

Colchester Quarterly Economic Report



Issue 15: March 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.

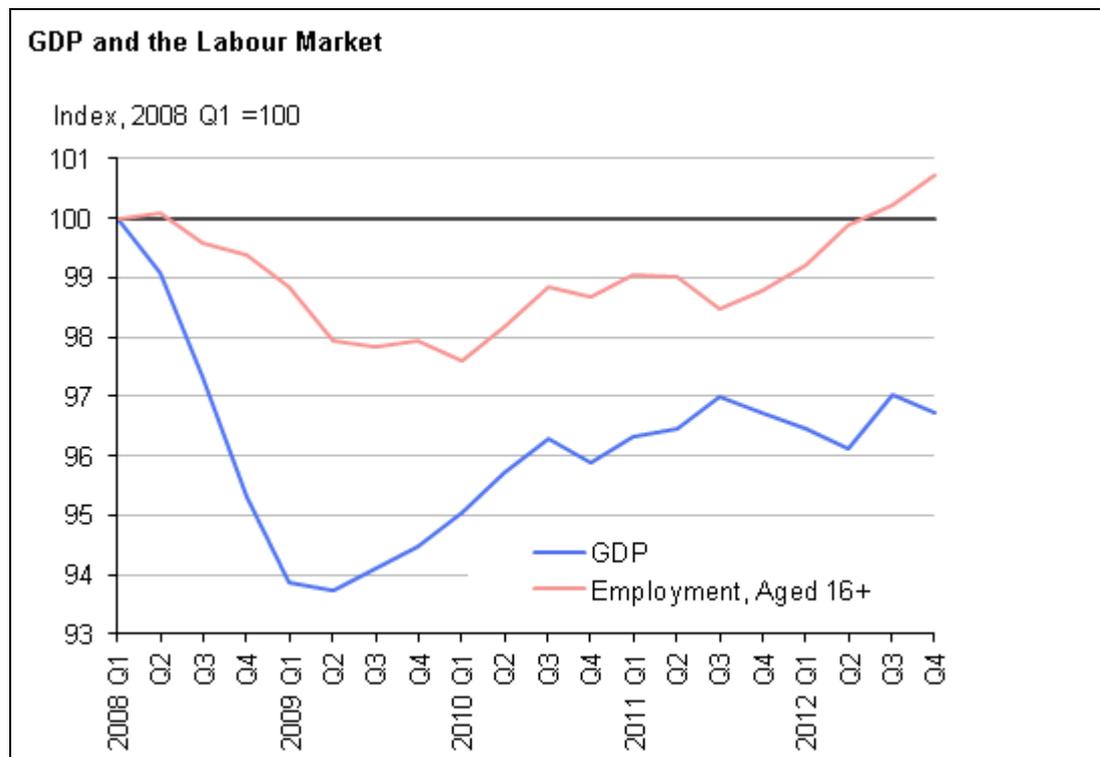
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National Gross Domestic Product (GDP)

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) decreased by 0.3% between the third and fourth quarter of 2012 in terms of volume. The decline has been mainly attributed to three factors: maintenance at the UK's largest North Sea oil field, a 'fall-back' from the Olympic/ Paralympic Games and underlying weak domestic demand.

Quarterly production output had fallen by 1.9% in the fourth quarter of 2012, and manufacturing output fell by 1.3%. Output in the construction sector rose by 0.9% (revised up from an initial estimate of 0.3% increase). Service industry output fell by 0.1%, and remained unchanged from the provisional estimate for the quarter. The economy contracted by 0.3% during Quarter four, following growth of 0.9% in the previous quarter. This was the strongest quarterly growth since the third quarter of 2007.



