



SOUTH EAST  
LOCAL ENTERPRISE  
PARTNERSHIP

Key Indicators Report

# Business Resilience and Growth

June 2022



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# Headline Summary

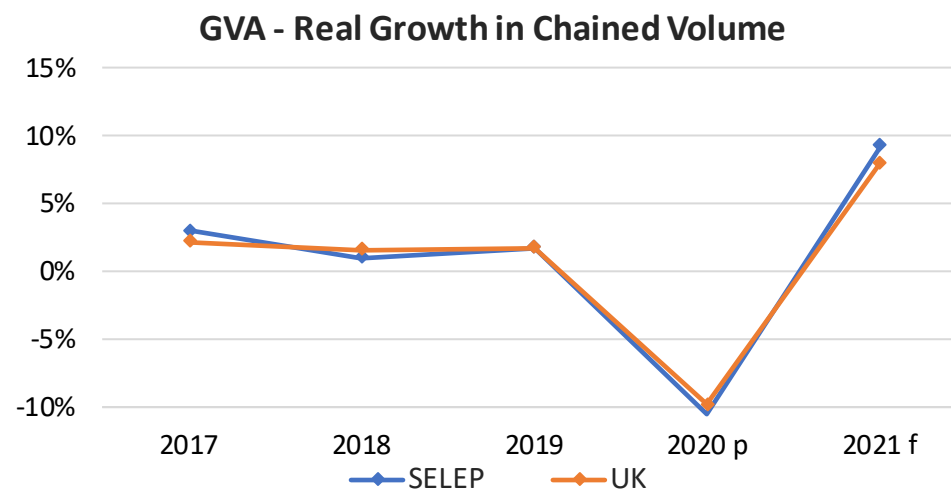
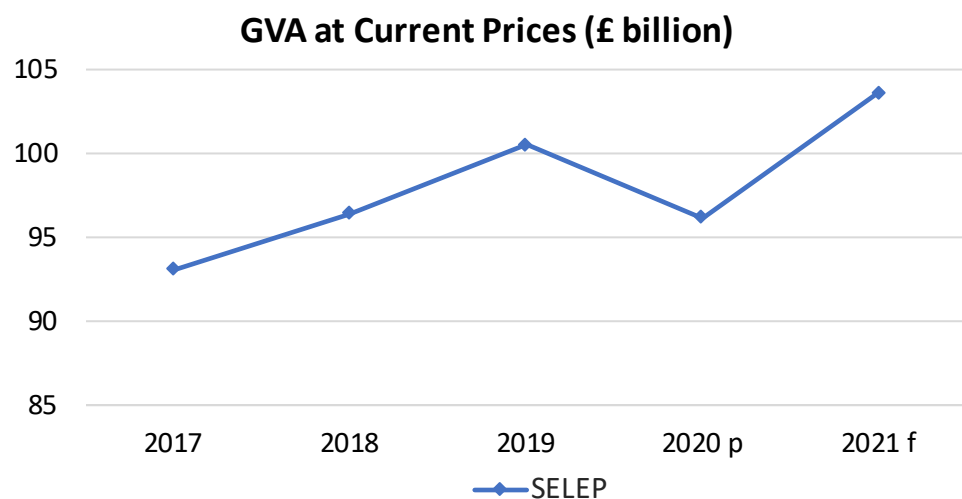
- SELEP saw a larger shock to economic output (GVA) in 2020 than the UK (-10.5% compared to -9.8%)
- 2021 saw net business stock losses nationally and locally with quarter 1, 2022 also showing net losses
- Growth Hub business support activity has been high in recent quarters, with high engagement with the Peer Network Programme
- Employee jobs have reached levels above pre-pandemic levels since late 2021 with job vacancies at record levels, although SELEP continues to have low job density, with reliance on commuting to London
- The claimant count continues to reduce and is now proportionately lower for those aged 16 to 24 compared to those aged 25 to 49
- Latest data for 2021 shows SELEP continues to lag behind the national average for residents with level 4 qualifications
- After two years of low apprenticeships starts during the pandemic, early data for the current academic year indicates a return to pre-pandemic levels





# Gross Valued Added (GVA)

- Economic output as measured by GVA fell at unprecedented levels during 2020 but saw a strong recovery in 2021
- GVA for SELEP fell more than for the UK as a whole in 2020 with disproportionate impacts on our Manufacturing and Professional Services industries
- SELEP was more resilient to the economic shock in our Accommodation and Food and Agricultural sectors
- Note that official GVA estimates for 2020 are provisional numbers (p) and 2021 numbers are forecast (f) based on local calculations



