

THE ANNUAL STATE OF THE ECONOMY REPORT 2018



Since 2011 when the Greater Lincolnshire Local Enterprise Partnership (LEP) began it has been successful in drawing down £307m of external investment funding from government.

This includes Growth Deals, Local Growth Fund awards, Growth Hub Funding, investment support and Transport Majors funding. The LEP is responsible for managing a suite of 35 projects/programmes, and last year alone over £47m was invested in the Lincolnshire economy, creating jobs, allowing people to access new learning opportunities, and attracting partner and overseas investment.

The Greater Lincolnshire LEP has already begun to demonstrate economic impact. It has six growth deal projects completed on site delivering new learning opportunities, securing new tenants, creating employment space, building much needed new homes, creating improved infrastructure and drawing down substantial public and private leverage. The Unlocking Rural Housing Programme is also making significant progress with several housing schemes now complete or nearing completion providing a range of new affordable homes.

Whilst the Greater Lincolnshire LEP is on target to deliver substantial change in the local economy, what follows in this report is a wider look at economic conditions across Greater Lincolnshire.

OVERVIEW AND HEADLINES

THE STATE OF THE ECONOMY REPORT

presents the Greater Lincolnshire LEP with the opportunity to review the latest economic data that was released, in this case, throughout 2017 and early 2018, and assess how the economy is performing. In this sense, it is much like the Spring Statement, in that it enables an update on our understanding of how the local economy has recently performed and what current economic conditions are like.

HEADLINES FROM THIS YEARLY REVIEW INCLUDE:

- The county and unitary areas of Greater Lincolnshire increased economic output between 2015 and 2016
- Employment growth across all the priority sectors (barring Manufacturing) between 2015 and 2016 has been positive and stronger than that experienced nationally
- Employment levels in North East Lincolnshire have returned to pre-recession levels
- Annual wages for full time workers in Greater Lincolnshire fell slightly during 2017
- House building rates fell again with the number of houses completed in 2016/17 at its lowest level based on records stretching back as far as 1980.

In assessing the current state of the Greater Lincolnshire economy, we will consider the following seven indicators and sources of economic performance:

