Recession to Recovery

Hampshire Monthly Intelligence Dashboard

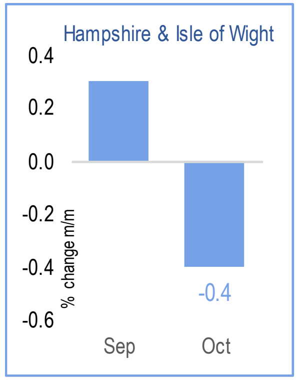
December 2023

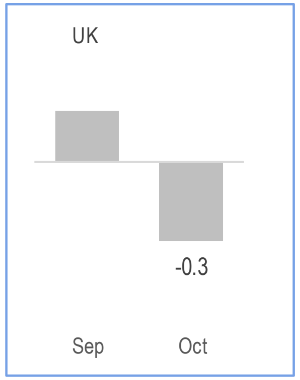
Hampshire County Council
Hampshire 2050

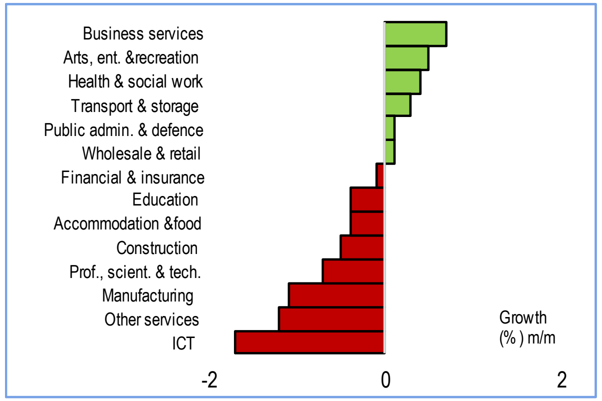
Contents

Business Activity

Economic Growth

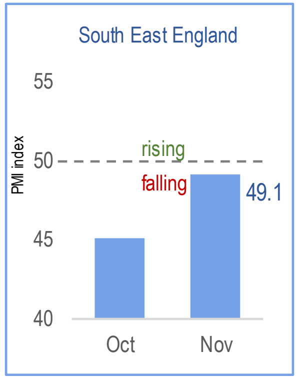


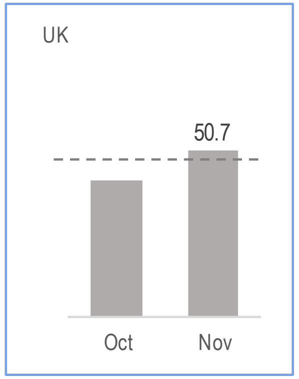


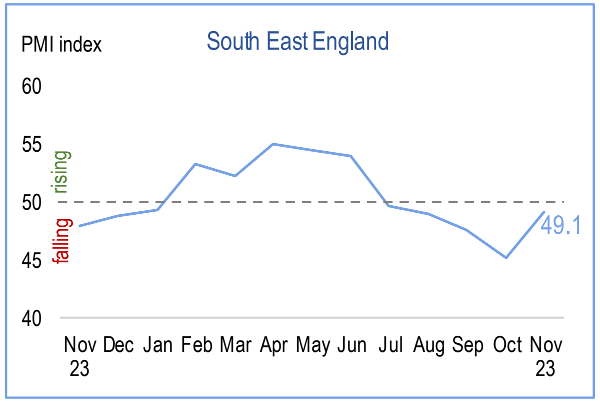


- Our preliminary growth estimate suggests the Hampshire & Isle of Wight economy shrank by 0.4% in October, marginally worse than UK.
- Although consumer spending slowed arts and recreation saw growth.
- However, October saw falls in higher valued-added services such as ICT, manufacturing, and construction.

