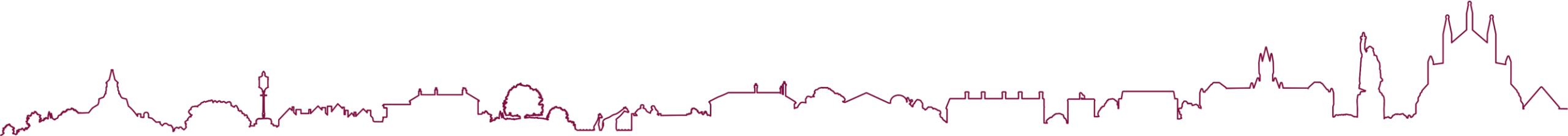


Winchester District Quarterly Economic Intelligence Dashboard



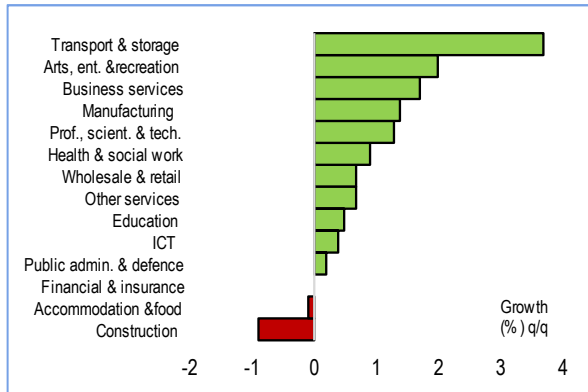
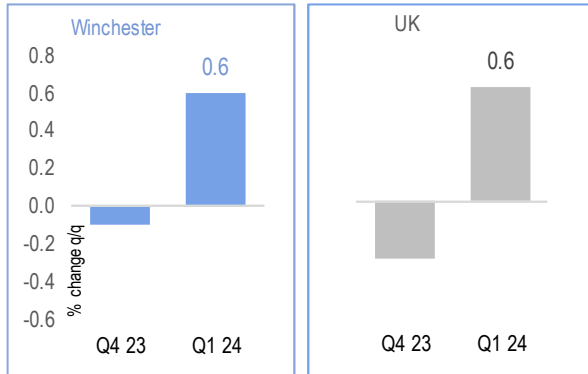
June 2024



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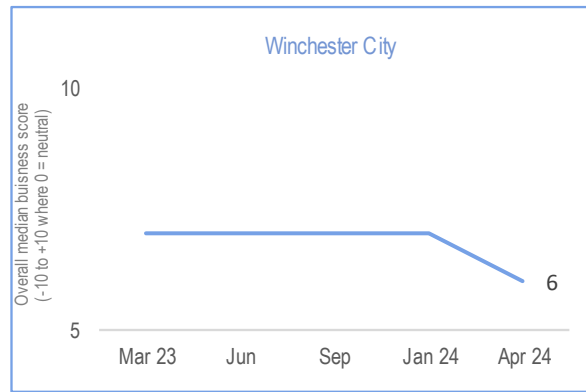
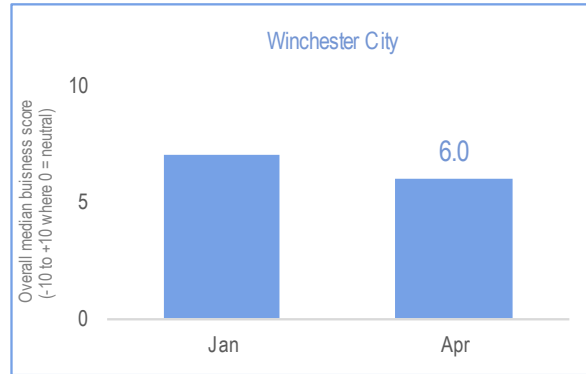
Theme	Indicators	
Business Activity	<ul style="list-style-type: none">• Business Performance• Economic Growth• Business Prices• Inflation	Page 1
Jobs and Earnings	<ul style="list-style-type: none">• PAYE Employees• PAYE Earnings• Labour Demand• Demand by Occupation	Page 2
Unemployment	<ul style="list-style-type: none">• Claimant Unemployment• Local Claimants• Youth Unemployment• Local Young Claimants	Pages 3-4
Spending and Sentiment	<ul style="list-style-type: none">• Business Confidence• Vacancies & Footfall• Spending & Consumer• House sales	Page 5
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Economic Growth



