

## ECONOMIC PERFORMANCE UPDATE

### 1 Purpose

- 1.1 To update Scrutiny on the latest progress and position regarding the Economic Performance in Aylesbury Vale.

### 2 Recommendations

- 2.1 That the committee notes the latest position relating to the Economic Performance in Aylesbury Vale..
- 2.2 To support the new format for the reports and or suggest additional items for inclusion

### 3 Supporting information

- 3.1 The committee will note from the attached Economic Performance report that it aims to provide an overview of the national economy with a more detailed report on the local Aylesbury Vale economy. Each of the business areas are assessed with comparative historical information and or with our regional partners where this is available. If accepted by committee is the intention that future economic reports are sufficiently consistent to enable comparisons over annual quarters highlighting any particular trends.
- 3.2 The report records that the national economy has grown for five consecutive quarters, the largest growth being in construction at 2.6% and manufacturing at 0.8%. During the first 2 quarters of 2014 employment continued to rise and unemployment continued to fall. These changes continue the general direction of movement since late 2011/early 2012. Despite this positive performance, the UK economy remains 0.6% below the peak in the first quarter of 2008.
- 3.3 The Aylesbury Vale economy is also moving positively forward with Job Seeker Allowance claimants falling consistently since Feb 2012 and over the first two quarters of 2014 by 0.5% to 1,282. However, during 2012 – 13 the number of jobs recorded a fall of 1.6%, with an increase of 200 public sector jobs and a fall of 1,100 in the private sector. Despite seeing employment fall in 2013, Aylesbury Vale has seen the strongest performance since the recession in 2008, recording the 43rd highest increase of all local authorities. During the same period full time work fell while part-time work increased.
- 3.4 The employment data indicates an increase of jobs in wholesale, education, health and arts / entertainment and a reduction of jobs in business administration and support services including the professional, scientific, manufacturing and the defence sector. The largest falls were recorded in business administration and support services (down 2,500), the professional, scientific and defence sector (-1,600) and manufacturing (-800). As stated above despite the strongest performance since the recession in 2008 more than half of the falls in all of these sectors have happened in Aylesbury Vale.
- 3.5 The working age population numbers at 115,000 represent 63% of the local population. This has shown a regular annual decline from 65% ten years ago indicating a growing older resident population.
- 3.6 Over the last 4 years business births and deaths data show a smaller number of business start ups to the numbers of business closures. With the exception

of the Chiltern area the higher percentage of business closures is consistent across Buckinghamshire.

- 3.7 Aylesbury Vale annual housing completions have been recognised nationally as the leading area showing the highest numbers of dwellings in the region over the last 4 years and nationally for the highest number in 2013. The 1,020 dwelling completed in Aylesbury Vale represent 1.4% of the stock, the 4<sup>th</sup> highest rate of growth rate of all 326 local authorities in England.
- 3.8 Commercial premises and employment land are being marketed through all channels, of the 353 vacant premises in Aylesbury Vale a larger proportion of these are Industrial land, warehousing, office and retail. We are working with our partners AVD, BBF, other local authorities and commercial agents to encourage take up the of the available employment space.
- 3.9 Working with our partners Buckinghamshire Business First (BBF) and Aylesbury enterprise and Innovation Centre, we have assisted 372 business focusing on 206 smaller businesses and 16 larger businesses (more than 50 employees). A wide range of regular business support events including financial, legal, marketing, website and networking have also been held. The events are delivered across Buckinghamshire.
- 3.10 Since starting the grant funding support programme to Aylesbury Vale businesses, we have committed over £330,000 averaging around £30,000 per annum in grants awarded. Over the last 3 years we have funded 12 business with a total of £54,970. With the reduction in funding available for the grants programme we changed the grants criteria which has ensured the awarding of grants has only been to businesses with the highest quality applications and evidence of viability. This has resulted in a lower number of applications and grants awarded, but it is expected that the survival rates of businesses we support will be higher as a result.
- 3.11 Inward investment work has resulted in positive connections with UKTI, SEMLEP and BTVLEP to increase the local offer to inward investors and joined up working to encourage them to relocate to the area. We have received 17 new investment enquiries up to June 14 sourced through UKTI and BBF. Additional work is being carried with ARLA to encourage food and drink supply chain businesses to invest and locate near to the ARLA site. In 2012 – 13 we received 28 leads, landed 2 creating 830 jobs, this includes the ARLA investment. During 2013 – 14 we had 7 leads and 3 landings creating 46 jobs.

