



SOUTH EAST
LOCAL ENTERPRISE
PARTNERSHIP

Key Indicators Report

Business Resilience and Growth

June 2023



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Headline Summary

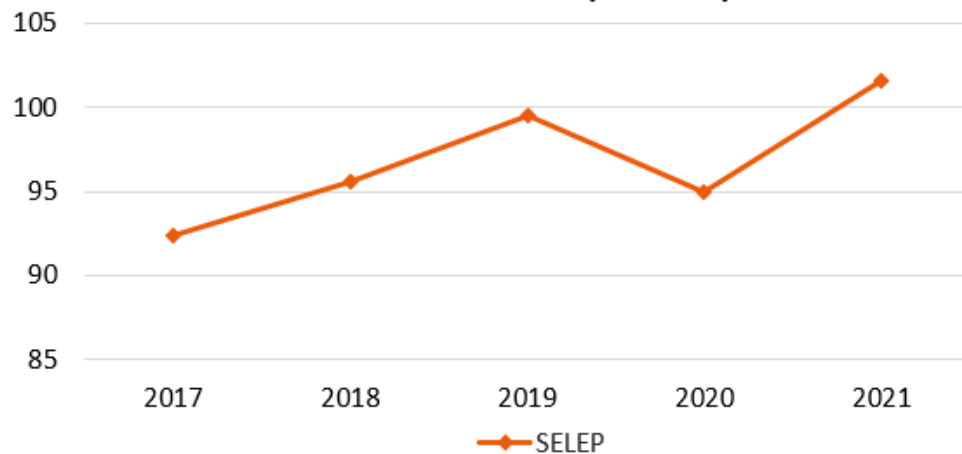
- SELEP saw a larger shock to economic output (GVA) in 2020 than the UK (-10.5% compared to -9.8%) but also a stronger recovery in 2021.
- Q4 2022 was the seventh quarter in a row to see business closures exceeding new business creation.
- Growth Hub business support was provided to 611 businesses in Q4 of 2022.
- There has been steady employee job growth since Q2 of 2021
- Job postings remain near record highs, however SELEP continues to have low job density due to a reliance on commuting to London.
- The last three quarters of 2022 have seen the claimant count stabilise, but it remains significantly above the pre-pandemic level
- The latest data for 2021 shows that SELEP continues to lag behind the national average for residents with level 4 qualifications and after two years of low apprenticeships starts during the pandemic, the data for 2021/22 academic year indicates a recovery in starts.



Gross Valued Added (GVA)

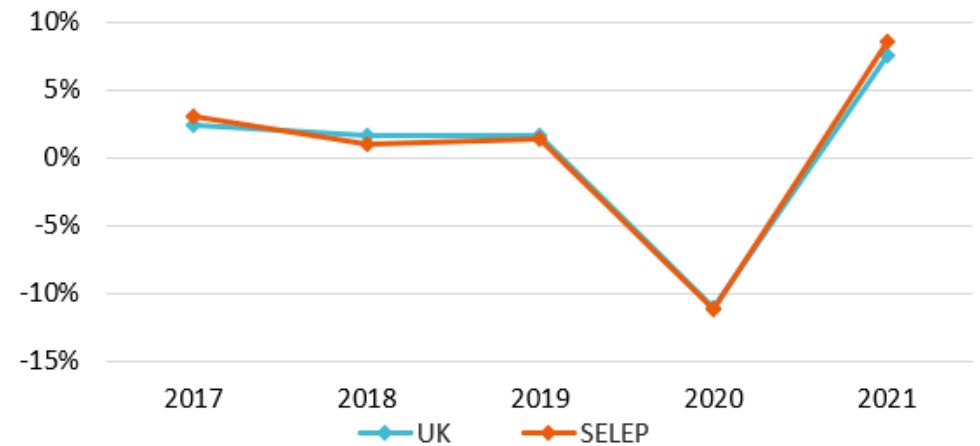
- Economic output as measured by GVA fell at unprecedented levels during 2020; but saw a strong recovery in 2021.
- GVA for SELEP fell more than for the UK in 2020, with disproportionate impacts on our Manufacturing and Professional Services industries.
- SELEP was more resilient to the economic shock in our Accommodation and Food and Agricultural sectors.