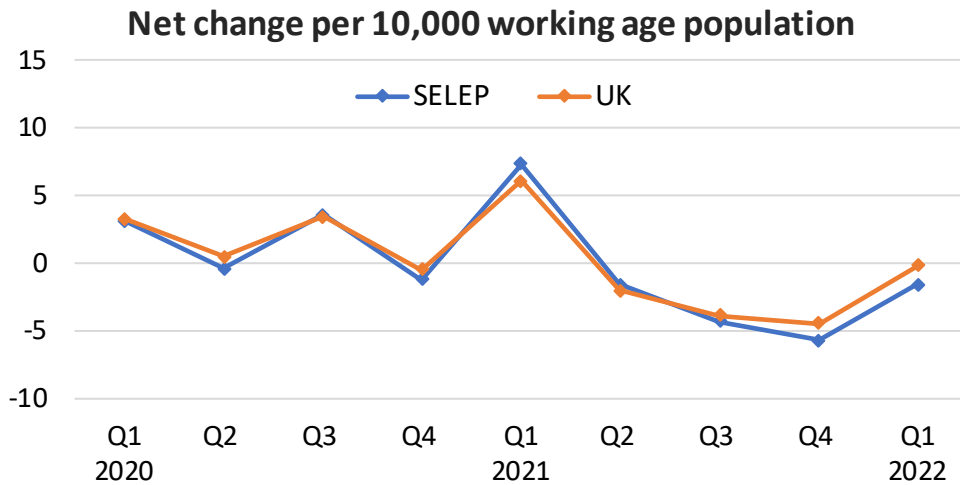
	2017	2018	2019	2020 p	2021 f
SELEP	93.1	96.4	100.5	96.2	103.6
UK Share	5.0%	5.0%	5.0%	4.9%	5.0%

	2017	2018	2019	2020 p	2021 f
SELEP	3.0%	1.0%	1.8%	-10.5%	9.3%
UK	2.2%	1.6%	1.8%	-9.8%	8.0%

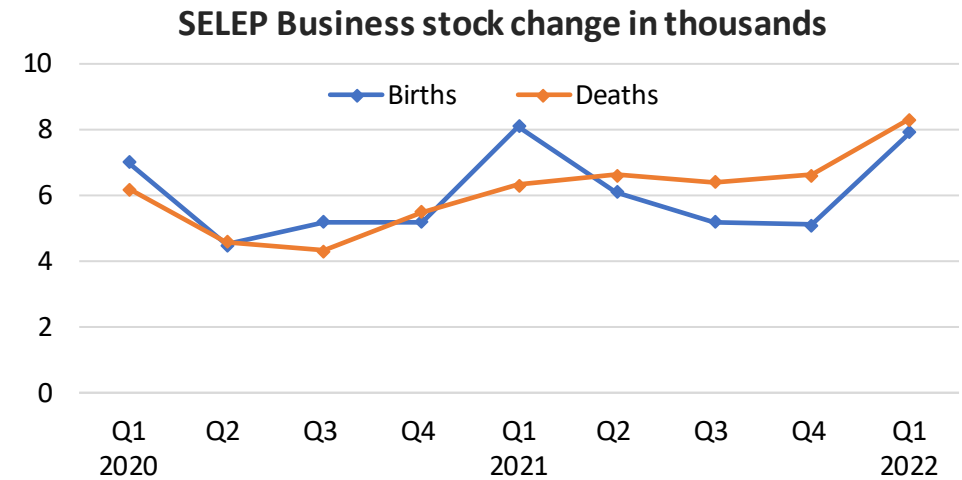
Source: ONS, Regional GVA (balanced)

# Business Growth

- Government business support schemes helped many businesses to survive during COVID restrictions
- However, the longer-term impacts of the crisis have emerged during 2021 with an increasing trend of net business losses during the year
- While new business start-ups (births) have been similar or better to past trends each quarter during 2021, business deaths have been much higher than past trends
- Business closures have been concentrated in micro businesses within the IT and Professional Services sectors



	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SELEP	3.1	-0.4	3.6	-1.2	7.3	-1.6	-4.3	-5.7	-1.6
UK	3.3	0.5	3.4	-0.5	6.1	-2.0	-3.9	-4.5	-0.2

