

Colchester Quarterly Economic Report

Issue 14: January 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 on a range of variables including:

- Regional changes
- 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

is analysed.

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

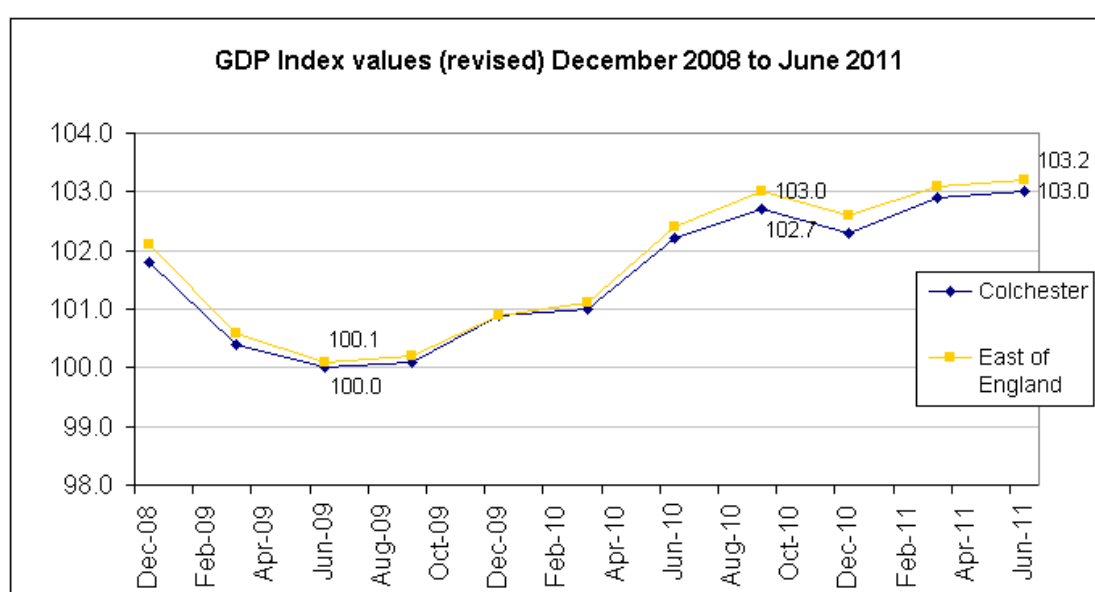
Thanks go to Essex County Council, Connexions Integrated Youth Services and Jobcentre Plus (Essex District and Colchester offices) for providing data towards this report.

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

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.

It should be noted that this latest local estimate is for quarter 3 of 2011. Unfortunately, local authority level data for later periods is not currently available¹. Local modelled estimates had showed a general increase in GDP index values in previous quarters, in line with regional trends. Please see the chart below (reproduced from previous report), that shows trends up until June 2011. For further information please see the September 2011 economic report.



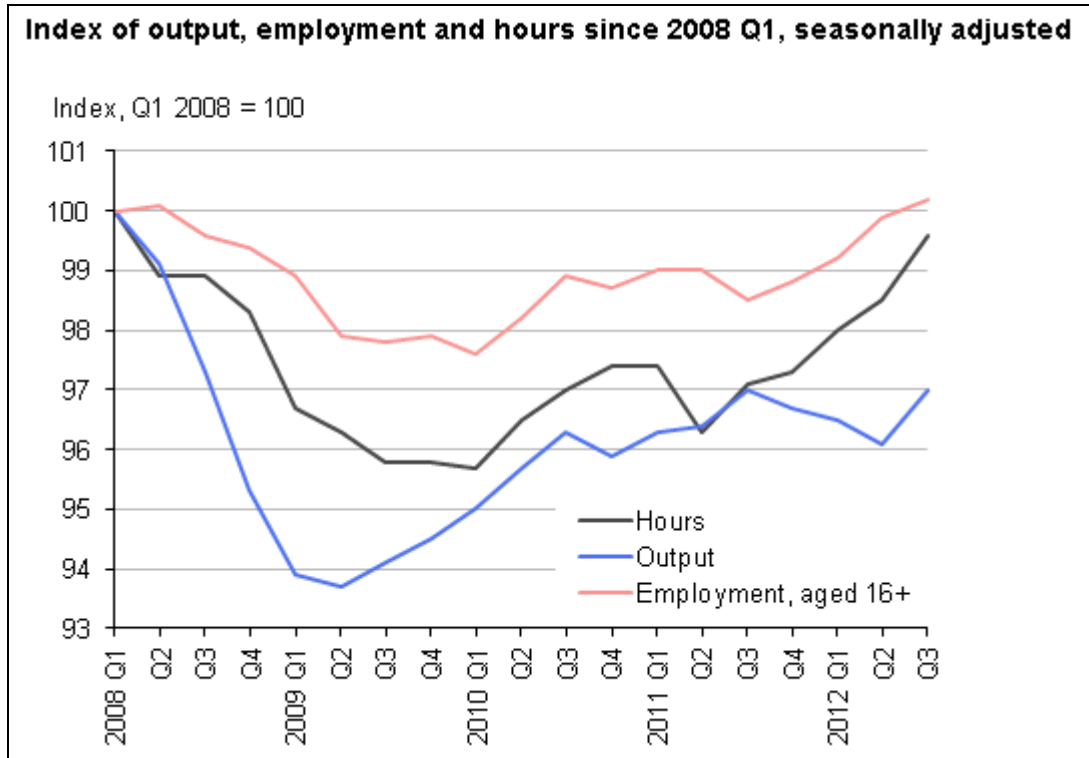
ONS regional GDP data accessed from Gavurin recession map, © Crown Copyright, 2011