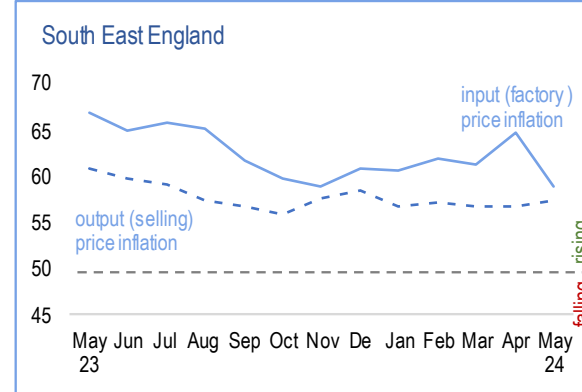
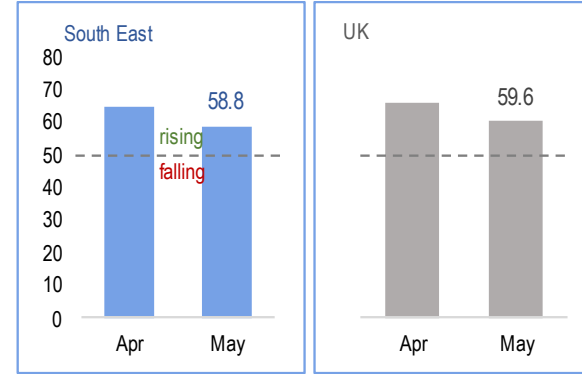
- Our growth estimate suggests that Winchester avoided recession (two quarters of negative growth) last year. There was a mild contraction in Dec but growth returned in Q1 2023.
- Estimated growth was in line with the national average and driven by services. Faster growth was held back by a sharp fall in construction.

Business Performance



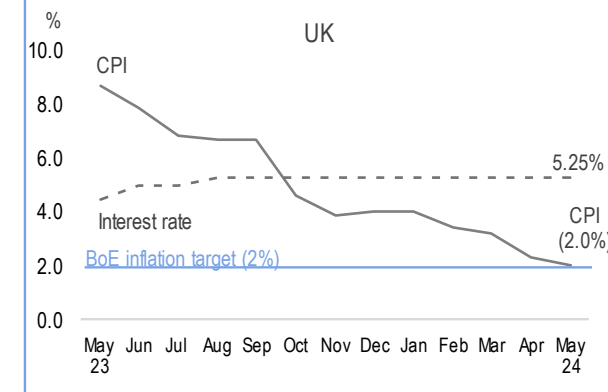
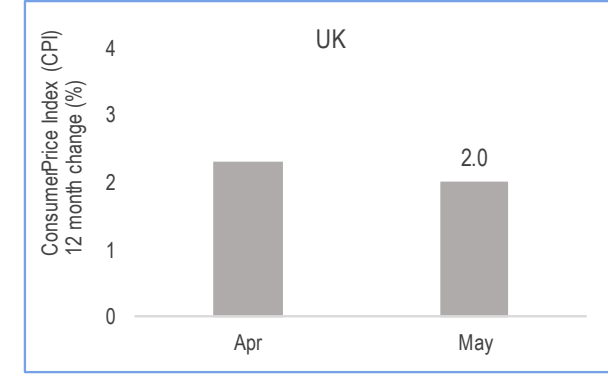
- Survey evidence from Winchester BID Business Barometer suggests that business performance in the city dipped slightly at the start of the second quarter after registering a median score of 7.0 last year.
- PMI survey data suggests business activity in the region improving in May for the sixth consecutive month.

Business Prices



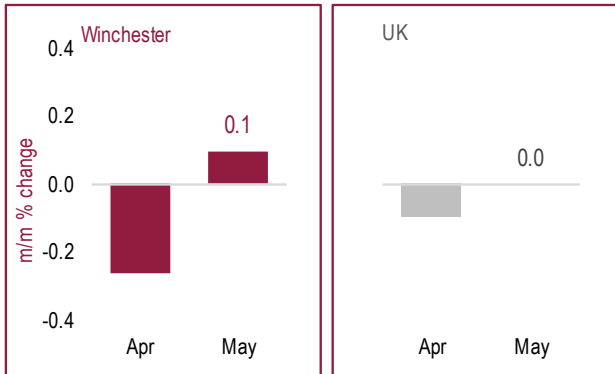
- Business cost inflation in the region rose at slowest pace in six-months in May, marking four years of consecutive cost increases driven by higher wage, fuel and shipping costs, and increased raw material prices.
- Output prices (selling prices) increased at the fastest pace seen this year so far.

Inflation

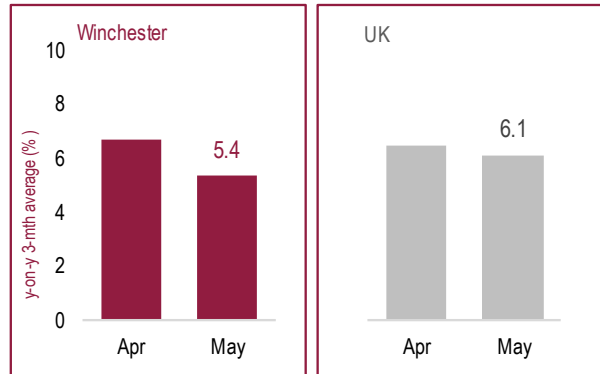


- Annual consumer price inflation (CPI) eased to 2% in May, the first time in almost three years that the Bank of England's target has been met. Prices still rising, but at a slower rate. Food price inflation decreased in May.
- Core inflation eased to 3.5%, services inflation to 5.7%. BoE kept base rate at 5.25%, as was widely expected.