#### **4 Resource implications**

- 4.1 None

Contact Officer  
Background Documents

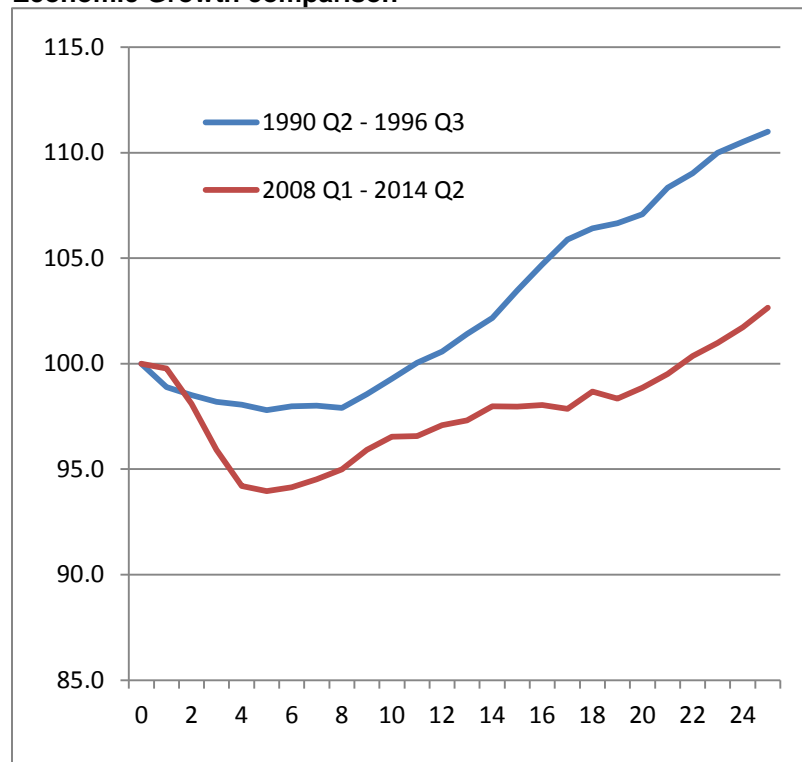
Mal Hussain/Steve McAteer 01296 585256

# Economic Performance Report – September 2014

## 1) National Economy

The encouraging status of national economic background is that this is the longest sustained growth since 2008:

**Economic Growth comparison**



The UK economy grew by **0.8%** in the first quarter of 2014.

The UK economy has now grown for five consecutive quarters, the longest period of sustained growth since 2008. GDP was **3.1%** higher in Q2 2014 compared with the same quarter a year ago.

In Q2 2014 GDP was estimated to be **0.2%** above the peak in Q1 2008. From peak to trough in 2009, the economy shrank by **7.2%**.

In 2013 output grew in each of the services (**0.8%** quarter on quarter), construction (**2.6%**) and production industries (**0.6%**), within which manufacturing (**0.8%**) also made a positive contribution.

Stronger capital formation and continued growth in household spending supported the expenditure measure of GDP, while higher imports and lower exports reversed two consecutive quarters of positive net trade contributions to GDP.

The average number of hours worked per worker has also recovered to its pre-downturn level, pointing to a broad intensification in the use of labour in production. ONS Economic Review, Jan 2014

The value of the UK economy remains **0.6%** below the peak that occurred in the first quarter of 2008.

In February the UK inflation rate (**1.7%**) fell to its lowest level in four years.  
UK – Office of National Statistics (ONS)

The latest figures for Q2 2014 show the UK recovery continuing. With GDP in real terms growing by 0.9% compared with the previous quarter, and by 3.2% between Q2 2013 and Q2 2014, the strongest quarter on same quarter a year ago growth since before the economic downturn. GDP is now 2.7% above the pre-economic downturn level and there have been encouraging signs across the three approaches to measuring GDP. From the output approach, growth in services continues to strengthen with output now 6.4% above its pre-downturn peak, while production and construction output continues to grow. The income measure shows strong growth in gross operating surplus of corporations for the fourth consecutive quarter, rising by 3.2% in Q2 2014.