National GDP Data from the Office for National Statistics

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) increased by 0.9% between the second and third quarters of 2012, this has been revised from a previously estimated increase of 1.0%. GDP growth remains subdued, and when compared to the same period a year ago, GDP remains unchanged, but has grown by 0.7% when compared to the same quarter of 2010. It is thought that the hosting of the Olympic and Paralympic games has affected quarterly growth, with ticket sales aiding growth.

¹ Data was previously provided by Gavurin Recession Map at not cost. Changes implemented by Gavurin mean that this data now costs approximately £1,800 per annum. Currently the resources are not available to fund the inclusion of this data.

Quarterly production has been revised downwards from 0.9% to 0.7% in the third quarter of 2012 (compared to initial estimates). Output in the construction sector fell by 2.5% (revised from an initial estimated fall of 2.6%). Service industry output rose by 1.2%, revised down from the previously estimated increase of 1.3%.



ONS data, © Crown Copyright, 2012

Unemployment and Worklessness Data

Employment and unemployment (Jul 2011-Jun 2012)				
	Colchester (numbers)	Colchester (%)	East (%)	Great Britain (%)
All people				
Economically active [†]	98,100	77.2	79.6	76.6
In employment [†]	90,500	71.1	74.1	70.3
Employees [†]	76,600	60.7	63.4	60.3
Self employed [†]	13,300	9.9	10.4	9.5
Unemployed (model-based) [§]	6,500	6.7	6.7	8.1

