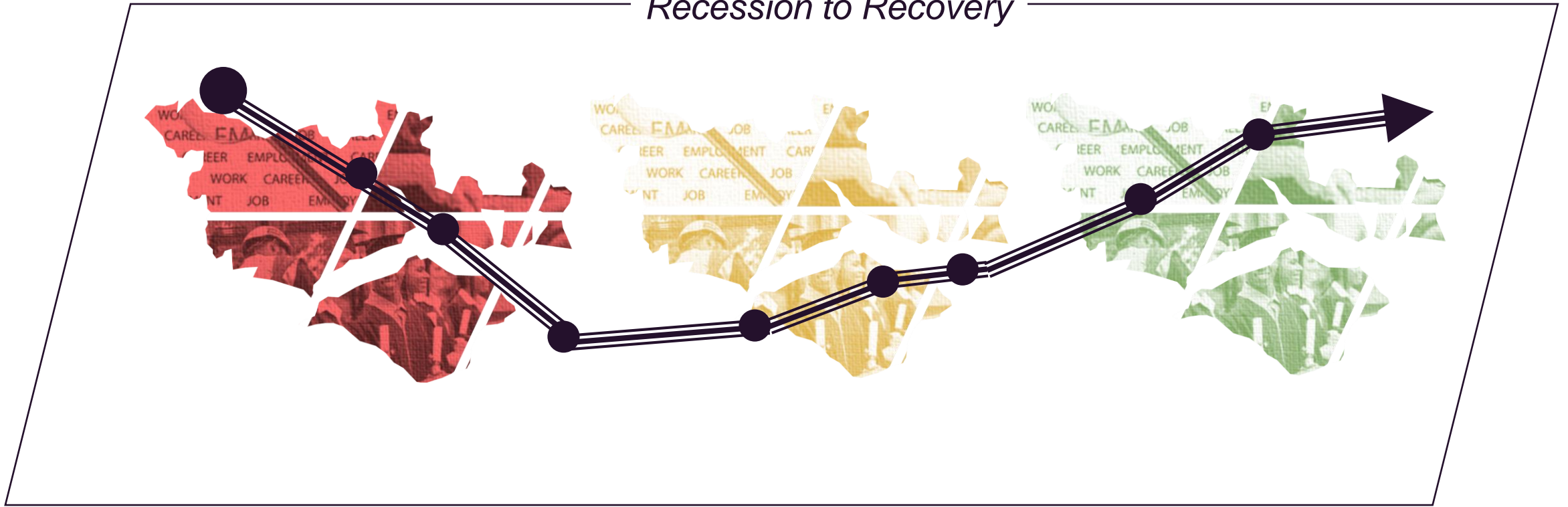


Recession to Recovery



Monthly Intelligence Dashboard

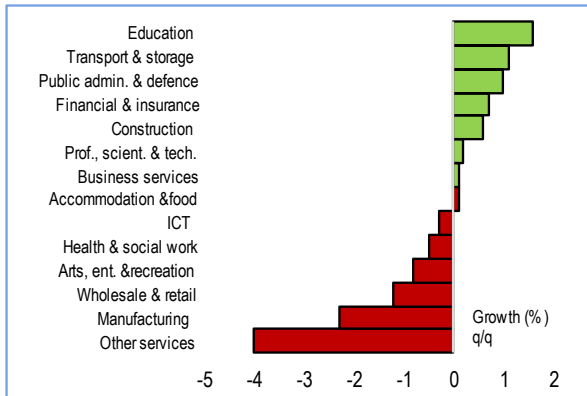
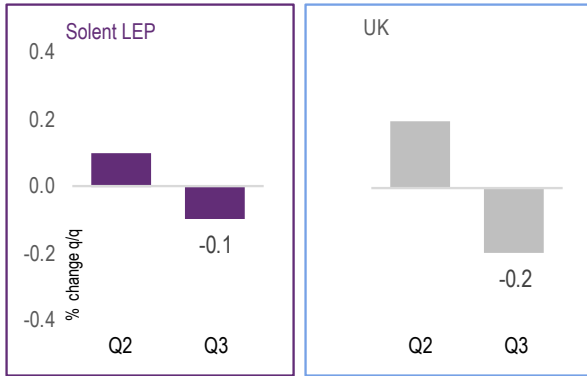
October 2022



