

# Chief Executive's Report - 17 July 2018

## Introduction

This report retains broadly the previous format – but also includes a quarterly business update. The report starts with a short summary and headlines, provides summary reports from People, Place and Business (as well as Finance) followed by detailed operational annexes including our dashboard and a forward view.

I have also provided an action log since the start of 2018 just to provide a check on actions against the things we said we would do. The overall structure is:

### **1. Executive Summary**

- a. Headlines – key events since the last meeting*
- b. Business update*
- c. Key decisions needed at this board?*
- d. Forward Look - Key decisions anticipated at our next board(s)?*

### **2. LEP Dashboards**

- a. Economic*
- b. Key highlights - reports on the key areas of thematic activities and challenges*
- c. Financial*

### **3. Annexes on other operational activities**

- a. Golden Opportunities*

## Executive Summary

- Nuclear Sector Deal and Construction Sector Deal agreed
- Careers Hub application submitted
- Digital Skills Partnership launched
- Council of LEP Chairs – at No 10 Downing Street
- LEP review not yet published

### **Summary - The First 100 days**

During my interview process, I was asked to set out my first 100-day plan and I have brought this forward into the role. It comprises:

**Handover** - a smooth transition in Executive Leadership.

**Stronger Governance** – in the light of the National LEP review (still to be published)

**Restated Priorities** – owned and understood by all partners – translating the Productivity Strategy into delivery

During the first weeks, I was significantly assisted by a clear and developed induction programme – spending 2 days in each of the four-upper tier local areas and by a proper handover with Chris – not always available to incoming execs - as well as standard induction processes etc. I am grateful to all for bringing to life the key opportunities across the whole area and helping really get to grips with the geography meeting a broad range of stakeholders.

I have also arranged 1:1 meetings with all Board Members, all MPs and all District Councils which are ongoing.

I have also been able to attend the LEP leadership (advisory) groups (Place, People and Business) and sub committees (SIP and F&R) pushing hard to turn the delivery plan into some key shared propositions by the end of the summer.

I have also attended a meeting of the GSW Partnership and restarted a dialogue with Government on how this and the Rural Productivity Plan can be turned into real shared action with Government. My goal is to get this and the GSW rural productivity deal referenced in the Autumn Budget placing HotSW at the fore of developing a Local Industrial Strategy.

I am very keen to affirm **What We Do** before making changes to **how we do it** – the delays to the publication of the LEP review probably assist this. It is also clear that the goal set out in the Productivity Review – to double the size of the economy - is extremely ambitious and that in recent months particularly the area has garnered the attention of Government – the task therefore is to turn that ambition and attention into deliverable and measurable action and achievements. – a transformative plan turning good (performance) into great (performance). Digital will be absolutely key in achieving this ambition.

Moreover, the economy continues to perform well and business sentiment/confidence is broadly positive – more of that in the business update.

In addition to developing the productivity delivery plan – including holding 'Local Conversations' in both Devon and Somerset, we have started to look at both the comms strategy and stakeholder engagement model. Moreover, hopefully by the Board meeting we will be entirely GDPR compliant with an updated privacy policy etc.

Chris has now departed – with a good send-off - I am grateful to all partners for their time and support in my induction which I think has achieved the first goal of a smooth transition.

### **Articulating 'what good looks like'**

The HotSW Strategic Economic Plan sets out our purpose and mission.  
To lead and influence economic growth, job creation and prosperity across the Heart of the South West area covering Devon, Plymouth, Somerset and Torbay.

## Our mission

*“To reposition the Heart of the South West’s profile and reputation, nationally and globally. Connecting people, places, businesses and ideas to transform our economy, securing investment in infrastructure and skills to create more jobs and enable rewarding careers.*

## Business Update

One of the key responsibilities for LEPs is to understand the local economy and be informed by business and therefore I am proposing that, quarterly, and working closely with the Chambers (QES), IOD, NFU, CBI and other business representative organisations - and our own Brexit Resilience group - through the Leadership of the Chair of our Business group.

For this meeting, we are able to draw on a consultation with local business groups to support the Chair in his recent No 10 meeting. The Chair will provide verbal feedback of this discussion.

We consulted with some 21 business groups (representing some 30,000 businesses) to evidence the temperature of local business performance. The briefing is included in the Appendices alongside the economy dashboards

Consultees included LEP Board Directors (private sector); FSB and other business organisations; business support organisations; NFU; Devon & Somerset Chambers; universities / colleges / training providers; Members from the LEP’s People, Place and Business Leadership Groups; and individual businesses of various sizes. The location of the respondents covered our geographical area, included rural / urban aspects and was cross sectorial.

## The Top Issues

**Workforce** - labour supply and skills - exacerbated by Brexit and accentuated by the Hinkley affect. This covered the range from schools / careers advice to highly skilled professionals with international expertise.