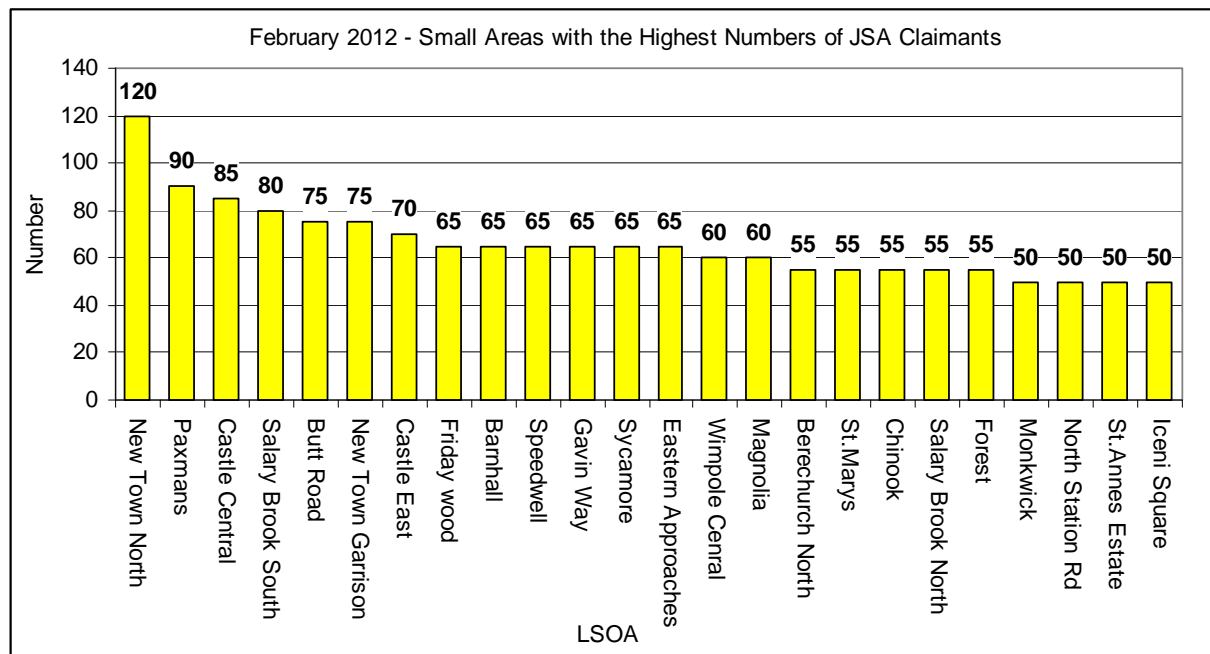
Source: ONS annual population survey

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

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

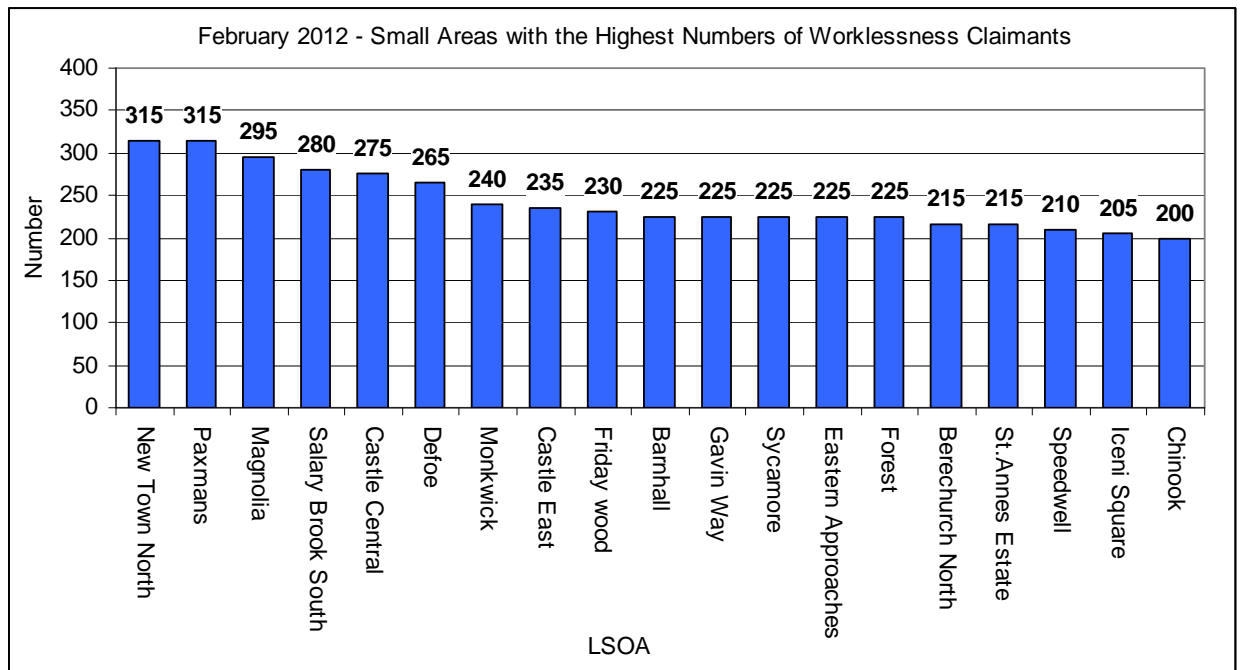
§ numbers and % are for those aged 16 and over. % is a proportion of economically active

The previous report for October April 2011- March 2012, showed that Colchester had a lower unemployment rate – 5.9%, compared to other areas. Data above for July 2011- June 2012 shows a similar trend, with unemployment lower than Great Britain as a whole. However, the percentage of unemployed individuals for Colchester is higher compared to the values in the September 2012 report (0.8% higher). In the East the unemployment rate rose by 0.1% - to 6.7%. However, the rate for Great Britain remained stable (8.1%).



Source: DWP NESS Dataset, August 2012

New Town North had the highest number of Job Seekers Allowance claimants in February 2012, as was the case in previous economic reports. However the number of claimants has risen slightly, from 105 in November 2011 to 120 in February 2012. Paxmans and Castle Central had the second and third highest number of JSA claimants respectively. Paxmans had 90 claimants and Castle Central had 85. Both Paxmans and Castle Central saw a 10 claimant increase from November 2011 figures. In November 2011 there were 21 small areas in Colchester with 50 or more JSA claimants resident, compared to 24 in February 2012.