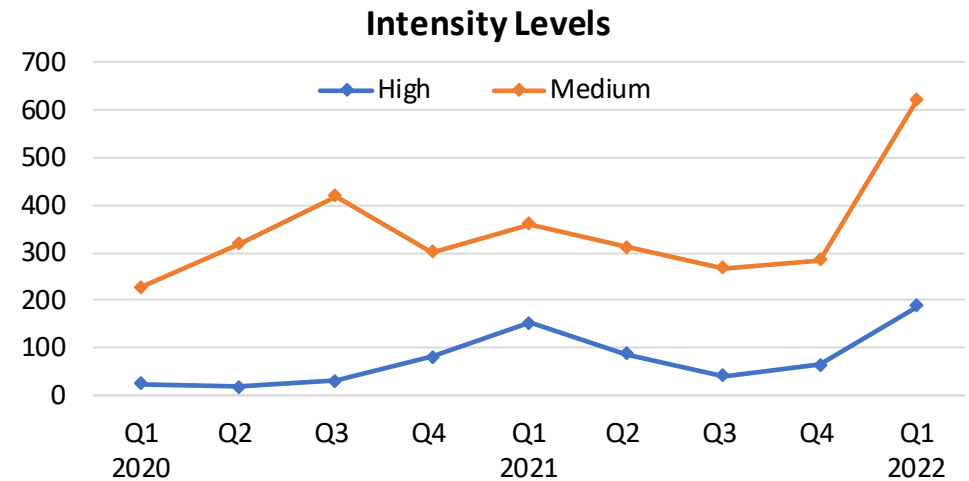
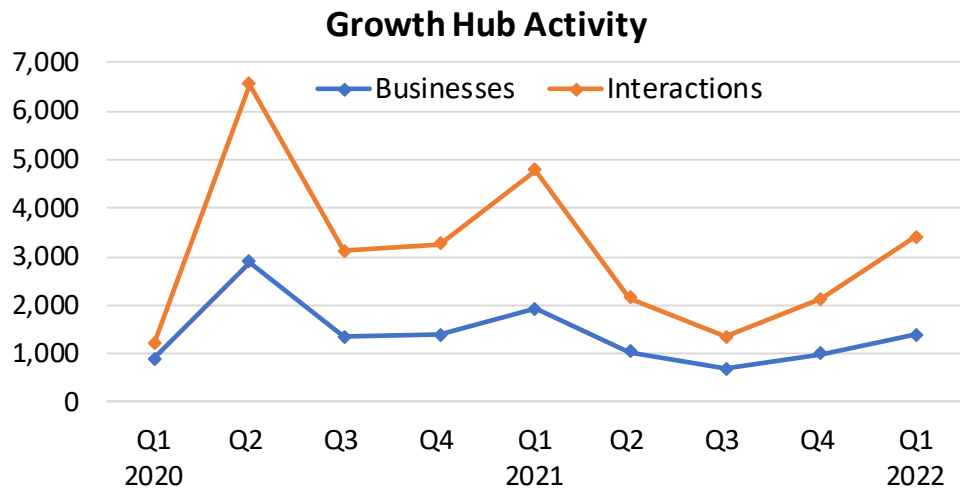


	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Births	7.0	4.5	5.2	5.2	8.1	6.1	5.2	5.1	7.9
Deaths	6.2	4.6	4.3	5.5	6.3	6.6	6.4	6.6	8.3

Source: ONS, Business Demography Quarterly

# Business Support

- Business support activity increased significantly during the pandemic through the SELEP provided Growth Hubs
- The initial lockdown and the following third lockdown saw particularly large numbers of support interactions across a high number of businesses
- Activity returned to more normal levels by quarter 3 of 2021 but has since seen a further increase, primarily driven by the Peer Network Programme, which came to an end in March 2022