Business Activity

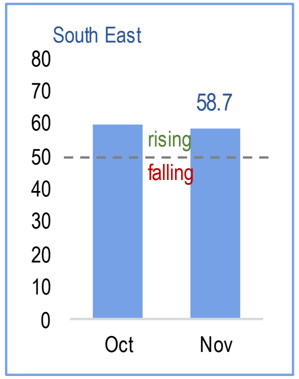


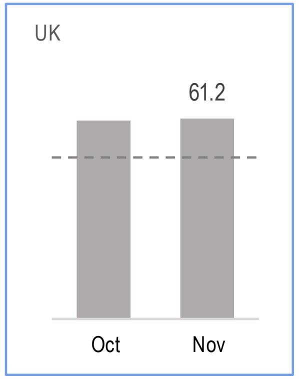


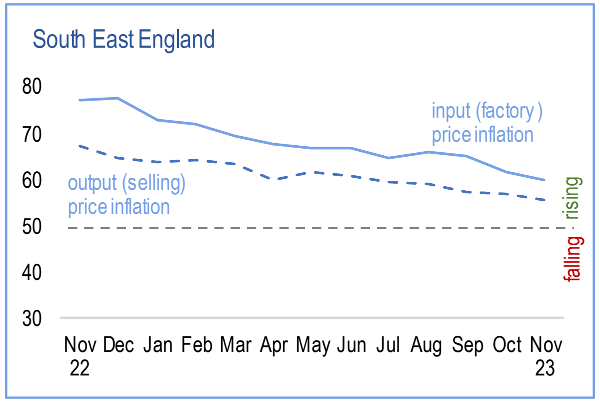


- Survey evidence suggests that output and new orders in the region contracted for a fifth consecutive month in November, but the falls were smaller than reported in Oct.
- High interest rates, geopolitical tensions and demand weakness all dampening businesses activity in November.

Business Prices

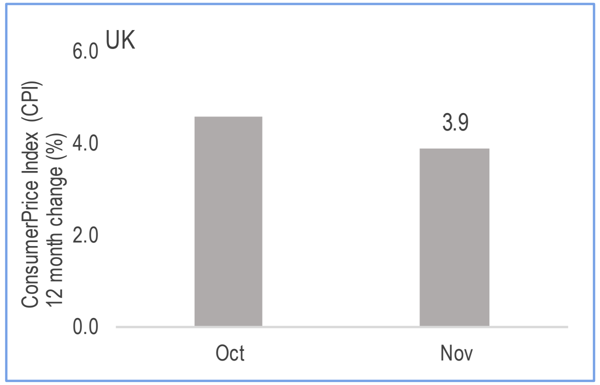


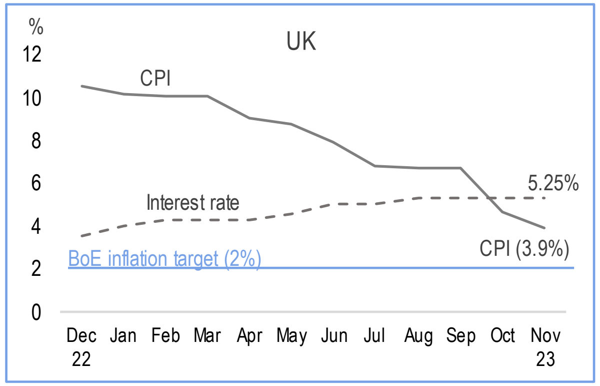




- Business costs eased to a 34-month low with November's rate of input or factory price inflation softer than in October, among the slowest regional price increases and slower than UK.
- Firms in the region stood firm in their price setting as output or selling price inflation hit four-month high in November.

Inflation

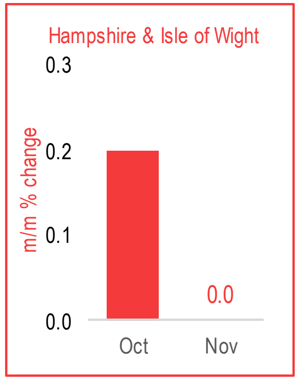


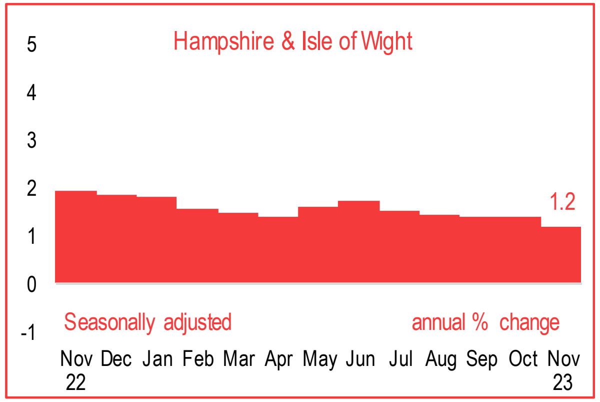


- Annual consumer price inflation (CPI) rose much slower than expected to 3.9% in Nov, the lowest price increases in two years, and driven by a decrease in fuel prices.
- Core inflation (ex. food and energy) rose by 5.1%. Services inflation eased from 6.6% to 6.3%. The bank rate was kept at 5.25% in December.