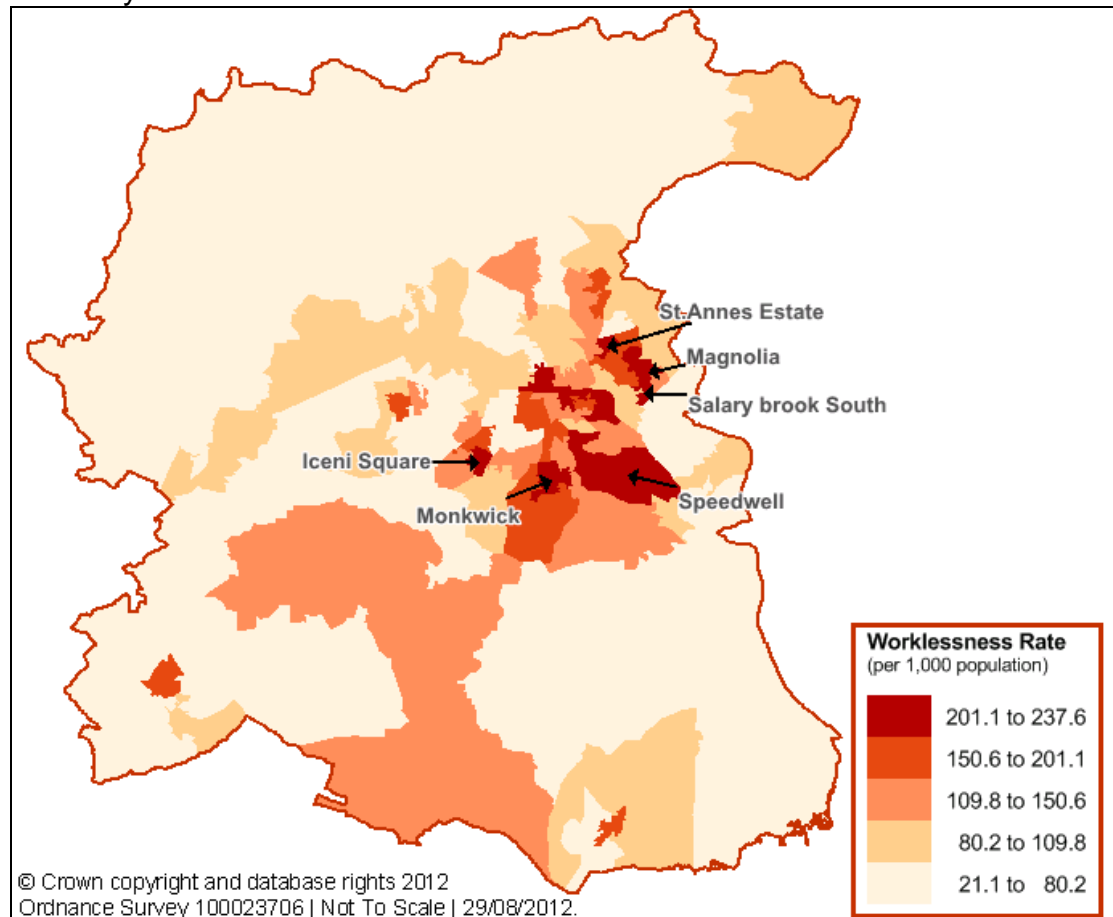
Source: DWP NESS Dataset, August 2012

In a change from November 2011 data, in February New Town North & Paxmans had the joint highest total number of worklessness claimants (315), whereas in the previous report New Town North & Magnolia had the highest claimant numbers (305 each). In November 2011, there were 16 small areas in Colchester, where 200 or more people were claiming worklessness benefits, by February 2012 this had risen to 19.

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). However, Paxmans has now entered into second position, pushing Magnolia into third place. Overall, the small areas ranked 1st -6th in February 2012, featured in the top 6 in November 2011, they just switched positions. Of these 6 small areas, Paxmans experiences the largest rise – a 5% increase from November 2011, the number of claimants in Dafoe fell by 3.6%.

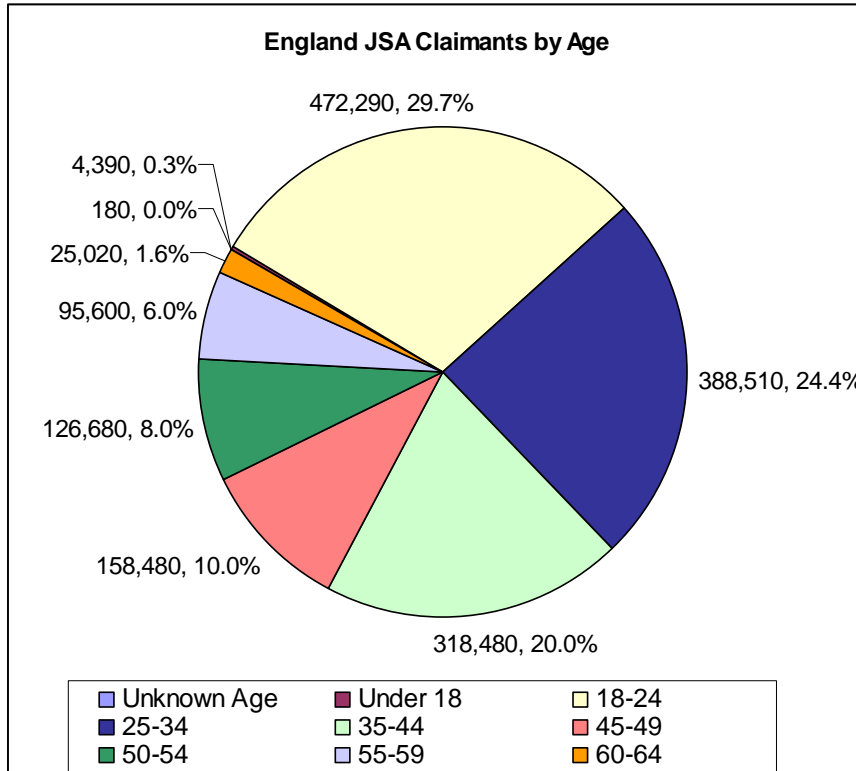
In addition a map of ‘hot spot’ worklessness areas has been produced for the borough, and can be found below. This shows a calculated crude worklessness rate, as a proportion of the total population of the small area, for Colchester. When calculated in this way the top 3 ‘hot spot’ areas are; St Anne’s,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