GVA

GROSS VALUE ADDED

EMPLOYMENT
GROWTH

**BUSINESS
GROWTH &
SURVIVAL RATES**

**HOUSE
BUILDING
RATES**

**WAGE
GROWTH**

**LABOUR
MARKET**

GVA

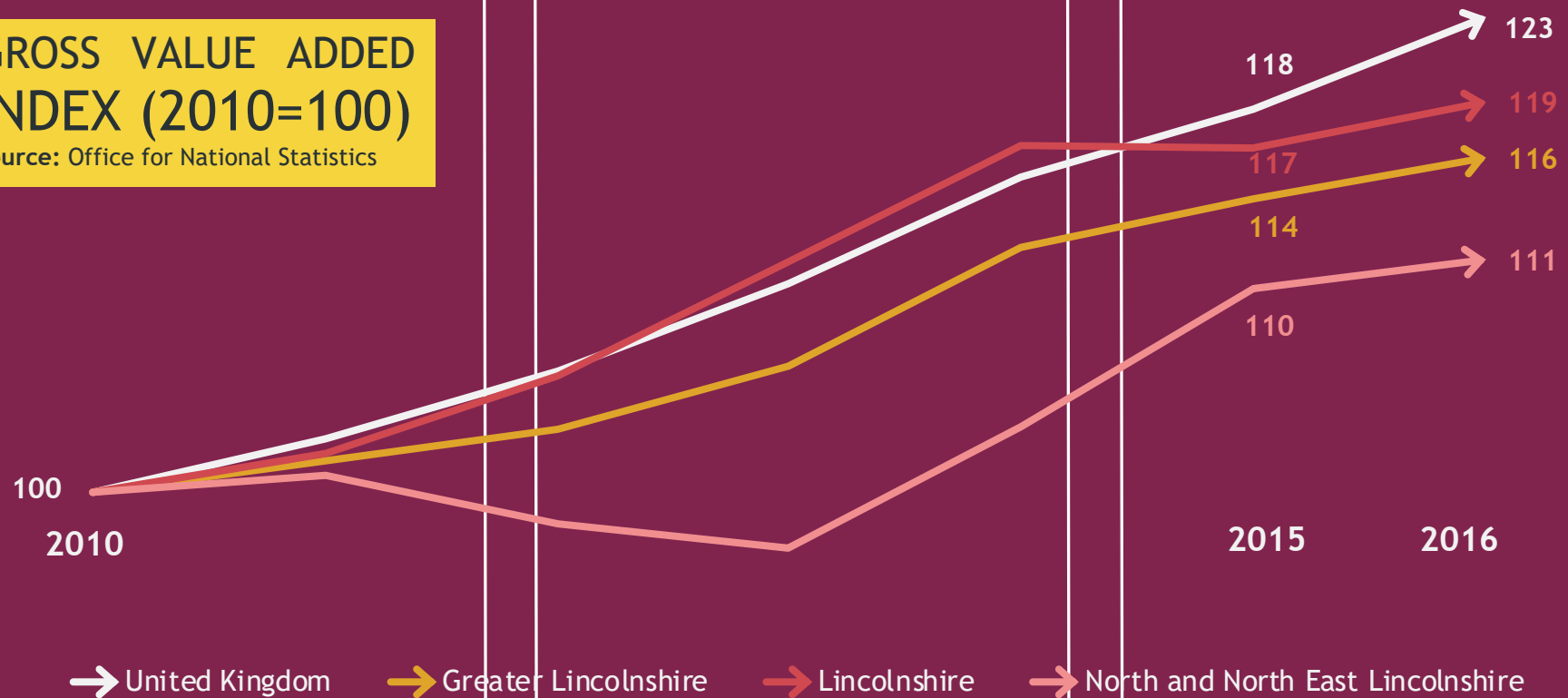
GROSS VALUE ADDED

GROSS VALUE ADDED INDEX (2010=100)

Source: Office for National Statistics

ECONOMIC GROWTH ACROSS ALL AREAS OF GREATER LINCOLNSHIRE

can be observed between 2015 and 2016 but it is weaker than the growth seen nationally.



