

Research and Intelligence

Social – economic indicators for East Hampshire Economic Report

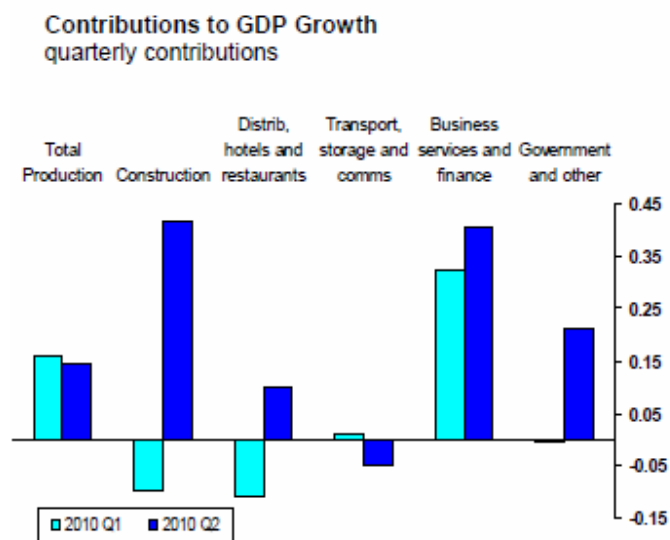
August 2010

The Report is produced on a quarterly basis, showing trends emerging from the housing, labour market and other economic indicators relevant to the East Hampshire District. The Report covers data for the previous quarter [April – June 2010] due to time lag in data.

Overview

The UK economy continued to recover from the recession in the second quarter of 2010. Revised figures [by the ONS] show a growth in GDP of 1.2% in the period April – June 2010 compared with an increase of 0.4% in the previous quarter. Growth is largely attributed to an increase in output as a result of a boost in business services, finance and construction. However, there was a decline in transport, storage and communication, with air transport suffering the worst fall (11% fall in output).

[Source: BBC Website]



Source: ONS Statistical Bulletin: Gross Domestic Product – 2nd Quarter 2010

According to the Bank of England recovery in the UK continued, with output growth across the first half of 2010 at its historical average. However, the level of economic activity remained well below its pre-crisis peak. Nevertheless, the UK recovery is likely to continue, underpinned by the considerable monetary stimulus, further growth in global demand and the past depreciation of sterling.

[Source: Bank of England Inflation Report, August 2010].

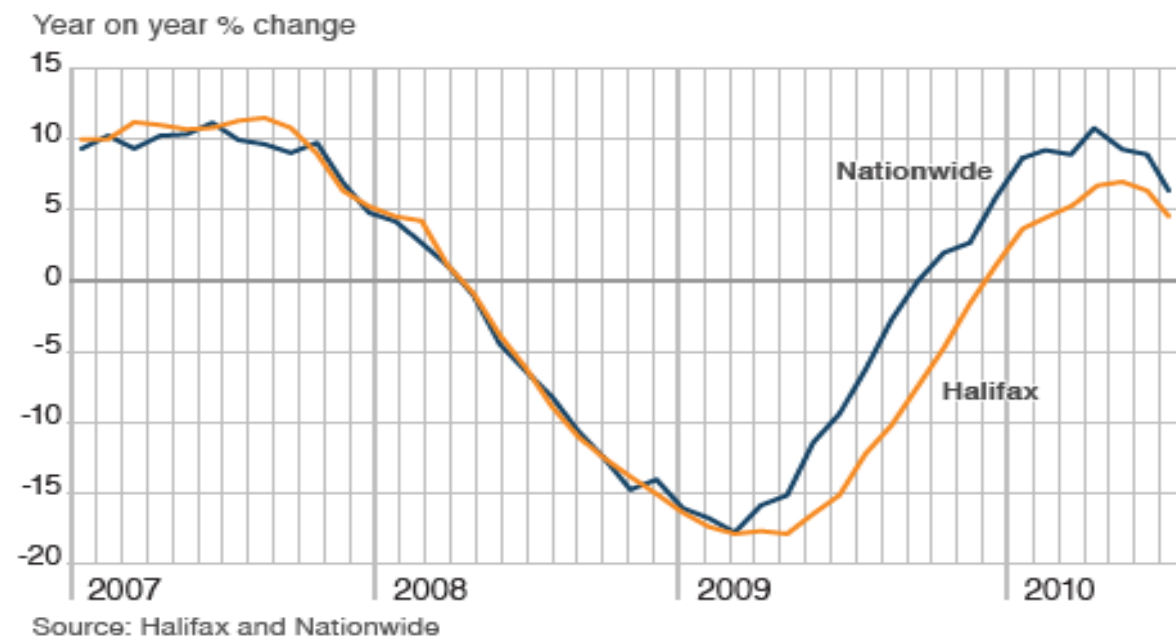
Summary of local economic indicators

Housing: - In the period April - June 2010, the average house price in East Hampshire was down 2.3% quarter on quarter but went up by 7% when compared to the same period a year ago (annual change). The actual number of house sales rose by 36% compared to the previous quarter. The average house price for Hampshire as a whole was down by 4%, the South East average was down by 0.2% and the overall average house price for England and Wales was down by 1.7% quarter on quarter.

The East Hampshire average house price remains higher than the Hampshire (20.2%), the South East (13%) and the England & Wales averages (33.4%).

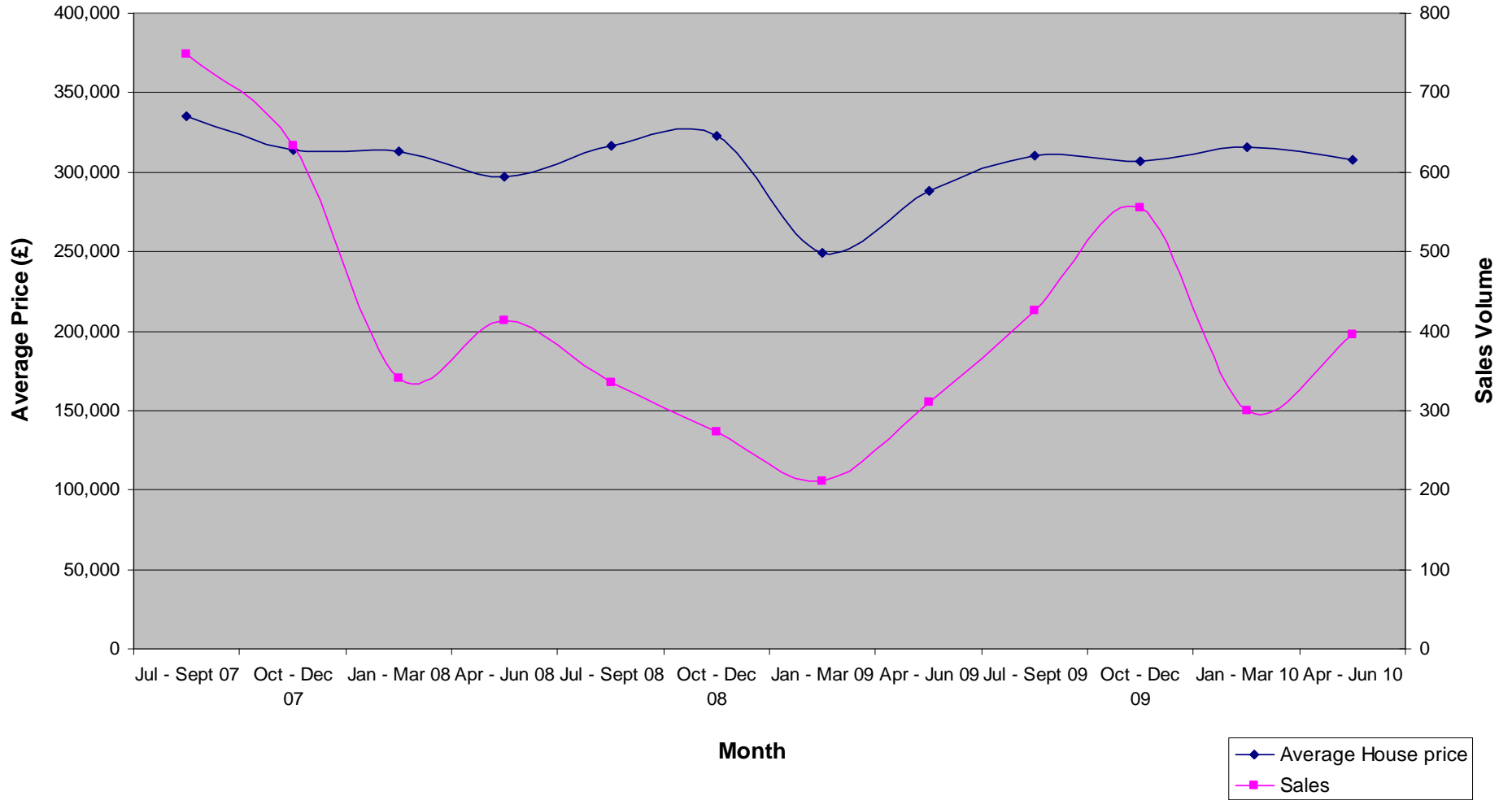
Overall, the prices went down although very slightly. In the first half of 2010, the housing market has shown a mixed picture, with rise and fall in prices. Sales remain low although a bit better than the same period (April – June) in the previous year. Recent figures [by Nationwide Building Society] show that the annual rate of UK house price inflation was down from 8.7% to 6.6% in July 2010.