Crude Rate per 1,000 Working Age Population, Worklessness Claimants, February 2012

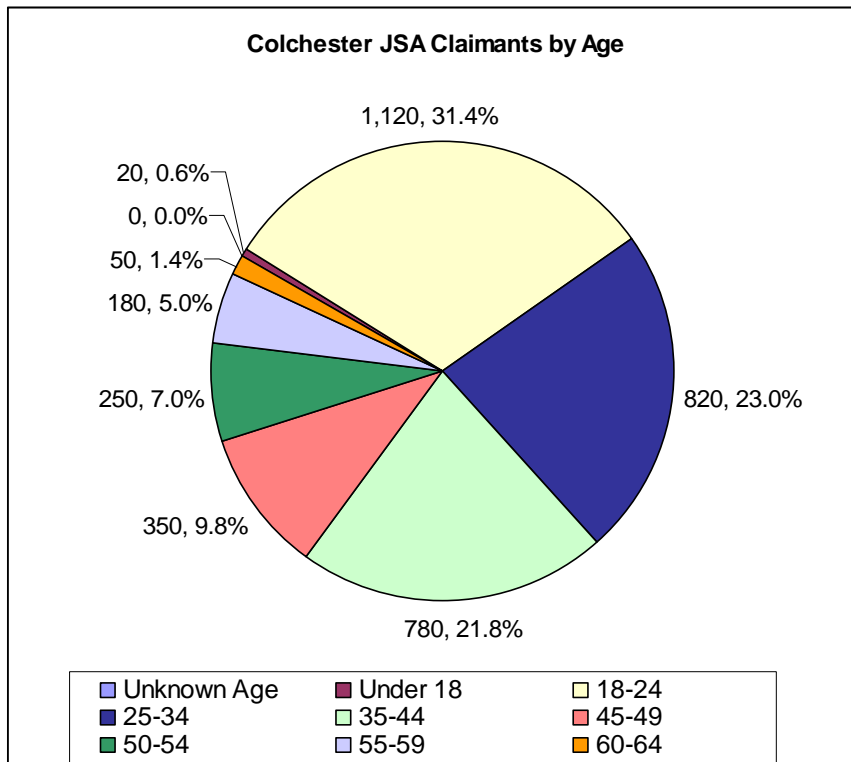


Source: DWP Benefits Working Age Client Group. LSOA rates are calculated by expressing the number of worklessness people as a percentage of the working age population from 2010 experimental mid-year LSOA estimates (ONS). 16-64 year age group totals were used for both males and females – as working age split of 16-59 years for females was not available.