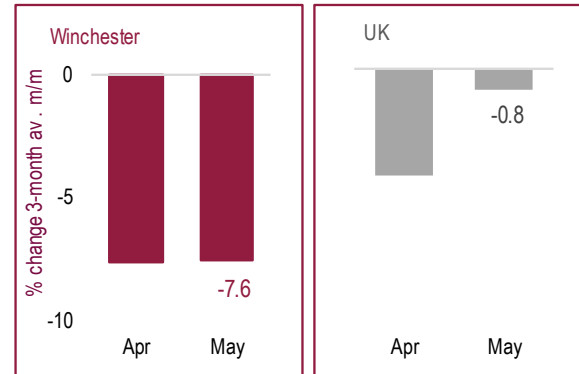
PAYE Employees ↑



PAYE Earnings ↓

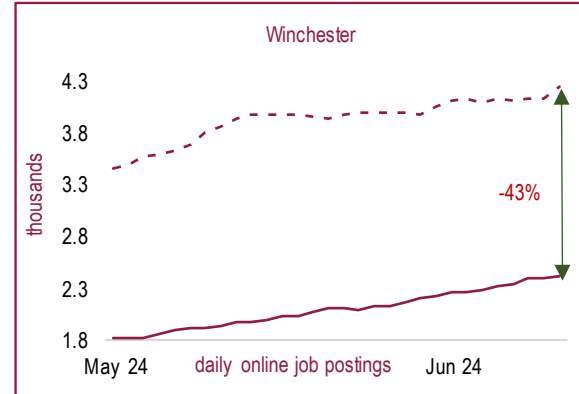
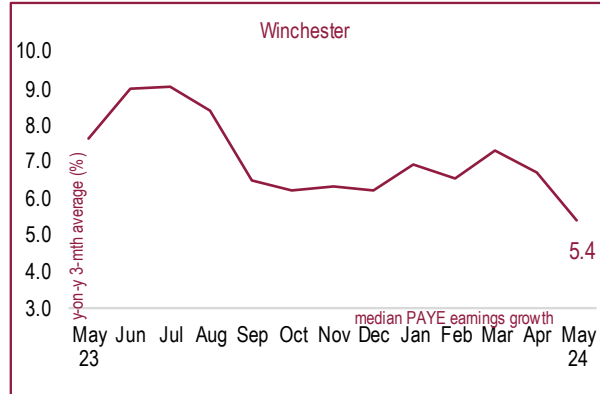
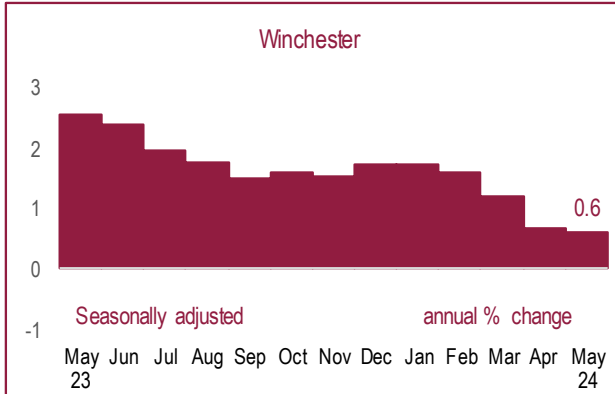


Labour Demand ↓



Demand by Occupation

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



Unique jobs postings by Occupation (SOC)	Mar	% of total
Cleaners and Domestic	126	5.8
Care Workers and Home Carers	113	5.2
Sales Related Occupations n.e.c.	95	4.4
Chefs	72	3.3
Customer Service Occupations n.e.c.	70	3.2
Social Workers	69	3.2
Programmers and Software Development Professionals	68	3.1
Kitchen and Catering Assistants	68	3.1
Teaching Assistants	61	2.8
Civil Engineers	60	2.8