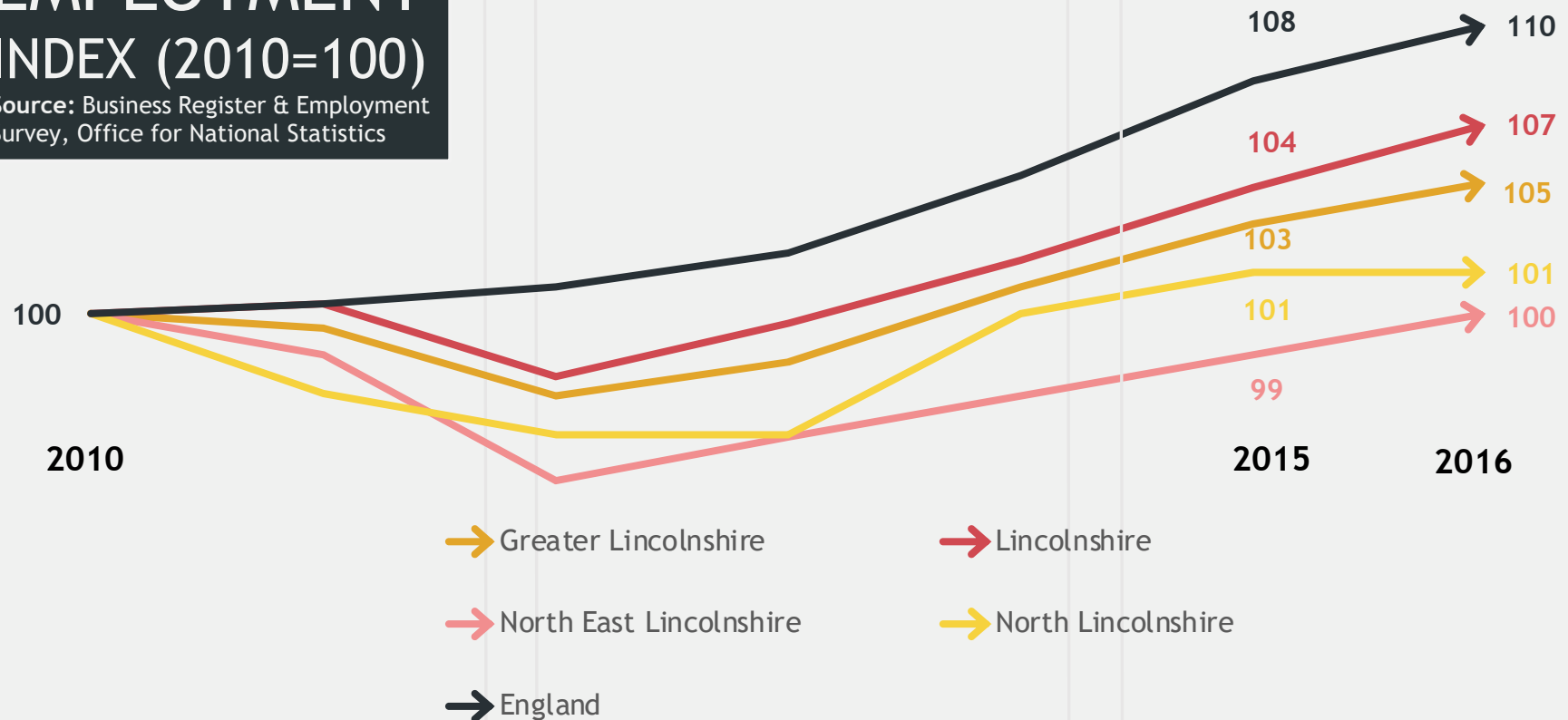
EMPLOYMENT GROWTH

EMPLOYMENT GROWTH HAS BEEN POSITIVE

ACROSS ALL AREAS OF GREATER LINCOLNSHIRE but at levels below that experienced nationally. Also of note is the fact that employment levels in North East Lincolnshire have now returned to pre-recession levels.

EMPLOYMENT INDEX (2010=100)

