

Colchester Quarterly Economic Report

Issue 7: March 2011



Background information

The production of this quarterly economic report for Colchester aims to give a better understanding of the Borough's economic makeup and performance and 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.

These quarterly reports typically examine recent data on a range of variables which include:

- Regional changes, including GDP
- The demographics of recession impacts
- Jobs advertised and sought through Jobcentre Plus
- Unemployment
- Worklessness
- Levels of 16-19 year olds Not in Education, Employment or Training (NEET)
- Housing market data
- News from the business and economy

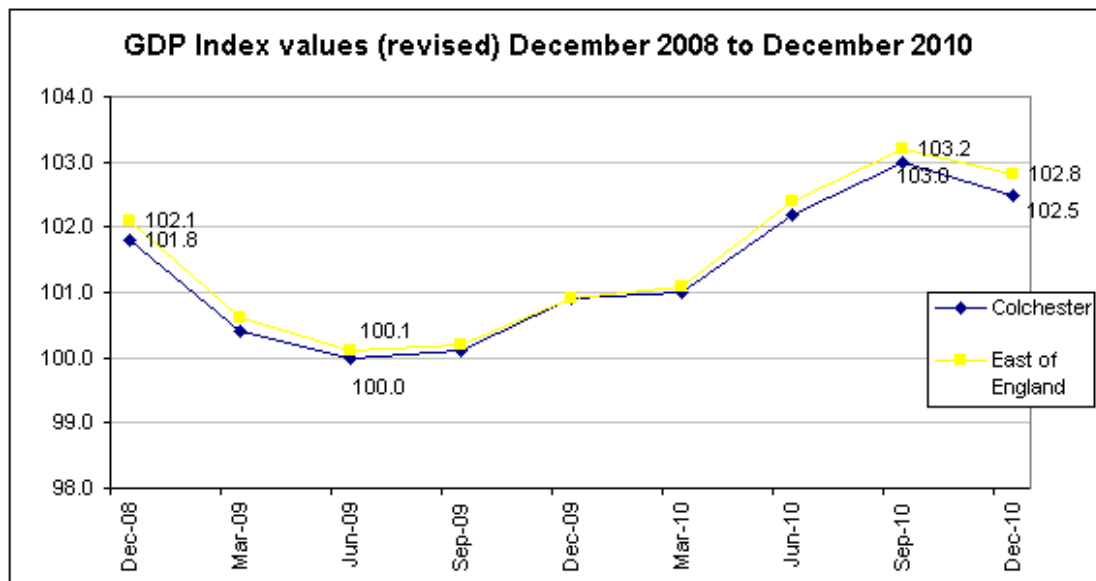
In addition, each report will provide a topical focus or briefing section highlighting particular issues or economic developments.

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

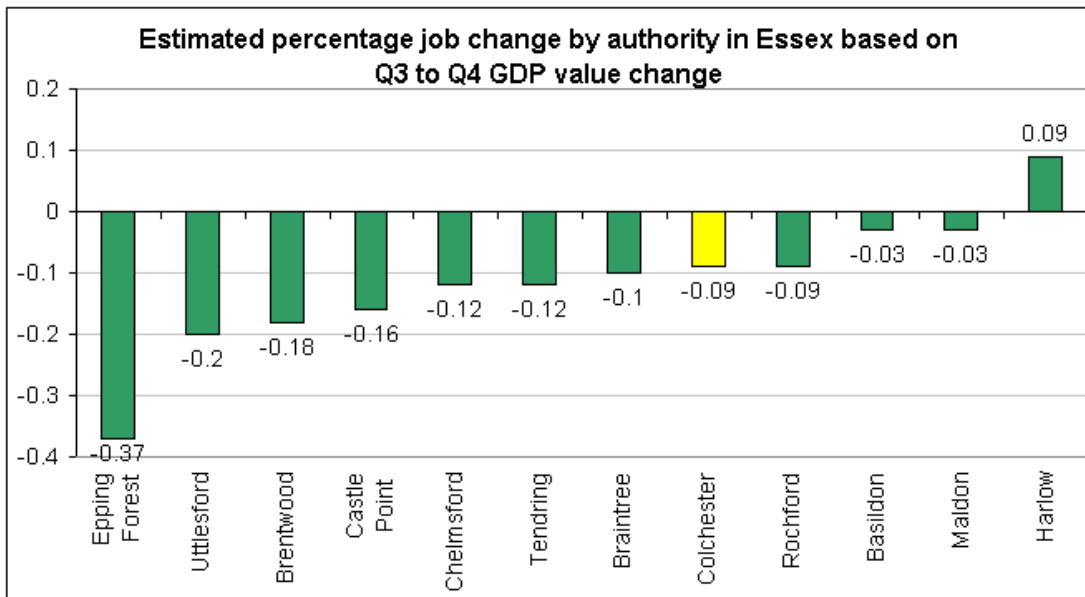
For more information or questions about this report, please contact Cheryl Pashley in the Research and Engagement team at Colchester Borough Council (01206) 505390 or email Cheryl.Pashley@colchester.gov.uk

