

EHP54

Winchester District Economy Review

Presentation to
Economy & Housing Policy Committee

Tuesday 17 September 2024





PURPOSE OF THE ECONOMIC REVIEW



Objectives :

1. To share high level data and insight to understand how well (or not) the Winchester district is performing in terms of its economy, business and industry, employment and jobs etc.
2. To identify new and emerging policy that will impact on opportunities for interventions by those involved in supporting economic outcomes.
3. To identify our economic priorities to align with existing and future plans.






Outcomes :

-  Clear economic priorities for Winchester district.
-  Clear route/ pathway for the council to support, enable and facilitate activities to sustain or improve these priorities.

The committee are asked to note the contents of the presentation, provide any comments for the Cabinet member and officers to consider further and are asked to support :

-  Using the proposed priorities to target and focus our approach to achieving the best economic outcomes for the district.
-  The “business as usual” approach of delivering green economic growth from the council’s work.

CONTENT OF THE ECONOMIC REVIEW

-  Economic data including 2021 Census
-  Performance of key indicators over time and compared with other areas
-  Sector opportunities
-  New/emerging/developing policy
-  Our Green Growth and Economic Priorities 2025-2030

POPULATION DATA 2021 CENSUS (ONS)

CENSUS 2021 – HIGHLIGHT RESULTS FOR WINCHESTER DISTRICT

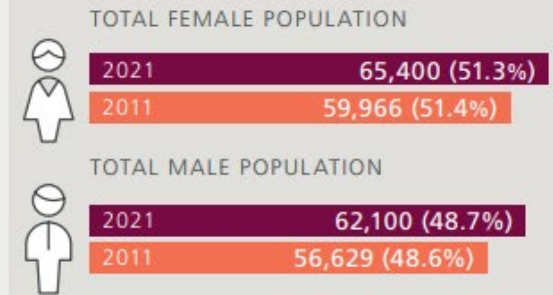
TOTAL POPULATION COMPARISON

THE WINCHESTER POPULATION HAS INCREASED BY **10,905 (9.4%)**

In the ten year period the population has increased at a faster rate than Hampshire (6.3%), the South East (7.5%) and England (6.6%).



POPULATION BY GENDER



AGE BAND PERCENTAGE OF TOTAL POPULATION COMPARISON

AGE BREAKDOWN	0-4	5-14	15-64	65-84	85+
2021	4.7%	11.8%	62.6%	17.7%	3.1%
2011	5.6%	11.5%	64.1%	15.9%	2.8%

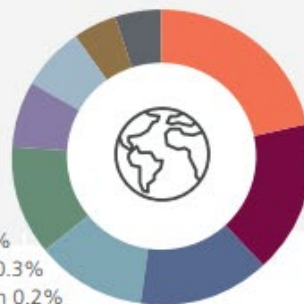
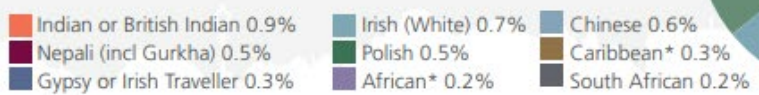
NUMBER OF HOUSEHOLDS



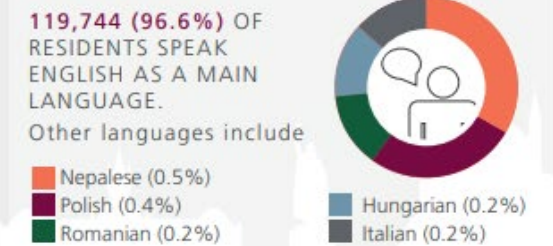
TOP TEN ETHNIC GROUPS

112,304 (88.1%) described themselves as White British vs 107,070 (91.8%) in 2011.

The following pie chart shows 2021 ethnic groups excluding white British.



LANGUAGES



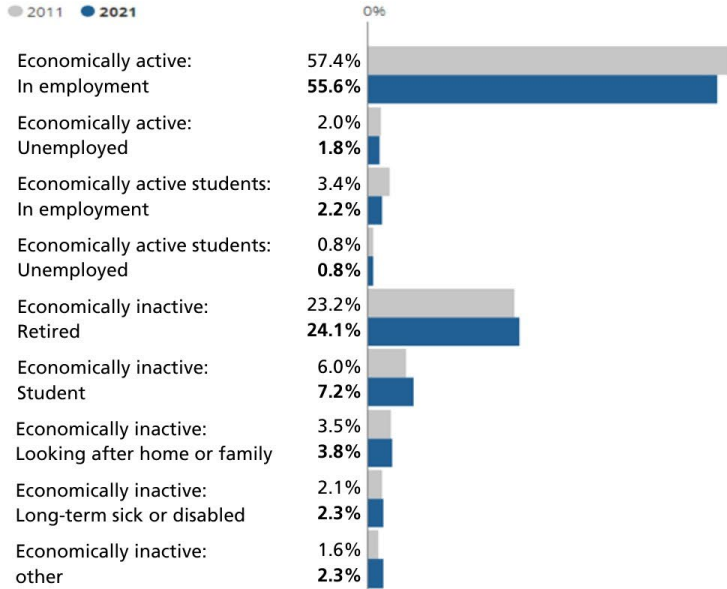
*White and Black

EMPLOYMENT

ECONOMIC ACTIVITY STATUS 2021 COMPARED TO 2011

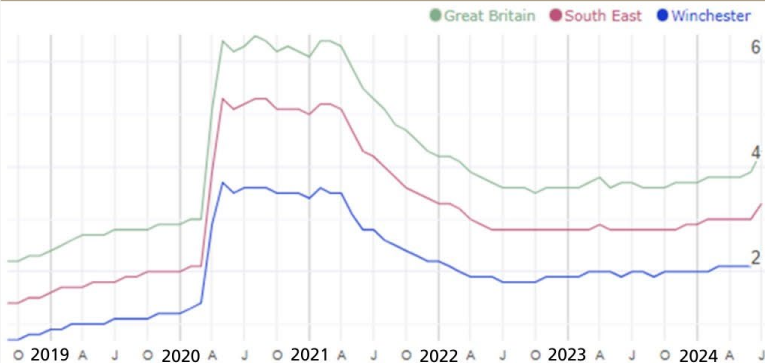
SOURCE: OFFICE FOR NATIONAL STATISTICS – 2011 CENSUS AND 2021 CENSUS

Percentage of usual residents aged 16 years and over by economic activity status.