Source: Business Register & Employment Survey, Office for National Statistics



CHANGE IN EMPLOYMENT

2015 - 2016

SOURCE: BUSINESS REGISTER & EMPLOYMENT SURVEY,
OFFICE FOR NATIONAL STATISTICS

ENGLAND

**GREATER
LINCOLNSHIRE**

↑ 1.7%

↑ 5.6%

↓ -0.3%

↓ -11.9%

↑ 4.8%

↑ 14.0%

↑ 2.3%

↑ 5.3%

↑ 8.5%

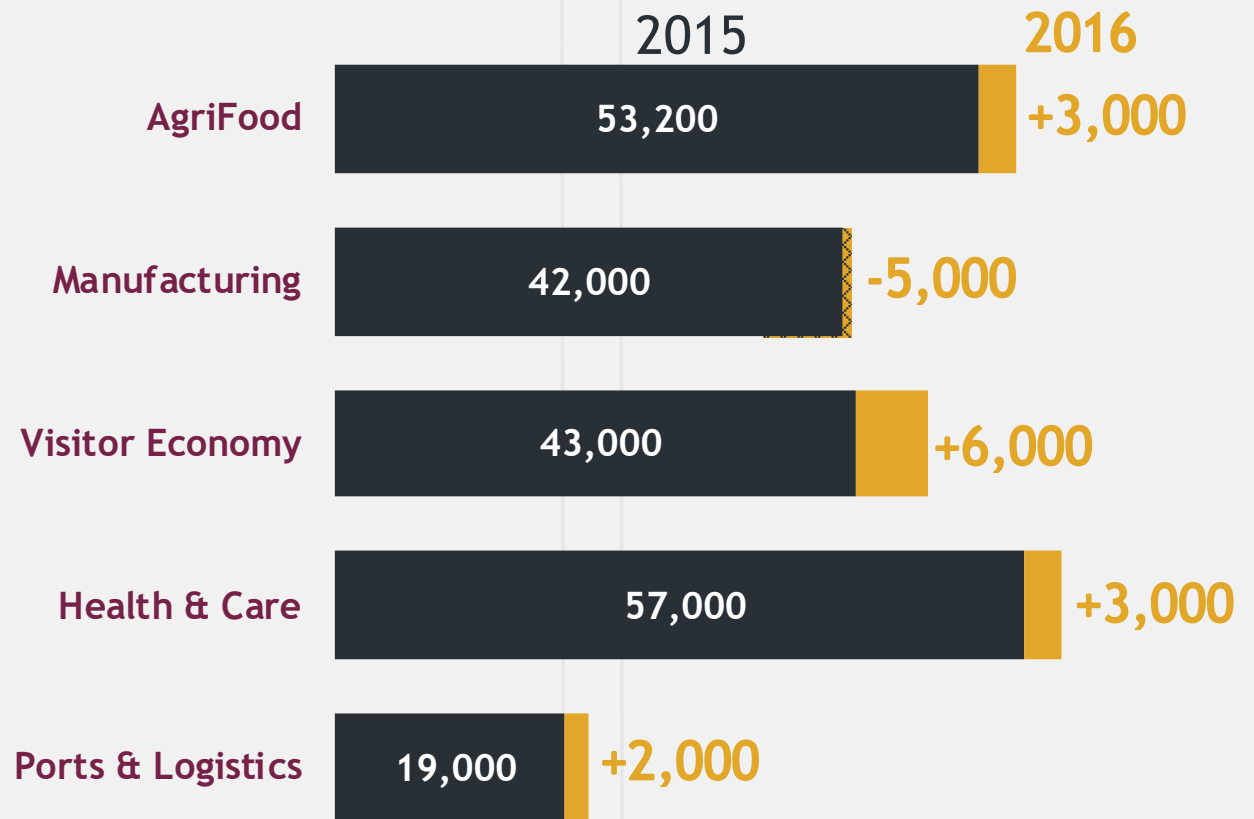
↑ 10.5%

EMPLOYMENT GROWTH

ACROSS NEARLY ALL OF THE PRIORITY SECTORS

HAS BEEN POSITIVE

AND STRONGER THAN THAT EXPERIENCED NATIONALLY, apart from the Manufacturing sector where employment has declined and at a greater extent than that experienced nationally.