## 2) Aylesbury Vale DC Economy

This report presents the key components of performance for Aylesbury Vale DC using three key economic indicators:

- Residents
- Business and
- Place

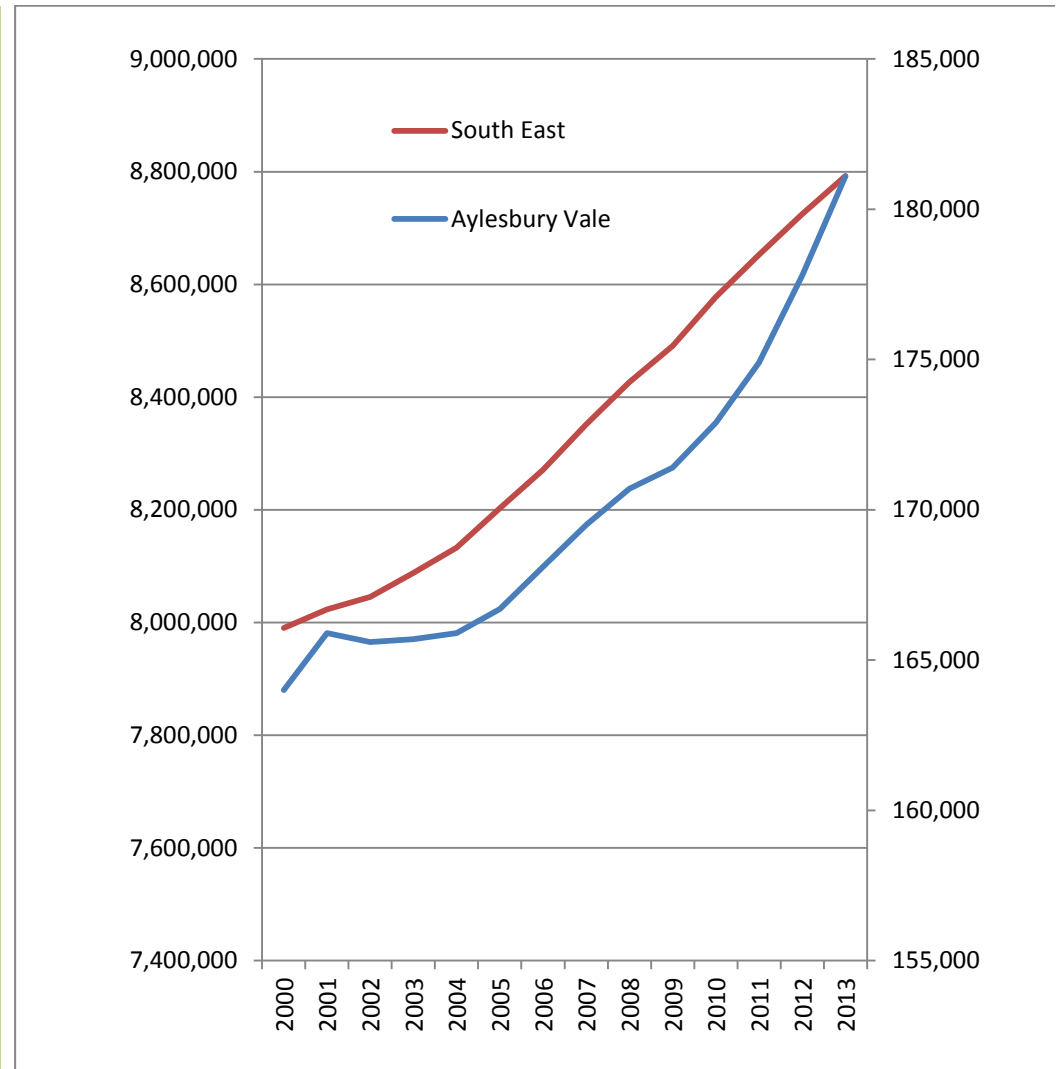
The summary provides a brief economic commentary of relevant indicators and key economic facts associated with Aylesbury Vale DC benchmarked against Buckinghamshire / South East and the UK economy.

Employment has increased by over 200 people from the last quarter in Mar 14.

Earnings are above the South East and GB and are higher than 2012.

### Key Facts:

Population	- 181,000
Economically active	- 115,000 (16-64, 2013)
Population projected increase 2031	- 187,000 – 212,000 by 2031
Aging population with residents over 65	
Working population	- 115,000
Gross weekly earnings	- £563.2 (Full Time)
Commuting & Travel to work patterns	
	- 64% travel out (35,257)
	- 36% travel in (19,872)
Net commuting out of Aylesbury	- 15,385
JSA Claimants (July 14)	- 1282
Residents claiming Job seeker Allowance has decreased by	- 0.5%
Youth unemployment (Age 16 -24)	- 1.8%
Aylesbury Vale population who are: employees	- 66.1%
self employed	- 11.3%
(Comparable with the South East at 11.3% and slightly higher than GB at 9.8%)	



