Bath & North East Somerset Council

Improving People's Lives

Strategic Evidence Base for Bath and North East Somerset

Economy

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Economy

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Summary

Bath & North East Somerset Council

Improving People's Lives

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Economy Summary 1

Business Demography

- The growth in the number of businesses in B&NES has not kept pace with England and West of England (21% vs 34%/31% respectively from 2010-2022).
- Our largest sector in terms of the number of businesses is in professional, scientific and technical activities (accounting for around 1 in 5 businesses). The second key sector in B&NES is the combined tourism and leisure sector.
- 89% of businesses in B&NES are 'micro-businesses' (0-9 employees), as is the case nationally and in the West of England.

Economic Growth / Productivity

- Economic growth in B&NES has not kept pace with England and West of England (11% vs 50%/55% respectively from 1998 to 2021). Growth in B&NES is the lowest of all the local authorities in the West of England as well as amongst our statistical neighbours.
- Economic growth since the global financial crisis (2008/9) has been particularly poor, with B&NES not recovering as well as England or the West of England.
- The B&NES economy is dominated by the service sector (accounting for 83% of GVA), as is the case nationally. Education and Health account for almost a third of the local service sector economy. These two sectors make up a higher proportion of the local economy compared to England.
- The strongest economic growth in B&NES has been in the Information & Communication sector. However, this is markedly lower than national and West of England growth (255% vs 748%/899%).
- Productivity in B&NES is lower than England and the West of England with the gap widening over the past decade and growth stagnating in B&NES in recent years.

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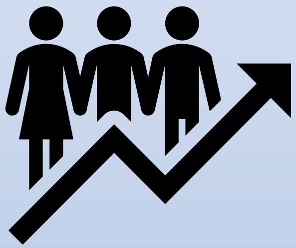
Economy Summary 2



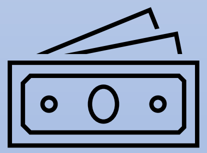
Employment (jobs located in B&NES)

- Around 1 in 5 employees based in B&NES are employed in public sector organisations (19%), which is similar compared to UK and West of England (18%).
- Compared to national, B&NES has a higher proportion of part-time workers (39% vs. 32% respectively).
- Health, Education and Accommodation & food service sectors account for 43% of all jobs in B&NES, higher than national and West of England (30%/31%).
- Following an upwards trend since 2010, the employment rate in B&NES has recently fallen and is now below the national rate for the first time in over a decade.

Unemployment and Economic (In)activity

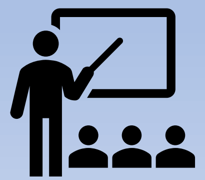
- Unemployment rates have continued their downward trend in B&NES and nationally.
- Rates of Universal Credit claimants in employment are greater in B&NES than nationally.
- Following a downward trend, economic inactivity has shown a noticeable increase and is now higher than the national rate.
- The main driver of economic inactivity in B&NES is students. There is no evidence that long-term sickness is a key driver of economic inactivity in B&NES (matching national research findings).

Wages



- Nominal annual wage growth has seen a large increase from 2021, with resident-based wages showing a higher increase than workplace-based wages.
- Although resident wages are now higher than national, workplace wages are still lower suggesting those working for employers based outside B&NES receive higher wages on average.

Resident workforce



- B&NES has a highly qualified resident population, with the majority (52%) being qualified to degree level (NVQ level 4 and equivalent).
- B&NES has a much higher proportion of its residents in employment working in professional occupations, which may be behind B&NES higher resident-based earnings.

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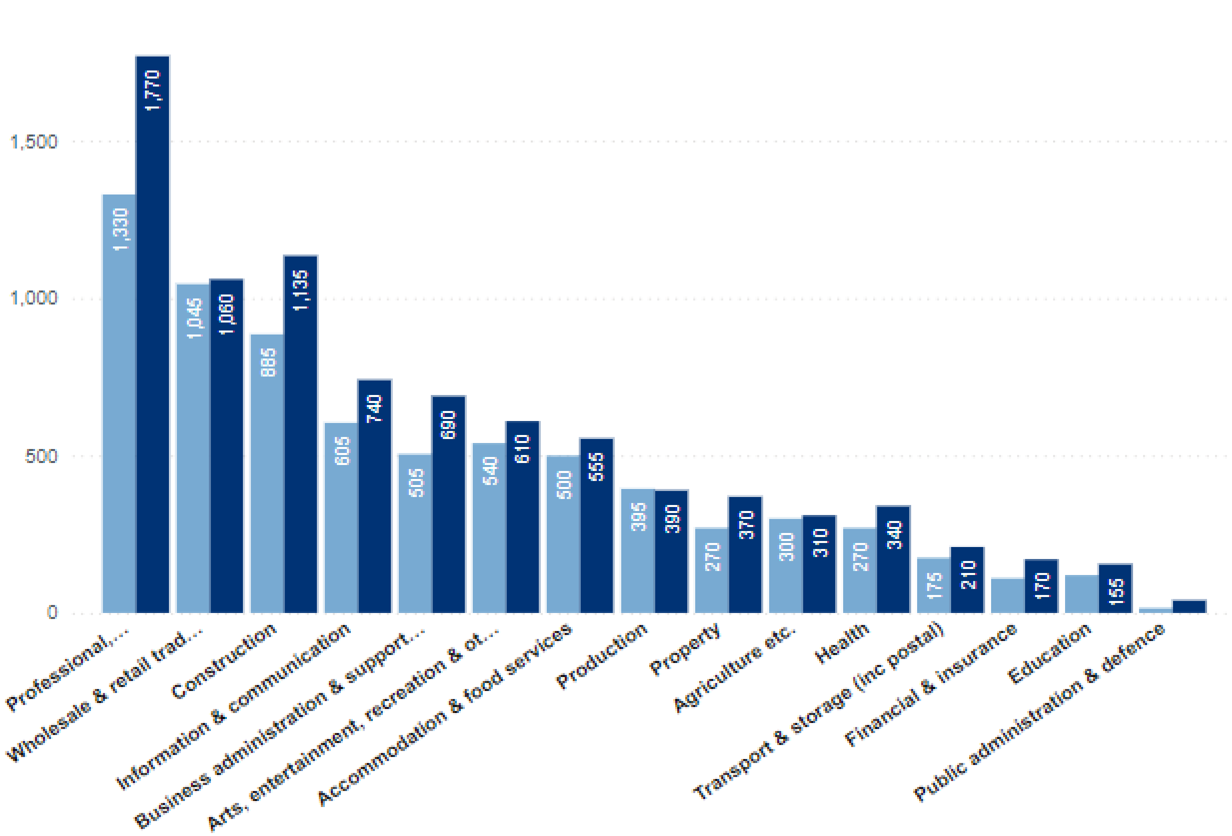
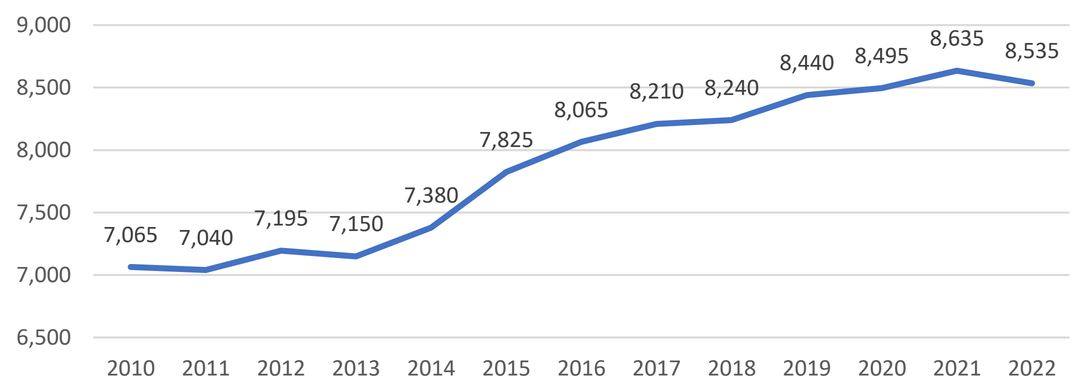
Business Demography: Number of Enterprises





- In 2022 there were **8,535 enterprises (/businesses)** recorded in B&NES[1]. This number has **increased by 21%** since 2010 (7,065) but is a **decrease of 1%** since 2021 (8,635). The increase in B&NES since 2010 is **smaller** than the increase nationally (34%) and in the West of England (31%), but similar to the increase in our near statistical neighbours (20%).
- In B&NES the sector with the greatest number of enterprises is **professional, scientific and technical activities**, accounting for 21% of all enterprises (1,770) in 2022. The increase in this sector since 2010 has been similar to the increase seen nationally (both ~33%).

Sources: Data derived from national statistics published via LG Inform. NOMIS – Official Labour Market Statistics ONS IDBR 2022.

Data notes:

[1] Number of VAT and/or PAYE businesses as of March 2022. Within this IDBR release, 'business' is used to represent an enterprise.

Truncated services in full: 'Professional, scientific & technical', 'Wholesale & retail trade etc.', 'Business administration and support services', 'Arts, entertainment, recreation and other services'.

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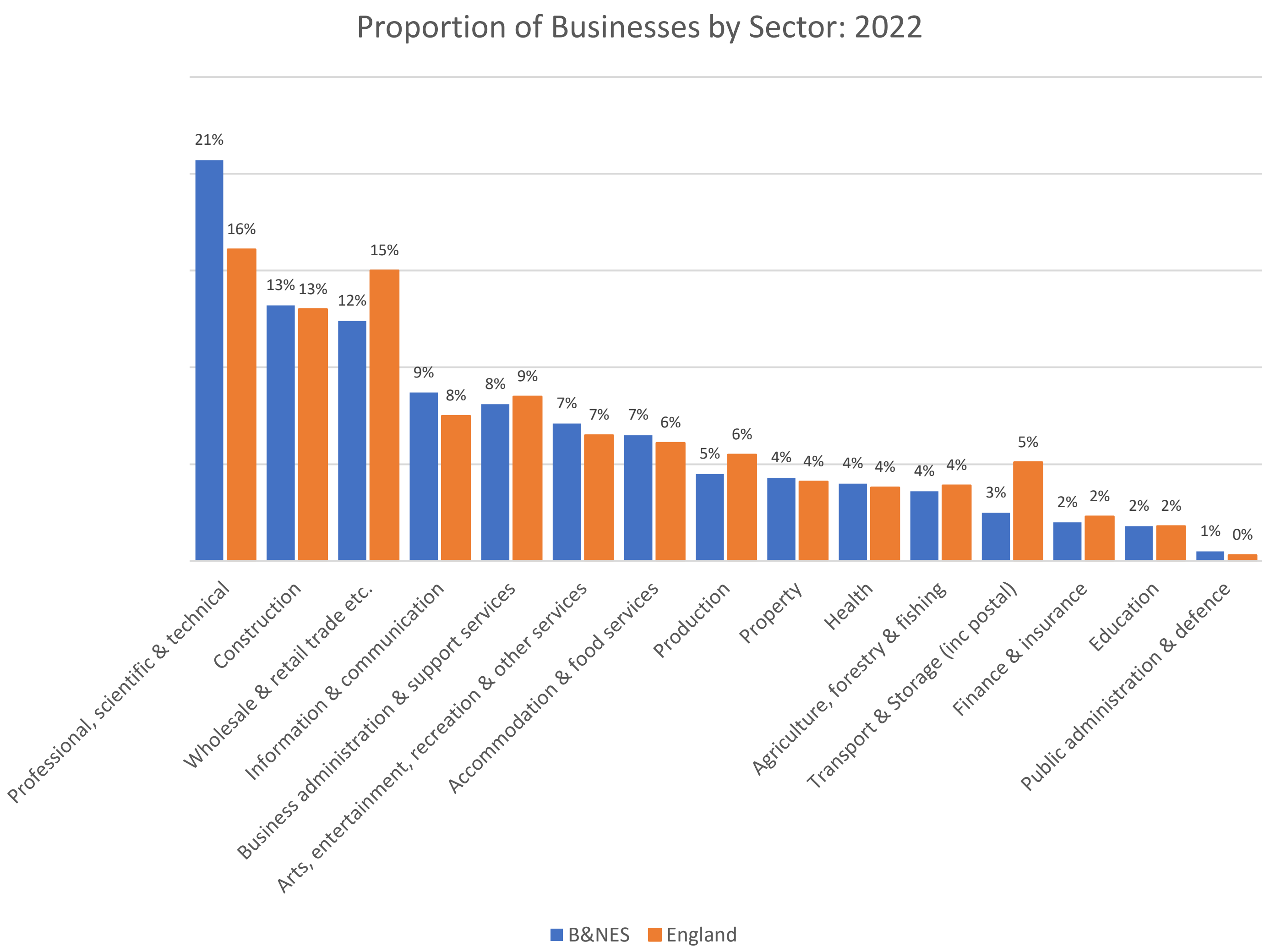
Business Demography: Sector Composition



- As noted previously, in B&NES the sector with the greatest number of businesses is **professional, scientific and technical activities**, accounting for **21%** (1,770) of all businesses in 2022. This is higher than the national level where this sector accounts for **16%** of businesses.
- The second key sector in B&NES is the **combined tourism and leisure** sector[1], accounting for 14% of all businesses (1,165). This is similar to the national level where this sector accounts for 13% of businesses.
- The **wholesale & retail trade** and **transport & storage** sectors are both slightly smaller in B&NES than national levels, whereas other sectors are of a similar proportion in B&NES compared to national.

Sources:
NOMIS – Official Labour Market Statistics. ONS IDBR 2022.

Data notes:

[1] The ‘Accommodation and food services’ sector, along with the ‘Arts, entertainment and recreation’ sector combine to form the Tourism and leisure sector across B&NES.

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Business Demography: Enterprises by Size

UK Business Counts, 2022

Enterprises	B&NES		England		WoE	
Total	8,535		2,408,040		46,270	
Micro (0 to 9)	7,550	88.5%	2,157,245	89.6%	41,005	88.6%
Small (10 to 49)	825	9.7%	204,960	8.5%	4,345	9.4%
Medium-sized (50 to 249)	125	1.5%	36,495	1.5%	725	1.6%
Large (250+)	40	0.5%	9,345	0.4%	195	0.4%

- The make-up of businesses in B&NES (from micro to large) is similar to that seen nationally and in the West of England.
- In 2022, **89% of enterprises in B&NES were micro-enterprises** (employing 0-9 persons), **similar** to national (90%) and West of England (89%) levels.
- **Small enterprises** (employing 10 to 49 persons) accounted for **10%** of enterprises in B&NES, **similar** to national and West of England levels (9%).
- **Less than 0.5%** of enterprises across B&NES were large (employing more than 250 people). Large enterprises make up a very low share across all areas. However, they can account for a substantial share of total employment.

Source: NOMIS – Official Labour Market Statistics.

Data notes:
West of England includes B&NES, Bristol, North Somerset and South Gloucestershire.

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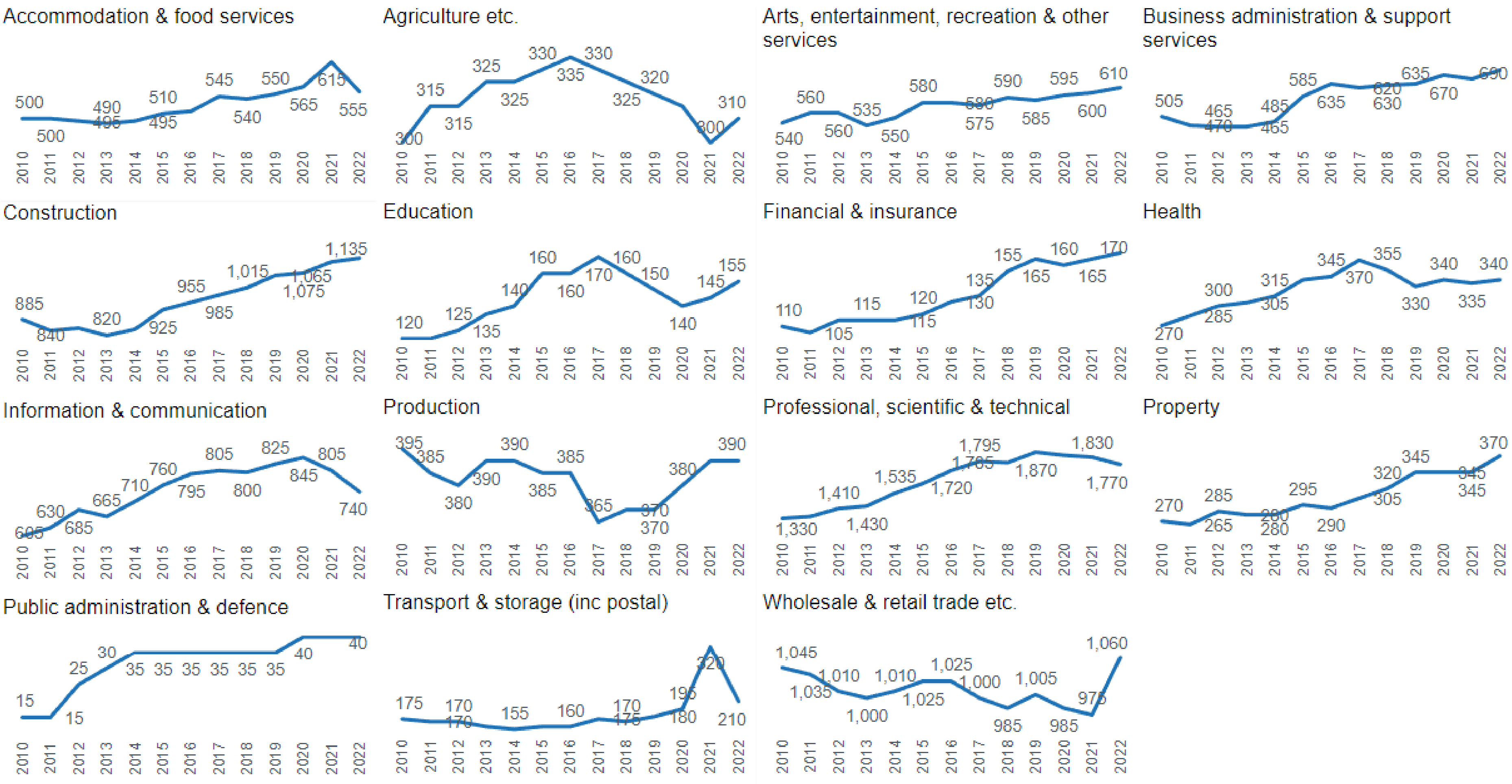
Business Demography: Sector changes over time

Number of enterprises by sector, B&NES, 2010 - 2022



- The sectors in B&NES with the **highest increase in the number of businesses since 2010** are:
  - Professional, scientific & technical (an increase of 440 businesses)
  - Construction (an increase of 245 businesses)

  and
  - Business administration & support services (an increase of 185 businesses)
- Only the Production sector has shown a **decrease** since 2010 (10 fewer businesses)

Source: Data derived from national statistics published via [LG Inform](#).