**Infrastructure** - this combined: road, rail, public transport, broadband, housing, development and digital connectivity

**Brexit** - the focus on the uncertainty of the final outcome, effects on the labour pool and the agricultural policy.

The other areas identified were:

- The increasing cost / bureaucracy of doing business (9 points) and
- Financing for businesses and of the LEP (9 points).

## Turning Ambition into Delivery

The HotSW Productivity Strategy identifies a single 'simple' ambition - **To double the size of the economy by 2038** and also to deliver **Prosperity for All**

The agreement and publication of the Productivity Strategy marks the key opportunity to translate our ambition into delivery working collegiately across different LEP teams – the core team, the leadership team and joint committee and the LEP Board on a set of aligned priorities

It is important that the delivery plan has momentum and I have pushed hard to try and frame the productivity delivery plan by September in order to influence this year's Budget/Autumn Statement. I am proposing that the Productivity Delivery Plan and Local Industrial Strategy are one and the same and I am hopeful that the 'first cut' of the productivity delivery plan can be agreed by this Board and the joint committee at the September meetings.

I initially sense checked with the core team a SWOT analysis for our work – and we aim to do some work over the coming weeks on updating our comms plan; reducing any meeting duplication; updating our SLAs with the leadership groups. This SWOT has also been influenced by my meetings with Board Members and other key stakeholders.

I am not intending to share it with the Board but happy to discuss if individuals are interested-in summary the LEP journey going forward is a journey of good to great. The LEP does many things well and most things satisfactorily but if it intends to deliver its ambition working we will need to work differently and ourselves more productively.

## **Impact**

One of the key challenges for any LEP is how it adds value. I am therefore proposing that the underlying theme of the annual conference should be about what impact are we making. With many LEP capital projects we are contributing to the underlying infrastructure to facilitate growth. Some of this delivery e.g. house building etc. may not yet have happened but we need to be confident that it will and hold each other to account for these jobs and housing targets.

If the south west is to secure significant Shared Prosperity Funding in the future, we will not only have to strong governance with transparent and accountable processes but real delivery in terms of housing, jobs, learners etc. and that these outputs are contributing to a positive narrative to the local economy

## **What's going well and what isn't**

I would like to draw director's attention to the following successes / challenges / decisions / feedback needed.

- i. Productivity Delivery Plan – as part of this Board meeting , we will be sharing the narrative/templates of a number of key opportunities in our LEP area including
  - a. Advanced Engineering (including Nuclear, Marine and Aerospace) – the Nuclear Sector Deal was published on July 2<sup>nd</sup>, 201 and we are now working closely with national and local partners of its implementation, particularly

about the place elements relating to the local supply chain. The WNE event was held this month in Paris – Nuclear SW had a stand.

- b. Marine – the Marine Expo was held in Plymouth this month and we will be sharing a draft delivery plan
  - c. Digital (including Creative, Big Data and Silicon) – the HOSW Digital Skills partnership was launched last month and we are currently recruiting the project manager role
  - d. Core economy (including Tourism, Healthy Aging and Food and Drink) – these agendas cross LEP boundaries and are currently part of our regional working on Rural agendas. That said I also sense we will need in future to put more resource into this area than we have in the past.
- ii. Our transport programme – There are updates from SIP on both the M5 Junction 25 at Taunton and the Forder Valley Link Road at Plymouth
  - iii. European Social Fund: Additional Calls – Following the discussion at the last Board meeting, as agreed we have circulated a briefing on our strategy to ensure all ESIF funding is committed (prior to the Brexit) . Further calls are expected to be issued in the coming weeks including further work with European Social Fund: Opt-In Programmes
  - iv. Careers Hub / Enterprise Advisor Network – In addition to the submitted Careers Hub bid, we are currently bringing the service 'in house' (Devon County Council) to provide an expansion and broadening of activity, with the additional of a Career Hub (if successful) providing a wider array of support and advice to member schools as highlight in other board papers.
  - v. Hinkley Strategic Delivery Forum / Hinkley Point Training Agency – The LEP Chair formerly opened the Exeter College HPTA facility last week.
  - vi. Construction Skills Group – CITB have announced a bidding opportunity for construction skills. A number of bids are likely to come in from across the HotSW area which may start to deliver some of our ambitions in this area but we should encourage collaboration to avoid competing bids so that we might endorse a small number of compelling propositions rather than have to referee competing aspirations.
  - vii. Growth Hub – elsewhere on the agenda is an update from the Business Leadership Group about next steps for the Growth Hub.
  - viii. Unlocking Growth Fund - The fund is fully allocated. However, SIP is considering how it might progress a further round of if the LEP found it had available resource if another project ran into difficulties.
  - ix. Rural Productivity Plan - we have started a dialogue through BEIS/HCLG on the terms of engagement on how we might best secure a Rural Productivity Deal with Government as identified in the published plan. This will be challenging – to a degree it is uncharted territory as it will require cross-departmental support (DCMS and DEFRA) as well as Treasury. Officials have indicated that we will need to write (green book compliant) business cases for each of our key themes – Digital, Food and Drink, Tourism – but are assisted by some work in the Borderlands. I think we will need to proceed in 2 ways – to prepare with Government support out initial business cases and to lobby to get ministerial backing for the approach.