ONS data, © Crown Copyright, 2013

Unemployment and Worklessness Data

Employment and unemployment (Oct 2011-Sep 2012)				
	Colchester (numbers)	Colchester (%)	East (%)	Great Britain (%)
All people				
Economically active [†]	98,100	77.4	79.9	76.7
In employment [†]	89,500	70.5	74.3	70.5
Employees [†]	76,700	60.3	63.3	60.5
Self employed [†]	12,200	9.8	10.5	9.6
Unemployed (model-based) [§]	6,800	7.1	6.9	7.9

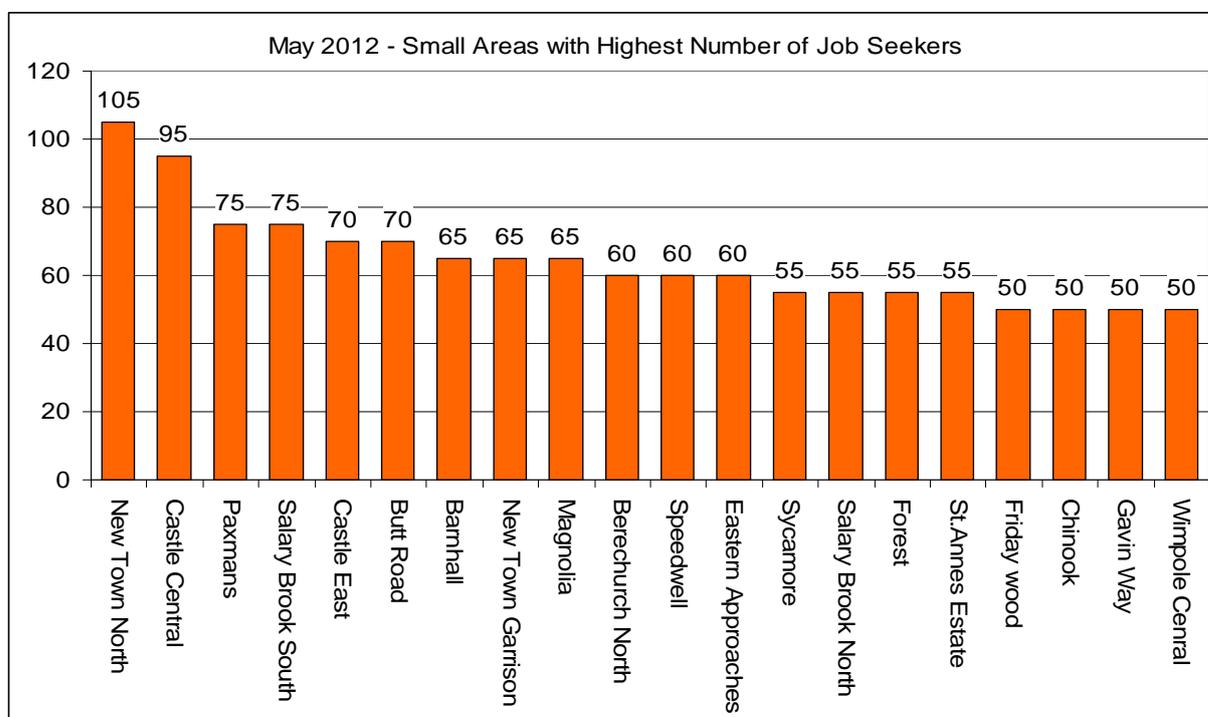
Source: ONS annual population survey

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

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

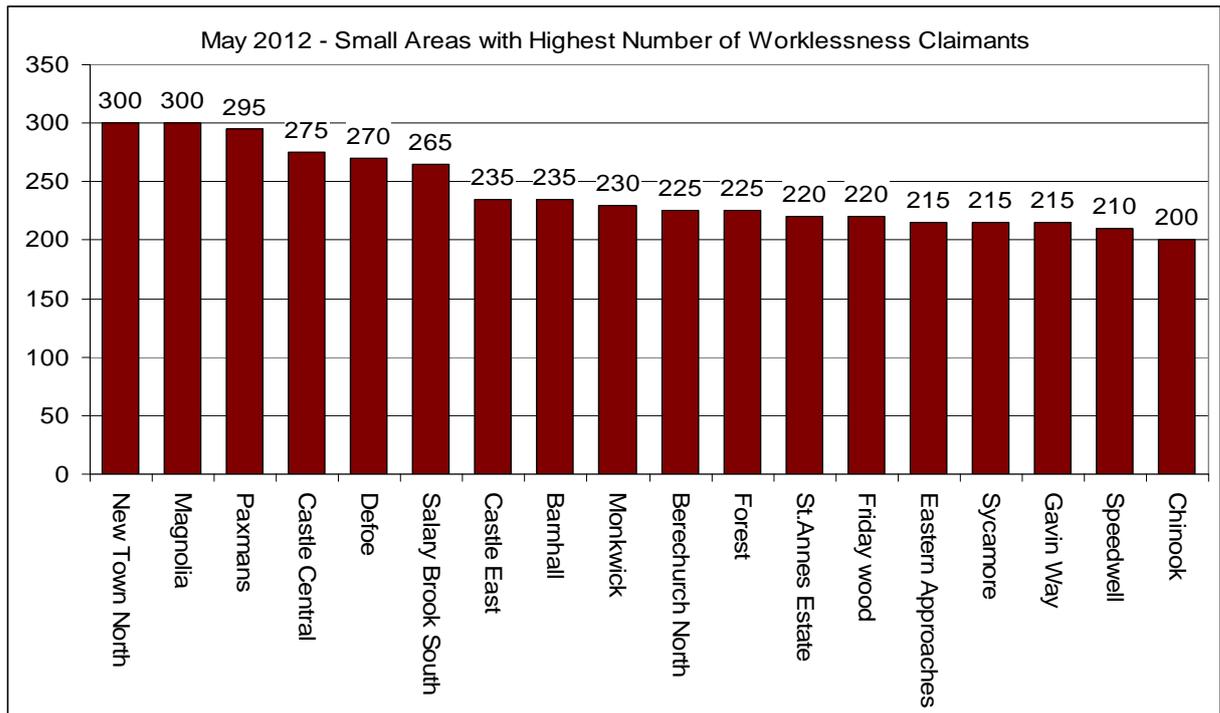
§ numbers and % are for those aged 16 and over. % is a proportion of economically active

The previous report for July 2011- June 2012, showed that Colchester had a lower unemployment rate than Great Britain (6.7% in Colchester, 8.1% in Great Britain), but the same unemployment rate as the East overall. Data above for October 2011- September 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 than the East - by 0.2%. In the East the unemployment rate rose by 0.2% - to 6.9%. However, the rate for Great Britain decreased from 8.1% - 7.9%.



Source: DWP NESS Dataset, March 2013

New Town North had the highest number of Job Seekers Allowance claimants in May 2012, as was the case in previous economic reports. However the number of claimants has fallen slightly, from 120 in February 2012 to 105 in May 2012. Castle Central and Paxmans had the second and third highest number of JSA claimants respectively (a position switch from February 2012). Castle Central had 95 claimants and Paxmans had 75. Paxmans saw a decrease of 15 claimants, and Castle Central saw a 10 claimant increase from February 2012 figures. In February 2012 there were 24 small areas in Colchester with 50 or more JSA claimants resident, compared to 20 in May 2012.



