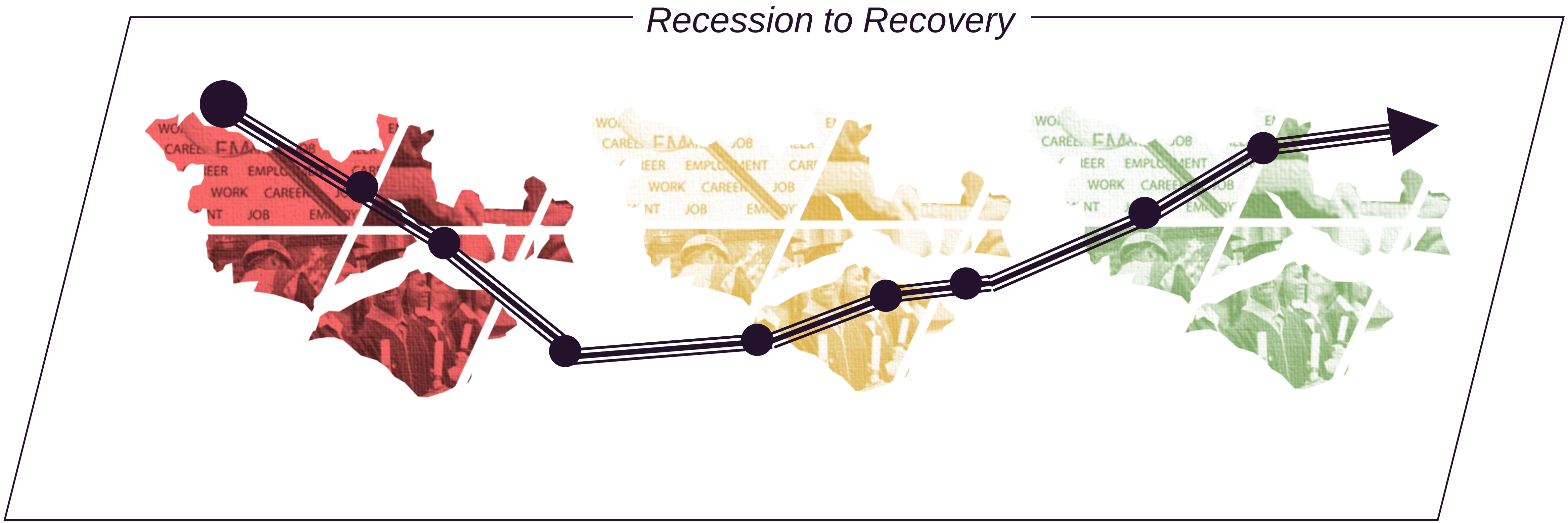


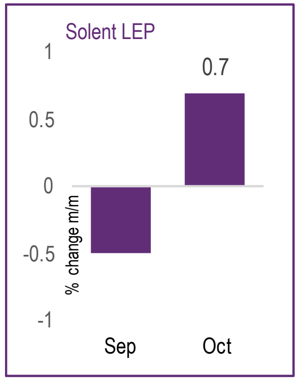
Monthly Intelligence Dashboard

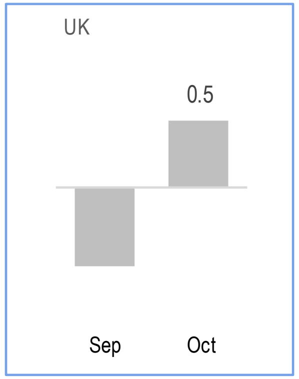
December 2022

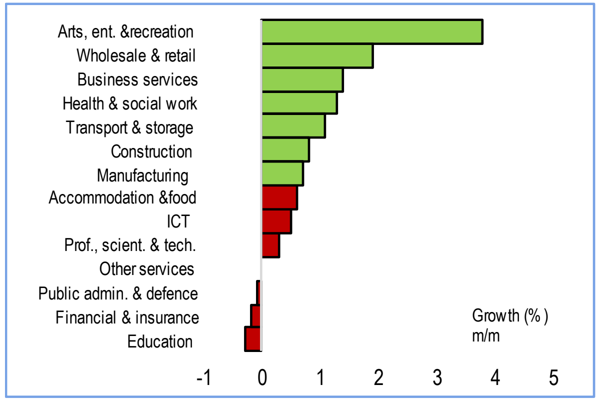
SOLENT **LOCAL**
ENTERPRISE **PARTNERSHIP**