Data note: Numbers may differ due to rounding. All data are rounded to protect confidentiality. Figures from NOMIS may differ by small amounts from those published in ONS outputs due to the application of a different rounding methodology.

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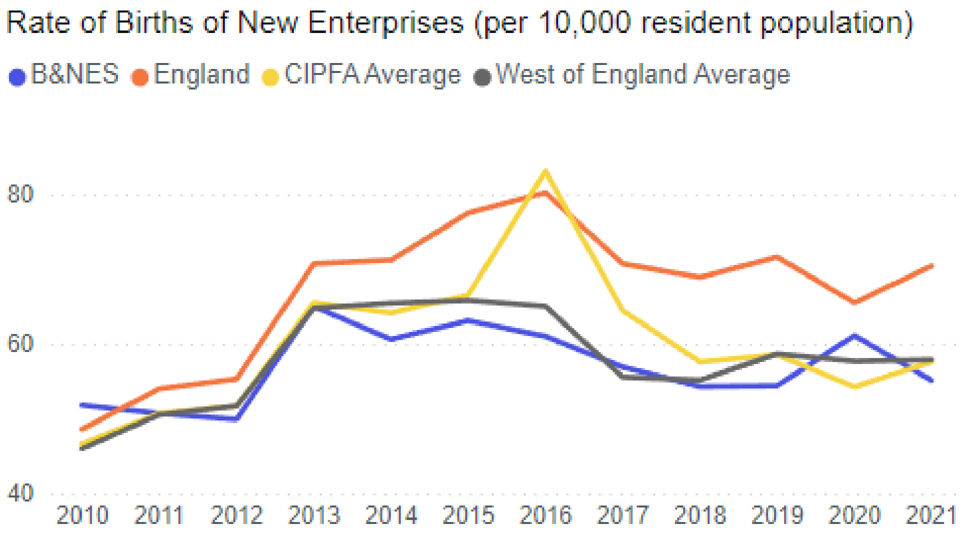
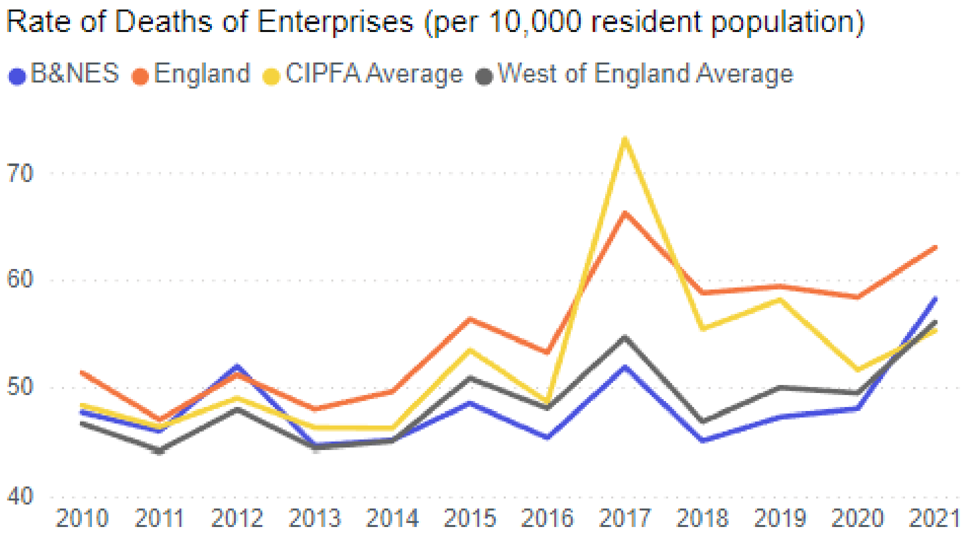
Business Birth and Death Rates





- In 2021, there were **885 births of new enterprises in B&NES**. The **rate of births of new enterprises**[1] per 10,000 resident population aged 16+ has historically been **similar** in B&NES compared to the West of England (WoE) average and this continues to be the case in 2021: B&NES 55.1, WoE 57.9. These rates are **lower** than the national rate (2021 England: 70.4). The rate of births of new enterprises increased nationally in 2021, but declined in B&NES (from 61).
- In 2021, there were **935 deaths of enterprises in B&NES**. The **rate of deaths of enterprises**[2] per 10,000 resident population aged 16+ in B&NES has been similar to the WoE rate and lower than the national and near statistical neighbour rates for much of the last decade. It has shown a greater increase than the national increase from 2020 to 2021 (2020: B&NES 48.0, England 58.4; 2021: B&NES 58.2, England 63.0).

Source:
Data derived from national statistics published via LG Inform.
Data notes:
[1] Proportion of new business registrations (identified through registrations with HMRC for VAT and/or PAYE) per 10,000 resident population aged 16 and above (calculated from the mid-year population estimates for the number of people age 16+).
[2] Proportion of businesses ceasing to trade (identified through de-registration) per 10,000 resident population aged 16 and above. (calculated from the mid-year population estimates for the number of people age 16+).
CIPFA (Chartered Institute of Public Finance and Accountancy) – Statistically similar LA's for comparison (B&NES, Bedford Borough, Central Bedfordshire, Cheshire East, Cheshire West and Chester, Herefordshire, North Somerset, Shropshire, Solihull, South Gloucestershire, Stockport, Swindon, Warrington, West Berkshire, Wiltshire, York).
West of England includes B&NES, Bristol, North Somerset and South Gloucestershire.

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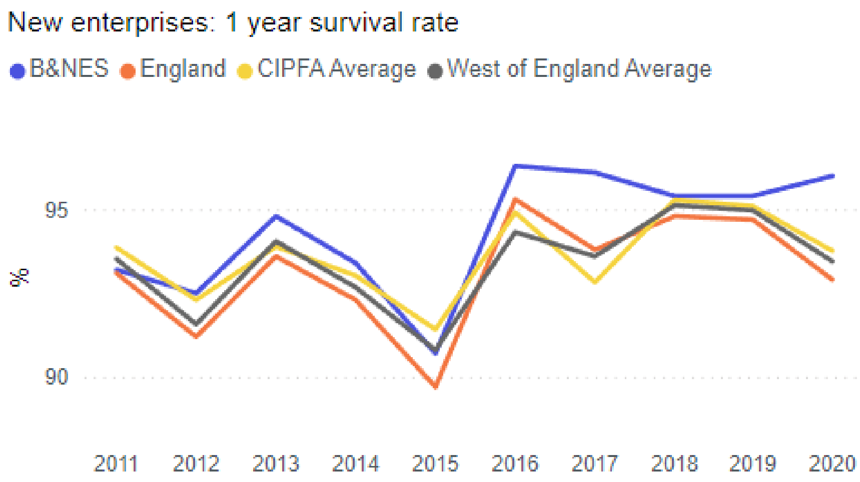
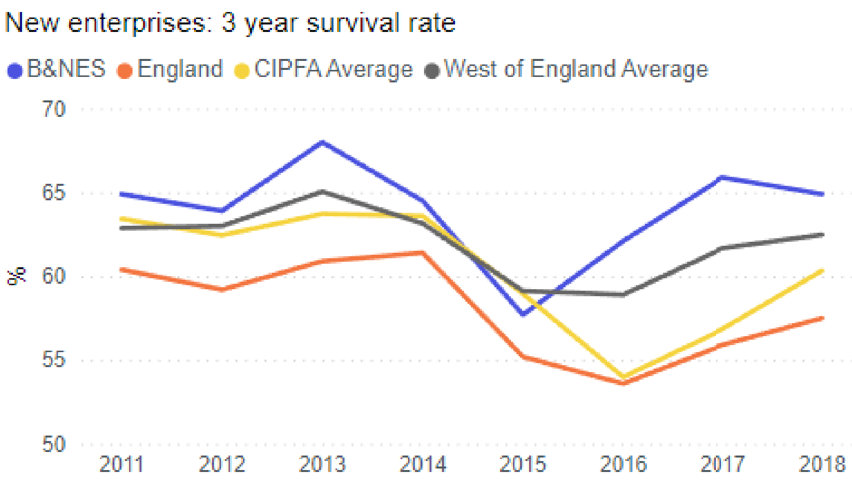
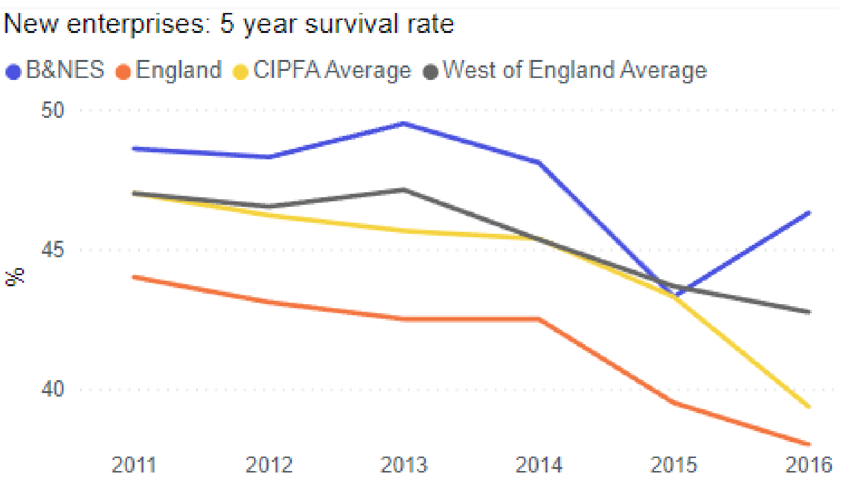
Business Survival Rates







- **Business survival rates have historically been higher in B&NES than national rates** and have also typically been **higher** compared to the West of England and our CIPFA near neighbours.
- In 2020, the 1-year survival rate was 96% in B&NES, compared to 93% in England and 94% in the West of England.
- In 2018, the 3-year survival rate was 65% in B&NES, compared to 58% in England and 63% in the West of England.
- In 2016, the 5-year survival rate was 46% in B&NES, compared to 38% in England and 43% in the West of England.

Source:
Data derived from national statistics published via LG Inform.
Data notes:
CIPFA (Chartered Institute of Public Finance and Accountancy) – Statistically similar LA's for comparison. **West of England** includes B&NES, Bristol, North Somerset and South Gloucestershire.
New enterprises 1-year survival rate is the proportion of newly born enterprises still active 1 year after birth in the area. A business is deemed to have survived if it is still active in terms of employment and/or turnover in any part of the following year.

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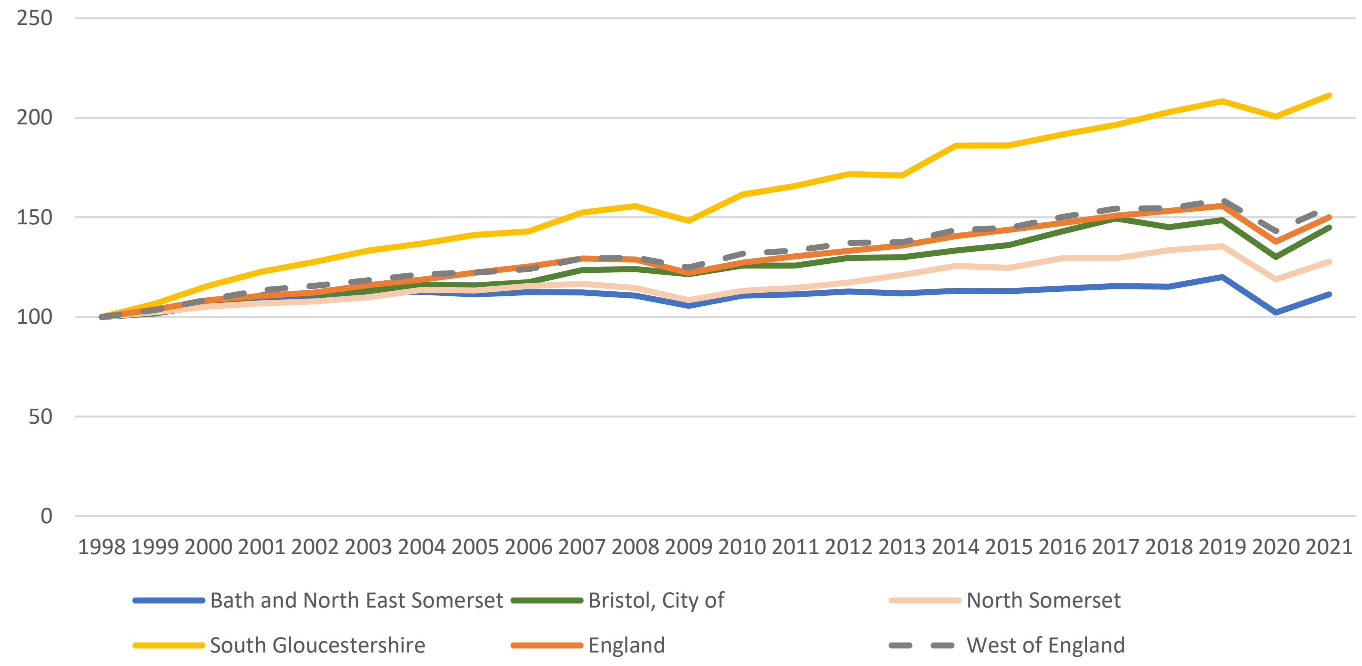
B&NES Economy (GDP) & Economic Growth

GDP over time, CVM index (1998=100)



Sources:
ONS Regional GDP (April 2023): LAs / ITL regions / Enterprise regions
Data Notes:
Gross Domestic Product (GDP) measures the value of goods and services produced in the UK. It estimates the size of and growth in the economy.
Indexed data are used to show how GDP has changed since a point in time (1998 here). An index of 150 means GDP is 50% higher than in 1998.
[1] **GDP** in current market prices (i.e. expressed in terms of the prices of the time period being estimated).
[2] **West of England** includes B&NES, Bristol, North Somerset and South Gloucestershire.
CIPFA (Chartered Institute of Public Finance and Accountancy) – Statistically similar LA's for comparison.
[3] **GDP** in Chained Volume Measures (CVM), where the effects of inflation have been removed in 2019 money value.
[4] Refers to **compound annual growth rate** i.e. the mean annual growth rate over a specified period of time.

- Bath and North East Somerset's economy generated **£5.1bn[1] of Gross Domestic Product** (GDP) in 2021 (the latest year for which data is available). This accounts for **12%** of the **West of England[2] economy** (£42.8bn).
- From 1998 to 2021, real GDP in B&NES is estimated to have **increased by 11.3%**. This is **lower than the growth seen in both England (50.0%) and the West of England (55.2%)** over the same period. This is also the **lowest growth amongst our CIPFA near statistical neighbours** where growth ranged from 11.3% to 205.2% in the period 1998 to 2021. Growth in B&NES began to diverge in the early 2000s and has remained relatively stagnant since.
- Following the economic impact of the Covid-19 pandemic in 2020, B&NES, England and the West of England all showed partial recovery in 2021 but all remained below their pre-pandemic levels.
- Since 2011, B&NES is the only local authority within our near statistical neighbours or the West of England where **real GDP has not grown**. In 2021, real GDP in B&NES decreased by 0.1% since 2011; the corresponding growth was 14.9% in England and 16.4% in the West of England in the same period.
- **Annual growth in GDP[3,4]** in the period **1998-2007** was, on average, 1.3% per annum in B&NES. Whereas during the period **2011-2019** (i.e. the period following the global economic recession to pre-pandemic) it was **lower** at 0.9% per annum, on average. In both England and the West of England the corresponding rates in these two periods were the same (2.2% per annum for England, 2.9% per annum West of England), indicating that **B&NES has not recovered as well as other areas following the financial crisis in 2008-2009**.