Quarterly economic report March 2011

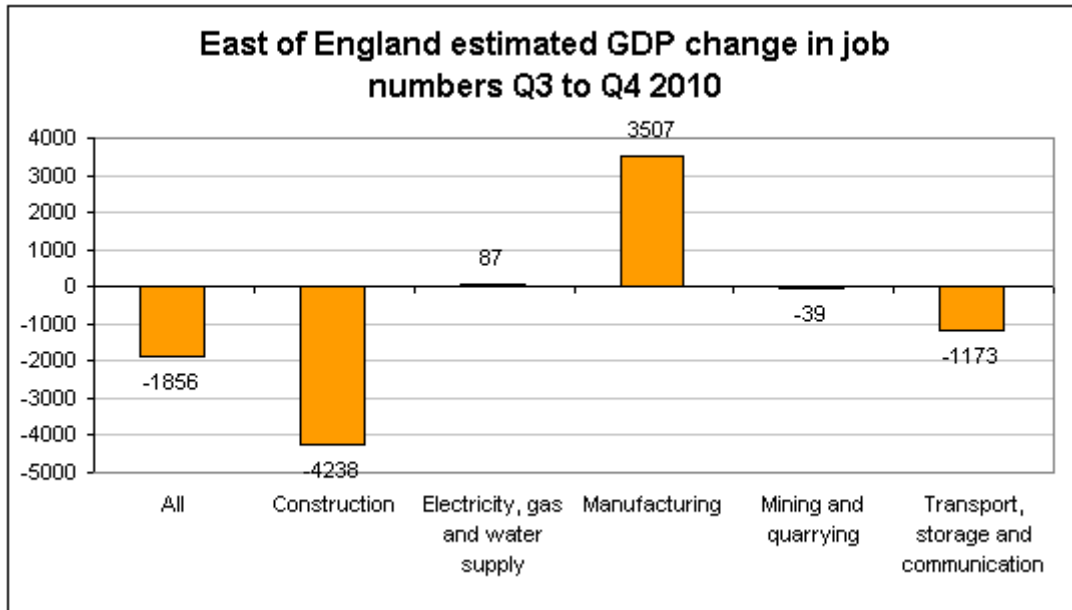
GDP and impact data



ONS regional GDP data accessed from Gavurin recession map, © Crown Copyright, 2011
 Since December 2008, both Colchester and the East of England had their highest GDP Index value in September 2010. However, after five periods of successive GDP increase from June 2009 to September 2009, both saw a decline between September 2010 and December 2010. Colchester declined at a slightly higher 0.5 from 103 to 102.5 and the East of England declined by 0.4 from 103.2 to 102.8.



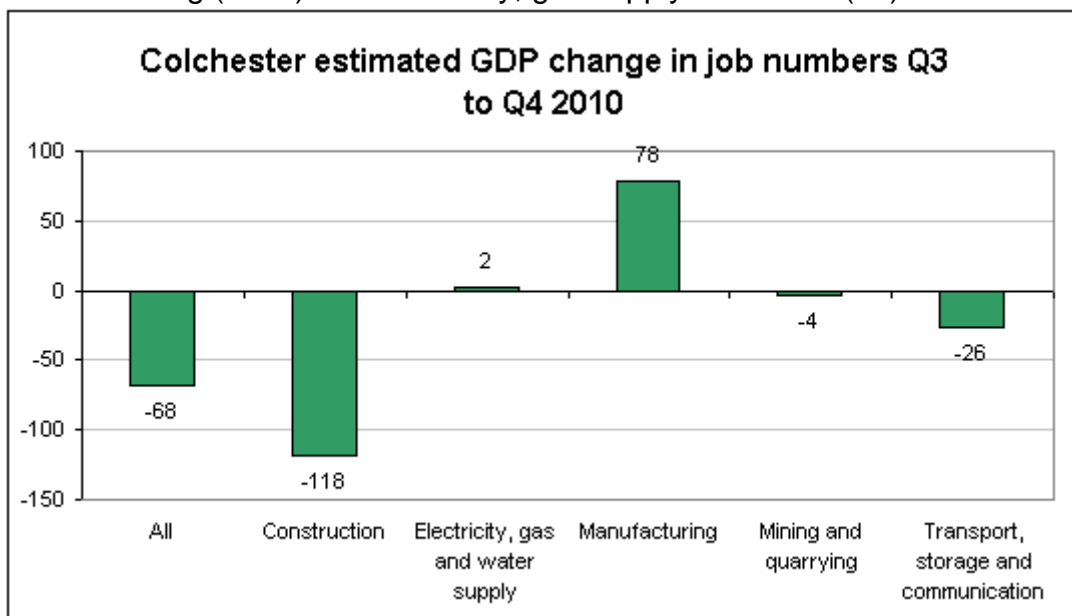
ONS regional GDP data accessed from Gavurin recession map, © Crown Copyright, 2011
 As a result of the GDP change from the third to fourth quarter of 2010, the only Essex district with an estimated increase in jobs was Harlow, with an estimated 0.09% increase. Epping forest was predicted the largest job decrease, at 0.37% of current jobs. In Colchester there was an estimated 0.09% net job loss, which equates to 68 jobs lost in the borough, and was the second lowest loss figure of the twelve Essex districts.