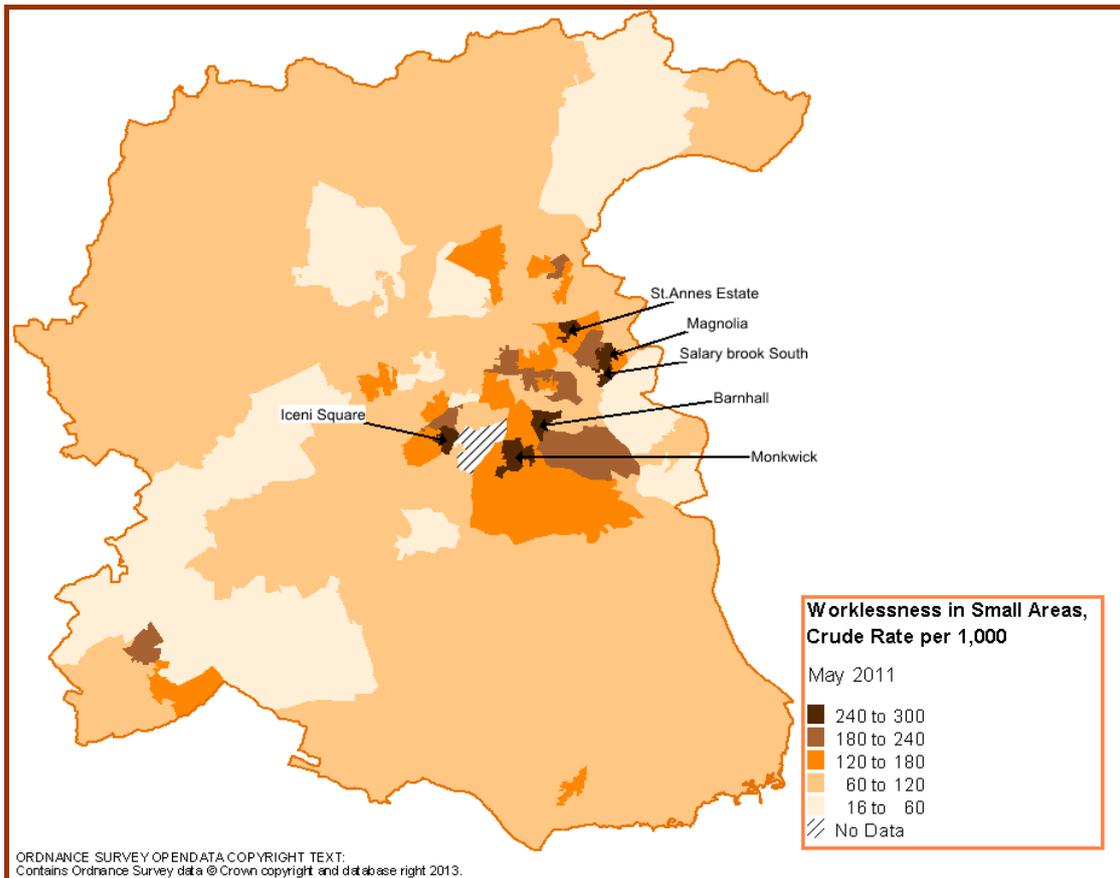
Source: DWP NESS Dataset, March 2013

In May 2012 New Town North & Magnolia had the joint highest total number of worklessness claimants (300), whereas in the previous report New Town North & Paxmans had the highest claimant numbers (315 each). In February 2012, there were 19 small areas in Colchester, where 200 or more people were claiming worklessness benefits, in May 2012 this had decreased slightly to 18.

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 May 2012, 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, Monkwick and St Anne's. Other notable small areas are labelled for reference

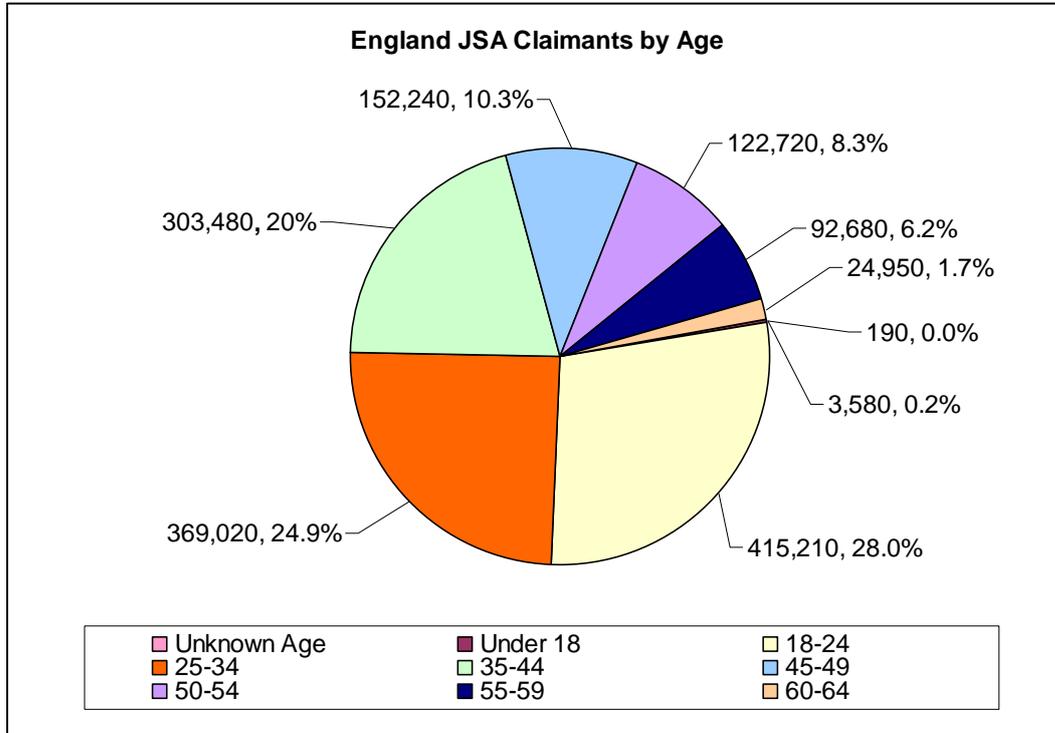
Crude Rate per 1,000 Working Age Population, Worklessness Claimants, May 2012