Jobs and Earnings

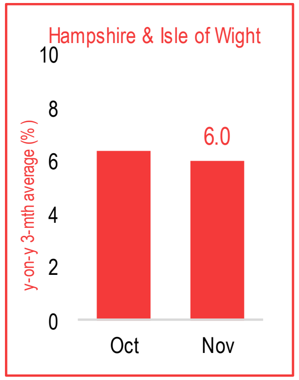
PAYE Employees

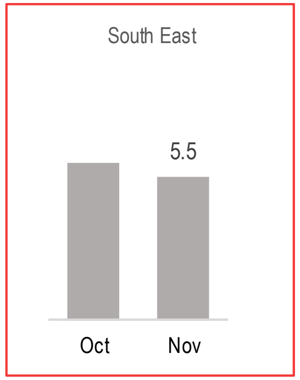


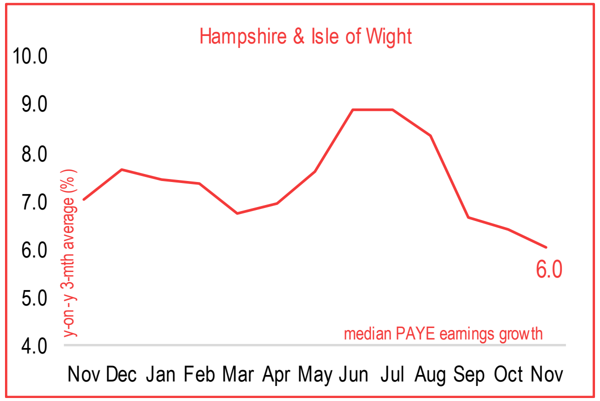


- Early estimates of PAYE employment suggest that employee numbers in Hampshire & Isle of Wight decreased by around 250 in November to 913,200.
- November saw no change in PAYE growth and slower than in October. Annual growth in November was up by 1.2%, slower than in October.

PAYE Earnings

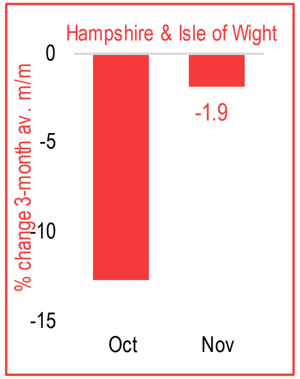


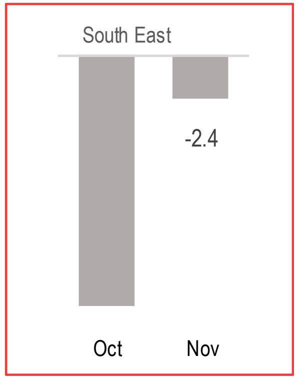


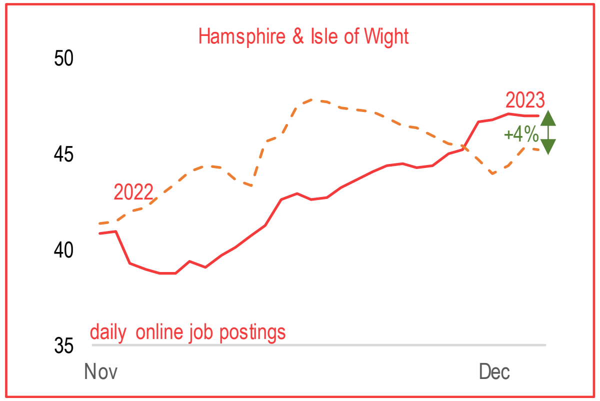


- Median PAYE pay growth in Hampshire eased from 6.4% in October to 6% in November. Wage growth remained strong, above the UK average and above CPI inflation.
- Persistent constraints on labour supply could prevent wage growth from falling quite as fast as is widely expected.

Labour Demand







- Labour demand as measured by the number of online job postings in Hampshire & Isle of Wight eased in the three months to November. The fall in Hampshire was smaller than in the region.
- Labour demand in Hampshire & Isle of Wight is projected to loosen further in 2024.