UK house prices



[Source: BBC website: Housing Market]

House price and sales volume - East Hampshire District



Data source: HM Land Registry, 2010

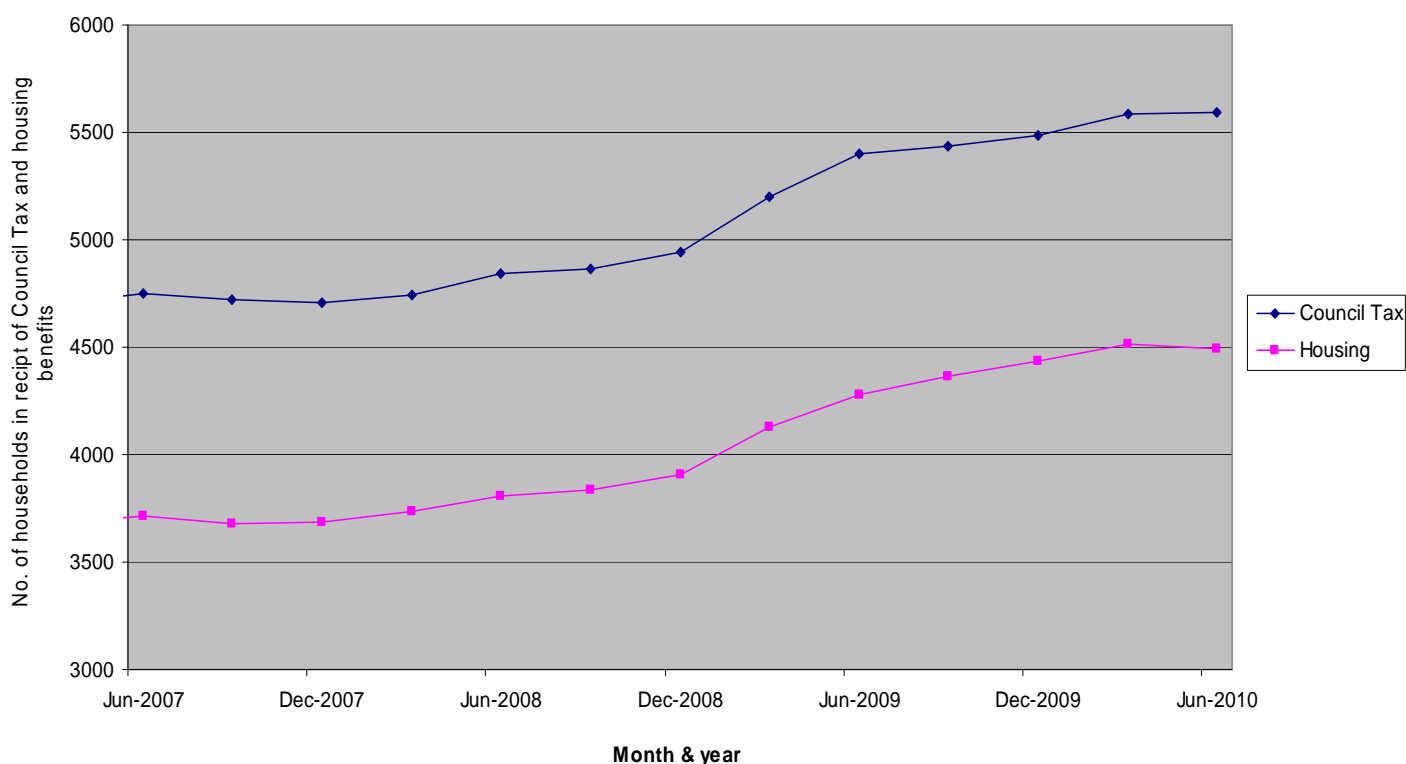
EHDC Benefits Claims in payment: -

The first two months of the second quarter of 2010 saw a slight increase in the Council tax claims in payment (April - 0.5% and May - 0.6%) while the Housing payments rose by 0.4% in the April and fell by 0.09% in May (month on month comparison).

In June 2010, there was a slight fall in both Council tax and Housing claims in payment although the figures remain higher than the same period two years ago. Council tax benefits payments were down 0.4% in June 2010 while the Housing benefits claims in payment were down 0.7% when compared with May 2010. [See Appendix I - Section 1: Housing].

Annual change - The Council tax payments in June 2010 went up 3.7% when compared with June 2009, 15.6% compared with June 2008 and 17.8% when compared with June 2007. Housing benefits claims in payments in June 2010 increased by 5.1% when compared with June 2009, 17.9% compared with June 2008 and 20.9% compared with June 2007.

EHDC Council Tax and Housing Benefits Claims



Data Source: EHDC Revenues and Benefits

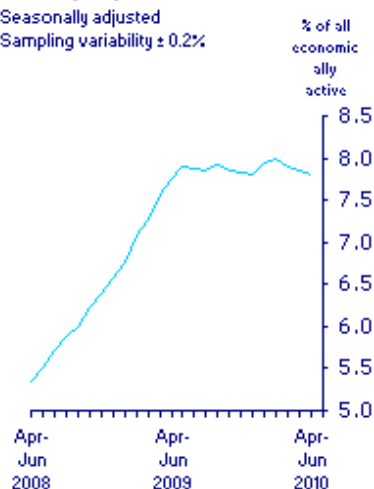
Labour Market:

The official figures released by ONS, the employment rate for those aged 16 – 64 was 70.5% (up 0.3 on the quarter) in the three months to June 2010. The number of people in employment increased by 184,000 (on the quarter) to reach 29.02 million. The quarterly increase in employment is mainly due to an increase in part-time workers (1.6% to reach 7.83 million).

The number of unemployed people in the UK was down by 49,000 to 2.46 million during the three months to June 2010. The unemployment rate was 7.8%, down 0.2 on the quarter. There was also a slight fall in the number of people claiming Job Seekers Allowance. The number of people classed as economically inactive – those out of work but not seeking work. The number of inactive people aged 16-64 was 23.4% (down 0.2 on the quarter) to reach 9.35 million in the three months to June 2010. [Source: *Statistical Labour Market Bulletin, Office for National Statistics*].

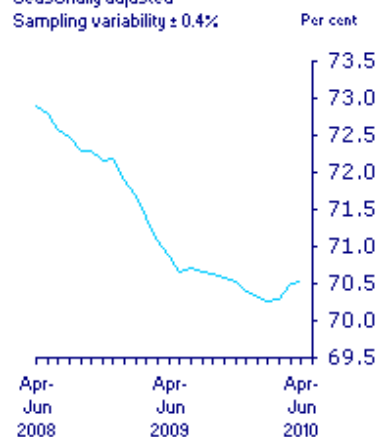
Unemployment rate

Seasonally adjusted
Sampling variability $\pm 0.2\%$



Employment rate (aged 16 to 64)

Seasonally adjusted
Sampling variability $\pm 0.4\%$



In the **South East**, the number of people in employment fell by 12,000 (during the three months to May 2010) and the employment rate¹ fell by 0.6% (on the previous quarter) to reach 76.1% (but still highest of all English regions). Following a decrease in the number of economically active² people – down by 24,000 in the three months leading to May 2010 – the South East's economic activity rate³ stood at 81.2%. [Source: *South East Labour Market Update Headlines – July 2010*]

¹ Employment rate: The number of people in employment expressed as a percentage of all people aged 16-64.

² Economically active: People who are either in employment or unemployed [aged 16 - 64]

³ Economic activity rate: People, who are economically active, expressed as a percentage of all people.

The number of economically inactive⁴ people increased by 46,000 in the three months leading to May 2010 and the rate of economic inactivity was 18.8%. According to SEEDA'S Labour Market Update Report, the most likely explanation for the increase in inactivity is population changes (e.g. more people reaching the age of 16 and being counted as inactive).

Source: South East Labour Market Update Headlines – July 2010

The claimant count unemployment in June fell to 134,100 (down 5.8% compared to May 2010), at the same time the number of vacancies notified by JobCentre Plus dropped by 7,800 to 40,533 (down 16% on the month). The mixed performance in the labour market pushed up the claimant count to vacancy ratio from 2.9 in May to 3.3 in June. However, the number of vacancies is still higher than in previous months. In June 2010, there were 3 claimants per vacancy – compared to 5 claimants per vacancy in June 2009.