- x. Greater South West – similarly we have been discussing with officials the next steps for the Greater South West. A letter has been drafted setting out our objectives for the Partnership and there is a specific work stream to take forward the Sub-National Transport Body. We will need to continue to contribute financially (approx. £10k per annum) to support the secretariat (currently provided through a secondee from Dorset LEP and we are leading on the rural theme (the rural productivity strategy). The other themes are Trade and Investment and Transport.

**What are the key decisions needed at this board?**

Strategic papers: -

- 6.1 Growth Hub (from BLG) commercially confidential
- 6.2 Junction 25 M5 (from SIP) commercially confidential
- 6.3 Forder Valley Link Road (from SIP) commercially confidential

Operational papers: -

- 6.4 Productivity Strategy – opportunities
- 6.5 Strength in Places Bid – commercially confidential
- 6.6 ESIF update – commercially confidential

**What are the key decisions anticipated at our next board(s)**

- Productivity Strategy Delivery Plan – first cut for sign off
- LEP Review conclusions and implications for our LEP
- Draft Rural productivity plan

## **BUSINESS BRIEFING FOR MEETING WITH THE PM**

**(JUNE 2018)**

The following feedback has been elicited from the wider business community over the last month via email correspondence with 21 targeted individuals. The respondents represent (through their membership / networks) around 30,000 of the businesses and enterprises in the HotSW area - just over a third of our business stock.

The 21 respondents included:

LEP Board Directors (private sector); FSB and other business organisations; business support organisations; NFU; Devon & Somerset Chambers; universities / colleges / training providers; Members from the LEP's People, Place and Business Leadership Groups; and individual businesses of various sizes. The location of the respondents covered our geographical area, included rural / urban aspects and was cross sectorial.

### **The Top Issues**

#### **Workforce - labour supply and skills 30 points**

**Exacerbated by Brexit and accentuated by the Hinkley affect. This covered the range from schools / careers advice to highly skilled professionals with international expertise.**

#### **Infrastructure - 29 points**

**this combined: road, rail, public transport, broadband, housing, development and digital connectivity.**

#### **Brexit - 20 points**

**with the focus on the uncertainty of the final outcome, effects on the labour pool and the agricultural policy.**

The other areas identified were:

- The increasing cost / bureaucracy of doing business (9 points) and
- Financing for businesses and of the LEP (9 points).

### **Examples of the Anecdotal Feedback**

#### **Skills & Labour Shortages**

Availability of labour and skill levels in the region - ageing demographic; lack of affordable housing; brain drain away from SW for 'younger generation'; lack of public and "good" transport routes for those in rural & other locations to get to work; accentuated by Hinkley; present model of careers guidance not helping this; Brexit effect on labour and skills.

### **Some good news**

*"Knowledge Transfer Partnerships (KTPs) are proving extremely popular for businesses ... with a significant increase in recent months. This is a useful barometer of the positive mood of industry in the SW and is also a result of the increased funding for KTPs made by Innovate U.K. A continuation of the model now employed by Innovate U.K. in rolling out this product will make a big impact on SME innovation and GVA in the South West."*

### **Some not so good news**

*"Skills shortage generally – Hi Tech businesses are being encouraged back to the South East due to relatively poor physical connectivity and lack of concentration of high value business in the area. Example Hi Tech business with 90% export ... struggling to recruit and common feedback received "I like your business but if it got into difficulties and I was laid off then there is nothing else locally I could apply for. Therefore, I would be risking my job and my home / forced to uproot." This type of feedback is common among the higher wage paying businesses – those that will contribute most to our productivity."*

### **Infrastructure**

*"broadband, broadband and broadband" as the single most important thing raised by every single contributor to the (Rural) Commission..."*

### **Brexit uncertainty**

*"Unsurprising, but this remains the overriding concern, and across a number of areas. The possible effects on access to skills and the ability to retain talent is high on the list, as are the unknowns surrounding future trade tariffs. The perception of business is that the Government is either not hearing their concerns, or they are aware but unwilling / unable to act. In some cases the result is apathy, elsewhere anger - but overall the recognition that business just has to get on with it in spite of these uncertainties."*