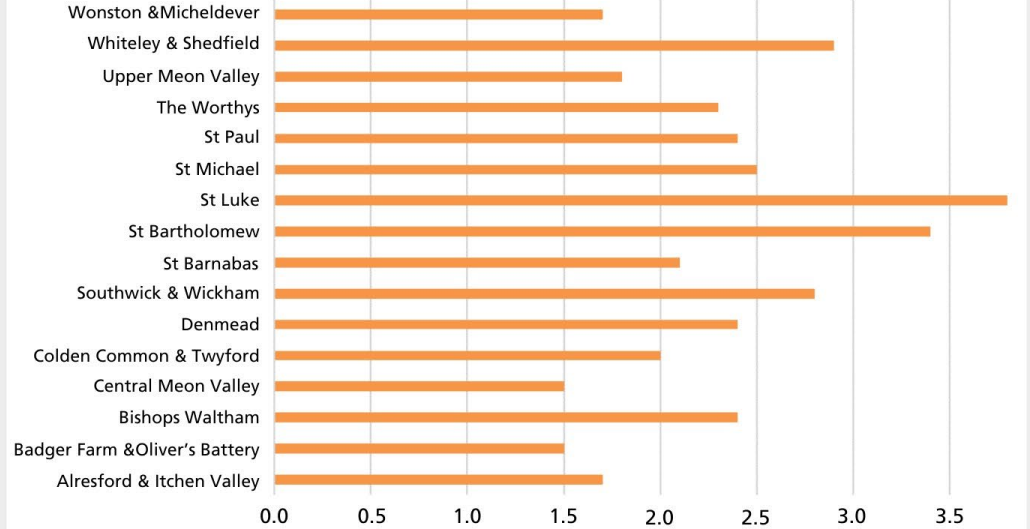
CLAIMANT COUNT WINCHESTER, SOUTH EAST AND ENGLAND BEFORE, DURING AND AFTER PANDEMIC

SOURCE: OFFICE FOR NATIONAL STATISTICS – 2011 CENSUS AND 2021 CENSUS



CLAIMANT COUNT BY WCC WARD JULY 2024 (WARD BOUNDARIES 2021)

SOURCE: OFFICE FOR NATIONAL STATISTICS



INTERVENTIONS SINCE PANDEMIC



Programme to improve residents digital skills



Employment and skills plans with developers to create local employment opportunities



Specific employment support for Ukrainian guests



Jobs Fairs held in February and November 2023 and September 2024

COUNCIL PLAN 2025/2030



Tackling employment inequalities across our district



Encourage older workers to remain/return to workforce

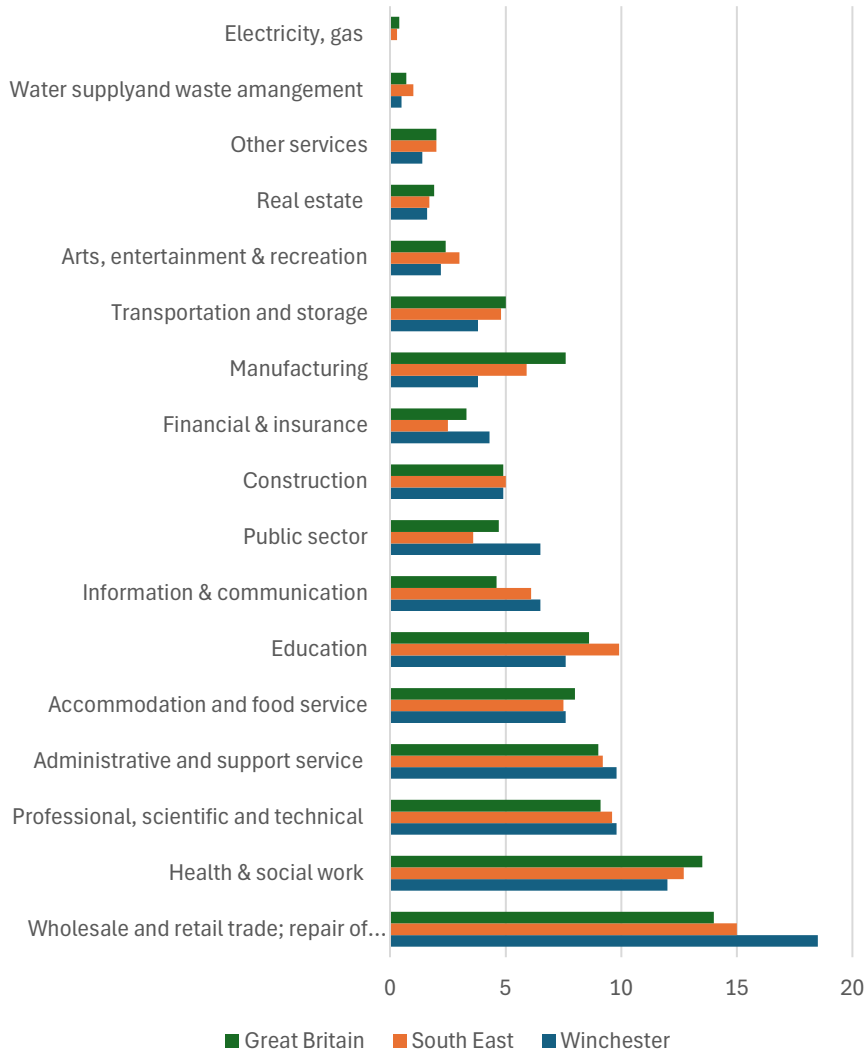


Help disadvantaged groups including refugees to access work

EMPLOYMENT AND SECTORS

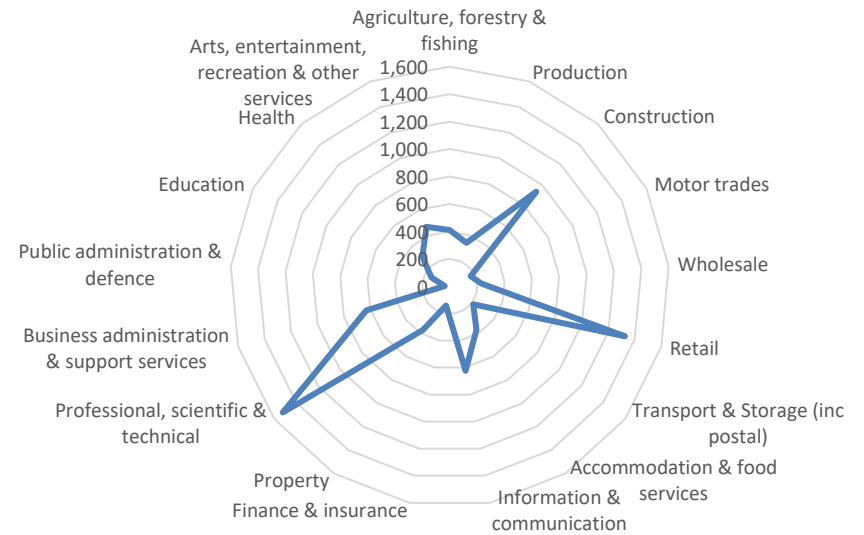
Employee jobs (2022)