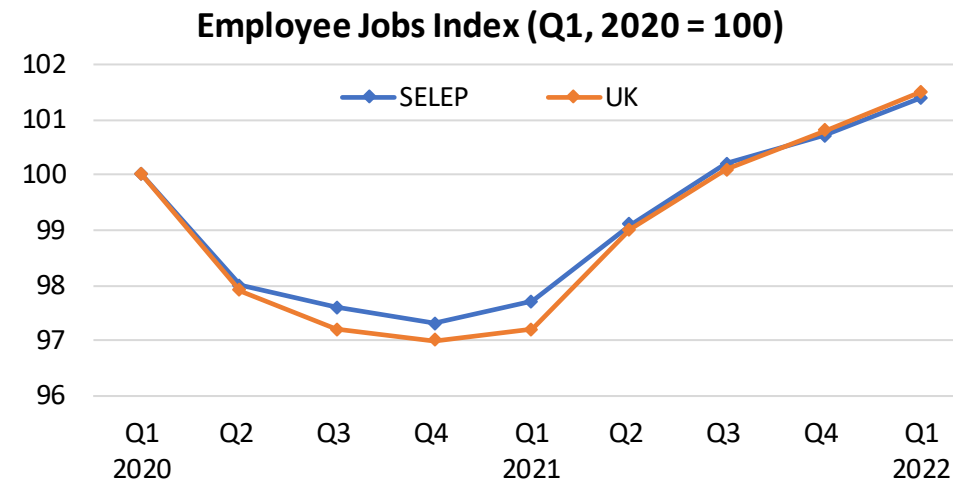
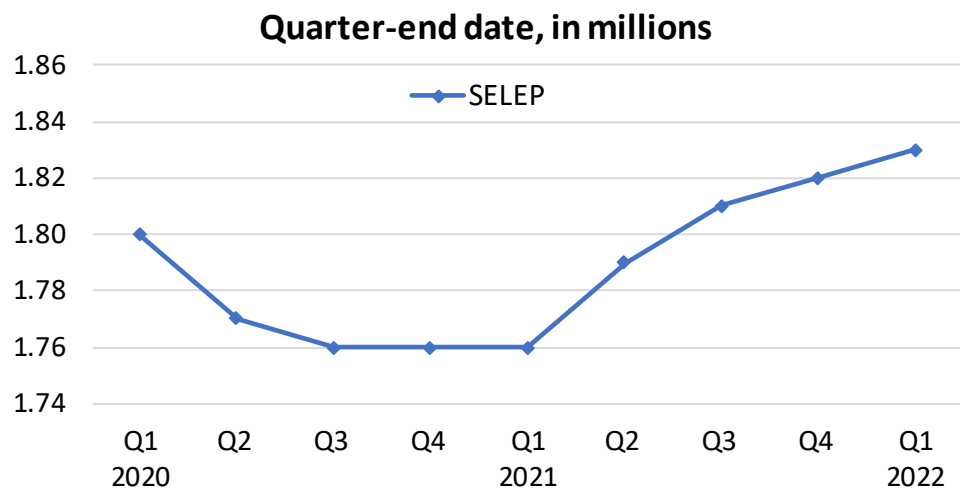
	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
Businesses	883	2,896	1,336	1,392	1,917	1,047	683	996	1,378
Interactions	1,201	6,545	3,104	3,255	4,781	2,153	1,352	2,131	3,397

	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
High	24	18	30	80	153	86	40	64	188
Medium	227	319	420	301	360	311	267	284	624

Source: South East Business Hub

# Employee Jobs

- Although the government furlough scheme helped protect many jobs, there were still sizable job losses during 2020
- Following this there was then steady employee job growth during 2021 from quarter 2 onwards
- Employee jobs numbers by December 2021 were above the March 2020 level
- However, over the course of the pandemic the sectorial mix of employee jobs has changed significantly
- The UK manufacturing and retail/wholesale sectors have each lost over 50,000 jobs whereas the health sector has gained 180,000 jobs, and administrative services and professional services have both gained over 100,000 jobs



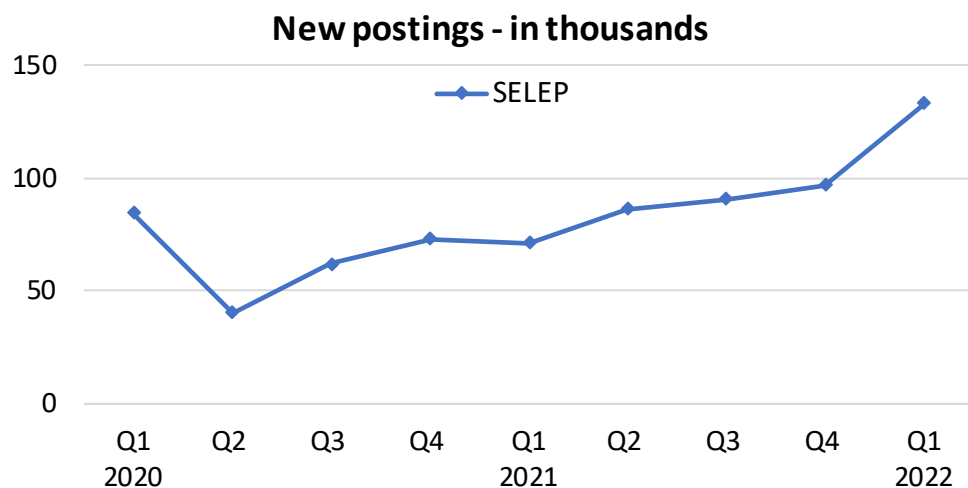
	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SELEP	1.80	1.77	1.76	1.76	1.76	1.79	1.81	1.82	1.83
UK	29.0	28.4	28.2	28.1	28.2	28.7	29.0	29.2	29.4