The total number of redundancy notifications (of 20 or more staff) reached 2,745 in July, compared to 2,067 in June (32.8% increase on the month). The Public Sector job losses accounted for 40% of the total redundancies reported.

[Source: SEEDA – Regional Intelligence Snapshot for the South East, July 2010].

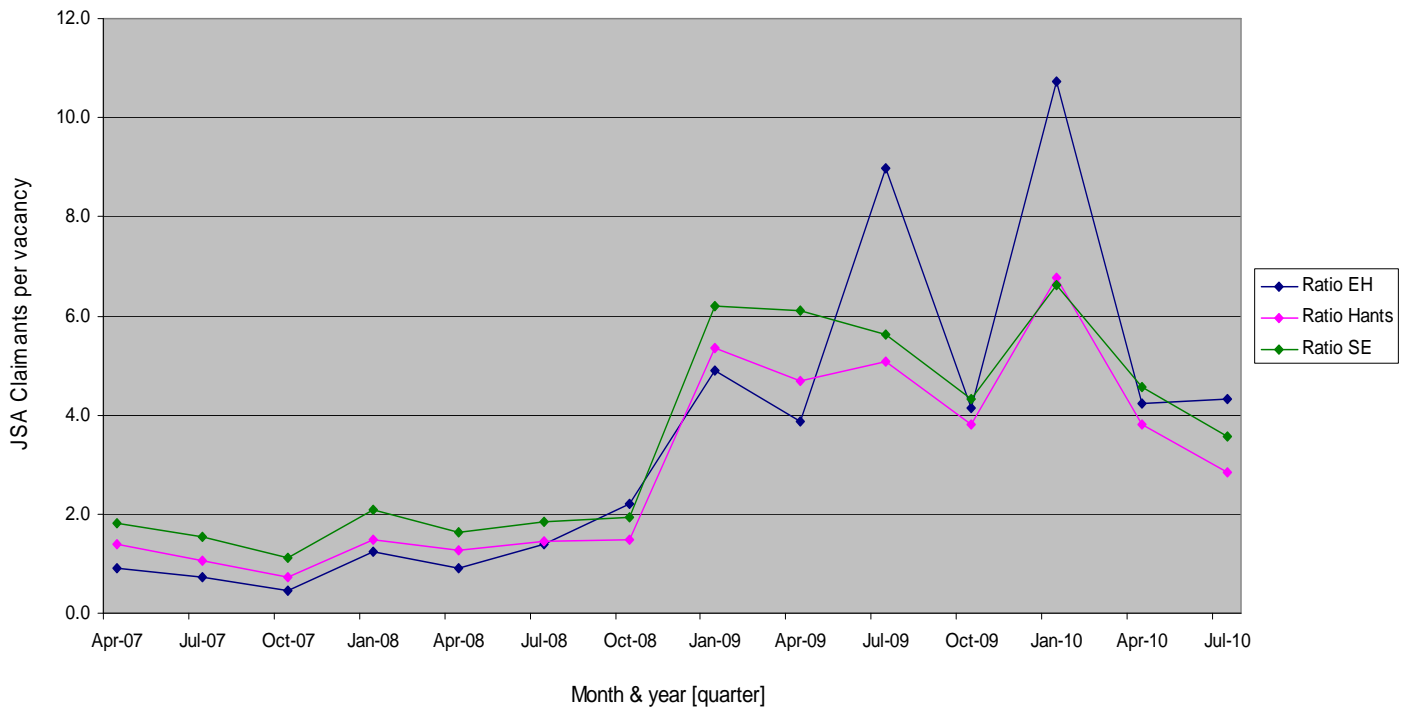
In **East Hampshire District**, claims for Jobs Seekers' Allowance continued to fall with the biggest fall recorded in June 2010. The JSA Claims were down 6.9% in April 2010, down 9.5% in May 2010 and down 11.8% in June 2010. Although the number of claims in June 2010 is lower than the number of claims recorded a year ago (down 28% compared to June 2010), the figure remains much higher than previous years (June 2008 and June 2007). The number of JSA claimants in June was 1,022 representing an increase of 59.7% compared to June 2008 and 77.7% higher than the claims recorded in June 2007. A further analysis of the JSA claims shows that the highest number of claimants in the District falls in the 25-49 age group; representing 51.2% of total claims made in June 2010.

Please note: All the working age indicators, including employment and inactivity rates, have been replaced with rates based on those aged from 16 to 64 for both men and women. The headline unemployment rate continues to be based on the economically active population aged 16 and over.

⁴ Inactivity or economically inactive refers to people who are neither in employment nor unemployed. This group includes, for example, all those who were looking after a home or retired.

JSA Claimants to vacancy ratio⁵: - There was a slight increase in the claimant to vacancy ratio between April and July 2010 and the ratio remains higher than two years ago. The number of JSA claimants per live unfilled vacancy⁶ in July 2010 was 4.3 i.e. there are about four job seekers to every vacancy (down 4.7 compared July 2009, up 2.9 compared to July 2008 and up 3.6 compared to July 2007).

JSA Claimant Count to Vacancy Ratio April 2007 - July 2010



Data source: ONS Nomis website

Explanation: The ratio is obtained by dividing the number of residents claiming Job Seeker Allowance (JSA) by the monthly total of unfilled vacancies in a local labour market (District) in the same month. The results are compared with the average for the region.

A figure of 1 suggests that the labour market theoretical “clears”. Or in other words each vacancy could potentially be filled by a local resident claiming JSA. Given that there are traditionally lags whilst people search for suitable jobs, a range between 0.5 and 1.5 has been inserted to allow for this distortion. If the figure for a local labour market is within that range the labour market is likely to clear, or almost clear. If the figure is below 0.5 this indicates a “tight” labour market where there are likely to be difficulties in filling vacancies. This is more likely to occur during periods of economic upswing. A figure in excess of 1.5 suggests a “slack” labour market; where there is a surplus of local JSA claimants chasing each new job. This is more likely to occur during economic downturns. Areas with figures consistently above 1.5 are likely to have either experienced severe problems in attracting jobs and investment or have traditionally high levels of out-commuting. Typically dormitory towns close to a major city would exhibit a higher than average ratio.

[Source: HEP Informing Our Future, 2010]

⁵ JSA Claimant to vacancy ratio indicates the number of unemployed benefit claimants chasing each available vacancy.

⁶ Live unfilled vacancies handled by Jobcentre Plus – these are vacancies actively available to jobseekers on the count or at a point in time.

Useful Links

- East Hampshire Skills Audit Report: <http://www.easthants.gov.uk/skills>

- Bank of England Inflation Report:
<http://www.bankofengland.co.uk/publications/inflationreport/irlatest.htm>

- House Prices: <http://www1.landregistry.gov.uk/houseprices/>

- Labour Market: Statistical Labour Market Bulletin
<http://www.statistics.gov.uk/pdfdir/lmsuk0210.pdf>

<http://www.statistics.gov.uk/cci/nugget.asp?ID=12>

- HEP Informing our future 2010: <http://www.hep.uk.com/informing-our-future.html>

- SEEDA Regional Intelligence Snapshot for South East & Labour Market Update Headlines
http://www.seeda.co.uk/publications/240-SEEDA_Monthly_Intelligence_Snapshot_July_2010.pdf

<http://www.seeda.co.uk/news-and-publications/publications/1/research-economics-labour>

<http://www.seeda.co.uk/news-and-publications/publications/research-and-economics-monthlyupdates/1/archive/2010>

Appendix I: Socio-Economic Indicators for East Hampshire – Figures and graphs

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Note:

This data is, generally, provided from a base line of January 2008. The intention is to rebase all data sets to January 2008 to give a longer trend series. The impact of the economic downturn started from September 2008. Therefore, these data sets show only the first indications of local impact. It is expected that the rate of change will accelerate over the next year. This data set is updated on regular basis.