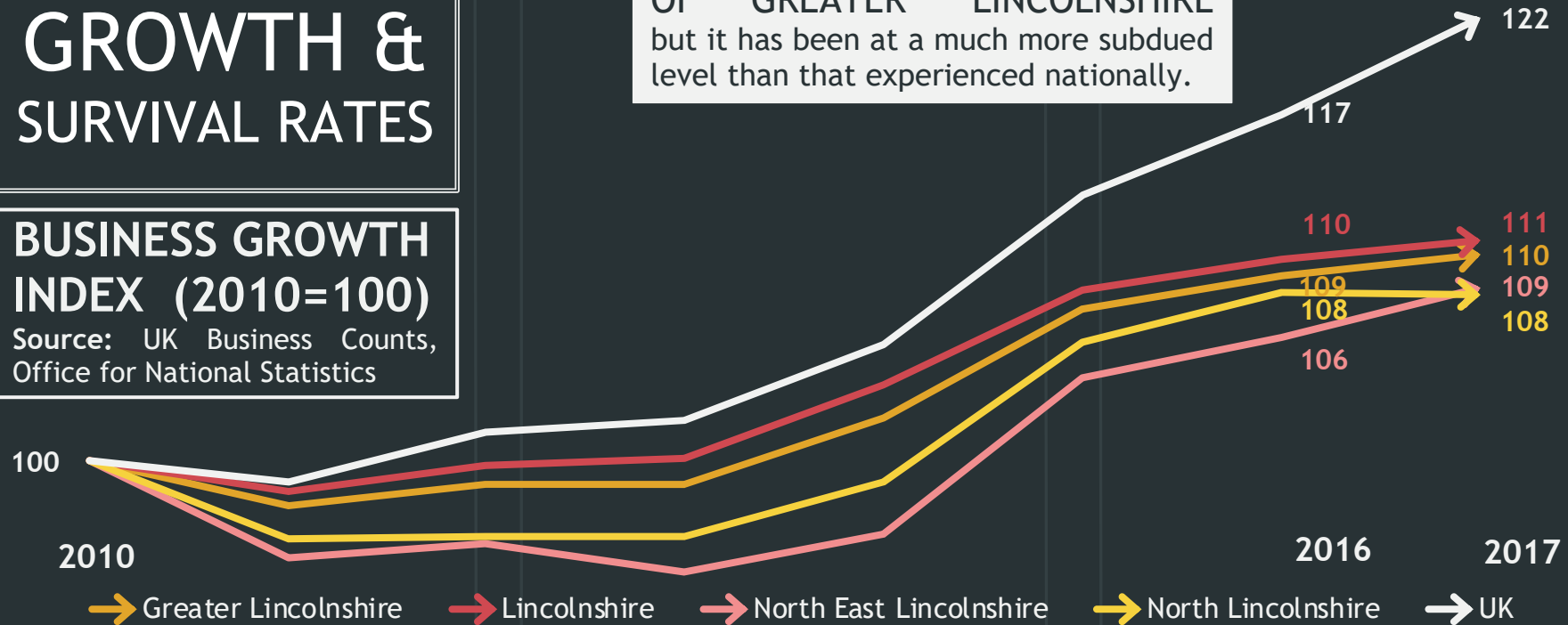
BUSINESS GROWTH & SURVIVAL RATES

BUSINESS GROWTH INDEX (2010=100)

Source: UK Business Counts, Office for National Statistics

BUSINESS NUMBERS

HAVE GROWN ACROSS ALL AREAS OF GREATER LINCOLNSHIRE but it has been at a much more subdued level than that experienced nationally.



1 YEAR BUSINESS SURVIVAL

rates have fallen for a 2nd year in a row for all areas of Greater Lincolnshire and nationally

2014 ONE YEAR SURVIVAL RATE (%)

92 .0 66 .3* 96 .0 92 .2

Source: Business Demography 2016, Office for National Statistics

■ Lincolnshire ■ North East Lincolnshire
■ North Lincolnshire ■ UK

2015 ONE YEAR SURVIVAL RATE (%)

91 .7 64 .1* 93 .4 89 .7

**Please note that North East Lincolnshire business survival rates are low due to the Grimsby office being used for overseas and single transaction registrations nationally, which typically have short lives.*