	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SELEP	100.0	98.0	97.6	97.3	97.7	99.1	100.2	100.7	101.4
UK	100.0	97.9	97.2	97.0	97.2	99.0	100.1	100.8	101.5

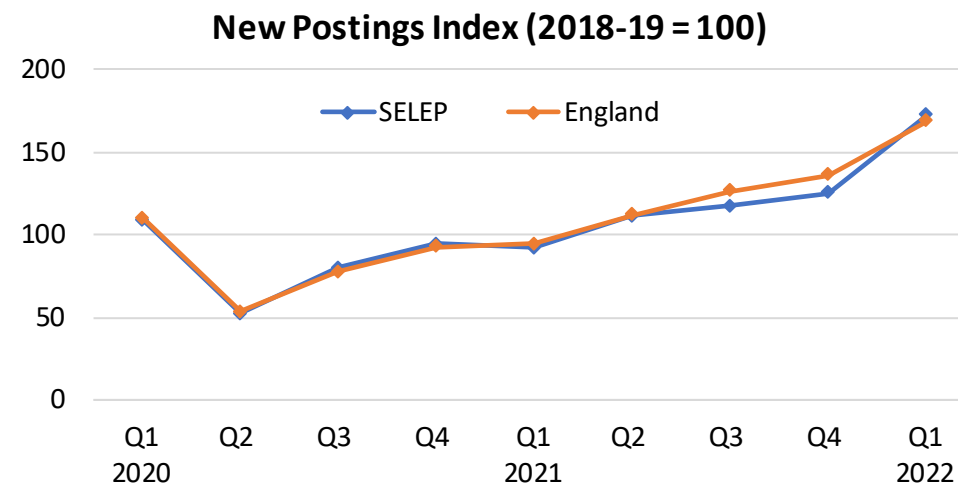
Source: HMRC, Earnings and Employment from PAYE RTI

# Job Postings

- Vacancy rates as measured by on-line job postings, fell significantly in quarter 2 of 2020
- While numbers began to recover in subsequent quarters, it was not until quarter 2 of 2021 that job postings recovered to the pre-pandemic level
- Since quarter 2 of 2021, job postings have continued to increase, reaching record levels
- High vacancy rates are evident in all sectors, although for the retail sector they are only marginally higher than pre-pandemic levels



	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SELEP	85	41	62	73	71	86	91	97	133



	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SELEP	109	52	80	94	92	111	117	125	172
England	110	54	78	93	94	112	126	136	169

