

Colchester Quarterly Economic Report



Issue 17: October 2013



Background information

This quarterly economic report for Colchester aims to give a better understanding of the Borough's economic makeup and performance in comparison to national and local trends.

The report also aims to inform policy-making through providing an objective understanding of Colchester's communities of interest and geography.

Data is included on a range of variables including:

- **Regional changes**
- **The demographics of recession impacts**
- **Unemployment**
- **Worklessness**
- **Levels of 16-19 year olds Not in Education, Employment or Training (NEET)**
- **Housing market data**
- **News from the business and economy**

Due to changes and restrictions on data sets, there have been some changes in the format contents of the economic report from March 2013. Most notably, is the removal of GDP data, and Jobs advertised and sought through Jobcentre Plus. We are currently investigating other routes to source similar information.

In addition, each report provides a topical focus or briefing section highlighting particular issues or economic developments.

Thanks go to Essex County Council, Connexions Integrated Youth Services and Jobcentre Plus (Essex District and Colchester offices) for providing data towards this report.

For more information or questions about this report, please contact Natacha Bines in the Research and Engagement team at Colchester Borough Council (01206) 282575 or email Natacha.Bines@Colchester.gov.uk

National Gross Domestic Product (GDP)

Gross Domestic Product (GDP) provides a measure of total economic activity in a region. GDP is often referred to as one of the main 'summary indicators' of economic activity, and references to growth / fall in the economy usually refer to the growth / fall in GDP during the latest quarter.

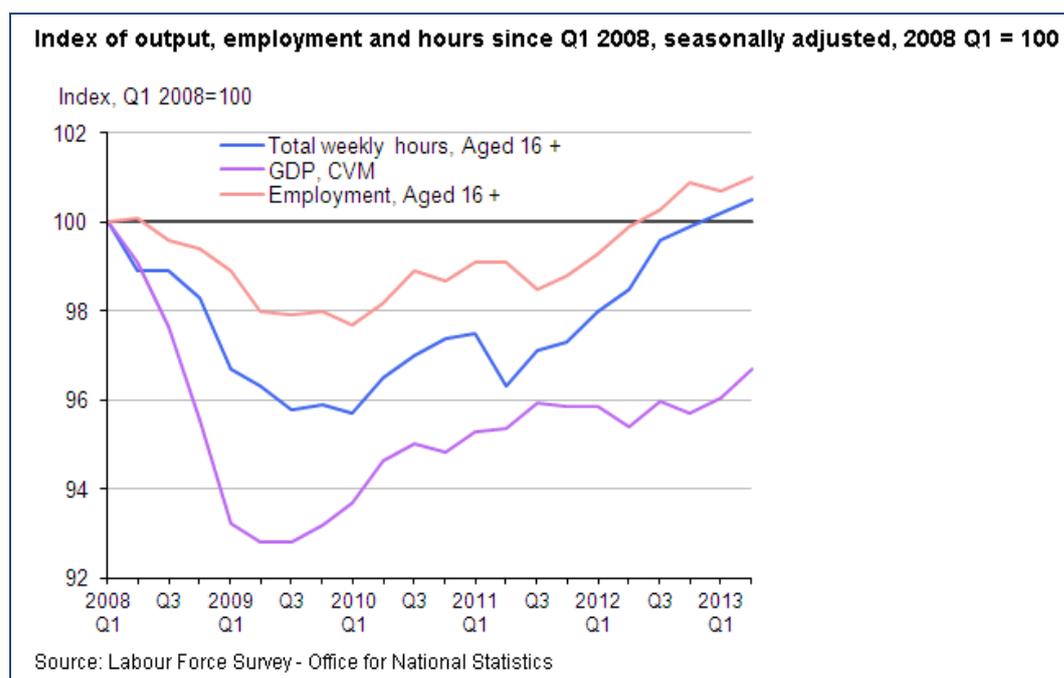
Official Government data shows GDP growth / decline by industrial sector (manufacturing, construction etc). This data does not show regional or local difference. UK gross domestic product (GDP) was unrevised in Q2 2013, and in volume terms was estimated to have increased by 0.7% between Q1 2013 and Q2 2013.

From May to July 2013 the employment rate for those aged from 16 to 64 was 71.6%, up 0.2% when compared to February to April 2013. It was up 0.4% from a year earlier. There were 80,000 more people in employment aged 16 and over, compared with February to April 2013 – bringing the total number in employment to 29.84 million.

The UK national accounts are updated with new information annually, methodological and classification changes, and the output from the annual supply and use balancing process are also included. The latest results are published in Blue Book 2013. Due to this publication, there have been revisions to quarterly GDP growth rates throughout the period since 1997.

Information regarding blue book revisions can be found here:

<http://ons.gov.uk/ons/rel/naa2/quarterly-national-accounts/q1-2013/sty-economic-growth.html>



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Unemployment and Worklessness Data

Employment and unemployment (Apr 2012-Mar 2013)				
	Colchester (numbers)	Colchester (%)	East (%)	Great Britain (%)
All people				
Economically active [†]	100,300	77.4	79.9	77.1
In employment [†]	93,700	72.1	74.5	70.9
Employees [†]	77,000	60.6	63.3	60.9
Self employed [†]	15,500	11.1	10.6	9.5
Unemployed (model-based) [§]	6,500	6.5	6.6	7.8

