

# Winchester District Quarterly Economic Intelligence Dashboard



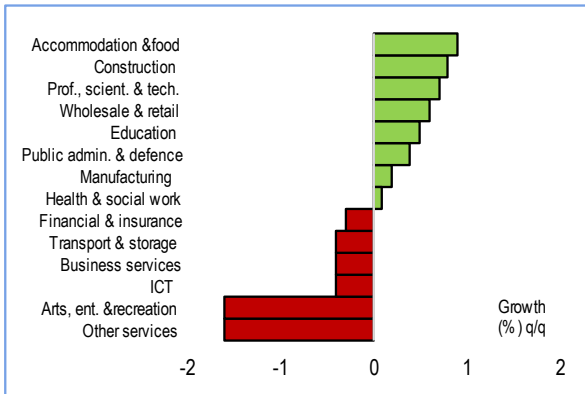
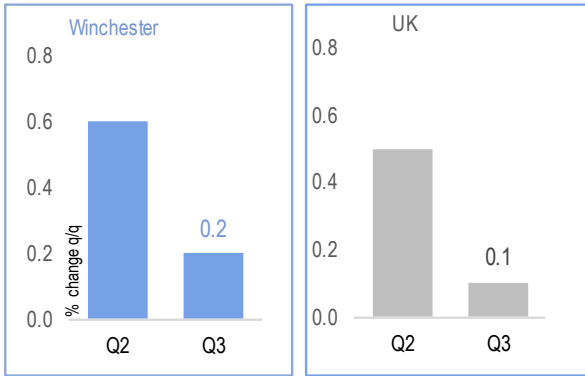
December 2024



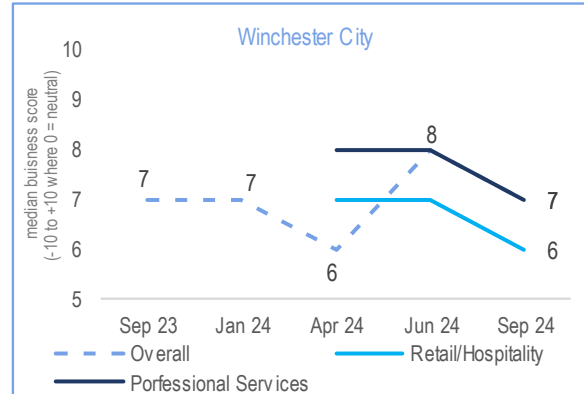
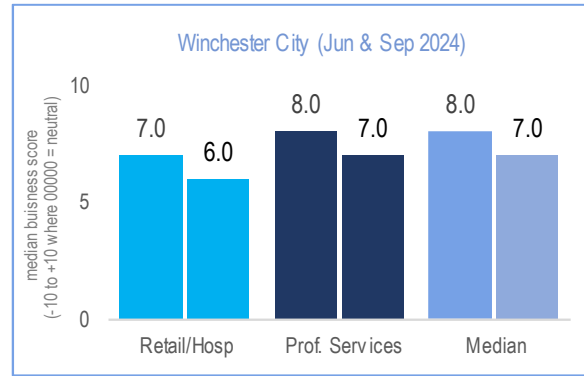
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## Economic Growth