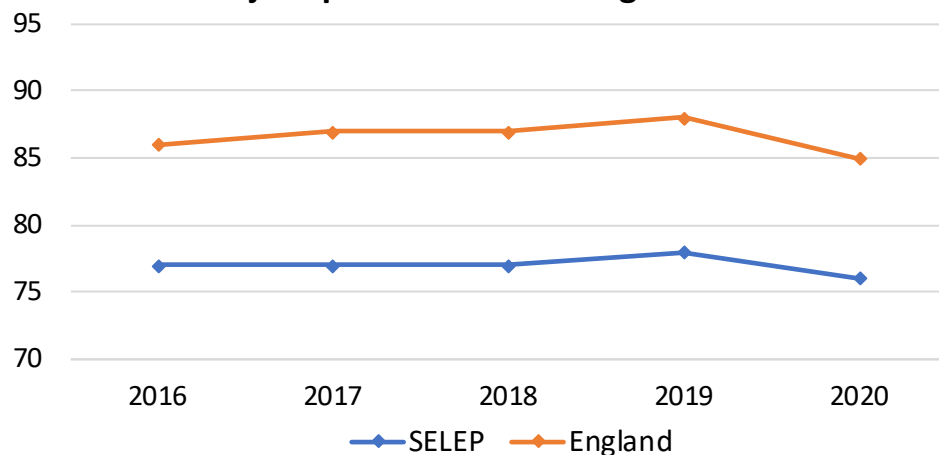
Source: EMSI, Job Postings



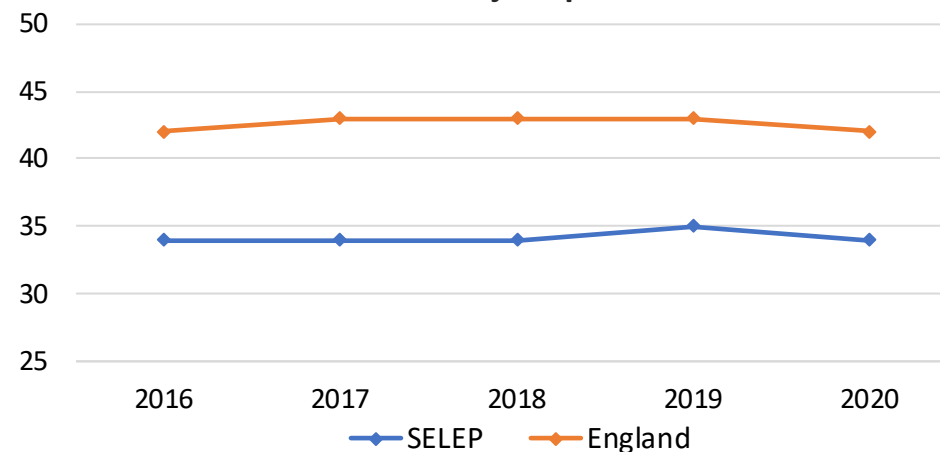
# Job Density

- There are significantly lower amounts of local jobs available for residents within the SELEP area compared to the England average
- The lower job density in part reflects dependency on commuting to London for employment, but also significantly this reflects extremely low levels of job opportunities within coastal areas
- There are similar job densities in SELEP to the England average for part-time jobs and public sector jobs
- It is private sector full-time jobs where there is significantly lower availability within the SELEP area

**Local jobs per 100 residents aged 16-64**



**Private sector full time jobs per 100 residents**



	2016	2017	2018	2019	2020
SELEP	77	77	77	78	76
England	86	87	87	88	85

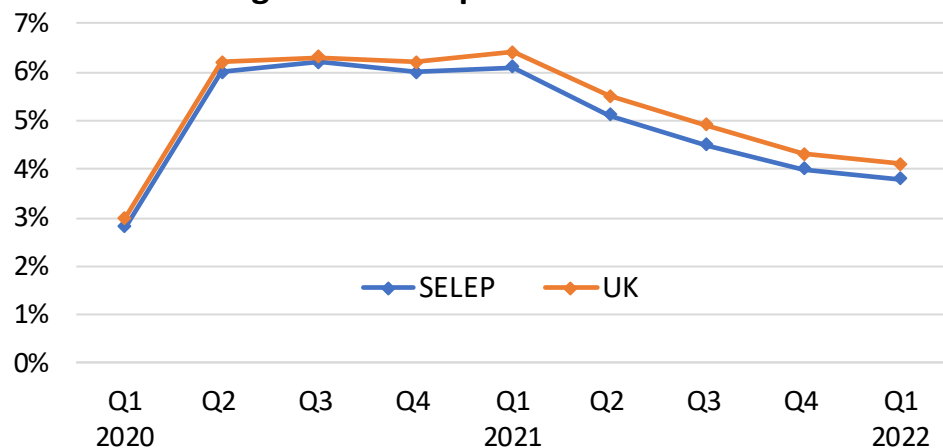
	2016	2017	2018	2019	2020
SELEP	34	34	34	35	34
England	42	43	43	43	42

Source: NOMIS, Job Density & ONS, BRES

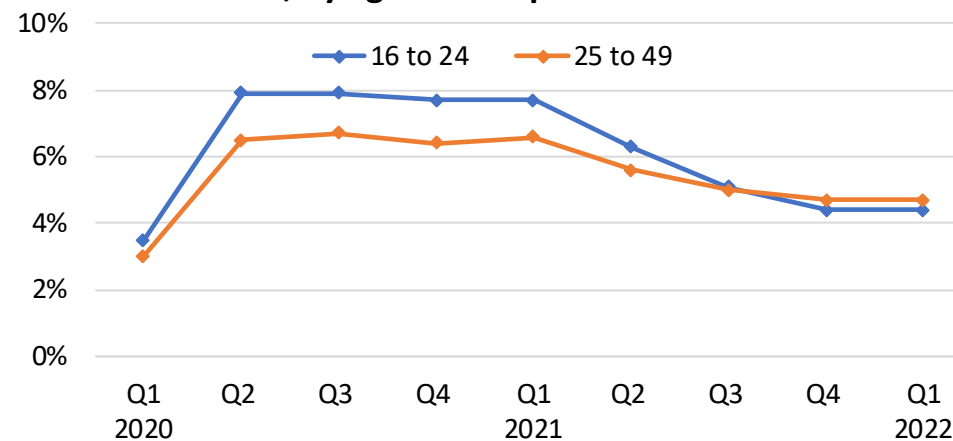
# Claimant Count

- The number of working age population included in the claimant count increased significantly at the start of the pandemic
- Numbers remained at a steady high level for a year, before starting to reduce in quarter 2 of 2021
- Numbers have continued to reduce each quarter throughout 2021 and into 2022
- While those aged 16 to 24 were initially disproportionately impacted, in recent quarters we have seen claimant rates for this age group reduce to lower than rates than for population aged 25 to 49