**Population Growth comparison to the South East**

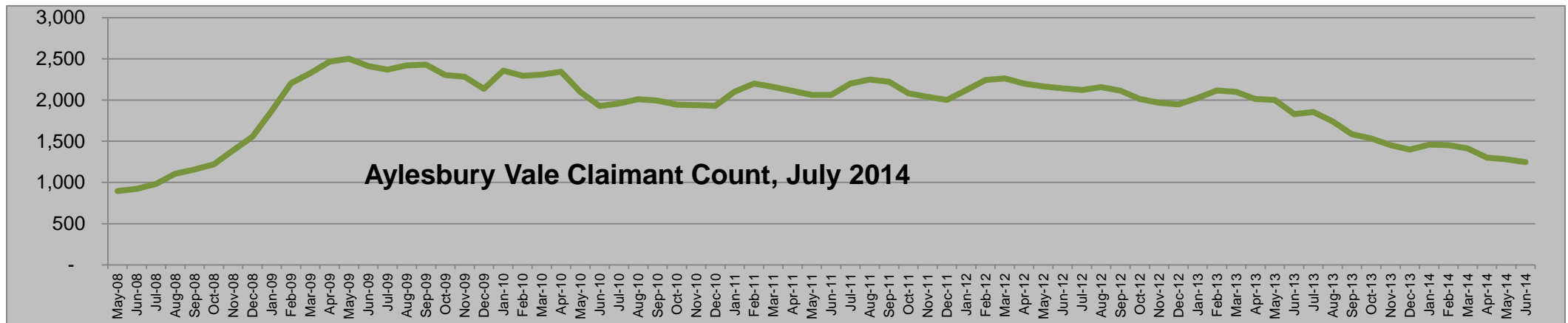
### 3) Employment rate

The definition of employment rate is the percentage of the labour force (all those currently working and available to work) that is in employment.

	Claimants	%	Rank	Change
Aylesbury Vale	1,282	1.1	56 of 380	-35.9
Chiltern	5 24	1.0	43 of 380	-40.7
South Bucks	3 96	1.0	43 of 380	-30.3
Wycombe	1,655	1.5	118 of 380	-30.7
South East	86,239	1.6	1 of 12	-27.7
Great Britain	1,035,254	2.6		-27.1

Source: Job Centre Plus, 2014

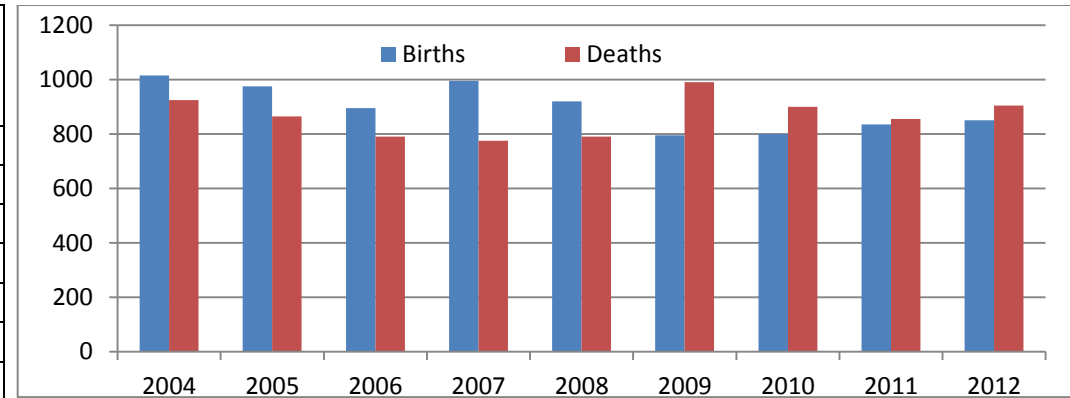
#### Claimant Count comparison from 2008 to 2014



