

Appendix 2

The State of Gloucester's Economy

Prepared by the Data and Analysis Team of Gloucestershire County Council, June 2018.

Population

- Between 2006 and 2016, Gloucester's population grew by 11.4 per cent (to 128,400) - the highest amongst all Gloucestershire districts, with the exception of Tewkesbury. During this period Gloucester experienced a faster rate of growth in the 0-19 year old population and 20-64 year old population than the county and national average. (Mid Year Population Estimates, ONS)
- This population growth is forecast to continue, with a projected increase of 14.7% or 18,195 people between 2016 and 2036. The greatest growth is projected to be in the 65+ age group which is forecast to grow by 60.2%, this reflects the picture seen at county and national level. However, Gloucester is expected to see greater growth in the 0-19 year old and 20-64 population than Gloucestershire or England (Source 2016 based sub regional population projections, ONS)

Output

- In 2016 the output of Gloucester's economy was approximately £3.36 billion, this equates to 20.7% of the county's total output. (Source: Regional GVA – Balanced Approach, 2016, ONS).
- GVA per head was £26,198 in 2016, this was broadly in line with county average of £26,093 and the national average of £26,621 (Source: Regional GVA – Balanced Approach, 2016, ONS).

Jobs and employment

- 69,000 jobs (2016), during the period 2011 to 2016 the number of jobs increased by 5%, which was lower than all districts with the exception of the Forest of Dean, which saw a decline of -3%. (Source: Job Density, ONS)
- In 2016 the ratio of jobs to resident stands at 0.85 which is lower than the County average and all districts with the exception of the Forest of Dean. (Source: Job Density, ONS)
- The health sector is the largest employee in the district in 2016, counting for 20% of employment, this was followed by retail which employed 11% of employment. When compared to the county and national average the district has particular specialisms in Health, Public administration and defence, Finance and Insurance and Mining, Quarrying and Utilities, with the sectors accounting for a greater proportion of employment in Gloucester than Gloucestershire and England (Source: BRES, 2016)
- Recent and projected growth in construction, distribution, Information and communications, professional, scientific and technical activities, administration, and health.
- Ongoing decline in manufacturing and public administration jobs.

Economic Activity

- 81.3% of residents are economically active, which is higher than the national average 78.6% and lower than the county average of 82.8% (Source: Annual Population Survey, Jan 2017-Dec 2017)
- 77.3% of the working age population are in employment, which again is higher than the national average and lower than the county average. (Source: Annual Population Survey, Jan 2017-Dec 2017)
- Levels of self employment are lower in Gloucester, 8.5% of 16-64 year olds in employment are self employed compared to 14.0% in Gloucestershire and 14.5% in England. (Source: Annual Population Survey, Jan 2017-Dec 2017)
- Unemployment rates are higher in the district with 4.0% of working age residents being unemployed compared to 2.4% of residents in the county and 3.5% of residents nationally.

Businesses

- In 2016 there were around 4,060 active enterprises in Gloucester, this equates to a rate of 47.7 per 1,000 working age population, this was lower than the county rate of 77.0 and the national rate of 71.7. (Source: Business Demography, ONS)
- Between 2011-2016 the number of active enterprises in Gloucester increased by 16.7% which was above the county of 12.1% but below the national average of 22.4% (Source: Business Demography, ONS)
- The Business start up rate (number of new enterprises per 100 active enterprises) was higher in Gloucester (14.04) than Gloucestershire (10.7) but lower than England (15.0) (Source: Business Demography, ONS).
- The Business death rate (number of business deaths per 100 active enterprises) was higher in Gloucester (11.2) than Gloucestershire (10.5) but lower than England (11.6) (Source: Business Demography, ONS).
- In 2016 90.7% of businesses born in 2015 survived 1 year which was in line with the county average and lower than the national average of 89.6%. 3 year survival rates were lower than the county and national average at 60.2% compared to 65% for Gloucestershire and 60.8% for England. 46.5% of businesses born in 2011 survived 5 years which was higher than the national average (44%) and lower than the county average (49.4%) (Source: Business Demography, ONS).
- 96 % of businesses in Gloucester were small (employing less than 50 people), this was slightly lower than the county and national average of 98%. (Source: UK Business Counts).
- The construction sector accounts for the largest proportion of businesses in the district (14.9%), followed by the Professional, scientific & technical sector. When compared to the county and national average Gloucester has an over-representation of businesses in the health sector and transport and storage sector. (Source: UK Business Counts).

Earnings, Occupations and Skills

- The average annual earnings of residents was £26,044 in 2017, this was lower than the county average of £28,685 and the England average of £29,085. The average annual earnings of workers was higher than that of residents at £28,782 which was in line with the county and national averages of £28,555 and £29,079. (Source: ASHE, ONS)

- Skilled trade occupations and sales and customer services occupations are the most common occupations for Gloucester residents employing 12.6% and 12.3% of people in employment respectively. The district has an over-representation of people employed in Sales and Customer Service Occupations and Process Plant and Machine Operatives when compared to the county and national average (Source: Annual Population Survey, Jan 2017-December -2017).
- The working age population have lower levels of qualifications than the county as a whole with 30% having low level qualifications (no qualifications, NVQ Level 1 and other qualifications) compared to 22% for Gloucestershire as a whole (Source: Annual Population Survey, Jan 2017-December -2017).

Social Mobility

- The Social Mobility Index compares the chances that a child from a disadvantaged background will do well at school and get a good job across each of the 324 local authority district areas of England. It examines a range of measures of the educational outcomes achieved by young people from disadvantaged backgrounds and the local job and housing markets to shed light on which are the best and worst places in England in terms of the opportunities young people from poorer backgrounds have to succeed. Overall Gloucester is ranked 282 out of the 324 local authorities (where 1 is the best for social mobility); this means Gloucester is classed as a cold spot - an area with poor social mobility. When compared to the other local authorities in Gloucestershire, social mobility is better in Gloucester than the Forest of Dean but worse than the other 4 districts.
- The measures where Gloucester performs particularly badly in terms of social mobility are those affecting early years¹, where Gloucester has a rank of 273 and Youth² where Gloucester has a rank of 300.

Other

- House prices are lower than the county average (at £181,000)
- When looked at in conjunction with the average earnings of residents, the data suggests the average resident would need 6.95 times their earnings to afford an average house, this means Gloucester compares well in terms of housing affordability when compared to the county as a whole where the average worker would require 8.37 times their earnings to afford an average house. (Source: House price to residence-based earnings ratio, ONS)
- In 2015/16 total rateable values per square metre stood at £72 which was lower than the county average but higher than the national average. The value of retail and office floorspace was below the county and national average while industrial and other floorspace was higher (Source: VOA)
- Retail and office floorspace has increased since 2012, whilst industrial floorspace declined significantly

¹ Early years takes into account nursery providers ranked as good or outstanding by Ofsted and the percentage of children eligible for FSM achieving a 'good level of development' at the end of Early Years Foundation Stage.

² Youth measures include; percentage of young people eligible for FSM that are not in education, employment or training (positive destination) after completing KS4, Average points score per entry for young people eligible for FSM at age 15 taking A-level or equivalent qualifications, % of young people eligible for FSM at age 15 achieving 2 or more A-levels or equivalent qualifications by the age of 19, % of young people eligible for FSM at age 15 entering higher education by the age of 19, % of young people eligible for FSM at age 15 entering higher education at a selective university (most selective third by UCAS tariff scores) by the age of 19