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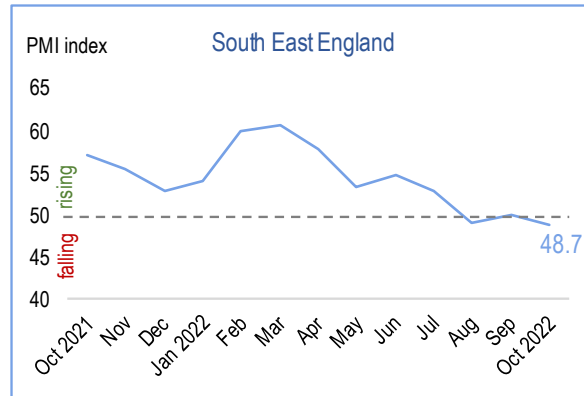
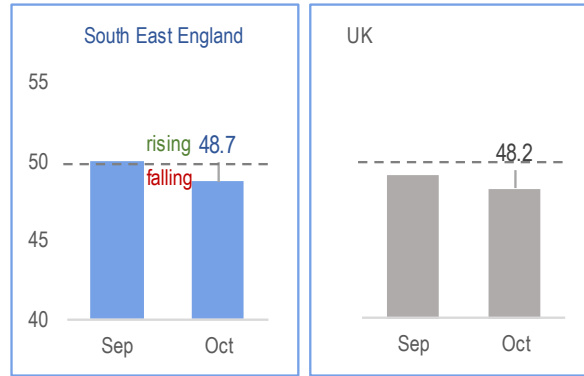
Theme	Indicators	
Business Activity	<ul style="list-style-type: none">• Economic Growth• Business Activity• Inflation• Business Prices	Page 1
Jobs and Earnings	<ul style="list-style-type: none">• PAYE Employees• PAYE Earnings• Labour Demand• Demand by Occupation	Page 2
Unemployment	<ul style="list-style-type: none">• Claimant Unemployment• Local Claimants• Youth Unemployment• Local Young Claimants	Page 3
Sentiment and Investment	<ul style="list-style-type: none">• Business Investment• Retail Sales• Consumer Confidence• House Sales	Page 4

Economic Growth



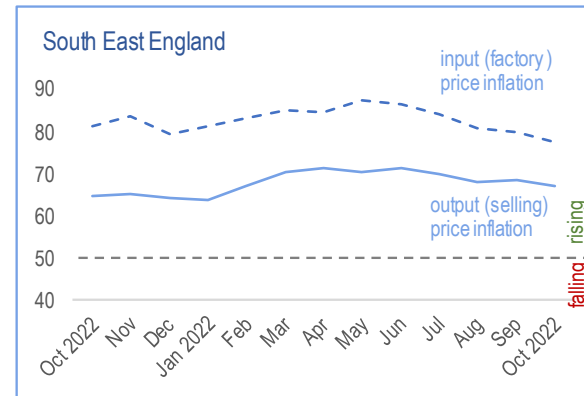
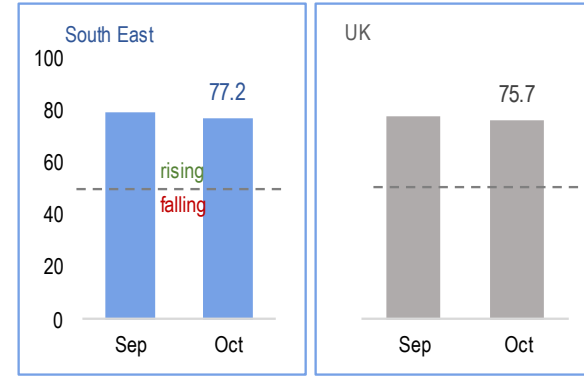
- The Solent LEP economy is estimated to have contracted in Q3 by 0.1%, slower than the UK, following growth of 0.1% in Q2.
- The fall driven by a sharp fall in consumption. Growth in government spending and total investment seen in Q3 is unlikely to last but exports to continue supporting growth.