Age 16 to 64 - quarter-end date



SELEP, by age band - quarter-end date



	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
SELEP	2.8%	6.0%	6.2%	6.0%	6.1%	5.1%	4.5%	4.0%	3.8%
UK	3.0%	6.2%	6.3%	6.2%	6.4%	5.5%	4.9%	4.3%	4.1%

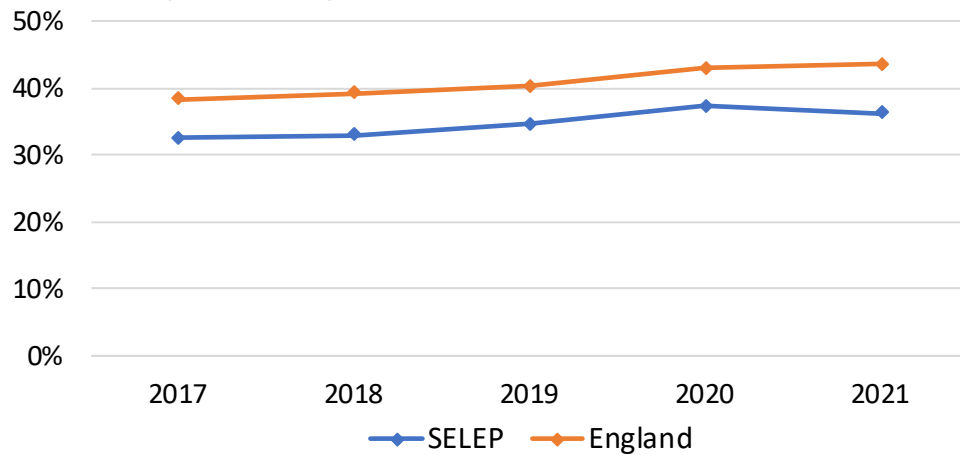
	2020				2021				2022
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1
16 to 24	3.5%	7.9%	7.9%	7.7%	7.7%	6.3%	5.1%	4.4%	4.4%
25 to 49	3.0%	6.5%	6.7%	6.4%	6.6%	5.6%	5.0%	4.7%	4.7%

Source: ONS, Claimant Count

# Qualifications

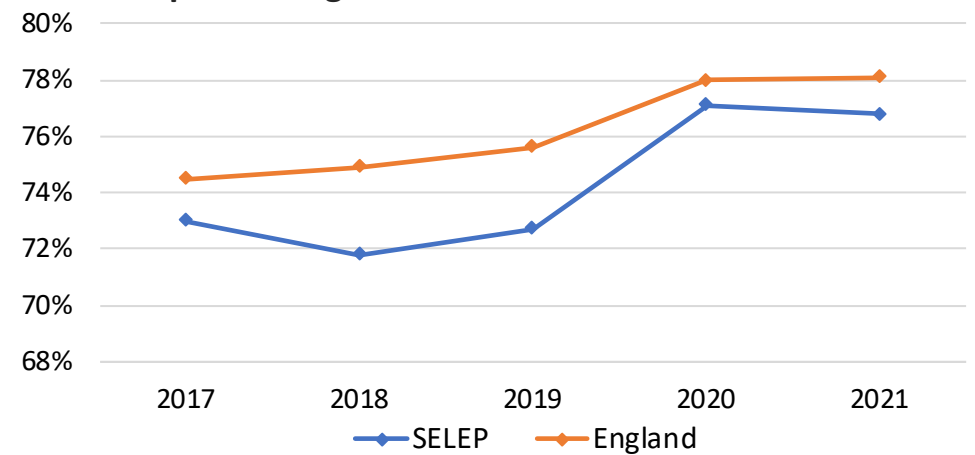
- Qualification levels for the SELEP population are below the national average, and noticeably so for level 4 and above qualifications
- For newly qualified graduates, many students return to the SELEP area after studying elsewhere, but many are also drawn to larger cities, particularly London for both employment and residence
- Qualification levels are improving over time both nationally and locally, but the gap between SELEP and the national average remains