February 2012 Job Seekers Allowance (JSA) Claims by Age



Source: DWP tabulation tool data downloaded August 2012



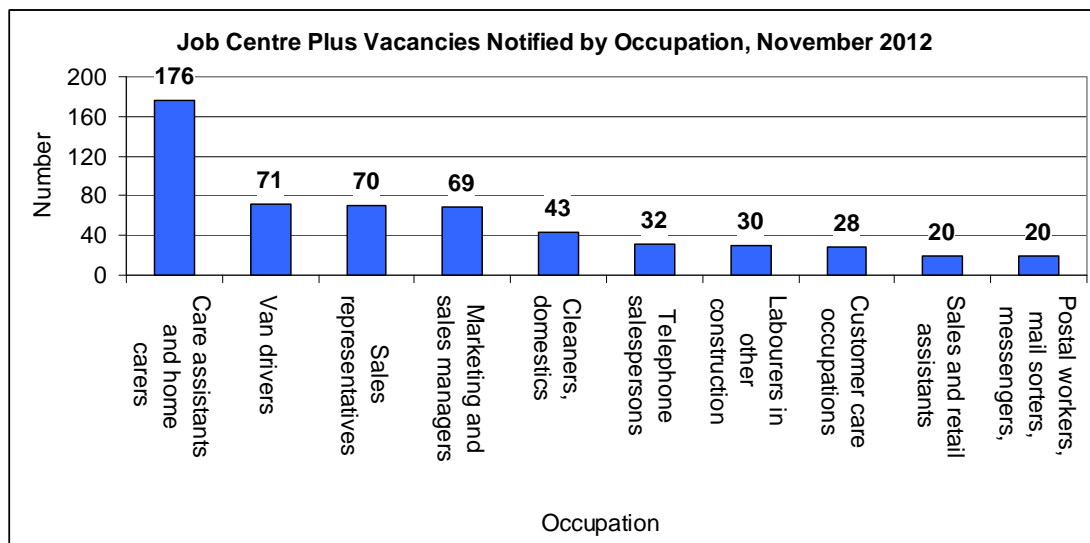
Source: DWP tabulation tool data downloaded August 2012

In February 2012 in both England and Colchester, the largest proportion of JSA claimants were the 18-24 age group. In England they made up approximately 29.7% of all claimants (the same as in November 2011), this was slightly lower than in Colchester where 31.4% of all claimants were 18-24 (a 0.4% decrease from November 2011).

In Colchester in February 2012, the age group with second largest proportion of claimants, were those aged 25-34. This age group represented 23.0% of total claimants, equating to approximately 820 individuals. Colchester mirrors national statistics, in England the second largest claimant group were those aged 25-34, this group represented 24.4% of all claimants.

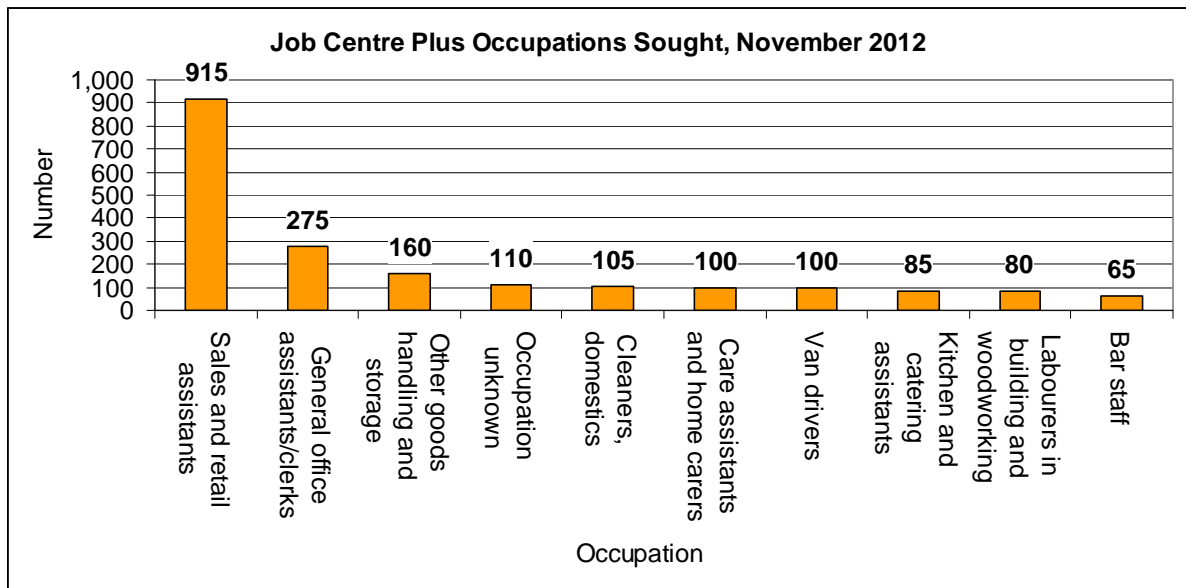
In both geographies the under 18s made up the smallest proportion of overall JSA claimants, but this may largely be due to eligibility. If they still live in the family home they may not be entitled to income based claims, and lack of previous work may mean they are not entitled to contribution based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

Job Centre Plus Data Vacancies Notified and Occupations Sought



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.

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 (September - October 2012), all districts apart from Castle Point and Chelmsford saw a reduction in NEET numbers, (the figure for Chelmsford did not change during this period). In the previous report covering June-July data, all districts apart from Brentwood, Epping Forest and Rochford, had a decrease in NEET numbers. In October 2012, the areas with the highest percentage of individuals NEET were; Harlow (9.3%), Basildon (9.2%) and Tendring (8.5%).

Between September and October 2012, there was a decrease of 19 individuals classed as NEET in Colchester. In October 2012 in Colchester, 7.8% of the total 16-19 age cohort were NEET, compared to 8.1% in September 2012.