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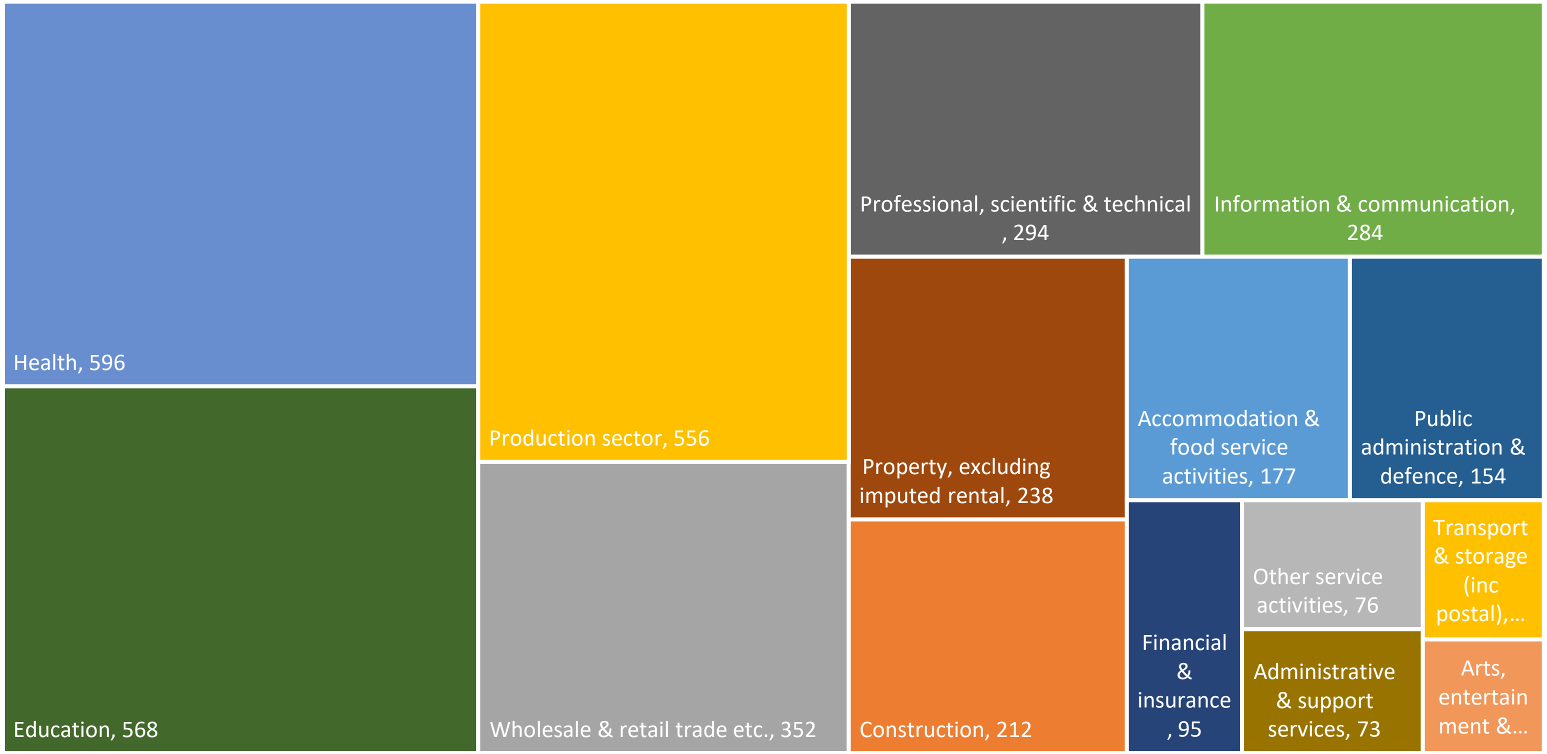
B&NES Economy (GVA) by Sector

GVA[1] by Industry, B&NES 2021



GVA[1] by Industry, 2021

Sector	B&NES GVA[1] (£ million)	B&NES %	England %
All industries	4,435		
Production sector	556	13%	13%
Construction	212	5%	6%
Service sector:	**3,668**	**83%**	**81%**
Health	596	13%	8%
Education	568	13%	6%
Wholesale & retail trade etc.	352	8%	11%
Professional, scientific & technical	294	7%	8%
Information & communication	284	6%	7%
Property, excluding imputed rental	238	5%	4%
Accommodation & food services	177	4%	2%
Public administration & defence	154	3%	5%
Financial & insurance	95	2%	9%
Other service activities	76	2%	1%
Administrative & support services	73	2%	5%
Transport & storage (inc postal)	55	1%	3%
Arts, entertainment & recreation	45	1%	1%

- The economy in B&NES is dominated by the **Service sector** which accounts for **83%** of Gross Value Added (GVA)[1]. This is similar to England and West of England where the Service sector accounts for 81% and 83% of GVA respectively. The **Production sector** made up **13%** of GVA in B&NES and **Construction** the remaining 5% in 2021.
- Within the Service sector, **Health and Education** contributed the **most to the B&NES economy**, accounting for 13% each of GVA in 2021. These are higher proportions than the corresponding values for England (8% and 6% respectively). Education and Health have been in the top 3 largest contributors to GVA in B&NES for over 20 years. This is perhaps unsurprising given Health is the biggest employer and Education the third biggest employer in B&NES (see here).

Sources: ONS Regional GVA (balanced) by industry (April 2023): LAs / ITL regions

Data Notes:

Gross Value Added (GVA) is a measure of the economic activity taking place in an area. It reflects the value of goods and services produced, less the cost of any inputs used up in that production process.

[1] 2021 GVA (balanced), current prices.

Industries based on the SIC07 categories.

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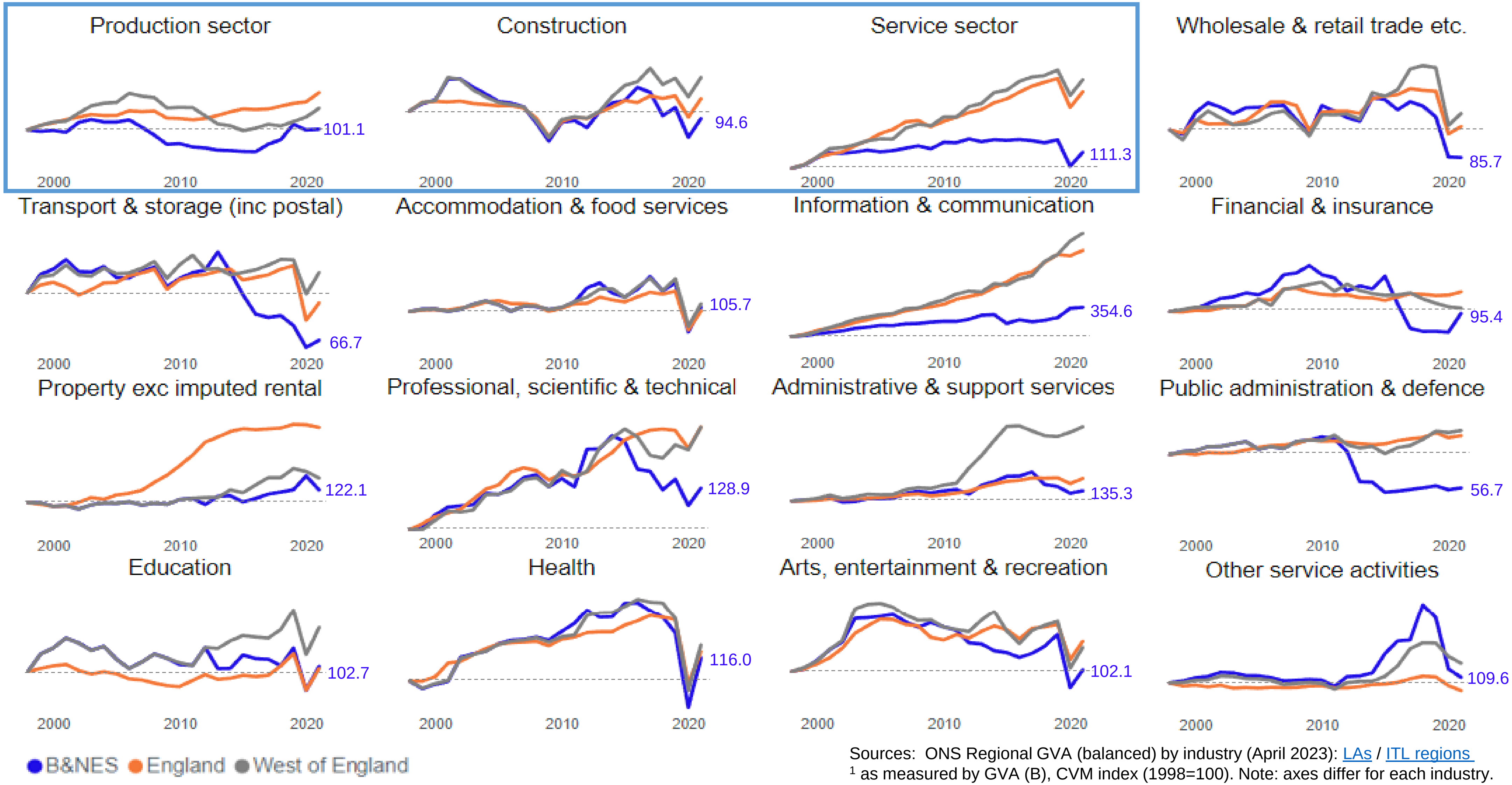
Economic Growth by Industry (overview)

Economic Growth by Industry[1] (1998-2021), (1998=100)



Sources: ONS Regional GVA (balanced) by industry (April 2023): LAs / ITL regions

[1] as measured by GVA (B), CVM index (1998=100). Note: axes differ for each industry.

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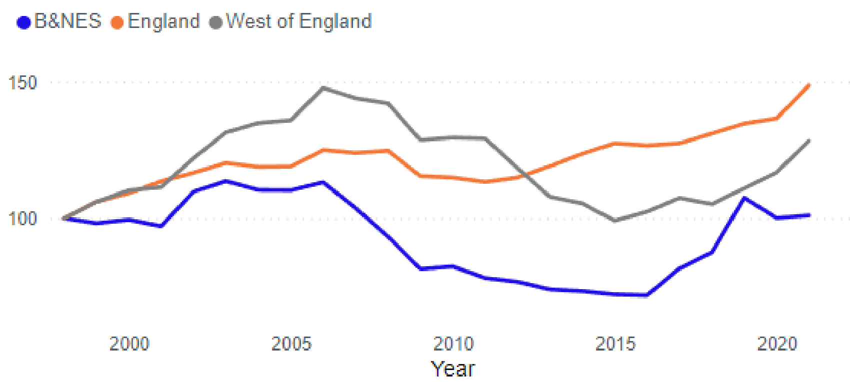
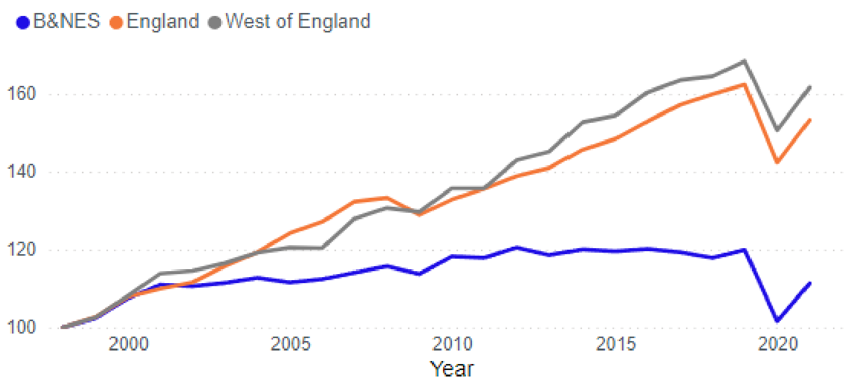
Economic Growth by Industry (further detail)

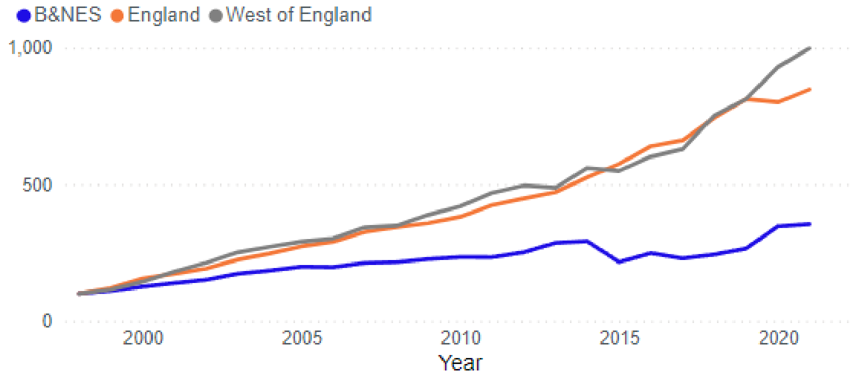
GVA by Industry: Production Sector



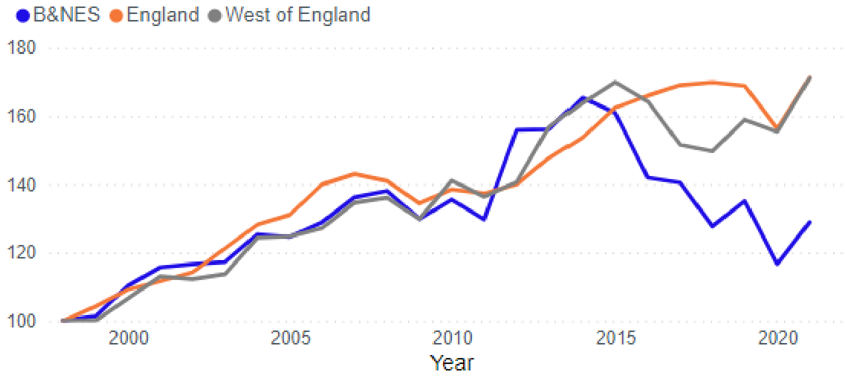
GVA by Industry: Service Sector



GVA by Industry: Information & Communication



GVA by Industry: Professional, scientific & technical



- **Economic growth** in the **Production and Service sectors** has been **below national** and **West of England** levels for many years in B&NES.
- Following a period of decline, **Production sector growth** in B&NES has returned to near 1998 levels with real GVA in **B&NES** during 2021 being only 1% higher compared to 1998. This compares to **49%** in **England** and **28%** in the **West of England**.
- In 2021, **Service sector growth in B&NES** (since 1998) was **11%**, compared to **53%** in **England** and **62%** in the **West of England**.
- Economic growth in B&NES has been **below national growth** in all service sector industries except for three: Accommodation & food services, Education, and Other service activities[1] (see previous slide).
- By far the **strongest** economic growth in B&NES from 1998 to 2021 has been in the **Information & communication sector** (Note this sector accounted for 6% of B&NES GVA in 2021) **.** However, this growth has been **markedly lower** than national and West of England levels for many years (255% B&NES; 748% England; 899% WoE since 1998).
- The sector with the greatest number of enterprises in B&NES is **professional, scientific and technical activities**. Economic growth in this sector has been **below national and West of England levels since 2015** (1998-2021 growth: 29% B&NES; 71% England; 71% WoE).
- The sectors showing the **largest declines** in B&NES have been the **Public administration & defence**[2] and **Transport & storage (inc postal) sectors** (see previous slide). These sectors now make up a relatively small share of GVA in B&NES (3% and 1% respectively in 2021).

Sources:
ONS Regional GVA (balanced) by industry (April 2023): LAs / ITL regions

Data Notes:
West of England (WoE) includes B&NES, Bristol, North Somerset and South Gloucestershire.
Charts plot GVA(B) CVM index (1998=100), Note: axes differ for each industry. **Indexed data** are used to show how GVA has changed since a point in time (1998 here). An index of 150 means GVA is 50% higher than in 1998.
[1] Other service activities includes activities such as activities of membership organisations, repairs of computer, personal and household goods, other personal service activities (e.g. washing/dry-cleaning, hairdressing and other beauty treatments, physical well-being activities).
[2] The Ministry of Defence sites at Ensleigh, Foxhill and Warminster Road were closed in 2012/13.

