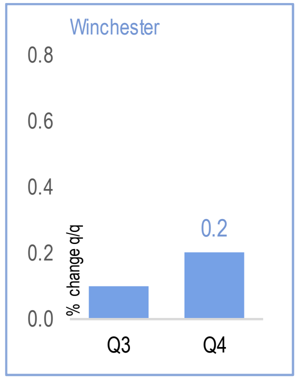
Winchester District Quarterly Economic Intelligence Dashboard

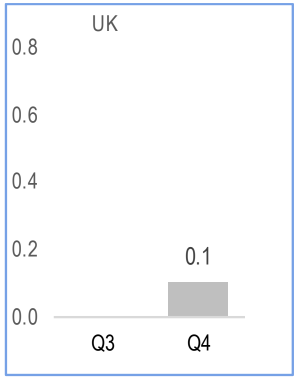
March 2025

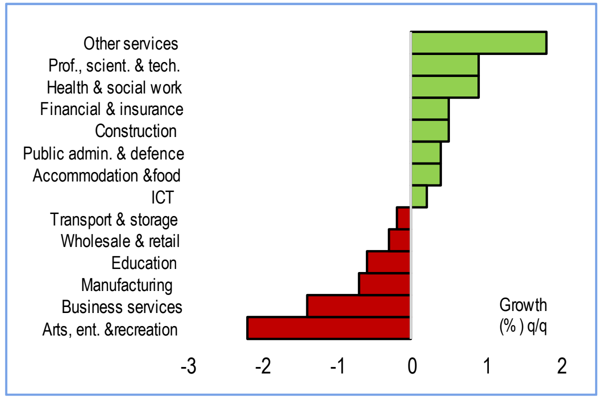
Contents

Business Activity

Economic Growth

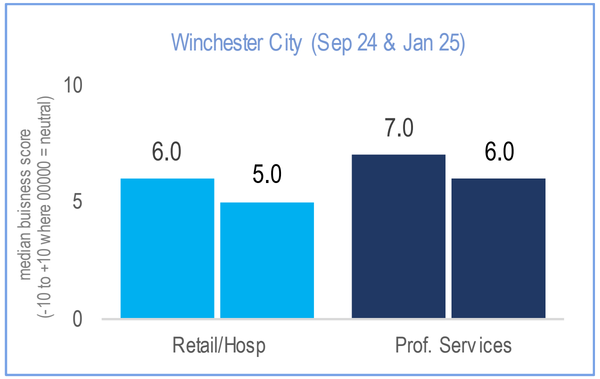


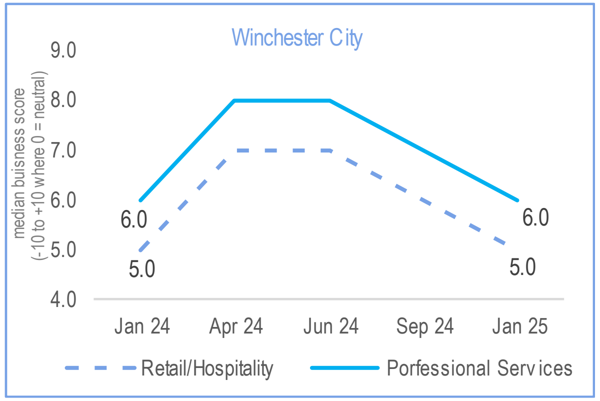




- Our preliminary growth estimate for Winchester suggests the economy picked up in Q4 following subdued growth in Q3; and marginally above the UK. UK monthly data suggests the economy is weaker in Jan 2025.
- Growth driven by knowledge intensive services and health work. Growth held back by manufacturing and retail.