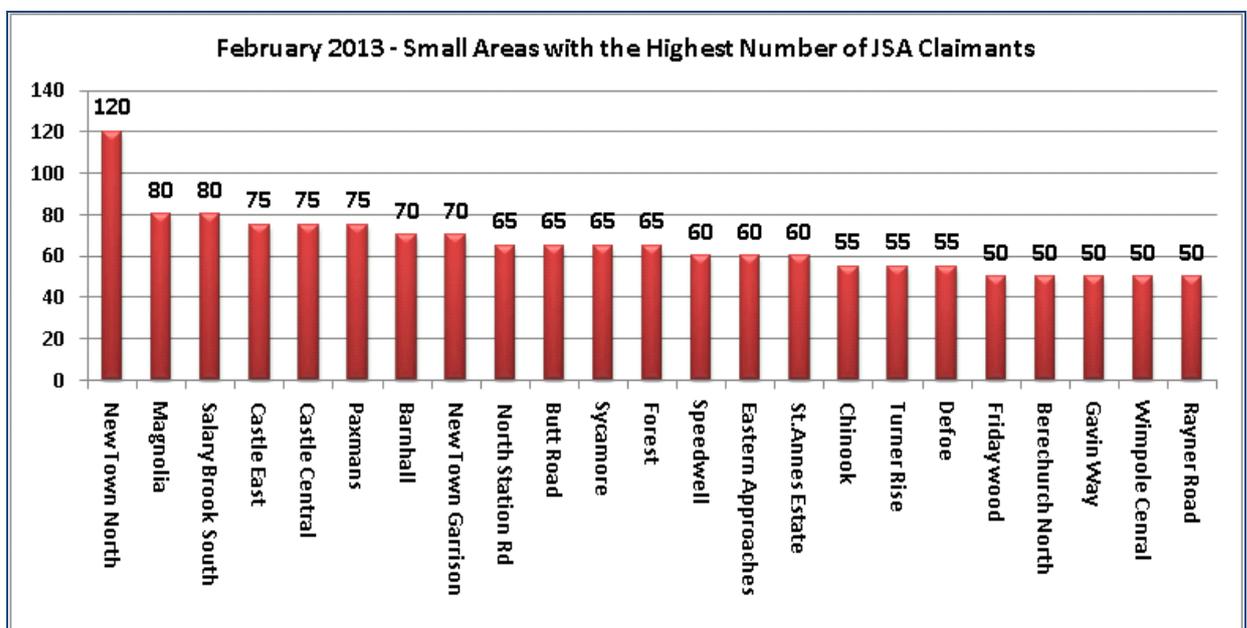
Source: ONS annual population survey

* Sample size too small for reliable estimate ([see definitions](#))

† numbers are for those aged 16 and over, % are for those aged 16-64

§ numbers and % are for those aged 16 and over. % is a proportion of economically active

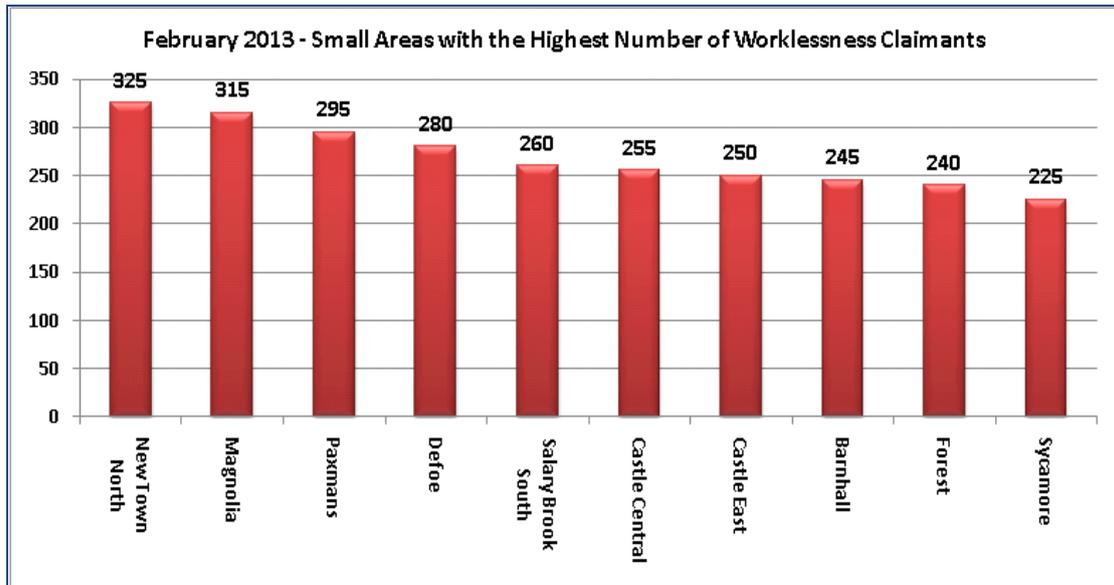
The previous report for January 2012- December 2012, showed that Colchester had a lower unemployment rate than Great Britain (6.6% in Colchester, 7.9% in Great Britain), but the same unemployment rate compared to the East overall. Data above for April 2012- March 2013 shows a similar trend, with unemployment lower than Great Britain as a whole. However, the percentage of unemployed individuals for Colchester is only slightly lower than the East. In the East the unemployment rate remained the same as in the previous report (6.6%). The rate for Great Britain fell by 0.1% when comparing January 2012- December 2012 to April 2012- March 2013.