CHANGE IN BUSINESS NUMBERS

2016 - 2017

SOURCE: UK BUSINESS COUNTS, OFFICE FOR NATIONAL STATISTICS

ENGLAND

GREATER LINCOLNSHIRE

↑ 1.6%

↑ 0.4%

↑ 1.3%

↓ -0.6%

↑ 2.2%

↑ 1.5%

↑ 3.8%

↑ 1.6%

↑ 17.9%

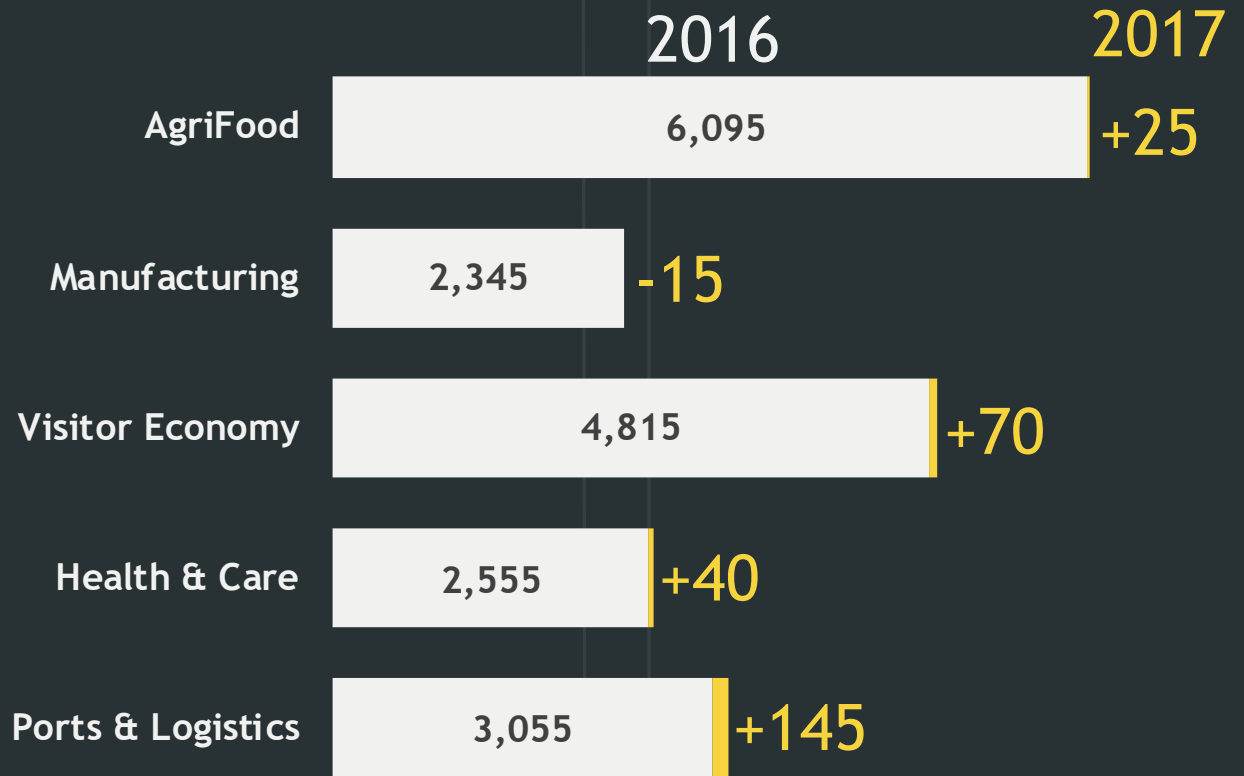
↑ 4.7%

BUSINESS GROWTH

ACROSS NEARLY ALL OF THE PRIORITY SECTORS

HAS BEEN POSITIVE

all be it not as strong as that seen at the national level. It is again the Manufacturing sector where declines in business numbers between 2016 and 2017 can be seen.