Demand by Occupation

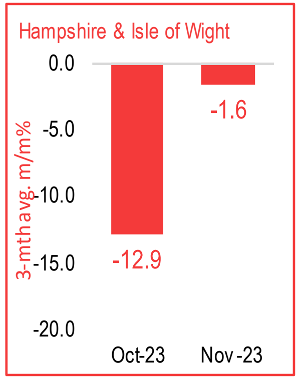
Unique jobs postings by Occupation (SOC)	Nov	% of total
Sales Related Occupations n.e.c.	2,990	6.0
Care Workers and Home Carers	2,899	5.9
Programmers & Software Development Professionals	2,010	4.1
Customer Service Occupations n.e.c.	1,903	3.8
Cleaners and Domestics	1,800	3.6
Managers and Directors in Retail and Wholesale	1,666	3.4
Book-keepers, Payroll Managers and Wages Clerks	1,400	2.8
Warehouse Operatives	1,371	2.8
Other Administrative Occupations n.e.c.	1,359	2.7
Mechanical Engineers	1,312	2.6

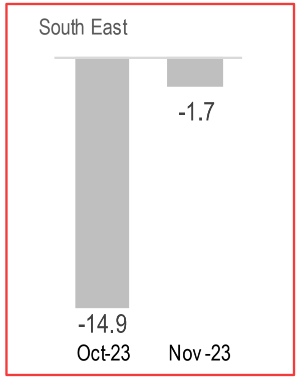
Unique jobs postings by Occupation (SOC)	Sep	% of total
Care Workers and Home Carers	2,163	5.9
Sales Related Occupations n.e.c.	2,055	5.6
Other Administrative Occupations n.e.c.	1,913	5.2
Kitchen and Catering Assistants	1,565	4.3
Customer Service Occupations n.e.c.	1,563	4.3
Nurses	1,245	3.4
Programmers and Software Development Professiona	1,213	3.3
Van Drivers	1,105	3.0
Cleaners and Domestics	1,089	3.0
Chefs	929	2.5

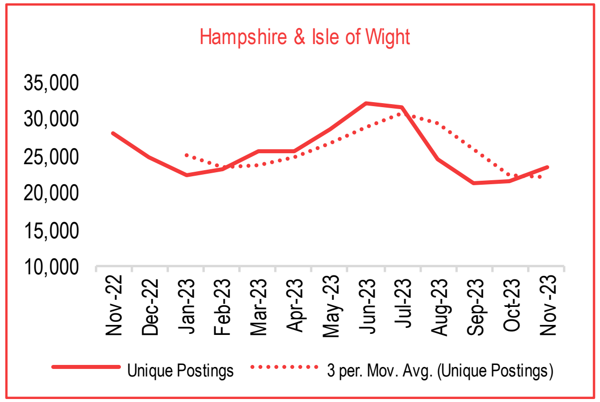
- Top in-demand jobs in Hampshire & Isle of Wight in November were found in sales and retail, IT and business-related occupations (book-keepers/payroll, admin) and for care care-workers, and for mechanical engineers.
- The top in-demand specialised skills in Project Management and Finance.

Jobs demand by skills-level (occupational demand)

High-skilled

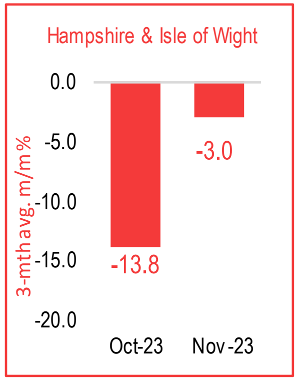


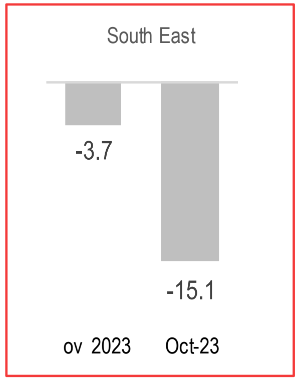


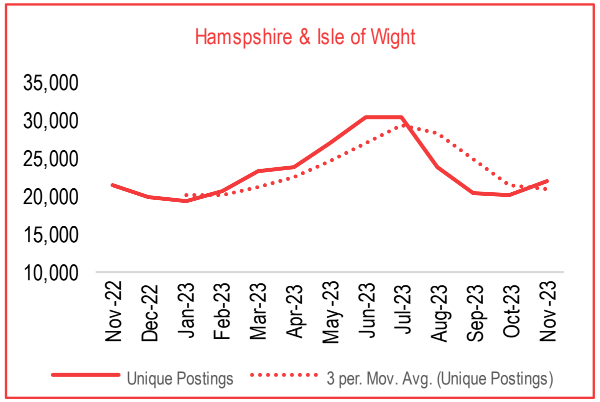


- High-skilled occupations (managers & professionals) accounted for 35% of all job postings in 3-months to Nov. Labour demand for high-skilled, decreased slightly in November.
- Median Nov salary £40.4K, and 1% above South-East. Top postings: IT programmers, retail managers, process and mechanical engineers.