Contents

Economic Growth

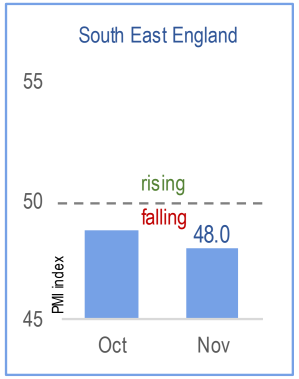


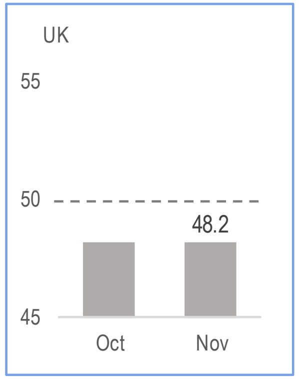


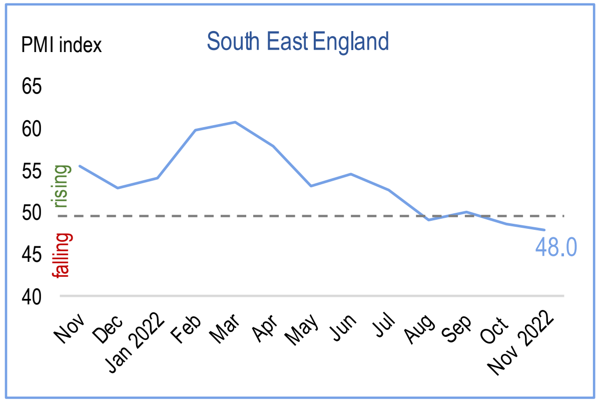


- The Solent LEP economy expanded by 0.7% in October but growth was mostly due to the rebound following September's extra bank holiday. UK growth was 0.5% and -0.3% over the quarter to October.
- October's growth was driven by several large service sectors, construction and manufacturing.

Business Activity

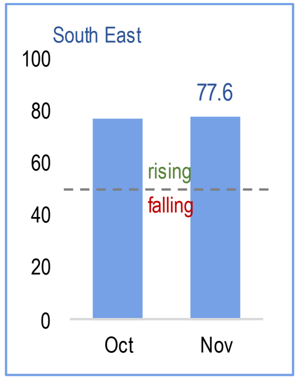


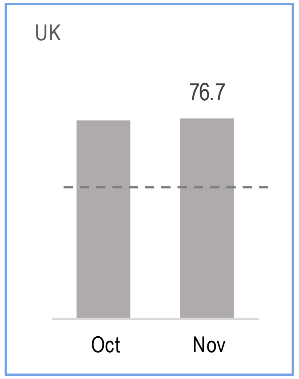


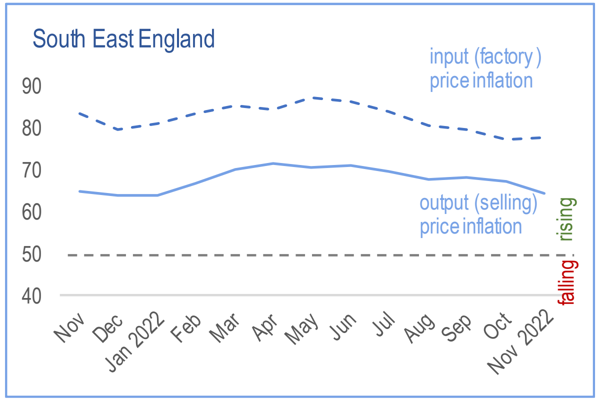


- Survey evidence suggests business activity fell in the region in November dipping below the national average. The PMI survey excludes retail, a sector which will continue to weigh on growth.
- Third successive monthly fall in new orders, and largest drop since Jan 2021, with sharper decline than UK.