GVA at Current Prices (£ billion)



	2017	2018	2019	2020	2021
SELEP	92.4	95.6	99.5	95.0	101.6
UK Share	5.0%	5.0%	5.0%	5.0%	5.0%

GVA - Real Growth in Chained Volume

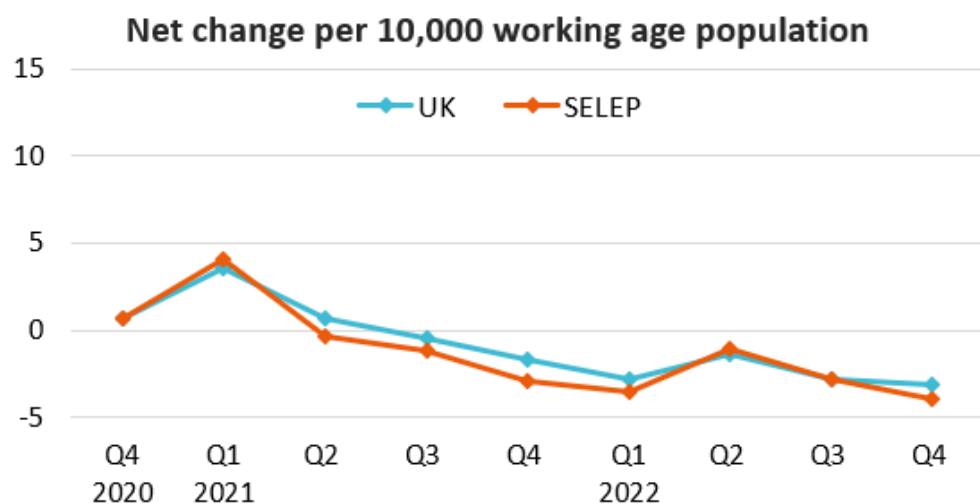


	2017	2018	2019	2020	2021
SELEP	3.0%	1.0%	1.4%	-11.2%	8.6%
UK	2.4%	1.7%	1.6%	-11.0%	7.5%

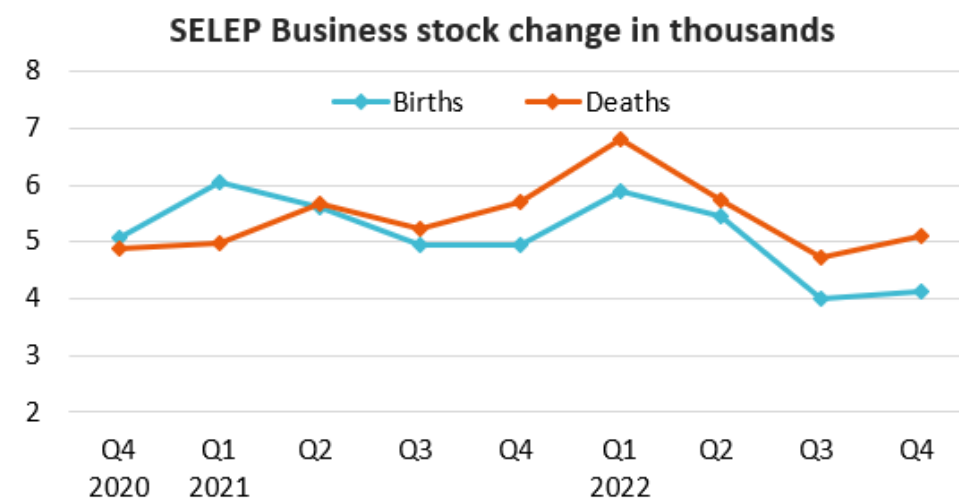
Source: ONS, Regional GVA (balanced)