Source: DWP NESS Dataset, October 2013

New Town North had the highest number of Job Seekers Allowance claimants in February 2013, as was the case in previous economic reports. However

the number of claimants has increased slightly, from 115 in November 2012 to 120 in February 2013. Magnolia and Salary Brook South had the second and third highest number of JSA claimants respectively (Castle Central and Paxmans had the second and third highest number of JSA claimants in November 2012). Magnolia and Salary Brook South both had 80 claimants. In February 2013 there were 23 small areas in Colchester with 50 or more JSA claimants resident, an increase from 20 in November 2012.



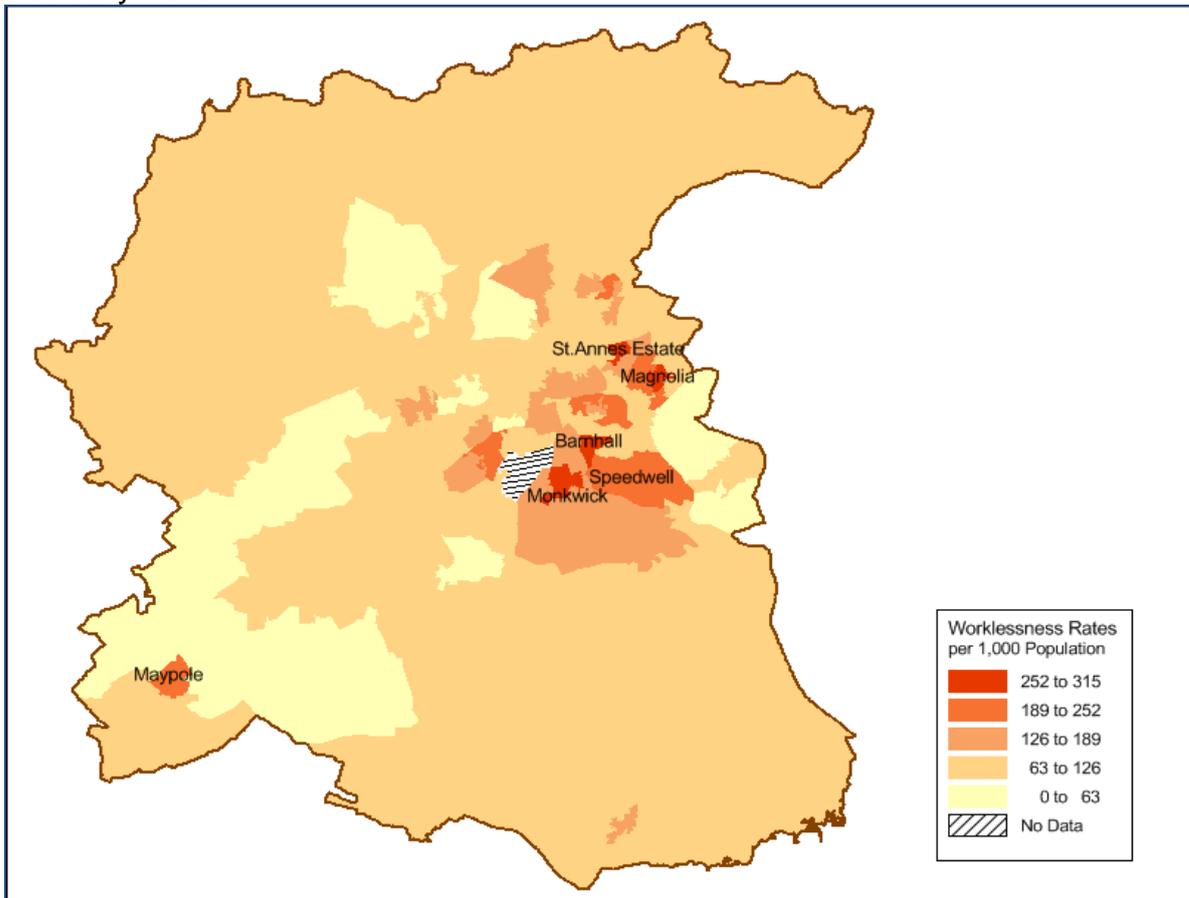
Source: DWP NESS Dataset, October 2013

In February 2013 New Town North had the highest number of worklessness claimants (325), this is the same as in the previous report, although the total claimant number has risen (315). In November 2012, there were 18 small areas in Colchester, where 200 or more people were claiming worklessness benefits, this remained the same in February 2013.

In previous reports Magnolia and New Town North have consistently remained in the top two positions in terms of total numbers of worklessness claimants (they just tend to alternate between first and second position in terms of ranking). Overall, the small areas ranked 1st -6th in February 2013, featured in the top 6 consistently from November 2011, they just switched positions.

In addition a map of ‘hot spot’ worklessness areas has been produced for the borough, and can be found below. This shows a calculated crude worklessness rate, as a proportion of the total population of the small area, for Colchester. When calculated in this way the top 3 ‘hot spot’ areas are; Magnolia, Barnhall and St Anne’s Estate. Other notable small areas are labelled for reference.