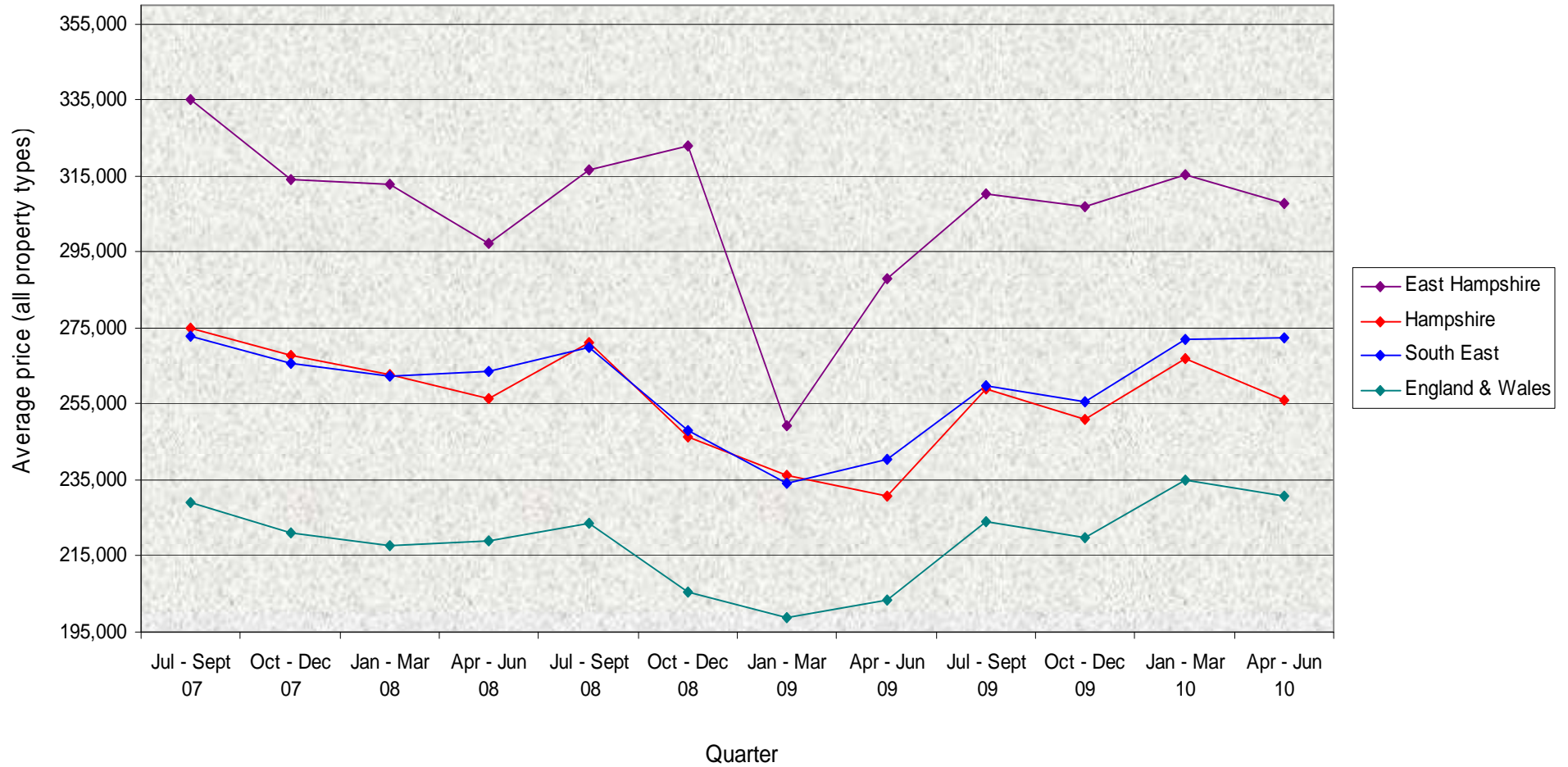
Section I. Housing

Table 1: Average House Prices (quarterly figures): July 2007 – June 2010

Quarter	East Hampshire	Hampshire	South East	England & Wales
Jul – Sept 07	335,224	275,134	272,968	229,019
Oct – Dec 07	314,238	267,643	265,529	220,962
Jan – Mar 08	312,767	262,892	262,522	217,787
Apr – Jun 08	297,413	256,586	263,645	218,936
Jul – Sept 08	316,590	271,378	269,849	223,620
Oct – Dec 08	322,902	246,391	248,032	205,372
Jan – Mar 09	249,315	236,146	234,008	198,939
Apr – Jun 09	287,898	230,920	240,633	203,346
Jul – Sept 09	310,243	259,059	259,780	223,996
Oct – Dec 09	306,852	250,845	255,426	219,832
Jan – Mar 10	315,393	266,784	271,966	234,837
Apr – Jun 10	308,015	256,151	272,402	230,912

Source: Land Registry of England and Wales, Crown copyright. The information above is based on figures provided by the Land Registry of England and Wales.

Average House Prices (July 2007 - June 2010)



Data source: HM Land Registry, 2010

Table 2: Benefit claims in payment: Housing Benefits

The table below shows the number of households in receipt housing benefits.

Month	2007	2008	2009	2010
January	3705	3,688	4,042	4,452
February	3713	3,725	4,049	4,507
March	3681	3,738	4,130	4,517
April	3681	3,801	4,186	4,528
May	3698	3,783	4,234	4,524
June	3715	3,810	4,276	4,493
July	3700	3,803	4,347	
August	3701	3,817	4,379	
September	3681	3,834	4,367	
October	3664	3,864	4,338	
November	3663	3,858	4,391	
December	3686	3,908	4,433	

