



enterprise **m3**

Delivering prosperity through innovation

Enterprise M3 Economy, Labour Market and Skills Dashboard

EM3 SAP and EM3 Board Meetings – March 2022

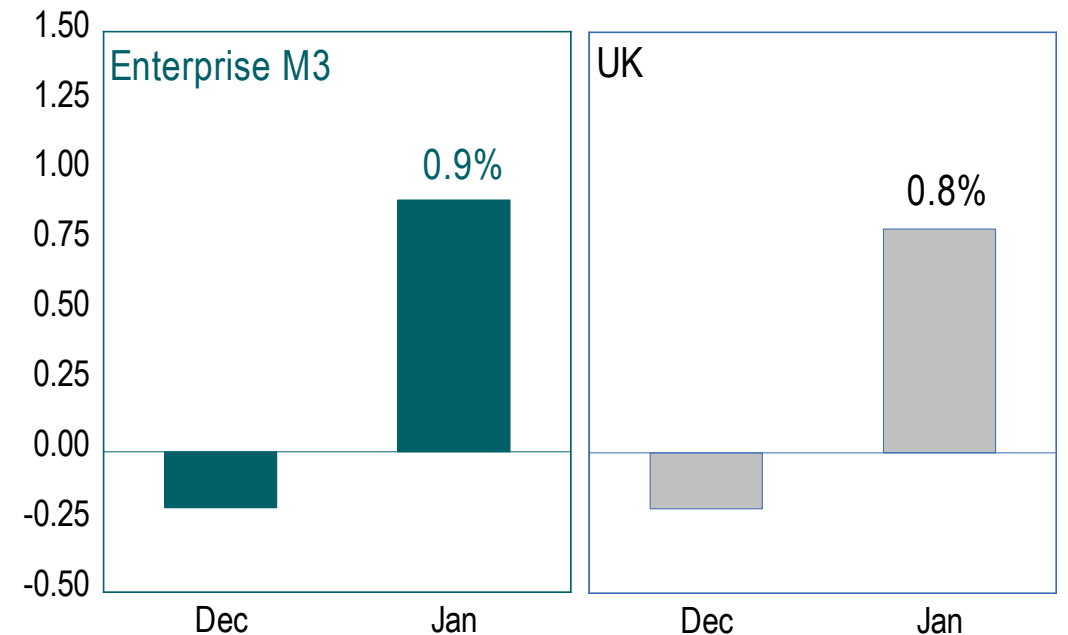


ECONOMY & BUSINESS

STRONG GROWTH PERFORMANCE AT THE START OF THE YEAR

- Economic growth faster than anticipated in January.
- Growth driven by consumer facing services but strong growth in construction, manufacturing and healthcare.
- Some of the rebound in economic output have flowed into February – business activity in the region increased at the fastest pace in eight months.
- Growth might be as good as it gets for this year

Estimated growth in GVA
December 2021 and January 2022

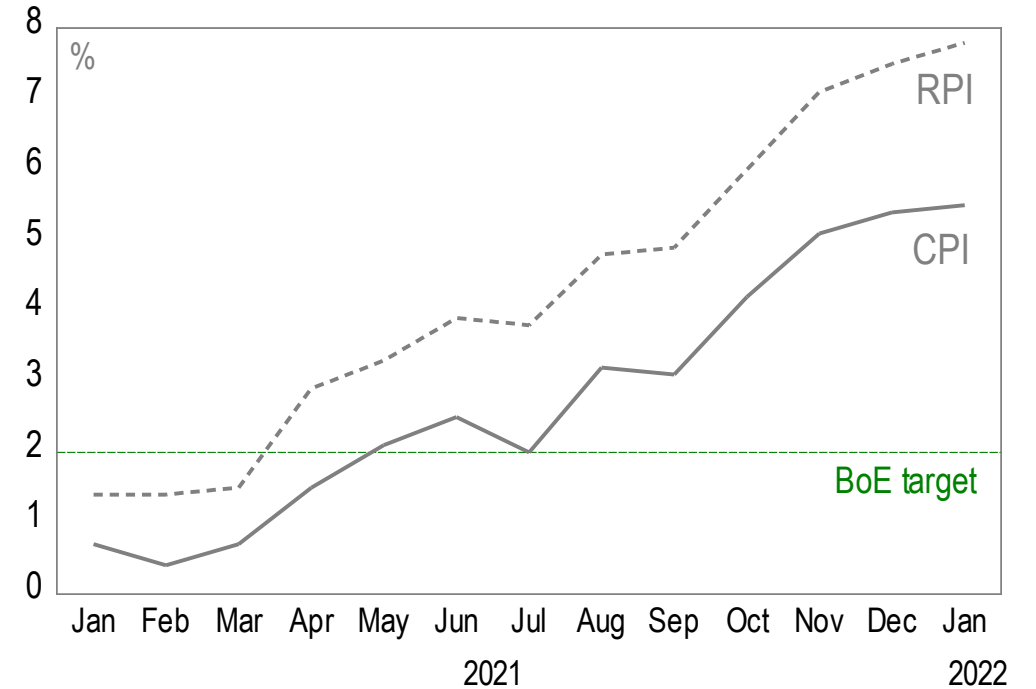


Source: ONS and HCC (2022)

THE OUTLOOK IS UNIFORMLY LESS UPBEAT

- UK inflation (CPI) increased to 5.5% in January, the highest rate in 40 years.
- Enterprise M3 households face escalating cost of living pressure.
- Supply chain disruptions getting worse > Shenzhen's lockdown > global supply chain shock.
- Upward pressure on prices and downward pressure on economic growth.
- The war in Ukraine > commodity shock