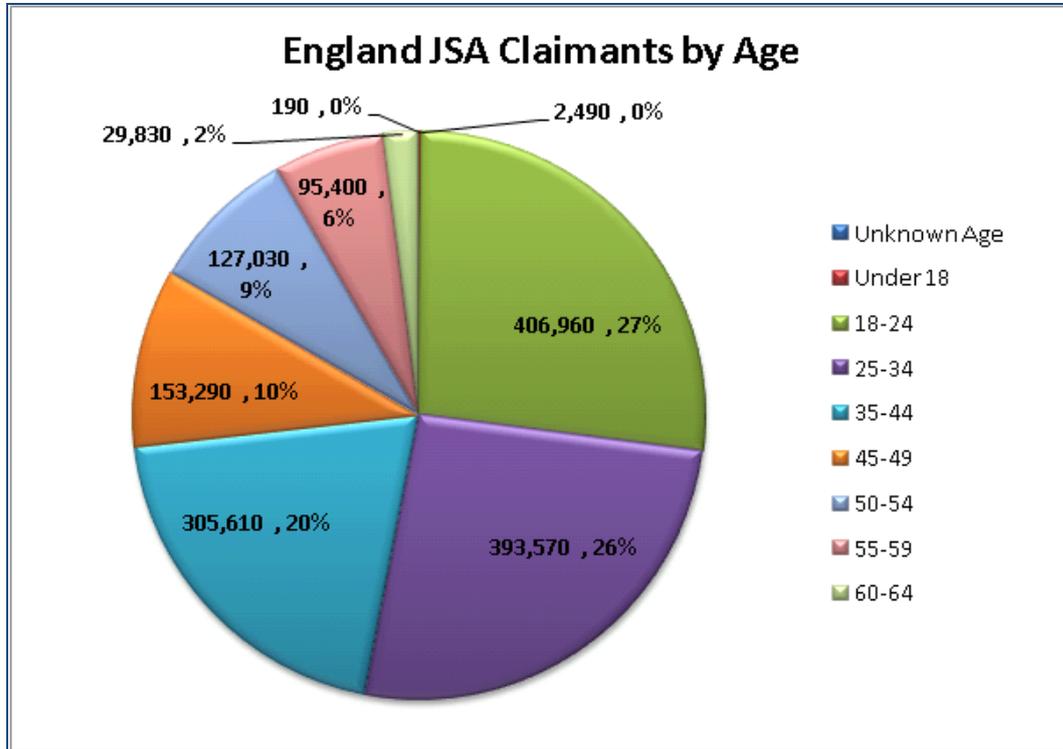
Crude Rate per 1,000 Working Age Population, Worklessness Claimants, February 2013



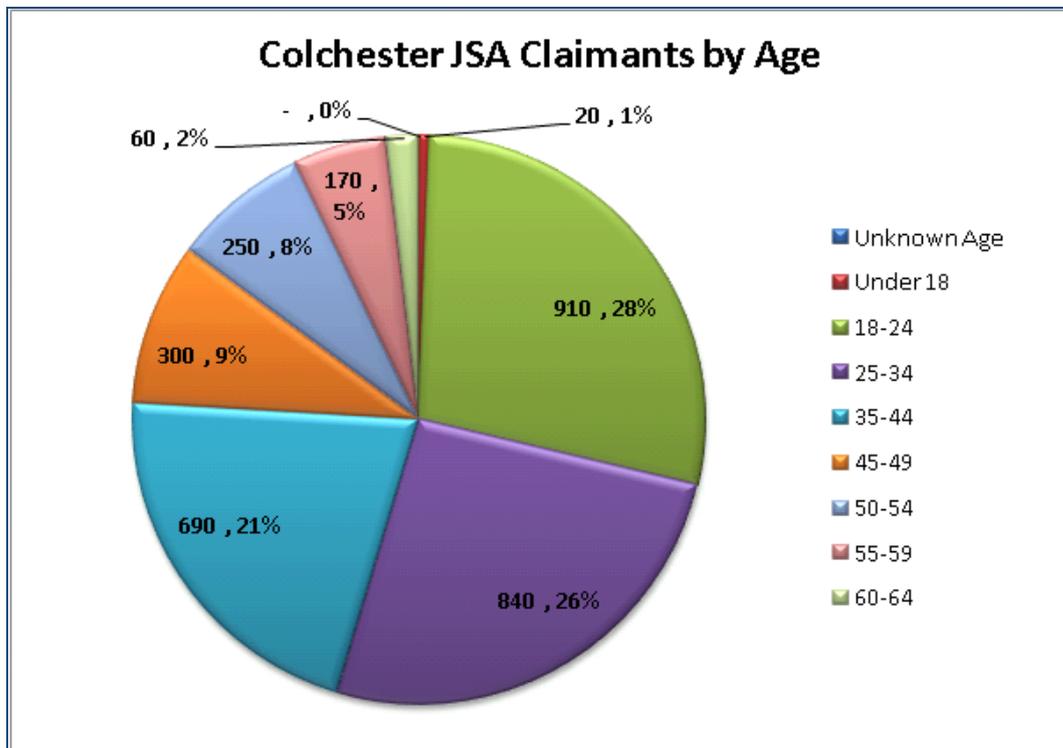
Source: DWP Benefits Working Age Client Group. LSOA rates are calculated by expressing the number of worklessness people as a percentage of the working age population from 2011 Census LSOA estimates (ONS). 16-64 year age group totals were used for both males and females – as working age split of 16-59 years for females was not available. Data for Alamein and Homefield Road small area is not available due to administrative changes with LSOA boundaries.

Job Seekers Allowance (JSA) Claims by Age

In February 2013 in both England and Colchester, the largest proportion of JSA claimants were the 18-24 age group. In England they made up approximately 27% of all claimants, this was slightly lower than in Colchester where 28% of all claimants were 18-24 (similar to November 2012 data).