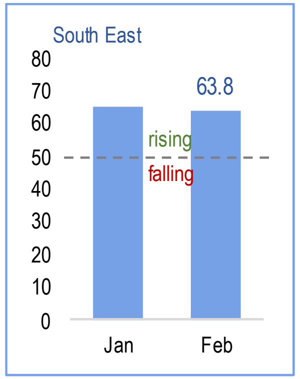
Business Performance

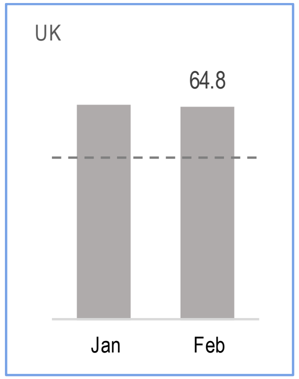


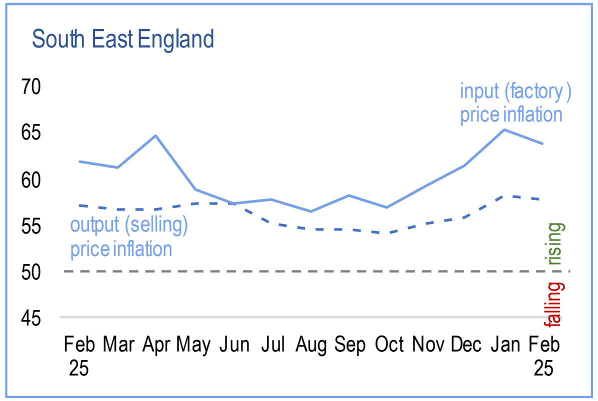


- Survey evidence from Winchester BID Business Barometer suggest that both business performance scores continue downwards. However, Jan 25 scores unchanged on the year.
- Feb PMI survey data points to growing optimism in the South East's economy. Contraction in activity slows, exports picking up but employment falling.

Business Prices

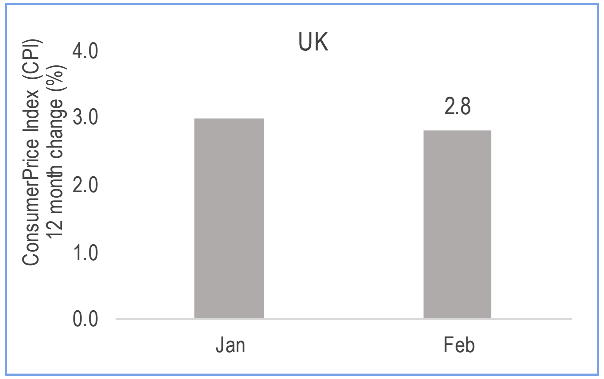


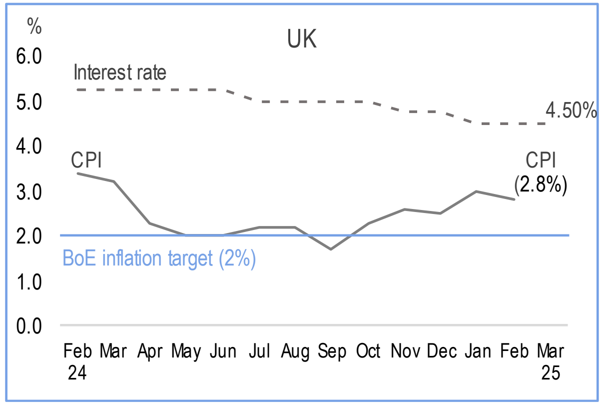




- Although cost inflation in the South East is still rising it cooled in Feb and marginally slower rate than the UK.
- Anecdotally, main driver associated with higher wage burdens from strong and persistent pay growth.
- Selling prices softened slightly in South East but remains elevated and marginally above UK average.

Inflation

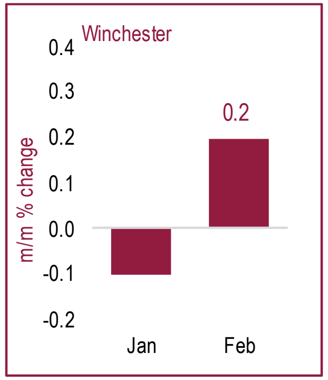


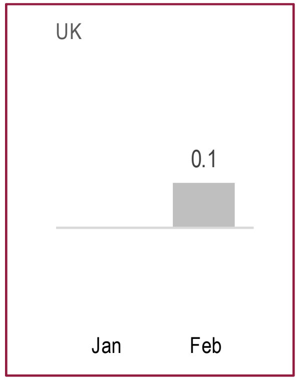


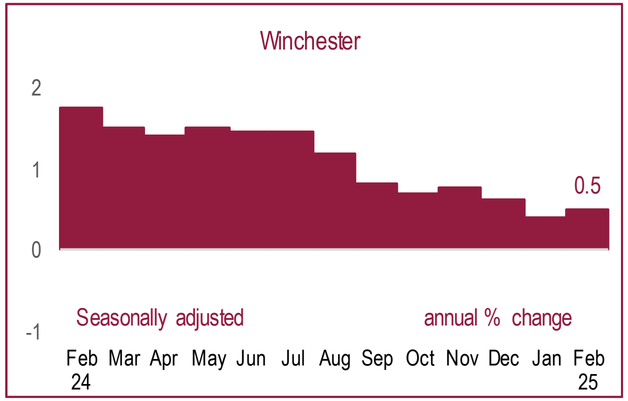
- Consumer price inflation eased slightly to 2.8% in Feb, lower than 2.9% expected. Cheaper clothing prices pulled inflation down.
- Core inflation grew by 3.5% down from 3.7%. Services inflation unchanged at 5.0%. Due to economic uncertainty and the prospect of tariffs the Bank of England held rates at 4.5% in March