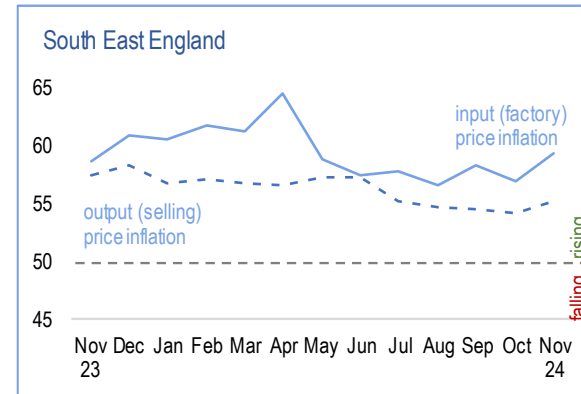
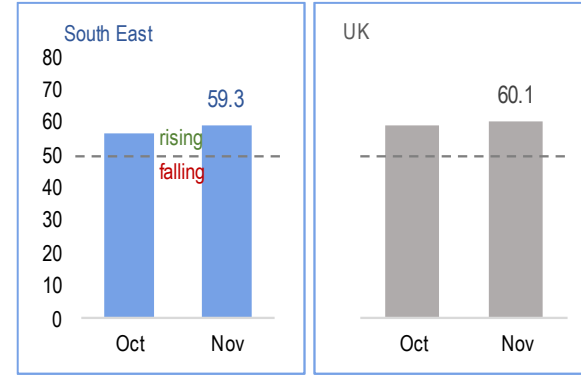
## Business Performance



- Our preliminary growth estimate for Winchester suggests the economy saw a summer slowdown in Q3 following strong growth in Q2; and marginally above the UK.
- Faster growth held back by falling output in several service activities with uncertainty around the budget weighing in on spending.

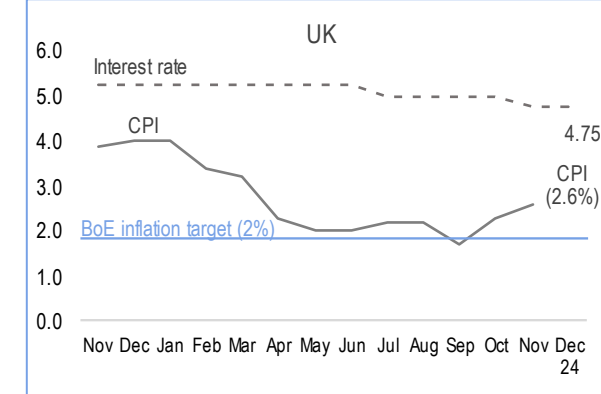
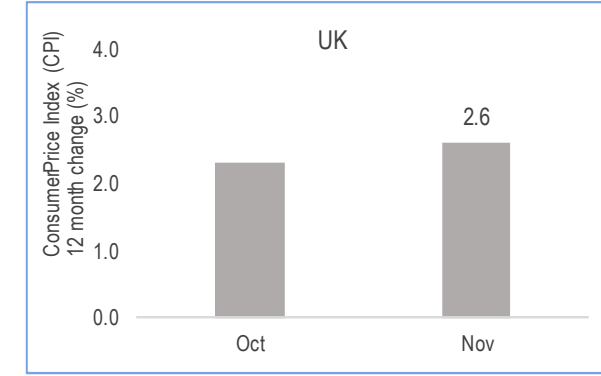
- Survey evidence from Winchester BID Business Barometer suggests business performance scores dipped in Sep against Jun. However, the median score unchanged on the year.
- Nov PMI survey data suggests subdued growth in the South East's economy, weighed down by fewer workers, uncertainty and lower exports

## Business Prices



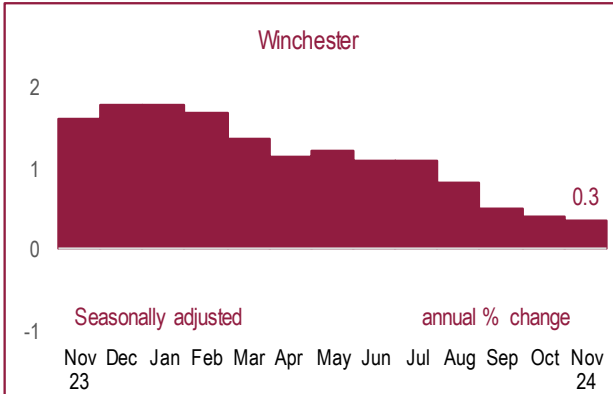
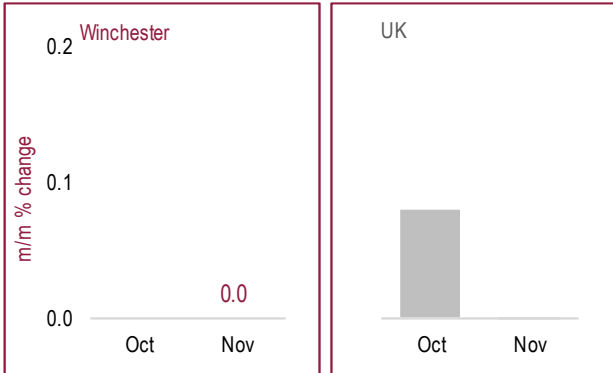
- Cost inflation in South East rose in November although lower than most UK regions, and slower than UK. Anecdotally, main drivers of business costs associated with higher wages, services and raw materials.
- Selling prices most pronounced for 4 months and sharpest uptick since Nov 2023, as firms pass on costs.