Source: DWP tabulation tool data downloaded October 2013



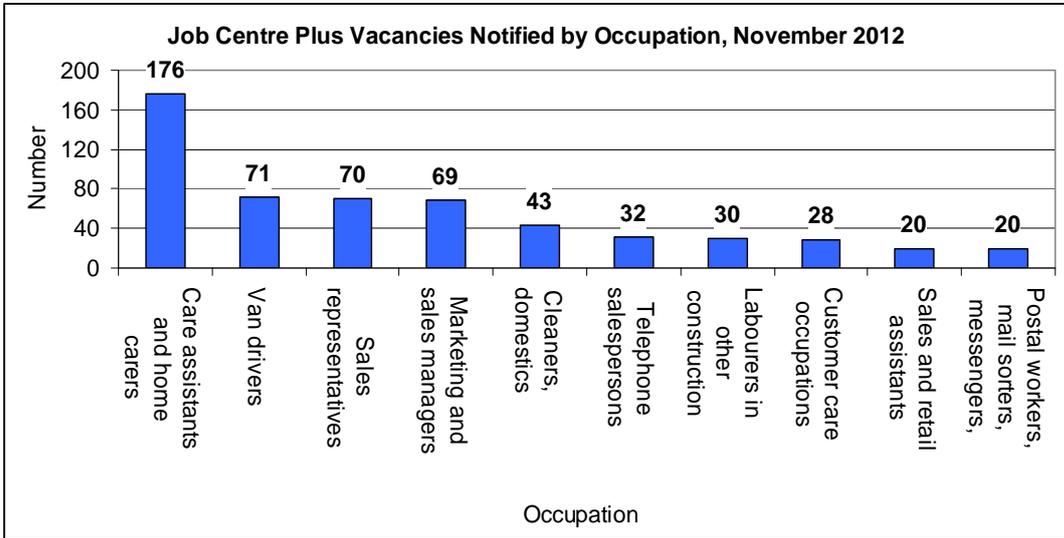
Source: DWP tabulation tool data downloaded October 2013

In Colchester in February 2013, the age group with second largest proportion of claimants were those aged 25-34. This age group represented 26% of total claimants, equating to approximately 840 individuals. Colchester mirrors national statistics, in England the second largest claimant group were those aged 25-34, this group represented 26% of all claimants.

In both geographies the under 18s made up the smallest proportion of overall JSA claimants, but this may largely be due to eligibility. If they still live in the family home they may not be entitled to income based claims, and lack of previous work may mean they are not entitled to contribution based claims. The group with the second smallest proportion of claimants was the 60 to 64 age group, excluding those with an unknown age.

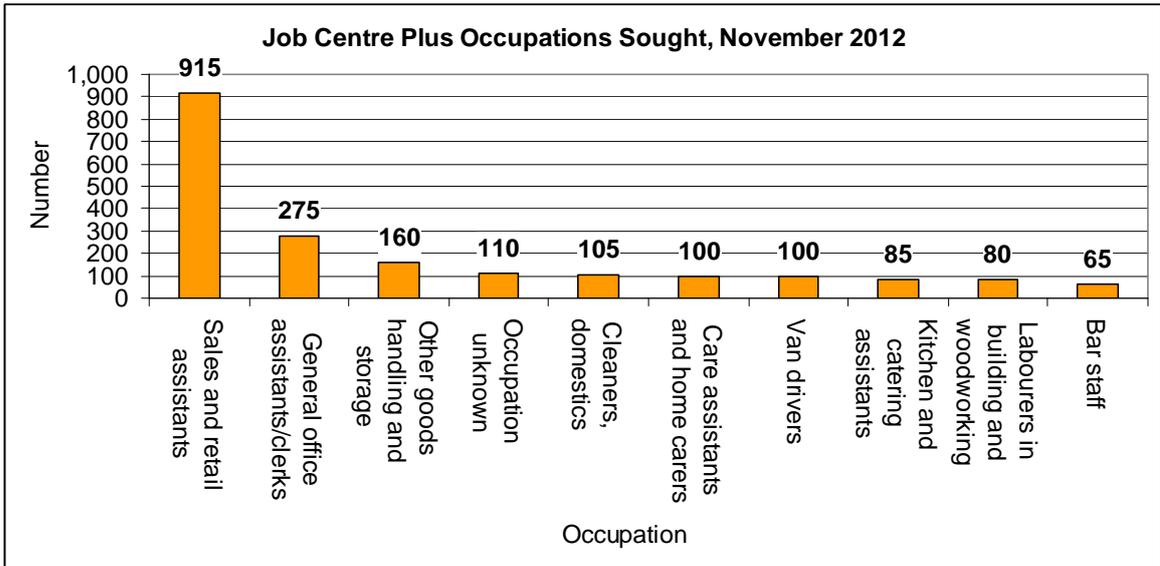
Job Centre Plus Data Vacancies Notified and Occupations Sought

The Department for Work and Pensions (DWP) consulted users about future options for Jobcentre Plus vacancy statistics. See the [Jobcentre Vacancies Consultation](#) news article for further details and a link to the consultation. As a result, this section has not been updated for the July 2013 edition of the economic report. We are currently sourcing alternative statistical information.



Data: Nomis, Colchester branch site level occupations sought, January 2013

In November 2012 the total number of vacancies notified appears to have decreased compared to July 2012 (1,008 in November 2012 compared to 1,177 in July). The top occupation in November 2012 (care assistants and home carers) was the same as in July 2012. Data for November 2012 shows that compared with July there was a decrease of approximately 10% in care assistants and home carer vacancies (176 vacancies in November). This occupation accounted for the highest number of vacancies, and falls in the sixth highest position in relation to the top ten occupations sought.