ONS regional GDP data accessed from Gavurin recession map, © Crown Copyright, 2011
NB Industry categories have been revised since last economic report.

This job loss estimate data is based on GDP figures regionally. It assumes a direct relationship between GDP and Jobs, and so must be used alongside other data to give a clear picture of recession impacts.

As a result of the GDP change from the third to the fourth quarter of 2010, the East of England was estimated a net loss of 1,856 jobs, with the largest decrease, at 4,238 in construction, and an increase predicted in Manufacturing (3507) and Electricity, gas supply and water (87)



ONS regional GDP data accessed from Gavurin recession map, © Crown Copyright, 2011
NB Industry categories have been revised since last economic report.

As a result of the GDP change from the third to the fourth quarter of 2010, Colchester was estimated a net loss of 68 jobs, with the largest decrease, at 4118 in construction, and an increase predicted in Manufacturing (78) and Electricity, gas supply and water (2)

Unemployment indicators

Employment and unemployment (Jul 2009-Jun 2010)

	Colchester (numbers)	Colchester (%)	East (%)	Great Britain (%)
All people				
Economically active [†]	95,600	74.2	78.8	76.4
In employment [†]	90,900	70.4	73.5	70.4
Employees [†]	77,700	60.8	62.9	60.9
Self employed [†]	12,000	8.6	10.3	9.0
Unemployed (model-based) [§]	6,200	6.3	6.6	7.7

Source: ONS annual population survey

Sample size too small for reliable estimate

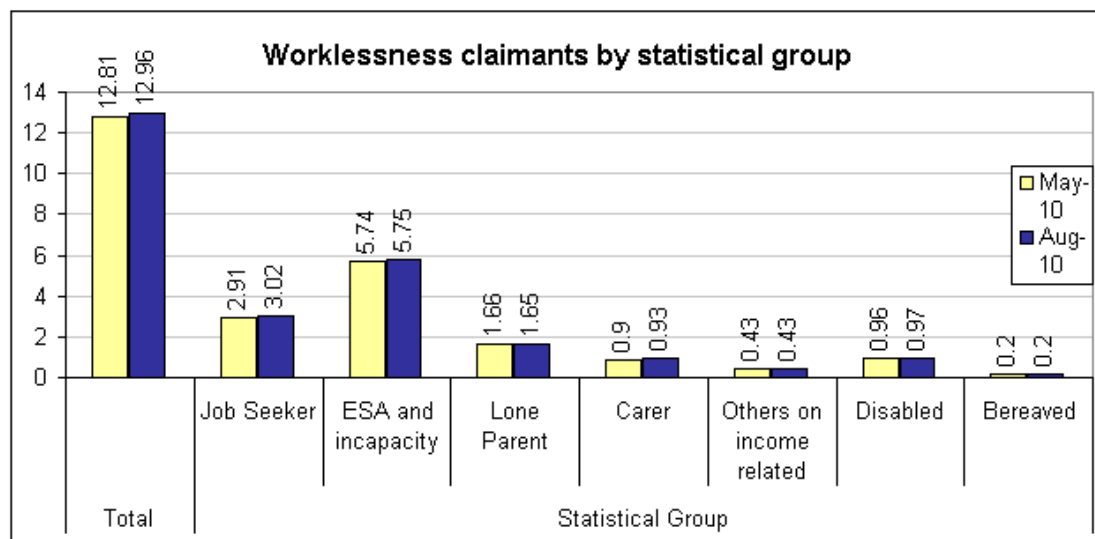
† numbers are for those aged 16 and over, % are for those aged 16-64

