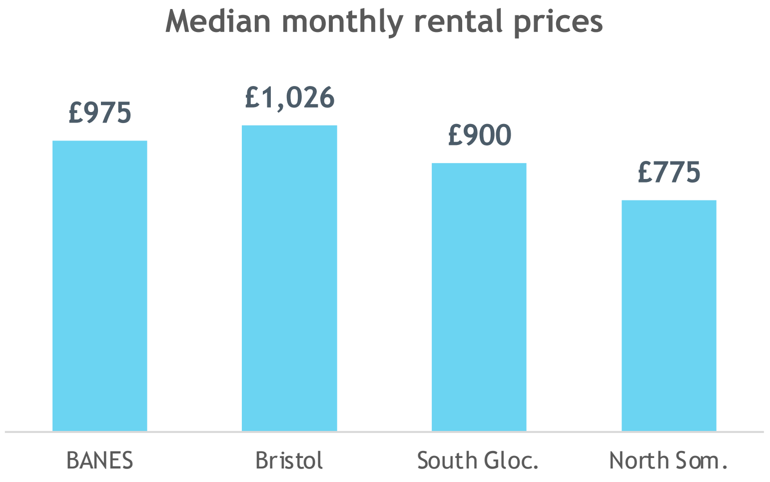
Source: Median house prices HPSSA, ONS

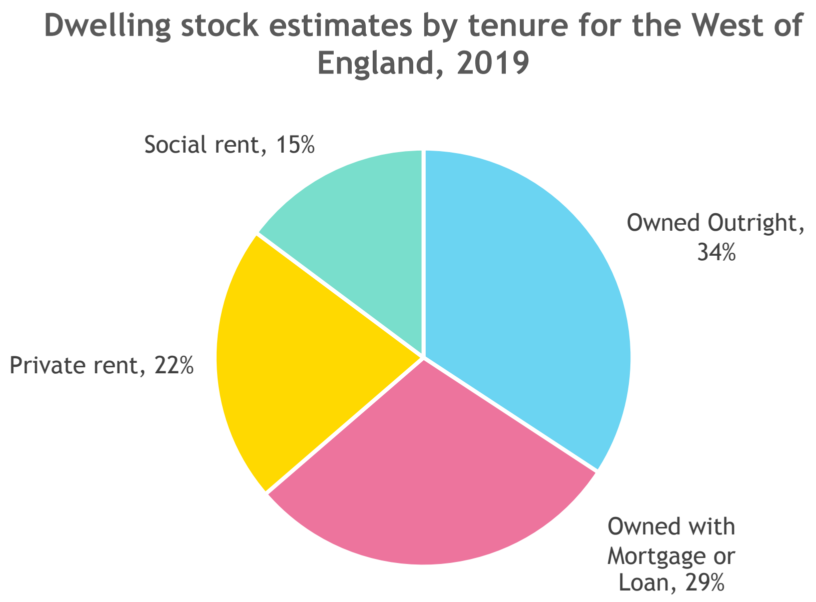
Infrastructure: Housing Rentals

£939
median monthly rental price in 2020/21
+2.1% since 2019/20

Rental prices increased from 2019/20 and are considerably higher than the average for England. In 2019, 37% of the dwelling stock in the West of England is estimated to be rented tenure.