Economy and Employment by Sector

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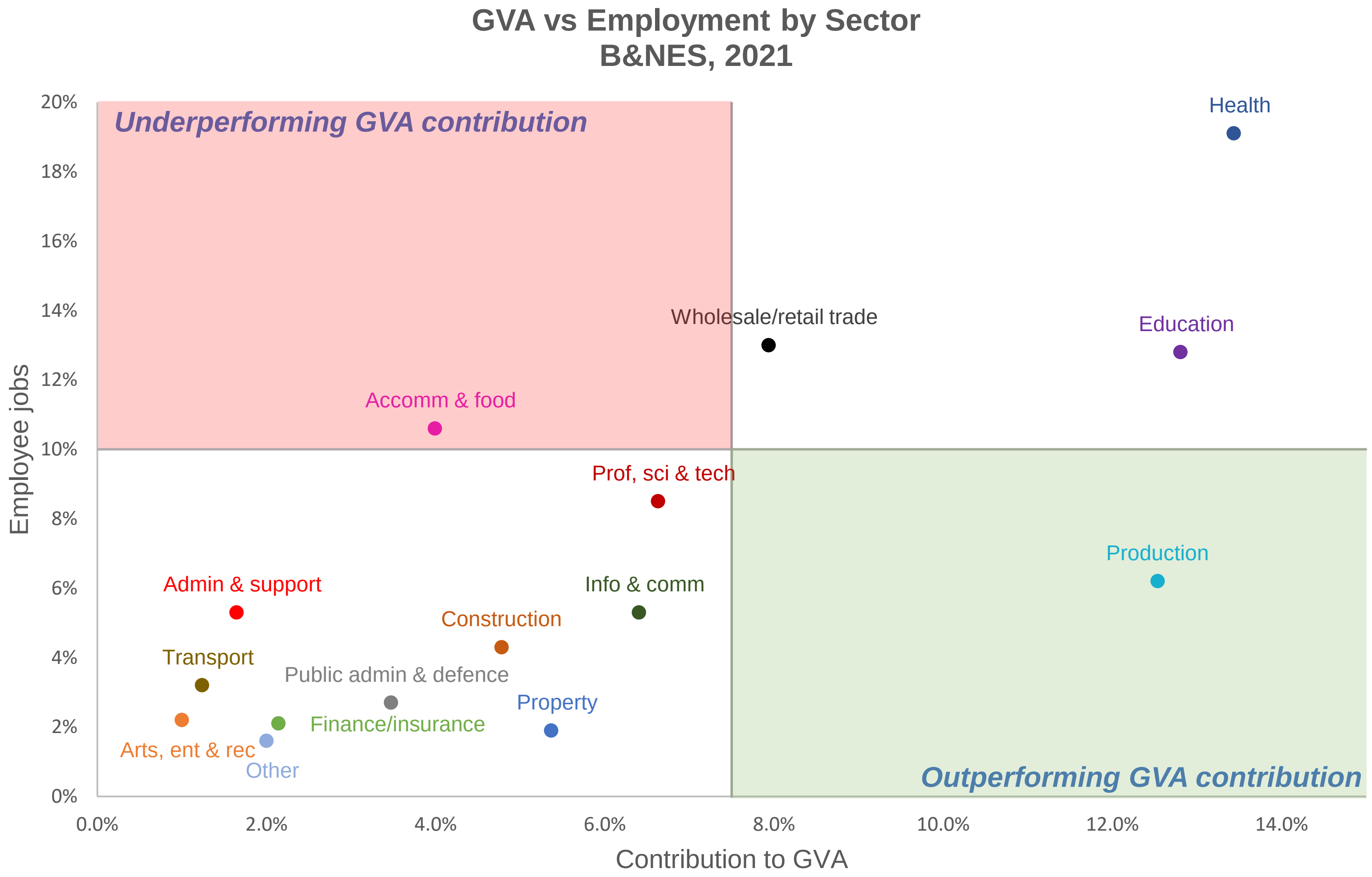

Sectors: Accommodation & food services, Administrative & support services, Arts, entertainment & recreation, Construction, Education, Financial & insurance, Health, Information & communication, Other service activities, Production, Professional, scientific & technical, Property (excluding imputed rental), Public administration & defence, Transport & storage (inc. postal), Wholesale & retail trade etc.

- The chart opposite plots the contribution to GVA against the proportion of employee jobs for each sector in B&NES in 2021 to give an indication of how each sector performs in these measures.
- As noted earlier, the **Health** Sector is both the **largest contributor to the B&NES economy** (accounting for 13.4% of GVA) and is also the **largest employer** (accounting for 19.1% of employee jobs) in 2021.
- The **Production** sector is **outperforming** in terms of its GVA contribution (12.5%) relative to employee jobs in B&NES (6.2%).
- The **Accommodation & food services** sector is **underperforming** in terms of its GVA contribution (4%) relative to employee jobs (10.6%).

Sources:
ONS Regional GVA (balanced) by industry (April 2023): LAs
NOMIS – Official Labour Market Statistics

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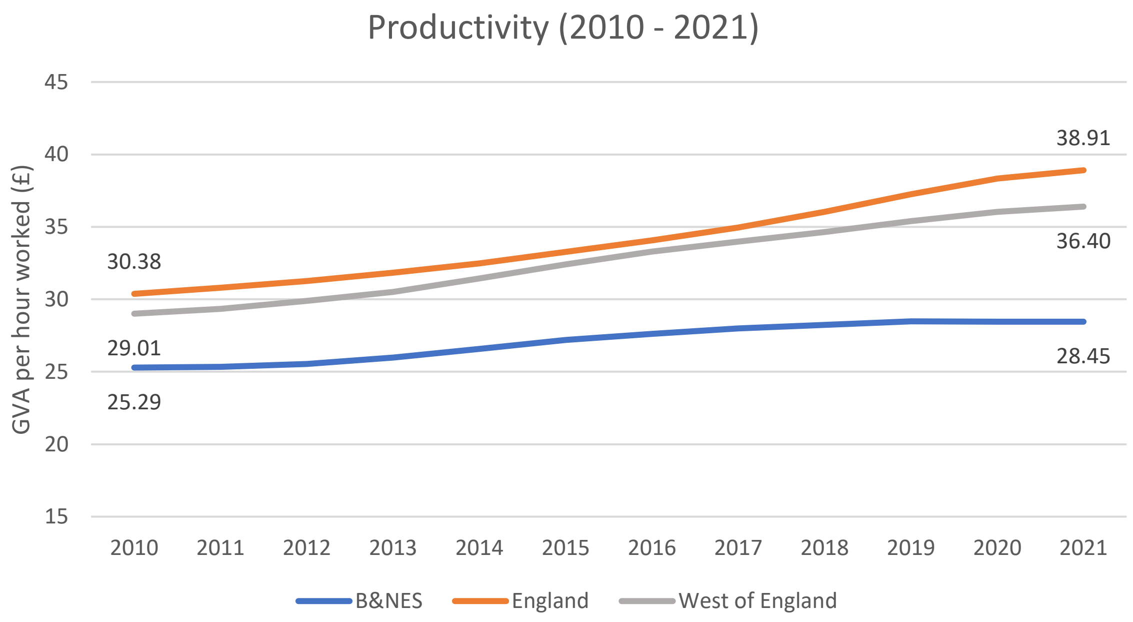
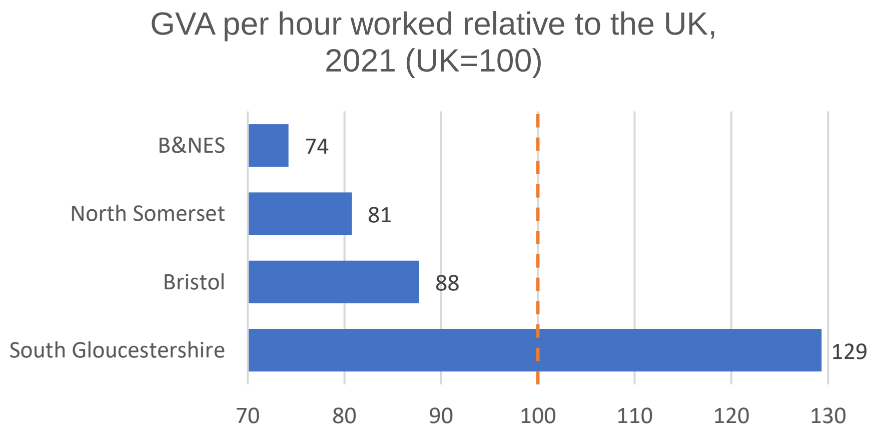
Productivity





- **Poor productivity** is an issue both nationally and locally. UK productivity has been relatively low, particularly since the global financial crisis in 2008. Growth in UK productivity was the 2nd lowest among the Group of Seven (G7) industrialised nations between 2009 and 2019.
- In 2021, **productivity** in B&NES (as measured by GVA per hour worked[1]) was **£28.45, over £10 lower** than the England figure (£38.91). The gap to the national figure has **widened** over the past decade with growth stagnating in B&NES in recent years.
- **Productivity was 26% lower in B&NES compared to the UK in 2021**. LAs with the highest levels of productivity are generally located in the South East. Of the four areas comprising the West of England, only South Gloucestershire showed higher productivity than the UK average (29% higher in 2021). B&NES has seen the lowest productivity within the West of England for much of the past 20 years, whilst South Gloucestershire has consistently seen the highest productivity.
- **Productivity** in B&NES also **compares poorly amongst our CIPFA near statistical neighbours** where productivity in B&NES was ranked 15th lowest out of the 16 areas in 2021. B&NES has ranked in the bottom three for most of the past 20 years.
- It should be noted that the **productivity estimates** quoted here **include property imputed rentals**[1]. Property imputed rentals make up a larger proportion of GVA in B&NES (16% B&NES, 10% WoE, 10% England in 2021) so this implies that productivity estimates in B&NES would be lower compared to England and the West of England if imputed rentals were excluded.

Sources: ONS subregional productivity in the UK (June 2023) (data for labour productivity indices by local authority districts / economic enterprise regions / ITL1, ITL2 and ITL3 regions and subregions)

Data Notes:

Labour productivity measures how many units of output are produced for each unit of labour input and is calculated by dividing output by labour input. The preferred ONS measure for this is GVA per hour worked as hours worked are a more precise measure of labour input than jobs.

Figures quoted use the Balanced Approach and are presented in current prices (smoothed).

[1] Productivity estimates by sector are not available at LA level so estimates shown include imputed rental in the Property sector.

West of England (WoE) includes B&NES, Bristol, North Somerset and South Gloucestershire.

CIPFA (Chartered Institute of Public Finance and Accountancy) – Statistically similar LA's for comparison.

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Competitiveness

UKCI in Rank Order, West of England areas

Area	2019	Rank 2019	2023	Rank 2023
South Gloucestershire	107.3	64	109.6	46
Bristol, City of	104.8	78	105.8	70
B&NES	95.3	151	95.0	152
North Somerset	92.7	168	93.4	165

Source:
UK Competitiveness Index 2023

Data Notes:
[1] The UKCI examines the performance of localities, cities and regions based on a number of economic indicators that measure the capability and capacity to grow economically. UK=100.

- The **UK Competitiveness Index (UKCI)** is a measure of the long-run potential of localities, cities and regions to generate economic growth and well paid employment. Across the 362 local areas benchmarked, it found 9 of the top 10 most competitive localities are boroughs in London, with the remaining area situated in the South East.
- In the 2023 UKCI, **B&NES was ranked 152nd** with a UKCI of **95.3** i.e. B&NES is considered 4.7% less competitive than the UK average. Of the 362 local areas benchmarked, **over two-thirds (71%)** have a UKCI considered **less competitive** than the UK average (less than 100).
- South Gloucestershire is considered the most competitive area among the four West of England areas with a UKCI of 107.3 and a ranking of 46th. Bristol is the second most competitive area with a UKCI of 104.8 and a ranking of 70th.
- Out of the 47 Local Enterprise Partnership Areas/City regions, the West of England ranked 8th most competitive with a UKCI of 103.4.
- The 2023 report noted *"the continuing dominance of localities in and around London, which is by far the central location for generating economic growth."* and highlighted that *"a locations proximity to London is an important determinant of its competitiveness and future economic growth."*

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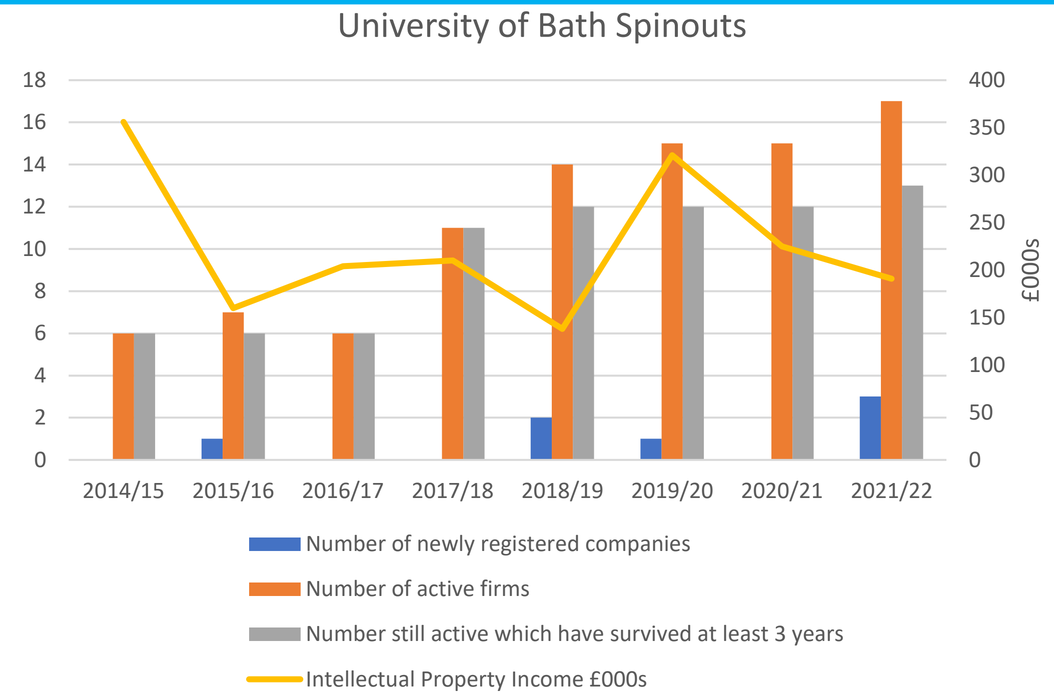
Innovation / University spinouts



Intellectual Property: Disclosures and patents filed by or on behalf of the HEP (2021/22)

HE Provider	Number of disclosures	Number of new patents applications filed in year	Number of patents granted in year	Cumulative patent portfolio	Number of patents filed by an external party naming the HEP as a co-applicant
The University of Bristol	74	53	15	102	20
The University of Bath	23	20	5	183	4
UWE (5)	9	4	4	52	0
Bath Spa University	0	0	0	0	0
Total	**106**	**77**	**24**	**337**	**24**

- The government has recognised the **importance of spinouts[1]** in supporting economic growth and fuelling innovation across the country. In March 2023 an independent review of the UK spinout landscape was announced, aiming to identify best practice in turning university research into commercial success.
- University spinouts are relatively low in B&NES. The **University of Bath** ranked **34th** of UK universities for number of active spinouts[2] in 2021/22 (with **17** active firms), higher than it's ranking of 51st in 2014/15. The Universities of Oxford and Cambridge regularly top these rankings (with 162 and 223 active firms respectively in 2021/22). The University of Bristol has been in the top 5 since 2019/20 (with 80 active firms in 2021/22).[3]
- A recent annual report found that in Jan 2023, The University of Bath ranked joint **27th** in their list of top academic institutions by total number of spinouts, with 16 (based on Beauhurst criteria)[4]. They also highlighted it as one of the universities exhibiting **the fastest growth in their spinout populations over the past two years**. It notes that of the 16 businesses tracked since 2011, *"11 of these have raised a total of £99.9m in equity investment across 21 rounds. The most recent of these was by EnsiliTech, the university's latest spinout, which raised £866k in Dec 2022."*
- In 2019/20, The University of Bath noted that of its then 16 active spinout companies, 7 were based in B&NES. These 16 spinouts employ over 600 people, with the largest (Vectura Ltd), employing over 500 employees. This company spunout in 1997 and is based in Chippenham, Wiltshire.
- In 2021/22, of the four higher education providers (HEPs) located in the West of England, The University of Bristol had the highest number of Intellectual Property disclosures, new patent applications filed, and patents granted in year. **The University of Bath had the highest cumulative patent portfolio** (with 183 individual active and live patents).

Source: Higher Education Statistics Agency (HESA) Tables 4a, 4c, 4e
Data Notes:
[1] Spinouts are companies set-up to exploit Intellectual Property that has originated from within a Higher Education Provider (HEP). See here for further detail.
[2] For categories: 'Spin-offs with some HE provider ownership' & 'Formal spin-offs, not HE provider owned'.
[3] Note: Bath Spa University have no firms in these categories in the period 2014/15 to 2021/22.
[4] Uses Beauhurst criteria for defining spinouts.
[5] UWE – University of the West of England.