### 4) Business births and deaths up to 2012

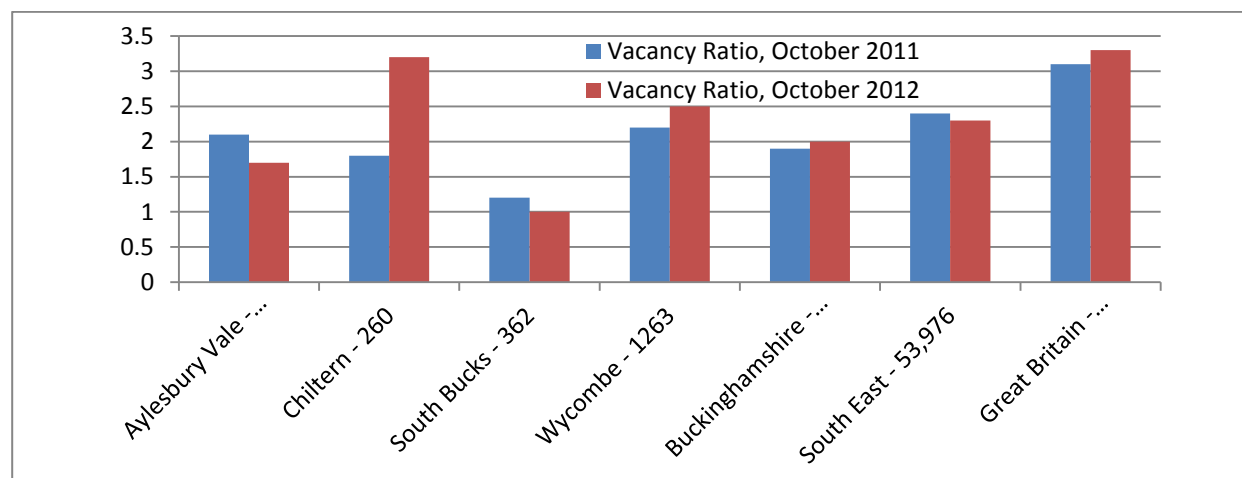
Area	No.	Rate	Rank	No.	Rate	Rank	Births	Deaths
Aylesbury Vale	850	60.1	90	905	64	50	1.8	5.8
Chiltern	565	76.5	32	575	77.8	21	-6.6	10.6
South Bucks	545	99.8	14	485	88.8	10	-5.2	2.1
Wycombe	915	66.3	60	885	64.1	49	-1.1	4.1
Buckinghamshire	2,875	70.5	2	2,850	69.9	2	-2.2	5.6

Source: Business Demography, Mid-year population estimates, ONS, 2013



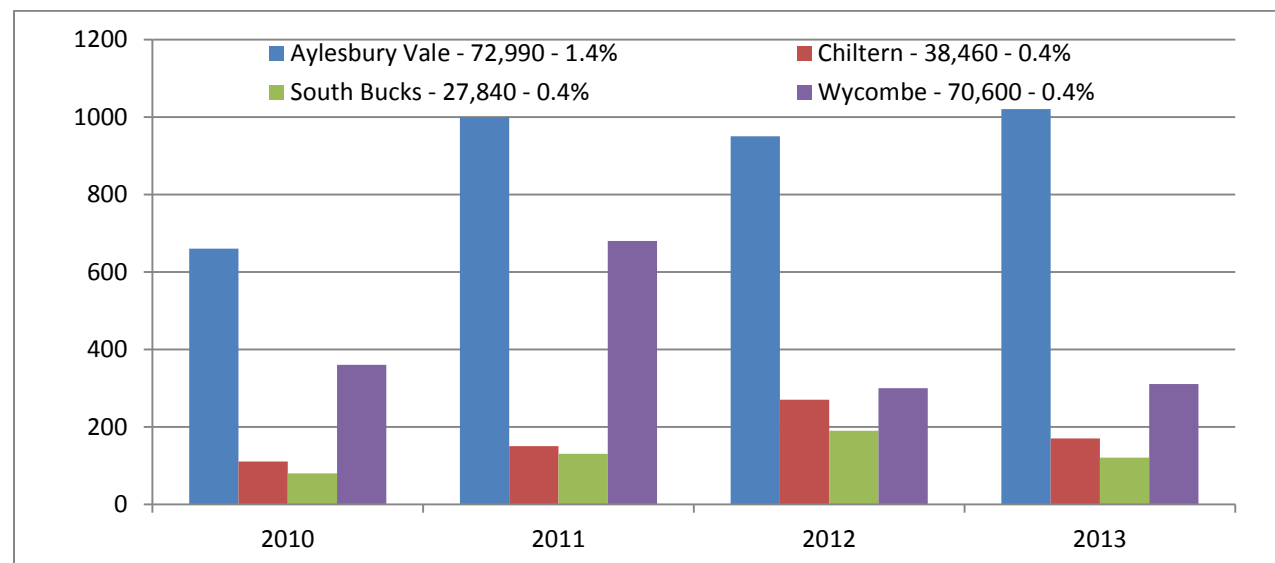
## 5) Aylesbury Vale DC Vacancies - advertised by Job Centre Plus

	Notified Vacancies	Annual Change (%)	Vacancy Ratio, October 2011	Vacancy Ratio, October 2012
Aylesbury Vale	1,058	15.5	2.1	1.7
Chiltern	260	-40.9	1.8	3.2
South Bucks	362	24.1	1.2	1.0
Wycombe	1,263	-14.9	2.2	2.5
Buckinghamshire	2,943	-3.2	1.9	2.0
South East	53,976	-0.7	2.4	2.3
Great Britain	425,779	-4.5	3.1	3.3



