

York, North Yorkshire and East Riding Economic Monitor

August 2011

The York, North Yorkshire and East Riding Economic Monitor identifies key trends occurring within the economy of the Local Enterprise Partnership area. Data is provided for the combined York, North Yorkshire and East Riding area. Wider national and local data is presented in the accompanying data file.

				
Improving	Signs of improvement	Mixed outlook	Little sign of improvement	Deteriorating

Headline trends

- Conditions in the local labour market were tough in July. Although there was an increase in the number of vacancies available, this was offset by an increase in the number of people competing for them. The majority of new claimants are women and the number of female long term claimants is increasing faster than the number of males.
- The housing market remains stable, with only marginal changes to average house prices across the LEP area. Demand for property in May was weak, with fewer sales than in April and at the same time last year.

National and Regional Round Up

- The second estimate of GP confirmed that GDP increased by 0.2% in the 2nd quarter of 2011. It is not possible to estimate the impact of a number of unusual events associated with this quarter including aftermath of the Japanese Tsunami and the additional bank holiday, but they may have had a net downward impact. Total services output increased by 0.5%; with the largest contribution from business services and finance. Construction output increased by 0.5% compared to -3.4% last quarter and total production output declined by 1.6%, including a decline of 0.5% in manufacturing output.
- CPI inflation increased to 4.4% in July. No single component was responsible for the upward pressure on the CPI, rather a combination of factors including the rise in the cost of fees, particularly for arranging mortgages; increases in housing rent and clothing and footwear prices falling less than the previous year. The Bank of England inflation report for August 2011 indicates that inflation is likely to be pushed higher in the coming months by rises in utility prices, continuing the 'squeeze' on household real income and spending power.
- The Bank of England Monetary Policy Committee (MPC) retained the base rate of 0.5% for the 30th consecutive month. The MPC has indicated that the freeze could remain until 2013.
- The Lloyds TSB Yorkshire and Humber PMI indicates that though there was a 'modest' increase in output in July the region's private sector continued to under perform the UK as a whole. Employment fell for the second consecutive month, with the rate of job losses the fastest since February 2010.
- The ICAEW/Grant Thornton UK Business Confidence Monitor (BCM) indicates that at 8.1, business confidence has fallen to its lowest level since Q3 2009 when the UK was still in recession. Though the regional Yorkshire and Humber index is comparable at 8.2, it has fallen by 16.7 points since Q2 2011. The Monitor observes "Though in part some fall in the Confidence Index is expected following the post-recession bounce-back, the most recent decline in the index is also likely to reflect fears about the strength of the global economy. In conjunction with lacklustre growth in the UK, the US recovery continues to disappoint while the euro zone remains embroiled in a major sovereign debt crisis".

Businesses

	July 2011	Monthly Change	Annual Change	Trend	
No. new business accounts	814	-36 -4.2%	-60 +6.9%	Increases in the number of business bank accounts opened in Craven, Richmondshire, Scarborough and Selby were offset by falls elsewhere in the LEP area. Over a quarter of accounts were in real estate, renting, computing and other business services although the highest proportional increase was in Hotels and Restaurants.	
Business Start Up Rate	12.0	-0.5	-0.9	12 new business accounts were opened in the LEP area for every 10,000 residents rising to over 14 in Harrogate from just over 10 in Ryedale.	