NEET Adjusted Figures by District, September - October 2012

District	NEET Adjusted				
	%		Numbers		DOT
	Oct 12	Sep 12	Oct 12	Sep 12	
Braintree	8.4%	8.5%	415	420	↓
Basildon	9.2%	9.4%	590	600	↓
Brentwood	6.4%	6.9%	154	167	↓
Castle Point	7.7%	7.3%	256	242	↑
Chelmsford	7.0%	7.0%	400	400	↔
Colchester	7.8%	8.1%	431	450	↓
Epping Forest	7.5%	8.5%	222	252	↓
Harlow	9.3%	9.3%	259	260	↓
Maldon	7.6%	8.1%	171	184	↓
Rochford	7.9%	7.9%	243	245	↓
Tendring	8.5%	9.3%	399	435	↓
Uttlesford	5.7%	6.3%	126	139	↓
Essex	7.9%	8.4%	3667	3869	↓

* Direction of Travel

Data Source: CCIS December 2012

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. St Andrews continues to be the highest NEET ward with 13.0% of the total 16-19 year old resident population NEET (lower than 14.2% reported in the previous report). Berechurch had the second highest NEET ward, with 10.0% NEET, this figure is higher than the previous report (7.6%). In the previous report St Anne's had the second highest percentage of residents listed at NEET (11.1%), it is currently fourth when comparing all Colchester wards (8.8% NEET).

NEET Actual Numbers by Ward, October 2012

Ward	Oct-12 NEET	Oct-12 NEET %
St Andrew's	31	13.0%
Berechurch	24	10.0%
Shrub End	22	9.2%
St Anne's	21	8.8%
Harbour	17	7.1%
New Town	15	6.3%
Castle	15	6.3%
Prettygate	14	5.9%
Highwoods	11	4.6%
Tiptree	10	4.2%
Stanway	8	3.3%
Lexden	7	2.9%
St John's	6	2.5%
West Bergholt and Eight Ash Green	5	2.1%
Mile End	5	2.1%
East Donyland	5	2.1%
Wivenhoe Quay	<5	<2.1%
West Mersea	<5	<2.1%
Great Tey	<5	<2.1%
Fordham and Stour	<5	<2.1%
Christ Church	<5	<2.1%
Marks Tey	<5	<2.1%
Dedham and Langham	<5	<2.1%
Birch and Winstree	<5	<2.1%
Pyefleet	<5	<2.1%
Wivenhoe Cross	<5	<2.1%
Copford and West Stanway	<5	<2.1%
Colchester Total	239	100.0%

Note: Figures of less than 5 have been anonymised.

In Focus/ Extra news

Housing Trends Update

The Land Registry reports that in November 2012 house prices were up 0.3% compared to October, with the average house in England and Wales now costing £161,490. Over the past year London has had the largest increase in relation to average property value – with a 5.9% rise.

September 2012 figures for house sales in England and Wales show a decline when compared to September 2011, reducing by 21% from 63,552 to 50,517 completions.

The Council of Mortgage Lenders (CML) report that 20,000 loans were advanced to first-time buyers in October, a rise of 14% compared to September 2012. However, first time buyers still need on average a 20% deposit to secure a property. Interest only mortgages are becoming increasingly 'niche' with many lenders withdrawing these types of offers completely.

Lending to home movers increased in October by 13% compared to September 2012, and saw a 5% increase from the same period a year previously. 29,400 loans were advanced to home movers. Remortgage lending increased in October, making it the second consecutive month of increases.

In the summer of 2012 the Funding for Lending Scheme (FLS) was launched by the Bank of England and the HM Treasury. The aim is to incentivise both banks and building societies, to boost their home and business lending.

The FLS should mean that increased levels of credit and cheaper credit flowing into the real economy. The Bank of England reports that early signs have been encouraging: market funding costs for UK banks have fallen sharply and many loan rates have fallen, however the effects need to be monitored longitudinally.

The most recently available Housing Trends Report (September 2012) reports that at a regional level, Looking at overall average prices, for the year from July 2011 to July 2012 Colchester experienced an increase in price of £6,933, Babergh had the largest increase (£11,623) and Tendring also experienced an increase (£4,976).

For lower quartile prices for semi detached properties, from July 2011 to July 2012 only Babergh and Tendring experienced an increase in price (of £2,000 and £2,995 respectively). Prices in Colchester remained unchanged and five local authorities saw a decrease. The largest decrease in price was in Maldon of £5,000.

From January to August 2012, the average turnover of private housing stock in the region was 1.2%. Mid Suffolk had a higher than the average regional

turnover of 1.5%, followed by Colchester and Suffolk Coastal at 1.4%. Babergh and Ipswich have a turnover of 1.3%. Braintree, Maldon and Tendring all had a turnover of 1.2% the same as the regional average.