Population aged 16 to 64 with level 4 or above



	2016	2017	2018	2019	2020	2021
SELEP	33.3%	32.6%	33.0%	34.6%	37.3%	36.3%
England	38.0%	38.4%	39.2%	40.2%	43.0%	43.5%

Population aged 16 to 64 with level 2 or above

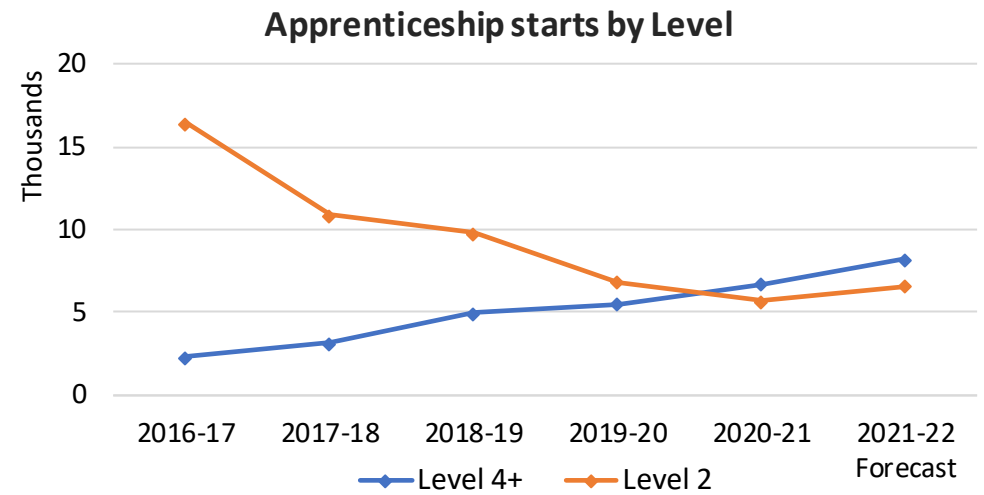
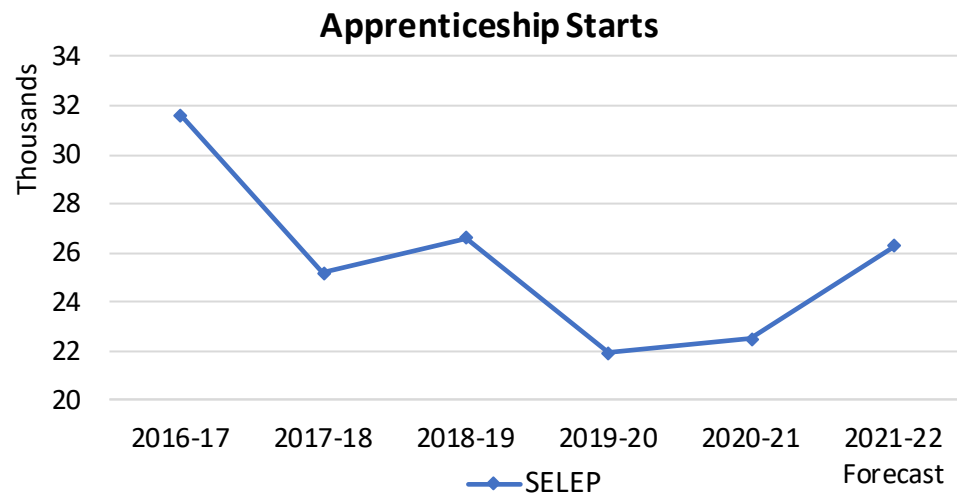


	2016	2017	2018	2019	2020	2021
SELEP	72.6%	73.0%	71.8%	72.7%	77.1%	76.8%
England	74.2%	74.5%	74.9%	75.6%	78.0%	78.1%

Source: ONS, Annual Population Survey

# Apprenticeship Starts

- Apprenticeships starts reduced significantly in the last two academic years, during the pandemic
- For the current academic year (2021-22), apprenticeship starts have so far been much higher (data for period August to January) and indicate a return to pre-pandemic levels
- Starts for a level 2 qualification (intermediate) saw significant falls since the introduction of the apprenticeship levy (April 2017) with starts for a 4 level or above qualification (higher) have been on an increasing trend with no noticeable impact on this trend during the pandemic




	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 Forecast
SELEP	31,620	25,200	26,600	21,940	22,480	26,300

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22 Forecast
Level 4+	2,270	3,170	4,980	5,510	6,690	8,200
Level 2	16,400	10,860	9,780	6,830	5,650	6,600


Source: DfE, Apprenticeship and Traineeships data




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