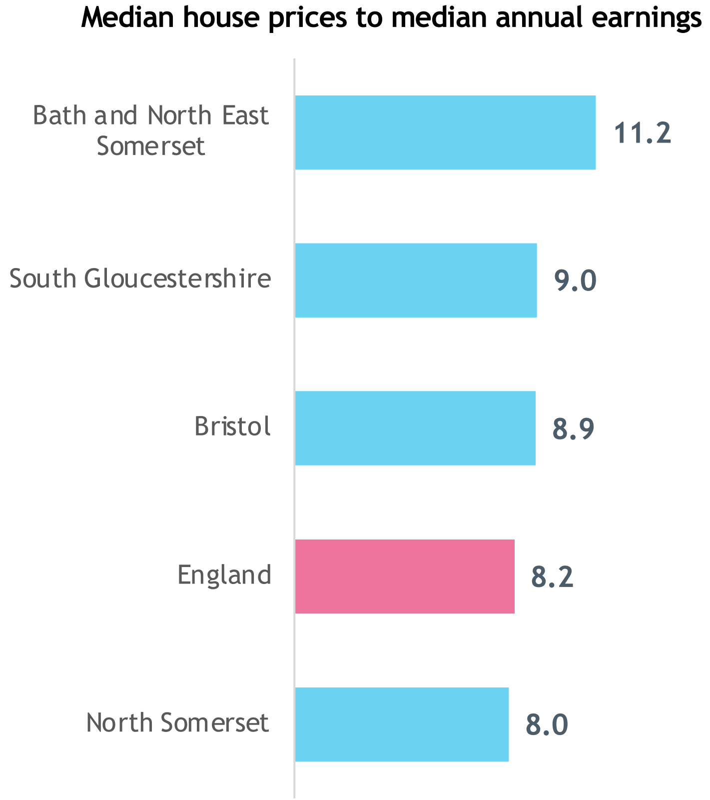


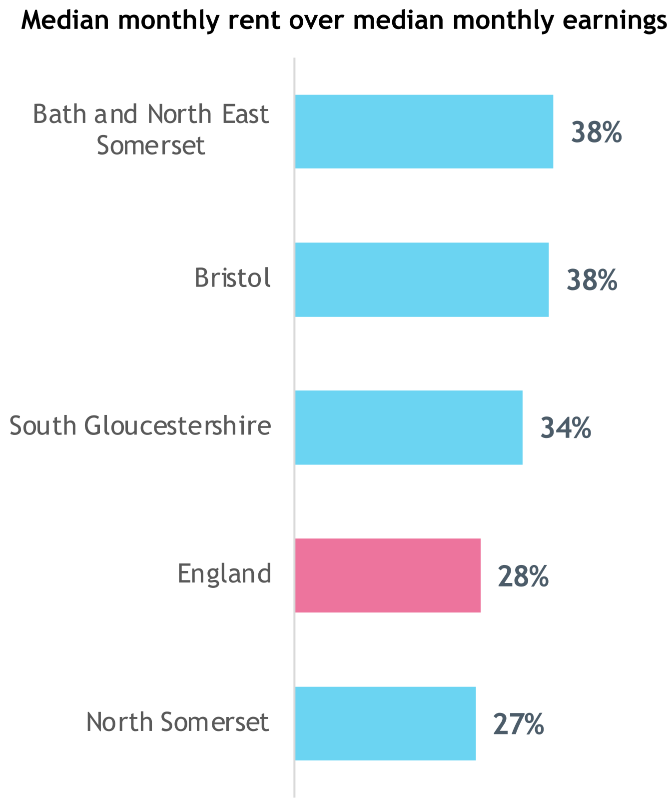


Source: Private rental market summary statistics, ONS, Subnational estimates of dwellings and households by tenure, ONS

Infrastructure: Housing Affordability

- Housing affordability is between **8.0** and **11.2** times annual median earnings for the different unitary authorities.
- Rental cost (all rentals) is between **27%** and **38%** of median gross monthly earnings for the different unitary authorities.