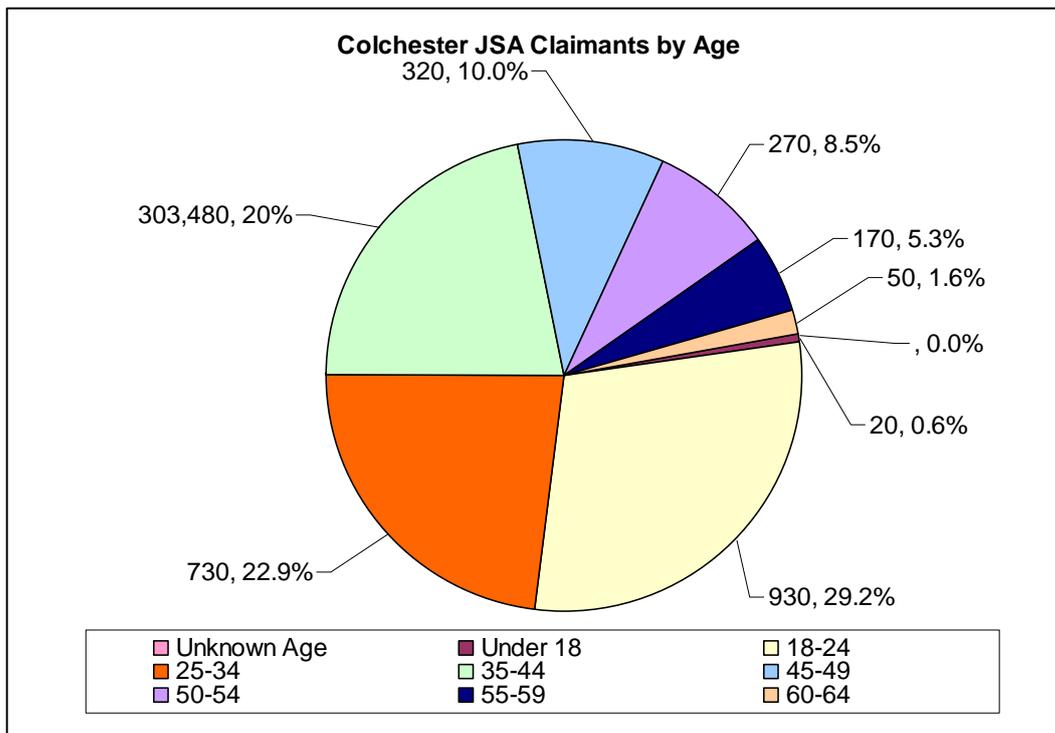
Source: DWP Benefits Working Age Client Group. LSOA rates are calculated by expressing the number of worklessness people as a percentage of the working age population from 2011 Census LSOA estimates (ONS). 16-64 year age group totals were used for both males and females – as working age split of 16-59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

May 2012 Job Seekers Allowance (JSA) Claims by Age

In May 2012 in both England and Colchester, the largest proportion of JSA claimants were the 18-24 age group. In England they made up approximately 28.0% of all claimants, this was slightly lower than in Colchester where 29.2% of all claimants were 18-24 (2.2% decrease from February 2012).