Business Prices

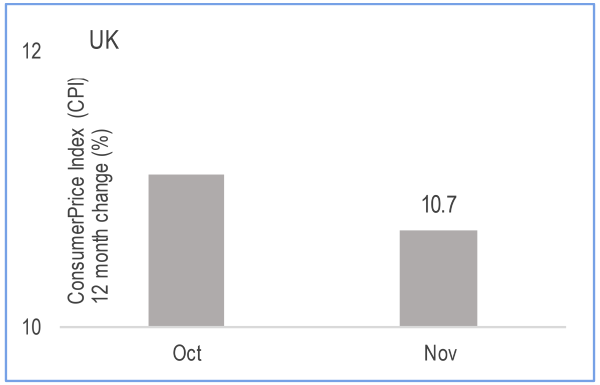


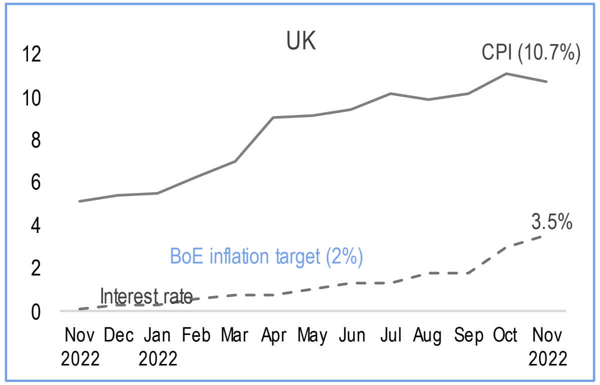




- Business prices remain elevated, and following modest easing in growth November saw an upturn in costs.
- Weaker pound and energy, material, transportation, utility and wage costs cited as primary drivers for rising costs. Output costs at 9-month low with competitive pressures forcing some businesses to absorb costs.

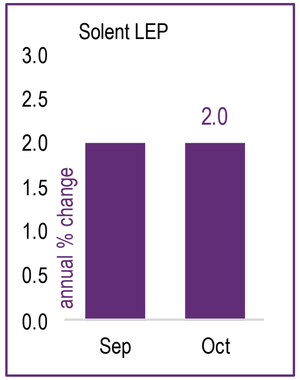
Inflation

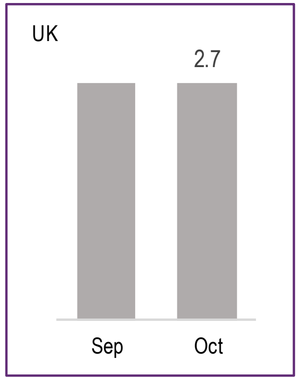


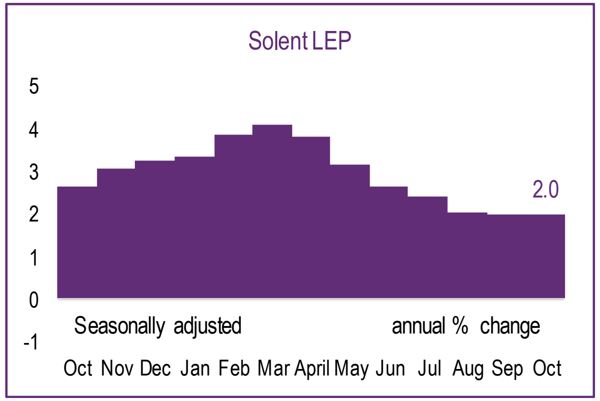


- Lower fuel prices helped price rises slow to 10.7% in November but cost of living remains close to 40-year highs.
- Inflation may have peaked but it will remain elevated in the short-term. The BoE increased the base rate by 50bps to 3.5% in December, the highest rate since 2008.