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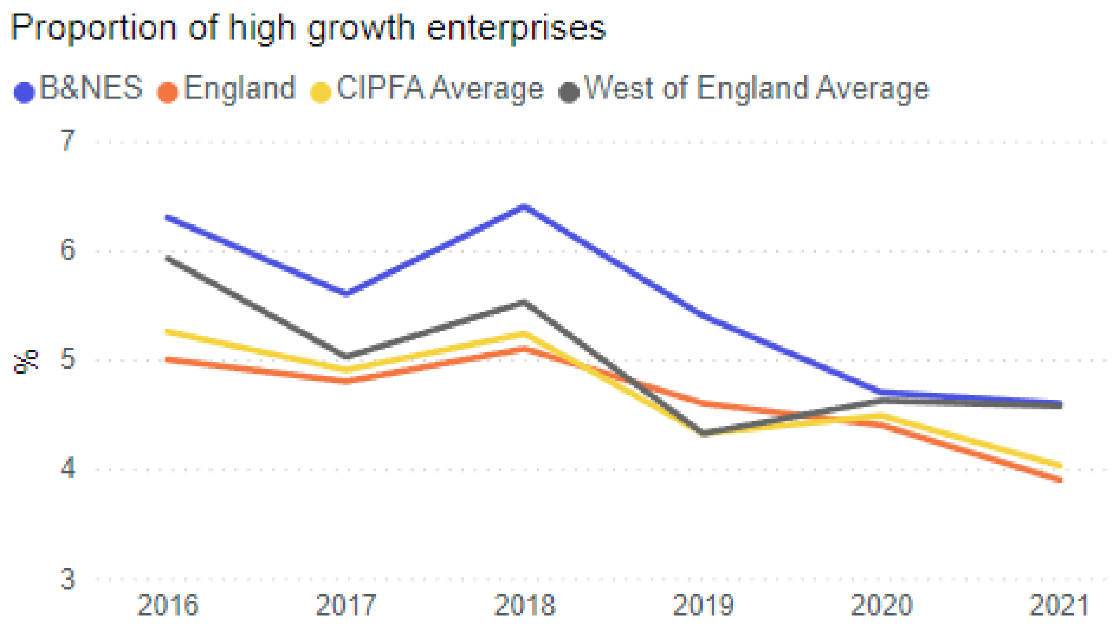
High Growth Enterprises



- High growth enterprises (as measured by employment growth)[1] has seen a downwards trend since 2016 in B&NES and nationally.
- The proportion of high growth enterprises in B&NES has consistently been slightly higher than national levels as well as above West of England and CIPFA near statistical neighbour averages.
- In 2021 there were ~45 high growth enterprises in B&NES. These account for 4.6% of all enterprises with 10 or more employees in B&NES, compared to 3.9% in England.
- Nationally, the industry with the [highest percentage of businesses in high growth] was Information & Communication (7.7%), followed by Finance & Insurance (5.5%). The industry with the smallest percentage of high growth businesses was Motor Trades (2.5%). Nationally, all sectors showed a fall in high-growth rate in 2021 compared to 2020.

Source:
Data derived from national statistics published via LG Inform. ONS Business Demography, UK: 2021

Data Notes:
[1] This is the number of high growth enterprises in an area, expressed as a proportion of active enterprises with ten or more employees. A high growth enterprise is defined as a business with 10+ employees which has seen at least 20% employee growth each year for the previous three-year period. It is not possible to isolate and remove all cases where size has grown due to a merger or takeover. Proportions are based on figures rounded independently to the nearest 5 units.

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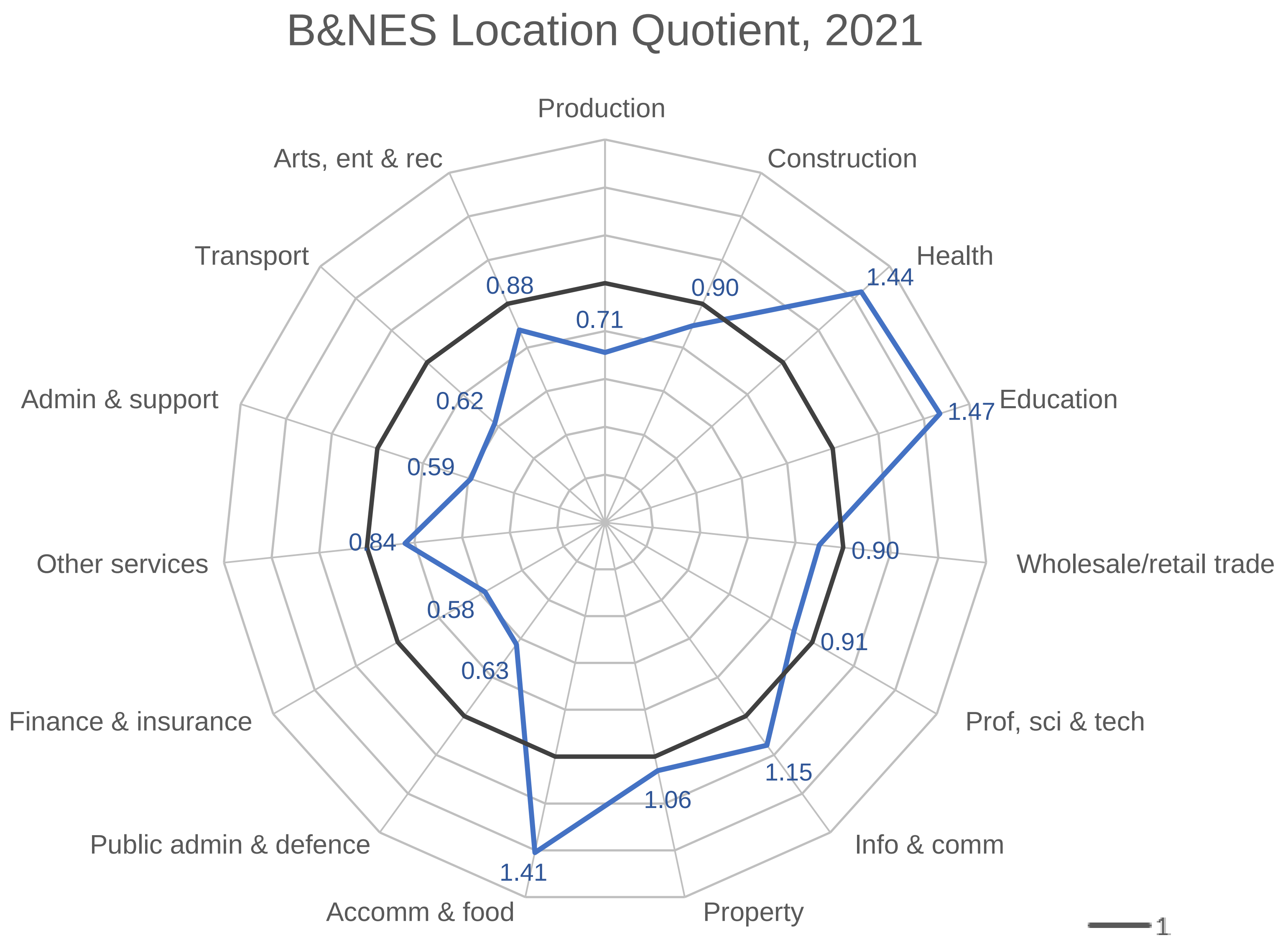
Employment by Industry 1



- The following sectors all had a **higher** proportion of employee jobs in B&NES than national (ratio greater than 1[1]) in 2021:
  - Education (1.47)
  - Health (1.44)
  - Accommodation & food (1.41)
  - Information & communication (1.15)
  - Property (1.06)
- The following sectors have the **lowest** proportion of employee jobs in B&NES compared to national in 2021:
  - Finance & insurance (0.58)
  - Administration & support services (0.59)

Sources:
NOMIS – Official Labour Market Statistics.

Data Notes:
[1] Ratios calculated as the proportion employed in each sector in B&NES divided by the proportion employed in the sector in England (2021). This is commonly referred to as The Location Quotient.

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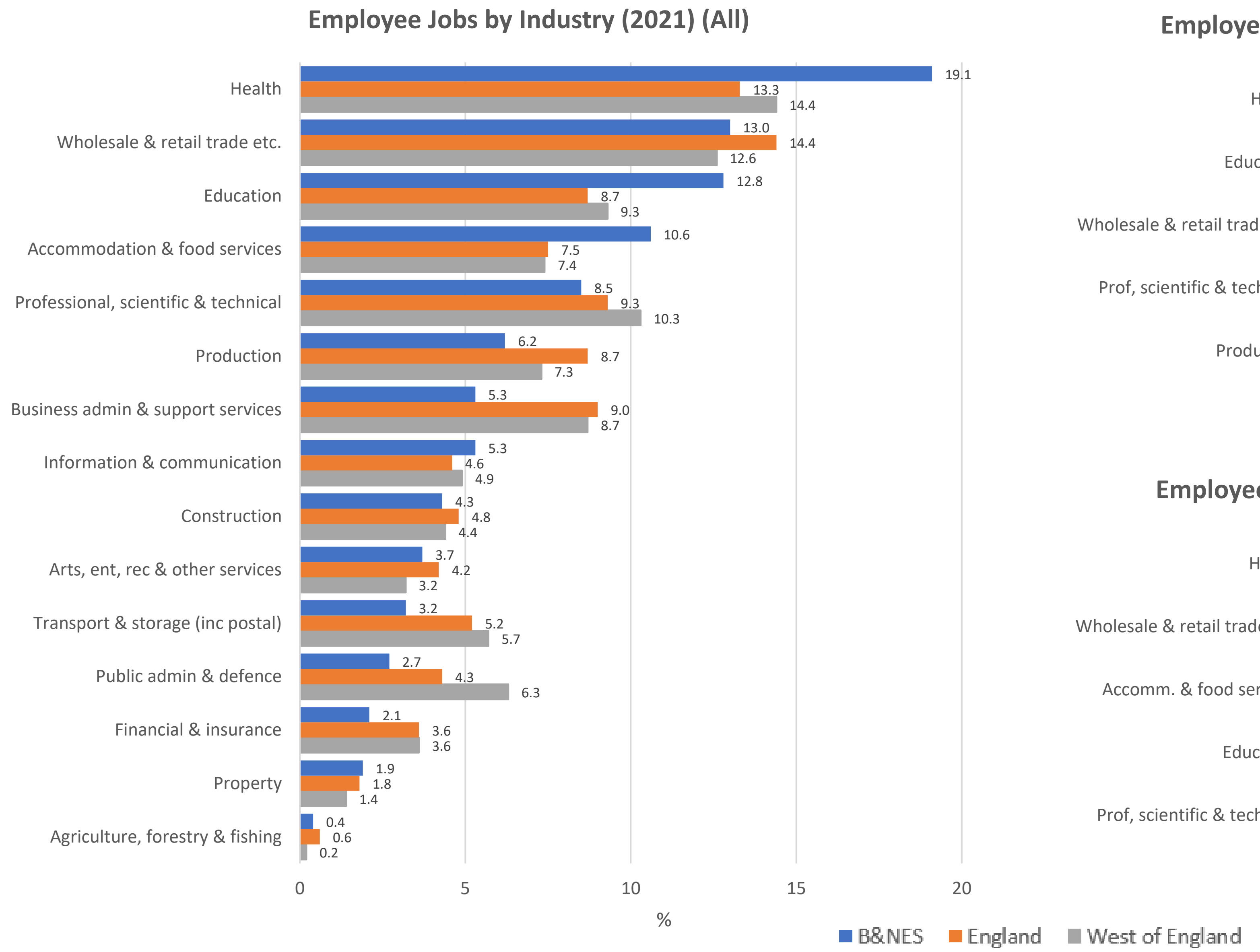
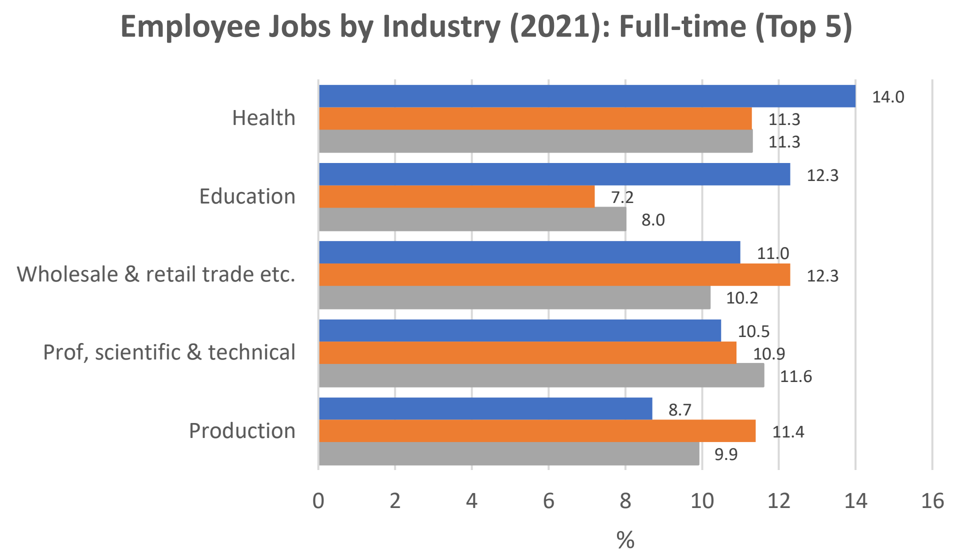
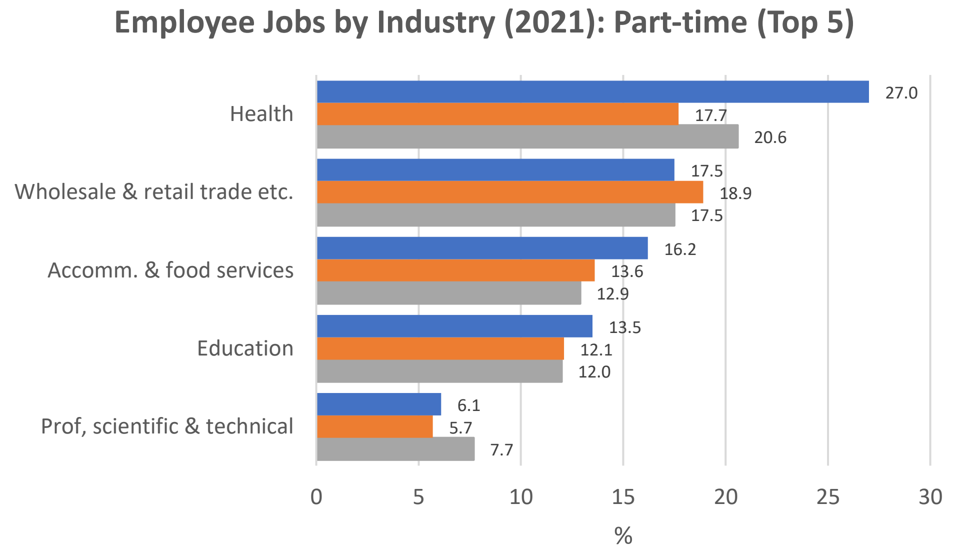
Employment by Industry 2







Source: NOMIS – Official Labour Market Statistics

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Employment by Industry 3

B&NES, 2021

	N	%
Total employees	93,400	
Public Sector	17,900	19%
Private Sector	75,500	81%
Full-time employees	56,800	
Public Sector	8,500	15%
Private Sector	48,300	85%
Part-time employees	36,700	
Public Sector	9,400	26%
Private Sector	27,200	74%

Sources: NOMIS – Official Labour Market Statistics. BRES data.

Data Notes:

Employees – anyone aged 16+ that an organisation directly pays from its payroll, in return for carrying out a full-time or part-time job or being on a training scheme. It excludes voluntary workers, self-employed and working owners who are not paid via PAYE.

Part time – those working 30 hours or less per week

Full time – those working more than 30 hours per week

[1] **West of England (WoE)** includes B&NES, Bristol, North Somerset and South Gloucestershire.

Figures are rounded to the nearest hundred. Figures may not add up when combined due to rounding.

- In 2021, there were **~93,400 employees based in B&NES**. Of these **19%** (17,900) were employed in the **Public Sector** and **81%** (75,500) in the **Private Sector.** These are similar levels to those seen in the UK and West of England (18% public sector, 82% private sector).
- Of the 93,400 employees**, 61%** (56,800) were employed on a **full-time basis** and **39%** (36,700) were employed on a **part-time basis.** This is a higher proportion of part-time workers compared to national figures (32%).

(See plots on previous slide)

- In B&NES, the **Health sector is the biggest employer** accounting for **19%** (18,000) of jobs in B&NES.
- The second highest employment sector in B&NES is **Wholesale & Retail trade** accounting for **13%** (12,250) of employment, whilst the third highest employment sector is **Education** at **13%** (12,000).
- B&NES has a **higher proportion** of employees in the **Health, Education and Accommodation & food service sectors** than national (see earlier slide)**,** accounting for 43% of all jobs in B&NES (30% England; 31% WoE[1]).
- B&NES has a **higher proportion of part-time workers in the Health sector** than national figures (27% vs 21%). Of the 18,000 jobs in Health in B&NES, over half (~55%) are part-time workers. This compares to nationally where ~42% of those working in the Health sector are part-time.
- B&NES has a **higher proportion of full-time workers in Education** than nationally (12% vs 7%).