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

Important note

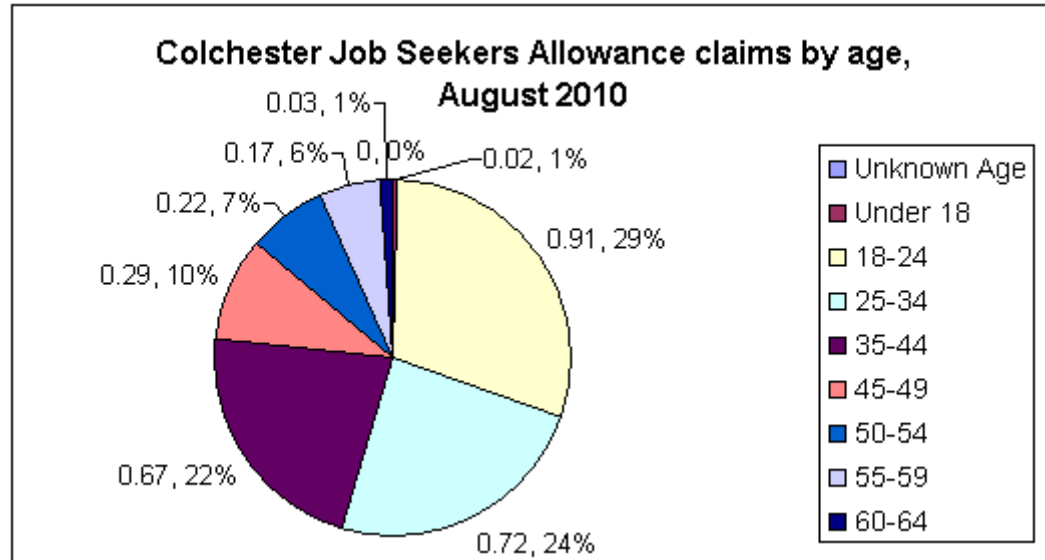
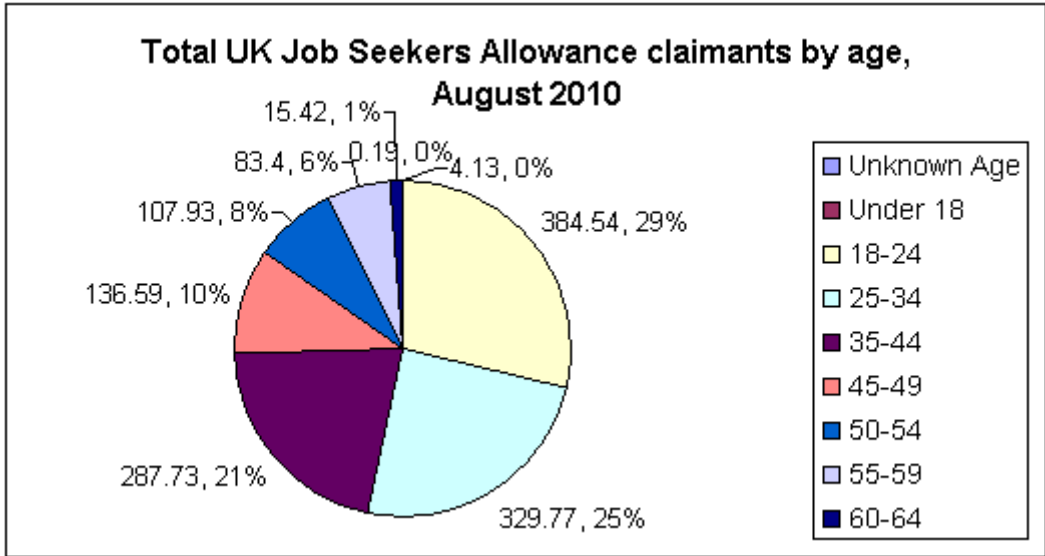
11 Aug 2010: The population figures used to calculate residence-based proportions (rates) have changed from working age (16-59f/64m) to aged 16-64 for both males and females. This change affects rates for all dates. So rates for all dates will differ to those downloaded previously.

The unemployment percentage shown in the last report between April 2009 and March 2010 was 6.8% in Colchester, 6.6% in the East and 7.9% in Great Britain, so Colchester had relatively more unemployed people than the East. However, this data shows that while the unemployment percentage for the East has stayed the same between the two periods, the Colchester figure has dropped by 0.5% of the working age population, to place the borough at a lower level of unemployment than Great Britain and the East. The figure had also fallen for Great Britain, but at a lower level of 0.2%.



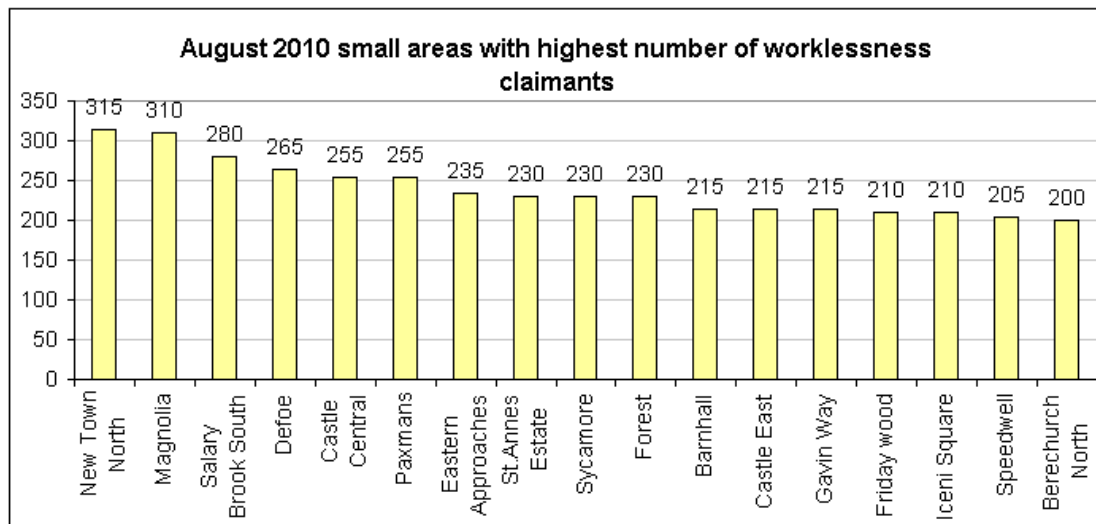
Source: DWP tabulation tool downloaded 16th March 2011.