PAYE Employees

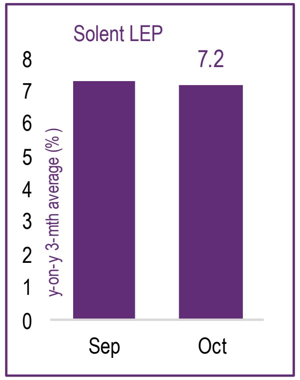


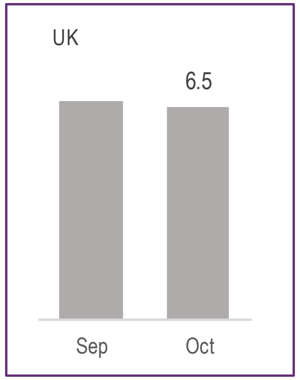


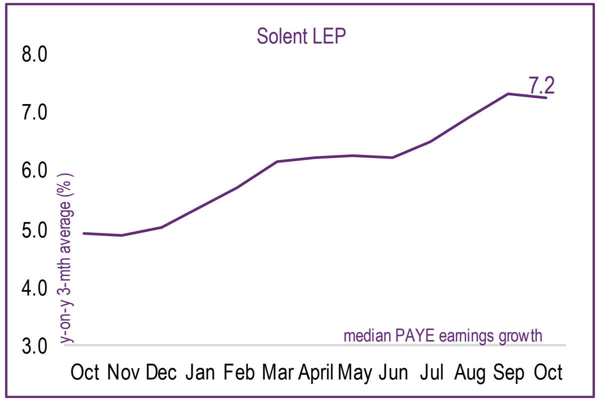


- PAYE employment in the Solent LEP area continued to rise, and hit a new record high of 540,100 payrolled employees in November.
- Monthly growth in revised payrolled employment was 0.2% (+1,800 employees), while annual growth was 2.0% in November, unchanged from October suggesting growth is easing.

PAYE Earnings

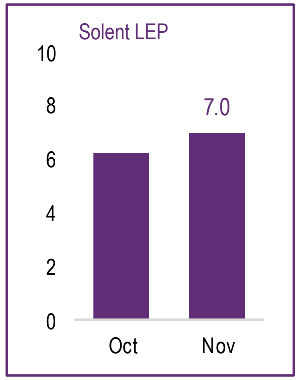


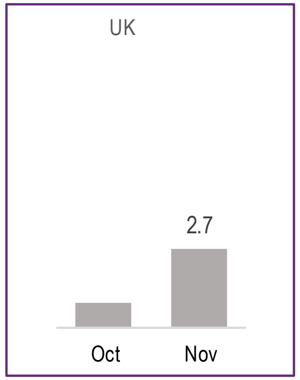


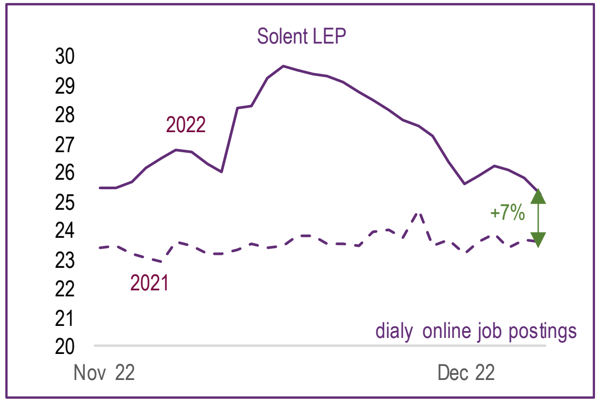


- Early payroll estimates indicate that median monthly PAYE earnings in Solent slowed to 7.2% in the quarter to November compared to October but above UK average.
- Real earnings (adjusted for inflation) continue to be eroded by inflation. The gap in public and private sector wage growth is near a record high.