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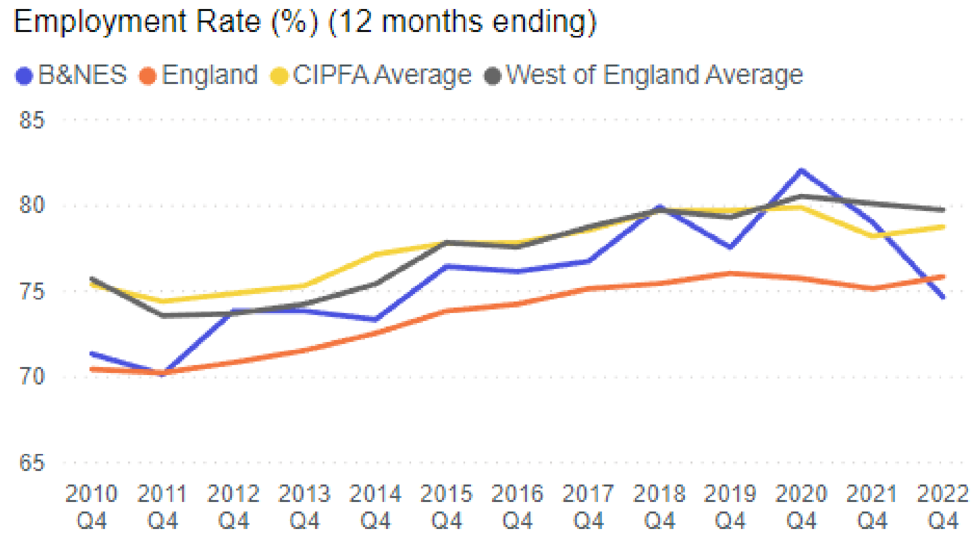
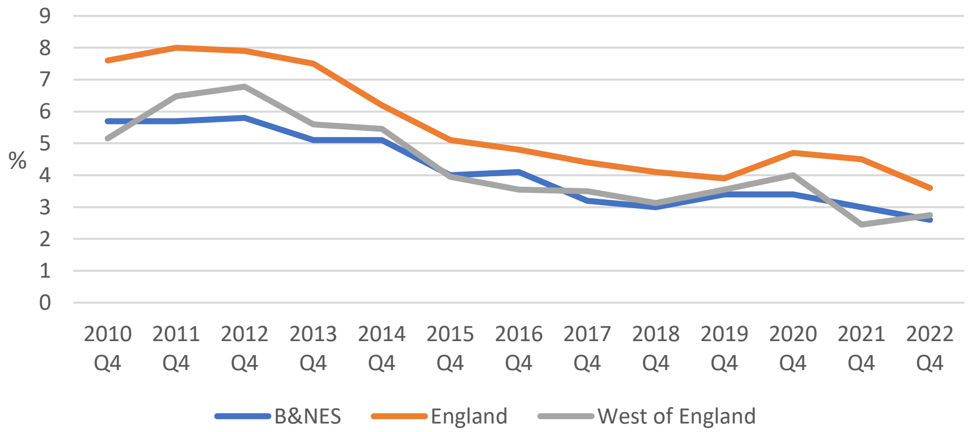
Employment & Unemployment





- Historically, **employment** has been **consistently high** in B&NES.
- Following an upwards trend since 2010, employment in B&NES has recently **fallen** and is now **below the national rate for the first time in over a decade**: as of Q4 2022 (12 months ending), **employment was 75% in B&NES**, compared to 76% for England, 80% for the West of England[1] and 79% for our CIPFA nearest statistical neighbours. This decline in employment rate since 2020 Q4 equates to **~11,200 fewer in employment** in the two years[2] 2020 to 2022 in B&NES; and **~6,200 fewer in employment compared to pre-pandemic** (2019 Q4).
  - the employment rate in males and females have both shown **similar decreases** (6% drop vs. 8% drop respectively) from 2020 to 2022 in B&NES: Males: Q4 2020 87%, Q4 2022 79%; Females: Q4 2020 76%, Q4 2022 70%.
  - as of Q4 2022, B&NES has ~16,000 who are **self-employed** (12.5%) which is **higher** than the national rate (9.5%).
- Historically, **unemployment** has been **consistently lower** in B&NES compared to national levels, and this continues to be the case in Q4 2022 (B&NES 2.6% vs. England 3.6%). This equates to an estimated **2,500 unemployed** in B&NES at the end of 2022.
- **Unemployment** rates have continued their **downwards trend** in B&NES and all comparator areas with rates being similar in B&NES to the West of England.

Sources: Data derived from national statistics published via LG Inform. NOMIS – Official Labour Market Statistics. Annual Population Survey (Jan 2022 – Dec 2022).

Data Notes: Data shows resident based (un)employment rates. **Employment rate** is out of the working age population (aged 16-64); **Unemployment rate** is out of the population aged 16+. Unemployment measures people without a job who have been actively seeking work within the last 4 weeks and are available to start in the next 2 weeks. The unemployment rate for B&NES is model-based whereas for England and West of England they are direct survey estimates.

CIPFA (Chartered Institute of Public Finance and Accountancy) – Statistically similar LA's for comparison (B&NES, Bedford Borough, Central Bedfordshire, Cheshire East, Cheshire West and Chester, Herefordshire, North Somerset, Shropshire, Solihull, South Gloucestershire, Stockport, Swindon, Warrington, West Berkshire, Wiltshire, York).

[1] **West of England** includes B&NES, Bristol, North Somerset and South Gloucestershire.

[2] The 'Furlough' scheme (CJRS) was in operation from Mar 2020 to Sept 2021.

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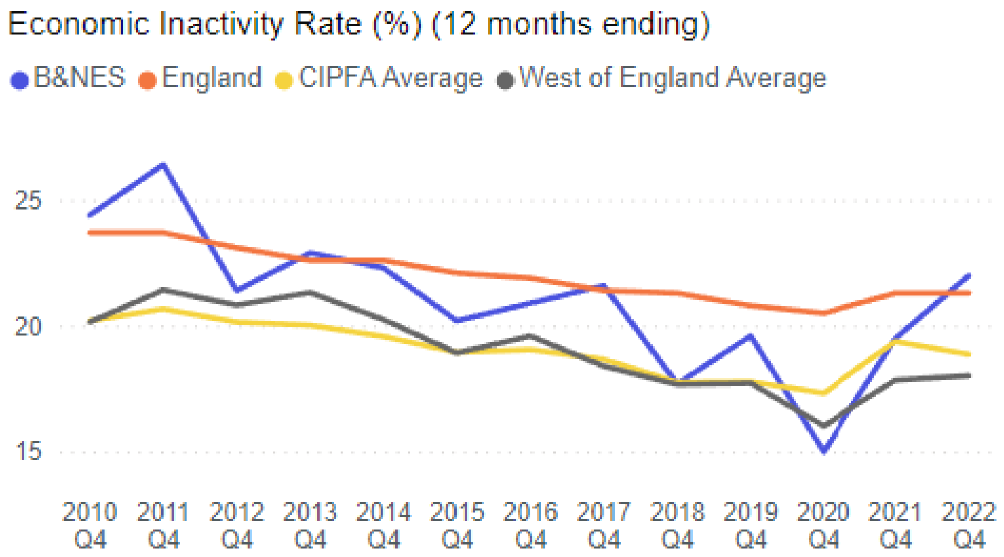
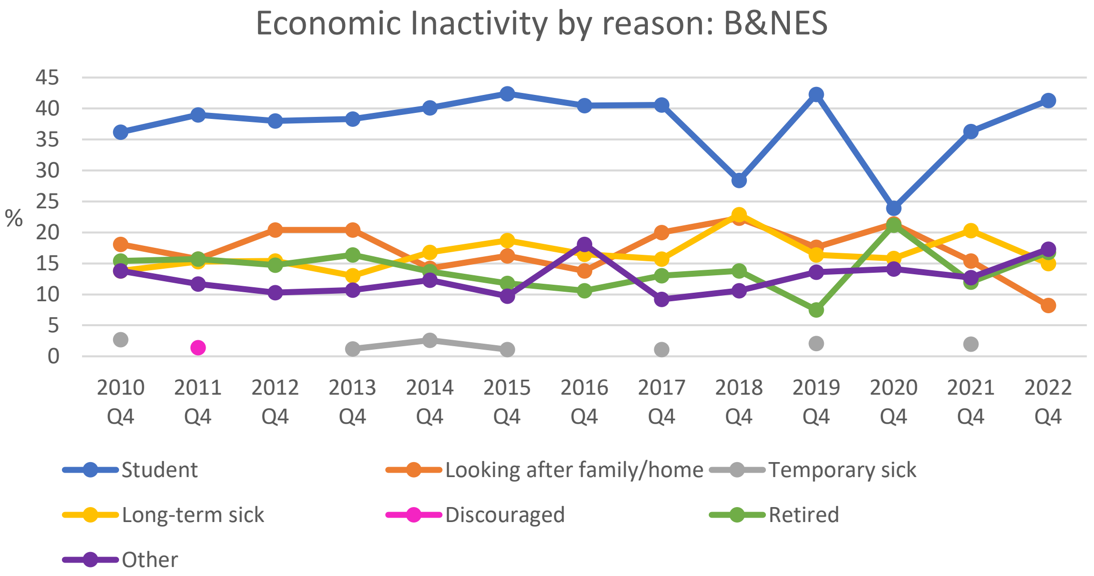
Economic Inactivity





- From 2010 to 2020, the **economic inactivity rate** in B&NES generally showed a **downwards trend**. However, **since 2020**, the economic inactivity rate has **noticeably increased**, rising from 15% in 2020 to 22% in 2022. This is now higher than the national rate (21%), and the rates for both the West of England (18%) and our CIPFA nearest neighbours (19%).
  - this increase in economic inactivity equates to **~8,300 more economically inactive** people in B&NES since Q4 2020[1]; and **~2,700 more compared to pre-pandemic** (Q4 2019).
- The **proportion of the economically inactive who want a job** is higher in B&NES than national, and has been since 2018. In 2022 Q4 the proportion who want a job is 25% (~6,600) in B&NES (England 18%; WoE 23%).
- The B&NES population is made up of a large proportion of students so it is unsurprising that the leading reason for economic inactivity is **'student'** (2022: **41%**). This is higher than the rate seen nationally (27%). Following a decline during the pandemic, numbers of students have returned to pre-pandemic levels **(~10,900**).
- The number **looking after family/home has shown a general downwards trend** and stood at **8% (~2,200)** in B&NES in 2022, lower than the rate seen nationally (20%).

Sources: Data derived from national statistics published via LG Inform. NOMIS – Official Labour Market Statistics. Annual Population Survey (Jan 2022 – Dec 2022)

Data Notes:
Economically inactive (age 16-64) includes those people who are neither in employment nor unemployed.
Economic inactivity rate is the proportion of people aged 16-64 who are not in the labour force.
[1] Note: The 'Furlough' scheme (CJRS) was in operation from Mar 2020 to Sept 2021.
Economic inactivity reason is suppressed when the sample size is disclosive.
CIPFA (Chartered Institute of Public Finance and Accountancy) – Statistically similar LA's for comparison.
West of England includes B&NES, Bristol, North Somerset and South Gloucestershire.

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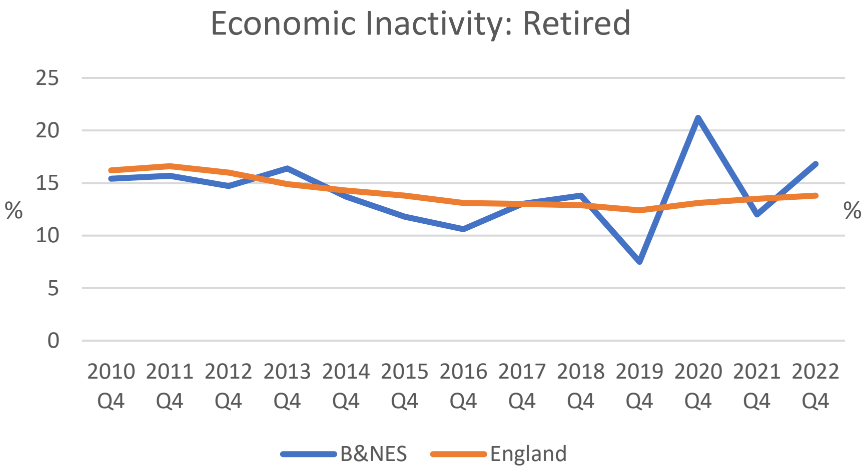
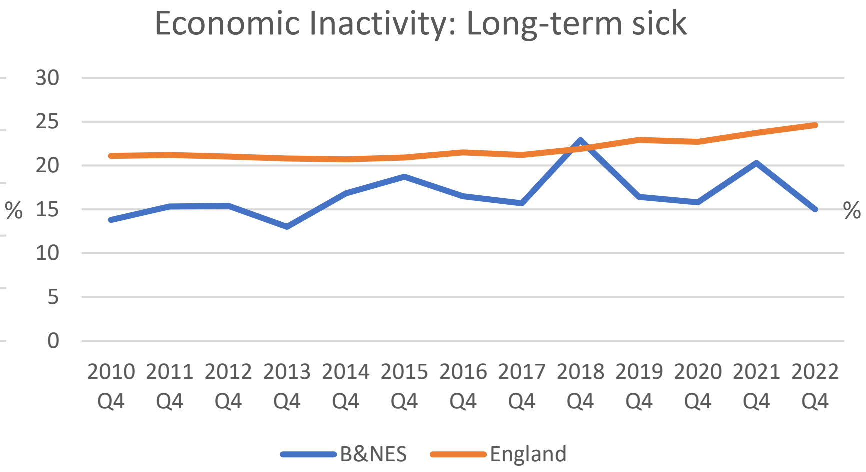
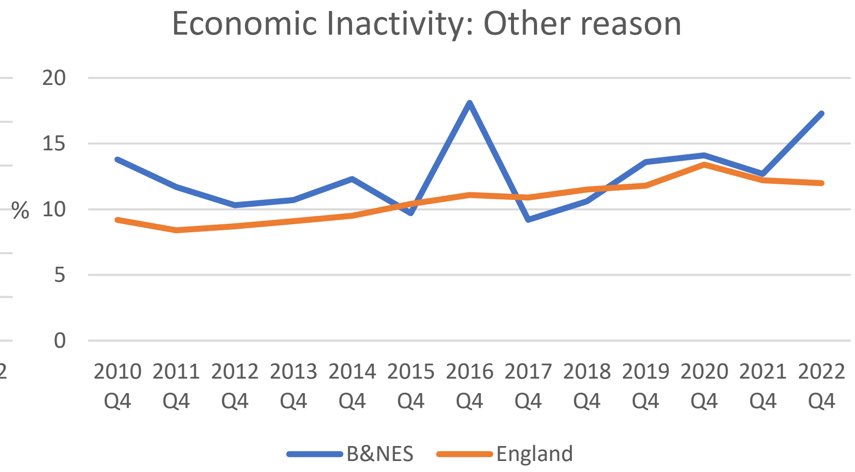
Economic Inactivity cont.







- Recent reports (e.g. Economic Affairs Committee, Resolution Foundation) have discussed the increase in economic inactivity nationally due to increases in long-term sickness and early retirement, particularly amongst 50-64 year olds. Regarding those who retired, the Economic Affairs Committee suggested it would be unwise to believe a *"…significant proportion of those who have exited the labour force since 2020 will come back or be persuaded back by changes in employers' practices or by policy measures".* They also concluded that *"…although the population is getting sicker, much of the rise in sickness-related inactivity is among people who were already inactive, rather than people who were employed becoming inactive due to sickness."*
- In B&NES, economic inactivity due to **retirement increased** during the pandemic to a decade high of 21% in 2020, noticeably higher than the comparable national figure (13%). This decreased to 12% in 2021 but has since increased to 17% in 2022 (equating to **~4,400**), slightly higher than the rate seen nationally (14%).
- Historically, the proportion of **long-term sick** has been **lower** in B&NES than nationally for the majority of the past decade. After an increase to 23% in 2018, this has decreased to **15% (~3,900**) in 2022 and appears to be back to pre-pandemic levels. Nationally, the proportion long-term sick increased slightly to 25% in 2022.
- Economic inactivity due to **other**[1] reasons **increased** to **17% (~4,600**) in B&NES in 2022, higher than the rate seen nationally (12%). There has been an upwards trend both nationally and in B&NES in the number economically inactive due to other reasons.
- The wards with the highest proportion of those economically inactive due to **long-term sickness** is **Twerton** and due to **retirement** is **Keynsham East**.

Sources: Data derived from national statistics published via LG Inform. NOMIS – Official Labour Market Statistics. Annual Population Survey (Jan 2022 – Dec 2022)
Data Notes:
Economically inactive (age 16-64) includes those people who are neither in employment nor unemployed. Economic inactivity reason is suppressed when the sample size is disclosive.
[1] **'Other**' reasons include people waiting for the result of a job application, not yet started looking for work, do not need or want employment, have given an uncategorised reason or gave no reason for being economically inactive.
CIPFA (Chartered Institute of Public Finance and Accountancy) – Statistically similar LA's for comparison. **West of England** includes B&NES, Bristol, North Somerset and South Gloucestershire.
Ward profiles are based on Census 2021 data rather than the APS survey.