Estimated growth in GVA
December 2021 and February 2022

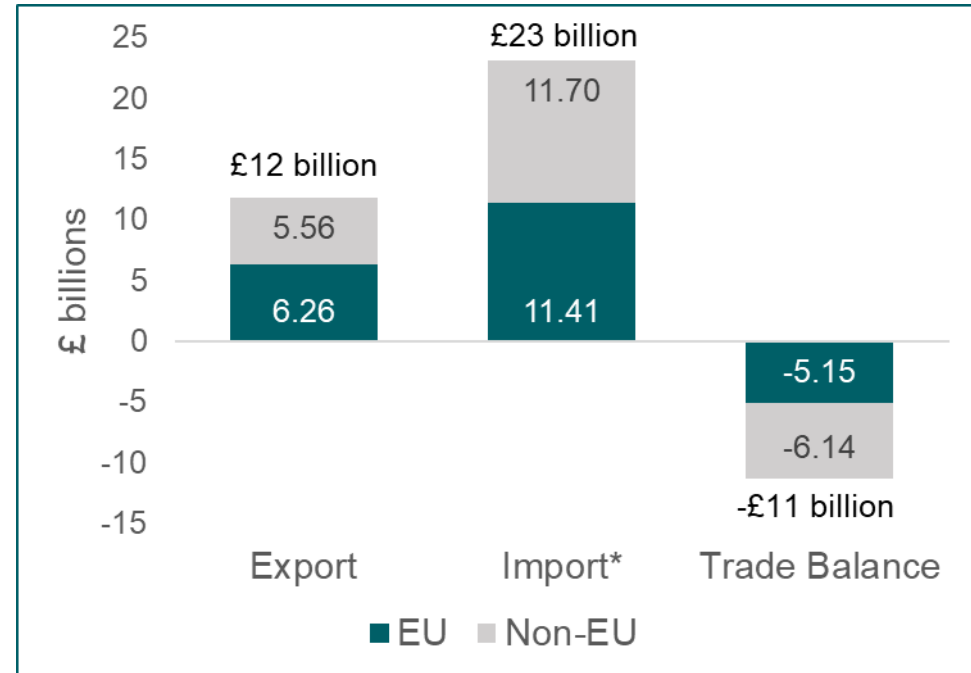


Source: ONS (2022)

THE WAR IN UKRAINE RAISES RISK OF SHARPER SLOWDOWN

- Trade in goods fell sharply in 2020 but trade deficit in goods had improved.
- Enterprise M3's direct exposure to trade with Russia and Ukraine will be modest but secondary impacts e.g. further supply-chain spillovers likely to be much larger.
- The largest impact to manifest itself through higher oil, domestic energy and food prices.
- Events are unfolding fast and more severe outturns are possible.

Enterprise M3 trade in goods, 2020



Source: HMRC (2022)

Note: Trade figures based on NUTs 3 aggregation so will include New Forest District

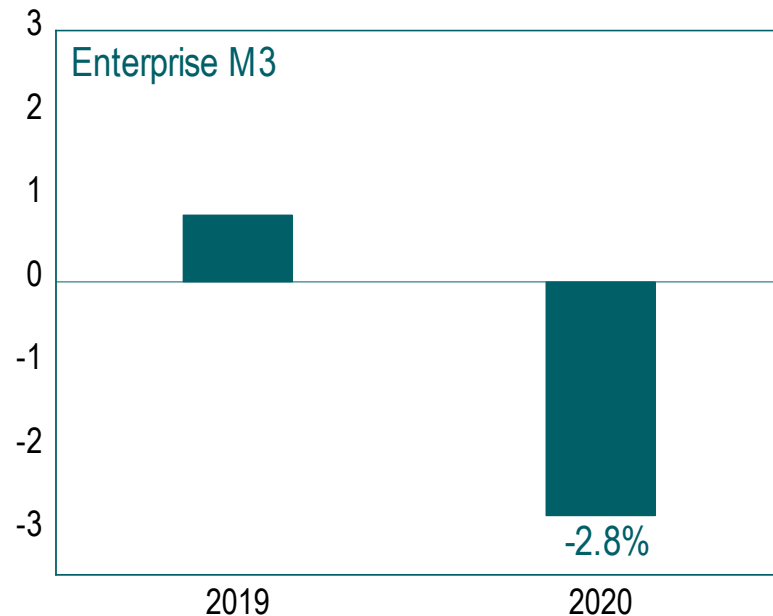
*Imports likely to be inflated by oil imports to Fawley.



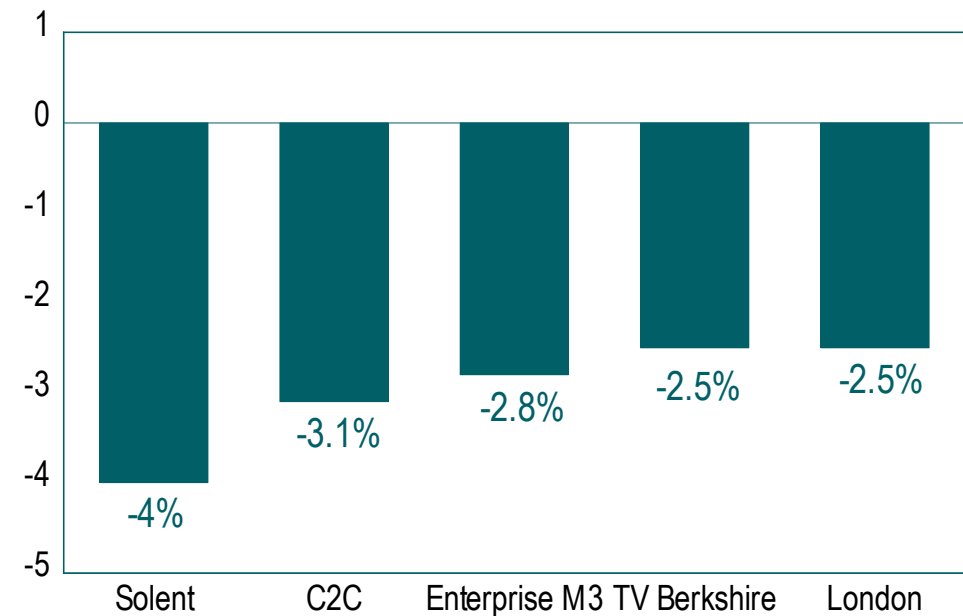
LABOUR MARKET & SKILLS

SHARP DECREASE IN JOBS IN 2020...

Workplace employment growth
(annual % change)



Workplace employment growth, 2020
(annual % change)



- Employment in the area increased in 2019 but 2020 saw a sharp decrease.
- Decrease in jobs considerably better than the decrease in GVA.