Labour Demand







- Hiring intentions (the number of online job postings) in Solent LEP saw a continues to see a (seasonal) uptick (+7%) in November, building on growth in October (6.3%).
- Demand for labour continues to defy expectations of a sharp slowdown but recent growth driven by seasonal demand or simply reflect shortages.

Demand by Occupation

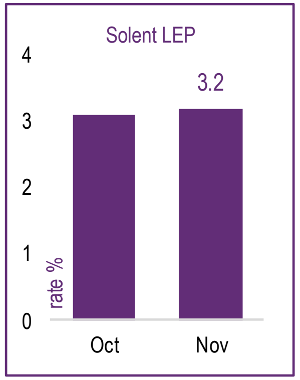
Unique jobs postings by Occupation (SOC)	Nov	% of total
Programmers & Software Development Professionals	2,272	8.1
Care Workers and Home Carers	1,634	5.8
Sales Related Occupations n.e.c.	1,463	5.2
Other Administrative Occupations n.e.c.	1,456	5.2
Nurses	1,223	4.4
Customer Service Occupations n.e.c.	1,048	3.7
IT Business Analysts, Architects & Systems Designers	979	3.5
Kitchen and Catering Assistants	813	2.9
Human Resources and Industrial Relations Officers	732	2.6
Managers and Proprietors in Other Services n.e.c.	707	2.5

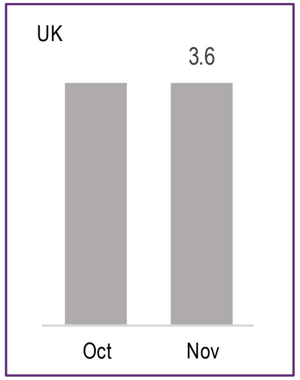
Unique jobs postings by Occupation (SOC)	Sep	% of total
Programmers & Software Development Professionals	1,598	6.5
Care Workers and Home Carers	1,563	6.4
Other Administrative Occupations n.e.c.	1,254	5.1
Sales Related Occupations n.e.c.	1,136	4.7
Customer Service Occupations n.e.c.	1,110	4.5
Nurses	925	3.8
Kitchen and Catering Assistants	923	3.8
Human Resources and Industrial Relations Officers	713	2.9
IT Business Analysts, Architects & Systems Designers	698	2.9
Cleaners and Domestics	631	2.6

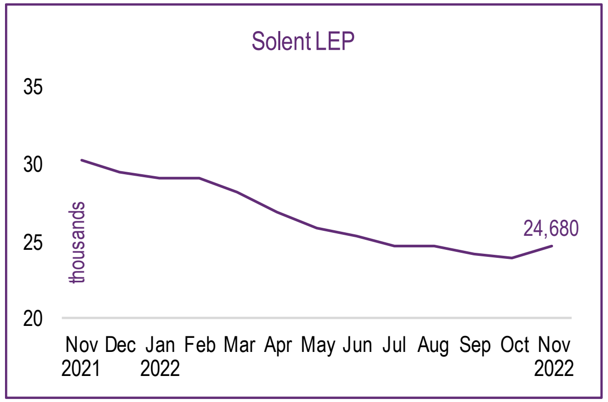
- In-demand jobs in Solent in November were in IT (programmers) carers, and B2B (admin, customer services, sales, HR). Demand for nurses rising possibly due to long-term shortages but also churn.
- Top in-demand specialised skills were in finance and accounting, IT, and business operations.