## Inflation



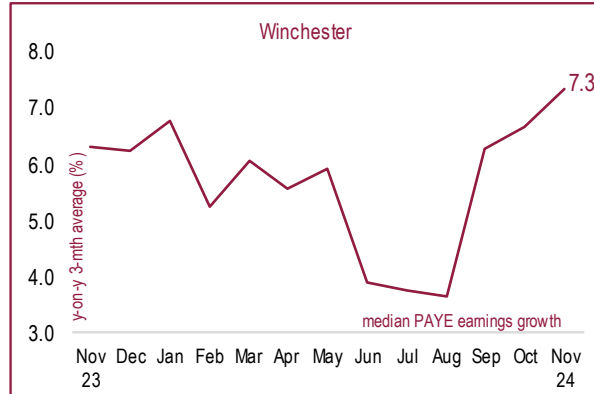
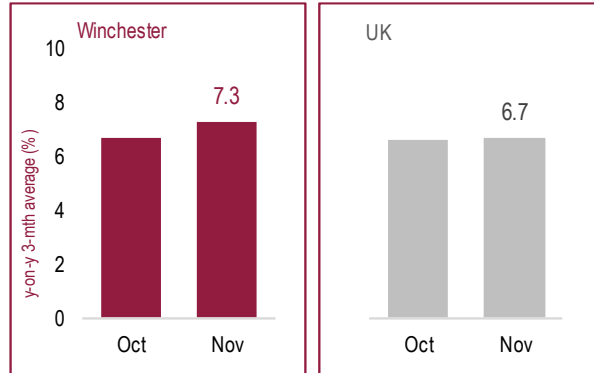
- Annual consumer price inflation rose to 2.6% in Nov from 2.3% in Oct, an eight-month high, driven by the rising prices for petrol, groceries and an increase in tobacco duty in the budget.
- Core inflation ticked up to 3.5% while services inflation unchanged at 5%.
- Interest rates held at 4.75% in Dec by the Bank of England.

## PAYE Employees



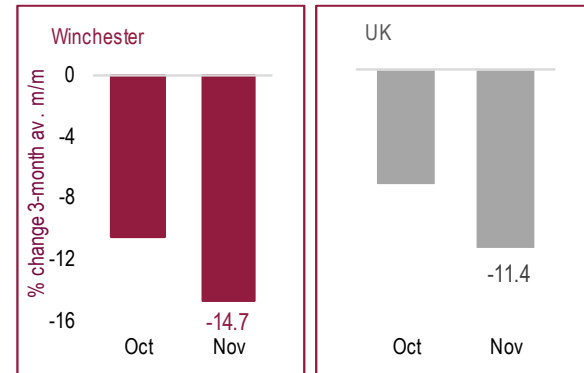
- Timely preliminary estimates from HMRC suggest that PAYE employment in Winchester saw no growth in Nov (in line with UK), following no growth in Oct.
- Nov's PAYE employment saw no growth on the month and the quarter, while annual PAYE employment growth eased to 0.3%.