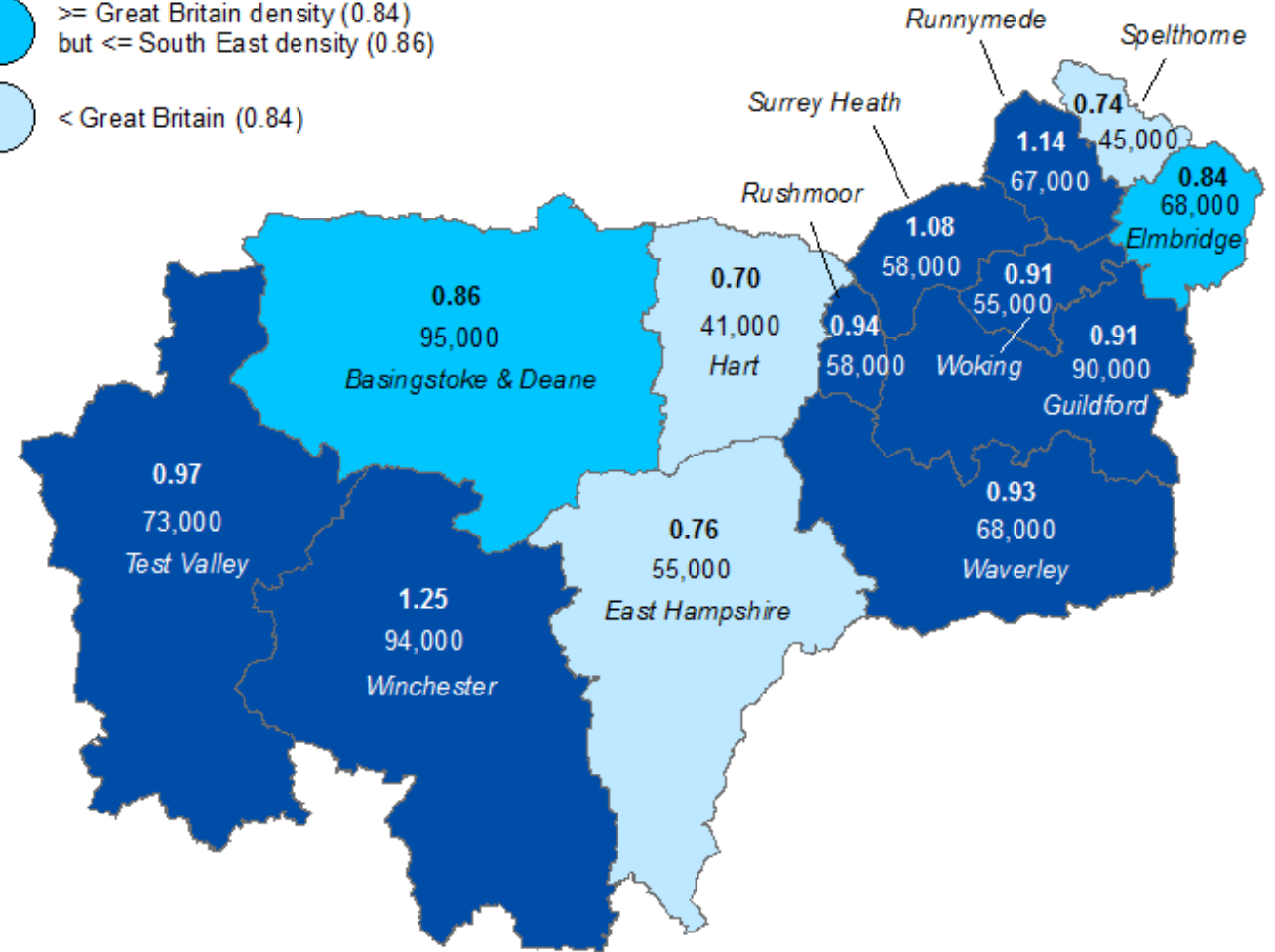
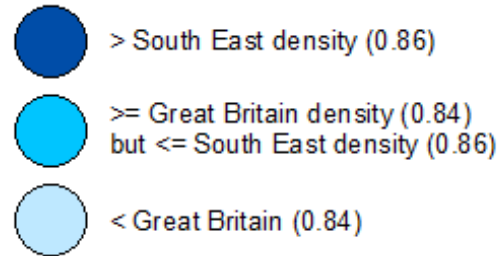
- Decrease in jobs within Enterprise M3 area slightly larger than in London or TV Berkshire
- Enterprise M3 performance considerably better than in Solent.

...BUT HIGH JOB DENSITY

- 41,000 fewer jobs than in 2019 but plenty of jobs in the area.
- Job density decreased from 0.97 to 0.92 jobs per resident of working age.
- One of the highest job densities in England.
- Job density in most local authorities in 2020 above the South East average.

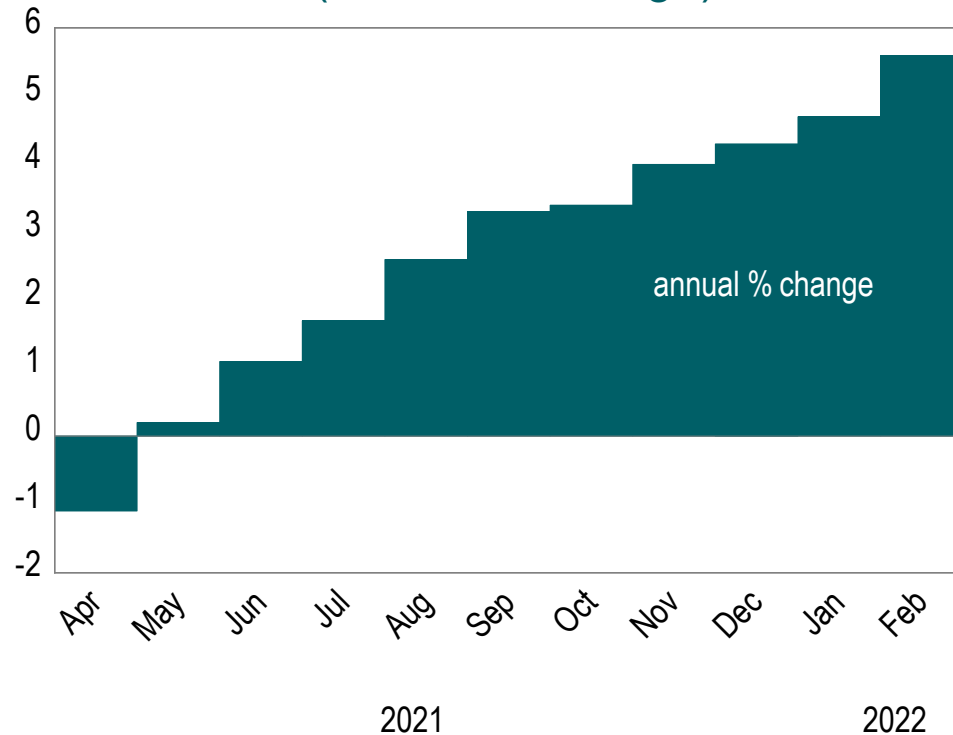
Jobs per working age population, 2020

Employment density (2020)