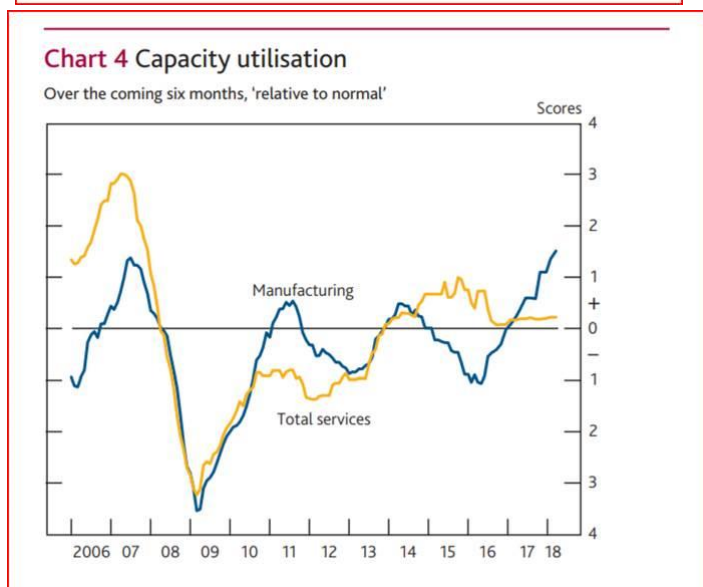
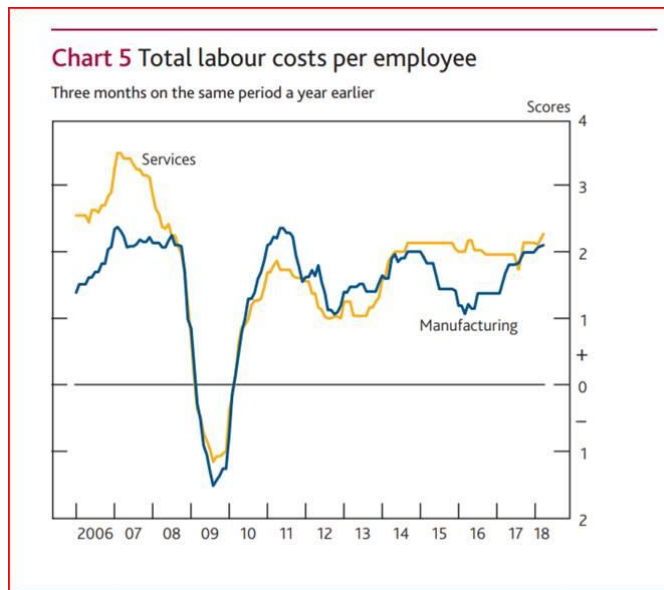
### **[Bank of England: Agents' Summary of Business Conditions - May 2018 \(national\)](#)**

Consumer spending growth slowed markedly, in part due to adverse weather.

Recruitment difficulties became more broad-based; total labour cost growth rose.



Recruitment difficulties had broadened across skills and sectors, which was reported to be partly due to reduced availability of EU migrant workers. Employment intentions had ticked up in manufacturing but remained weak in consumer services, due to higher labour costs and weak sales. Growth in total labour costs had edged up (Chart 5), reflecting slightly higher pay settlements than in 2017 and the increase in employers' pensions auto-enrolment contributions. Pay settlements had typically been in the 2½–3½% range, with higher awards targeted at retaining staff with key skills. Recruitment difficulties became more broad-based; total labour cost growth rose.



*This publication generally covers intelligence gathered from business contacts between late February and mid-April 2018. It generally makes comparisons with activity and prices over the past three months on a year earlier.*

i. **LEP Dashboards**

a) **Economic**

Please note that the data provides a snapshot from the current data and the national sources used often do not present the most up to date picture. For a more up to date picture of the local economy that takes account of the very latest developments Board Directors are encouraged to contact their local economic development teams. If directors require any further amplification on the data sources, please do let us know.