% is a proportion of total employee jobs



Businesses by industry 2023

Number of VAT and/or PAYE based enterprises



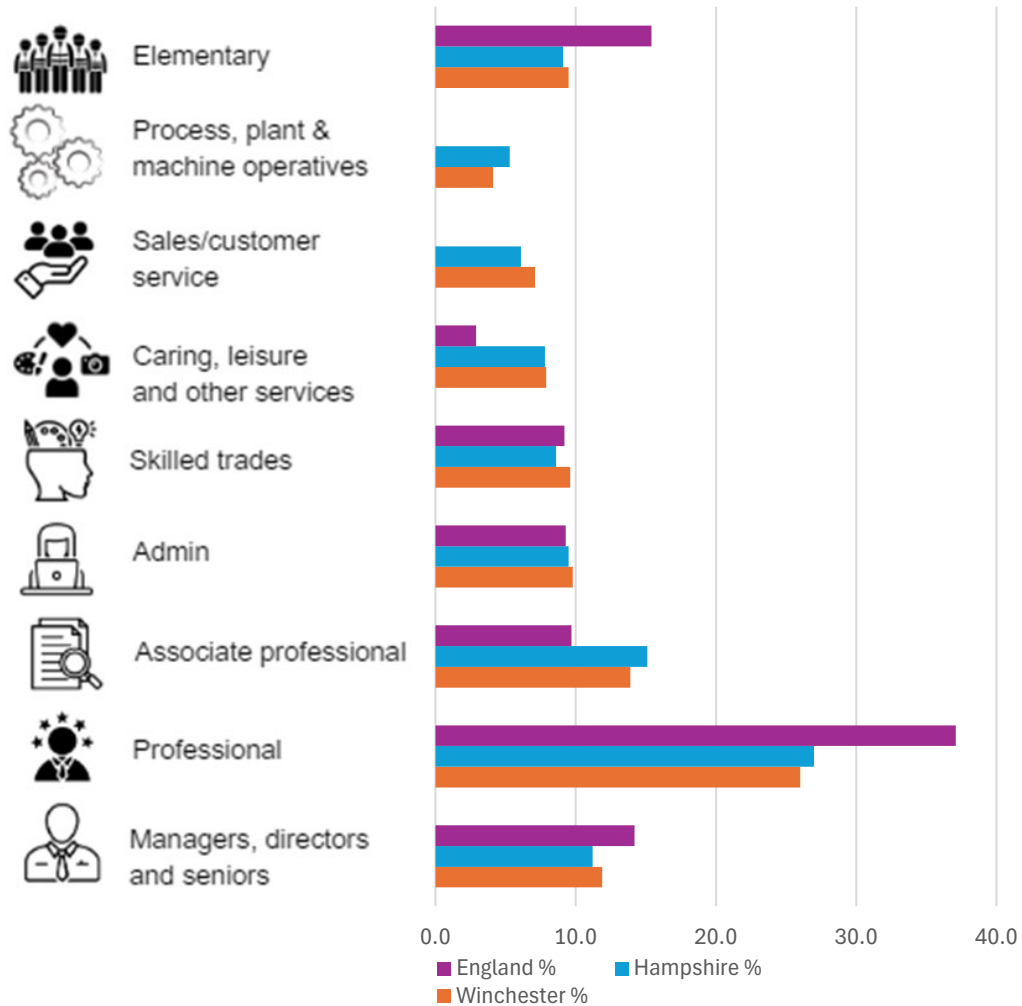
Source: NOMIS

QUALIFICATIONS AND OCCUPATIONS

Skills levels - Percentage of residents aged 16-64: 2023



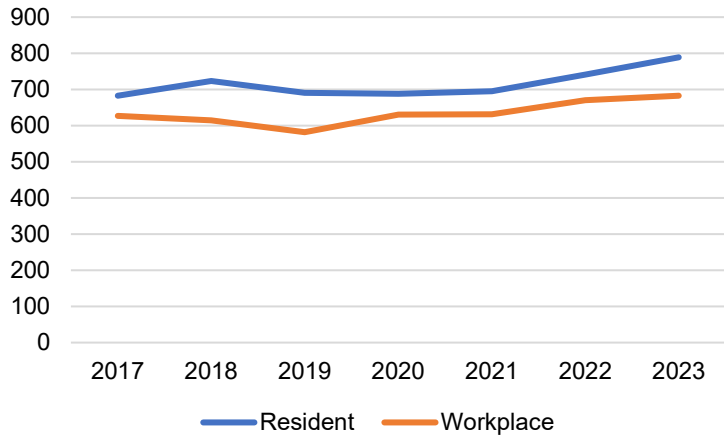
Occupation – percentage of all persons in employment: 2023/24