Business Activity



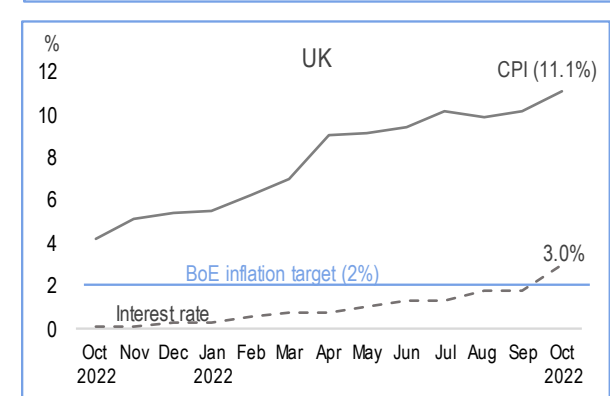
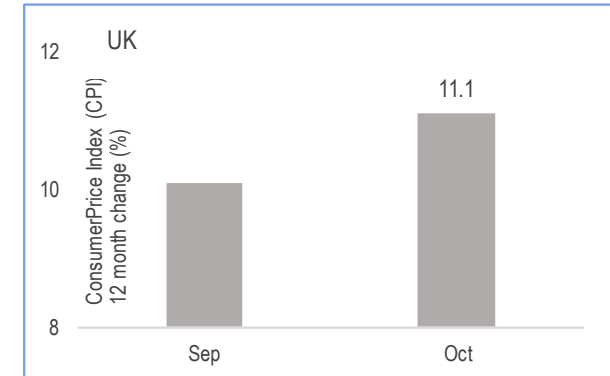
- Survey evidence suggests business activity fell in the region in October, but remained slightly better than the national average. The PMI survey excludes retail, a sector which will continue to weigh on growth.
- The volume of new orders recorded a sharp and accelerated downturn, the largest decline since Jan 2021.

Business Prices



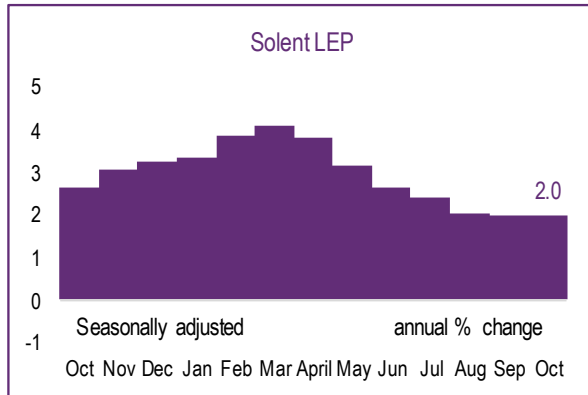
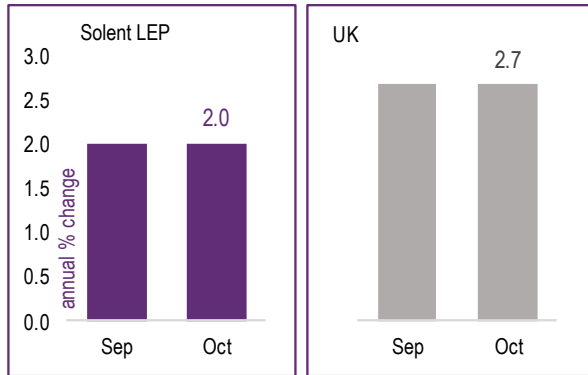
- Business prices remain elevated, but there are signs that business costs are beginning to ease.
- The rate of input price inflation faced by region's businesses eased in October to 13 month low, but costs are above the UK average. Energy costs and unfavourable exchange rate linked to higher prices.