July 2018

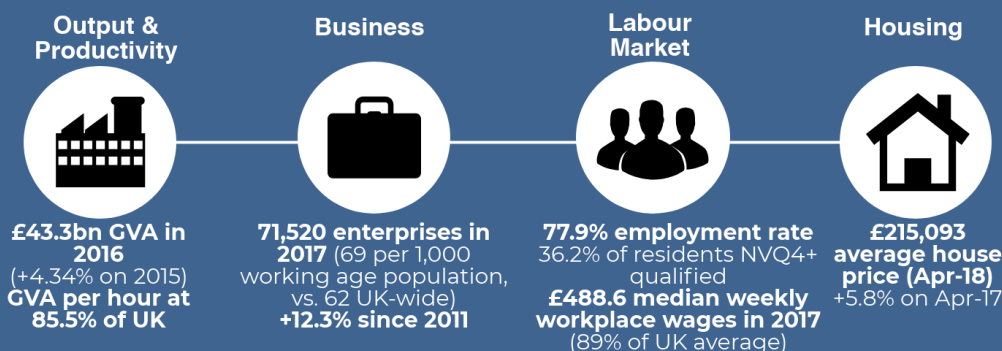
# Heart of the SW Economy Dashboard



## LATEST - Highlights on Sub-Regional International Exports in Goods (NEW)

- For the first time ever, HMRC's regional trade statistics have been made available below regional level, and will continue to be published annually. Note that this means that there is no historical data to compare against, so this analysis is static.
- According to their records, HotSW exported £3.75bn in goods in 2016, of which £1.6bn were sent to the EU, and £2.16bn went to non-EU markets. The value of this demand for HotSW goods accounts for 8.9% of the region's total GVA. This compares weakly relative to the South West region overall, who exported 14.2% of its GVA internationally.
- The number of businesses exporting goods internationally from HotSW was significant - 3,948 enterprises exported to the EU (5.6% of all businesses), and 3,739 businesses (5.3% of total) exported elsewhere in the world; this compares with 4.7%, and 3.2% respectively for the South West region as a whole. Looking across the proportion of exporters and the value of exports as a proportion of output (GVA), this indicates that the value of HotSW exports per enterprise is lower than regionally.
- Within HotSW, Plymouth and Somerset stand out as more likely to export goods internationally - Plymouth exports 6.6% of the value of its GVA to EU markets (£329m), and 8.6% to non-EU countries (£430m); Somerset's exports are more skewed towards trade with non-EU countries (5.5% to the EU or £602m, v. 11.2% to non-EU markets or £1,228m). Devon CC's and Torbay's demand for exports make up smaller proportions of their areas' GVA (Devon CC: 2.6% of GVA to EU markets, 1.9% of GVA to non-EU markets; Torbay: 1.8% to the EU, 1.7% to non-EU markets); in terms of the value of their exports, Devon CC exports £629m to the EU and £465m to non-EU markets and appears to be the most depend on EU demand; Torbay exports £36m to the EU and £33m elsewhere in the world.
- It is interesting to note, however, that whilst Torbay's exports make up a smaller proportion of its GVA, they have the highest proportion of exporting businesses (30.8% of all their enterprises export goods internationally). Plymouth has the next highest proportion of exporting businesses (16.7%), followed by Somerset (9.7%) and Devon CC (8.7%).

## HotSW Overview



## National & Regional Context

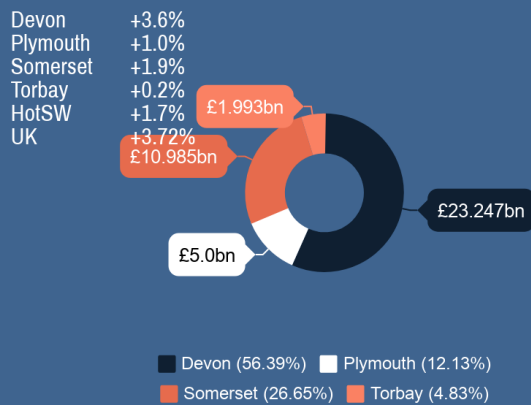


- In Q1 2018, total GDP grew by 0.1%, compared to 0.4% the previous quarter. Construction and services were all weaker than their post-downturn average, however services continue to drive GDP growth. Construction was the largest pull, falling 3.3%, and Q1 2018 saw the slowest GDP growth since Q4 2012.
- UK labour productivity grew in Q1 2018, compared with the previous year, in both services and manufacturing industries, by 0.9% and 0.7% respectively compared with the same quarter a year ago. This remains noticeably below the long-term trend observed before 2008 when productivity growth averaged nearly 2% p.a., and suggests the "productivity puzzle" remains unsolved.
- Both productivity hours worked and jobs grew by 0.3% and 1.3% respectively compared with Q1 2017. Earnings and other labour costs growth outpaced productivity growth, resulting in unit labour cost growth of 3.1% in the year to Q1 2018, up from the 2.9% growth in the year to Q4 2017.
- Real household disposable incomes per head in the UK increased between 2015 and 2016 in all NUTS1 regions except the North East and North West. In the South West, growth has been flat over the same period; however, total GDHI grew by 0.9% - one of the slowest rates of growth in the country, ahead of only the North West (+0.5%), and the North East (-0.1%).

# Heart of the SW Subregional Analysis

## Economic Output (GVA, £m, 2016)

### GROWTH ON PREVIOUS YEAR



Source: Regional Gross Value Added (Balanced) ONS, Dec 2017

## Workforce Earnings

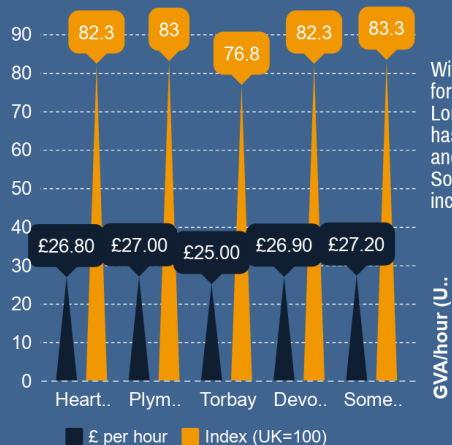
### Gross Weekly Workplace Wages (Median, Full-Time)

Positive growth all across the area, however inflation has risen by 2.8% in October 2017 on the previous year, which makes all but Somerset and Torbay workers worse off in terms of take-home pay. The highest workplace pay in the area remains in Plymouth, at 96% of the UK average, but Torbay has seen the highest annual growth.