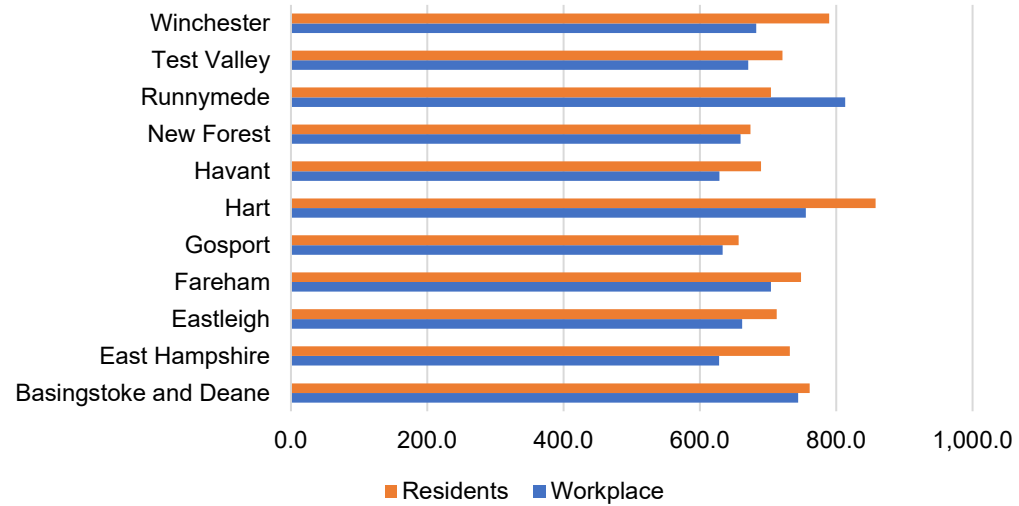
Source: NOMIS

EARNINGS

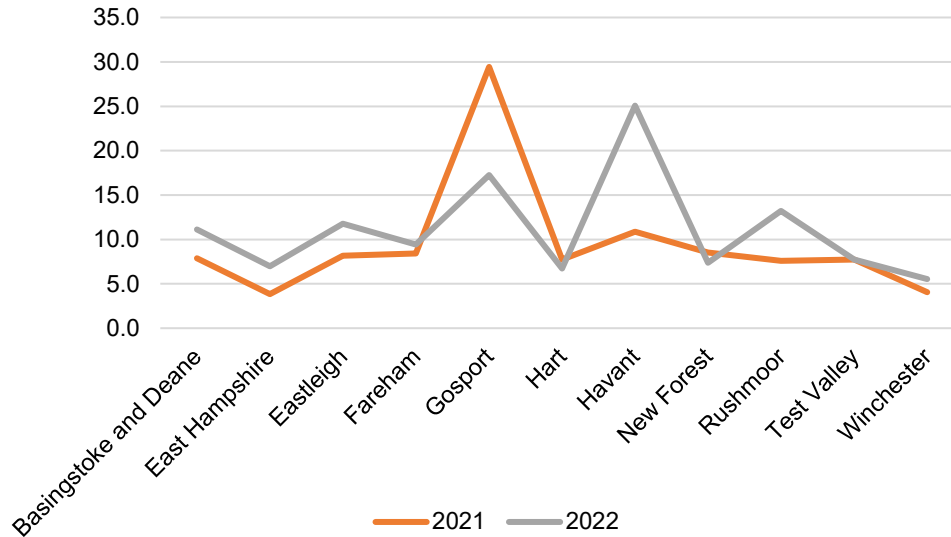
Gross weekly earnings £



Gross weekly pay



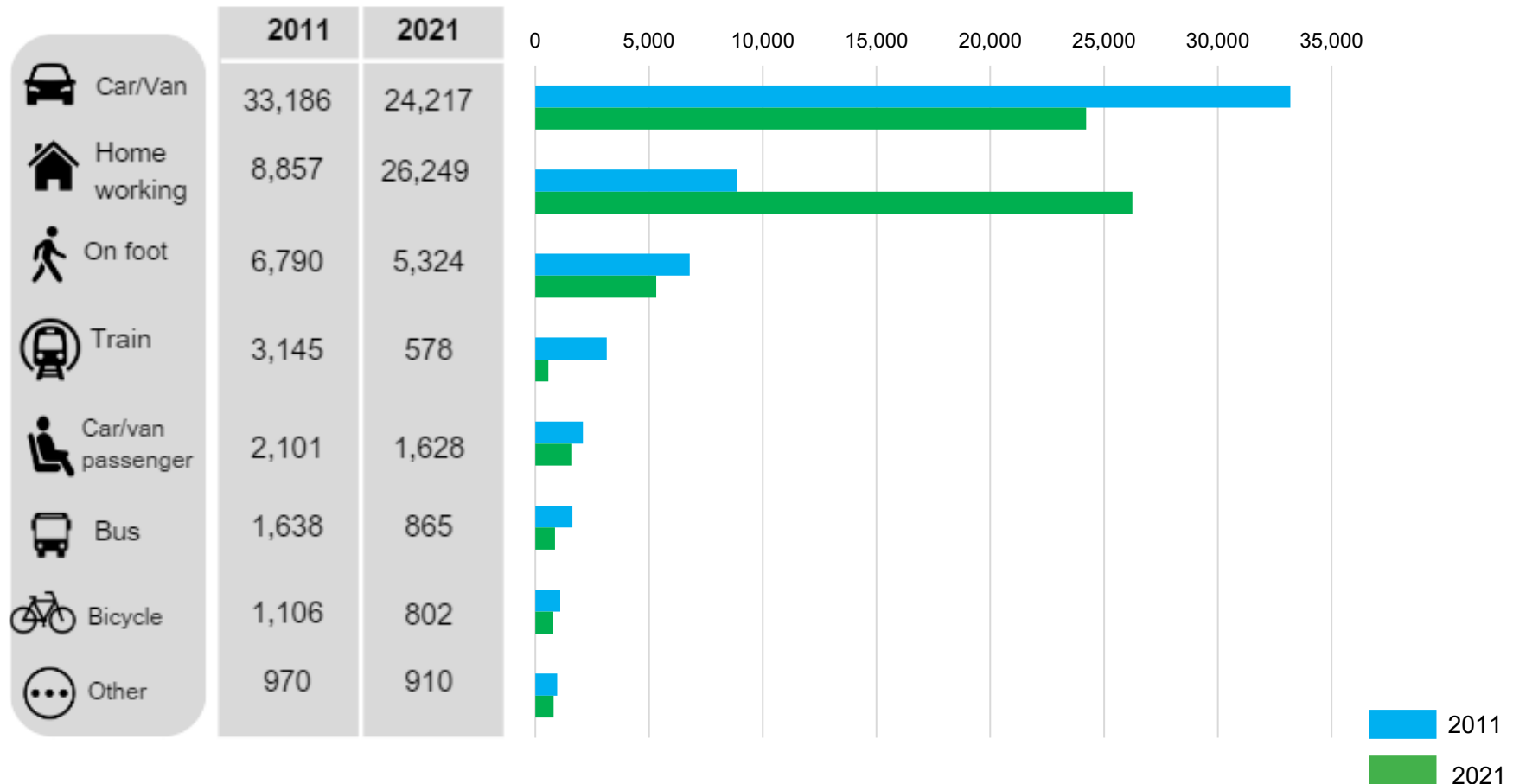
Percentage of workless households



Source: NOMIS

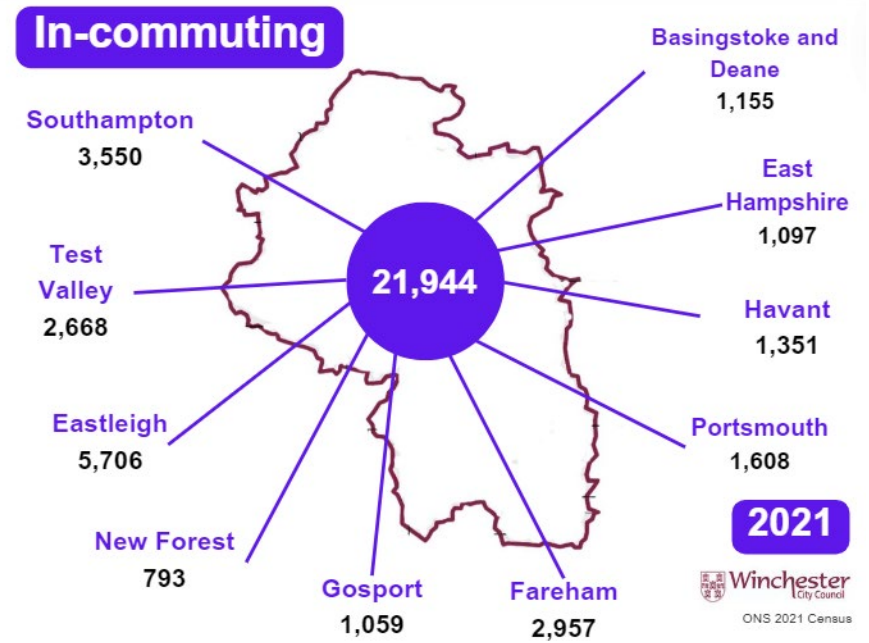
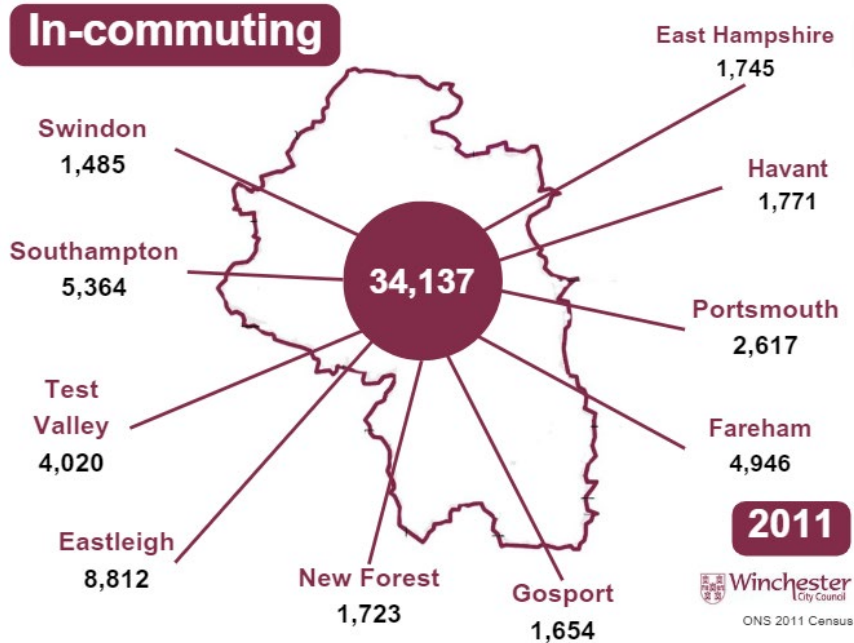
TRAVEL TO WORK