## 6) Annual Housing Completions

Of the four Buckinghamshire districts, only Aylesbury Vale bettered the national rate of growth for both completed and started dwellings, while Wycombe bettered the national rate for starts only. The 1,020 dwellings completed in Aylesbury Vale represented 1.4 per cent of stock, the 4th highest growth rate of all 326 local authorities in England, behind only Cambridge, North West Leicestershire and Tower Hamlets. With 1,630 dwellings completed in the last year, more homes were built in Buckinghamshire than in any of the core cities, while with 1,020 completed dwellings Aylesbury Vale alone built more homes than Manchester (770), Liverpool (650), Sheffield (480), Newcastle (470) and Nottingham (190). Buckinghamshire also completed more dwellings in the last year than 31 of the 32 London Boroughs.

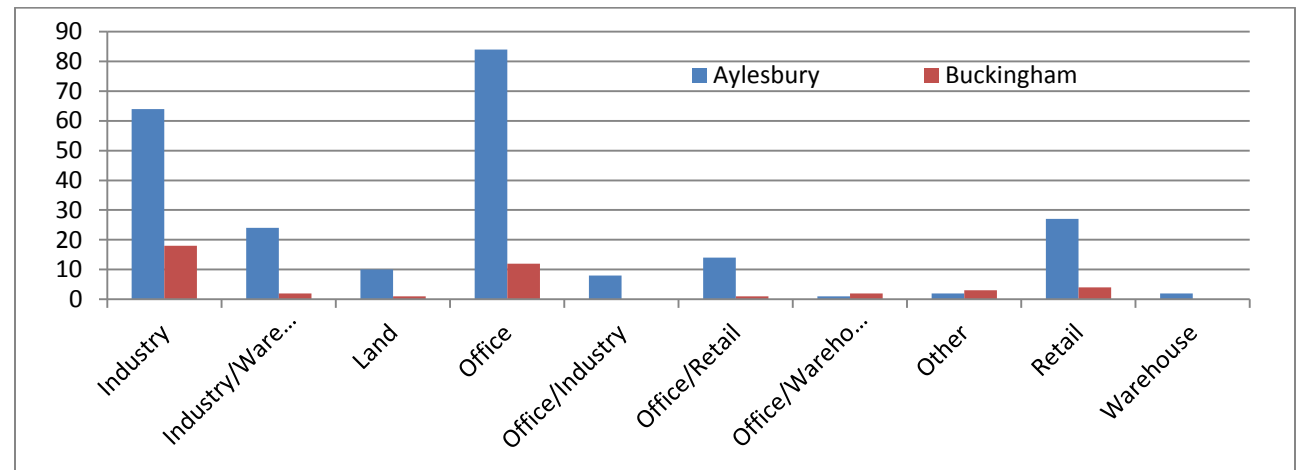


Source: DCLG, 2014

## 7) Commercial Property in Aylesbury Vale District

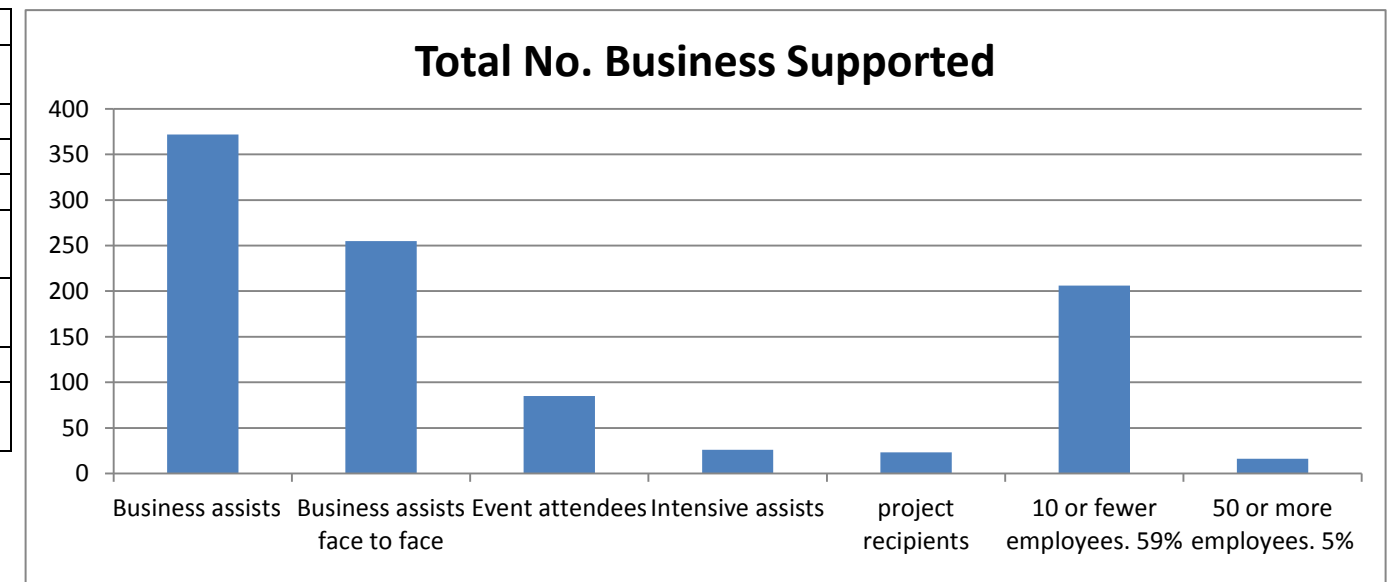
As of the 30<sup>th</sup> June 14 there were 353 commercial property units available in AVDC Businesses are able to search for available commercial property via the BBF, AVDC and WDC websites