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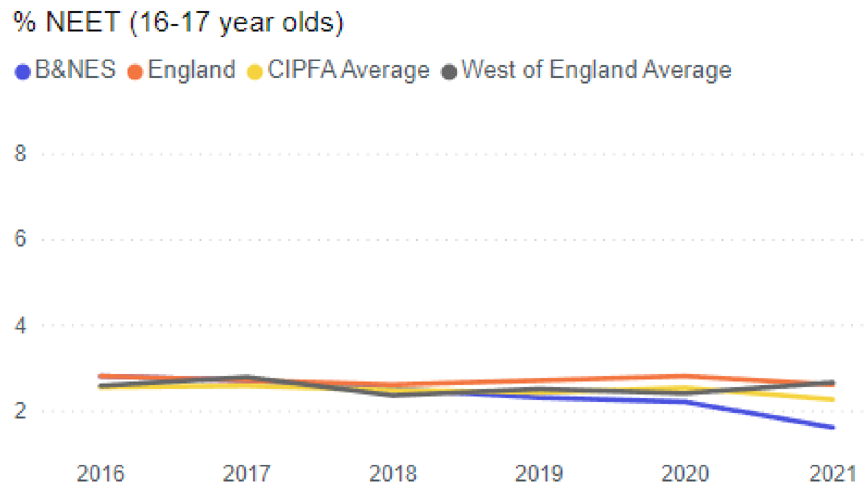
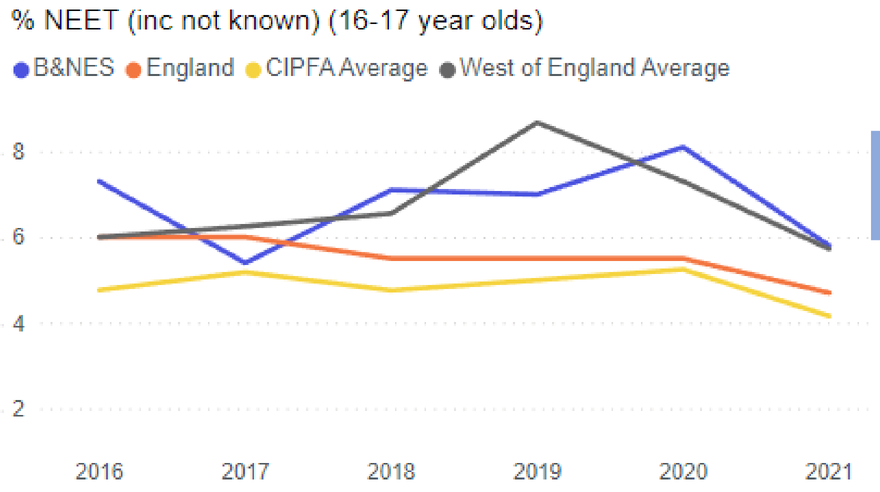
NEET (16–17-year-olds)





B&NES, end 2021 (Dec/Jan/Feb average):

Cohort Avg	NEET & NK %	NEET %	NK %	In Learning %
3,347	5.8	1.6	4.2	93.4

- In 2021, the proportion of 16-17 years olds known to be '**Not in Education, Employment or Training**' **(NEET)** in B&NES **decreased** and is lower than the national rate (1.6% compared to 2.6%). It is also lower than the CIPFA (2.3%) and West of England (2.7%) rates.
- However, if we also include the 16-17 year olds whose activity is **not known (NK)**, the proportion of NEET in B&NES (5.8%) is **higher** than the national (4.7%), CIPFA (4.2%) and WoE (5.7%) rates in 2021 and has been higher than national rates for a number of years.
- The proportion of young people whose activity is **not known in B&NES is double** (4.2%) the national figure (2.1%), putting it in the top quintile for activity not known in the country.
- As at March 2022, the proportion of 16-17 year olds **participating in education and training** in B&NES was **93.4%**, **higher** than the national rate (92.9%).

Sources: Data derived from national statistics published via LG Inform. NEET and Participation Scorecard. ONS NEET LA figures.

Data Notes:

Calculated as the number of 16 & 17 years olds who are not in education, employment or training divided by the number of 16-17 year olds known to the LA (i.e. those who were educated in government-funded schools). For the second chart, the number whose activity is not known are also included in the numerator. Chart data relates to end of each year (average of Dec, Jan & Feb).

CIPFA (Chartered Institute of Public Finance and Accountancy) – Statistically similar LA's for comparison. **West of England** includes B&NES, Bristol, North Somerset and South Gloucestershire.

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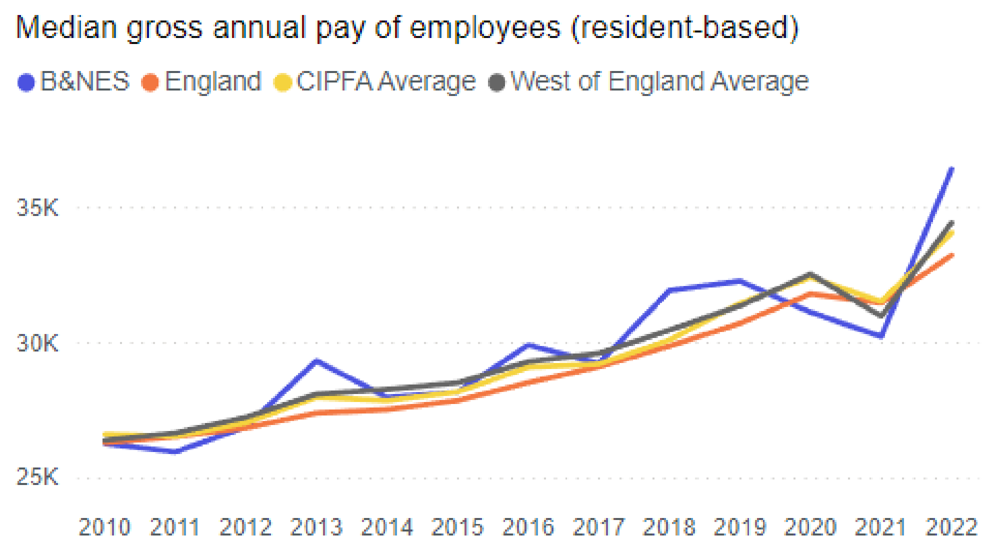
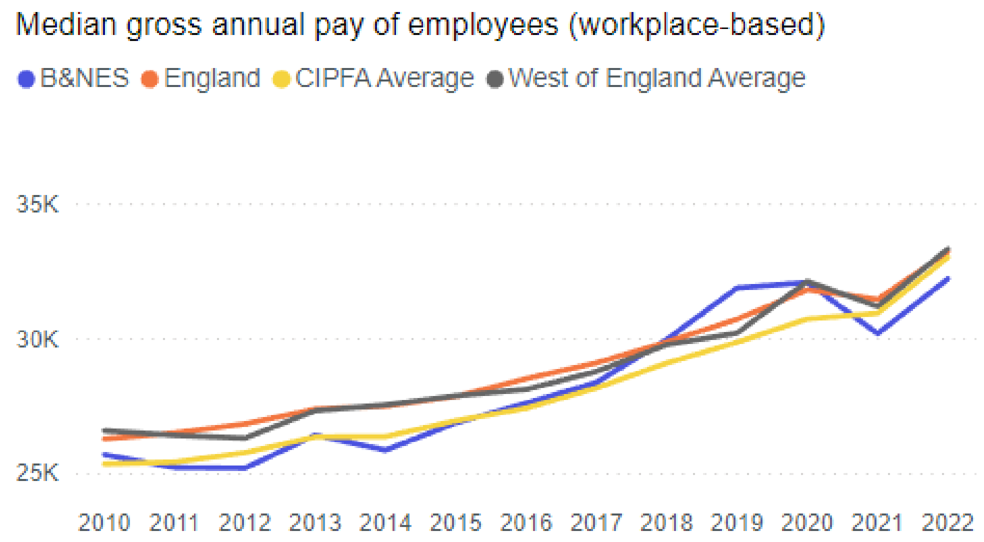
Earnings





- Median resident and workplace gross annual pay have both **increased** in 2022 in B&NES as well as nationally.
  - As of April 2022, **resident** average gross annual pay in B&NES was **£36,389** (up from £30,203 in 2021), compared to £33,208 for England, £34,042 for our CIPFA nearest statistical neighbours and £34,417 for the West of England.[1]
  - As of April 2022, **workplace** average gross annual pay in B&NES was **£32,201**, compared to £33,197 for England, £32,998 for our CIPFA nearest statistical neighbours and £33,311 for the West of England.[1]
- **Resident pay in B&NES** has seen **higher growth** from 2021 to 2022 compared to national and is now higher than the national figure for the first time since 2019. Workplace pay in B&NES has also increased from 2021 to 2022 but continues to be below the national figure, a pattern seen for most of the past decade. This would suggest residents working for employers based outside B&NES receive higher wages on average than those working in B&NES.
- In addition to relatively low workplace earnings, the cost of housing is high in B&NES.

Source: Data derived from national statistics published via LG Inform. Annual Survey of Hours and Earnings
Data Notes:
Resident analysis provides information about earnings of full-time employees who are living in an area.
Workplace analysis provides information about earnings of full-time employees who are working in an area.

CIPFA (Chartered Institute of Public Finance and Accountancy) – Statistically similar LA's for comparison.
[1] West of England includes B&NES, Bristol, North Somerset and South Gloucestershire.

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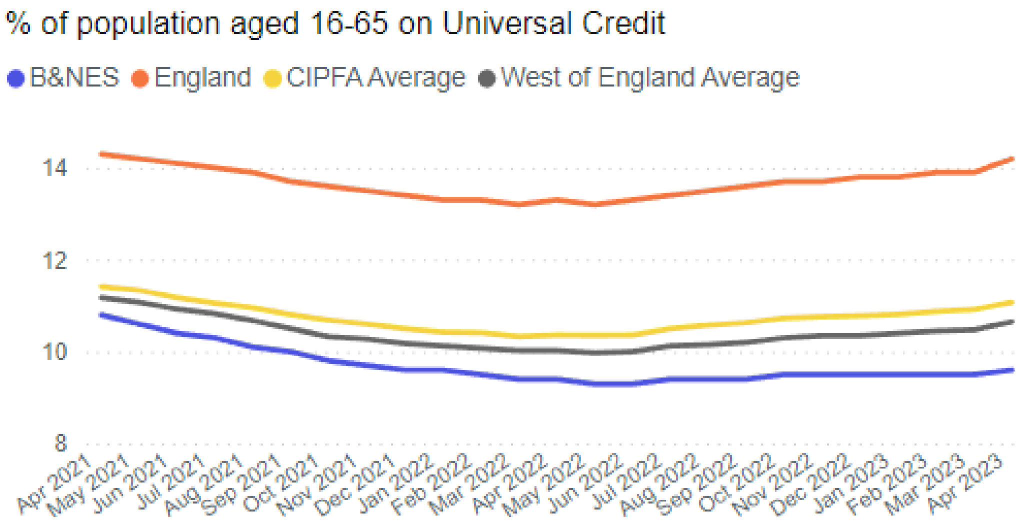
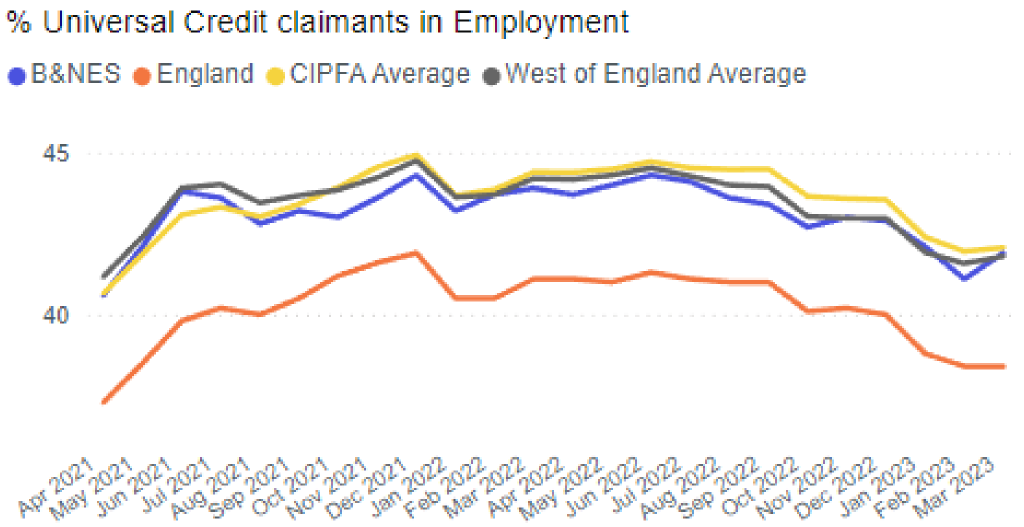
Universal Credit





- The proportion of the B&NES usual working age population (16-65) **claiming Universal Credit is relatively low** compared to national and comparator area levels and has been consistently low over time. After a period of slight decline, rates are showing a slight increase across all comparator areas.
- As of April 2023, the **UC claimant rate was 10% (~12,000)** for B&NES compared to 14% in England, 11% in our CIPFA nearest statistical neighbours and 11% for the West of England[1].
- The proportion of Universal credit claimants in employment has shown a gradual decline in the past year across all comparator areas. B&NES has very similar levels of **employment within the UC claimant cohort** to the West of England and CIPFA levels (42%, Mar 2023), which are noticeably higher than the national rate (38%, Mar 2023).

Source:

Data derived from national statistics published via LG Inform.

Data Notes:

Universal Credit (UC) is a benefit payment for people in or out of work. The proportion of the working age population (age 16-65) claiming UC includes both claimants who are not in employment and those eligible who are in employment.

CIPFA (Chartered Institute of Public Finance and Accountancy) – Statistically similar LA's for comparison.

[1] **West of England** includes B&NES, Bristol, North Somerset and South Gloucestershire.

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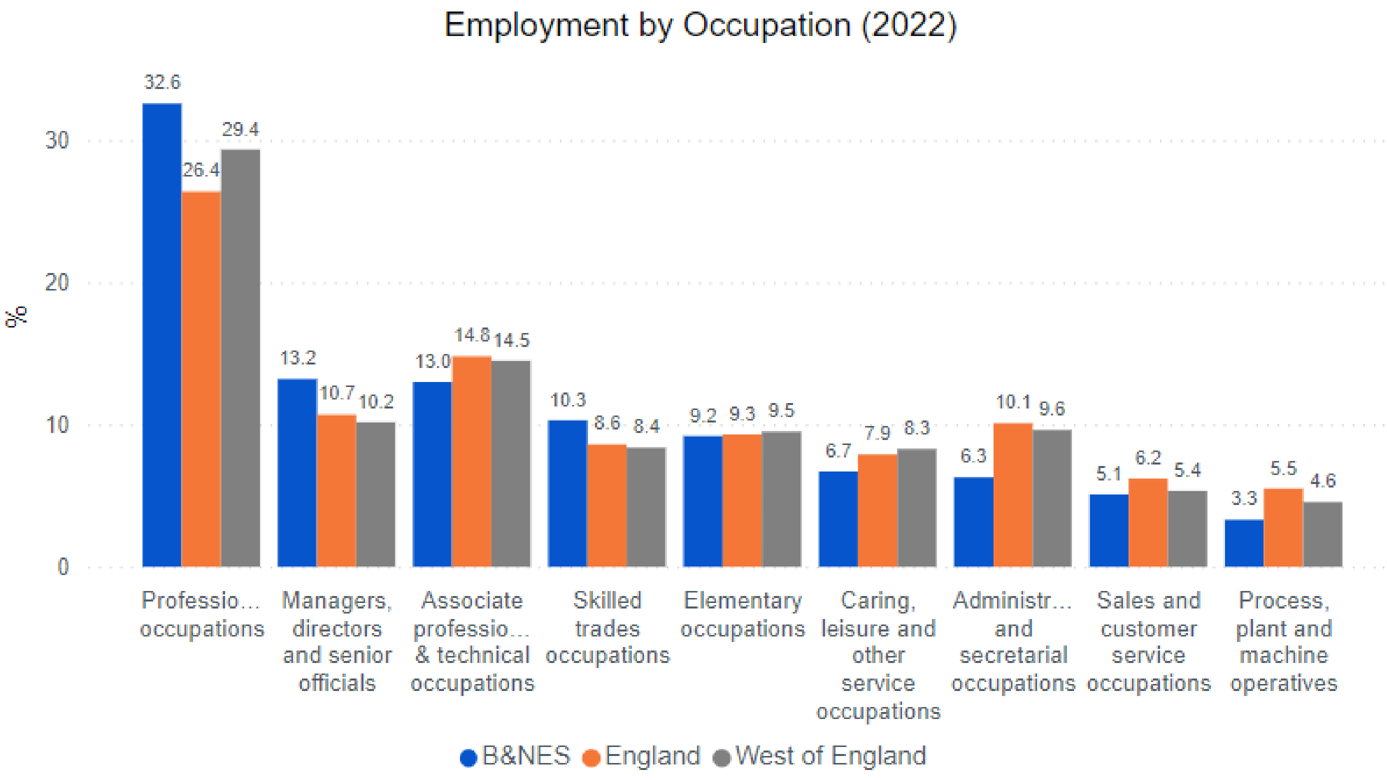
Occupations



Source: Data derived from national statistics published via LG Inform. Annual Population Survey (Jan 2022-Dec 2022).

Data Notes:

West of England includes B&NES, Bristol, North Somerset and South Gloucestershire.
Numbers based on residents of B&NES. Percentages are for those age 16+ in employment.
Occupations are classified according to the Standard Occupation Classification 2020.
Ward profiles are based on Census 2021 data rather than the APS survey.