Method of travel to work (including homeworking)



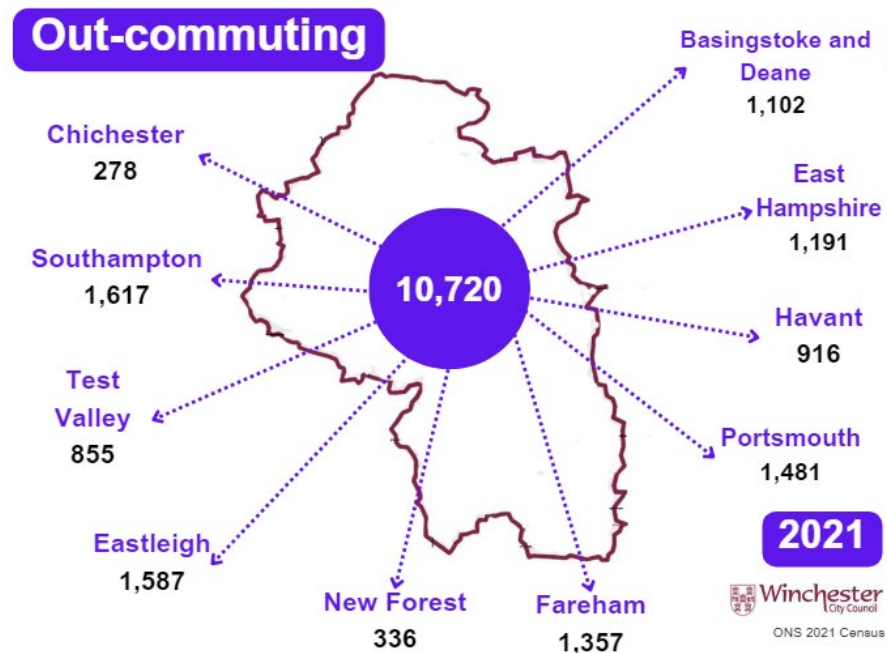
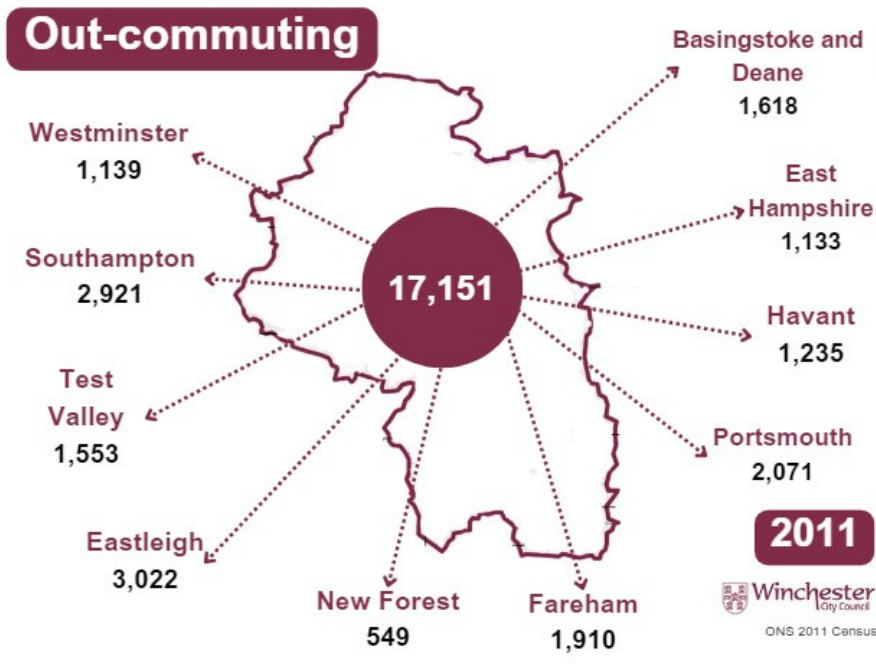
Source: ONS Census 2011 and 2021