Source: Revenue & Benefits Section, East Hampshire District Council

Households in receipt of Housing Benefits January 2007 - June 2010

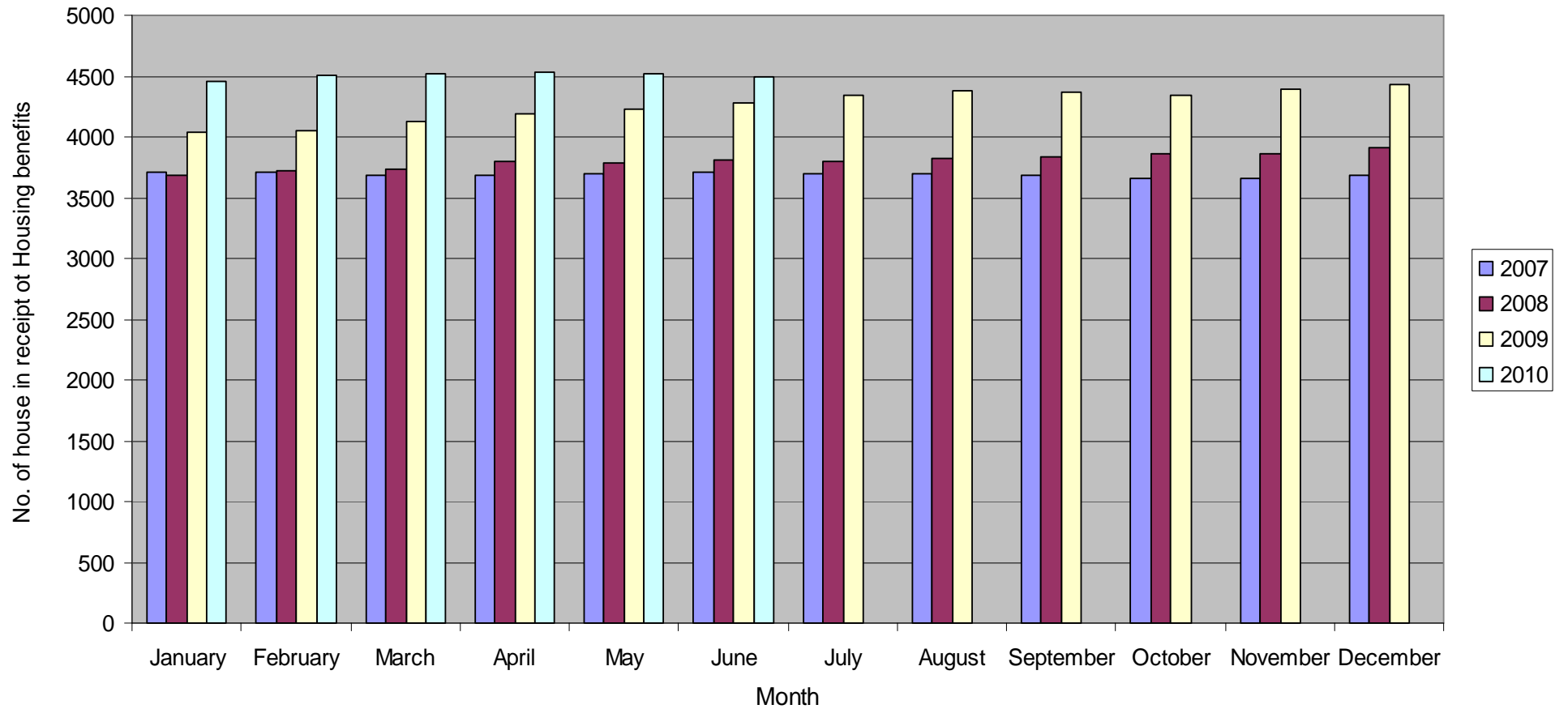


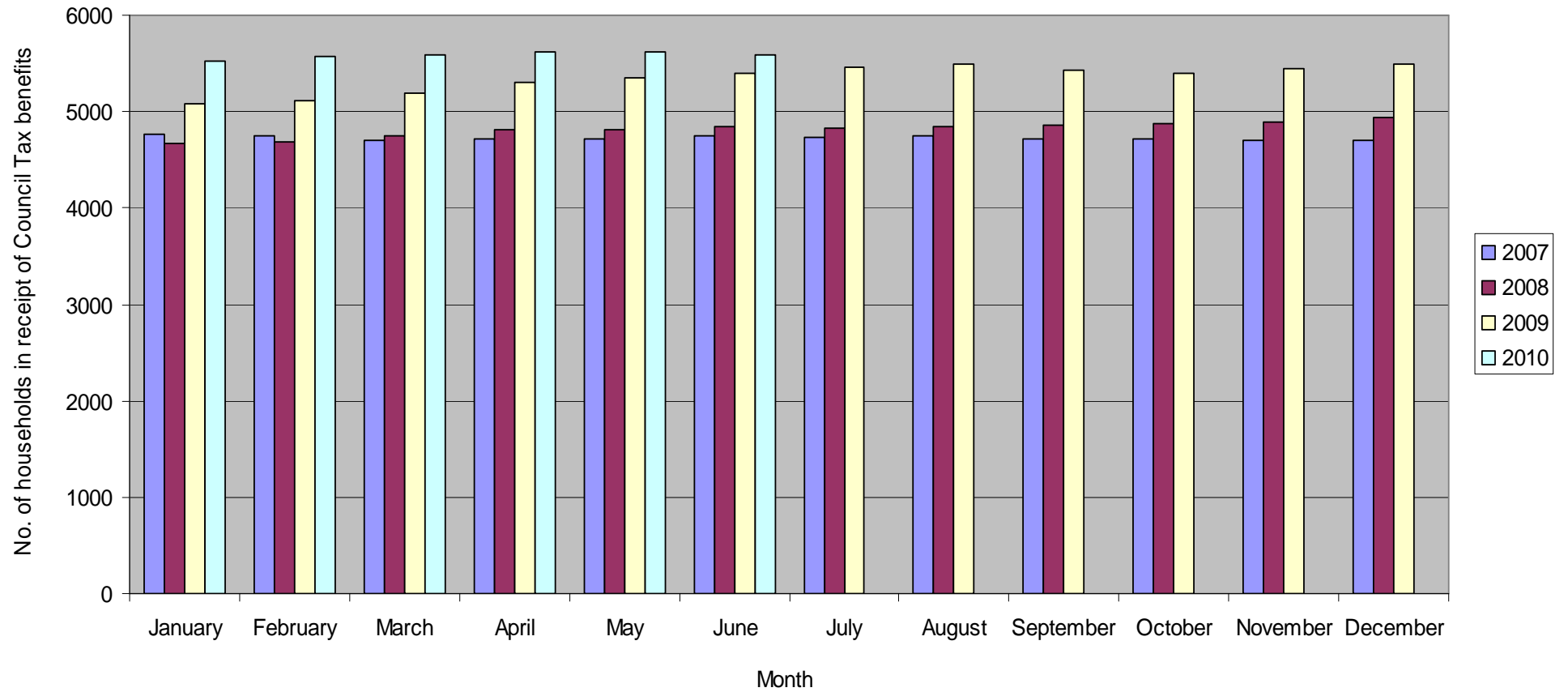
Table 3: EHDC Benefit claims in payment: Council Tax Benefits

The table below shows the number of households in receipt council tax benefits.

Month	2007	2008	2009	2010
January	4762	4,677	5,079	5,519
February	4750	4,691	5,113	5,574
March	4699	4,743	5,200	5,589
April	4711	4,817	5,296	5,616
May	4725	4,805	5,351	5,620
June	4749	4,843	5,398	5,596
July	4739	4,830	5,460	
August	4747	4,838	5,489	
September	4724	4,862	5,435	
October	4722	4,881	5,404	
November	4699	4,898	5,452	
December	4705	4,942	5,489	

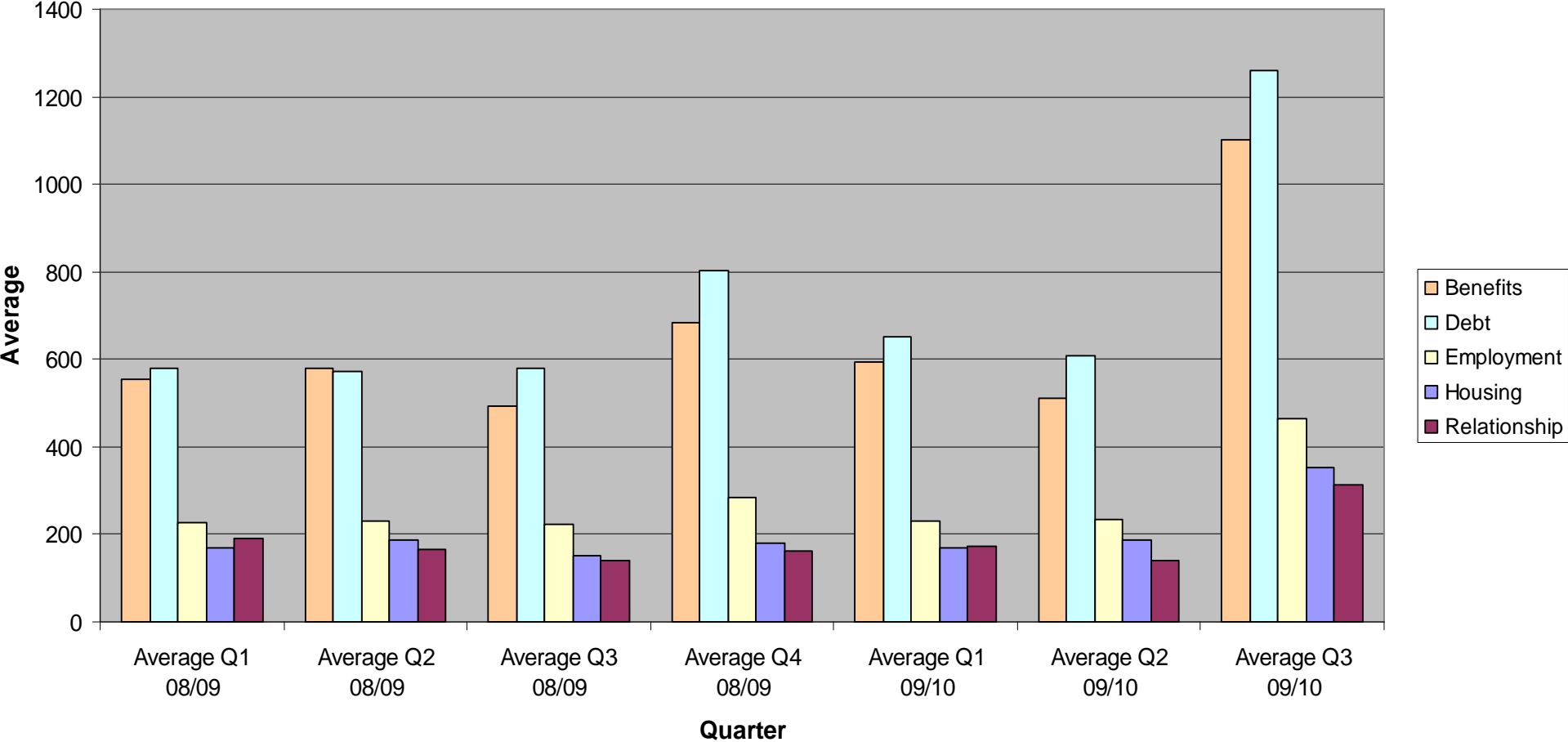
Source: Revenue & Benefits Section, East Hampshire District Council

Households in receipt of Council Tax Benefits January 2007 - June 2010



Section II. Debt and Advice – East Hampshire

East Hampshire CAB Top 5 issues raised, averaged to show trends through Q1 08/09 to Q3 09/10



[Source: East Hampshire Citizens Advice Bureaux, 2010]

Section III. Labour Market – East Hampshire

Table 4: **Claimant count (non-seasonally adjusted)**

Claimant Count – This is a count of all people in receipt of unemployment related benefits, principally Job Seekers Allowance.

Month	JSA Claimants	JSA Claimants	JSA Claimants	JSA Claimants
	2007	2008	2009	2010
January	656	520	1,088	1,450
February	657	534	1,296	1,432
March	653	521	1,384	1,409
April	641	544	1,377	1,312
May	592	566	1,386	1,188
June	597	621	1,392	1,048
July	575	640	1,425	1,022
August	576	681	1,484	
September	526	705	1,452	
October	458	751	1,452	
November	456	872	1,401	
December	477	950	1,400	

Source: ONS – Nomis web and Hampshire Labour Market Bulletin, HCC.