Jobs and Unemployment

PAYE Employees

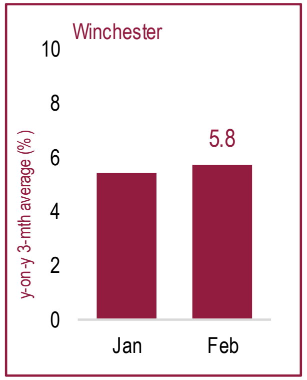


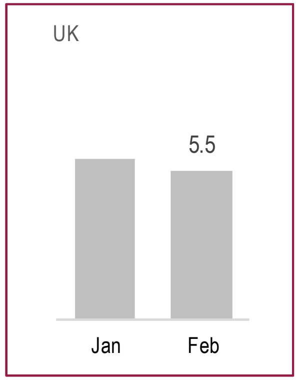


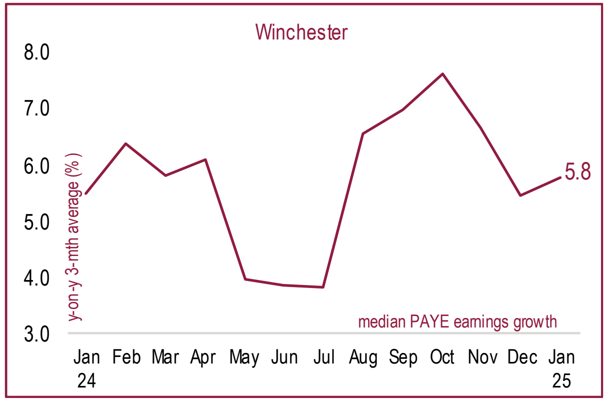


- Timely preliminary estimates from HMRC suggest that PAYE employment in Winchester grew in Feb, and above the UK, following negative growth in Jab.
- PAYE employment grew by 0.2% on the month, 0.1% on the quarter, while annual PAYE employment growth ticked up to 0.5% against Feb 2024.

PAYE Earnings

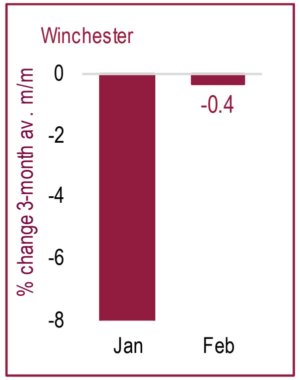


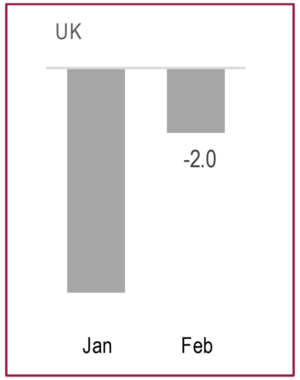




- PAYE earnings in Winchester increased in Feb 2025, following falls in previous two months. Pay remains above UK and headline inflation.
- Wage data that covers the whole UK economy increased to 5.8%.
- UK wages continue to outpace inflation giving the Bank of England a headache on how fast to cut rates.

Labour Demand





- Forward looking data suggests that labour demand as measured by the number of online job postings have improved and at faster pace than the UK average but broadly flat with business recruitment cautious.
- Daily job postings stable and relatively flat going into March. Survey data (KPMG) points pause in recruitment.

Demand by Occupation

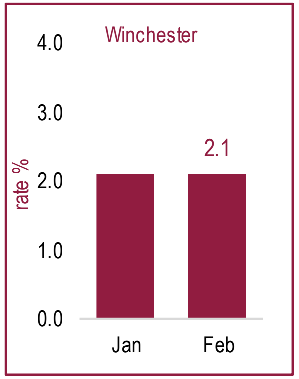
Unique jobs postings by Occupation (SOC)	Feb	% of total
Care Workers and Home Carers	108	7.1
Cleaners and Domestics	89	5.8
Sales Related Occupations n.e.c.	72	4.7
Early Education and Childcare Practitioners	50	3.3
Kitchen and Catering Assistants	48	3.1
Managers and Directors in Retail and Wholesale	46	3.0
Chefs	45	2.9
Customer Service Occupations n.e.c.	45	2.9
Warehouse Operatives	38	2.5
Sales and Retail Assistants	37	2.4