## PAYE Earnings



- PAYE earnings in Winchester increased in Nov 2024, third consecutive monthly uptick and their strongest pace since Aug 2023. Pay in Winchester remains well above UK and against headline inflation.
- National wage data has pay growth picking up and ending the slower earnings growth of recent months.

## Labour Demand



- 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 stable in Nov with marginal seasonal uptick in early Dec, but survey data suggests slowdown in recruitment as firms cautious hiring.

## Demand by Occupation

Unique jobs postings by Occupation (SOC)	Nov	% of total
Care Workers and Home Carers	104	7.0
Cleaners and Domestic	90	6.1
Sales Related Occupations n.e.c.	74	5.0
Kitchen and Catering Assistants	71	4.8
Chefs	58	3.9
Customer Service Occupations n.e.c.	53	3.6
Managers and Directors in Retail and Wholesale	45	3.0
Waiters and Waitresses	45	3.0
Early Education and Childcare Practitioners	43	2.9
Sales and Retail Assistants	42	2.8

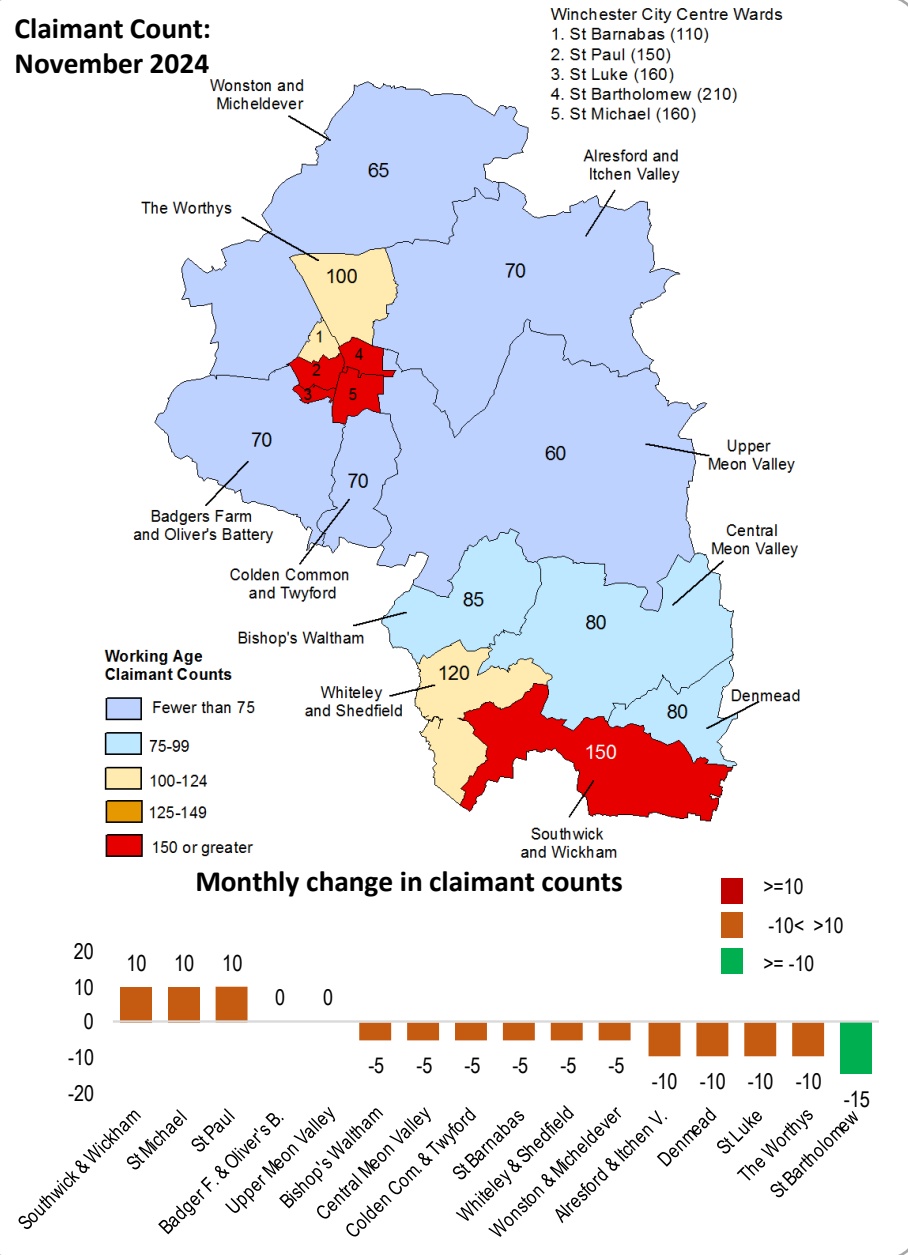
Unique jobs postings by Occupation (SOC)	Aug	% of total
Cleaners and Domestic	115	6.8
Care Workers and Home Carers	95	5.6
Sales Related Occupations n.e.c.	82	4.8
Customer Service Occupations n.e.c.	75	4.4
Chefs	71	4.2
Kitchen and Catering Assistants	62	3.7
Other Administrative Occupations n.e.c.	54	3.2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