East Hampshire: JSA Claimant Count 2007 - April 2010

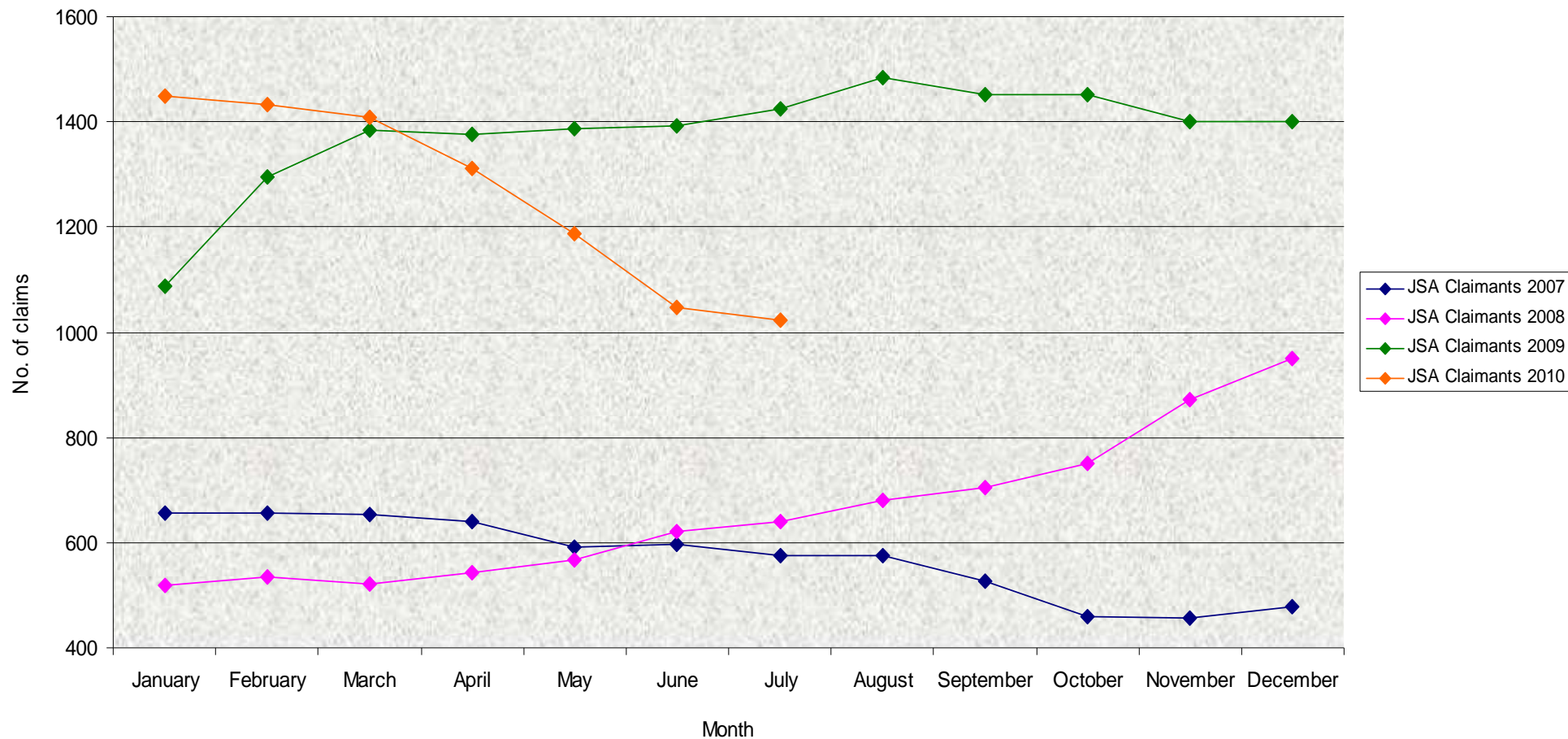


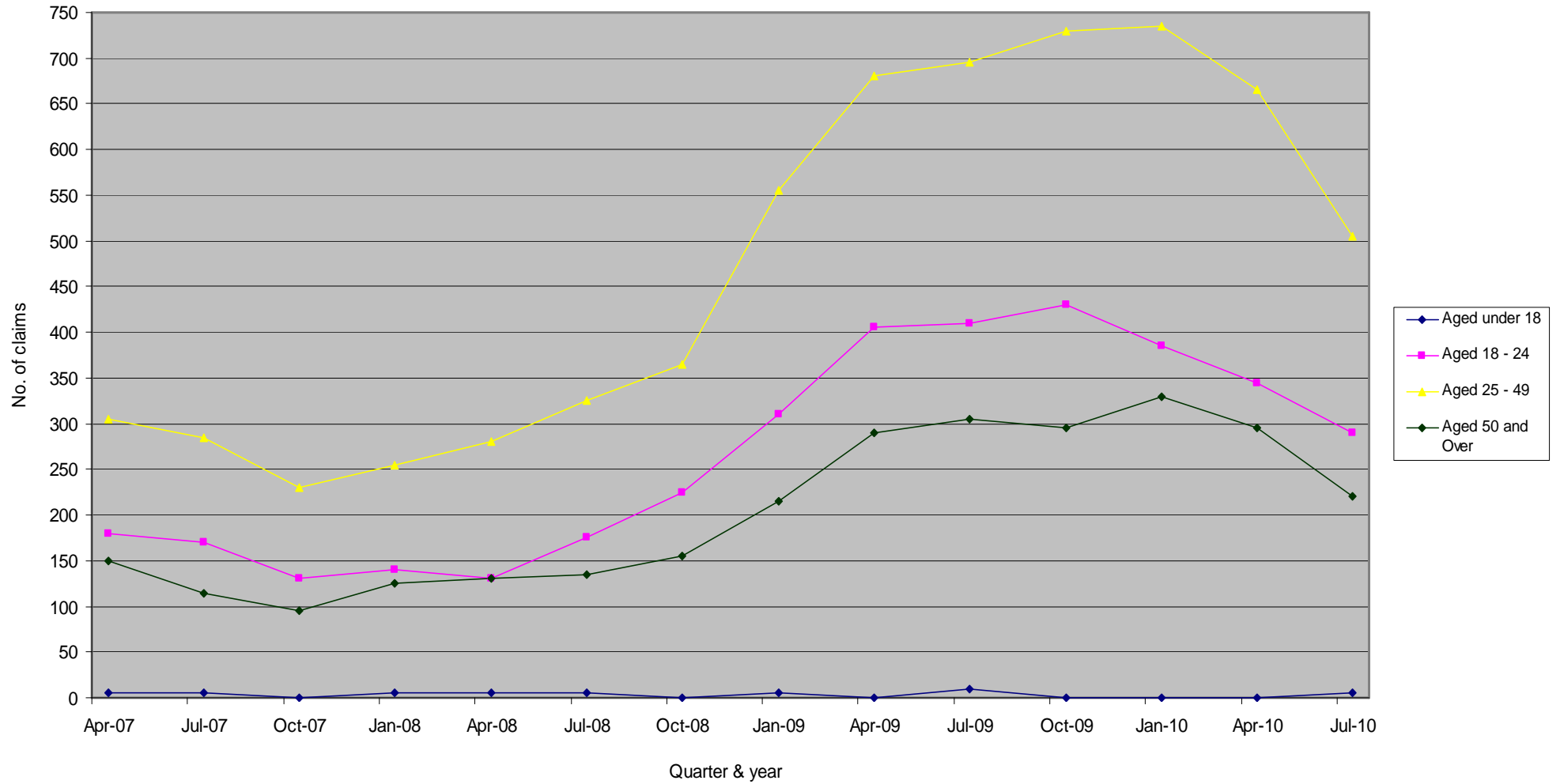
Table 5: JSA Claimants Count by Age & quarter [East Hampshire]

Month	Aged under 18	Aged 18 - 24	Aged 25 – 49	Aged 50 and Over	Total
April 2007	5	180	305	150	640
July 2007	5	170	285	115	575
October 2007	0	130	230	95	455
January 2008	5	140	255	125	520
April 2008	5	130	280	130	545
July 2008	5	175	325	135	640
October 2008	0	225	365	155	750
January 2009	5	310	555	215	1,085
April 2009	0	405	680	290	1,375
July 2009	10	410	695	305	1,425
October 2009	0	430	730	295	1,450
January 2010	0	385	735	330	1,450
April 2010	0	345	665	295	1,305
July 2010	5	290	505	220	1,020

Note: JSA Claimant Count records the number of people claiming Job Seekers' Allowance (JSA) and National Insurance Credits at Job Centre Plus local offices.