Since the 1st April 2014 there have been 835 visits/searches undertaken for properties in Buckinghamshire on the marketing websites.



## 8) Business Support Performance data - Businesses Assisted, July 13 – June 14 (AVDC, BBF and AEIC data)

Business assists	- 372
Business assists face to face 224 (BBF) + 11 (AEIC)	- 255
Event attendees	- 85
Intensive assists (20 (BBF) + 6 (AEIC))	- 26
project recipients	- 23
Businesses supported 10 or fewer employees. 59%	- 206
Businesses supported have 50 or more employees. 5%	- 16
Early Assist Grants – 1	
Grants Established – 2	



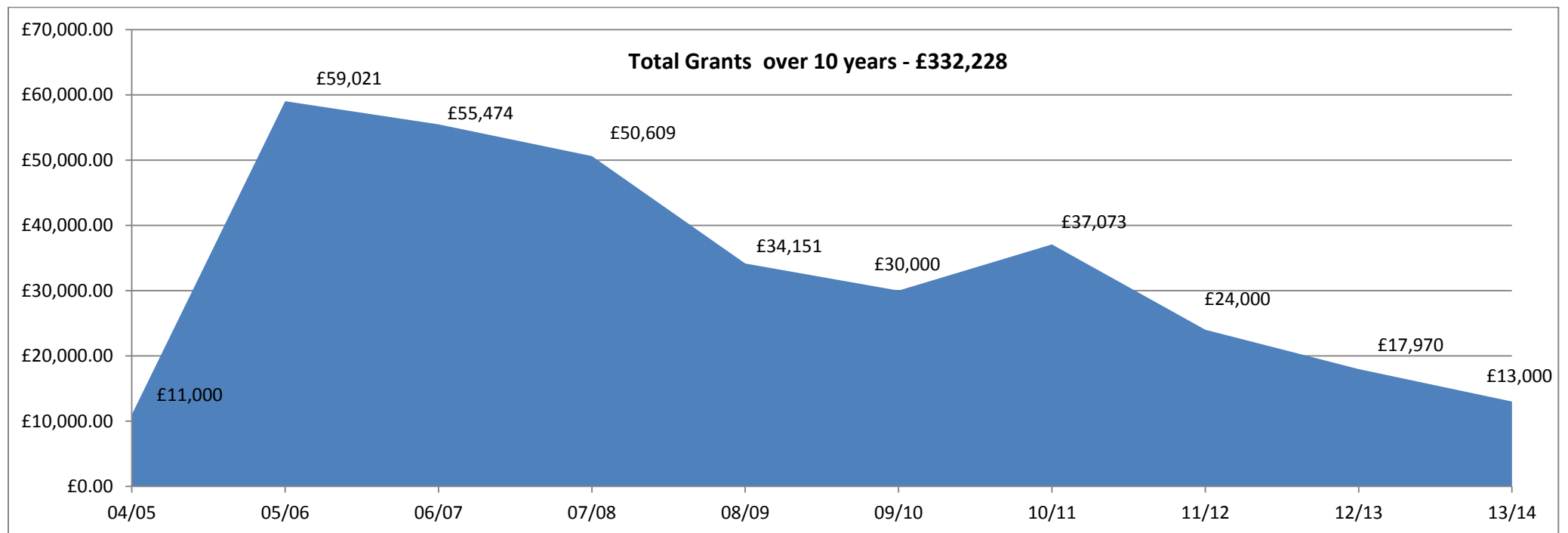
## 9) Businesses Supported with Grant Funding