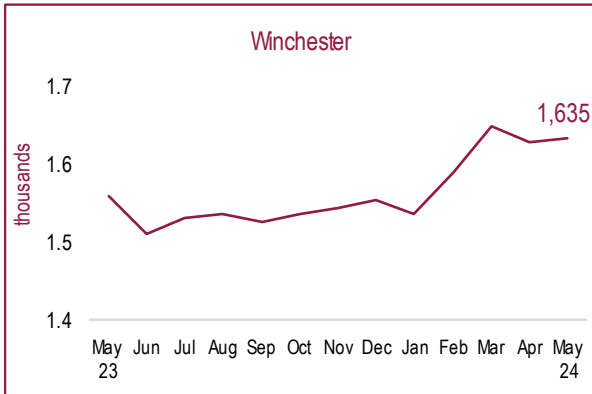
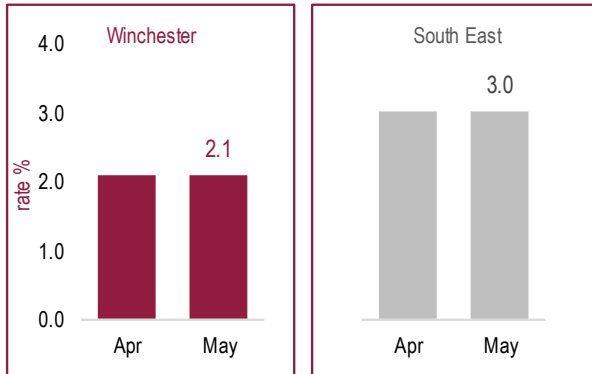
- PAYE employment in Winchester edged higher in May following falls in the previous two months and over the quarter. PAYE employee number stood at 57,600, a record high.
- Monthly growth up on the previous month by just 0.1% but still faster than in UK. Annual (Y-on-Y) growth eased to 0.6%.

- PAYE pay data remains elevated but pay growth continues to ease in Winchester. Median PAYE pay growth slowed to 5.4% in May, slower than the UK average.
- UK data suggests that the public sector saw a slightly stronger growth than the private sector. Finance saw the fastest growth last month.

- Forward looking data suggests that labour demand as measured by the number of online job postings continues to ease.
- However, the fall in the number of online job postings in Winchester in the three months to May was similar to the previous month and considerably larger than in the UK.

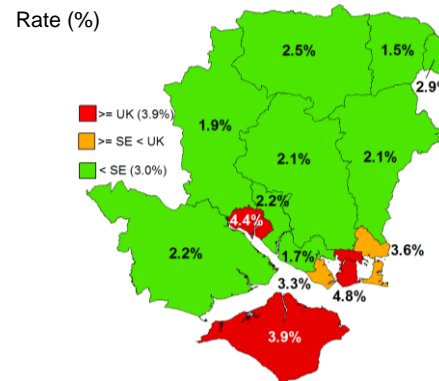
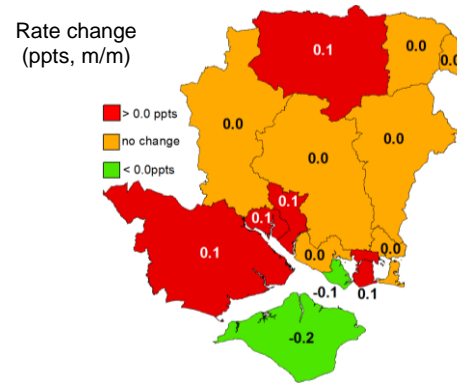
- Top in-demand skills in Winchester in May were in personal services (carers, cleaners), sales, chefs, IT and legal and early years childcare. Some like legal are new to May while demand eased in some occupations compared to March.
- The top in-demand specialised skills in Project Management and Finance.

Claimant Unemployment



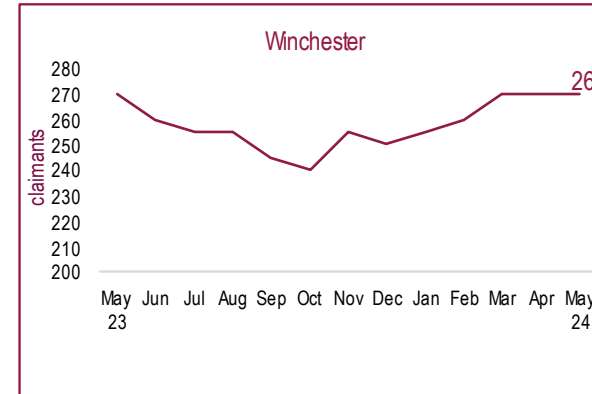
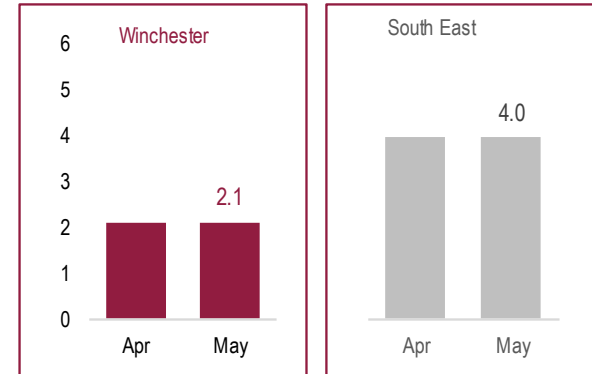
- The number of unemployed claimants in Winchester district (not adjusted for seasonal factors) unchanged in May at 1,635 but higher on the year (+75). May saw small increase in over 50s but little change for under 50s.
- For the third consecutive month the rate was unchanged at 2.1%, which is well below South East and UK rates.