Labour Market					
	February 2011	Quarterly Change	Annual Change	Trend	
Work related benefit claimants	60,260	+1,120 +1.9%	-2,680 -4.3%	Although ESA/IB claimants continue to account for the largest proportion of work related benefit claimants, the increase in February was driven solely by the increase in JSA claimants. The proportion of the working age population claiming benefits is lowest in Richmondshire at 5.8% and highest in Scarborough at 14.2%.	
Work related benefits claimant rate	8.3	+0.1pp	-0.4pp		
	July 2011	Monthly Change	Annual Change	Trend	
Total number JSA Claimants	18,683	+488 +2.7%	+907 +5.1%	488 more claimants were registered for JSA in July than in June; the equivalent of an extra 15 persons signing on each day of the month. Of the additional 488 claimants, more than 2/3 are female. Almost a third of claimants are looking for positions in elementary occupations, whilst only 1 in 5 vacancies are at this level.	
JSA Claimant Rate	2.6	+0.1pp	+0.1pp		
On Flow	4,384	+669 +18.0%	-327 -6.9%	Although the number of people joining the claimant count increased by a higher percentage than was seen nationally, the proportional change in people leaving the count was lower.	
Off Flow	3,914	-118 -2.9%	-886 -18.5%		
JSA Claimants, 6 months +	6,690	+250 +3.9%	-75 -1.1%	The number of people claiming for 6 months or more increased for the 7 th consecutive month in July. The number of women claiming for longer than 6 months is increasing at a faster rate than is seen for men.	
JSA Claimants, 12 months +	2,695	+115 +4.5%	-565 -17.3%	The number of long term JSA claimants increased in July. Nearly 1 in 6 claimants have now been unemployed for longer than a year.	
JSA Claimants, 18-24 yrs	5,270	+440 +9.1%	+405 +8.3%	Although there was an increase in the number of young claimants between June and July the trend indicates this is typical as courses come to an end.	
Job Centre Plus Notified Vacancies	6,732	+782 +13.1%	-1,969 -22.6%	Although the increase in the number of vacancies available in July can be attributed to a seasonal variation, the number of opportunities available is far lower than at the same time last year (except within the tourism industry). Just over a third of vacancies are part time though this rises to over 50% in Scarborough. There was an increase in higher level occupations in July, though 1 in 5 opportunities remain in elementary occupations. The Banking, Finance and Insurance sector continues to provide the most opportunities. Competition for jobs remains strong, with an average of 3 ½ claimants per vacancy, increasing to almost 6 per vacancy in East Riding and over 6 claimants per vacancy for Sales and Customer Service opportunities.	

Housing and Planning					
	July 2011	Monthly Change	Annual Change	Trend	
Land Registry House Price Index Average Price	NY £172,860	+£1,075 +0.6%	-£4,731 -2.7%	According to figures from the Council of Mortgage Lenders, gross mortgage lending in July was an estimated £12.6 billion, 6% lower than in July 2010. The CML Chief Economist observes "Housing market conditions remain subdued, but pretty stable. Seasonal factors continue to provide some support, but underlying house purchase activity may drift lower over the coming months." Changes to average house prices in the LEP area were only marginal in July.	
	York £178,467	-£444 -0.2%	-£5,458 -3.0%		
	East Riding £136,470	-£225 -0.2%	-£2,301 -1.7%		
	May 2011	Monthly Change	Annual Change	Trend	
Land Registry Sales Volume	1,090	-152 -12.2%	-174 -13.8%	The number of sales fell across the LEP area, particularly in York where they fell by a quarter.	
	Q2 2011	Quarterly Change	Annual Change	Trend	
Mortgage Possession Claims*	295	-30 -9.2%	+30 +11.3%	Although both the number of mortgage possession claims and claims leading to orders decreased in the second quarter of the year they remain higher than during the same period last year. The rate of change on the month exceeds the national average.	
Mortgage Possession Orders*	225	-35 -13.5%	+30 +15.4%		
Landlord Possession Claims*	305	-80 -20.8%	No Change	The number of landlord possession claims and claims leading orders also decreased in the second quarter of the year and at a higher rate than seen nationally. Claims and Orders represent just 13% of all claims and orders made regionally.	
Landlord Possession Orders*	230	-90 -28.1%	+20 +9.5%		
	Q1 2011	Quarterly Change	Annual Change	Trend	
Total Planning Decisions*	2,572	-387 -13.1%	-33 -1.3%	The number of planning decisions taken in the first quarter of 2011 fell on both the month and the year. Major decisions accounted for less than 4% of the total number taken.	

* Data is provisional