TRAVEL TO WORK: IN COMMUTING



Source: ONS Census 2011 and 2021

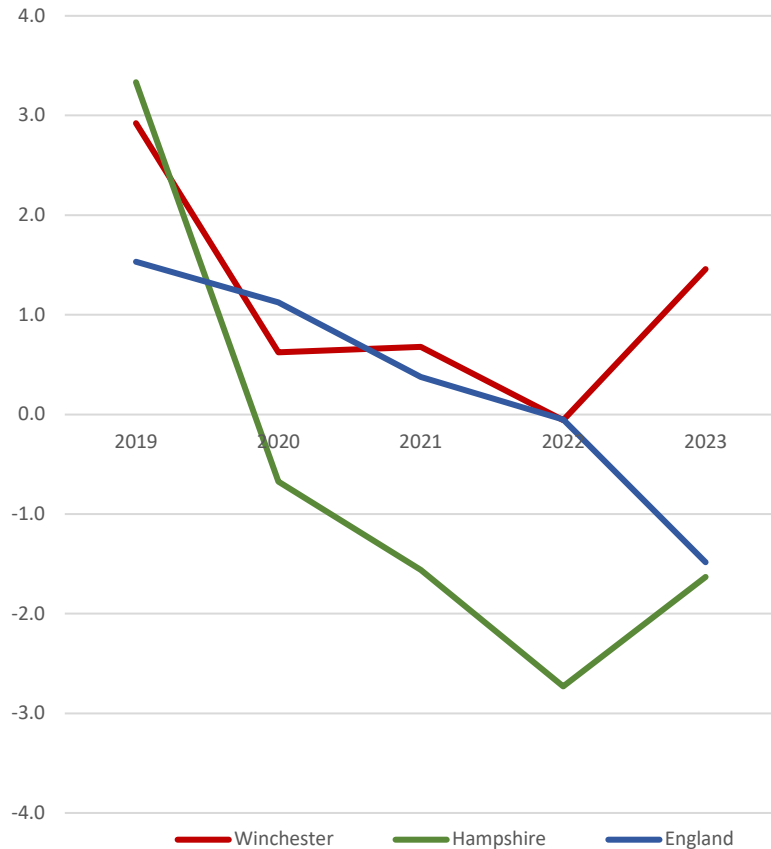
TRAVEL TO WORK: OUT COMMUTING



Source: ONS Census 2011 and 2021

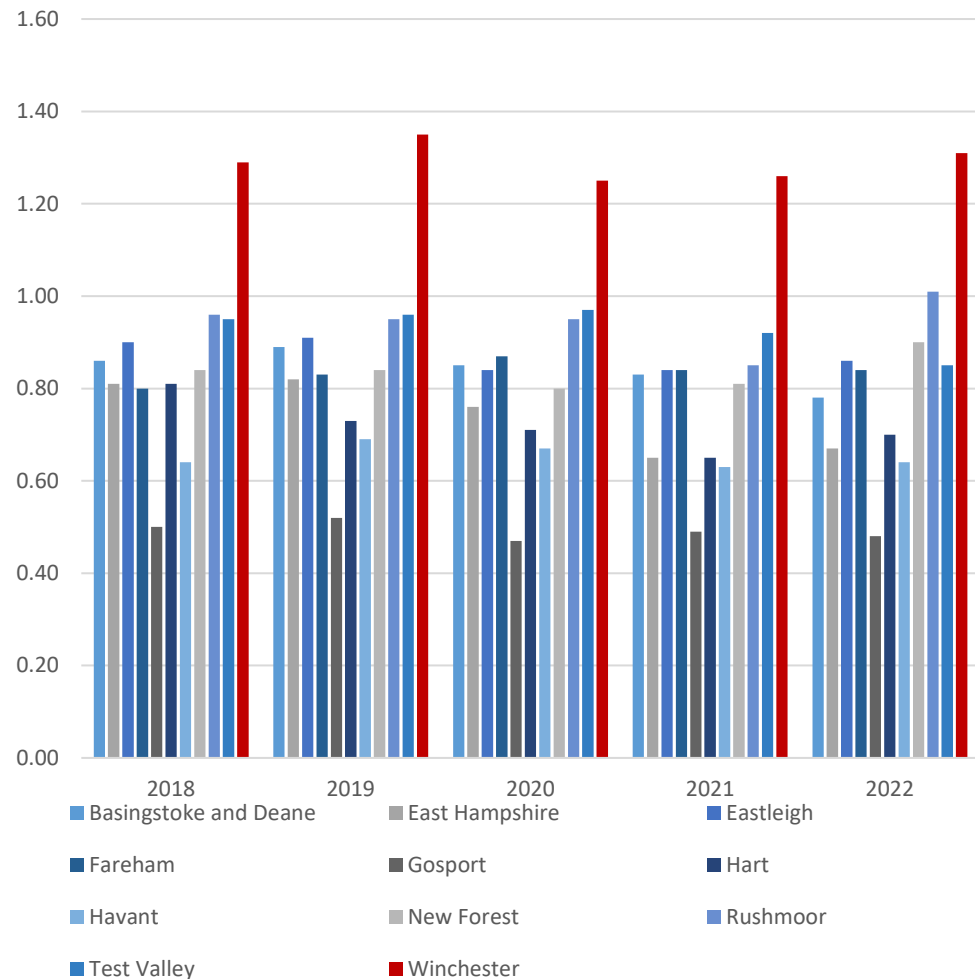
ECONOMIC PERFORMANCE AND BUSINESS CHANGES

Business Counts % Change



Job Density

Ratio of total jobs to population aged 16-64

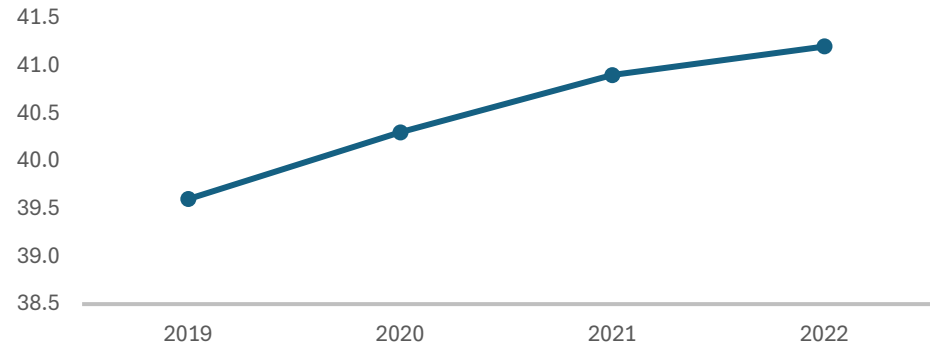


Source: ONS

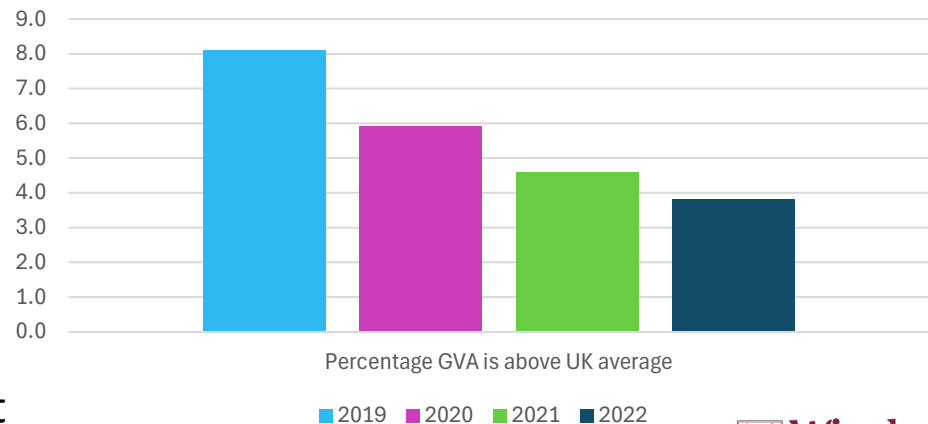
BUSINESS ACTIVITY

- UK economy grew by 0.6% between April and June 2024
- Annual GDP growth is forecast to reach 2% in 2025 and 2026
- Inflation is predicted to average 2.5% this year falling to 2.2% in 2025

Winchester district
Gross Value Added(GVA)