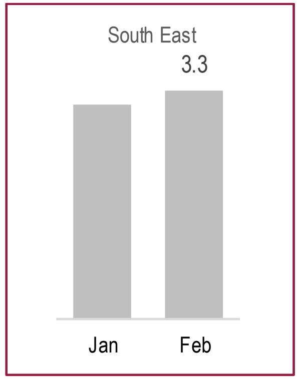
Unique jobs postings by Occupation (SOC)	Nov	% of total
Care Workers and Home Carers	104	7.0
Cleaners and Domestics	90	6.1
Sales Related Occupations n.e.c.	74	5.0
Kitchen and Catering Assistants	71	4.8
Chefs	58	3.9
Customer Service Occupations n.e.c.	53	3.6
Managers and Directors in Retail and Wholesale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

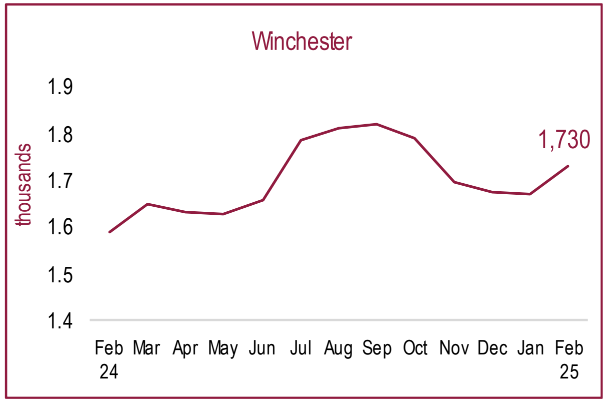
- Top three in-demand skills in Winchester largely unchanged on the quarter (Feb) although marginal increased demand for care workers.
- Most occupational demand lower against 3-month average for Nov.
- The top specialised skills: Project Management, Auditing, Warehousing, Mental Health, and Finance.

Unemployment

Claimant Unemployment

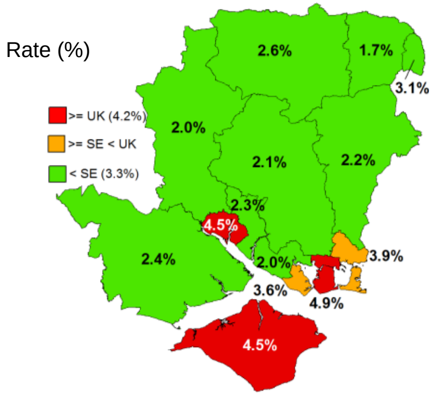


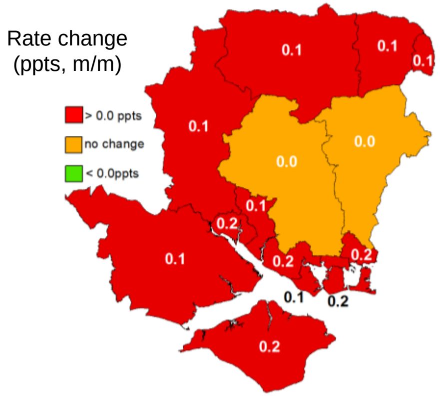




- The number of unemployed claimants in Winchester district (not adjusted for seasonal factors) increased by 60 to 1,730 but higher on the year (+140). Small increases for claimants aged 25 and over.
- The rate was unchanged on the month to 2.1% in Feb, below South East (3.3%) and UK rates (4.2%).

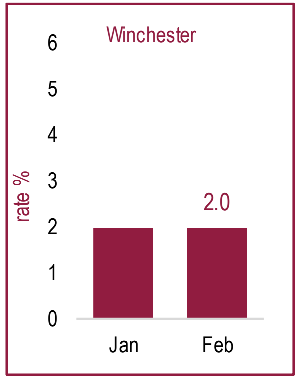
Local Claimants

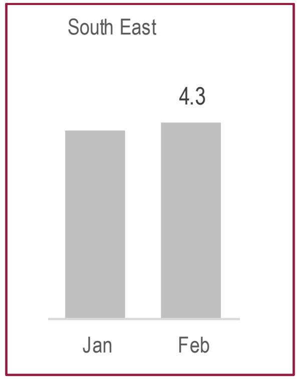


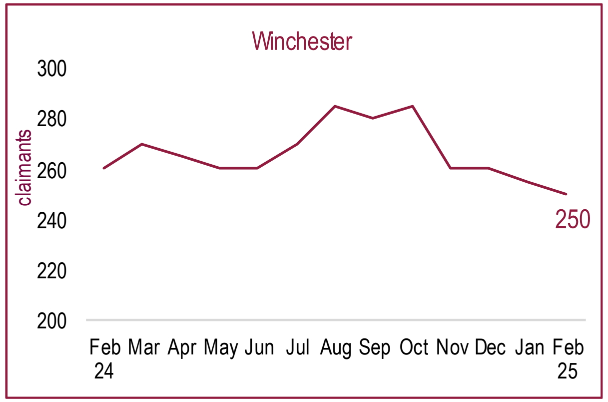


- Like most Hampshire & Isle of Wight authorities, Winchester is below the two benchmarks, with the two cities and IoW above UK rate and Gosport and Havant above SE.
- Winchester district was one of two local authorities in Hampshire & Isle of Wight to see no change in the monthly claimant count rate.