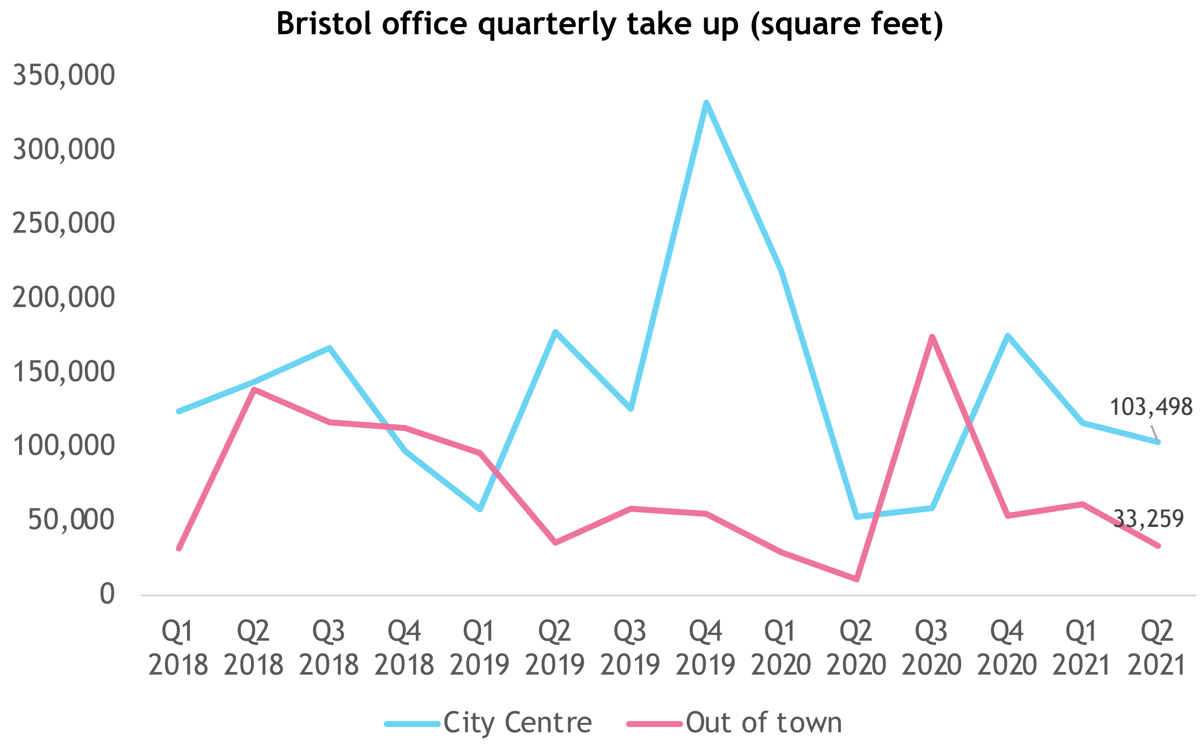
Sources: Median house prices HPSSA, ONS, Private rental market summary statistics, ONS, NOMIS (Earnings)

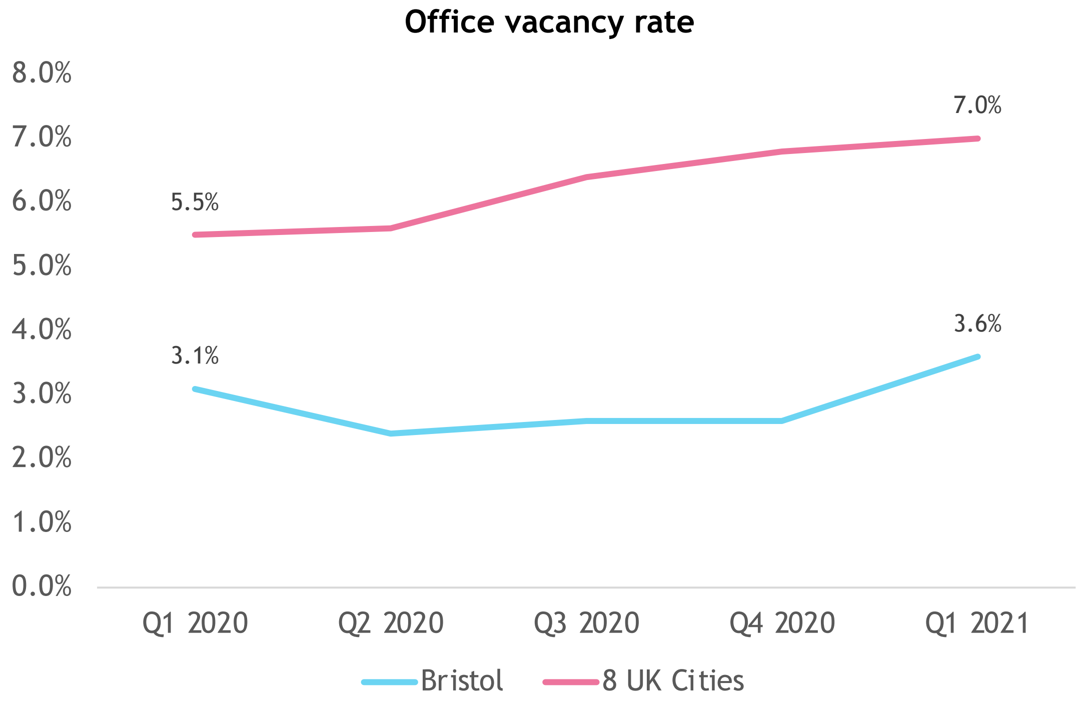
Infrastructure: Office Space (Bristol only)