Business Growth

- Business closures continue to exceed new business births, as has been the case since Q2 2021.
- While new business start-ups remain similar to past trends each quarter, 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			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SELEP	0.7	4.1	-0.3	-1.2	-2.9	-3.5	-1.1	-2.8	-3.9
UK	0.7	3.6	0.7	-0.5	-1.7	-2.8	-1.4	-2.8	-3.1

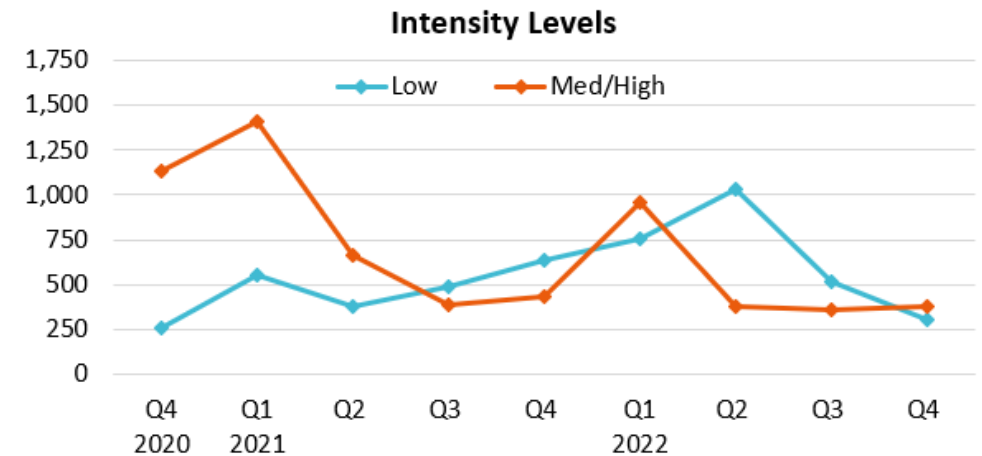
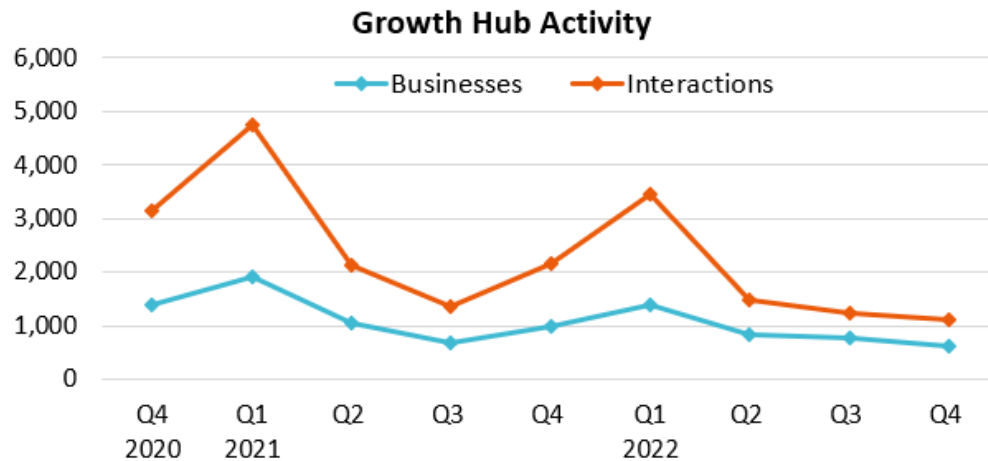


	2020		2021			2022			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Births	5.1	6.1	5.6	4.9	4.9	5.9	5.4	4.0	4.1
Deaths	4.9	5.0	5.7	5.2	5.7	6.8	5.7	4.7	5.1

Source: ONS, Business Demography Quarterly

Business Support

- Business support activity increased significantly during the pandemic through the SELEP provided Growth Hubs.
- Activity returned to more normal levels by Q3 2021, but saw a further increase in early 2022, primarily driven by the Peer Network Programme, which came to an end in March 2022.
- Activity has steadily fallen over 2022. This is partially due to monitoring methodology changes in September 2022 where we would expect med/high intensity interactions to rise and low intensity interactions to fall, which is what we have observed.