- Top three in-demand skills in Winchester largely unchanged on the quarter although vacancies increased for care workers, and for kitchen assistants and waiting staff, possibly reflecting seasonal demand.
- The top specialised skills: Project Management, Auditing, Restaurant Operation, Finance, Food Safety.

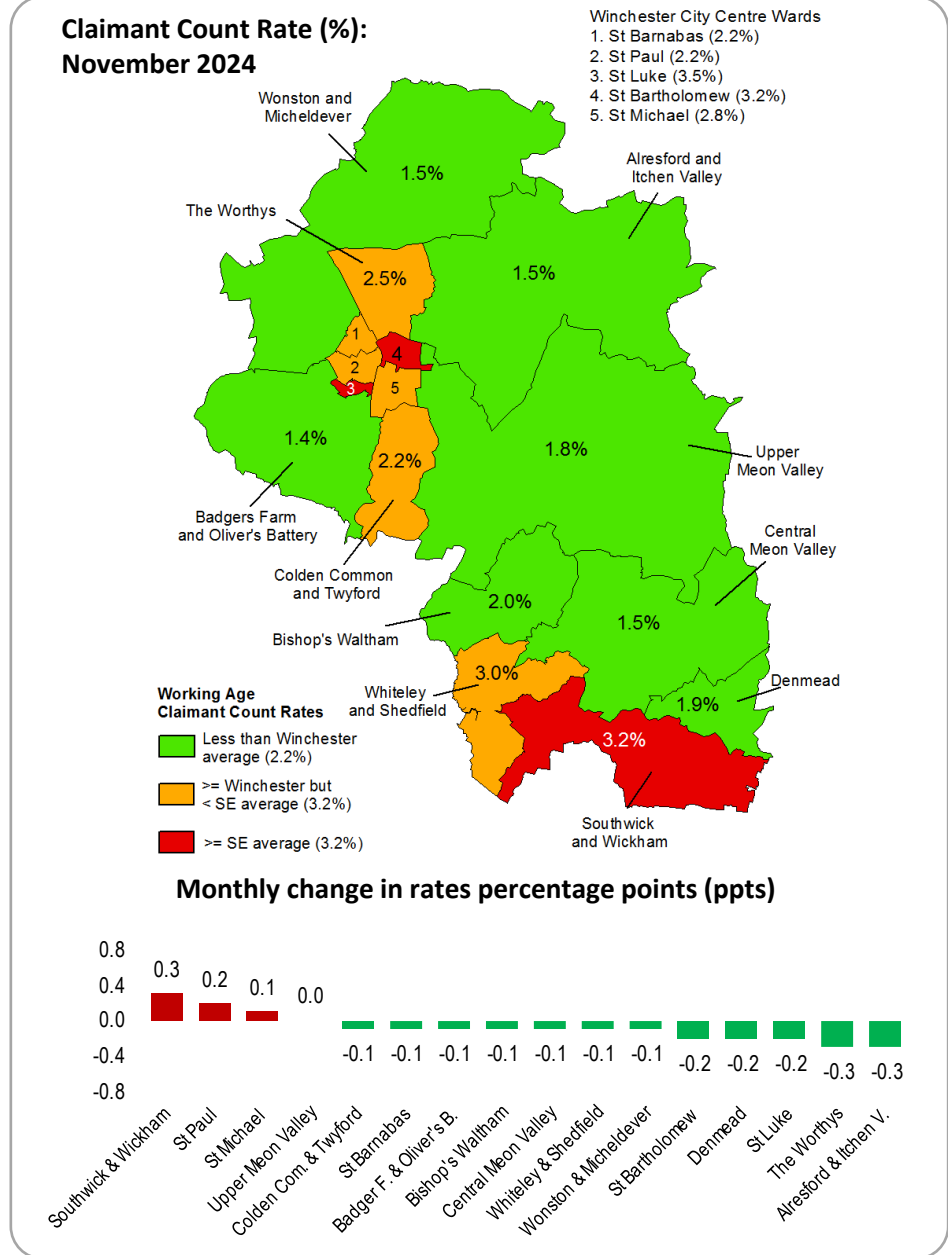


- St Bartholomew Ward was the only Winchester ward to see a decrease in claimants on the month (>-10).
- The remaining wards all met the threshold for no change (between -10 and +10 claimants).