Unemployment

Claimant Unemployment

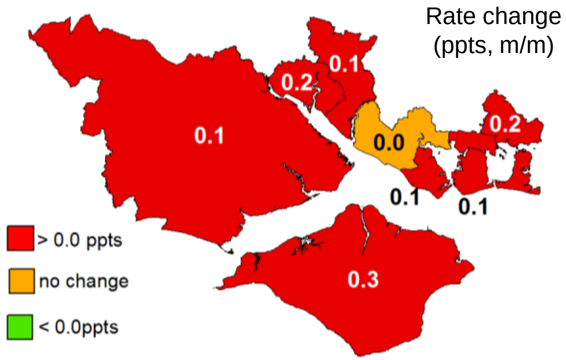


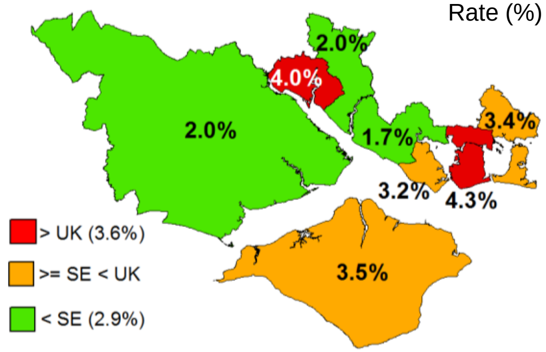




- Working age unemployed claimant counts in Solent (not adjusted for seasonal factors) saw a sharp increase (810) to 24,680; rising across all broad age groups but disproportionately for the 18-24s.
- The unemployed claimant count rate rose to 3.2% in Nov. The count is 27% higher than pre-pandemic levels.

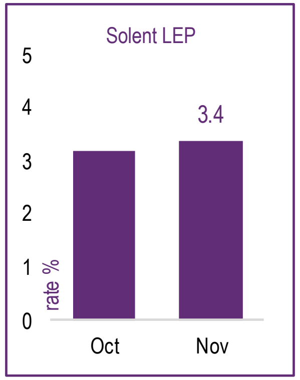
Local Claimants

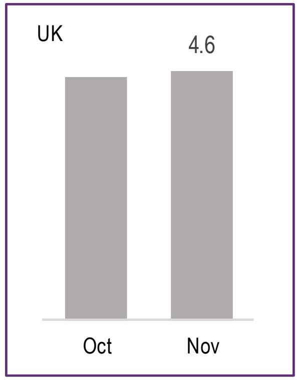


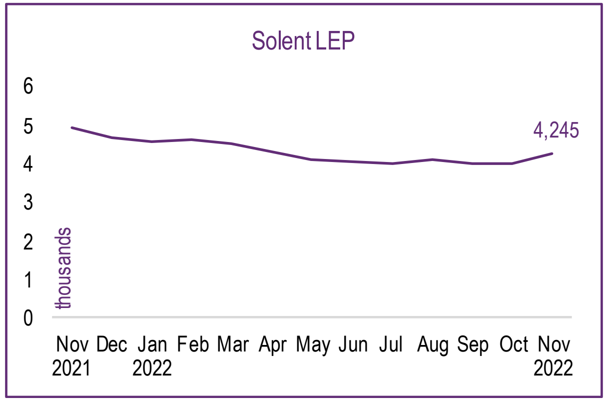


- Almost all local authorities in Solent LEP saw an increase in their claimant count rates; only Fareham saw a no change on the month.
- The two cities and Isle of Wight, accounted for three quarters of the increase in November.
- The two cities' working age rates are above the SE and UK averages.