Upper Intermediate

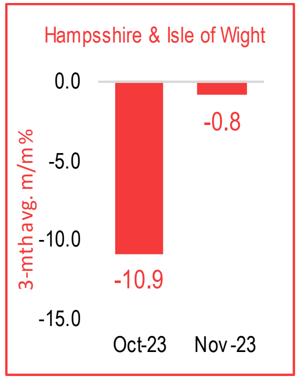


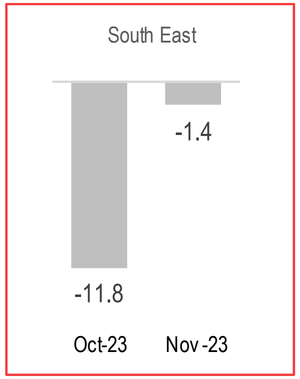


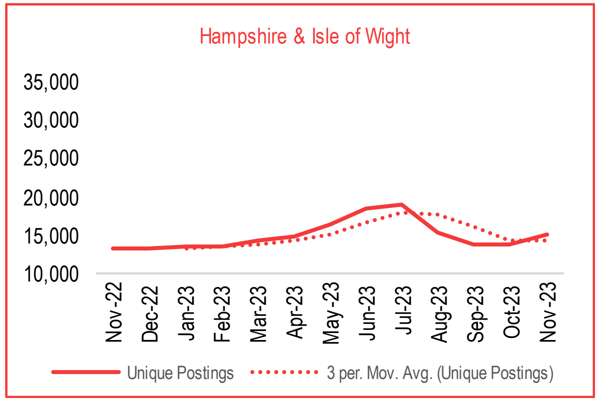


- Upper-intermediate occupations (assoc. professional, admin, skilled trades) accounted for 33% of all job postings. Demand in November eased faster than for high-skilled..
- Median advertised salary of £30K for Nov, and in line with South-East.
- Top postings: book-keepers, admin, chefs, and vehicle technicians.

Lower Intermediate

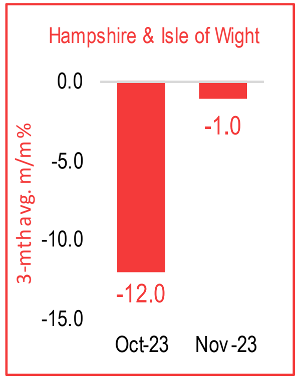


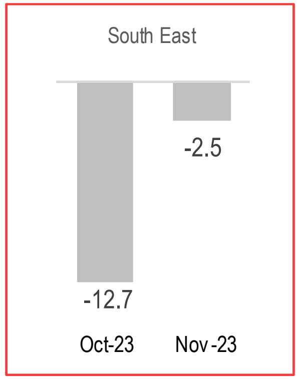


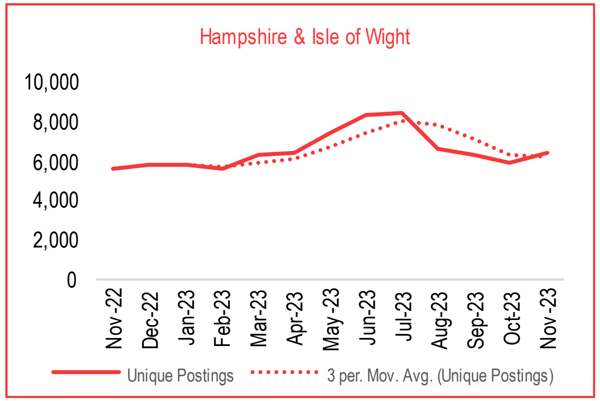


- Lower intermediate occupations such as sales and, process operatives accounted for 22% of all job postings with little change in total demand in the 3-months to Nov.
- Median advertised salary was £26K for November, in line with S. East.
- Top postings: sales, care-workers & home carers, and customer services.