- Claimant count concentrations (over 100) are in the City of Winchester or in the south in Whiteley & Shedfield and Southwick and Wickham Wards.
- Three of the 16 district wards saw an increase in their claimant rates in November, with Southwick & Wickham seeing +0.3 (albeit from a small base). Upper Meon Valley saw no change while the remaining wards saw no monthly change in rates.
- 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 (4.2%) – but St Luke Ward with 3.5% is the closest.

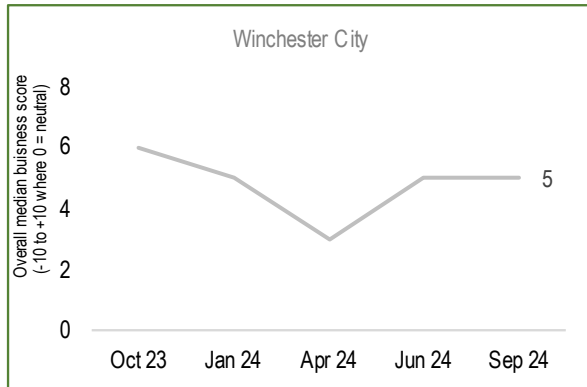
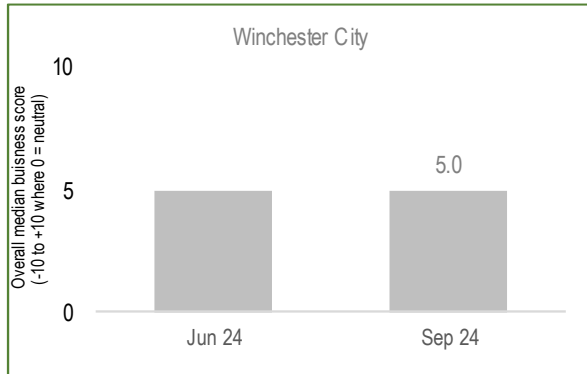
## Claimant Count: November 2024