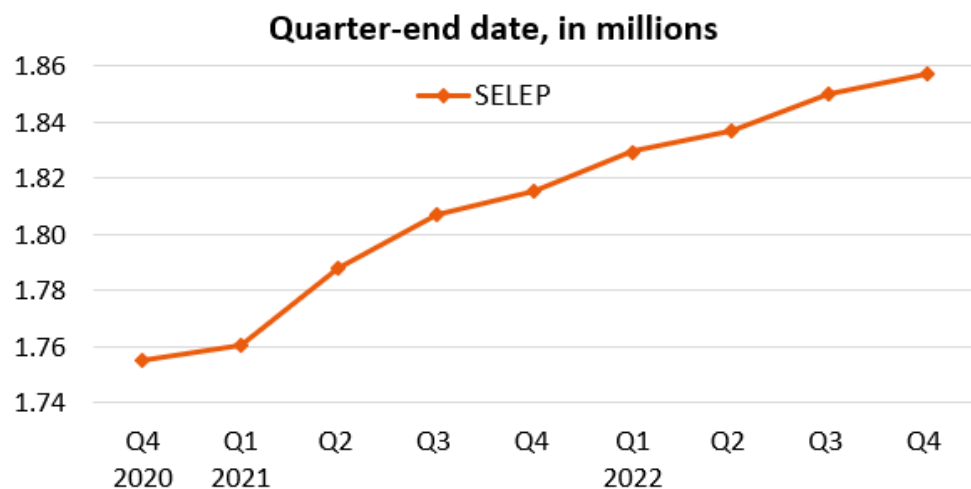
	2020		2021			2022			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Businesses	1,387	1,918	1,042	687	999	1,382	838	761	611
Interactions	3,136	4,760	2,132	1,362	2,146	3,437	1,465	1,232	1,098

	2020		2021			2022			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Low	262	551	376	491	640	758	1,031	518	308
Med/High	1,132	1,405	665	386	434	962	377	362	375

Source: South East Business Hub

Employee Jobs

- Following a fall in employee numbers during the pandemic, there has been steady employee job growth since Q2 of 2021.
- Employee job numbers by September 2021 had recovered to 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 a significant number of jobs, whereas the public sector (including health), professional and business support services have seen large increases in job numbers.



	2020	2021				2022			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SELEP	1.76	1.76	1.79	1.81	1.82	1.83	1.84	1.85	1.86
UK	28.1	28.2	28.7	29.0	29.2	29.5	29.6	29.8	29.9



	2020	2021				2022			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SELEP	97.4	97.7	99.2	100.2	100.7	101.5	101.9	102.6	103.0
UK	96.9	97.2	99.0	100.2	100.8	101.6	102.0	102.6	103.1

Source: HMRC, Earnings and Employment from PAYE RTI

Job Postings

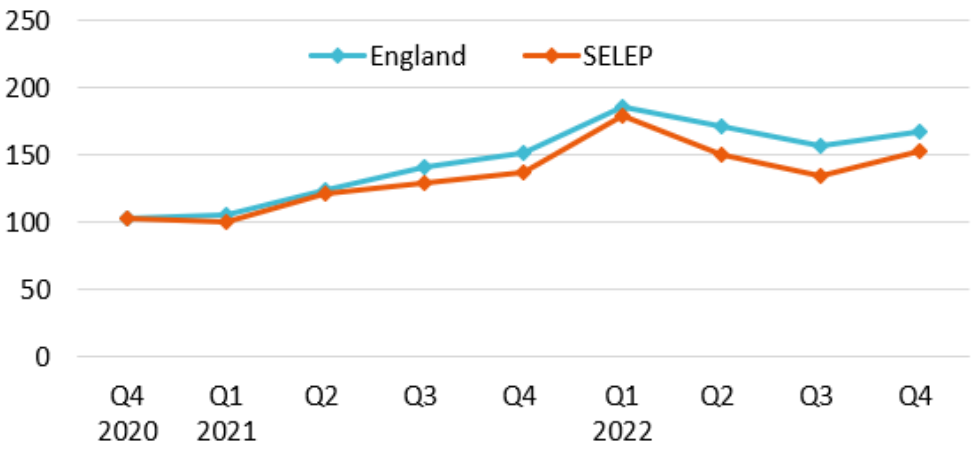
- Vacancy rates as measured by online job postings have been at historic high levels for more than year.
- Job postings reached a peak level in the Q1 2022 before falling slightly in the next two quarters and rising again in Q4 2022.
- High vacancy rates are evident in all sectors, although for the retail sector they are only marginally higher than pre-pandemic levels.