Local Claimants



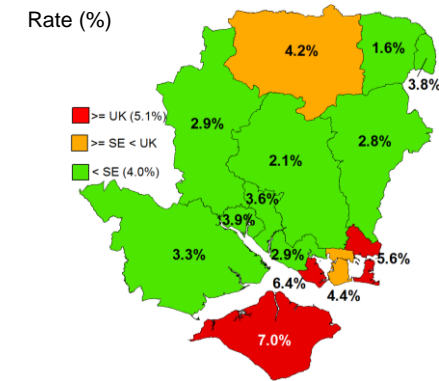
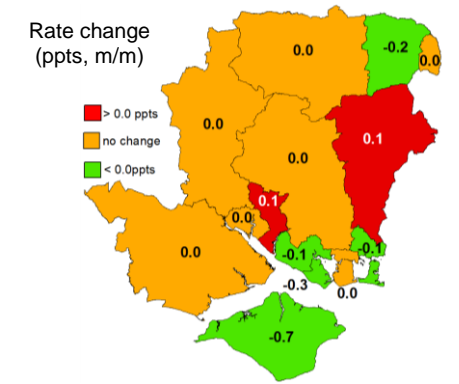
- Winchester district was one of seven local authorities in Hampshire & Isle of Wight to see no change in the monthly claimant count rate.
- Like most Hampshire & Isle of Wight authorities, Winchester is below the two benchmarks, with the two cities and Isle of Wight above UK rate and Gosport and Havant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

Youth Unemployment



- The number of young unemployed claimants aged 18–24-year-olds in Winchester district was effectively unchanged at 260 in May.
- The youth claimant unemployment rate was unchanged at 2.1%. The Winchester district 18-24-year-old rate is well below the South East (4.0%) and the UK (5.1%) averages.