Source: DWP tabulation tool data downloaded March 2013



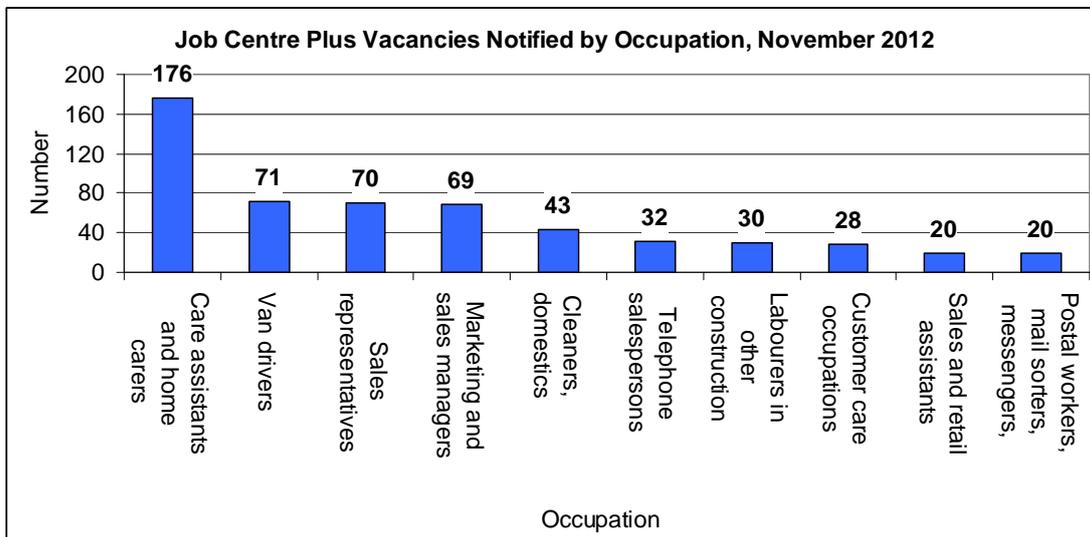
Source: DWP tabulation tool data downloaded March 2013

In Colchester in May 2012, the age group with second largest proportion of claimants were those aged 25-34. This age group represented 22.9% of total claimants, equating to approximately 730 individuals. Colchester mirrors national statistics, in England the second largest claimant group were those aged 25-34, this group represented 24.9% 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).

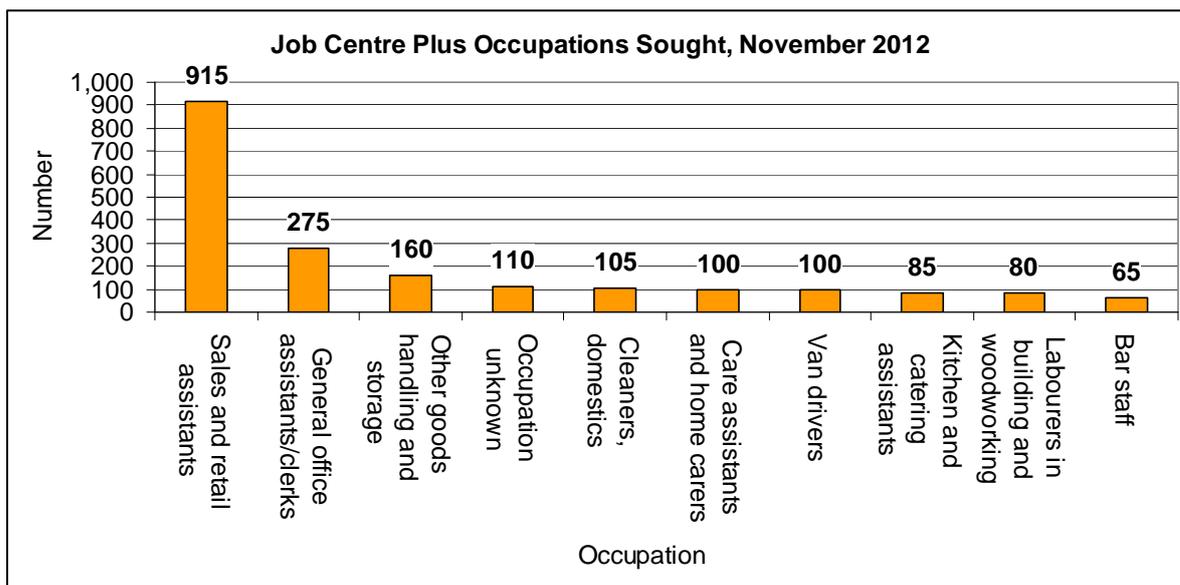
Job Centre Plus Data Vacancies Notified and Occupations Sought

The Department for Work and Pensions (DWP) are consulting 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 March 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.