## Claimant Count Rate (%): November 2024

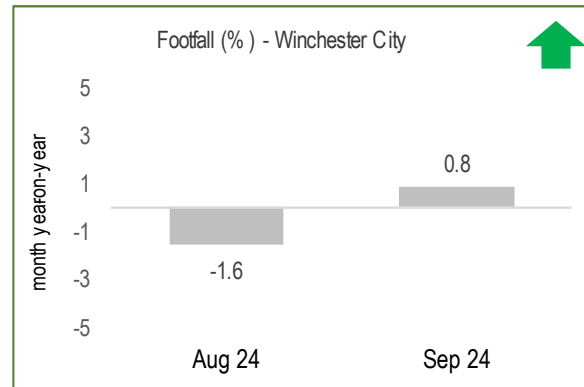


## Business Confidence



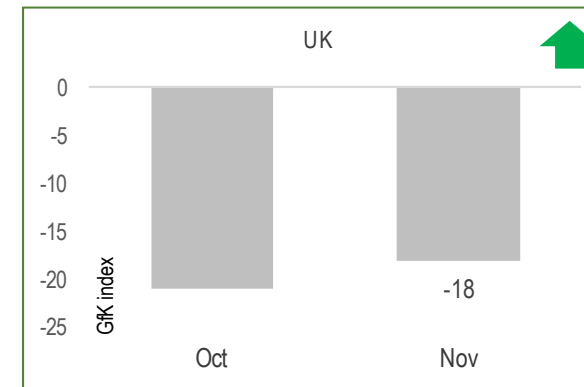
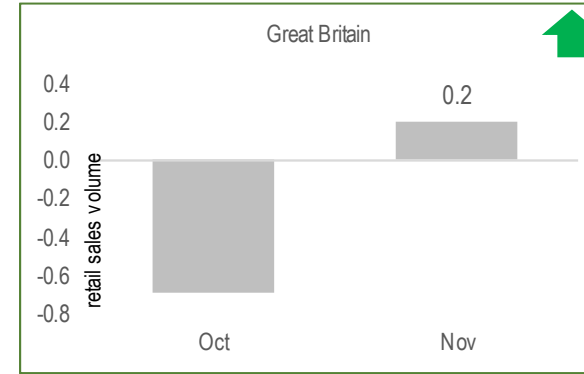
- Business sentiment score in Winchester city centre was 5 in Sep 2024, unchanged on Jun. The outlook is less buoyant for off-high street outlets going into Q4 2024.
- November's PMI regional survey points to subdued sentiment but signs of optimism for future demand from investment.

## Vacancies & Footfall



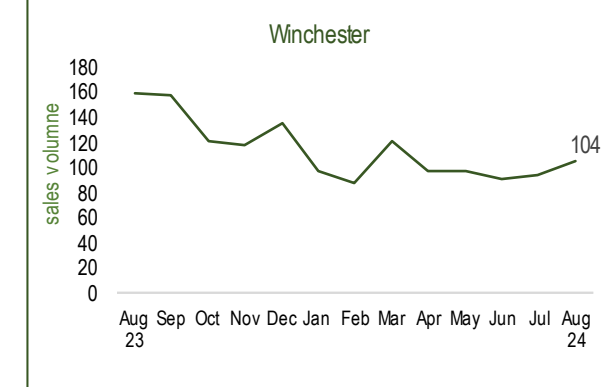
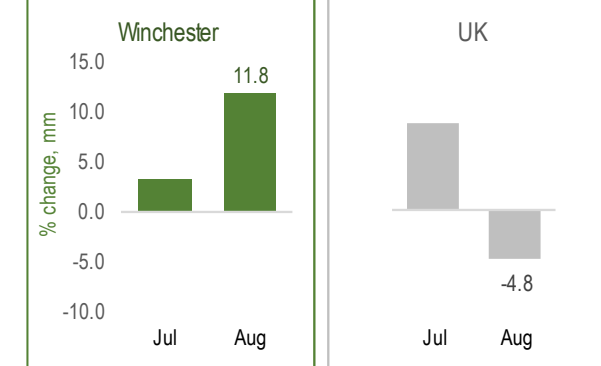
- Winchester high street vacancy rate decreased to 3.1% in Sep, down from 7% in Jun, and well below national High Street vacancy rate of 14% (Co-pilot).
- Winchester City businesses reported a marginal 0.8% increase in footfall in Sept recovering from a fall in Aug but subdued High Street footfall.