In Colchester, the overall worklessness figure increased between May 2010 and August 2010 from 12,810 to 12,960. The largest increase in figures was in the Job Seekers Allowance claimants, which rose from 2,910 in May 2010 to 3,020 in August 2010.

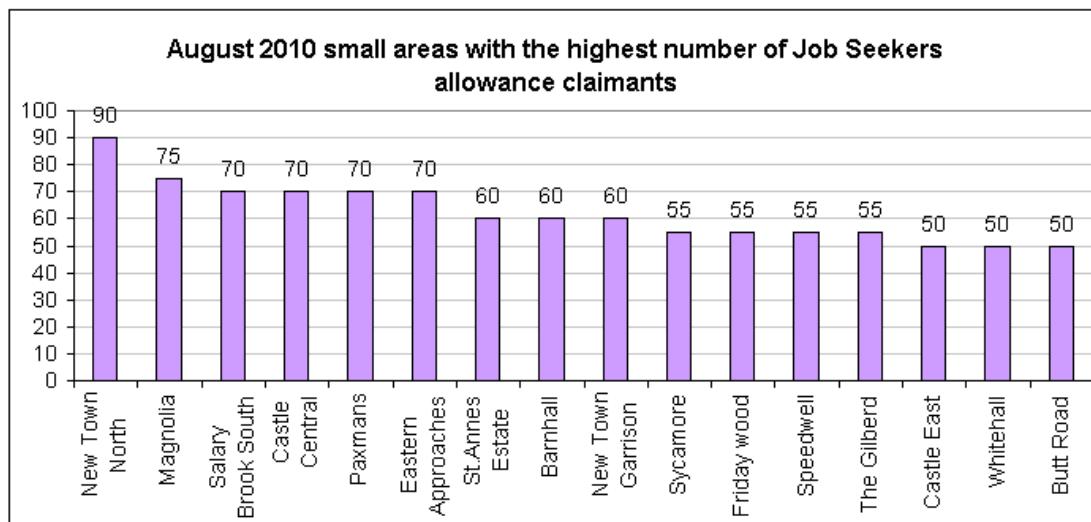


The largest percent of August 2010 Colchester Job Seekers Allowance claimants were aged 18-24, at 29% of JSA claimants. This was the same percentage nationally, and at both geographies was followed by 25-34 year olds, accounting for 24% in Colchester and 25% in the UK.

The under 18 age group had the smallest percentage claiming JSA, at only 1% of Colchester's claims. However, this may be due to eligibility, as those under 18 may not be eligible for contribution based JSA, and if they live at home, parents etc income may mean they are not entitled to income based JSA.



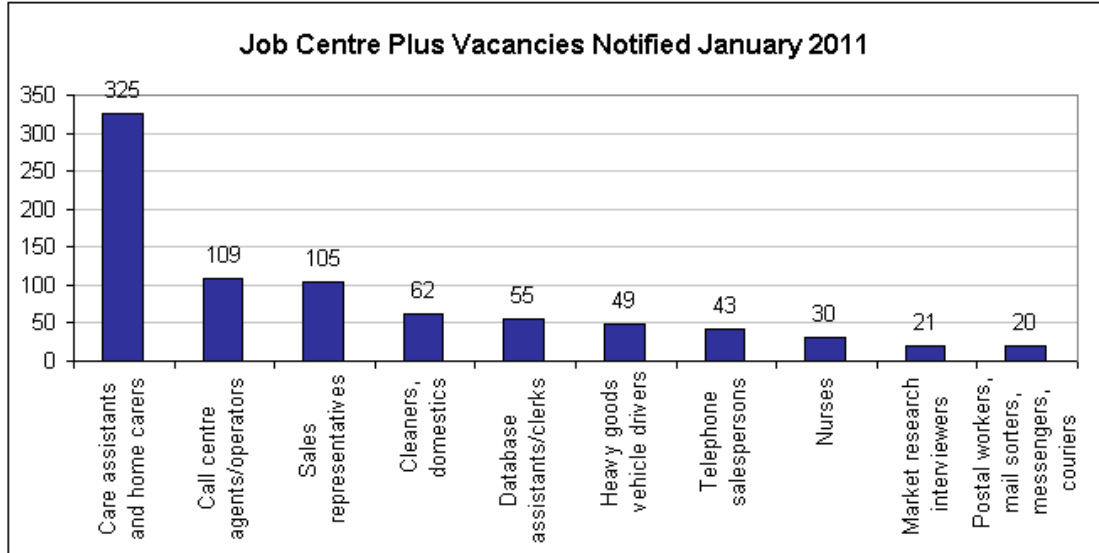
- In the August 2010 worklessness figures, there were 16 small areas with 205 or more people claiming worklessness benefits. This figure was up from the last economic report, where there were 14 small areas in May 2010.
- The top small area for the number of worklessness claimants was New Town North, with 315 worklessness claimants, which was the same in the May 2010 data.
- Magnolia and Salary Brook South were also in the same position as the previous report, but their values both dropped by 5 claimants between May 2010 and August 2010.