Inflation



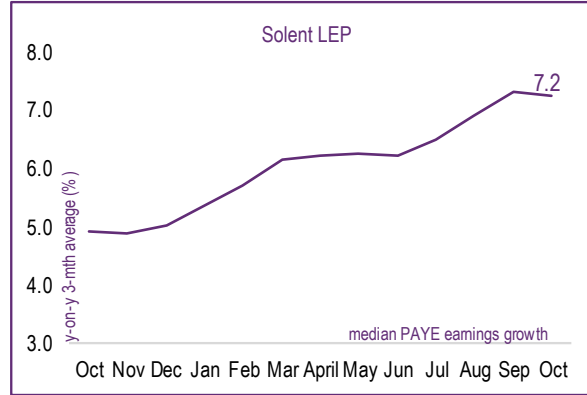
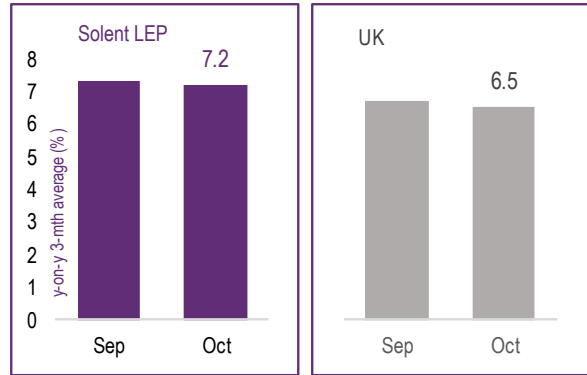
- Inflation jumped from September's 10.1% to 11.1% in October, the highest CPI inflation for 41 years. Core inflation (ex. volatile elements) was unchanged at 5.8%.
- Bank of England expects inflation to peak at 11%-12% but core inflation is likely to rise further than 5.8% prompting further increases in rates.

PAYE Employees



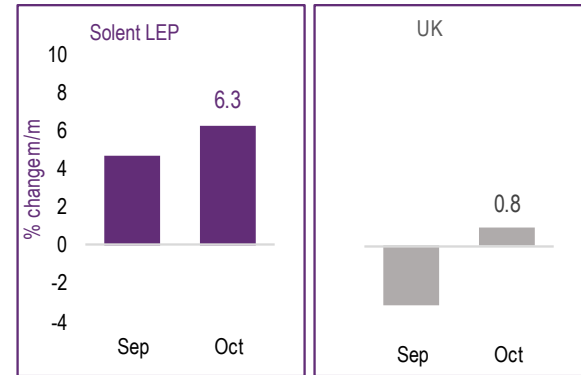
- PAYE employment in the Solent LEP area continued to rise, and hit a new record high of 538,300 payrolled employees in October.
- Monthly growth in revised payrolled employment was 0.1% (+560 employees), while annual growth was 2.0% in October and unchanged from September.

PAYE Earnings



- Early payroll estimates indicate that median monthly PAYE earnings in Solent slowed to 7.2% in the quarter to October compared to October 2021.
- Real earnings (adjusted for inflation) in Solent LEP continue to be eroded by inflation. The gap between private and public sector pay growth widens.

Labour Demand



- Hiring intentions (the number of online job postings) in Solent LEP saw (seasonal) saw an uptick (+6.3%) in October, following slower growth in September (4.7%).
- Demand for labour continues to defy expectations of a sharp slowdown but the uptick in vacancies could be driven by seasonal demand.