Low-skilled



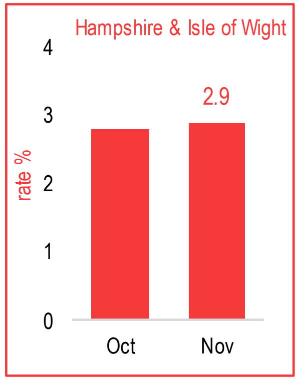


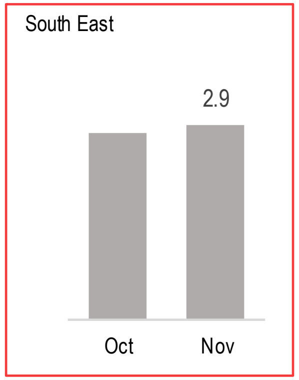


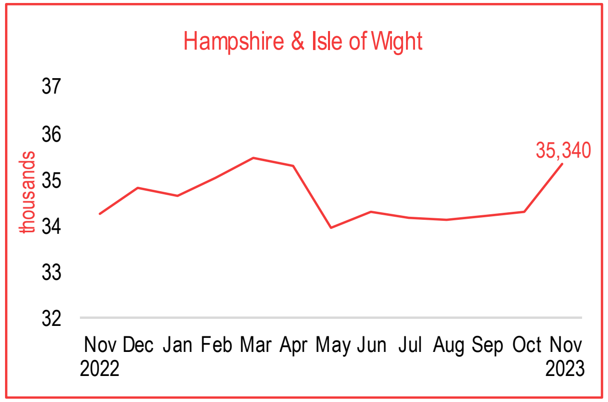
- Low-skilled occupations accounted for 10% of all job postings with (seasonal) demand on average down by 1.0% in 3-months to Nov.
- Median advertised salary was £24K for Nov , in line with the South-East.
- Top postings: cleaners, warehouse operatives, kitchen and catering assistants, elementary construction.

Unemployment

Claimant Unemployment

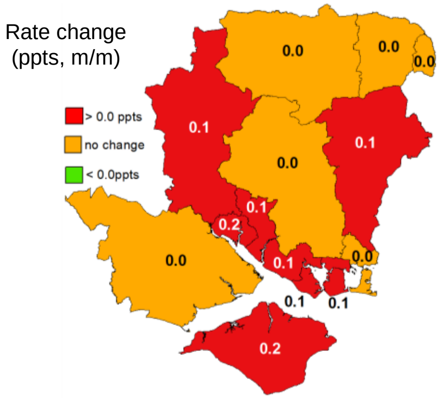


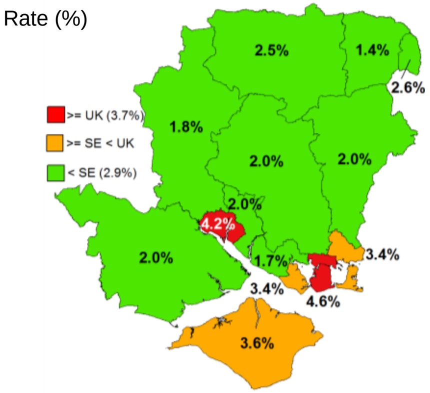




- The number of working age unemployed claimants (not adjusted for seasonal factors) in Hampshire & Isle of Wight rose for 5th consecutive month to reach 35,340 in November, and across all broad age groups.
- The unemployed claimant count rate increased to 2.9% and is now 37% above pre-pandemic levels.

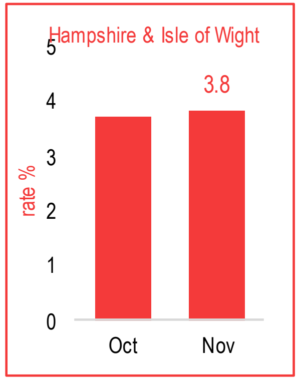
Local Claimants

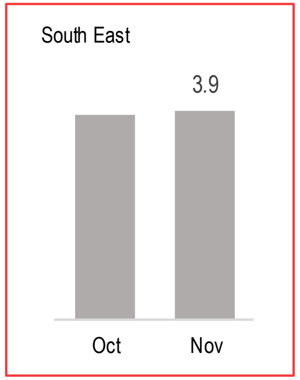


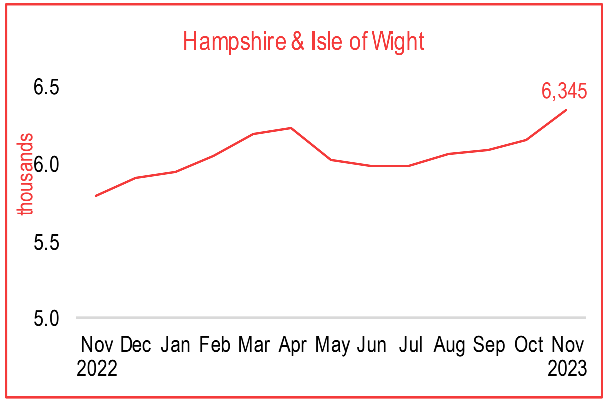


- Over half of the 14 Hampshire & Isle of Wight authorities saw an increase in their working age unemployment rates on the previous month, while six saw no change.
- Most Hampshire & Isle of Wight authorities are below the two benchmark areas. Only the two cities are above the UK rate.