Youth Unemployment

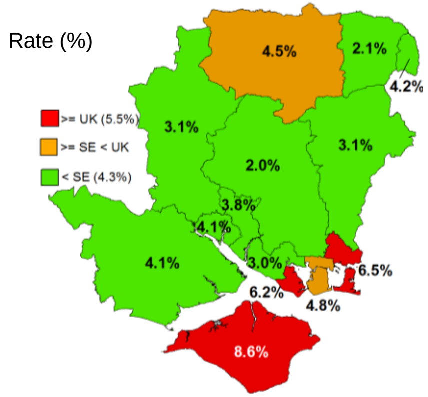


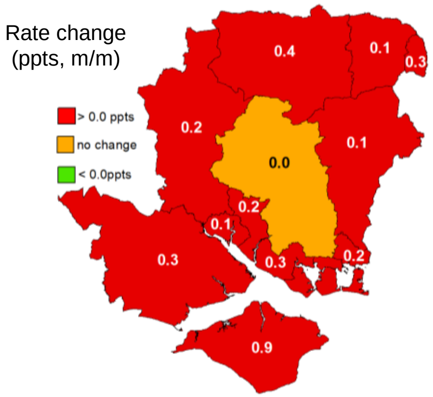




- The number of young unemployed claimants aged 18–24-year-olds in Winchester district was effectively unchanged (-5) at 250 in February.
- The youth claimant unemployment rate unchanged at 2.0%. The Winchester district 18-24-year-old rate is well below the South East (4.3%) and the UK (5.5%) averages.

Young Local Claimants

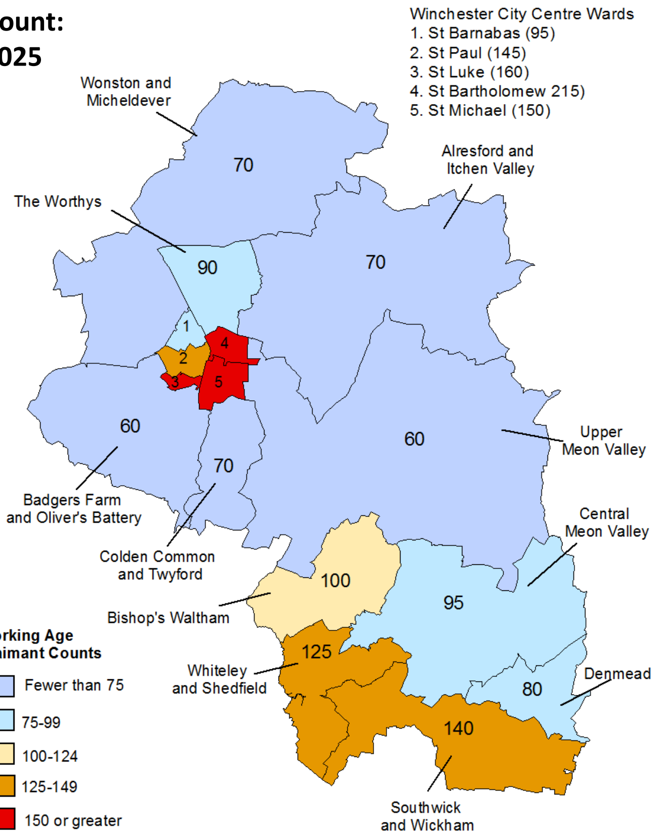


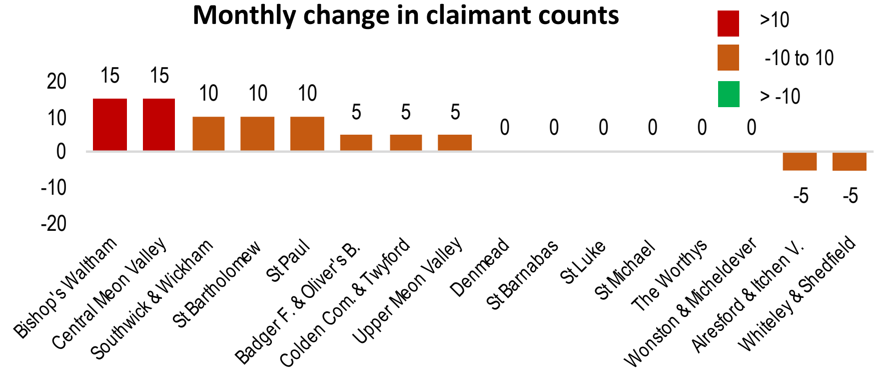


- Most Hampshire & Isle of Wight districts have rates below the SE and UK rates. Two above the SE rate with three LAs above the UK.
- Winchester was the only Hampshire & Isle of Wight local authority to see no change in unemployment rates for young on the previous month. All other LA's saw an increase.