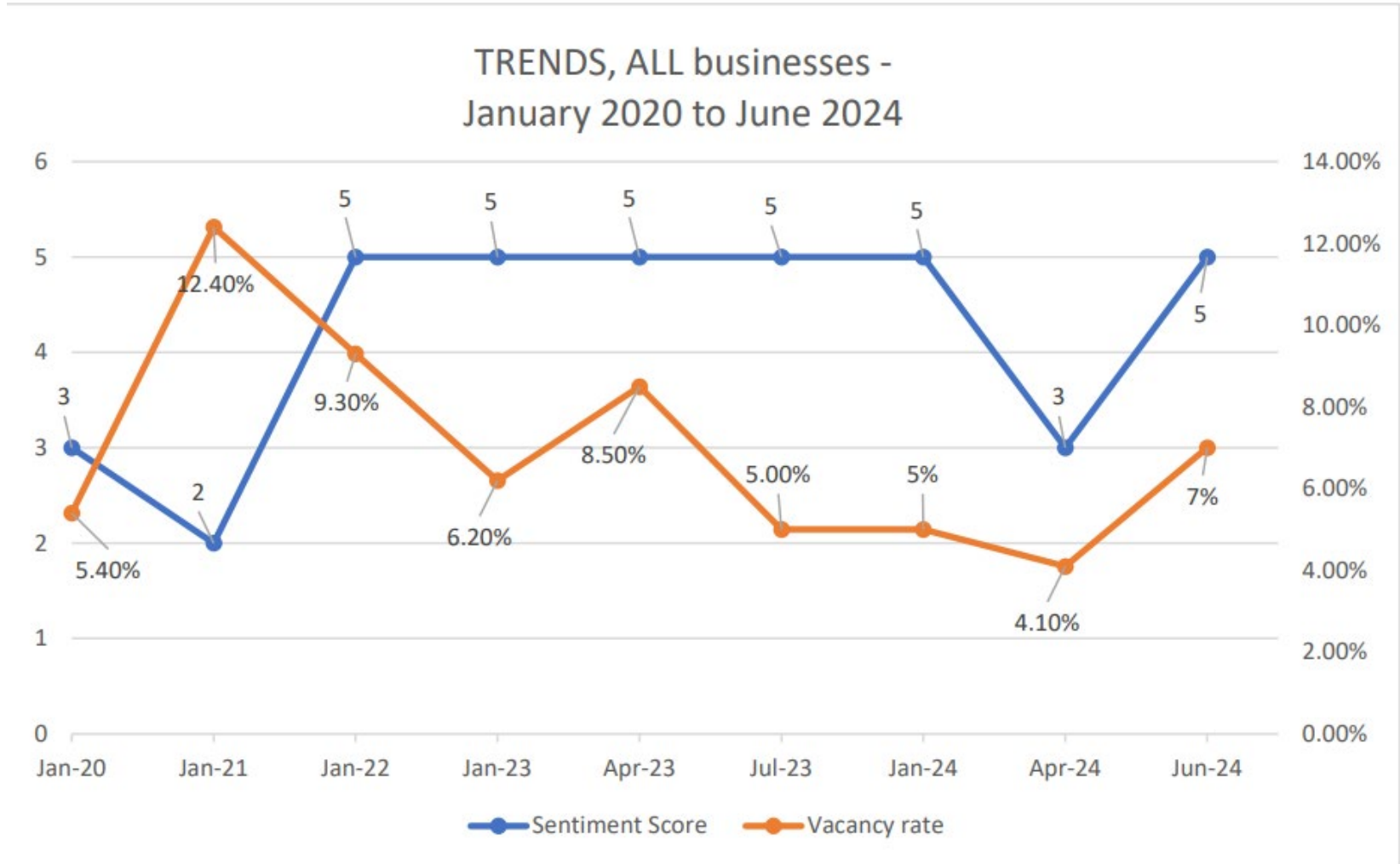
Percentage Winchester district GVA
above UK average



Source: HCC Economic Intelligence Unit

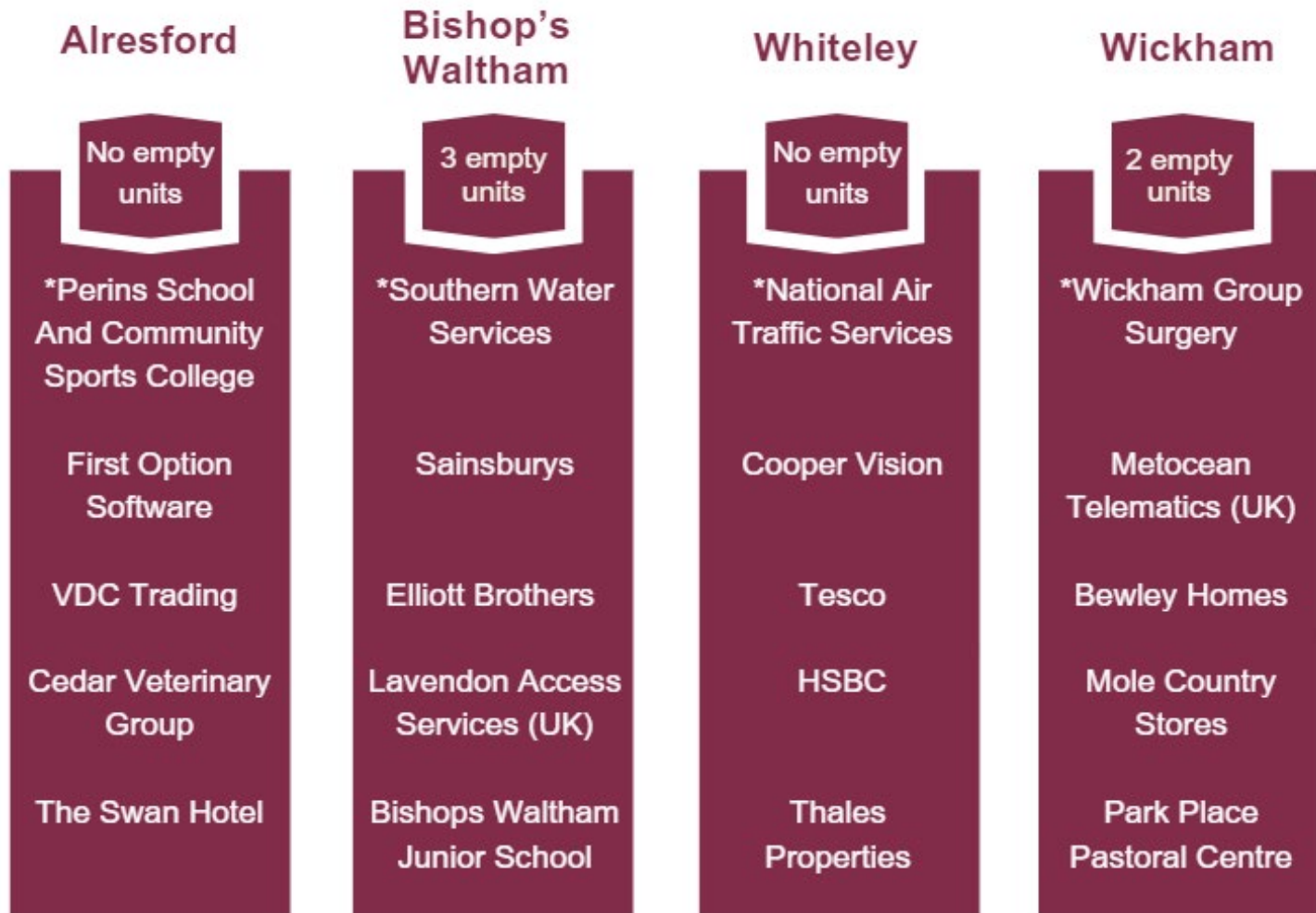
WINCHESTER HIGH STREET PERFORMANCE

Vacancies rates and business sentiment – City Centre



Source: Winchester BID Business Barometer Number 51 24 July 2024








MARKET TOWNS



*Top five highest business rate payers per market town

Source: NNDR Properties list

LOCAL BUSINESS INTELLIGENCE

-  Recruitment difficult but easing
-  Challenge in retaining talent in key sectors and creating specific talent pipelines
-  25% of retail and hospitality city centre businesses experienced cash flow issues during first quarter of 2024
-  Friday is the new Saturday and business is now back to pre-pandemic levels (hairdresser)
-  Rising costs of raw materials, staff and fuel
-  Cost of living crisis/reducing disposable income is resulting in consumer price sensitivity and a squeeze on profit margins
-  Challenges for rural businesses include staffing, car dependence is high due to limited availability of public transport, knowledge sharing and innovation, expansion and planning approval and limited broadband/5G connectivity

WHAT THE DISTRICT LOOKS LIKE TODAY



Low level of unemployment (2.3% compared to 4.3% nationally)



High ratio of jobs to population aged 16 to 24



High levels of professional and managerial roles



Higher skill levels 3 and 4 compared to Hampshire and England averages



Second highest local authority in Hampshire for residents' gross weekly pay



Low percentage of workless households



High increase in business counts between 2022 and 2023



Higher level of GVA per hour worked compared to UK average



Lower high street vacancy rate compared to UK average

SECTOR OPPORTUNITIES



GREEN ECONOMY

Scope solar PV potential on commercial and industrial buildings.