Data: Nomis, Colchester branch site level occupations sought, January 2013

As in the previous economic reports, sales and retail assistant jobs were the top occupation sought, with 915 job seekers seeking those roles in November 2012, a decrease of approximately 1% from July 2012. This was followed by general office assistants with 275 job seekers and other goods handling & storage with 160 job seekers. The top three occupations sought remained the same as in the July 2012 data. Data shows that there is a large void between notified and sought occupations. There were a total of 1,008 jobs notified in November 2012, compared to 3,415 sought occupations. The number of sought occupations has decreased by approximately 7%, when comparing July 2012 and November 2012 data.

Universal Job Match Data

Limited reporting is available from the Universal Job Match website, for full report information please follow this link:

<https://jobsearch.direct.gov.uk/Reports/Reports.aspx>

A brief summary of active Jobs for the Week of 2 October – 8 October 2013 is provided below:

	Occupational classification	Number of active jobs
Top Ten Occupation Groups	Staffing/Employment Agencies	727
	Business Services - Other	151
	Retail	143
	Healthcare Services	115
	Other/Not Classified	94
	Government and Military	53
	Construction - Residential & Commercial/Office	49
	Advertising and PR Services	32
	Energy and Utilities	24
	Education	23
	Other Occupation Groups	225
	Total Active Jobs	1636
	Total Closed Jobs	43

Not in Employment, Education or Training (NEET) Data

Please note that for district level NEET figures, adjusted figures are used, whereas the ward data uses actual NEET numbers.

When looking at changes over a two month period (July-August 2013), eight districts saw an increase in NEET numbers. In the previous report covering February-March 2013 data, only one area had an increase in NEET numbers. In August 2013, the areas with the highest percentage of individuals NEET were; Tendring (7.1%), Basildon (6.7%) and Colchester (5.8%).

Between July and August 2013, there was a decrease of 5 individuals classed as NEET in Colchester. In August 2013 in Colchester, 5.8% of the total 16-19 age cohort were NEET, compared to 5.2% in January 2013.

NEET Adjusted Figures by District, July-August 2013

District	NEET Adjusted				
	Aug-13	Jul-13	Aug-13	Jul-13	DOT
Braintree	4.5%	4.7%	215	223	↓
Maldon	4.6%	4.4%	100	96	↑
Chelmsford	4.1%	4.2%	229	233	↓
Basildon	6.7%	6.6%	406	403	↑
Brentwood	3.7%	3.6%	87	85	↑
Castle Point	4.9%	5.1%	156	163	↓
Rochford	3.4%	3.9%	103	116	↓
Colchester	5.8%	5.3%	310	286	↑
Tendring	7.1%	6.9%	318	308	↑
Epping	5.2%	4.4%	155	132	↑
Harlow	5.4%	5.3%	149	145	↑
Uttlesford	2.9%	2.8%	64	60	↑
Essex	5.1%	5.0%	2248	2253	↓

* Direction of Travel

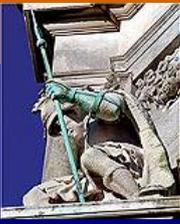
Data Source: CCIS October 2013

The table below shows Colchester District NEET by Ward, the percentage of the total NEET numbers in Colchester based in each ward is also shown. In Contrast to previous reports St Anne's, Highwoods and Berechurch wards had the highest proportion of NEET residents.

NEET Actual Numbers by Ward, August 2013

Colchester NEET by ward	
Aug-13	NEET Total
St. Anne's	30
St. Andrew's	29
Berechurch	28
New Town	27
Highwoods	23
Tiptree	17
Stanway	17
Shrub End	17
Harbour	16
Mile End	15
Castle	15
Prettygate	12
Lexden	11
West Mersea	7

Note: Figures of less than 5 have not been included.



Housing Trends Update

The Land Registry reports that in August 2013 house prices were up 0.1% compared to July, with the average house in England and Wales now costing £164,654. Over the past 12 months London has had the largest increase in relation to average property value – with a 7.1% rise. Data for the East shows a 0.9% rise from August 2012. Repossessions decreased by 21% between June 2012 and June 2013 to 1,131 compared with 1,423.

The most recent data available in relation to house sales shows that during June 2013, completed house sales in England and Wales increased by 1% to 60,168 sales, compared with 59,854 sales in June 2012.

The Council of Mortgage Lenders (CML) reports that gross mortgage lending held steady in August and was an estimated £16.6 billion. This is very similar to July's gross lending total of £16.7 billion, and is 28% higher than August 2012 (£13 billion).

Additionally in July, it was reported that first-time buyers took out 25,300 loans, an increase of 5% on June and of 41% compared to July 2012. In July, there were 25,300 loans were advanced to first-time buyers, worth £3.5bn. First-time buyer lending was 6% up on June and 46% up on July last year (by value). Average first-time buyer household income increased to £36,142 from £35,873 in June.

In October 2013 the Help to Buy mortgage guarantee scheme was launched. Several lenders are currently involved with the scheme, that aims to offer high loan-to-value lending to creditworthy customers.

The most recently available Housing Trends Report (August 2013) reports that average prices, for the year from May 2012 to May 2013 in Colchester, experienced an increase in price of £3,888. This was the smallest reported increase in the Greater Haven Gateway, with the largest increase in Suffolk Coastal (£12,614).

In relation to lower quartile prices for flats and maisonettes across the sub region, Babergh showed a notable increase in prices of £25,500. Two other local authorities saw an increase in prices: Mid Suffolk £5,000 and Tendring £3,000. Five local authorities saw a reduction in prices with Maldon having the largest reduction of -£16,000 and Colchester the smallest of £-6,000.