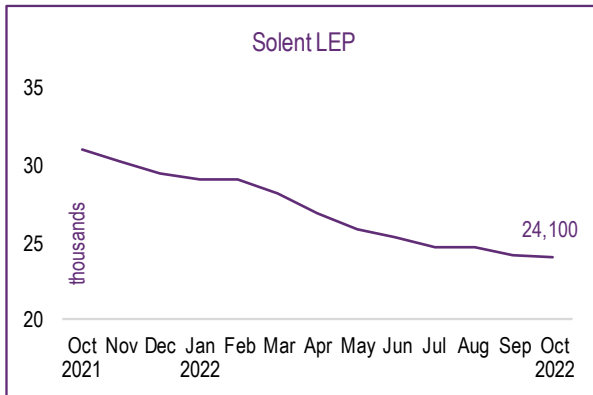
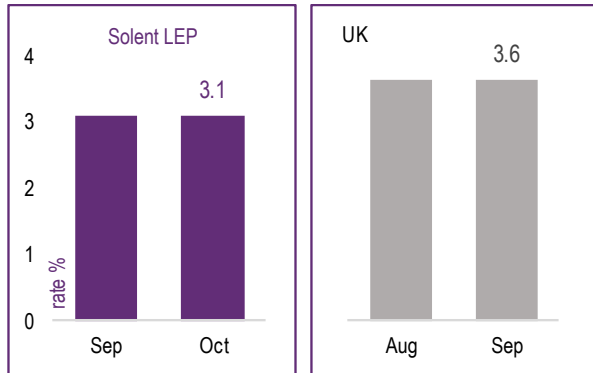
Demand by Occupation

Unique jobs postings by Occupation (SOC)	Oct	% of total
Programmers & Software Development Professionals	2,335	8.8
Care Workers and Home Carers	1,549	5.9
Other Administrative Occupations n.e.c.	1,291	4.9
Sales Related Occupations n.e.c.	1,265	4.8
Customer Service Occupations n.e.c.	1,072	4.1
Nurses	1,056	4.0
IT Business Analysts, Architects & Systems Designers	1,008	3.8
Kitchen and Catering Assistants	828	3.1
Human Resources and Industrial Relations Officers	764	2.9
Managers and Proprietors in Other Services n.e.c.	617	2.3

Unique jobs postings by Occupation (SOC)	Aug	% of total
Care Workers and Home Carers	2,111	7.9
Other Administrative Occupations n.e.c.	1,468	5.5
Customer Service Occupations n.e.c.	1,353	5.0
Sales Related Occupations n.e.c.	1,289	4.8
Kitchen and Catering Assistants	1,203	4.5
Nurses	1,153	4.3
Programmers & Software Development Professionals	1,068	4.0
Cleaners and Domestic	889	3.3
Elementary Storage Occupations	804	3.0
Human Resources and Industrial Relations Officers	760	2.8

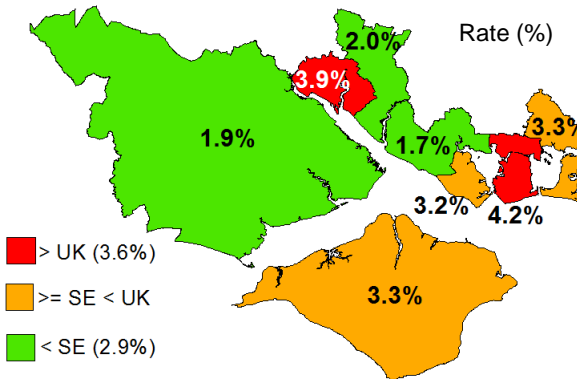
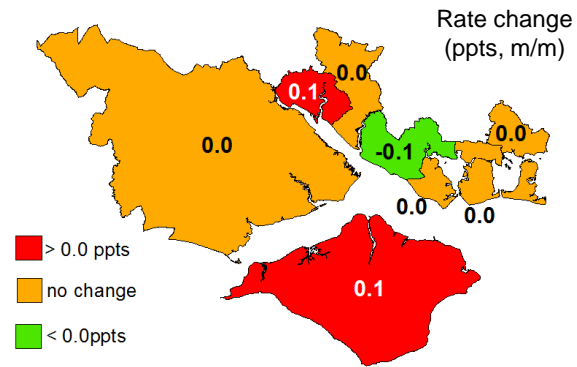
- In-demand jobs in Solent in September were in IT (programmers) carers, and B2B (admin, customer services, sales, HR).
- The top in-demand specialized skills were in business (finance, auditing, marketing, invoicing, procurement, accounting KPI, accounting) mental health, and warehousing.