- Those employed in **Professional occupations** account for the **highest** numbers in employment in B&NES as well as nationally and in the West of England.
- B&NES has a **higher proportion** of people employed in **Professional occupations** (33%) compared to national (27%) and West of England (29%) figures.
- B&NES has a slightly higher proportion of people employed as **Managers, directors and senior officials** (13%) compared to national (11%) and West of England (10%) figures.
- B&NES has a **lower proportion** of people employed in **Caring, leisure & other service occupations**, **Administrative & secretarial occupations, Sales & customer service operations and Process, plant and machine operatives** compared to national and West of England figures.
- The wards with the highest proportion of those employed in **Professional occupations** are Widcombe & Lyncombe, Newbridge and Bathwick. The wards with the lowest proportion of those employed in Professional Occupations are Twerton and Westfield.
- The wards with the highest proportion of those employed in **Caring, leisure and other service occupations** and **Elementary occupations** are Twerton and Westfield.

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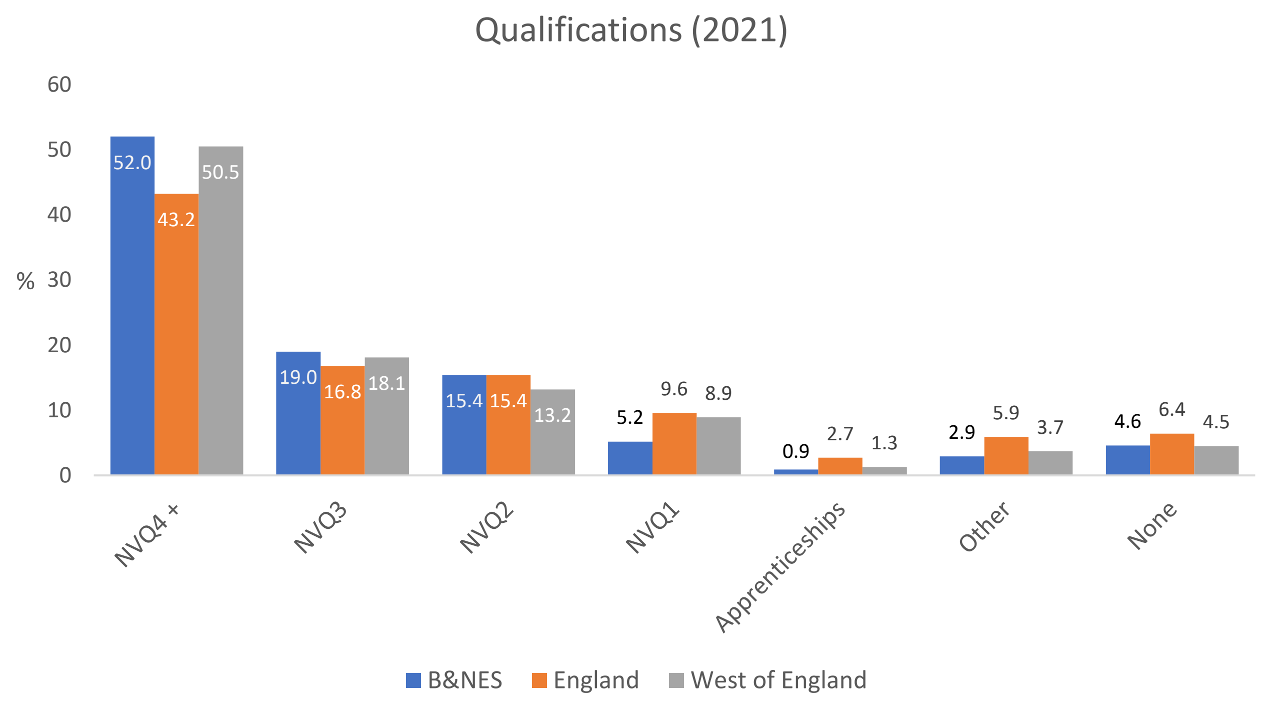
Qualifications



- B&NES has a notably **higher proportion** educated to **degree level and above** when compared to England and a similar proportion to the West of England[1].
  - **52% are educated to degree level** or higher, compared to 43% in England and 51% in the West of England.
- B&NES has lower proportions of the population with NVQ1 level or equivalent, Apprenticeships, Other and No qualifications.
  - the proportion of the population with **no qualifications** is **4.6%** in B&NES, lower than the England figure (6.4%) and similar to the West of England figure (4.5%).
- The wards with the highest proportion of those educated to **degree level and above** are Lansdown, Widcombe & Lyncombe, and Walcot. The wards with the lowest proportion of those educated to degree level and above are Twerton and Westfield.
- The wards with the highest proportion of those with **no qualifications** are Twerton, Midsomer Norton Redfield and Westfield.

Source: NOMIS – Official Labour Market Statistics Annual Population Survey (Jan 2021 – Dec 2021).

Data Notes: West of England includes B&NES, Bristol, North Somerset and South Gloucestershire.

Numbers based on residents of B&NES. Qualification levels are a percentage of the working age population (16-64). Categories are defined as follows:
No qualifications – No formal qualifications held.
Other qualifications – Includes foreign qualifications and some professional qualifications.
NVQ1 equivalent – e.g. fewer than 5 GCSEs at grades A-C, foundation GNVQ, NVQ 1, intermediate 1 national qualification (Scotland) or equivalent.
NVQ2 equivalent – e.g. 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ 2, intermediate 2 national qualification (Scotland) or equivalent.
NVQ3 equivalent – e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher or advanced higher national qualifications (Scotland) or equivalent.
NVQ4 equivalent and above – e.g. HND, Degree and Higher Degree level qualifications or equivalent.
Ward profiles are based on Census 2021 data rather than the APS survey.

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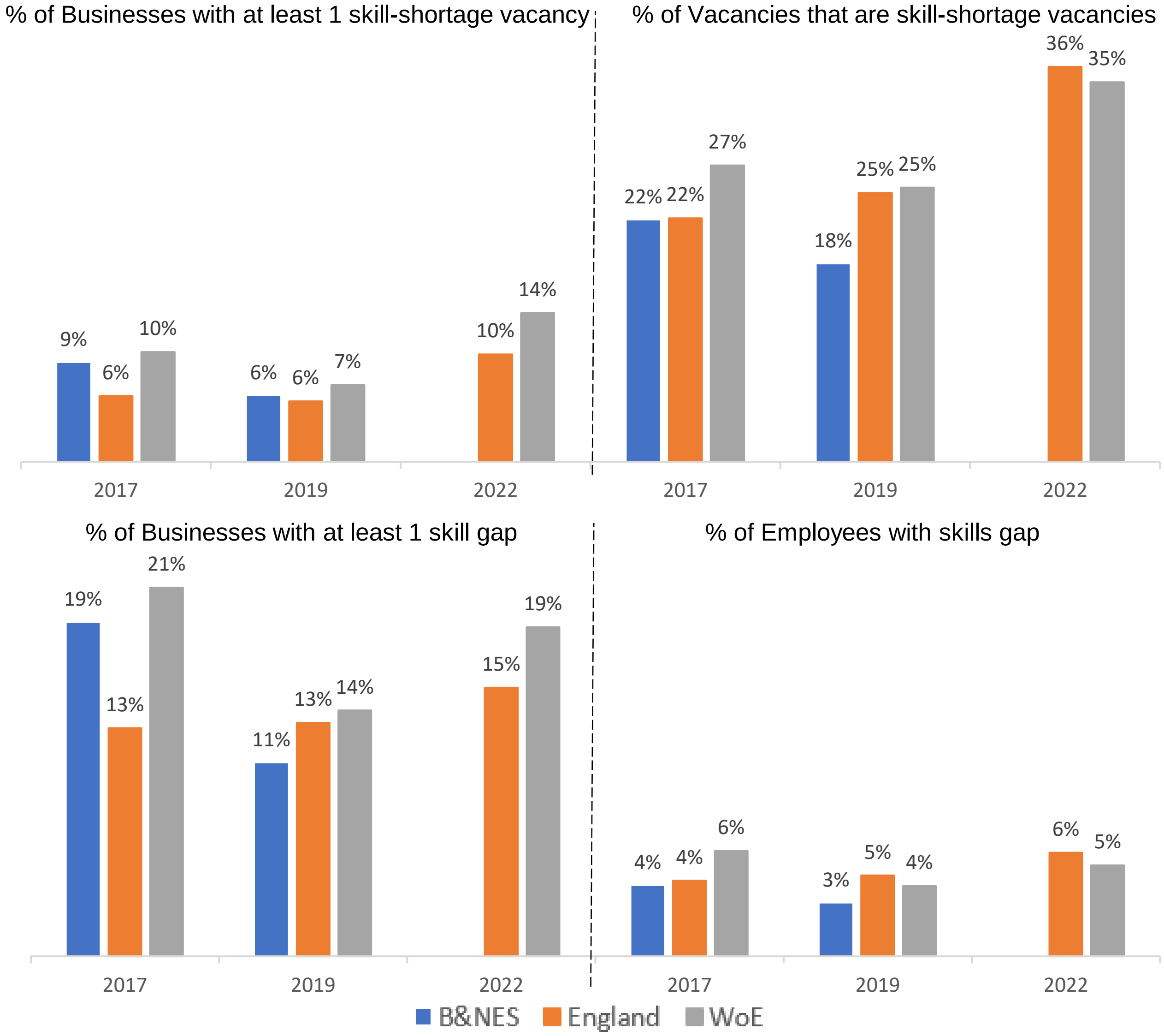
Skills

Skill-shortages & Skills Gaps



- Nationally, 10% of businesses reported having at least one **skill-shortage vacancy** in 2022, an increase from 6% in 2017 & 2019. In 2019, **B&NES had a similar proportion of businesses with at least 1 skill-shortage vacancy (6%)** to England and West of England (6%/7% respectively), This was a decrease from 9% in 2017.
- Nationally, more than a third (36%) of all vacancies in 2022 were skill shortage vacancies, compared to 25% in 2019 and 22% in 2017. In 2019 in B&NES, 18% of all vacancies were skill shortage vacancies, **lower** than the national and West of England levels (both 25%). This was a reduction from 22% in 2017.
- The proportion of employers reporting at least one member of staff who was not fully proficient (i.e. a **skills gap**), increased from 13% in 2017 & 2019 to 15% in 2022 nationally. In 2019, **B&NES had a slightly lower proportion of businesses with at least one skill gap** (11%) compared to England and West of England (13%/14% respectively). This was a decrease from 19% in 2017.
- Overall, 6% of the workforce nationally had a skills gap in 2022 compared to 4% in 2017. In **B&NES the proportion of the workforce with a skills gap was slightly lower** than England and the West of England in both 2017 and 2019 (4% and 3% respectively for B&NES).

Source:
Employer Skills Survey 2017, 2019, 2022
Data Notes:
A **skill-shortage vacancy** is a vacancy that is hard to fill due to lack of skills, qualifications or experience among applicants.
A **skills gap** is where an employee is judged by their employer to lack full proficiency.
West of England (WoE) refers to West of England LEP for 2017 & 2019 data (which includes B&NES, Bristol, South Gloucestershire & North Somerset), and West of England Mayoral Combined Authority for 2022 (which includes B&NES, Bristol and South Gloucestershire).
Employer Skills survey data not currently available at Local authority level for 2022 (due early 2024).

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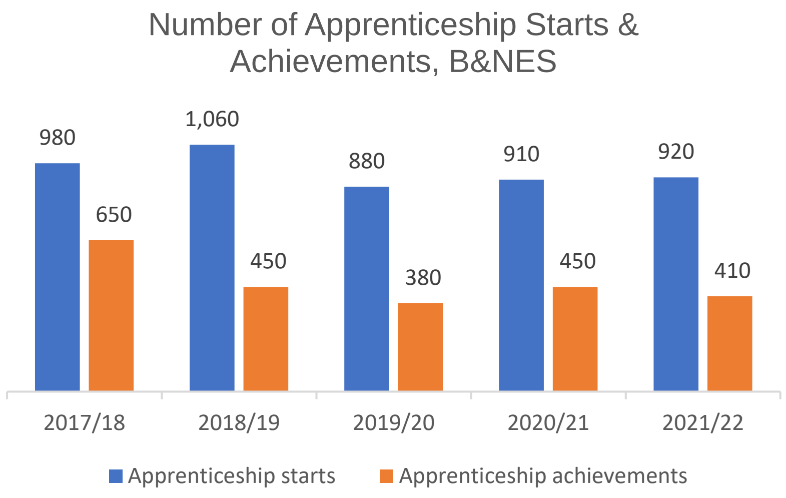
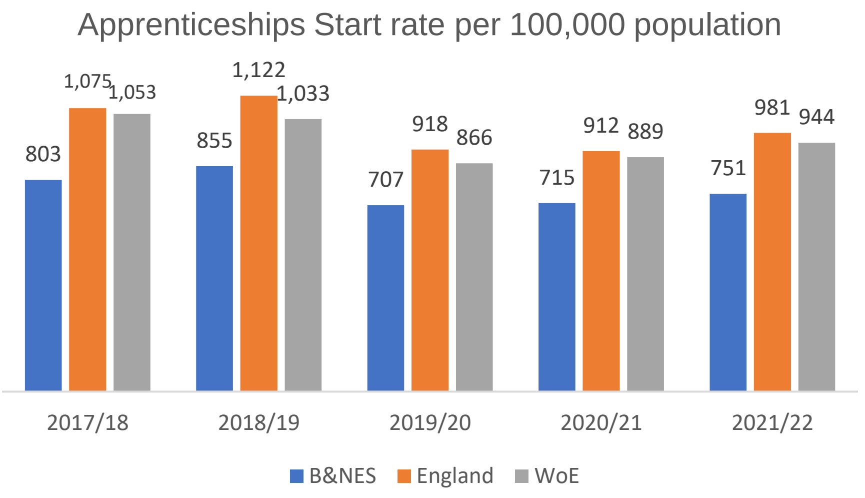
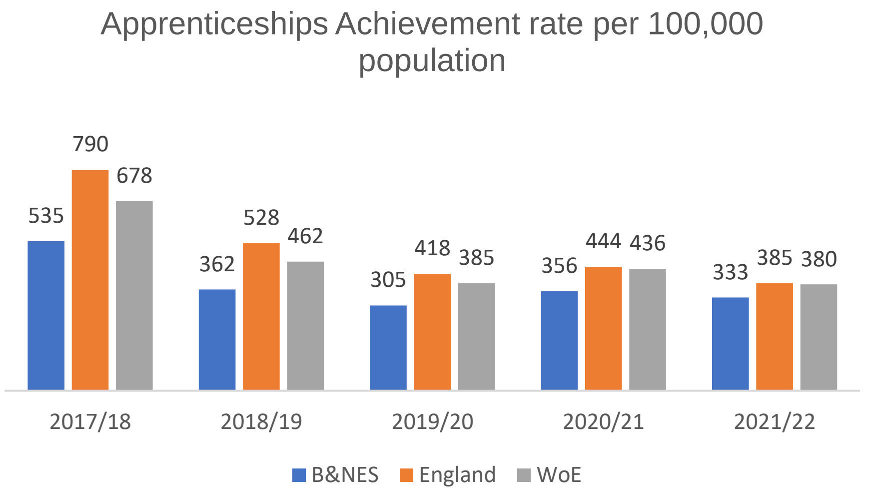
Apprenticeships







- In 2021/22 there were **920 apprenticeship starts** in B&NES. This equates to an **apprenticeship start rate** of **751** per 100,000 population. This is **lower** than the rate seen in England and the West of England (981 and 944 per 100,000 respectively). The apprenticeship start rate has been **lower** in B&NES than in England and WoE for a number of years.
- In 2021/22 there were **410 apprenticeship achievements** in B&NES. This equates to an **apprenticeship achievement rate** of **333** per 100,000 population. This is **lower** than the rate seen in England and the West of England (385 and 380 per 100,000 respectively). The apprenticeship achievement rate has been **lower** in B&NES than in England and WoE for a number of years.
- Of the 920 apprenticeships **started** in B&NES in 21/22, **24%** were **intermediate**, **42%** were **advanced** and **34%** were **higher** apprenticeships. This is a similar pattern to that seen nationally (where 26% were intermediate, 43% advanced and 30% higher).
- Of the 410 apprenticeships **achieved** in B&NES in 21/22, **24%** were **intermediate**, **49%** were **advanced** and **25%** were **higher** apprenticeships. Again, this is similar to the pattern seen nationally (where 27% were intermediate, 48% advanced and 25% higher).
- Of the 920 apprenticeships started in B&NES in 21/22, **almost half (45%)** were in those **aged 25+.** A quarter (25%) were under 19 and 30% aged 19-24. This is similar to the pattern seen in England (where 22% were under19, 30% aged 19-24 and 47% aged 25+).

Source:
Education Statistics: [Apprenticeships and traineeships]

Data Notes:
Each apprenticeship has a level and an equivalent education level as below:

	Level	Equivalent education level
Intermediate	2	GCSE
Advanced	3	A level
Higher	4,5,6 & 7	Foundation degree and above

Apprenticeship **starts (achievements)** are the counts of apprenticeships started (achieved) at any point during the academic year.
Counts are based on the home postcode of the learner.
West of England (WoE) includes B&NES, Bristol, North Somerset and South Gloucestershire.