New postings - in thousands



	2020		2021			2022			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SELEP	70	69	83	88	93	123	103	92	104

New Postings Index (2019 = 100)



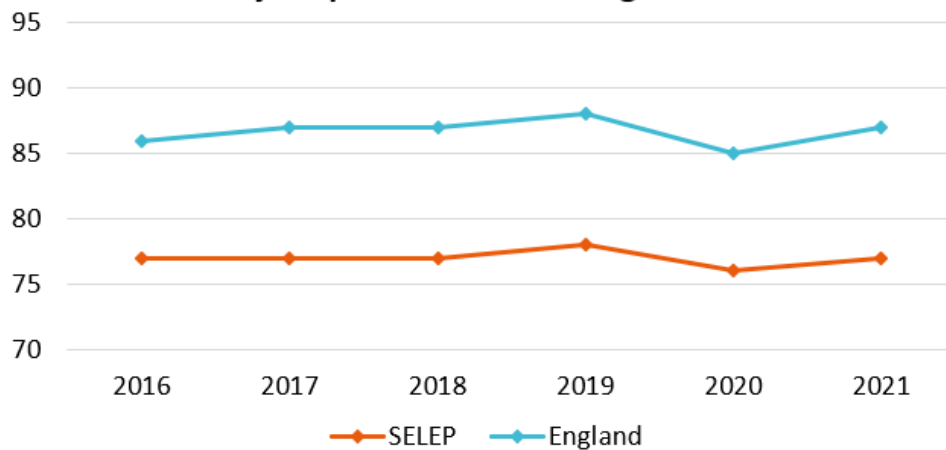
	2020		2021			2022			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SELEP	103	101	122	129	137	180	151	135	153
England	104	105	125	141	151	186	172	157	168

Source: Lightcast, Job Postings

Job Density

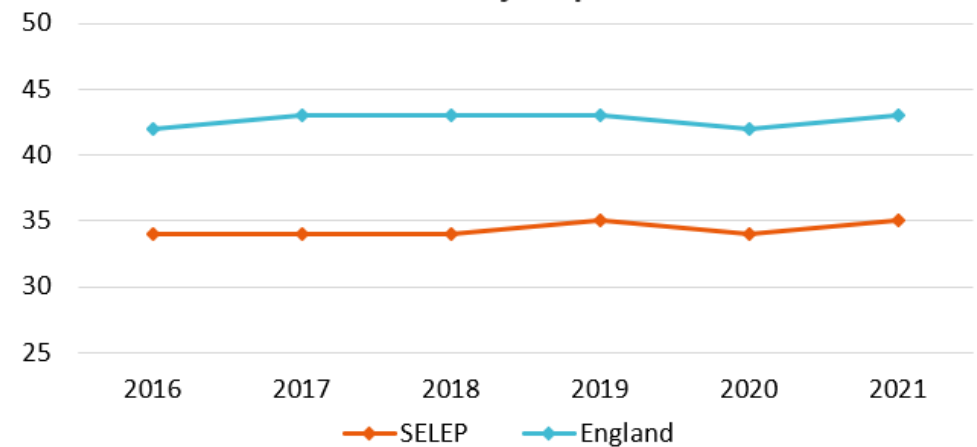
- There are significantly fewer local jobs available for residents within the SELEP area compared to the England average.
- The lower job density in part reflects dependency on commuting to London for employment, but also reflects very low levels of job opportunities within coastal areas.
- There are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