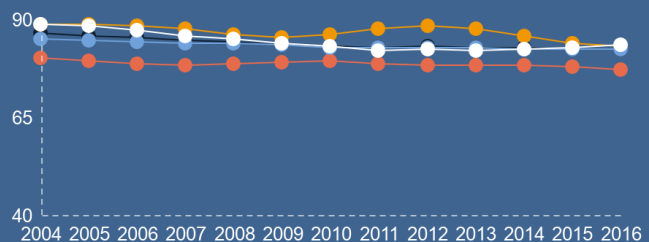
	Average FT Workplace Earnings (£/week)	% Change 2016-17	% Change 2016-17 net of inflation
Devon	£483.7	1.5%	-1.3%
Plymouth	£528.9	1.8%	-1.0%
Somerset	£484.4	3.6%	0.8%
Torbay	£467.1	10.6%	7.8%
HotSW	£488.6	2.0%	-0.8%
UK	£550.4	2.2%	-0.6%

Source: Annual Survey of Hours and Earnings, ONS, Nov 2017

## Labour Productivity 2016 (GVA per Hour Worked)



With the exception of Somerset, productivity growth in nominal terms (i.e. not accounting for inflation) across HotSW has continued to slow down relative to UK-wide (less London) growth. After years of consistently higher productivity, Plymouth's productivity has converged with the Devon and Somerset averages in 2016, having seen a sharp and consistent decline relative to the UK average from 88.3% in 2012, to 83% in 2016. Somerset's productivity has experienced a different trajectory, with productivity increasing from 82%, to 83.3% over the same period.



Source: Subregional Productivity - ONS, Feb 2018

Legend: Heart of the SW (black), Plymouth (orange), Torbay (red), Devon CC (blue), Somerset (white)

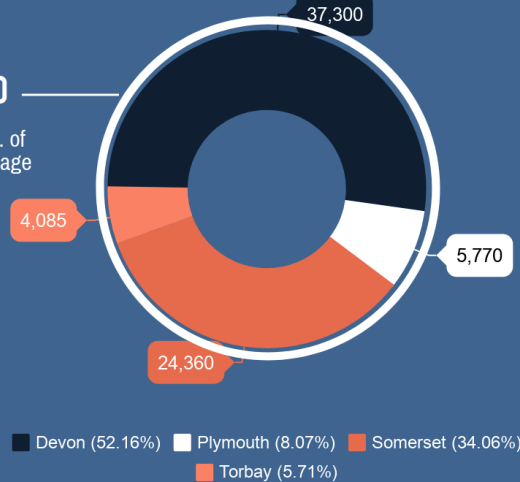
# Business Stock & Business Growth

**HOTSW TOTAL: 71,520**

**Business density (2016)** - no. of enterprises per 1,000 working age population:

Devon	92.4
Plymouth	44.7
Somerset	86.8
Torbay	64.2
HotSW	80.7
UK	72.6

## NUMBER OF ACTIVE ENTERPRISES



## HotSW Enterprises by Size:

Micros (89.1%)	63,745
SMEs (10.6%)	7,575
Large (0.3%)	200
<b>Total (100%)</b>	<b>71,520</b>

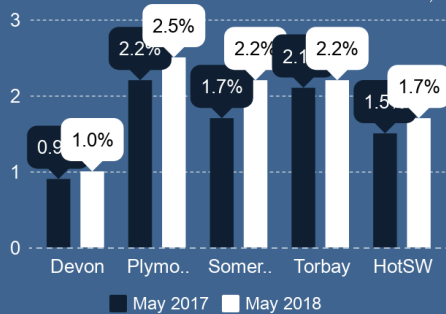
## ENTERPRISE GROWTH

	2016-17	2011-17
Devon	+1.7%	+11.5%
Plymouth	+1.4%	+18.6%
Somerset	+1.5%	+12.0%
Torbay	+1.9%	+13.3%
HotSW	+1.6%	+12.3%
UK	+4.5%	+28.3%

Source: UK Business Counts - ONS, Oct 2017

## Unemployment

Source: Claimant Count - ONS, May 2018



**Note:** The Claimant Count includes all Universal Credit claimants who are required to seek work and be available for work, as well as all JSA claimants. As Universal Credit Full Service is rolled out in particular areas, the number of people recorded as being on the Claimant Count is therefore likely to rise.

## Qualifications

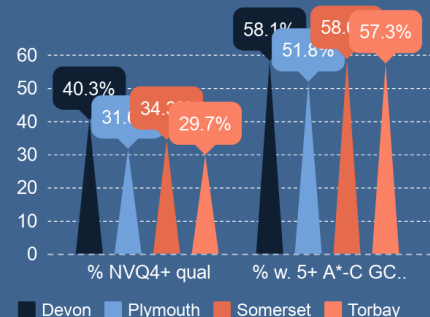
Sources: ONS, May 2018  
DfE, 2017



% of resident population qualified at a NVQ4 level and above

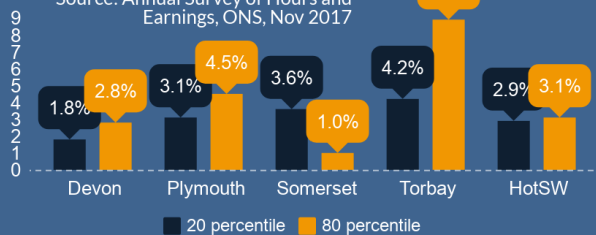


% of pupils achieving at least 5 A\*-C GCSEs (inc. Maths & English)