## Spending & Sentiment



- Monthly retail sales volumes grew in Nov 2024 following fall in Oct, driven by supermarkets and other non-food-stores. Quarterly sales up +0.3%.
- Although still subdued, consumer confidence index ticked up 3-points in Nov to -18. Largest upward shift was in major purchase intentions in lead up to Black Friday sales.

## House Sales



- Winchester saw house sales rise sharply in Aug in contrast to decrease nationally, but third lower than Aug 23.
- House prices increased 1.1% in Winchester in October 2024 and by 6.3% compared to a year ago.
- The average price in Winchester stood at around £487K in Oct, with average detached houses worth around £781K.

## Business-specific Intelligence and News

- Winchester City BID for Sep 2024 reported a **median performance score for all outlets at '7', down compared with Jun but comparable to Sep 2023**. Median performance scores also down for Retail/Hospitality (RH) at 6 and Professional services (PS) at 7. Both denote modest performances as the economy expanded more slowly in the third quarter of 2024.
- **Retail and Hospitality outlets and Professionals services both reported no change in their total sales** [both in-store and online], compared with a year ago. Sales off-the-High Street underperformed, down by 5% year on year and largely down to lower footfall. However, smaller Independent PSs performed better with sales up by 5% in the year to date.
- **Short term sentiment scores remain unchanged over the past three months**. Sentiment scores were also +5 for the High Street but and 0 off-High Street businesses.
- **Sales expectations, although positive during 2024 compared with 2023, have moderated**. RH and PS revenues were projected to rise by 2.5% and 9% respectively and the start of the year when comparing 2024 with 2023. The latest estimate is 2% and 'no change'.
- **The Winchester High Street vacancy rate was down to 3.1% in Sep, more than half the rate in Jun (7%)** and close to the healthy rate (3%, Savills) and well below the national vacancy rate (14%). The arrivals of Cornish Bakery (Oct) and the Westlands Farm Shop (Nov) helped bring down vacancy rates.
- Latest Monthly Place Report has **Winchester businesses seeing 0.8% increase in footfall in Sep 2024** compared a fall in Aug of 1.6%. However, High Street and Off-High Street footfall was down by 5% and 10% respectively in the 9 months to the end of September. Anecdotally, poor weather cited as having the most significant effect on footfall.

## Public Policy News

- **On 30 October 2024 Chancellor Rachel Reeves delivered the Budget**. Businesses expected to play a significant part in contributing to raising £40bn.
- **From April 2025, employers' NICs will increase from 13.8 per cent to 15 per cent. In addition**, the threshold at which employer NICs become payable falls from £9,100 to £5,000. This is forecast to raise £25bn per annum.
- The **headline rate of UK corporation tax will be kept at 25%**, and corporation tax small profits rate kept at 19%.
- **Two permanent lower rates of business rates for retail, hospitality and leisure properties**. In short-term a 40% relief for 2025/26 up to a cap of £110,000 per business.
- **Capital Gains Tax rate for Business Asset Disposal Relief (BADR)** (previously called Entrepreneurs Relief) **to continue, although the tax rate to increase** from 10% to 14% for disposals made on or after 6 April 2025, and 14% 18% on disposals made on or after 6 April 2026 ( an increased bill of up to £80,000 for businesses sold after April 2026).
- **Business property relief and agricultural property relief will change from 6 April 2026**. The existing 100 per cent rates of relief will continue only for the first £1m of combined agricultural and business property. This led to farmers' protests in Westminster.
- **English Devolution White Paper published in December**. In two tier areas, Government will establish Combined County Authorities before moving to single tier structures. The Government will expect all two-tier areas and smaller or failing unitaries to develop proposals for reorganisation. For most areas this will mean creating councils with a population of 500,000 or more, but there may be some exceptions.



## 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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