Source: ONS – Nomisweb 2010

JSA Claimants by age per quarter (April 2007 - April 2010)



Section IV. Employment – East Hampshire

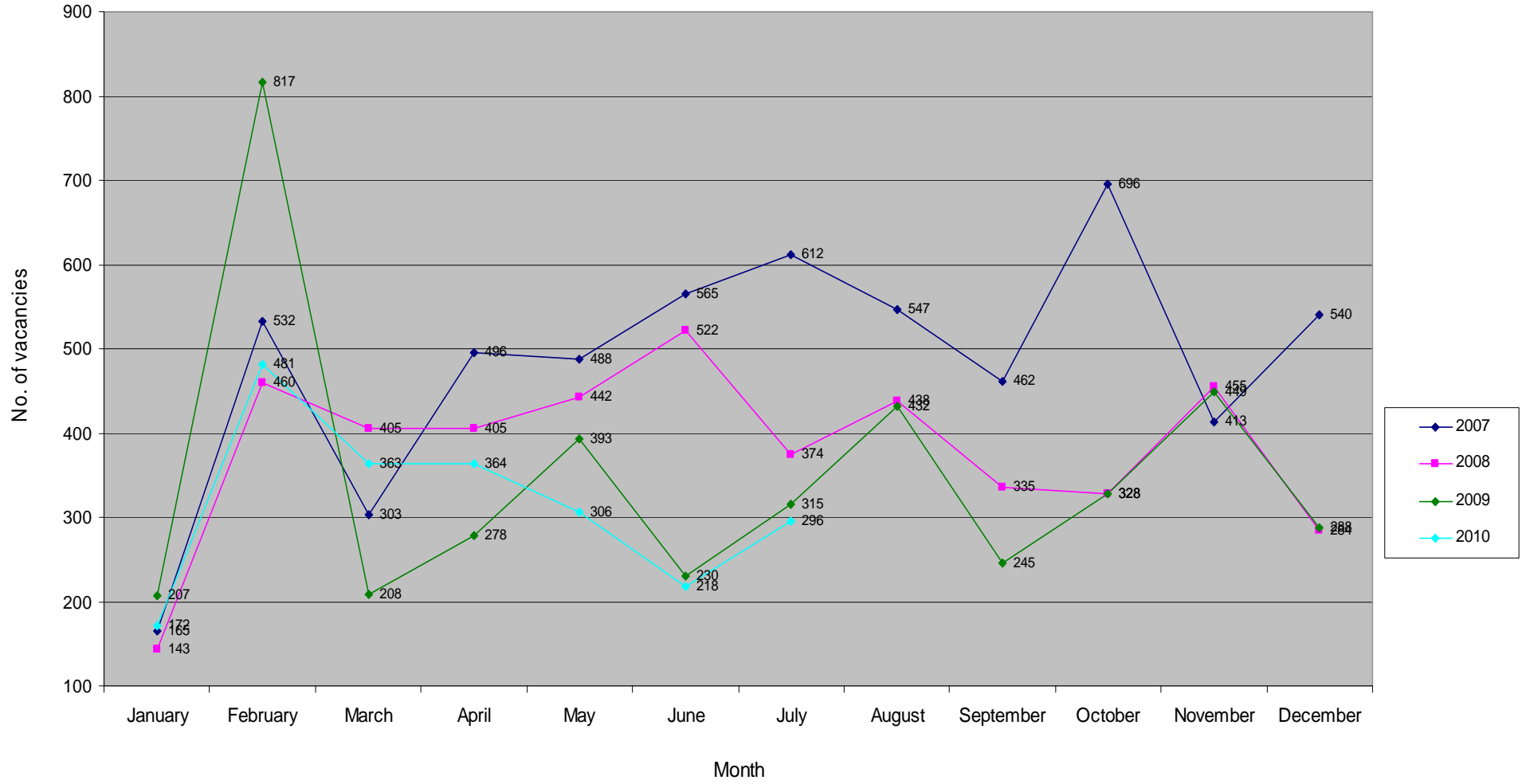
Table 6: East Hampshire – Job Vacancies notified by Job Centre Plus

Month	Vacancies in 2007	Vacancies in 2008	Vacancies in 2009	Vacancies in 2010
January	165	143	207	172
February	532	460	817	481
March	303	405	208	363
April	496	405	278	364
May	488	442	393	306
June	565	522	230	218
July	612	374	315	296
August	547	438	432	
September	462	335	245	
October	696	328	328	
November	413	455	449	
December	540	284	288	

Source: ONS – Nomisweb 2010

Please note: Information is gathered on a voluntary basis and therefore might not capture all the vacancies available in the area.

Job Vacancies notified by Job Centre Plus 2007 - 2010



Section V. Business: Pay & Display

The figures below are for those car parks that are managed by East Hampshire District Council.

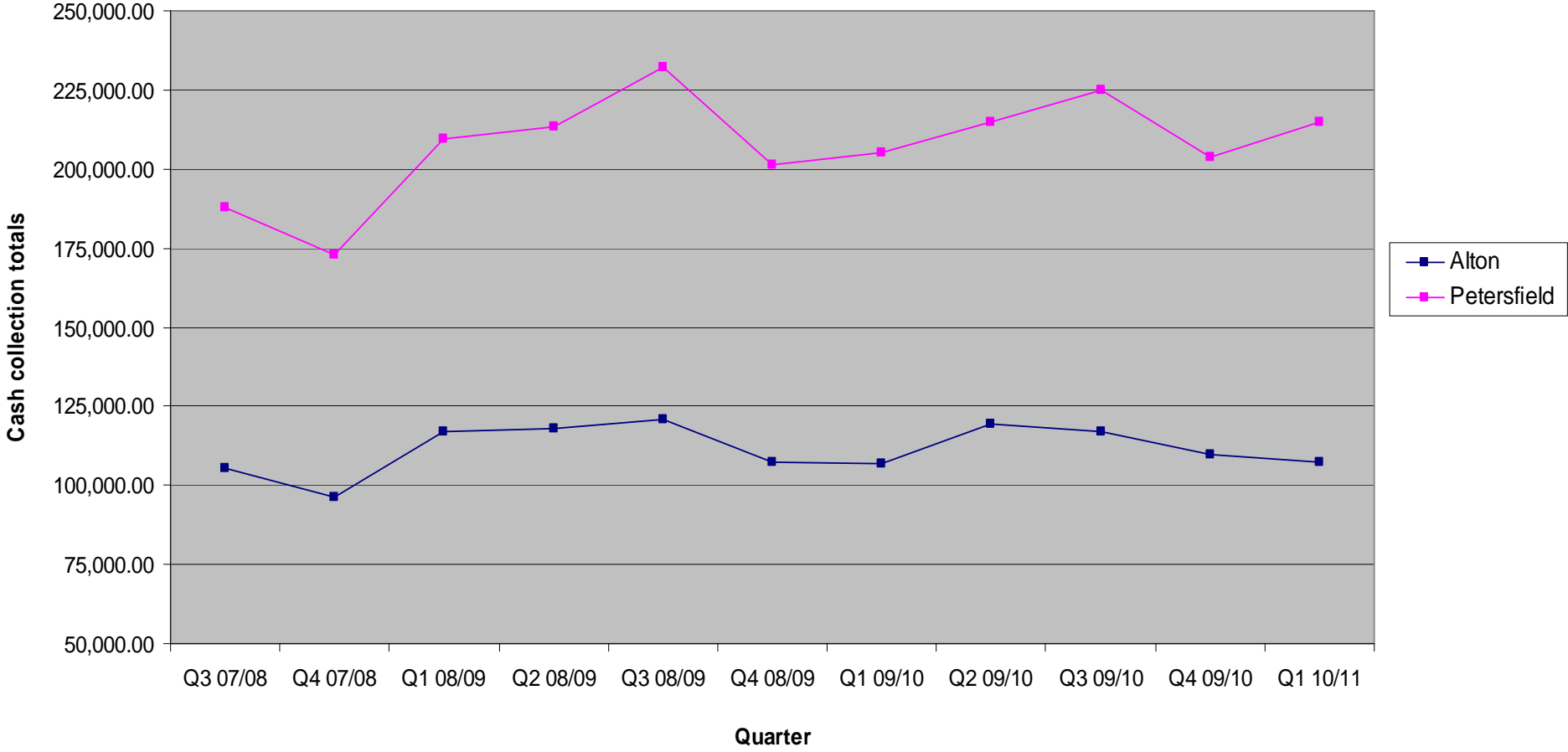
Table 7: EHDC Pay & Display Cash Collection data

Quarter	Alton (£)	Petersfield (£)
Q3 07/08	105,300.40	187,722.95
Q4 07/08	96,235.85	172,803.65
Q1 08/09	116,765.20	209,645.65
Q2 08/09	117,921.70	213,310.90
Q3 08/09	120,683.10	232,106.25
Q4 08/09	107,211.20	201,094.65
Q1 09/10	107,094.30	205,385.85
Q2 09/10	119,496.50	214,708.55
Q3 09/10	116,987.60	224,865.20
Q4 09/10	109,805.25	203,563.70
Q1 10/11	107,201.86	214,967.06

Note:

Figures represent actual cash in machines before deducting VAT 08/09. Increases in car parking income received are likely to be due to increases in car parking charges rather than increased usage. 15-20% tariff increases were implemented starting in the first quarter of 2008/9 (varying percentages depending on location). Sunday charge tariffs were altered down in both Petersfield and Alton in the first Quarter of 2009/10

Pay & Display Data Q3 2007/8 - Q1 2010/11



Section VI. Business Profile - East Hampshire

UK Business Data: VAT and/or PAYE based enterprises⁷.

[Source: Paul Wetherill (2009) UK Business: Activity, Size & Location – 2009, Office for National Statistics]

72% of East Hampshire's business enterprises have been in existence for more than 4 years. This implies that there is a tendency for businesses to establish and stay in the District for long periods. It also reinforces that the message that East Hampshire is an excellent location for business development.