Claimant Unemployment



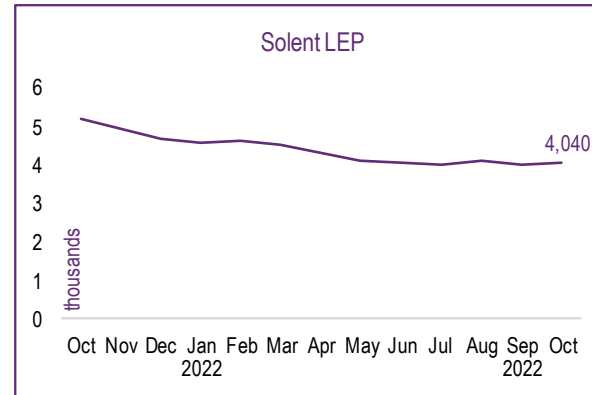
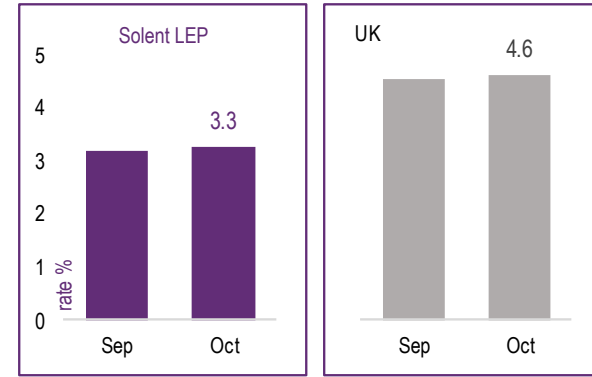
- Working age unemployed claimant counts in Solent LEP (not adjusted for seasonal factors) decreased by 25 to 24,100, decreasing in 25-49 age group but young people increasing.
- The claimant count unemployment rate was unchanged at 3.1% (Oct). The claimant count remains 24% higher than pre-pandemic levels.

Local Claimants



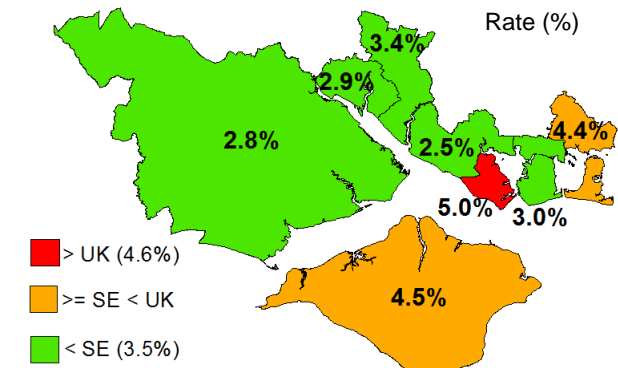
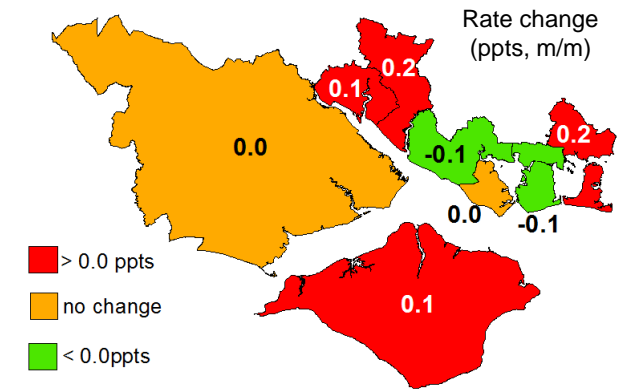
- Most local authorities in Solent LEP saw no monthly change in their claimant count rates; Southampton and Isle of Wight increased, while Fareham saw a decrease.
- Increases in Southampton and Isle of Wight offset by larger combined decreases elsewhere. The two cities have rates above UK average.