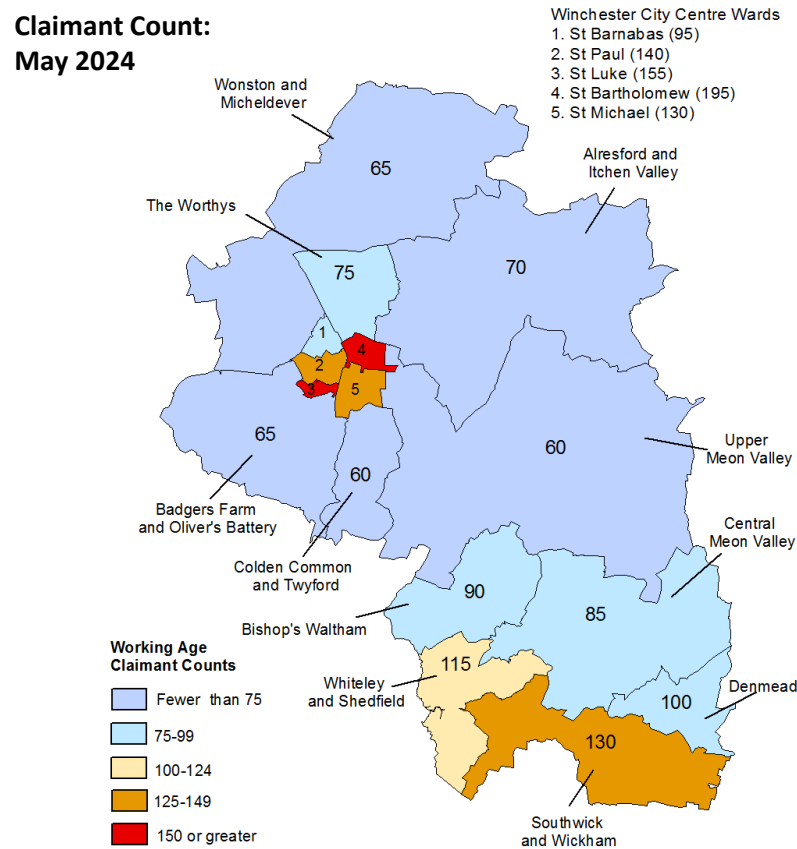
Young Local Claimants



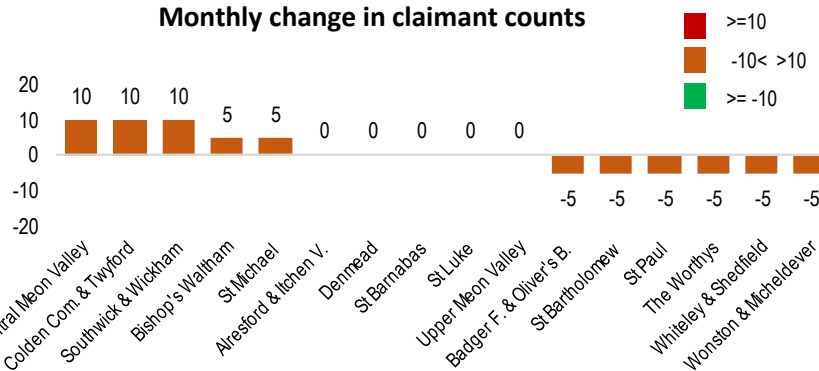
- Half of the 14 Hampshire & Isle of Wight local authorities (including Winchester) saw unemployment rates for young people unchanged on the month.
- Most Hampshire & Isle of Wight districts have rates below the SE and UK rates, while Havant, Gosport and IoW remain above the UK rate.

- All of Winchester's ward claimant count changes for May were within the little or no change threshold (between -10 and +10 claimants).
- Claimant count concentrations (over 125) are in the City of Winchester or in the south in Southwick and Wickham.
- Seven of the 16 district wards saw an increase in their claimant rates in May, with three wards seeing 0.2 percentage points increase (albeit from a small base). Four wards saw no monthly change in rates.
- The remaining five wards saw a decrease in rates of 0.1 percentage points.
- There are four wards with an unemployment rate above the South East average (3.0%). No Winchester district wards are above the UK average (3.9%) – but St Luke Ward with 3.4% is the closest.