Deliver green skills programme to grow rural economy.

Provide digital skills and retrofit training to increase local skills.

Explore carbon neutral savings for businesses.



DIGITAL

Deliver Digital Skills Factory training programme (2024).

Launch agri-tech skills programme to support rural economy (2025).

Allocate land for data centres to attract high tech businesses.

Build CreaTech ecosystem across district to grow creative jobs.

Grow companies specialising in computer software development, AI and data management (136 in 2024).



VISITOR ECONOMY

Winchester's tourism sector sees 8 million trips taken, makes up £370 million of local economy and employs 6.6% population.

Influence businesses to adopt more sustainable practices.

Encourage visitors to adopt sustainable leisure choices.

Position Winchester district as a sustainable visitor destination to consumers and residents.

Ensure that Winchester district is accessible to disabled visitors and their companions (£14.6 billion spend in England per year)



CREATIVE

Over 70% of the region's creative jobs and 75% of projected new creative jobs in the region are shared with the digital sector).

If the digital aspects of design, architecture, advertising and marketing are considered, this figure rises to nearly 90%.

Continue to drive innovation and growth through the fusion of creative industries and digital technology.

Continue to support the thriving district (with 350 design companies, 300 film, television and video, and more than 150 architecture firms).



RURAL

75% of Hampshire is classified as rural. These areas are home to 300,000 people. 21.8% of the County's total population

Agriculture is the major rural land use in the district and an important element of the rural economy

Support the district's 105 professional science and technical businesses linked to agriculture.

Deliver digital skills updates needed to support divergence and growth

Promote the increasing number of co-working spaces across the district.



SWOT REVIEW

	2020 GEDS	2024 REVIEW	2020 GEDS	2024 REVIEW	
STRENGTH	<ul style="list-style-type: none"> Affluent, high performing district A rich, diverse, distinctive geography, economy and culture Considerable business vitality, high level skills, and important anchor institutions Well-located between and connected to London and Southampton city regions Seemingly not as vulnerable to pandemic, Brexit impacts, and other potential shocks as many places 	<ul style="list-style-type: none"> Highly skilled workforce Low levels of unemployment High jobs density Lower high street vacancy rates 	<ul style="list-style-type: none"> Typical non-metropolitan aging demographic challenges Major housing market pressures and tensions Lack of major business clusters anchored by global players. High per capita CO2 emissions. Not particularly well-placed to command policy attention from Government and LEP 	<ul style="list-style-type: none"> Ageing population Reduction in working age population High levels of in and out commuting Reliance on public sector 	WEAKNESS
OPPORTUNITY	<ul style="list-style-type: none"> A strong stock of underlying assets and capabilities UK Green Recovery, LEP focus on LCEGS, and Hampshire 2050 Strengthened anchor institution collaboration together with diverse SMEs Business vitality could be purposeful and agile 	<ul style="list-style-type: none"> New political landscape Devolution Hampshire Economic Strategy refresh Hybrid working High resident earnings Emerging technology e.g. Artificial intelligence Local Visitor Economy Partnership 	<ul style="list-style-type: none"> Potential national/regional post-lockdown economy reduces domestic demand Risks of complacency and resistance to change may inhibit delivery of change Post-COVID trends significantly weaken city and town centres, business, and community vitality 	<ul style="list-style-type: none"> Conflict overseas Cost of living including energy costs Recruitment challenges 	THREAT
	2020 GEDS	2024 REVIEW	2020 GEDS	2024 REVIEW	

NEW GOVERNMENT POLICY

Emerging policy is focussing on:


Climate and carbon

-  Government is committed to growing co-operative and mutual sector businesses
-  Allocate land to deliver clean energy programmes




Skills

-  Skills England will bring together business, training providers and unions with national and local government to deliver Labour's Industrial Strategy

Partnership

-  Local level economic partnerships created with; higher education, further education, third sector, unions and business across sectors to create local and regional plans

Potential opportunities for Winchester district include:

-  Public sector trading companies for Solar PV and carbon efficiencies
-  Opportunity for green skills funding through skills England
-  Winchester's two universities make it well placed to make the most of partnerships

DEVELOPING REGIONAL POLICY

Hampshire Economic Policy

- Previous Local Enterprise Partnership activities moved into HCC from 1 April 2024 and new HCC 2050 structure in place from October 2024
- The council is represented on Hampshire's Prosperity Partnership Board responsible for driving economic growth
- Refresh of high-level strategy going to Hampshire County Council's Cabinet in November 2024

Main themes:

- Enterprise and Sectors
- Employment and Skills
- Productivity and Growth
- Innovation and Investment








OUR GREEN GROWTH & ECONOMIC PRIORITIES 2025-2030

Priority	Outcomes	GEDS intervention
<p>Green business growth and innovation</p> <ul style="list-style-type: none"> • Support and enable businesses transition to low carbon technology and practices • Increase business investment in small scale renewable energy generation • Reduced travel – commuting, fleet and freight/delivery - and or transition to low/no emission vehicles. • Maximising our opportunities from our regeneration programmes 	<p>Reducing energy consumption and transport carbon emissions and increase renewable energy generation creating a stronger more sustainable economy</p>	<p>Innovative business and economy</p>
<p>Developing our key sectors:</p> <ul style="list-style-type: none"> • Rural based business opportunities and the rural economy <ul style="list-style-type: none"> • Land-based businesses in food production, viti / viticulture. Potential for increase argi-tech development and exploitation • Sustainable visitor culture and creative economies <ul style="list-style-type: none"> • Health & wellbeing / experiential travel linked to local food and drink, nature / walking / cycling etc. • Retail and High Streets <ul style="list-style-type: none"> • Business enterprise growth & support in market towns – flexible affordable move-on/small SME space 	<p>Maintain strong job density through encouraging business start-up, retention of existing businesses and inward investment particularly in the digital, creative and agri-tech sectors</p>	<p>Culture, creative and visitor economy</p>
<p>Build on our skills and academic strengths – two universities and three collages</p> <ul style="list-style-type: none"> • Digital skills - focus around young people and upskilling to reduce digital inequality/ exclusion • Rural (agriculture) and visitor economy (tourism and retail) • Green technology skills / retrofit skills • Creative industries – architecture, digital design, performing arts, fashion and film etc. 	<p>More young people choosing to live, stay and work in the district; encouraging graduate retention</p> <p>Green skills needed for green growth and emerging green sectors and technologies such as artificial intelligence</p> <p>Digital skills to enable remote and hybrid working</p>	<p>Skills and competitiveness</p>

NEXT STEPS

We will use this insight and these priorities to:

-  Inform the targeting of our existing workstreams and related funding programmes
-  Influence and inform the current and future GEDS Action Plans
-  Influence and inform the next council plan
-  Influence the priorities of the Hampshire Economic Strategy and Hampshire Prosperity Board
-  Provide evidence to support funding bids to enable future project delivery

Questions



Winchester
City Council