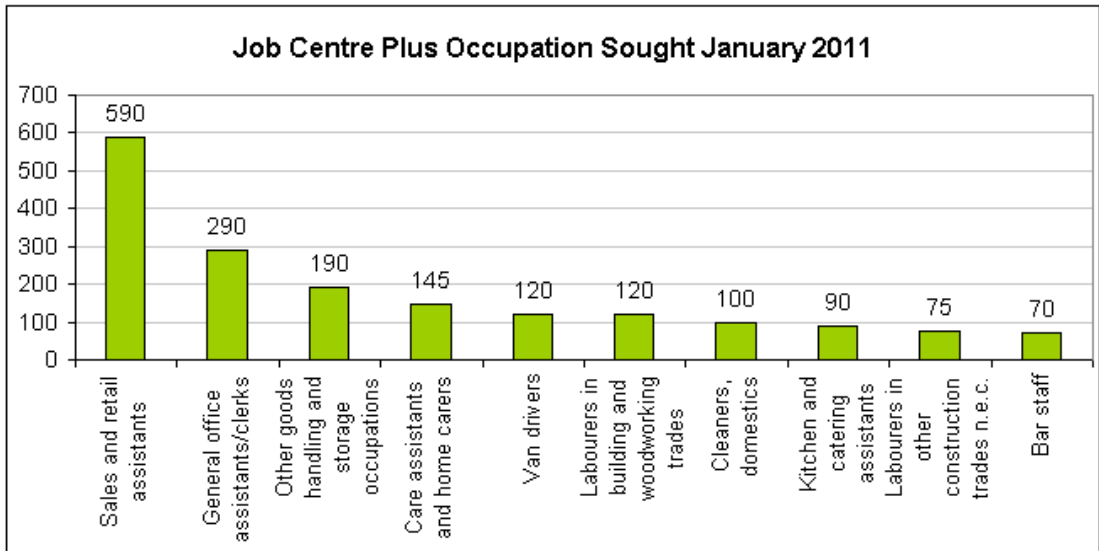
- In August 2010 there were 13 small areas in Colchester where 55 or more people were claiming Job Seekers Allowance (JSA) this is an increase from the last economic report, where the May 2010 data showed 11 areas had 55 or more JSA claimants.
- New town north also had the top number of JSA claimants in May 2010, but at 95 so the figure for this area had dropped by five. Castle central had the second highest figure in the May 2010 data, but this small area dropped from 75 to 70 claimants. Magnolia, however, was only the fifth highest area in the May 2010 data, but with an extra 10

claimants in August 2010, at 75, was now placed second highest for number of resident JSA claimants.

Job Centre Plus data: vacancies advertised and occupations sought



The top vacancy advertised was care assistants and home carers, at 325 (compared to only 145 job seekers who were seeking this occupation.) This was followed by call centre agents which did not appear in the top ten occupations sought, and sales representatives which did also not appear in the top ten occupations sought.



As in the previous economic reports, sales and retail assistant jobs were the top occupation sought, at 590. This was followed by general office assistants with 290 job seekers and other good handling and storage with 190 job seekers.

Essex top ten notified vacancies in January 2011

6115 : Care assistants and home carers	1,009
8211 : Heavy goods vehicle drivers	447
3542 : Sales representatives	393
9233 : Cleaners, domestics	315
7211 : Call centre agents/operators	234
7113 : Telephone salespersons	221
7111 : Sales and retail assistants	219
4131 : Filing and other records assistants/clerks	145
9223 : Kitchen and catering assistants	132
3543 : Marketing associate professionals	118

In Essex, care assistants were also the top job vacancy advertised, but this was followed by heavy goods vehicle drivers which was only the sixth highest in Colchester.