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 (December 2012- January 2013), 6 districts saw an increase in NEET numbers, including Colchester. In the previous report covering September - October 2012 data, only Castle Point had an increase in NEET numbers, and NEET numbers in Chelmsford remained stable. In January 2013, the areas with the highest percentage of individuals NEET were; Basildon (7.6%), Harlow (6.9%), and Tendring (6.6%).

Between December 2012 and January 2013, there was an increase of 19 individuals classed as NEET in Colchester. In January 2013 in Colchester, 5.2% of the total 16-19 age cohort were NEET, compared to 4.8% in December 2012.

NEET Adjusted Figures by District, December 2012- January 2013

District	NEET Adjusted		NEET Adjusted		DOT
	%		Numbers		
	Jan 13	Dec 12	Jan 13	Dec 12	
Basildon	7.6%	6.9%	476	439	↑
Braintree	5.2%	5.5%	251	270	↓
Brentwood	5.1%	4.7%	122	115	↑
Castle Point	5.4%	5.4%	175	176	↓
Chelmsford	4.6%	4.4%	262	252	↑
Colchester	5.2%	4.8%	287	268	↑
Epping Forest	5.2%	5.0%	154	151	↑
Harlow	6.9%	7.0%	193	197	↓
Maldon	5.5%	5.8%	124	130	↓
Rochford	4.0%	4.3%	122	132	↓
Tendring	6.6%	6.2%	304	291	↑
Uttlesford	3.5%	4.4%	77	99	↓
Essex	5.5%	5.5%	2541	2520	↑

* Direction of Travel

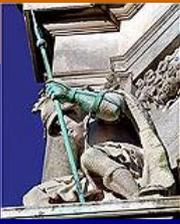
Data Source: CCIS March 2013

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. St Andrews continues to be the highest NEET ward with an estimated 10.1% of the total 16-19 year old resident population NEET (lower than 13.0% reported in the previous report). St Anne's and New Town wards were the second highest NEET wards, with 9.8% NEET

NEET Actual Numbers by Ward, January 2013

Ward	Jan-13	
	NEET	NEET %
St Andrew's	28	10.1%
St Anne's	27	9.8%
New Town	27	9.8%
Berechurch	19	6.9%
Shrub End	17	6.2%
Harbour	17	6.2%
Prettygate	17	6.2%
Highwoods	17	6.2%
Tiptree	10	3.6%
Castle	8	2.9%
Stanway	7	2.5%
Mile End	6	2.2%
Lexden	7	2.5%
West Bergholt and Eight Ash Green		
West Mersea	6	2.2%
Fordham and Stour	5	1.8%
Birch and Winstree		
St John's		
Great Tey		
East Donyland		
Christ Church		
Marks Tey		
Copford and West Stanway		
Wivenhoe Quay		
Pyefleet		
Dedham and Langham		
Wivenhoe Cross		

Note: Figures of less than 5 have been anonymised (grey shaded area).



Housing Trends Update

The Land Registry reports that in January 2013 house prices were up 1.0% compared to December, with the average house in England and Wales now costing £162,441. Over the past year London has had the largest increase in relation to average property value – with a 7.1% rise. Data for the East shows a 1.5% rise from December 2012. Repossessions decreased by 11% in November 2012 to 1,589 compared with 1,777 in November 2011.

The most recent data available in relation to house sales show that during November 2012, completed house sales in England and Wales increased by 1% to 61,091 sales, compared with 60,369 sales in November 2011.

The Council of Mortgage Lenders (CML) reports that house purchase lending increased by 11% compared to January last year. First-time buyer and home mover activity increased compared to January 2012, whilst remortgage lending was 23% lower than at the beginning of 2012. The CML is also predicting a more stable and "positive" year in the UK housing and mortgage markets in 2013.