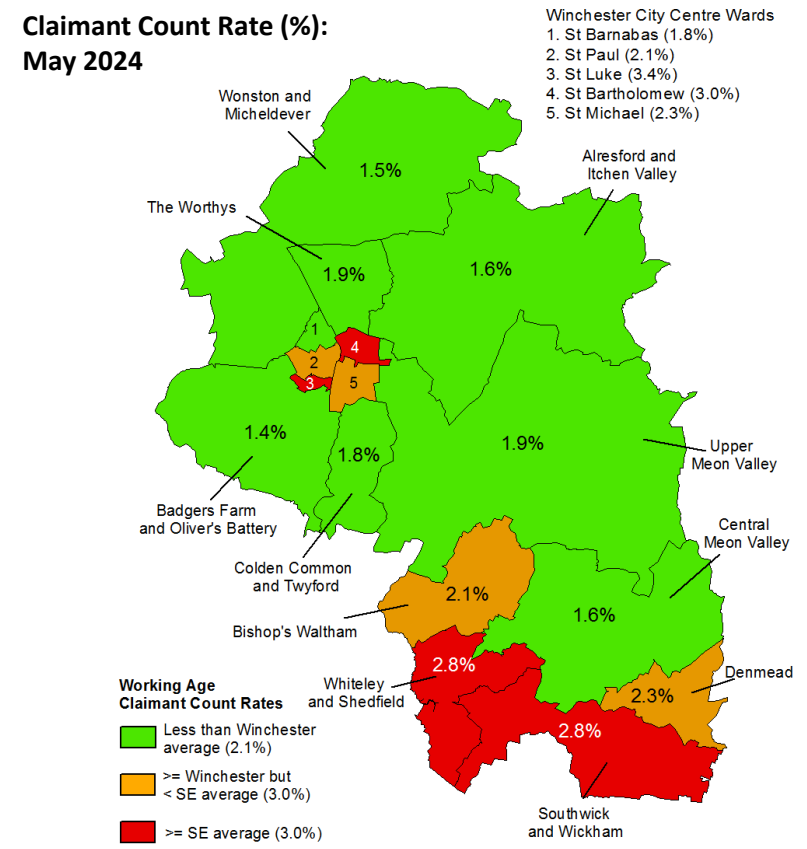
Claimant Count: May 2024



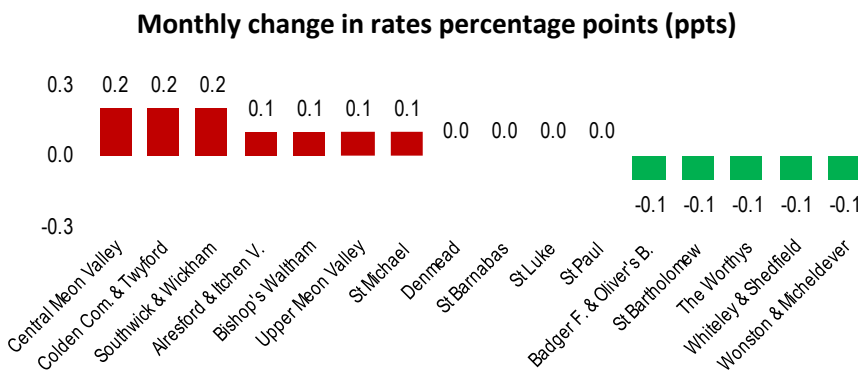
Monthly change in claimant counts



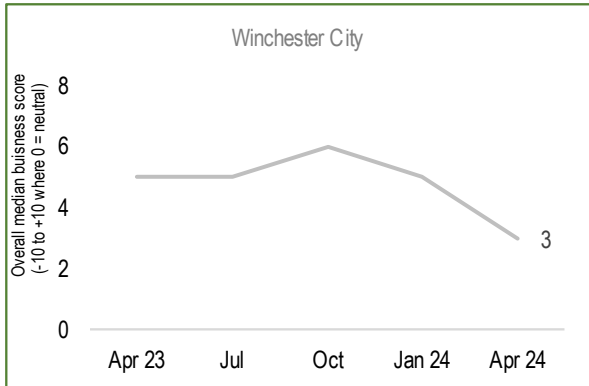
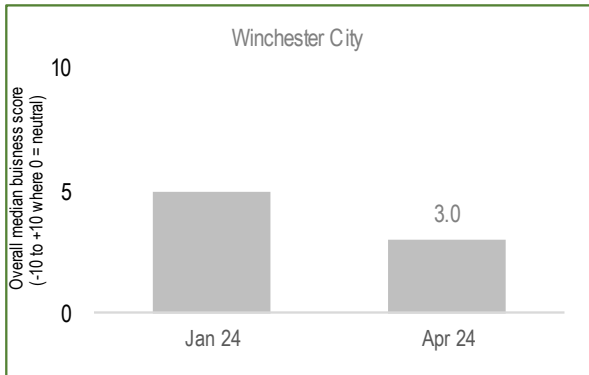
Claimant Count Rate (%): May 2024



Monthly change in rates percentage points (ppts)

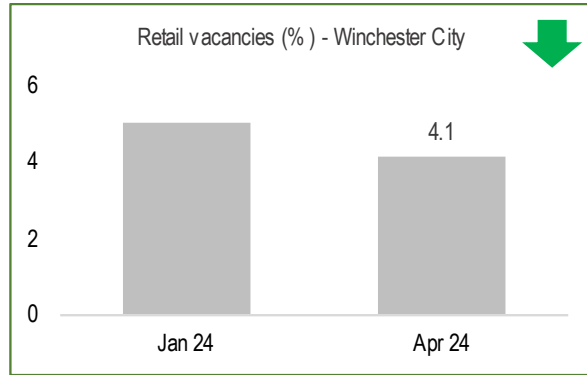


Business Confidence ↓



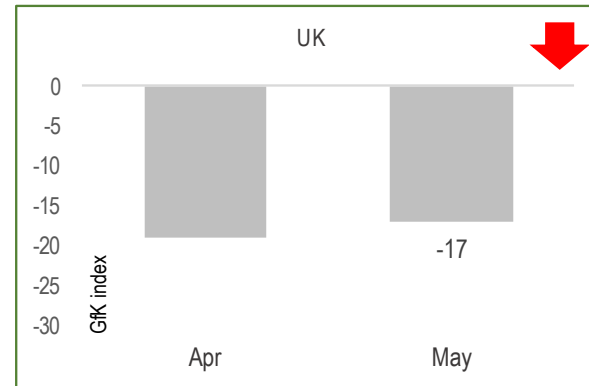
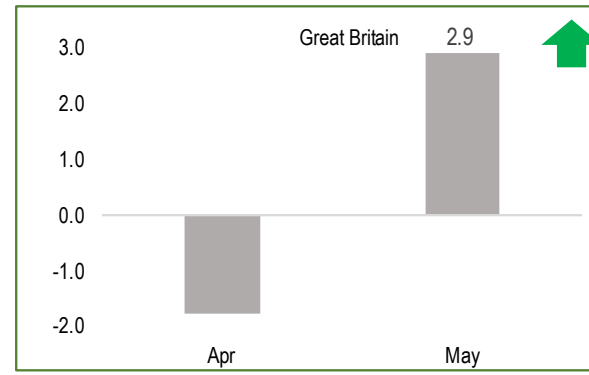
- Business sentiment score in Winchester city centre was 3 in Apr 2024, lower than at the start of 2024. Sentiment appears to be affected by average spend which is down.
- In contrast, May's PMI survey points to recovering business sentiment for South East underpinned by growth forecasts and increased investment.