Essex top ten sought occupations by JSA on flow in January 2011

7111 : Sales and retail assistants	5,625
4150 : General office assistants/clerks	3,135
9149 : Other goods handling and storage occupations n.e.c.	2,685
8212 : Van drivers	1,325
9121 : Labourers in building and woodworking trades	865
6115 : Care assistants and home carers	840
9233 : Cleaners, domestics	800
9139 : Labourers in process and plant operations n.e.c.	780
9223 : Kitchen and catering assistants	600
9225 : Bar staff	595

In Essex, sales and retail assistants were also the top occupation sought, followed by general office assistant jobs which were the same in Colchester.

Not in Employment, Education or Training

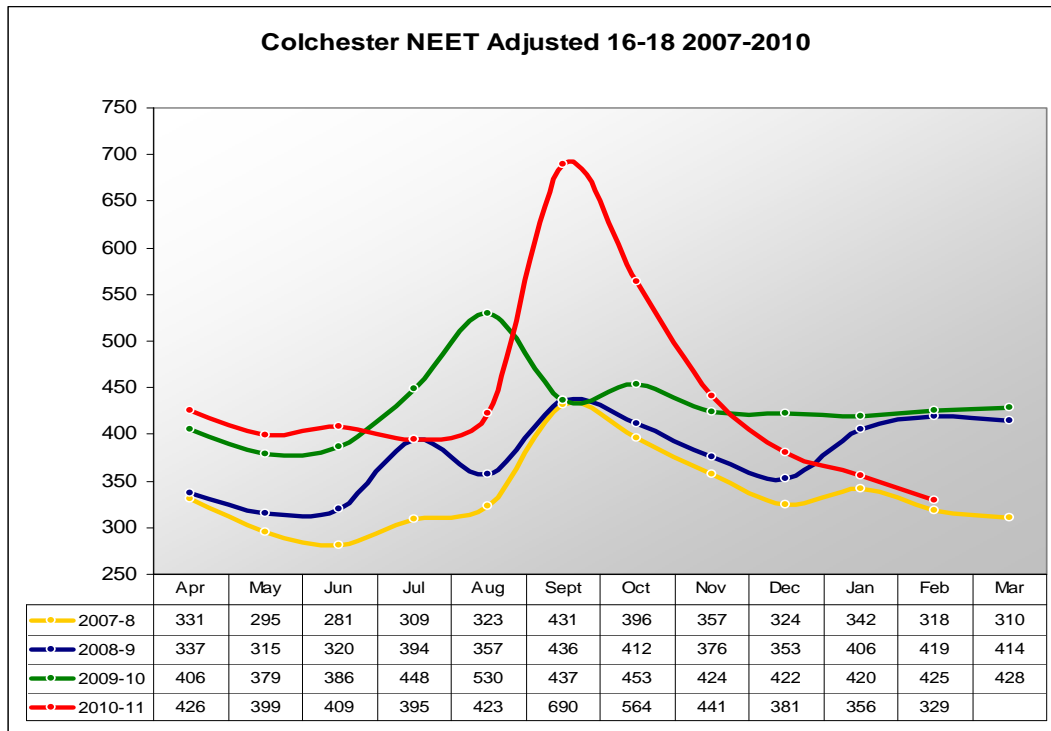
	Feb-10	Feb-11	Difference
Basildon	522	452	-70
Braintree	292	292	0
Brentwood	101	77	-24
Castle Point	190	206	16
Chelmsford	230	267	37
Colchester	425	329	-96
Epping Forest	97	60	-37
Harlow	114	120	6
Maldon	96	83	-13
Rochford	130	120	-10
Tendring	451	408	-43
Uttlesford	54	50	-4
Essex	2713	2474	-239

In February 2011, Colchester had the third highest NEET figure, behind Basildon and Tendring, at 329. However, in comparison to the figure in Colchester in February 2010, Colchester had seen a decrease of 96 NEETs.

Colchester February 2011 NEET figures by Ward

Ward Name	Total NEET	Total % NEET
St Andrew's	40	12.94%
Berechurch	33	10.68%
Shrub End	30	9.71%
New Town	28	9.06%
Harbour	23	7.44%
Highwoods	17	5.50%
St Anne's	16	5.18%
Castle	15	4.85%
Prettygate	15	4.85%
Marks Tey	12	3.88%
Mile End	10	3.24%
Wivenhoe Quay	9	2.91%
Stanway	8	2.59%
West Mersea	8	2.59%
Lexden	7	2.27%
Tiptree	7	2.27%
Birch and Winstree	6	1.94%
West Bergholt & Eight Ash Green	5	1.62%
Christ Church	4	1.29%
East Donyland	4	1.29%
Fordham and Stour	4	1.29%
Great Tey	3	0.97%
St John's	3	0.97%
Dedham and Langham	1	0.32%
Pyefleet	1	0.32%
Colchester Total	309	100.00%

St Andrew's ward had the highest percentage of Colchester's NEETs at 12.94%, followed by Berechurch, Shrub End and New Town.