Youth Unemployment



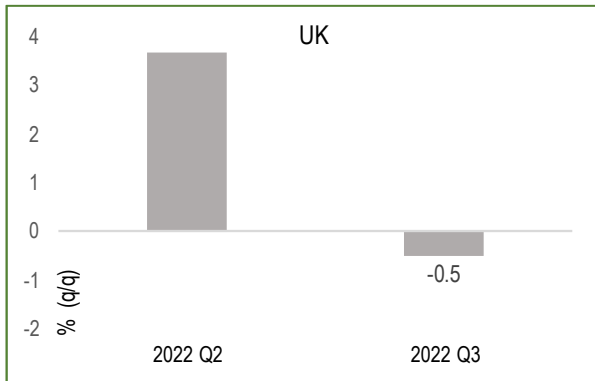
- The number of young unemployed claimants aged 18–24-year-olds increased by 50 to 4,040 in October. The claimant count remains 11% higher than pre-pandemic levels.
- The youth unemployment rate was unchanged at 3.3% in October. The Solent LEP rate was below both the South East (3.5%) and UK (4.6%).

Young Local Claimants



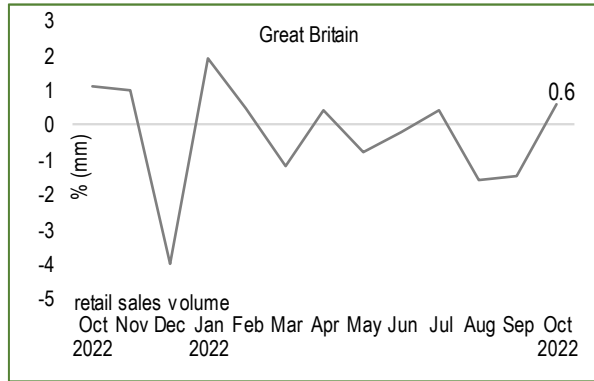
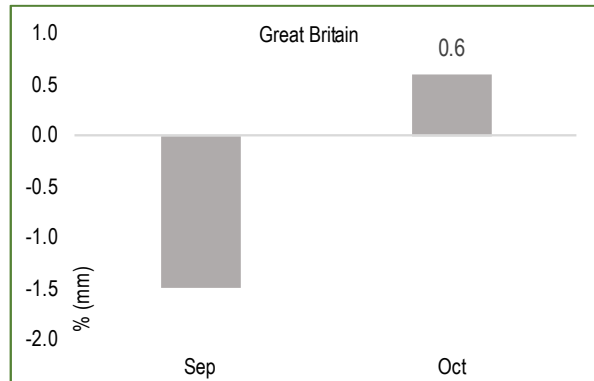
- The picture is mixed in Solent LEP with half the districts seeing an increase in unemployed claimant rates, two a decrease and one, the New Forest with no change.
- Over half of Solent LEP districts were below the South East and UK rates; Havant and Isle of Wight are above SE, and Gosport above the UK rate.

Business Investment ↓



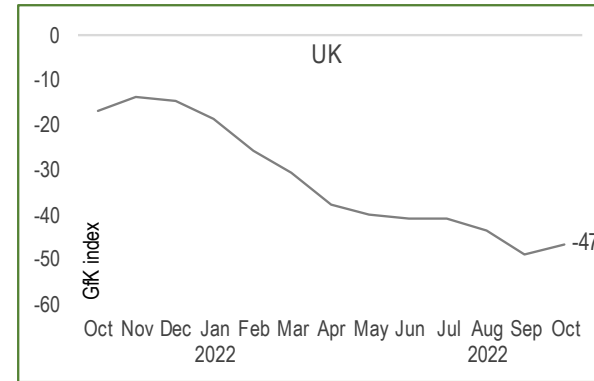
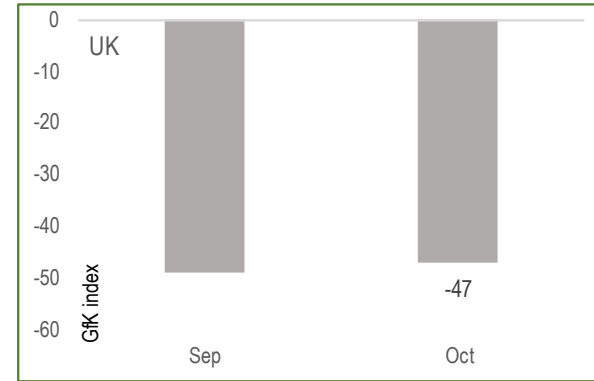
- Business investment fell by 0.5% in Quarter 3 (July to Sept) 2022. The level of business investment in Quarter 3 2022 was 8.4% below pre-pandemic peak.
- Business investment is cyclical and is expected to fall sharply as falling demand and higher costs/interest rates reduce corporate profits.