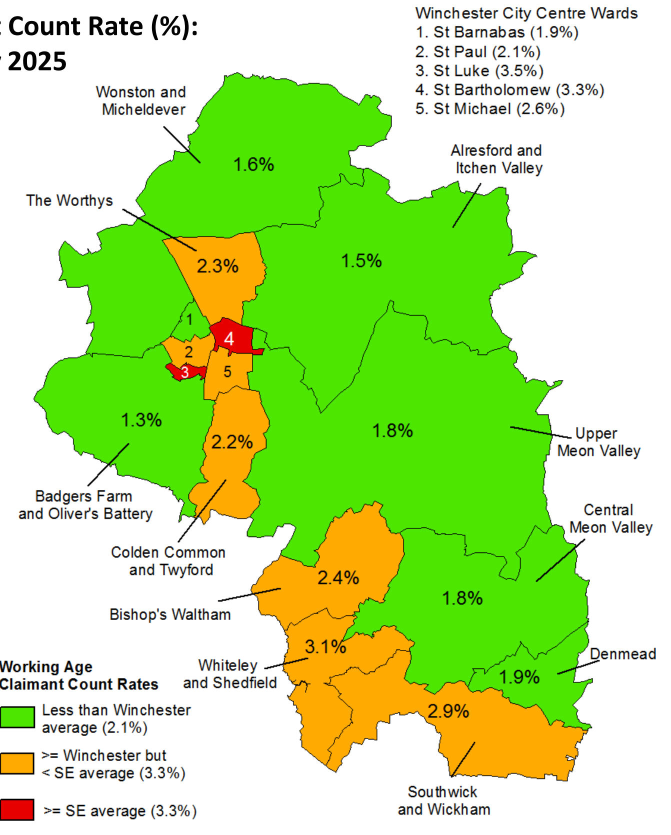
- Based on the thresholds most wards saw no change in claimant counts on the previous month i.e., between -10 and 10.
- Two wards met the threshold for an increase of greater than 10 claimants; Bishops Waltham and Central Meon Valley (+15).
- Claimant count concentrations (over 150) are in the City of Winchester or to a lesser degree (125-149) in the south in Whiteley & Shedfield and Southwick and Wickham wards.
- The small increases in counts was enough for half of the 16 district wards to see an increase in their claimant rates in February, with Bishop's Waltham Ward seeing +0.4 (albeit from a small base). Five wards saw no change and three a small decrease.
- There are two wards with an unemployment rate above or equal to the South East average (3.3%). No Winchester district wards are above the UK average (4.2%) – but St Luke Ward with 3.5% is the closest.