Local jobs per 100 residents aged 16-64



	2016	2017	2018	2019	2020	2021
SELEP	77	77	77	78	76	77
England	86	87	87	88	85	87

Private sector full time jobs per 100 residents

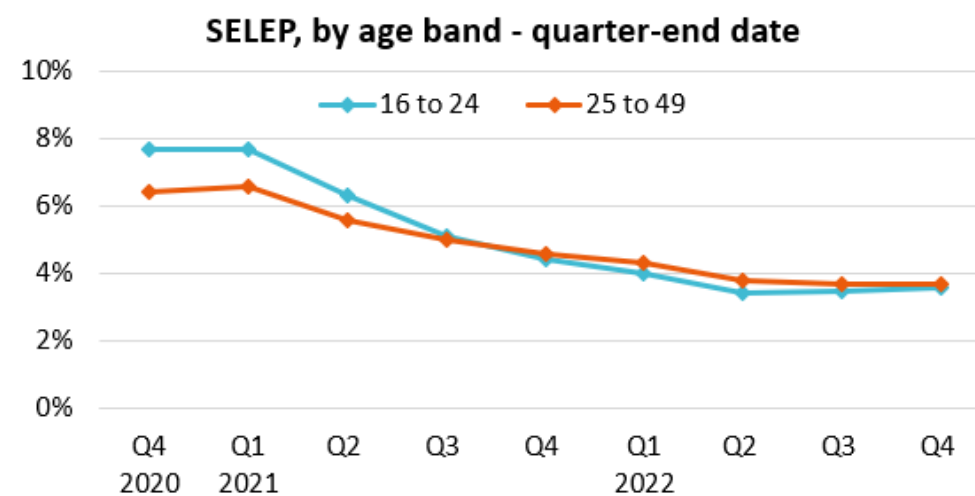
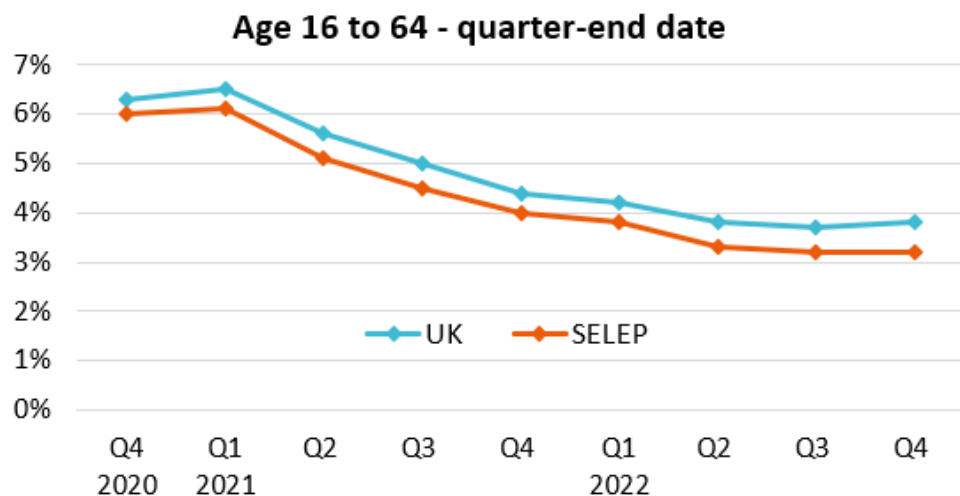


	2016	2017	2018	2019	2020	2021
SELEP	34	34	34	35	34	35
England	42	43	43	43	42	43

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 and remained at a steady high level for a year, before starting to reduce in Q2 2021.
- The last three quarters of 2022 have seen the claimant count stabilise, but it remains significantly above the pre-pandemic level.
- While those aged from 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 the population aged from 25 to 49.