38,300 loans were advanced for house purchase in January 2013, a fall from the 45,900 taken out in December. However, this was an increase from the 34,600 loans advanced in January 2012. House purchase lending totalled £5.7 billion in January 2013, compared to £5.2 billion in January last year, and £6.9 billion in December 2012. The average loan-to-value ratio remained at 80% for first-time buyers in January 2012, remaining stable for 2 years.

In relation to commercial property, the Bank of England reports that the 'boom and bust' in this market has played a fundamental role in the recent UK financial crisis. It is noted that an increase in the use of leverage and maturity mismatch contributed to both the rise in prices and the subsequent fall. In order to guard financial stability, the new Financial Policy Committee will be alert to the risks posed by such factors.

The most recently available Housing Trends Report (January 2013) reports that average prices, for the year from November 2011- November 2012 in Colchester, experienced an increase in price of £12,057. This was the largest increase in the Greater Haven Gateway, with the greatest decrease was £13,806 in Maldon.

In relation to lower quartile prices for flats and maisonettes across the sub region, Babergh had the greatest increase in prices of £15,000 and four other local authorities saw an increase ranging from £7,000 to £2,000. Three local authorities saw a reduction in prices: Colchester, -£9,000; Mid Suffolk, -£5,750; and Braintree, -£4,000.

The average turnover of private housing stock in the region from January 2012 to December 2012 was 2.4%. Colchester and Mid Suffolk had a higher

than average regional turnover of 2.8%, followed by Suffolk Coastal at 2.7%. Babergh had a turnover of 2.5%. Braintree and Ipswich had a turnover of 2.4% the same as the regional average. Only Maldon and Tendring had a lower turnover than the regional average at 2.2%.

The average number of weeks it took to sell a property in November 2012 varied across the sub region from 6.9 weeks to 11 weeks. Properties sold the quickest in Suffolk Coastal and Ipswich at 6.9 and 7 weeks respectively. Properties took the most weeks to sell in Maldon and Colchester at 11 and 9.5 weeks respectively.

Data sources:

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

<http://www.cml.org.uk/cml/media/press/3456>

<http://www.bbc.co.uk/news/business-20692588>

<http://www.bankofengland.co.uk/publications/Pages/news/2013/050.aspx>

Greater Haven Gateway - Housing Market Trends, Quarterly Report – January 2013



Retail Sales and Spending

The Office for National Statistics (ONS) reports that in January 2013, year-on-year seasonally adjusted estimates of the quantity bought in the retail sector fell by 0.6%, putting a halt to the year-on-year growth seen in the retail sector since August 2011. However in January 2013, overall non-seasonally adjusted online sales remained above the 10% mark, which is normally seen during the lead up to Christmas, this was 8.7% higher when compared with January 2012.

In Colchester, Horbury's Bathroom Supplies, which was located in Sir Isaac's Walk, shut in February 2013, 36 years after first opening. JACKS Famous Supplies also closed its doors to customers at the beginning of January, following a decline in trade.

However, in more positive news for the local economy, the Republic brand was bought by Sports Direct at the end of February, saving 25 jobs. Additionally, a new party planning store opened in St John's Street, which helps organise children's parties, baby showers, family parties and nights out. Also noteworthy, Colchester-based building supplies firm Kent Blaxill marked 175 years in business in 2013.

Concerns have been raised by traders and residents regarding the High Street car restrictions 18-month trial, which launched on 17 March 2013. There is concern that restrictions will damage trade in the town centre. This will be reported on in future economic reports.

Data sources:

<http://www.ons.gov.uk/ons/rel/rsi/retail-sales/january-2013/sum-retail-sales--january-2013.html>

http://www.gazette-news.co.uk/news/10285644.Town_Hall_protesters_urge_councils_to_scrap_High_Street_car_ban/?ref=mmsp

http://www.gazette-news.co.uk/news/10250716.Well_loved_Colchester_shop_shuts/

http://www.gazette-news.co.uk/news/10198589.Historic_Colchester_shop_closing_down/

http://www.gazette-news.co.uk/news/10259354.Colchester_s_Republic_saved/

http://www.gazette-news.co.uk/news/10240859.New_party_planner_shop_to_open_in_Colchester/

http://www.gazette-news.co.uk/archive/2013/03/12/February+2013/10283164.175_years_in_business/

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 Business Directory

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.



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