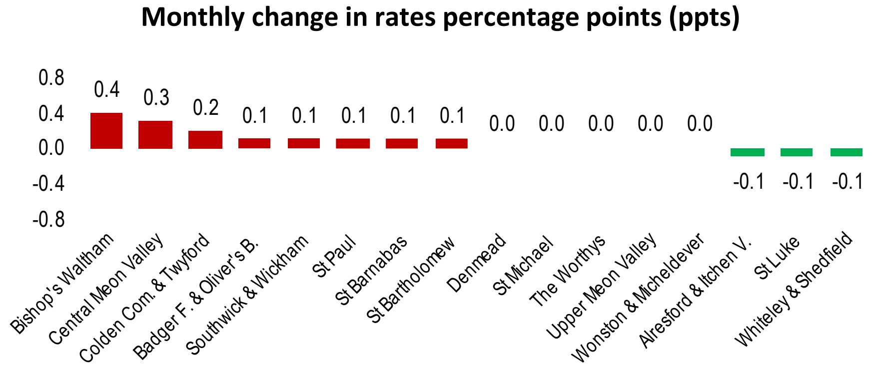
Claimant Count: February 2025





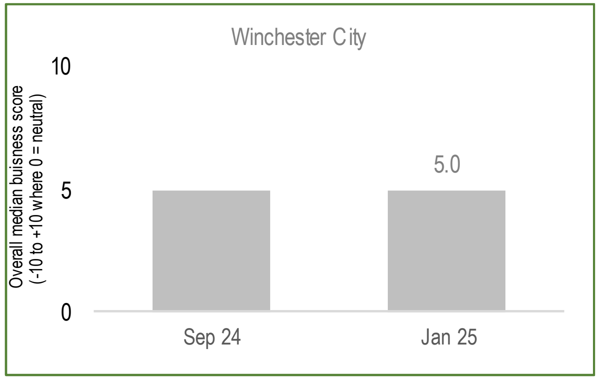
Claimant Count Rate (%): February 2025

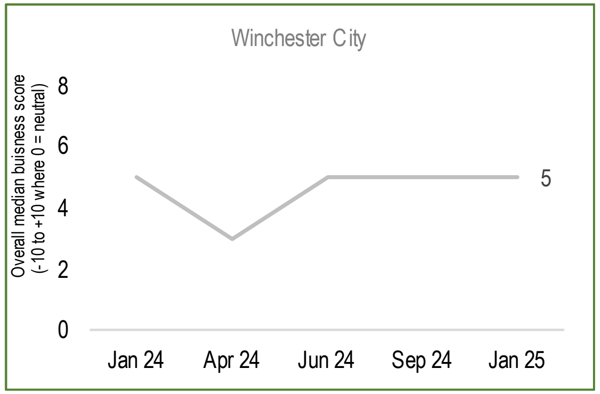




Spending and Sentiment

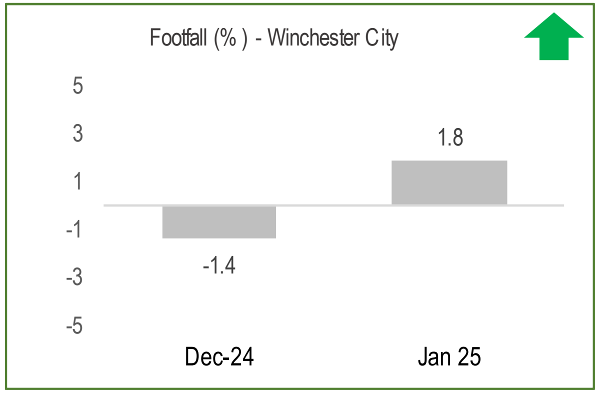
Business Confidence





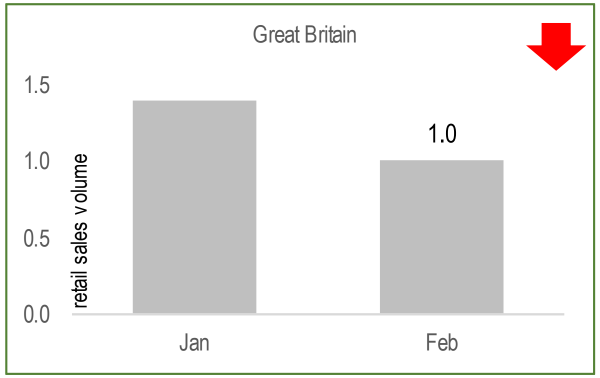
- Business sentiment score in Winchester city centre was 5 in Jan 2025, unchanged for the past quarter. Businesses broadly optimistic for 2025, despite headwinds.
- February's PMI regional survey points to cautious optimism for the future. Despite headwinds, firms anecdotally bullish about growth.

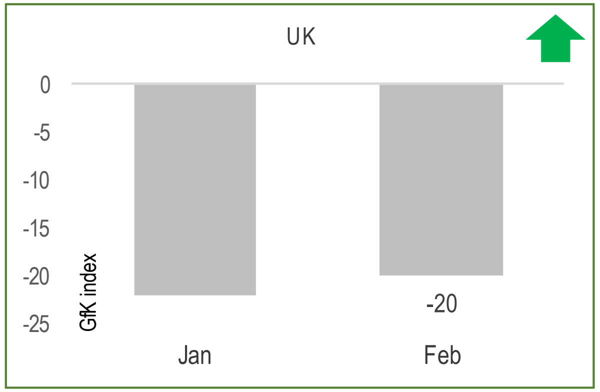
Vacancies & Footfall



- The Winchester High Street vacancy rate ticked up to 4.7% in January 2025, but lower than a year ago (5%) and well below the national vacancy rate (14%).
- Winchester City businesses reported 1.8% increase in footfall in January 2025, although a down 0.1% on January 2024.