£38.50
Bristol city centre rent per square foot in 2021 Q2

£23.50
Bristol out of town rent per square foot in 2021 Q2

3.6%
Bristol office vacancy rate in Q1 2021





Please note that take-up refers to new transactions of leasable space (gross) in the period. Bristol Out-of-Town covers the outer areas of Bristol, and may include offices outside of the Bristol Unitary Authority.

Source: Avison Young- The Big Nine, Cushman & Wakefield- Office Market Data (office vacancy rate).

Business: Start-Up Businesses

5,952

start-ups in September 2020 to August 2021.

This equates to approximately 80 start-ups per annum per 10,000 people, between September 2020 and August 2021.

The largest recorded start-up sectors in the West of England in this year were:

- Real estate, professional services & support activities (1,625 start-ups)
- Construction (1,029 start-ups)
- Wholesale & retail trade (940 start-ups)
- Transport, storage & communication (619 start-ups)
- Recreational, personal & community services (546 start-ups)

Source: Banksearch

Business: High-Growth Companies

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871
active high-growth businesses
as of October 2021

Beauhurst track high-growth businesses according to a range of triggers. The data also identify 'buzzwords' associated with high-growth businesses. The most common are:

- Artificial Intelligence (**25**)
- FinTech (**16**)
- Digital Security (**13**)
- AdTech (**12**)
- Internet of Things (**11**)

Top High-Level Sectors for High-Growth Business

- Business and Professional Services (**397**)
- Technology/IP-based businesses (**306**)
- Industrials (**241**)
- Leisure and Entertainment (**89**)
- Retail (**74**)

Top Detailed Sectors for High-Growth Business

- Other business and professional services for businesses (**99**)
- Software-as-a-service (SaaS) (**88**)
- Other manufacturing and engineering (**78**)
- Marketing services (**55**)
- Analytics, insight, tools (**53**)

Please note that definition used to identify high-growth companies are detailed online and the sectors are defined by Beauhurst (and not SIC classifications).

Source: Beauhurst

Business: Business Support

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1,721

businesses interacted with in Q2 2021.

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.

Top business sectors supported

- Creative.
- Financial & Business Services.
- Hospitality & Leisure.
- Retail.
- High Tech & Digital.

Top support type

- Finance & Funding.
- Skills & Training.
- Export or Import.
- Branding & Marketing.
- EU Exit.

Source: West of England Growth Hub

Contact us

westofengland-ca.gov.uk
economicanalysis@WestOfEngland-CA.gov.uk
WestofEnglandCA
West-of-England-Combined-Authority

For further information on support available to businesses, visit the West of England Growth Hub: wearegrowth.co.uk