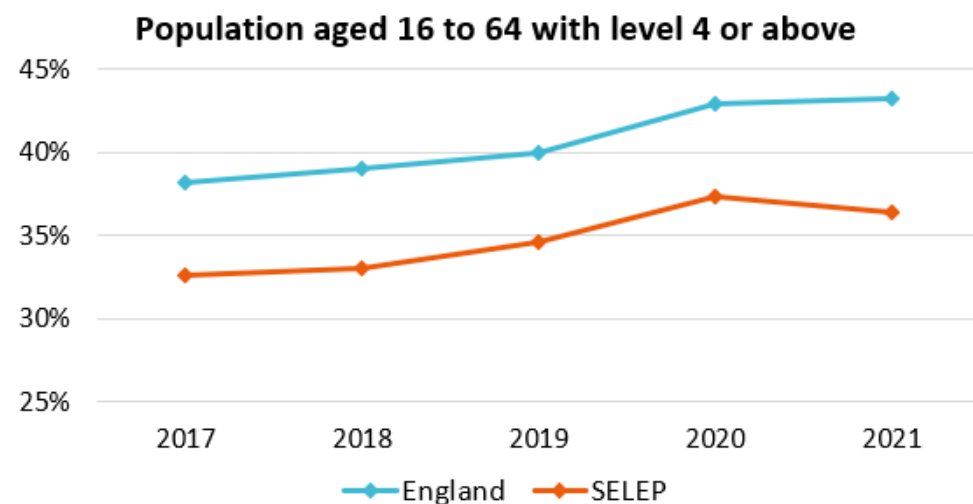
	2020		2021			2022			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
SELEP	6.0%	6.1%	5.1%	4.5%	4.0%	3.8%	3.3%	3.2%	3.2%
UK	6.3%	6.5%	5.6%	5.0%	4.4%	4.2%	3.8%	3.7%	3.8%

	2020		2021			2022			
	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
16 to 24	7.7%	7.7%	6.3%	5.1%	4.4%	4.0%	3.4%	3.5%	3.6%
25 to 49	6.4%	6.6%	5.6%	5.0%	4.6%	4.3%	3.8%	3.7%	3.7%

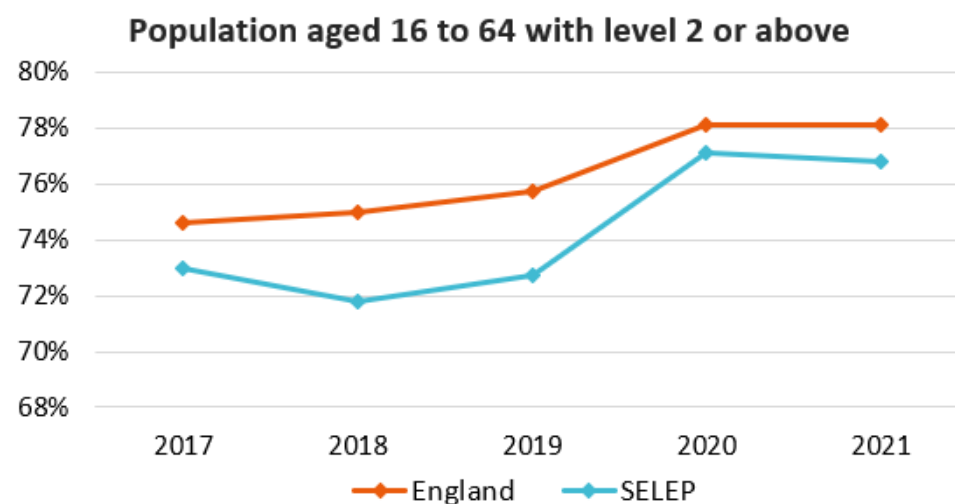
Source: ONS, Claimant Count

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.