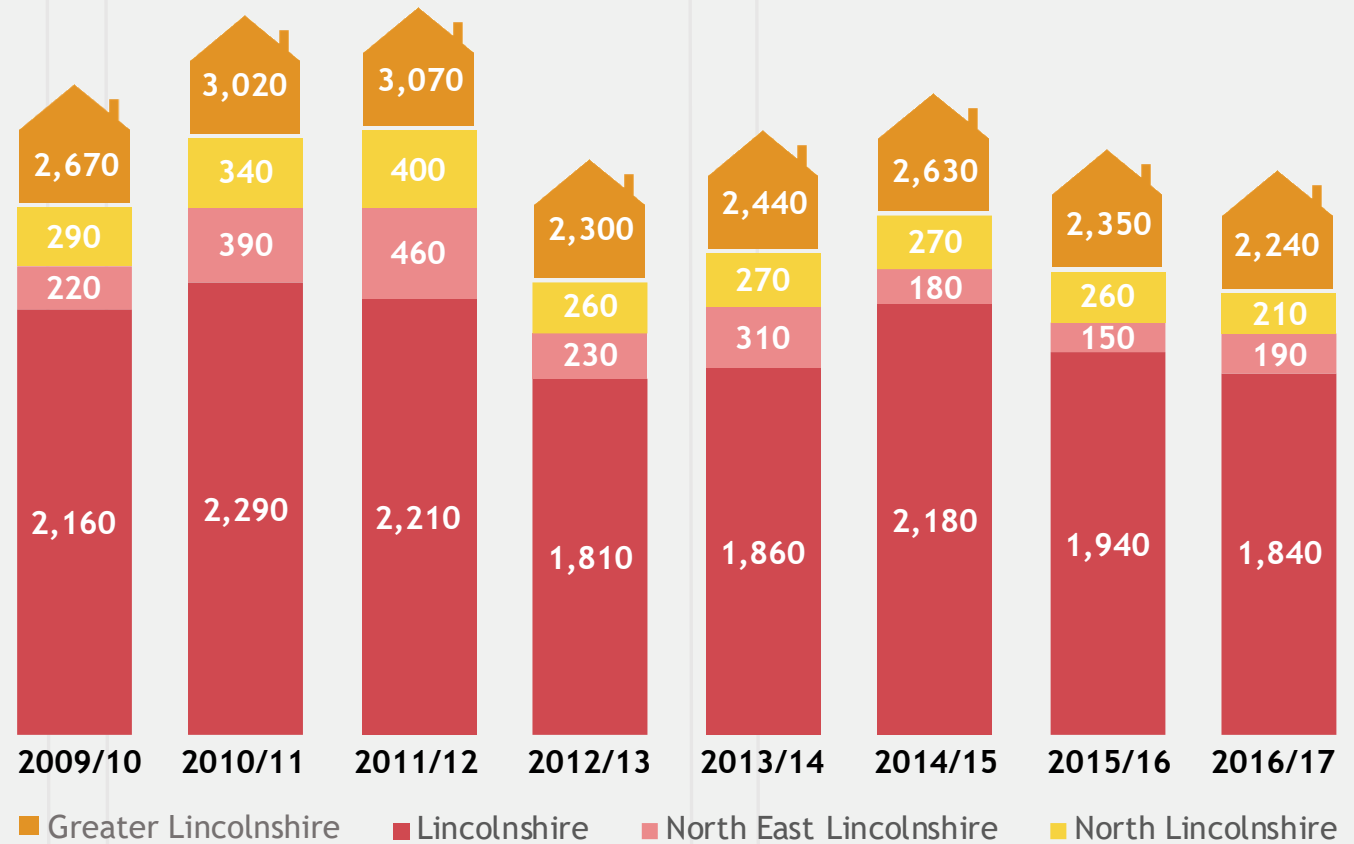


HOUSE BUILDING RATES

COMPLETED DWELLINGS

Source: Ministry of Housing, Communities and Local Government

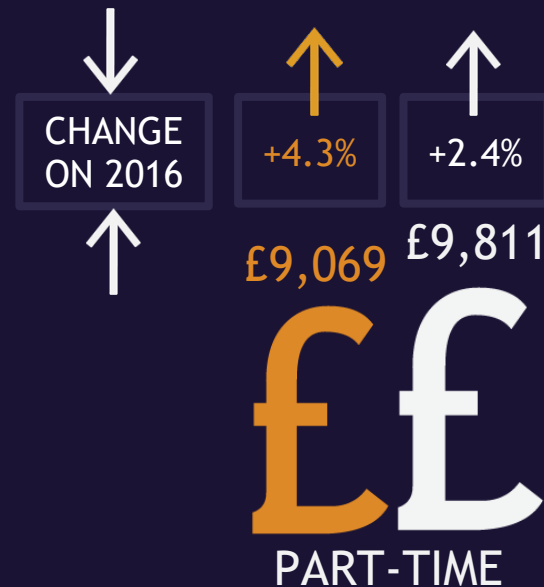
HOUSE BUILDING RATES HAVE FALLEN AGAIN with the number of houses completed in 2016/17 at its lowest level based on records stretching back as far as 1980.