The low numbers of new build properties in all local authorities is notable, but particularly in Maldon where only 6 new build properties was sold during this eight month period. The highest number of sales was in Colchester at 936, followed by Tendring with 768 properties.

Data sources:

<http://www.landregistry.gov.uk/media/all-releases/press-releases/2012/market-trend-data-november-2012>

<http://www.cml.org.uk/cml/media/press/3391>

<http://www.bbc.co.uk/news/business-20497388>

<http://www.bankofengland.co.uk/publications/Pages/news/2012/163.aspx>

Greater Haven Gateway - Housing Market Trends, Quarterly Report – September 2012

Retail Sales and Spending

The Office for National Statistics (ONS) reports that in November 2012 the upward trend of retail sales volumes was continuing, although it is important to note that this is not reflective of the retail sector as a whole – which has been relatively flat.

When compared with the same period a year ago, the quantity of goods bought has increased by approximately 0.9%, with the amount spent estimated to have grown by 1.5%, (this is based on seasonally adjusted retail sales volumes and values respectively).

In the month of November 2012 an estimated £29 billion (non-seasonally adjusted) was spent in the retail sector. This is compared to October 2012, where an estimated £27 billion was spent, and £29 billion in the November 2011 four week reporting period. Broken down to a weekly level this equates to an average estimated weekly spend of £7.3 billion in November 2012, £6.8 billion in October 2012 and £7.3 billion in November 2011.

Online weekly spending was estimated at £710.9 million in November 2012 (Internet sales values non-seasonally adjusted) - an 8.1% increase when compared with November 2011. Predominantly food stores experienced a 3.7% increase in the quantity of goods bought and the amount spent (2.6%), compared with November 2011. Department stores experienced a 5.8% increase in relation to the quantity of goods bought and the amount spent (3.9%), compared with November 2011.

In Colchester, it is hoped that the planned redevelopment of Williams and Griffin will fuel increased trade in the town centre. The £30 million scheme will see a 50% increase in floorspace and it is hoped it will bring many more shoppers to the area.

Work is continuing on a new retail park on Peartree Road in Colchester, at an estimated cost of £2.5million. Due for completion in 2013, it will offer 35,000 sq ft of new shopping space for the west of the town.

Since the last report JJB Sports at Colchester Retail Park (Sheepen Road), has closed, as has the Comet store in Tollgate. The future of independent retailer Jacks also looks uncertain. The Lush Cosmetics store has moved premises, and is now occupying the retail space formally used by Past Times, which closed in 2012.

Commuters are facing another fare increase, with Greater Anglia raising ticket prices by an average of 4.2%. A season ticket from Colchester to Liverpool Street has gone up by 21.8% since 2008.

Data sources:

<http://www.ons.gov.uk/ons/rel/rsi/retail-sales/november-2012/stb-retail-sales--november-2012.html>

http://www.eadt.co.uk/news/colchester_william_griffin_revamp_could_start_renaissance_in_town_say_business_leaders_1_1743192

<http://www.bbc.co.uk/news/uk-england-essex-20736417>

<http://www.thefinancepages.co.uk/companies/comet-closing-stores-this-week/03339/>

http://www.gazette-news.co.uk/news/10136446.Commuters_protest_rail_fare_rise/?ref=mr

http://www.gazette-news.co.uk/news/local/colchester/10086025.Jacks_on_brink_of_closing/

Colchester Business Enterprise Agency (Colbea)

Colchester Business Enterprise Agency (Colbea) is celebrating 30 years of supporting small businesses in Colchester. Since 1982 Colbea has assisted over 4,000 businesses to start up and has delivered 39,180 business advice and business training services to clients.

Colchester's Enterprise Skills and Employment Grant

New Funding Round Open!!

The new round of the Colchester Borough Council Enterprise Skills and Employment funding for 2013 is open for applications. Funding is available for Colchester borough based 'not for profit' organisations that help deliver local economic prosperity.

The funding is to be used as a catalyst to stimulate economic prosperity and social inclusion especially in the creation of new jobs, new businesses and in encouraging lifelong learning and skills development for the whole community to maximise job opportunities.

The deadline for applications is 31st January 2013.

To obtain an application form or for more information, please email enterprise@colchester.gov.uk

Colchester Business Directory

The third edition of the Colchester Business Directory is available. Over 1700 local businesses have so far taken advantage of the opportunity to promote their business for free and help encourage a buy local ethos in the borough.

This new edition is available on CD rom. To get your free copy email enterprise@colchester.gov.uk . For the first time this year the business directory is also available to download via the Colchester Borough Council website at www.colchester.gov.uk/business . If you have not already done so, you can also add your businesses details here for free.