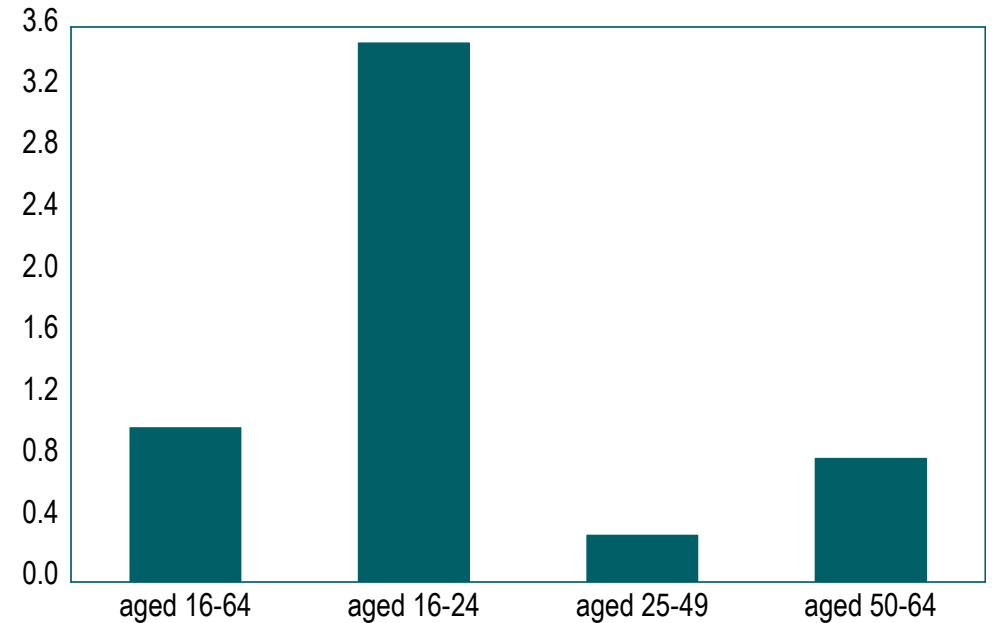


STRONG RECOVERY IN PAYE EMPLOYMENT IS UNDERWAY

PAYE employee growth
(annual % change)



The main beneficiaries
(pp. change in employment rate, year to Sep 2021)

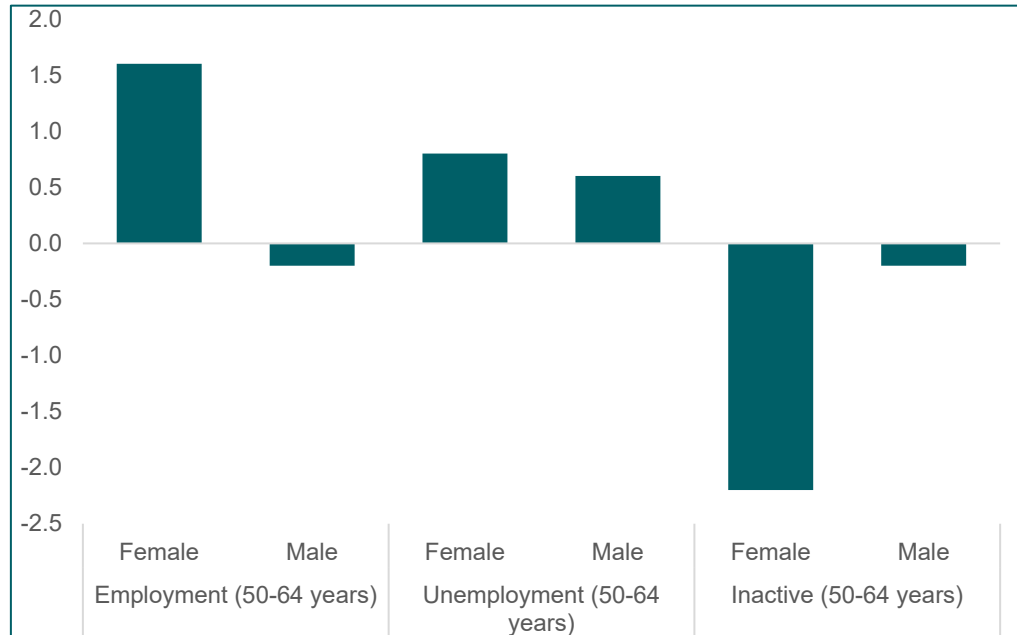


- 8,500 additional employees in 2022, over 38,400 in the year to February (+5.6%).
- Some 16,200 above the pre-pandemic peak.
- Self-employment slow to recover.

- Increase in employment across all main age groups.
- Young people benefited the most.

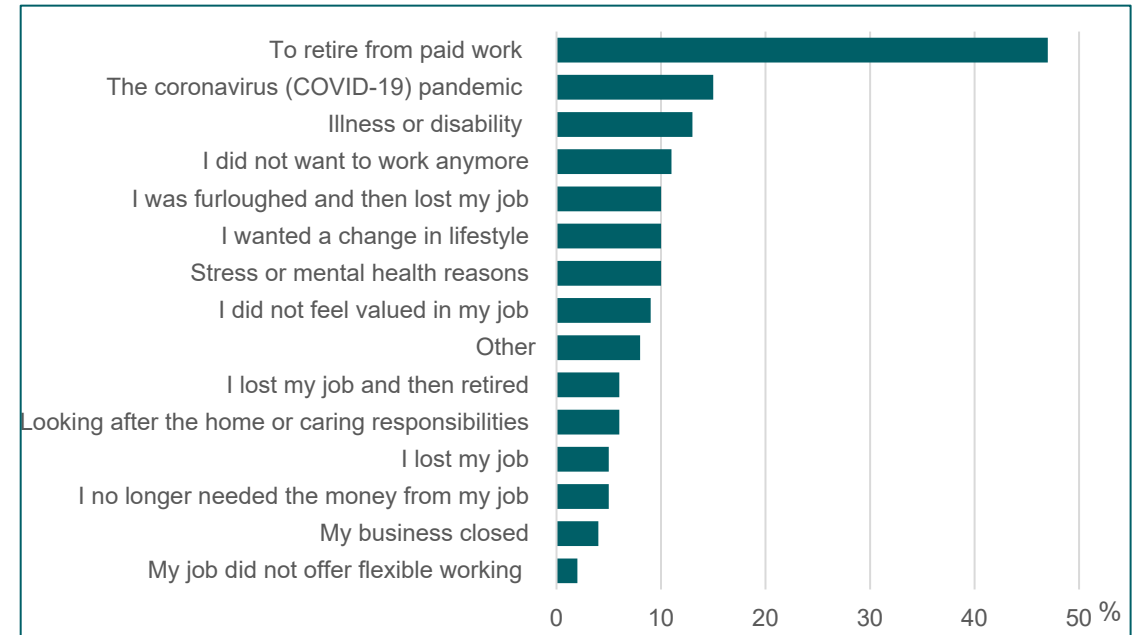
FEMALES AGED 50-64 SEE EMPLOYMENT RATES GROW FASTER AND INACTIVITY FALL QUICKER

Labour Market Changes EM3 Residents Aged 50-64 years
(pp. change in employment rate, year to Sep 2021)