A total of **£54,970** grants were provided in years:

**2011/12** to 5 Businesses, R&A Engineering, Automotive Mechatronics Ltd, RPM Independent, Porsche Specialists, Paul Wilkinson Photography, Neo PR Ltd, Gobbler Oil Recovery Boats Limited

**2012/13** to 4 Businesses, Aylesbury Escargots, HVS Image, Independent Energy Assessors and Versacloud

**2013/14** to 3 Businesses, Gemelli Solutions, The Beauty Therapy Centre, Harvest Moon Bam





## 10) Investment Enquires

17no. new investment enquiries managed during the period to 30th June 14. New enquires were sourced from UKTI (IST) , BBF and overseas post.

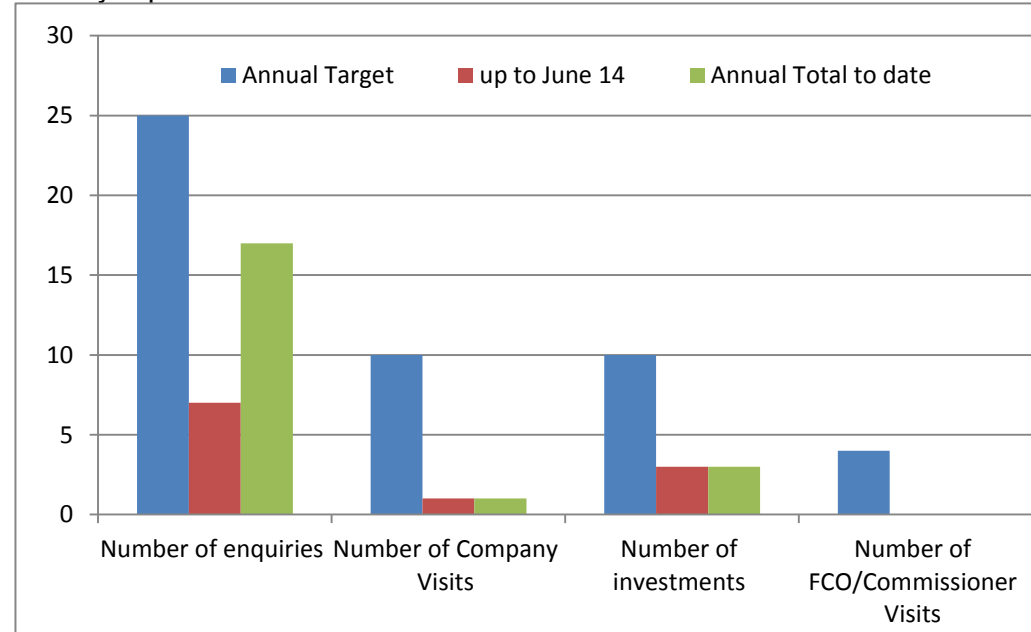
Glass Press an Eastern European Glass manufacturer has shortlisted the Arla Dairy site Aston 41 for a glass manufacturing facility (150 jobs at start). BBF are working in partnership with TVCC and AVDC and working directly with the client. The site has been shortlisted to six across the South East.

### Numbers of Leads & Landings

**12/13** – 28 leads, 2 landings, 830 jobs

**13/14** – 7 leads, 3 landings, 46 jobs

Activity report Quarter 1 to 30th June 2014



## 11) Investment Successes

- **NanoString Technologies –Europe** - Nanostring the US owned medical instrument manufacturer have established their first UK presence in Amersham Bucks. The company employ two people, anticipating expansion to 5 in the next 6 months.
- **Handelsbanken** - Submitted a request for property option in Aylesbury for a planned new town centre branch in January 2013. opened a new office (May). Open for business employing 4 people (2014 -15 success).
- **AusDiagnostics UK** - AusDiagnostics Pty Ltd developed out of an AusIndustry START grant held by Corbett Research in a partnership with the research group of Prof Keith Stanley at the University of New South Wales. new operation of 3 people at a light industrial / mixed unit on Anglo Business Park, Asheridge Road, Chesham.
- **Other News** - Aylesbury-based vehicle servicing firm KM Commercial, based on the Rabans Lane Industrial Estate has signed a new deal with Arla, to service all its vehicles.
- Aylesbury-based Enercon Industries are supplying ARLA with the system for sealing the bottle-tops.