## Inclusive Earnings

Source: Annual Survey of Hours and Earnings, ONS, Nov 2017



## ANNUAL GROWTH IN WEEKLY RESIDENT EARNINGS - BOTTOM 20 VS. TOP 20 PERCENTILES

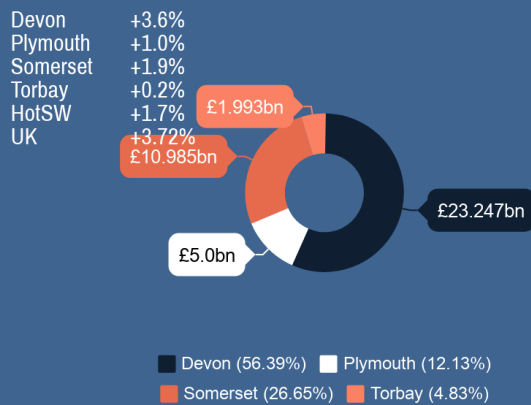
In all areas but Somerset, median gross weekly pay at the 80th percentile (for the top 20% of working age residents) has grown faster than for the bottom 20%, particularly so in Torbay. For most areas, this means that the lowest paid residents are already, or close to being, worse off with the rise in inflation.



# Heart of the SW Subregional Analysis

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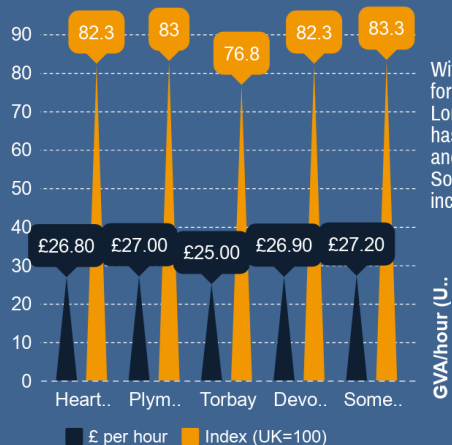
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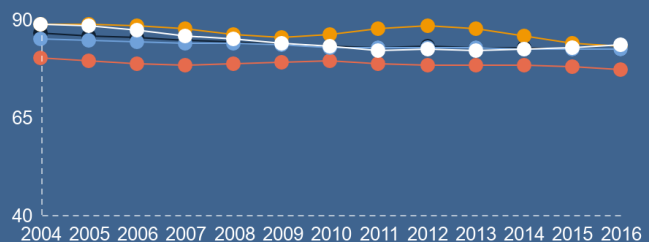
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Source: Subregional Productivity - ONS, Feb 2018

Legend: Heart of the SW (black), Plymouth (orange), Torbay (red), Devon CC (blue), Somerset (white)



# Glossary & Release Calendar

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## Economic Output (GVA Income Approach)

Gross value added (GVA) is a measure of the increase in the value of the economy due to the production of goods and services. It is measured at current basic prices, which include the effect of inflation, excluding taxes (less subsidies) on products (for example, Value Added Tax). GVA plus taxes (less subsidies) on products is equivalent to gross domestic product (GDP).

These regional estimates of GVA are measured using the income approach. This involves adding up the income generated by UK resident individuals or corporations in the production of goods and services. The GVA(I) estimates presented here are on a workplace basis (allocated to the location where the economic activity takes place).

Source: Regional Gross Value Added (Income Approach) - ONS  
Released annually, around mid-December.

## Average Earnings (Median Gross Full-Time Weekly Pay)

Based on a sample of employee jobs taken from HM Revenue & Customs PAYE records.

**Full-time employees:** 30+ paid hours worked per week, or those in teaching professions working 25+ hours per week. Why full-time pay rather than total? It gives a better idea of the earnings offer of jobs in the area; the 'total' averages earnings across full-time and part-time jobs, according to their distribution, and so areas with higher part-time employment rates would skew the earnings figure. To get an idea of part-time earnings, these can be looked at separately.

**Median earnings:** The headline statistics for ASHE are based on the median rather than the mean. The median is the value below which 50% of employees fall. It is ONS's preferred measure of average earnings as it is less affected by a relatively small number of very high earners and the skewed distribution of earnings. It therefore gives a better indication of typical pay than the mean.

**Earnings by percentile (10%, 20%, etc):** show the earnings figure below which that proportion of employees fall. For example, the 10% decile will give the earnings figure below which the 10% of lowest earners fall.

**Resident versus workplace pay:** The resident-based data set provides information about earnings of employees who are living in an area, who are on adult rates and whose pay for the survey pay-period was not affected by absence. Workplace pay relates to the earnings of employees who are working in an area.