Youth Unemployment

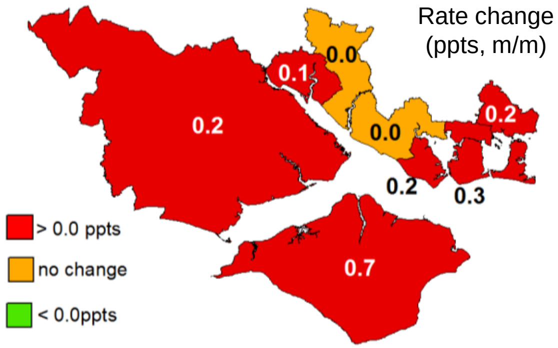


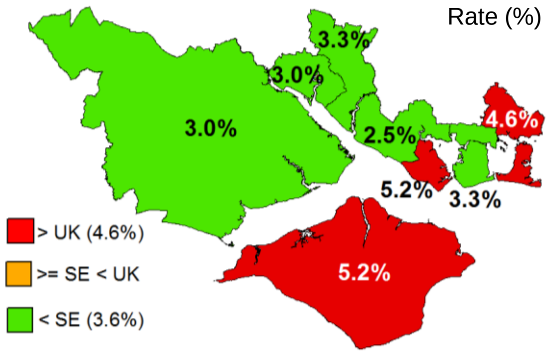




- The number of young unemployed claimants aged 18–24-year-olds in Solent LEP also increased sharply (260) in November to 4,245 claimants.
- The youth claimant unemployment rate increased to 3.4% in November. Solent rate is below both the South East (3.6%) and UK (4.6%) averages.

Young Local Claimants

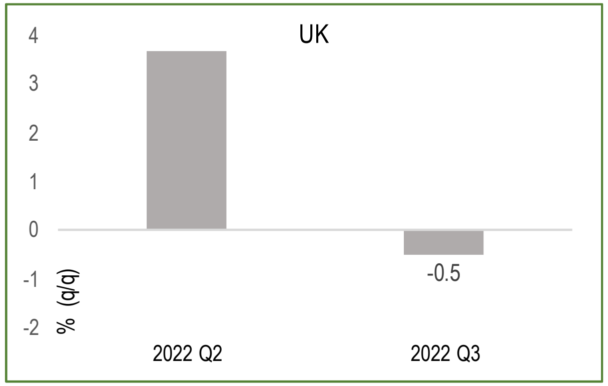




- Six of the eight Solent LEP area local authorities saw an increase, notably the Isle of Wight (+0.7ppts), and two no change in their monthly rates.
- Five of the Solent LEP area districts had rates below the South East and UK rates, while Gosport (5.2%), Havant (4.6%), and IoW (5.2%) are above or equal to the UK rate.

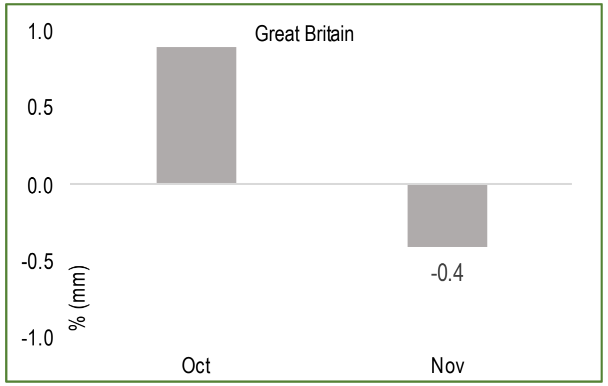
Sentiment and Investment

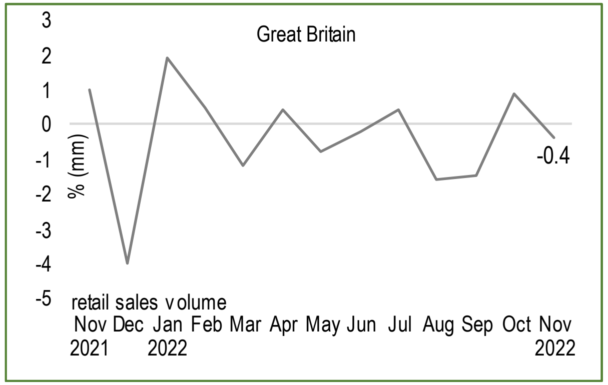
Business Investment



- Business investment fell in Q3 (ONS) with weak demand, tighter financial conditions and uncertainty contributing to reduced investment in Q4 according to BoE.
- Business investment is pro-cyclical and is forecast to be 9% below pre-pandemic levels in 2023 (CBI), with subdued outlook until in 2024.