Source: ONS (APS)

Great Britain Residents Aged 50-70 years
Reasons for Leaving Work February 2022

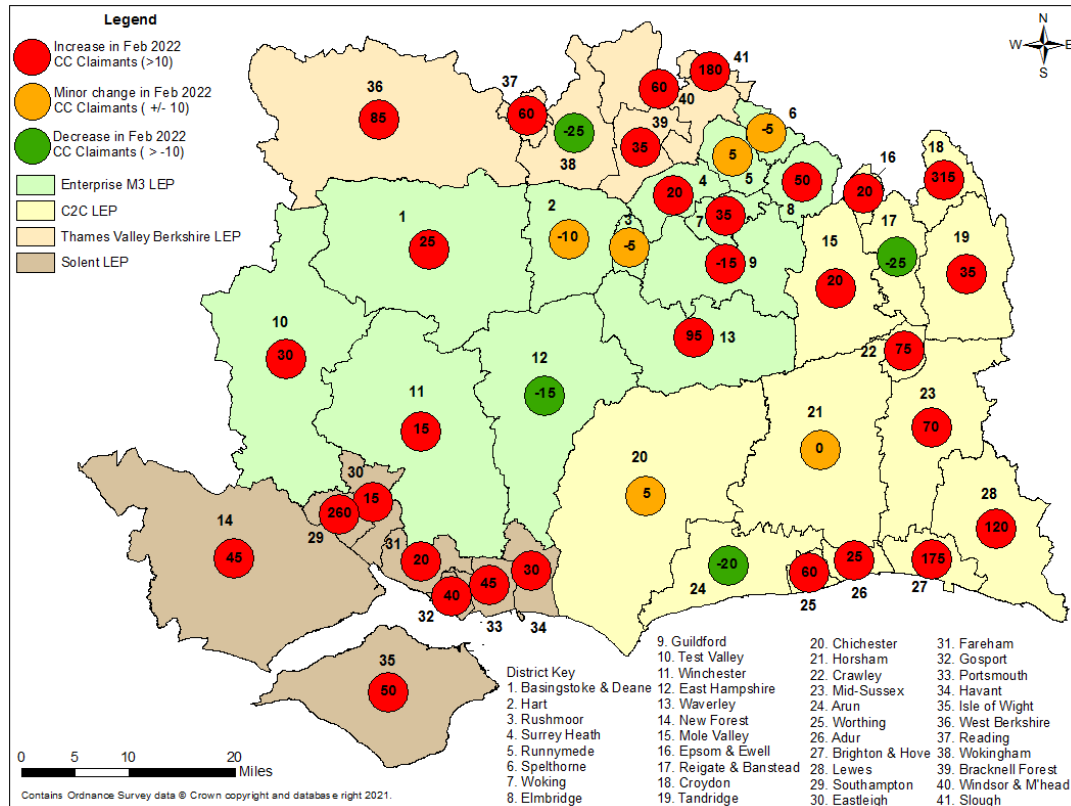


Source: ONS (Opinions and Lifestyle Survey (COVID-19 module))

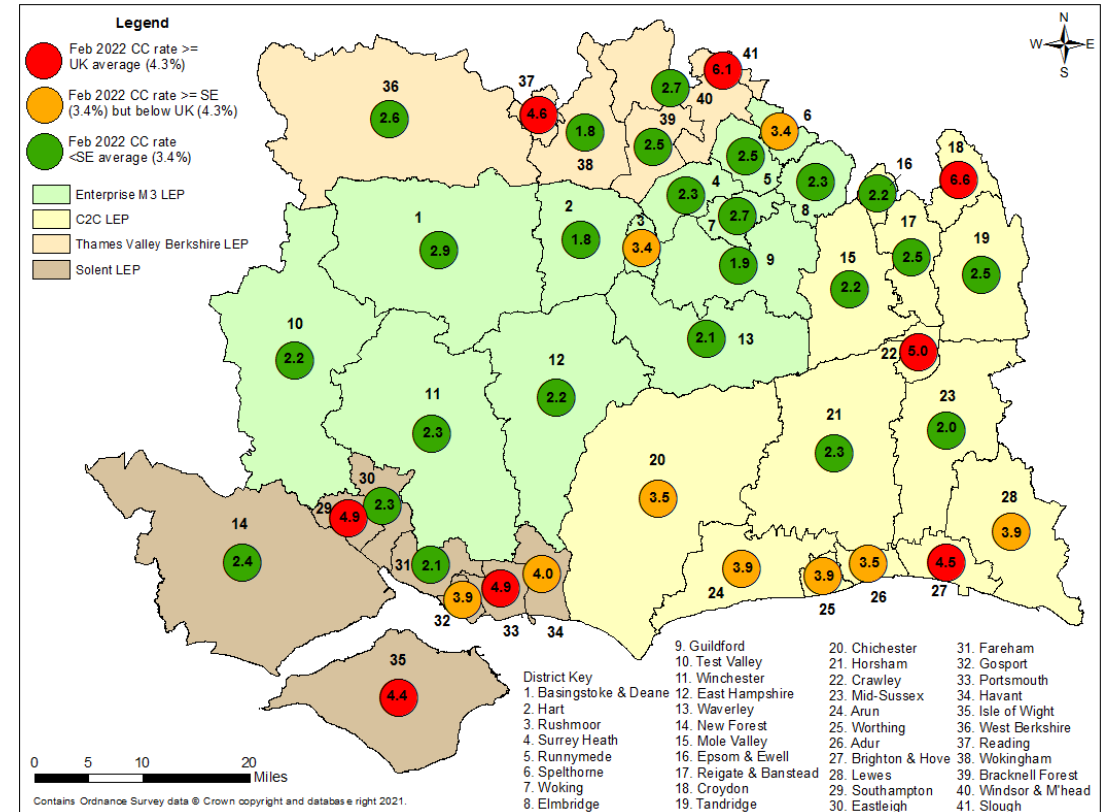
- Female employment rate up 1.6pppts on year, male rate down 0.2pppts
- Fall in female inactivity possibly aided by furlough and more flexible working allowing those with caring responsibilities to work.
- Timelier national data suggests increased inactivity among older workers (50-64), notably with long-term illness or retirement as reasons given.
- Older adults (50-70yrs) most likely to retire, BUT around half (48%) who left work during coronavirus pandemic since returned because needed money.