Retail Sales ↑



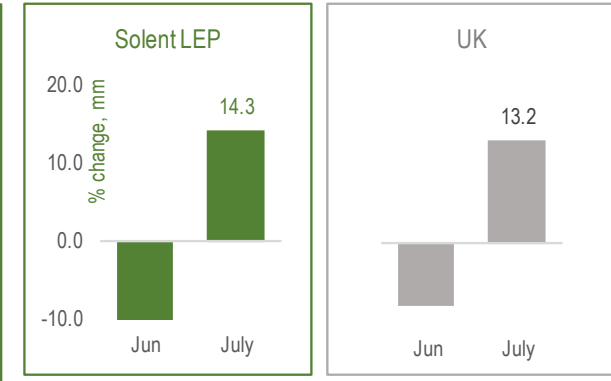
- Retail sales rose faster than expected despite high prices, with sales volumes estimated to have risen by 0.6% in Oct 2022, following a fall of 1.5% in Sept.
- However, the retail outlook is gloomy, with the OBR forecasting the sharpest fall in household disposable incomes since the 1950s.

Consumer Confidence ↓



- UK consumer confidence clawed back two points to -47 in October. Headline sentiment stabilized slightly although close to last month's historic low, but all core measures were severely depressed.
- GfK forecast an improvement in sentiment in November but low sentiment to constrain spending.

House Sales ↑



- House sales in Solent LEP area increased by 14.3% in July (+1,265 sales), possibly to pre-empt further rises in interest rates.
- The BoE lifted its base rate by 0.75 pts to 3% in November; largest single rise since 1989. Combined with rising mortgage rates, timelier data has UK property prices falling.

How to read 'traffic lights':



Refers to decline or growth relative to the previous period (GVA, PMI business activity and business prices indicators, job postings, business investment, retail and house sales).

In the case of inflation, PAYE earnings and consumer sentiment, it refers to the direction of travel relative to the previous period.

For claimant count unemployment indicators the change refers to the rate not the level. For example, a decrease in youth unemployment would see a downward green arrow.



Little or no change on previous period.

† The local estimate is preliminary and it needs to be treated with a high degree of caution since it is based on the sectoral mix of the Solent LEP economy and the national sectoral impacts.

Sources:

The primary data sources are the Office for National Statistics (ONS) and HMRC, while additional data comes from several commercial sources such as S&P Global, Lightcast, CBI, BCC, HM Land Registry and the Bank of England.

Monthly/Quarterly data for Business Activity, Jobs & Earnings, Unemployment and Sentiment & Investment.

In the case of several monthly indicators, the South East is used as a proxy geography for Hampshire.

Estimates of payrolled employees and their pay from HMRC Pay As You Earn (PAYE) Real Time Information are preliminary but seasonally adjusted. Employment figures differ from the ONS Labour Force Survey (LFS) data. Moreover, median pay figures differ from the ONS Average Weekly Earnings (AWE) and are based on gross earnings which do not cover other sources of income, such as self-employment.

For further information on Solent's labour market see Quarterly Labour Market Updates and Monthly Ward Claimant Count Reports available at:

<https://www.hants.gov.uk/business/ebis/reports>

Produced by Solent LEP in partnership with the Economic & Business Intelligence Service (EBIS)