Between January and February 2011 the Colchester adjusted NEET figure fell again for the fifth consecutive period since the large increase in the recorded data which was experienced in September 2010. In February 2011, the data shows that there were 329 16 to 19 year olds in Colchester who were Not in Employment, Education or Training.

Housing data

Period	Average house price Colchester	Average house price East of England	Lower quartile Colchester	Lower quartile East of England
May 2010 to July 2010	£233,400	£259,700	£150,700	£156,000
November 2010 to January 2011	£228,500	£256,300	£153,000	£151,000

Data source: Hometrack ©2011

In Colchester, the average house price decreased between the two periods but the lower quartile value increased from £150,700 to £153,000.

In the East of England, there was a decrease in both the average house price and the lower quartile.

The current average house price, at £228,500 in Colchester is less than the East of England value of £256,300, but the lower quartile value is higher, at £153,000 in Colchester compared to £151,000 in the East of England.

Colchester average house prices by number of bedrooms		
	February 2010 to July 2010	August 2010 to January 2011
1 bedroom flat	£90,300	£86,000
2 bedroom flat	£118,100	£124,800
2 bedroom house	£156,400	£157,300
3 bedroom house	£204,300	£205,400
4 bedroom house	£309,800	£309,700

Data source: Hometrack ©2011

Between the two periods, 1 bedroom flats in Colchester saw the largest decrease in average property price, from £90,300 to £86,000. Four bedroom houses also saw a slight decrease in average value from £309,800 to £309,700. All other property types, however, saw an increase in the average property price between the two periods. The largest increase in property value was in two bedroom flats, where the average value increased from £118,100 to £124,800.

Extract from BBC Panorama “**Take-home pay down 5% in real terms since 2009, says study**” By Andrew Verity available at http://news.bbc.co.uk/panorama/hi/front_page/newsid_9436000/9436026.stm

The average employee takes home £1,088 a year less than two years ago when the sum is adjusted for inflation, research commissioned by BBC Panorama suggests.

The average British worker earned £20,149 at the start of 2011 - a real terms fall of 5% from what they were earning in the middle of the recession.

The research was based on actual salaries paid into bank accounts.

It was carried out by the Centre for Economics and Business Studies and based on data on salaries from the payment processor, Vocalink, which looks after more than 90% of deposits into employees' bank accounts.

It was commissioned by Panorama to work out how much worse off employees have become since wages hit their peak.

The research shows that if you allow for inflation, the average take-home pay is lower today than it was in 2004.



The Institute for Social and Economic Research (ISER) found that 659,000 households struggle to meet mortgage payments, with 117,000 in arrears.

If the Bank of England raises the official rate by 1% to battle inflation, then a further 36,000 households will struggle with mortgage payments.

If the Bank raises its rate to where it was before the financial crisis - 5% - then a further 179,000 households will struggle to pay the mortgage and 17,000 more of them will fall into mortgage arrears.



- ✦ Construction: £99 per month less
- ✦ Financial services: £101 per month less
- ✦ Public sector: £45 per month less
- ✦ Retail sector: £41 per month less

Source: Vocalink/CEBR

News in Colchester

On Tuesday 22nd March the Skills and Opportunities event held at the Ormiston Children's centre in New Town saw over 40 people attending to find out about skills to improve job prospects, including talking to representatives from local colleges, volunteering opportunities, JobCentre Plus and training organisations.

On Wednesday 23rd March, the Heart FM Careers show took place at Colchester Town Hall there were around 20 stands and included Essex County Council, Army Recruitment, a couple of Care organisations, TBG Learning and at least 4 companies offering Apprenticeships which around 200 people attended.

Colchester Borough Council has published the **latest economic development strategy** with the aims of providing an overarching vision and framework for economic interventions in Colchester and providing a framework for engagement, partnership and leadership co-ordination by the Council and its partner organisations. This will avoid duplications and set targets for economic development work. It helps to meet the Council's responsibilities for promoting economic development under the Local Government Act 2000

Please [click here](#) to access the webpage where the strategy and delivery plan documents can be downloaded.

The Colchester Area Planning Group, supported by Colchester Borough Council, is organising a **district Careers Convention** where all secondary schools and special schools will be invited to attend. Date: 5th October 2011, venue: Weston Homes Stadium.

Year 11 students will be bussed into the event during the day with parents and other year groups invited to a twilight session that will run from 4pm to 7pm.

For 2011-12 two local organisations, Colbea and Signpost have been awarded funding from the **Enterprise Skills and Employment Grant**. Both organisations assist the Council to achieve its Strategic targets; helping people get back into work by assisting with skills such as interview techniques and CV writing and offering business advice and support to those wanting to start up a new business.

Future Jobs Fund update

The Future Jobs Fund in Colchester has created 92 new placements. It has had significant success with the client group, with approximately 50% of those taking part entering work as a result.