FEBRUARY SEES A SMALL INCREASE IN UNEMPLOYMENT DRIVEN BY SEASONAL FACTORS

Monthly change in unemployment – Jan to Feb 2022 (Claimant Count Unemployment)



Unemployment rates – February 2022 (Claimant Count Unemployment)

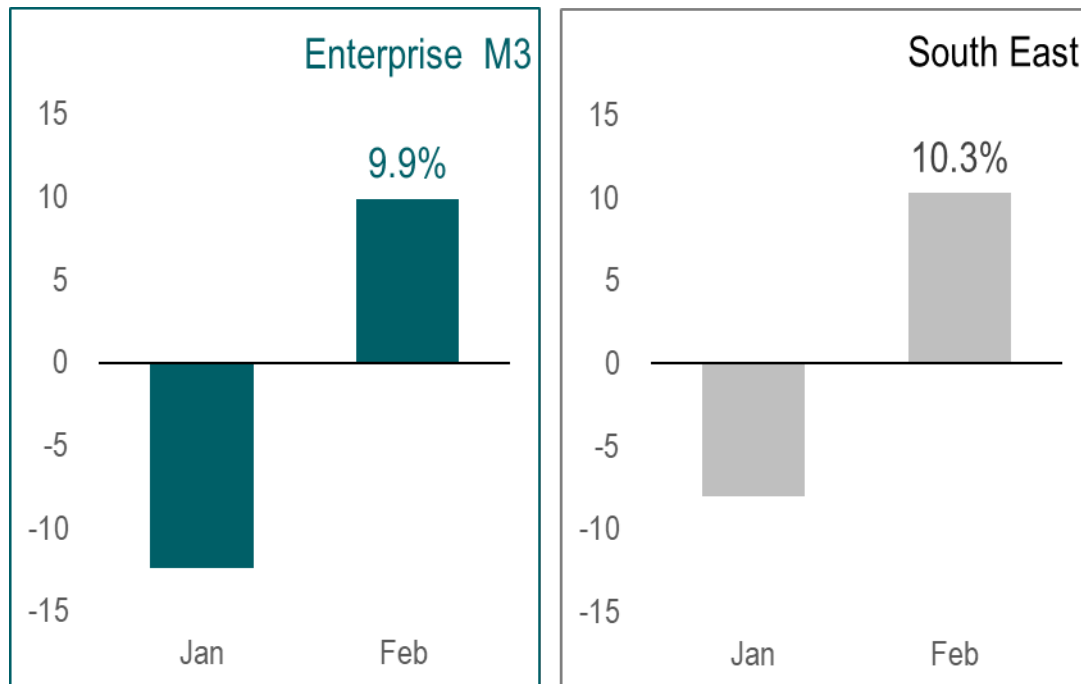


- 22,990 unemployed claimants in Feb 2022, up 285 on Jan 2022 but down 15,230 on Feb 2021
- 2.5% Em3 rate (the lowest in the LEP areas).

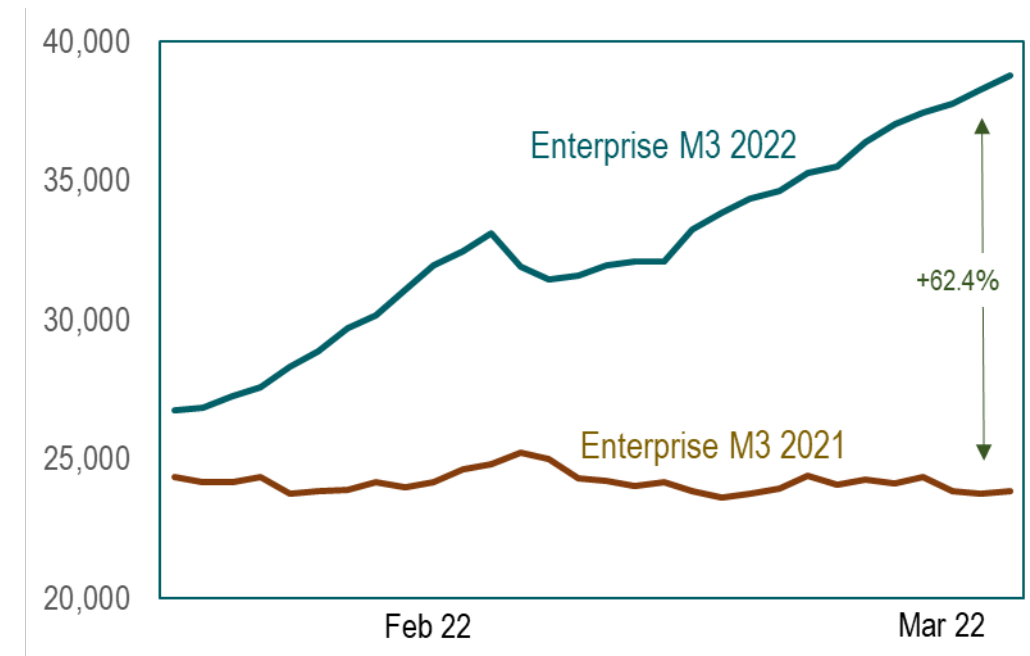
- 3,370 young claimants (18-24 year olds) in Feb 2022, up 70 on Jan 2022 but down 3,775 on Feb 2021.
- Young Em3 unemployment rate 2.9%.

DEMAND FOR LABOUR RETURNS IN FEBRUARY BUT WILL IT LAST?