	2016	2017	2018	2019	2020	2021
SELEP	33.3%	32.6%	33.0%	34.6%	37.3%	36.4%
England	37.8%	38.2%	39.0%	40.0%	42.9%	43.2%

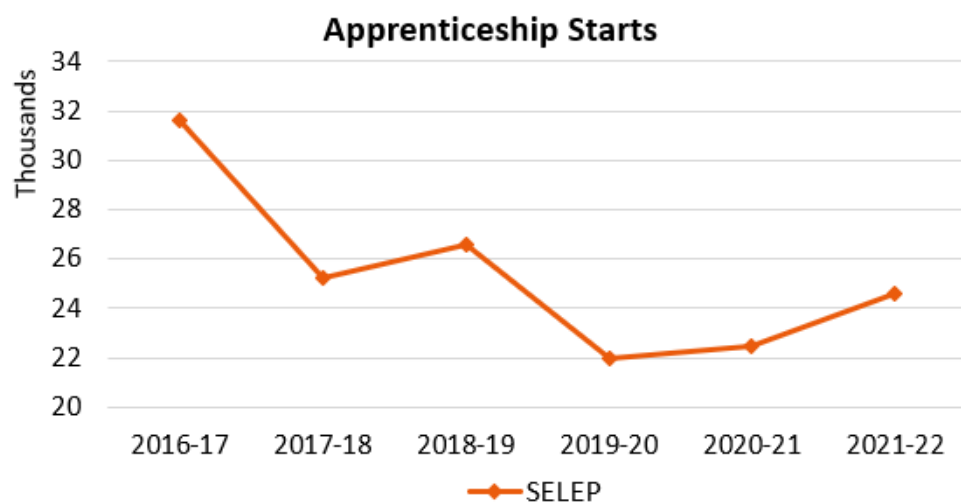


	2016	2017	2018	2019	2020	2021
SELEP	72.6%	73.0%	71.8%	72.7%	77.1%	76.8%
England	74.2%	74.6%	75.0%	75.7%	78.1%	78.1%

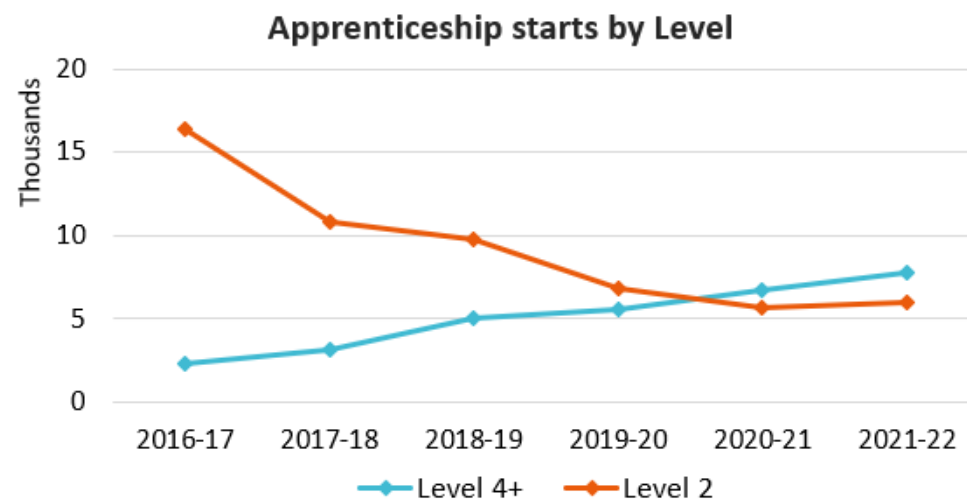
Source: ONS, Annual Population Survey

Apprenticeship Starts

- Apprenticeship starts have been increasing each year since the low level seen in academic year 2019-20.
- However, apprenticeship starts remain much lower than before the introduction of the Apprenticeship Levy in April 2017.
- Starts for a level 2 qualification (intermediate) have seen significant falls since the introduction of the Levy, whilst starts for a level 4 or above qualification (higher) have been on an increasing trend.



	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
SELEP	31,620	25,200	26,600	21,940	22,480	24,590



	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22
Level 4+	2,270	3,170	4,980	5,510	6,690	7,740
Level 2	16,400	10,860	9,780	6,830	5,650	5,980

Source: DfE, Apprenticeship and Traineeships data

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