The average turnover of private housing stock in the region from January 2013 to May 2013 was 0.7%. All local authorities, except Babergh, had the same turnover as the regional average and Colchester had a slightly higher turnover of 0.8%. Colchester had the highest number of sales at 564 and the highest number of new build properties at 36. The low numbers of new build properties in most local authorities is notable, but particularly in Braintree where only 5 new build properties were sold to date in 2013.

The average number of weeks it took to sell a property varies across the sub region from 5.1 weeks to 13.1 weeks. In the last three months from February 2013 to May 2013 the number of weeks to sell a property has reduced in most local authorities. The exceptions are Ipswich where it remained the same, 5.1 weeks and Tendring where it increased to 10.3 weeks. Properties sold the quickest in Ipswich at 5.1 weeks and took the longest in Colchester at 13.1 weeks

Data sources:

<http://www.landregistry.gov.uk/media/all-releases/press-releases/2013/market-trend-data-august-2013>

<http://www.cml.org.uk/cml/media/press/3673>

<http://www.cml.org.uk/cml/media/press/3666>

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/221897/help_to_buy_mortgage_guarantee_scheme_outline.pdf

Greater Haven Gateway - Housing Market Trends
Quarterly Report – August 2013



Retail Sales and Spending

The Office for National Statistics (ONS) reports that in August 2013, the quantity bought in the retail industry (volume) increased by 2.1% compared with a year ago. The amount spent (value) increased by 3.6%. Non-seasonally adjusted data show that since August 2012 the prices of goods sold in the retail industry increased by 1.6% (this is measured by the implied price deflator).

When looking at where money was spent in August 2013, for every pound spent in the retail sector 42 pence was spent in food stores, 41 pence was spent in non-food stores, 6 pence in non-store retailing and 11 pence was spent on fuel.

The non-store retailing sector consists of retailers that sell predominantly on-line or through mail order. Compared with a year ago, in August 2013, the quantity bought in the non-store sector increased by 28.7%. The amount spent increased by 28.1% in the same period. The ONS attribute the exceptionally high growth in August 2013 (compared to the August 2012 figure) to the effect of consumers watching the Olympics and Paralympics (this reduced sales).

In Colchester, a major toy chain will be opening in the High Street in half of the former JJB sports store, with the creation of up to a dozen new jobs. A new home furnishings store has also opened at Turner Rise Retail Park, Colchester, and a new mobility shop opened its doors in Stanway. Poundstretcher is also opening in Stanway creating 22 jobs with the move.

Data sources:

http://www.ons.gov.uk/ons/dcp171778_327646.pdf

http://www.gazette-news.co.uk/news/10672348.Colchester_Toy_chain_set_to_open_in_former_JJB_Sports_store/

http://www.gazette-news.co.uk/news/10665963.Colchester_Jobs_created_at_new_home_furnishings_store/

http://www.gazette-news.co.uk/news/10727712.New_mobility_shop_opens_in_Stanway/

http://www.gazette-news.co.uk/news/10724757.Poundstretcher_set_to_open_in_Stanway/?ref=mr

Colchester in Top 50

As leisure time becomes increasingly important to people it is crucial that they have a choice of quality places to spend their free time. The good news is that Colchester has been named as one of the top 50 towns for spending on dining out in the UK in the CACI Place Settings league table.

Colchester's town centre has maintained its position as a major centre, staying at 28th in the country out of 2,200 centres surveyed, compared to the previous study. The £234 million spent in the town centre on eating out puts 'Colchester on a par with places such as Norwich, Cambridge and Derby.

Colchester is one of the fastest growing districts in the country and is a hotspot for inward investment. The town centre is seeing a fundamental transformation worth some £500m which is outlined in the Better Town Centre improvement programme www.bettertowncentre.com

One notable recent success is the town's recent success in winning Purple Flag status accreditation for its well-managed night time economy. This confidence in the town is being matched by the investment of retailers such as Debenhams, Marks and Spencer and Fenwicks through the recent refurbishment and announcement of extension plans which are helping to keep Colchester a resilient town centre.

Colchester Wi-Fi

Colchester Borough Council has signed a contract with Arqiva, the communications infrastructure and media services company, to deliver Town Centre Wi-Fi, driving forward Colchester's pioneering Digital Strategy.

This partnership with Arqiva will provide a reliable, high speed WiFi network within the town centre, as a pay as you go service, called '@ColchesterWiFi'. It will also have the potential to add small cell technology in the future.

Residents, businesses and visitors will also be able to make use of a bonus 30 minutes free internet access per day after a one time registration.

The Digital Strategy aims to provide superfast broadband, both wireless and fixed, throughout the Borough. Residents, businesses and visitors will see the cost of using these services reduce and benefit from more efficient and effective digital access while on the move.

Nicolas Ott, Managing Director, Government, Mobile and Enterprise at Arqiva said: "We are delighted to be working with Colchester Borough Council. Our partnership will provide businesses and visitors in the town centre with the kind of high-speed connectivity we have all have come to expect, wherever we are."

"This project builds on recent wins with several London boroughs and Manchester City Council. Time and again, across many sectors - local authorities, hotels, restaurants, pubs and shopping centres - we have been able to demonstrate Arqiva's ability of delivering an outstanding WiFi user experience."

Cllr Paul Smith, Portfolio Holder for Business and Resources said, "This innovative project and partnership with Arqiva is great news for Colchester and drives the Digital Strategy forward. It will help address the needs of people of all ages visiting the Town Centre, by helping them reap the benefits of the digital age, whether that be staying in touch, accessing business and services or enhancing their leisure time."