Youth Unemployment

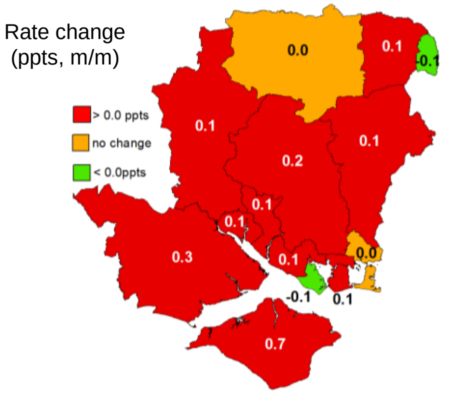


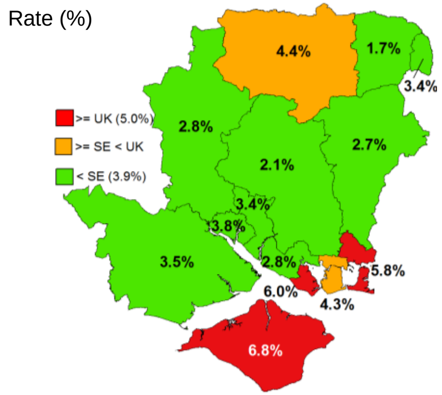




- The number of young unemployed claimants aged 18–24-year-olds in Hampshire & Isle of Wight increased by 195 claimants in Nov to stand at 6,345 and was higher on a year ago.
- The youth claimant unemployment rate increased to 3.8% in Nov but is lower than South-East (3.9%) and the UK (5.0%) averages.

Local Young Claimants

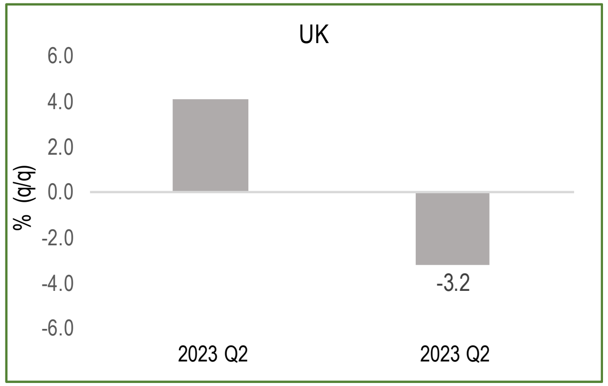




- A majority of Hampshire & Isle of Wight local authorities saw youth unemployment rates increase on the month, two saw no change, and two a decrease (Gosport, Rushmoor).
- Most Hampshire & Isle of Wight districts had rates below the SE and UK rates, while Havant, Gosport and IoW remain above the UK rate.

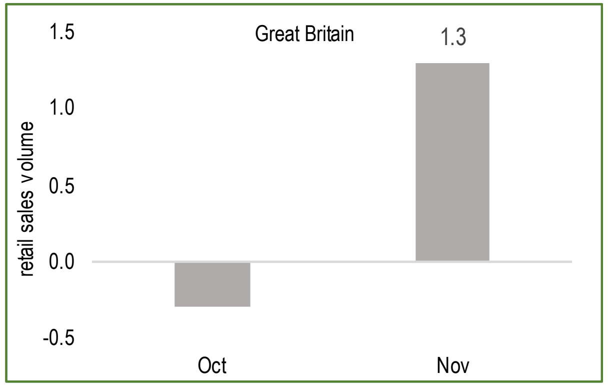
Sentiment and Investment

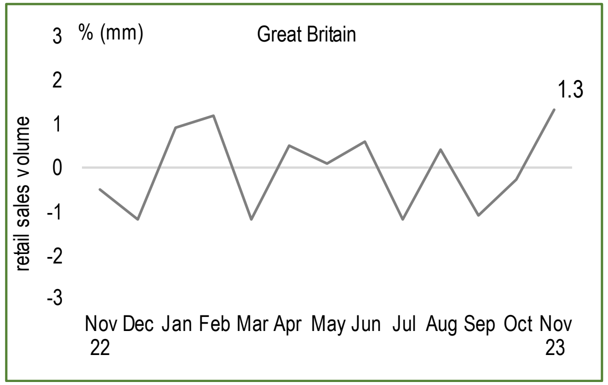
Business Investment



- Business investment was down in Q3 but has been revised upwards to 3.2% in (July to Sept) from a 4.2% fall in the provisional estimate.
- Bank of England anecdotal evidence suggests and manufacturing and business scaling back investment plans in Q4 due to elevated financing costs and tighter financial conditions.