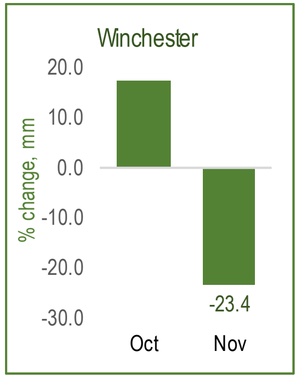
Spending & Sentiment

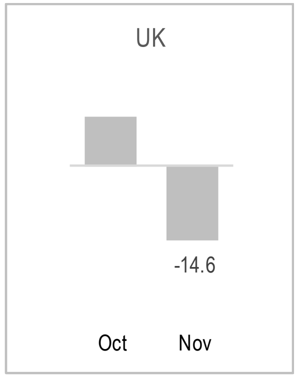


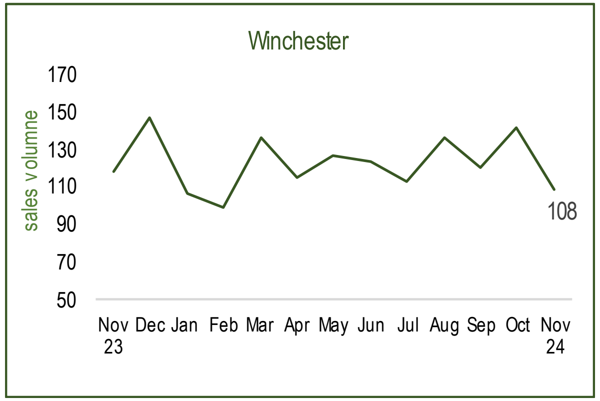


- Monthly retail sales volumes grew in Feb, driven by non-food but a slower rate than in Jan. Quarterly sales up +0.2% and annual by 2.2%.
- Consumer confidence index ticked up 2-points in February. All measures up in comparison to last month. However, cost of living and rising inflation still weighing on confidence.

House Sales







- Winchester sales fluctuate with fall in Nov following Oct rise. Fall in sales faster than UK average. Average house prices down 2.2% in Winchester in November 2024 but up by 1.8% compared to a year ago.
- The average price in Winchester stood at around £480K in Jan, with average detached houses worth around £765K.

Business-specific Intelligence and News (BID)

- **Winchester City BID report for Jan 2025 reported on a sense of general resilience over 2024** amidst challenging trading conditions**.** However, performance scores were down to '5' and '6' respectively for Retail/Hospitality (RH) and Professional services (PS)', although both scores were unchanged on the same period a year ago.
- **Winchester's R&H outlets performed well over Christmas with sales up by 10% - 11% over the 3-months to December,** with the Christmas Market attracting footfall**.** compared with a year ago. PS businesses reported a 5% increase in sales during 2024 compared with 2023.
- **Short term sentiment scores remain unchanged** over the past four months. RH High Street businesses are more optimistic than Off-High Street outlets with sentiment scores of 6.0 and 4.5, respectively.
- **Trading prospects in 2025 for both RH and PS businesses broadly optimistic** despite inflationary headwinds from higher input costs (materials and labour). Retail businesses expect sales to increase by 6% in 2025, although Hospitality sector more pessimistic with 'no change' in sales. PS firms more cautious about their sales performance in 2025.
- **The Winchester High Street vacancy rate ticked up to 4.7% in January 2025**, but lower than a year ago (5%) although the gap widened against the healthy rate (3%, Savills), and well below the national vacancy rate (14%)**.**
- Latest Monthly Place Report has **Winchester businesses experiencing 1.8% increase in footfall in Jan 25 on the previous month.** This is much healthier when compared to a fall in Dec of 1.4%. Nationally, High Street footfall fell at an estimated annual rate of 2.2%. Two new business launch in March: PureGym in Moorside Road Retail Park and Luxe Nails & Beauty in the City Centre.

Public Policy News

- **Spring Statement announced cuts to welfare and the civil service, while saw Office for Budget Responsibility halved UK's growth estimate for 2025, down from 2% to 1%.** Rising borrowing costs and global uncertainty may see tax thresholds frozen and further tax rises in the Autumn Budget.
- **Department for Business and Trade sets up new Business Growth Service** to it easier for SMEs to find government advice and support in one place**.**
- **The Office of the Small Business Commissioner (OSBC)** set up to tackle late payments and unfavourable payment practices **launched the Fair Payment Code (FPC) in January 2025** to clamp down on late payments between businesses.
- **Councils and mayors to be granted more powers to seize land to build affordable housing** using with local authorities no longer required to seek permission from central government to make compulsory purchase orders (CPOs). Councils will also be able to set their own planning fees as part of a raft of changes included in the Planning & Infrastructure Bill.
- **Hampshire and Solent's four upper tier authorities accepted on the Devolution Priority Programme (DPP) to fast track towards devolution.** Local May 2025 elections postponed until May 2026 for mayoral election. Consultation on DPP open until 13 April 2025: Hampshire and the Solent devolution - GOV.UK .
- **The Secretary of State confirmed that Hampshire will be formally invited to submit proposals for Local Government Reorganisation.** This will see an end to the current two-tier local government with the creation of unitary authorities, with initial proposals published in March and firmer submissions to Government in Autumn.

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

Winchester City Council