East Hampshire: Enterprises by age 2009
[VAT and/or PAYE based Enterprises]

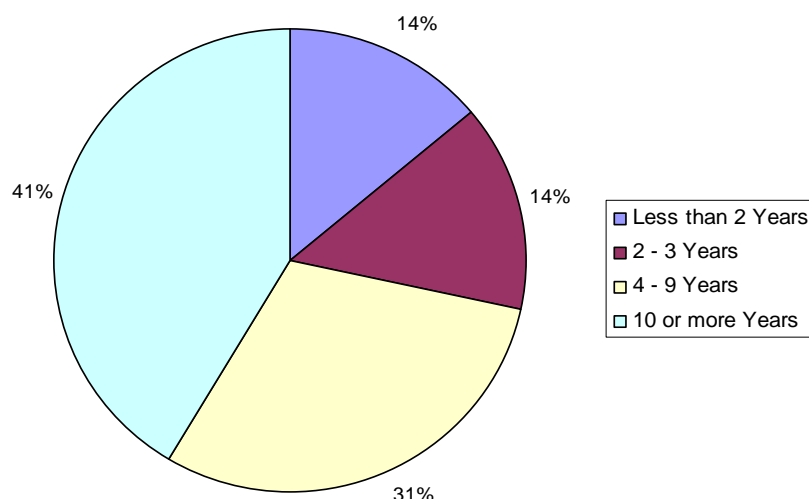


Table 8: Enterprises by Sector (2009)

	Employment size							TOTAL
	0 - 4	5 - 9	10 - 19	20 - 49	50 - 99	100 - 249	250 +	
Basingstoke and Deane	5,015	680	345	180	65	40	40	6,365
East Hampshire	4,725	645	335	145	40	15	10	5,915
Eastleigh	3,465	640	350	165	35	35	25	4,715
Fareham	3,045	460	250	155	35	20	15	3,980
Gosport	1,335	230	110	60	10	5	5	1,755
Hart	3,525	420	215	90	35	25	15	4,325
Havant	2,800	435	200	90	35	15	15	3,590
New Forest	5,565	935	455	240	65	40	15	7,315
Rushmoor	2,135	360	175	135	30	25	20	2,880
Test Valley	3,910	650	315	150	45	35	10	5,115
Winchester	4,465	710	360	165	50	25	20	5,795
Hampshire County	39,985	6,165	3,110	1,575	445	280	190	51,750

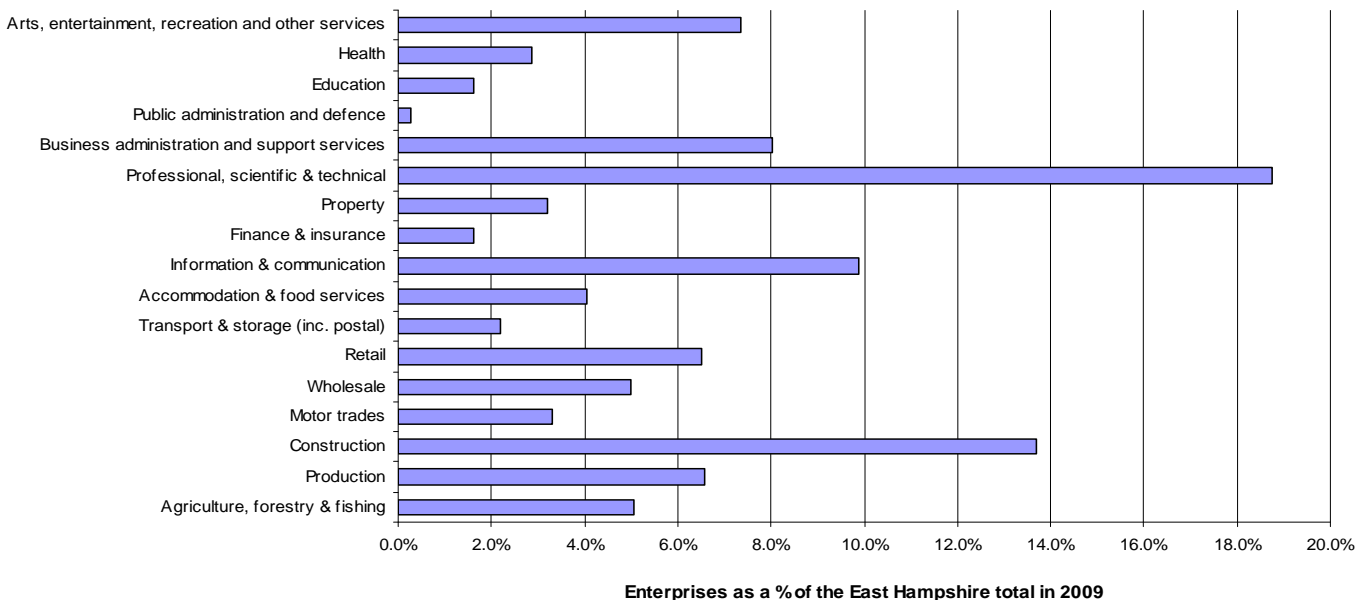
⁷ **Enterprise** - A group of legal units under common ownership is called an Enterprise Group. An Enterprise is the smallest combination of legal units (generally based on VAT and/or PAYE records) which has a certain degree of autonomy within an Enterprise Group. An individual site (for example a factory or shop) in an enterprise is called a local unit.

Table 9: **Enterprises by Turnover⁸ (2009)**

	Turnover size (£ thousand)							
	0 - 49	50 - 99	100 - 249	250 - 499	500 - 999	1,000 - 4,999	5,000 +	TOTAL
Basingstoke and Deane	1,105	1,760	1,725	685	430	475	185	6,365
East Hampshire	1,065	1,540	1,720	660	430	405	95	5,915
Eastleigh	685	1,145	1,255	655	455	400	120	4,715
Fareham	635	1,050	1,085	465	335	330	80	3,980
Gosport	240	545	530	190	125	105	20	1,755
Hart	750	1,150	1,280	460	295	300	90	4,325
Havant	500	1,045	1,055	440	240	245	65	3,590
New Forest	1,305	1,880	1,970	955	540	545	125	7,320
Rushmoor	445	765	775	325	230	260	80	2,880
Test Valley	930	1,245	1,355	625	430	410	120	5,115
Winchester	1,045	1,380	1,630	745	465	425	105	5,795
Hampshire County	8,705	13,505	14,380	6,205	3,975	3,900	1,085	51,755

Enterprises by Sector (2009) - VAT and/or PAYE based enterprises

VAT and/or PAYE based enterprises by broad industry group - 2009



⁸ **Turnover** - Turnover provided to the ONS for the majority of traders is based on VAT returns for a 12 month period. For 2009 these relate to a 12 month period ending in December 2007, or January/February 2008, according to the reporting pattern of the trader. For other records, in particular members of VAT group registrations; turnover may relate to an earlier period or survey data. For traders who have registered more recently, turnover represents the estimate made by traders at the time of registration. The turnover figures on the register generally exclude VAT but include other taxes, such as the revenue duties on alcoholic drinks and tobacco. They represent total UK turnover, including exempt and zero-rated supplies.

Business Demography: Enterprise births and deaths

In 2008, East Hampshire had 640 business births, a rate of 10.0% compared with 700 births in 2007, a birth rate of 11.0%. In 2008, there was a 9.4% decrease in number of business births.

However, there was 3.6% fall in the number of deaths in 2008 compared to the previous year. In 2008, there were 550 business deaths in East Hampshire (a rate of 8.6 %) compared with 570 the previous year (a rate of 9.0%).

Overall, there were 6,380 active⁹ enterprises/ businesses in East Hampshire during 2008 compared with 6,310 in 2007.

UK Business Data & Business Demography - comparison:

When comparing the UK Business data with the Business Demography data produced by ONS, a higher number of Active businesses will be reported by Business Demography. This is because the Business Demography methodology takes into account businesses that were active at any time during the reference year, whereas UK Business is based on a snapshot of the IDBR at a point in time in March. Additionally Business Demography includes unmatched non-corporate PAYE businesses, which are excluded from UK Business.

[Source: UK Business: Activity, Size & Location – 2009, ONS

	Birth of new enterprises	Count of deaths in enterprises	Count of active enterprise
2007	700	570	6,310
2008	640	550	6,380

Business Demography by employee band 2008

Employee band	Birth of new enterprises in 2008	Count of deaths in enterprises 2008	Count of active enterprises in 2008
0 - 4	590	510	5,235
5 - 9	35	25	625
10 - 19	10	10	315
20 +	5	5	205
Total	640	550	6,380

[Source: IDBR Business Demography Report]

⁹ **Active** - These are defined as businesses that had either turnover or employment at any time during the reference period. Births and deaths are then identified by comparing active populations for different years. [Source: ONS, NOMIS 2010]