Vacancies & Footfall



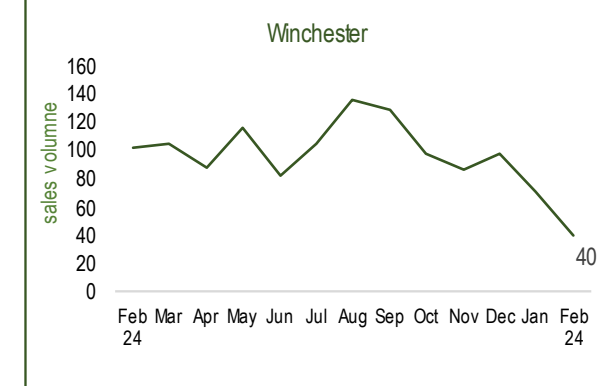
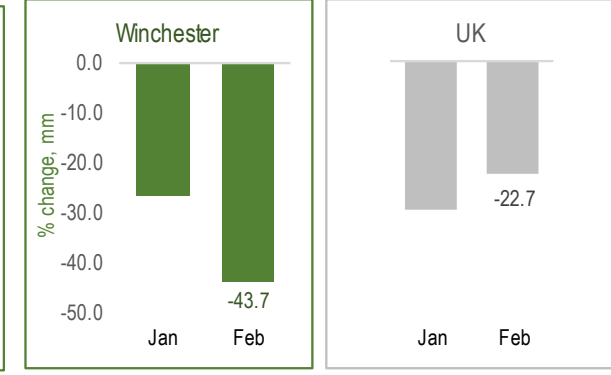
- Winchester high street vacancy rate fell to 4.1% in April, lower than a year ago (6.2%) and the lowest vacancy rate since Jan 2019 and well below its peak of 12.4% (Jan 2021).
- Winchester businesses reported an 8% increase in footfall in Mar 2024 compared to Mar 2023, and above the February reading (+7.0%).

Spending & Sentiment



- Retail sales volumes increased in May. The larger-than-expected increase in retail sales in May more than reversed the fall from April..
- Consumer sentiment improved further in May. Falling inflation, rising confidence and retail spending suggest that the BoE base rate is likely to be reduced soon.

House Sales ↓



- Winchester saw a sharp seasonal drop in house sales in Feb (-43.7%) and compared to Feb 2023 (-61%).
- House prices were up by 2.9% in Winchester in April 2024 with the average house close to £500K.
- Volatile mortgage rates and slowing demand in the house building market, as buyers wait for interest rate cuts.

Business-specific Intelligence and News

- Winchester's city centre **businesses saw a slight dip in the overall median performance score from '7' at the start of 2024 down to a softer '6'**. Inclement weather impacted footfall and sales in the first quarter of 2024, with close to two fifths of business citing this as the primary cause for less robust consumer spending.
- Lower spend fed into a lower business **median sentiment score which was down to '3', its lowest level since January 2022**. Sentiment lower than at the start of 2024 and with levels closer to Covid times. Cost of living and high borrowing costs is weighing down on businesses.
- **Sales in the first quarter of 2024 were subdued in Winchester city centre** although better than the national average. Food sales (in-store and online) were down while non-food saw no change. The Hospitality sector had a disappointing first quarter with sales down by 6%, although the CFS sector performed relatively well, especially from more affluent local consumers.
- Looking ahead, **median expected for sales have moderated from three months ago where sales projection for 2024 was a 4% down to 3%**. The Hospitality and EFS sectors both expect annual sales increase of 10% despite a sluggish start to the year.
- The **High Street vacancy rate fell to 4.1% in April, lower than a year ago (6.2%) and the lowest vacancy rate since Jan 2019**. A vacancy rate of around 3% is considered healthy (Savills). The old Debenhams building is now two thirds occupied but the Halfords in the Moorside Road Retail Park, Winnall is to permanently close on Friday, July 5.
- Latest Monthly Place Report has **Winchester businesses seeing 8.0% increase in footfall in March 2024** compared March 2023.

Public Policy News

- **Prime Minister announces general election for July 4th** that also places restrictions on the government initiating new policy.
- **However, as part of the Levelling-up and Regeneration Act 2023, new powers come into play for communities to regenerate high streets and fill empty shops through High Street Rental Auctions**. This gives local authority power to combat high street vacancy and affects those premises empty for over a year and allows local leaders to auction off a rental lease for up to 5 years.
- In addition, as part of the government's Levelling-up and Regeneration Act, council planners from April 25th can use **stronger enforcement measures to take on landowners who repeatedly break planning rules**, and from the end of April **Councils are able to buy cheaper land** to help build thousands **more social and affordable homes**.
- **British** researchers, **businesses** and academics will have **enhanced access to future supercomputer research funding** from May as the UK joins the European High Performance Computing Joint Undertaking (EuroHPC).
- In response to the March 2023 Budget statement, the **Enterprise M3 transferred its economic development functions** and responsibilities to Hampshire and Surrey county councils on 1st April 2024.
- Recent FSB figures points to **one fifth of small firms worried about the costs of exports and imports** over the next five years.
- The National Cyber Security Centre (NCSC) has **published guidance** tailored for the **self-employed and sole traders on cyber security**.
<https://www.ncsc.gov.uk/section/information-for/self-employed-sole-traders>

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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