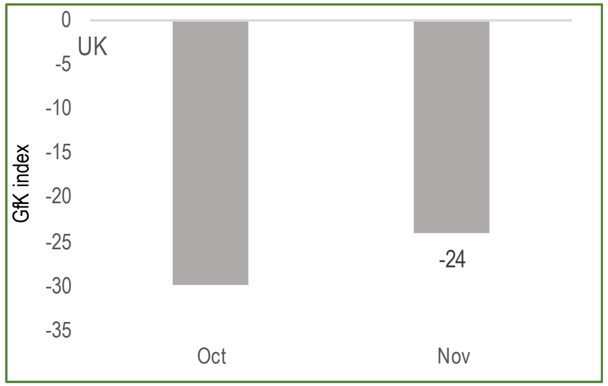
Retail Sales

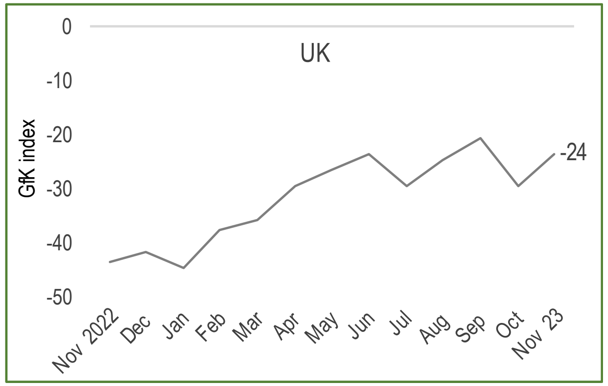




- Retail sales volumes saw a seasonal rebound in Nov 2023, but broader retail trend is in decline. Black Friday and wider discounting contributed to the November increase.
- Retail sales in Nov2023 increased across all the main sectors and helped by an easing in price inflation for some non-food goods.

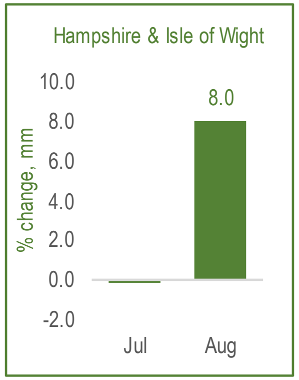
Consumer Confidence

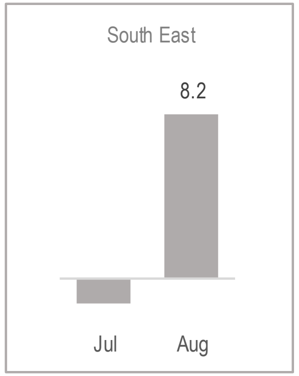


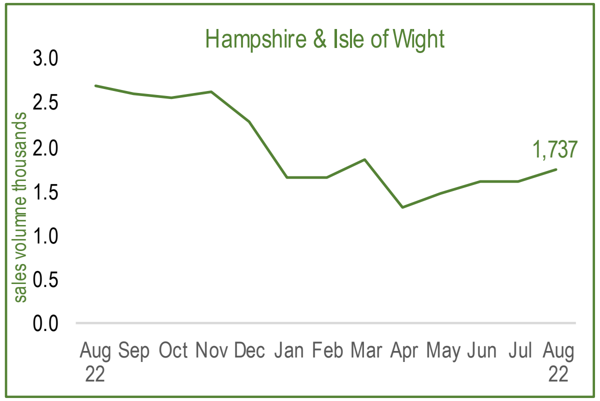


- UK Consumer confidence rebounds in Nov to -24 despite ongoing cost-of-living concerns and helped by falling inflation and optimism on personal finance going forwards.
- Fall in the major purchase measure last month significantly reversed in Nov as spending intentions improved from Black Friday to Christmas.

House Sales







- Hampshire & Isle of Wight saw a seasonal uptick in house sales in August but lower on year. House prices fell in County area, Portsmouth and Southampton. Timelier data from ONS suggests that UK house prices fell at their fastest pace in more than a decade in October compared to Oct 2022..

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 employment & 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 Hampshire and the Isle of Wight 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. Median pay figures differ from the ONS estimates and are based on gross PAYE earnings which do not cover other sources of income, such as self-employment.

For further information on Hampshire's labour market see Quarterly Labour Market Updates and Monthly Ward Claimant Count Reports available at: https://www.hants.gov.uk/business/ebis/reports

This publication is produced by the Economic and Business Intelligence Team, Hampshire County Council

Hampshire County Council