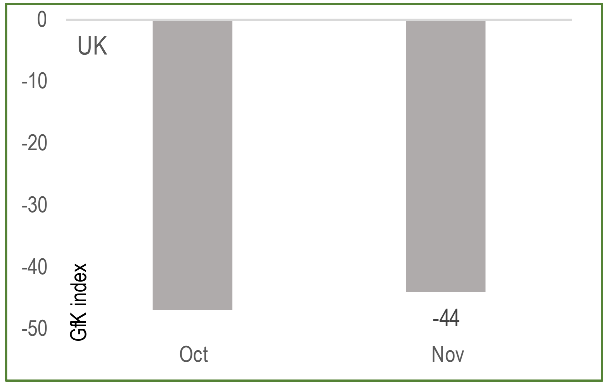
Retail Sales

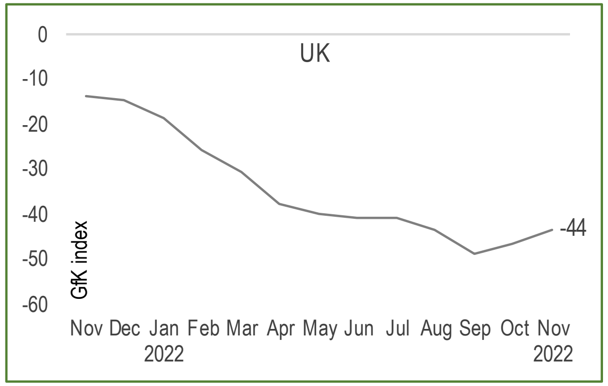




- Black Friday failed to boost retail sales volumes in November (-0.4%) with weaker figures than expected following on from October's bounce back (0.9%).
- High inflation and interest rates will continue to squeeze real spending and keep retail sales volumes subdued in the coming months.

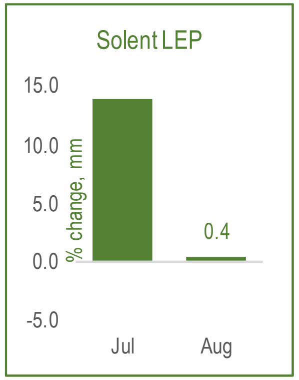
Consumer Confidence

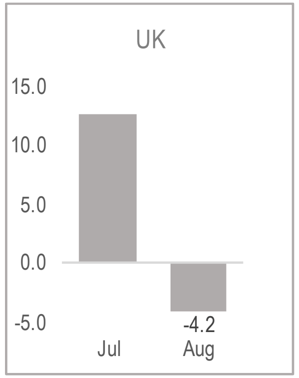


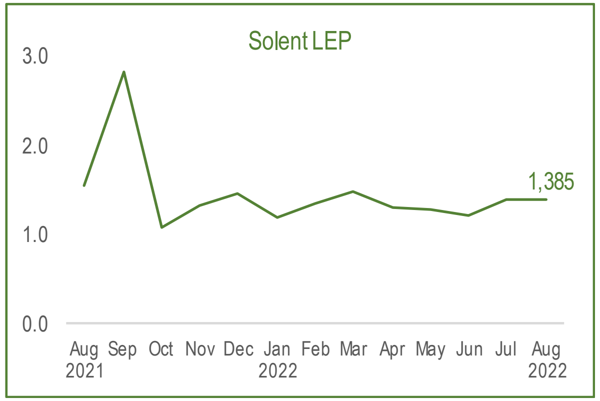


- UK Consumer confidence up three points at -44 in November. Despite the three-point rise in confidence the GfK score remains at a near historic low.
- The outlook remains uncertain and gloomy as higher mortgage rates, squeezed pay and potential rises in Council Tax dampen confidence.

House Sales







- House sales in Solent LEP area saw little movement in Aug (0.4%, +6), following robust growth in July, as the housing market begins to cool.
- High inflation and rising interest rates continue to weigh down on the housing market in the UK. Prices fell by 1.4% in November, the third monthly decline in a row.

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)

SOLENT LOCAL ENTERPRISE PARTNERSHIP

EBIS economic business intelligence service