% change in online job postings
(Jan to Feb 2022)



Online job postings relative to last year
(30 days to 8th March 2022)



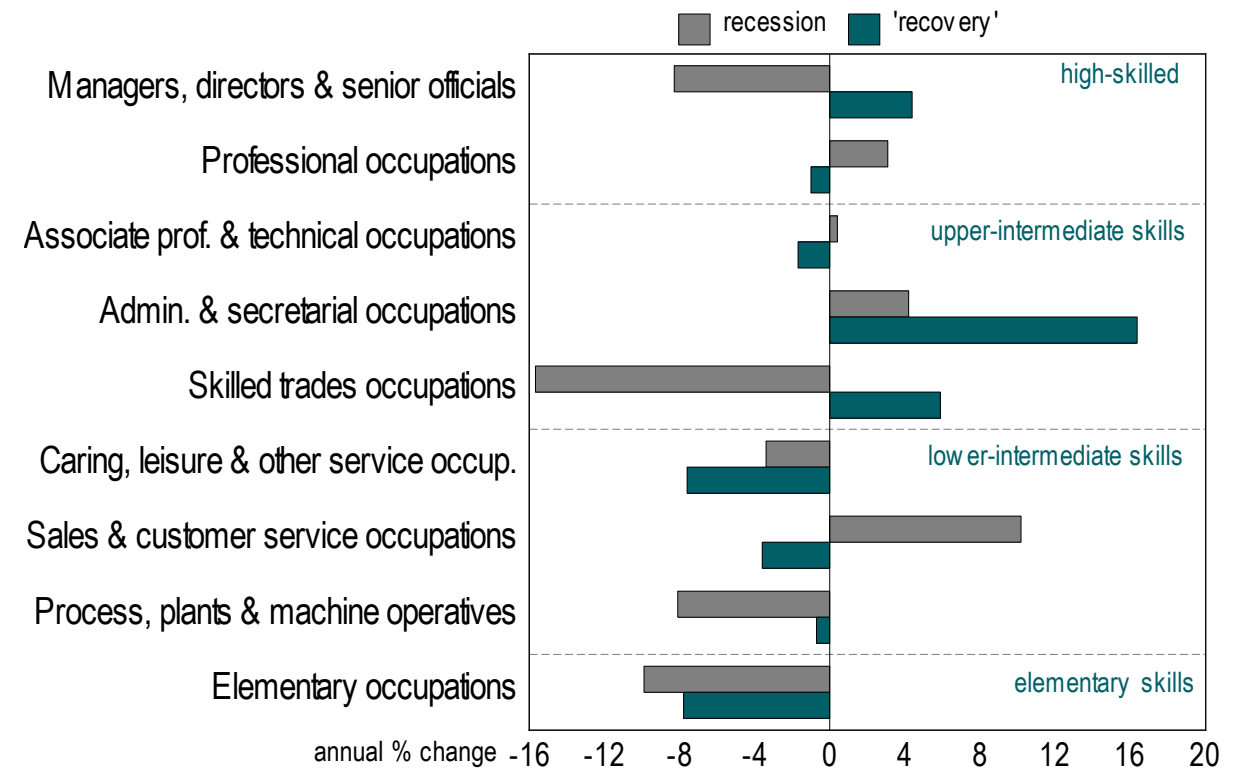
Source: Emsi (2022), all job postings

- The seasonal and Omicron related factors weigh down on demand in January.
- Demand bounces back in February.
- Strong demand continues into March.
- Likely slowdown in activity and demand for labour.

STRONG DEMAND FOR HIGH AND INTERMEDIATE SKILLS

- Sharp fall in demand for some intermediate and elementary occupations and highly skilled managers, directors and senior officials in 2020.
- Demand returns for highly skilled and some intermediate occupations
- Demand for elementary occupations remains subdued.

Skills demand in Enterprise M3
(2020 and year to September 2021)



Source: ONS (2022).

SKILLS IN HIGH DEMAND IN ENTERPRISE M3 (I)

Relatively strong demand by occupation in Enterprise M3 - Top 10 Occupations
(December 2021 and February 2022)

Occupation (SOC) - December 2021	Unique Postings	%
Nurses	2,127	7.6
Care Workers and Home Carers	2,026	7.2
Programmers and Software Development Professionals	1,501	5.3
Other Administrative Occupations n.e.c.	1,446	5.2
Sales Related Occupations n.e.c.	1,436	5.1
Customer Service Occupations n.e.c.	1,112	4.0
Kitchen and Catering Assistants	967	3.4
Chefs	817	2.9
IT Business Analysts, Architects and Systems Designers	739	2.6
Managers and Proprietors in Other Services n.e.c.	692	2.5

Occupation (SOC) - February 2022	Unique Postings	%
Nurses	1,886	7.1
Care Workers and Home Carers	1,681	6.3
Programmers and Software Development Professionals	1,424	5.4
Other Administrative Occupations n.e.c.	1,274	4.8
Sales Related Occupations n.e.c.	1,177	4.4
Customer Service Occupations n.e.c.	1,140	4.3
Kitchen and Catering Assistants	906	3.4
Chefs	854	3.2
IT Business Analysts, Architects and Systems Designers	760	2.9
Marketing and Sales Directors	675	2.5

Source: Emsi (2022)

- Still robust demand for care workers & nurses but lower than Dec 2021.

Occupations in Green indicate new entrants to the top 10 list.

- Proportionately, rising demand for chefs, IT analysts, marketing & sales directors and customer services occupations.

SKILLS IN HIGH DEMAND IN ENTERPRISE M3 (II)

Top hard skills in Enterprise M3 –December 2021 and February 2022

Top Hard Skills - Dec 2021
Finance
Auditing
Nursing
Agile Methodology
Accounting
Key Performance Indicators (KPIs)
Mental Health
Newsletters
Warehousing
Templates

Top Hard Skills - Feb 2022
<u>Agriculture</u>
<u>Aviation</u>
Finance
Auditing
<u>Procurement</u>
Accounting
<u>Purchasing</u>
Nursing
<u>Newsletters</u>
Templates

Source: Emsi (2022)

- Hard to find skills in agriculture, aviation and finance/auditing
- Templates new to top 10 hard skills in Feb 2022

Underlined occupations move up the list in February compared to previous month.