Source: Annual Survey of Hours and Earnings - ONS  
Released annually, around end of November

## Labour Productivity (GVA per Hour worked, Index)

GVA per head is sometimes used as an indicator of a sub-region's economic performance, and is dividing a workplace-based numerator (GVA) by a residence-based denominator (residential population); this means that this measure does not account for people commuting into and out of a region, and significant commuting flows can lead to highly distorted results. Moreover, by including all the residential population (including students, carers, pensioners and others not economically active) and not just those who are in employment, the denominator includes residents who are not directly contributing to GVA.

For these reasons, **GVA per hour worked** and **GVA per filled job** are the most appropriate measure of regional and subregional productivity. These measures only count the input of those who are directly employed in the production process, rather than the whole population. **GVA per hour worked** and **GVA per filled job** can both be used as measures of labour productivity, but these 2 measures are different. **GVA per hour worked** divides GVA by the total hours worked by the workforce in the subregion; **GVA per filled job** apportions GVA to the number of jobs in the subregion.

There will be some small differences between the results for the two measures. **GVA per filled job** does not take into consideration regional labour market structures or different working patterns, such as the mix of part-time and full-time workers, and job shares. For this reason, **GVA per hour worked** is a more comprehensive indicator of labour productivity and the preferred measure at sub-national level.

**GVA per hour worked index:** The productivity index shows how well a sub-region has performed compared with the rest of the UK, that is, the UK average. Therefore, a decrease in the productivity index number of a subregion means that the subregion has performed relatively worse than the rest of the UK over the period. Its actual productivity level may have improved, but at a slower rate than the UK overall, thus declining relative to the UK=100 index. Similarly, an increase in the productivity index number means that the subregion has performed better than the rest of the UK.

Source: Subregional Productivity - ONS  
Released annually, around February

## Business (Number of enterprises, density)

**UK Business Counts:** An extract compiled from the Inter Departmental Business Register (IDBR) recording the number of enterprises that were live at a reference date in March.

An **enterprise** can be thought of as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units (generally based on VAT and/or PAYE records) that has a certain degree of autonomy within an enterprise group.

A **local unit** is an individual site (for example a factory or shop) associated with an enterprise. It can also be referred to as a workplace.

The choice of metric here is for the number of enterprises, as growth in this metric indicates new businesses, rather than new businesses plus expansions in existing businesses; this would therefore also give the percentage start-up rate net of the rate of business deaths.

The number of businesses by **employment size** are defined as: Micro (0-9 employees); SME (10-249 employees); Large (250+)

**Business density:** measured as the number of enterprises per 1,000 working age residents

Source: UK Business Counts - ONS

**Released annually, dates not always consistent; next release expected mid-July**

## Jobs & Employment (No. of Employees, Employment Rate)

**BRES No. of Employees:** BRES is an employer survey of the number of jobs held by employees broken down by full/part-time and detailed industry (5 digit SIC2007). The survey records a job at the location of an employee's workplace. Sample: approximately 82,000 VAT and/ or PAYE registered businesses across the UK.

**APS Employment Rate:** The Annual Population Survey (APS) is a continuous household survey. The topics covered include employment and unemployment, as well as housing, ethnicity, religion, health and education. The datasets consist of 12 months of survey data and are broken down and rolled over on a quarterly basis. The sample size is approximately 320,000 respondents UK-wide, and it uses data combined from 2 waves of the main Labour Force Survey (LFS), collected on a local sample boost.

Source: Business Register for Employment Survey (BRES) - ONS;

**Released annually, around end of September**

Annual Population Survey (APS) - ONS; **Released quarterly**

## Unemployment (The claimant count)

**The Claimant Count/ rate:** This series counts the number of people claiming Jobseeker's Allowance (JSA) plus out-of work Universal Credit (UC) claimants who are required to seek work and be available for work. This is the claimant unemployment rate, a headline indicator of the number of people claiming benefits principally for the reason of being unemployed.

The Claimant Count is based on a tabulation of monthly extracts from the Department for Work and Pensions (DWP) administrative systems. Results are published approximately 5 weeks after the reference date that they relate to. The Claimant Count has undergone a number of changes since the introduction of Universal Credit (UC) in 2013. This has led to some inconsistency in coverage and ongoing development work which has caused the series to be reclassified from National Statistic status to Experimental Official Statistics. This period of development is likely to be ongoing until the new benefit is fully rolled out.

**The APS unemployment rate:** refers to those of working age without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The way in which the Annual Population Survey is conducted gives rise to quarterly snapshots of the previous 12 months of labour market data. As previously mentioned, this is a household-based survey, with around 320,000 respondents nationally.

The APS unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed. This follows guidelines specified by the International Labour Organisation and it ensures that UK unemployment statistics are broadly comparable with those published by other countries.

Source: Claimant Count - ONS; **Released monthly**

Annual Population Survey - ONS; **Released quarterly**

**If you have any questions or feedback regarding this dashboard, please contact:**

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