"Successful delivery of the Strategy will bring benefits to local businesses and encourage more businesses to relocate into the town, with the potential of creating more jobs. A wide variety of sectors including retail, tourism and the creative industries could receive a considerable boost."

Company formation reaches a peak in Colchester

The first half of the year saw a record number of company formations in Colchester, according to a new report from Duport.co.uk.

New research from Duport.co.uk reveals that the number of company registrations reached a record high during the six months to June in Colchester.

There were 773 new companies formed during the period - more than any other half year for the area and a 2% rise on the same time last year.

However, the report also shows a 7% rise in company closures. This led to an overall drop in net company growth (the number of company formations minus the number of company closures) over the first half of the year.

Managing Director of Duport.co.uk, Peter Valaitis commented:

“The record number of company formations suggests that entrepreneurial spirit is alive and well in Colchester, with more and more people choosing to set up businesses there. However, the rise in company closures reminds us that trading conditions are still difficult in some sectors.”

The Duport Business Confidence Report for Colchester provides a range of data that gives an insight into the local economy. More information and statistics can be found at <http://www.duport.co.uk/colchester>.

Duport Business Confidence Reports are generated and released by Duport Associates Ltd. The data contained in these reports is assimilated and analysed by Duport using public record data from sources including Companies House, Office for National Statistics and Ordnance Survey.

Duport Associates Ltd is a leading UK company formation agent, established in 1997 and registering around 10,000 new companies each year through its Companies House approved software.



The Census 2011 for England and Wales was conducted on the 27 March 2011, and the first wave of Census data was released on 16 July 2012. At the end of January 2013, the release of Key Statistics (35 tables) and Quick Statistics (69 tables) for Output Area, ward, parish and parliamentary constituency geographies occurred. This data included information on national identity, passports held, qualifications, employment status and living arrangements. A more comprehensive list of data publications can be found on the Research and Engagement area of the website.

Overview Indicators for Colchester:

Indicator	Value
Usual Resident Population	173,074
Number of Households	71,634
Males	49.3%
Females	50.7%
Lives in a household	96.5%
Lives in a communal establishment	3.5%
Area (Hectares)	32,908
Population Density (Persons per Hectare)	5.3

Highest Level of Qualification Obtained:

Indicator	Value	Percentage
All categories: Highest level of qualification	141,427	-
No qualifications	27,440	19.4
Highest level of qualification: Level 1 qualifications	20,294	14.3
Highest level of qualification: Level 2 qualifications	23,629	16.7
Highest level of qualification: Apprenticeship	4,772	3.4
Highest level of qualification: Level 3 qualifications	19,572	13.8
Highest level of qualification: Level 4 qualifications and above	38,412	27.2
Highest level of qualification: Other qualifications	7,308	5.2

Level 1 qualifications: 1-4 O Levels/CSE/GCSEs (any grades), Entry Level, Foundation Diploma, NVQ level 1, Foundation GNVQ, Basic/Essential Skills

Level 2 qualifications: 5+ O Level (Passes)/CSEs (Grade 1)/GCSEs (Grades A-C), School Certificate, 1 A Level/ 2-3 AS Levels/VCEs, Intermediate/Higher Diploma, Welsh*

Baccalaureate Intermediate Diploma, NVQ level 2, Intermediate GNVQ, City and Guilds Craft, BTEC First/General Diploma, RSA Diploma, Apprenticeship

Level 3 qualifications: 2+ A Levels/VCEs, 4+ AS Levels, Higher School Certificate, Progression/Advanced Diploma, Welsh Baccalaureate Advanced Diploma, NVQ Level 3; Advanced GNVQ, City and Guilds Advanced Craft, ONC, OND, BTEC National, RSA Advanced Diploma

Level 4+ qualifications: Degree (for example BA, BSc), Higher Degree (for example MA, PhD, PGCE), NVQ Level 4-5, HNC, HND, RSA Higher Diploma, BTEC Higher level, Foundation degree (NI), Professional qualifications (for example teaching, nursing, accountancy)

Other qualifications: Vocational/Work-related Qualifications, Foreign Qualifications (Not stated/ level unknown).

National Statistics Socio-economic Classification (NS-SEC) in Colchester:

Indicator	Value	Percentage
All categories: NS-SeC	128,562	
1. Higher managerial, administrative and professional occupations	13,711	10.7
1.1 Large employers and higher managerial and administrative occupations	3,443	2.7
1.2 Higher professional occupations	10,268	8.0
2. Lower managerial, administrative and professional occupations	29,004	22.6
3. Intermediate occupations	17,418	13.5
4. Small employers and own account workers	11,684	9.1
5. Lower supervisory and technical occupations	8,154	6.3
6. Semi-routine occupations	18,241	14.2
7. Routine occupations	11,087	8.6
8. Never worked and long-term unemployed	4,881	3.8

The National Statistics Socio-economic Classification (NS-SEC) provides an indication of socio-economic position based on occupation. It is an Office for National Statistics standard classification.

Of all employees in Colchester:

- **11.3%** work 15 hours or fewer a week
- **18.9%** work between 16 and 30 hours a week
- **54.9%** work between 31 and 48 hours a week
- **15.0%** work 49 hours or more

On Census day **3.8%** of people over 16 years of age in Colchester were described as having never worked and being long-term unemployed. This is lower than the England and Wales average of **5.6%**.

To view the ONS website for the Census please visit:

www.ons.gov.uk/census

Keep up to date with local Census developments at:

http://www.colchester.gov.uk/census_2011