SKILLS IN LOW DEMAND IN ENTERPRISE M3

Relatively low demand by occupation in Enterprise M3 - Bottom 10 Occupations (December 2021 and February 2022)

Occupation (SOC) - December 2021	Unique Postings	%
Higher Education Teaching Professionals	225	0.8
Primary and Nursery Education Teaching Professionals	225	0.8
Security Guards and Related Occupations	226	0.8
Office Managers	230	0.8
Web Design and Development Professionals	244	0.9
Civil Engineers	249	0.9
Estate Agents and Auctioneers	250	0.9
Waiters and Waitresses	254	0.9
Financial Managers and Directors	270	1.0
Housekeepers and Related Occupations	271	1.0

Occupation (SOC) - February 2022	Unique Postings	%
Primary and Nursery Education Teaching Professionals	232	0.9
Mechanical Engineers	233	0.9
Housekeepers and Related Occupations	242	0.9
Sales Accounts and Business Development Managers	243	0.9
Waiters and Waitresses	247	0.9
Health Services and Public Health Managers and Directors	250	0.9
Plumbers and Heating and Ventilating Engineers	252	0.9
Buyers and Procurement Officers	263	1.0
Web Design and Development Professionals	264	1.0
Vehicle Technicians, Mechanics and Electricians	268	1.0

Source: Emsi (2022)

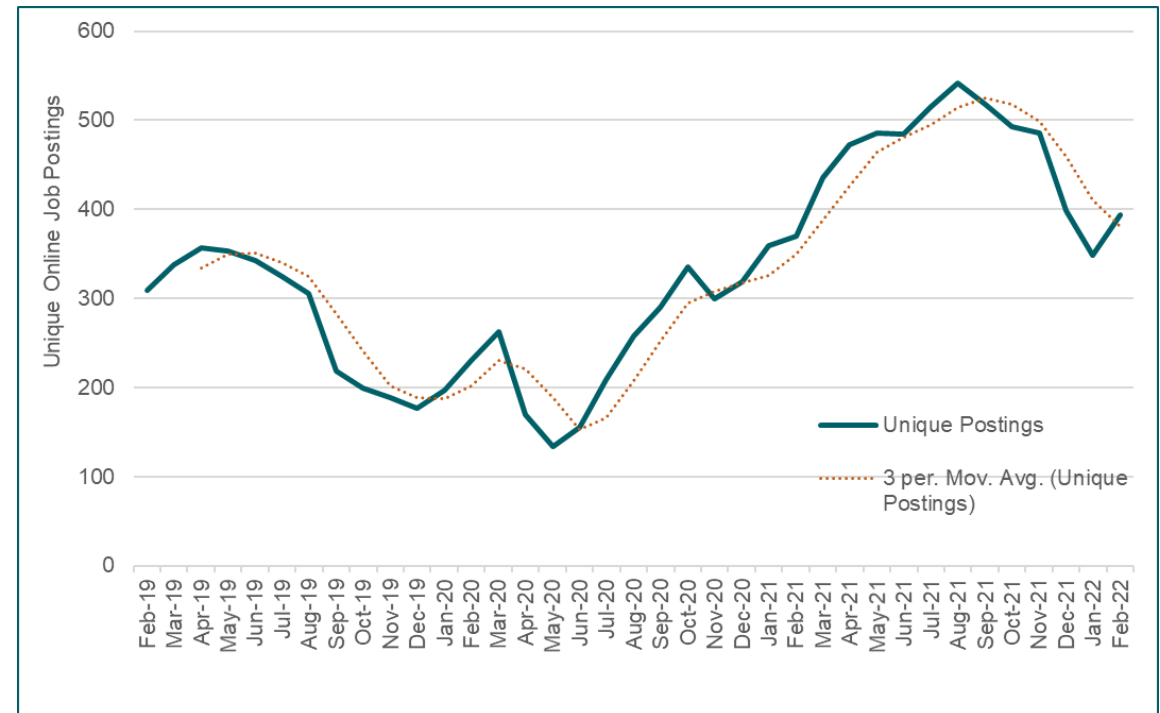
- Low demand for some public sector and professional and technical occupations

Green – new entry to bottom 10 occupations

STRONG DEMAND FOR 'GREEN JOBS' IN ENTERPRISE M3 SINCE MID-TO-LATE 2020

- Around 28% increase in demand for 'Green Jobs' since Feb 2019*.
- On average strong demand for 'Green Jobs' from 2020 onwards, despite the initial shock of pandemic.
- Strong recovery since mid-to-late 2020 although some signs of slowing down end of 2021 followed by uptick in Feb 2022.
- Robust demand for biological scientists and bio-chemists, chemists, and landscape designers,

Online 'green job' postings in Enterprise M3
(Feb 2019 to Feb 2022)



Source: Emsi (2022)

*Retrospective data refresh based on new EMSI-Burning Glass data.



BUSINESS UPDATES IN ENTERPRISE M3

BUSINESS NEWS HEADLINES

EXPANSION & JOB CREATION

Paultons Park creating 500 seasonal jobs at the Hampshire theme park at Ower near Romsey. Paultons Park (home of Peppa Pig World) will be hiring 40 per cent more seasonal staff than its previous record in 2021. Business at Paultons was boosted by the opening of a new themed area, Tornado Springs, last year.

Direct Tool Company Limited (DTC), a Test Valley tool company has **created 12 new jobs** as part of a £300,000 plan for expansion, with new roles alongside a series of initiatives in response to increased demand for its products.

Toys 'R' Us returns to UK - four years after shutting Basingstoke store. Toy store Toys R US will return to the UK high street in Brighton Hill Retail Park, Basingstoke.

Budgens store has opened on the £90million Magna Square development in Egham **creating 14 new jobs**.

Godalming based financial advisors Flying Colours plan to **hire 12 advisers by July** as it makes two senior appointments.

Thai restaurant chain Giggling Squid has announced plans to open doors in Winchester this summer. The new Thai restaurant will create **50 jobs when it opens in the city**.

BUSINESS NEWS HEADLINES

ACQUISITIONS AND MERGERS

Guildford headquartered pharmaceutical Ergomed has brought Berkshire based **ADAMAS** for £25.6 million.

Holiday park operator Bourne Leisure has bought the Runnymede on Thames hotel in Egham, Surrey, from Ralph Trustees for an undisclosed sum. The Runnymede will join the group's Warner Leisure Hotels portfolio.

Inbox Insight, headquartered in Winchester, has undergone a £25.5m management buyout in a deal backed by Mobeus. Inbox Insight is a technology-focused provider of content syndication services. Founded in 2010, it has grown rapidly with almost 40 per cent of its £14m revenue now generated in the US.

OTHER NEWS

B2B Expos unveil ambitious events calendar of local business exhibitions. Each event attracts over 250 businesses and local professionals from a range of sectors. The first event of 2022 is the **Farnborough Business Expo** which returns to The Village Hotel on 10 March.

Hampshire Chamber of Commerce is working towards the **relaunch of our Business News Magazine**, with the first issue scheduled for publication in early April 2022.

PRODUCED BY ENTERPRISE M3 LOCAL ENTERPRISE PARTNERSHIPS IN PARTNERSHIP WITH THE ECONOMIC & BUSINESS INTELLIGENCE SERVICE (EBIS)