WAGE GROWTH

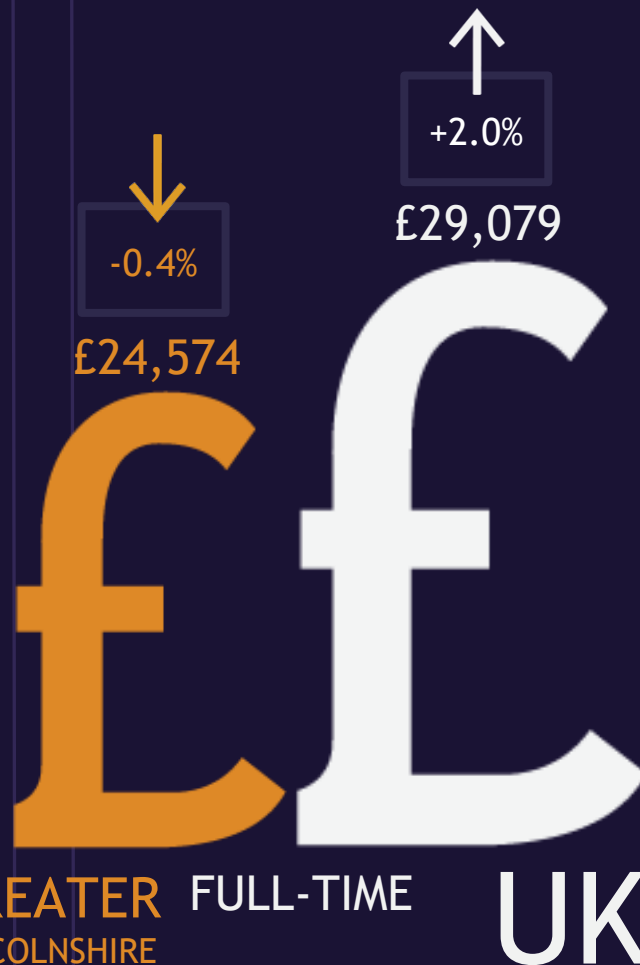
2017 MEDIAN ANNUAL WAGES

Source: Annual Survey of Hours and Earnings, Office for National Statistics



PART-TIME

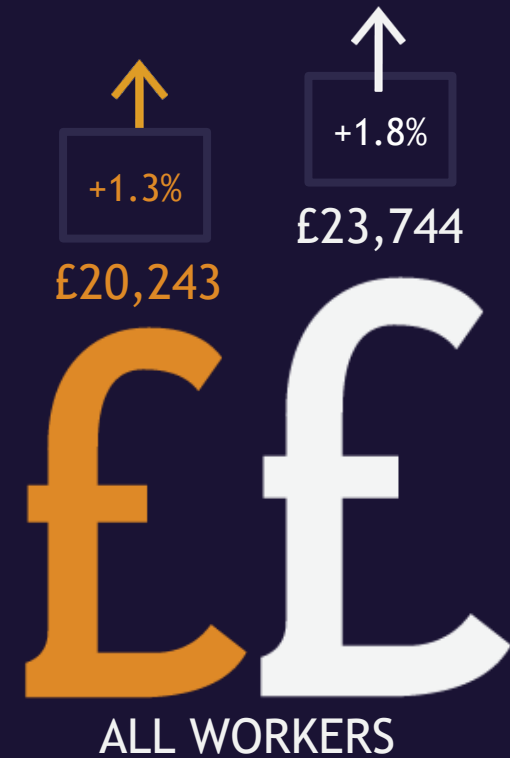
ANNUAL WAGES FELL SLIGHTLY FOR FULL-TIME WORKERS IN GREATER LINCOLNSHIRE whilst part-time workers enjoyed a larger than national growth rate in their annual wages. Overall wage increases in Greater Lincolnshire and nationally were both much lower than the rate of inflation during 2017.



GREATER LINCOLNSHIRE

FULL-TIME

UK



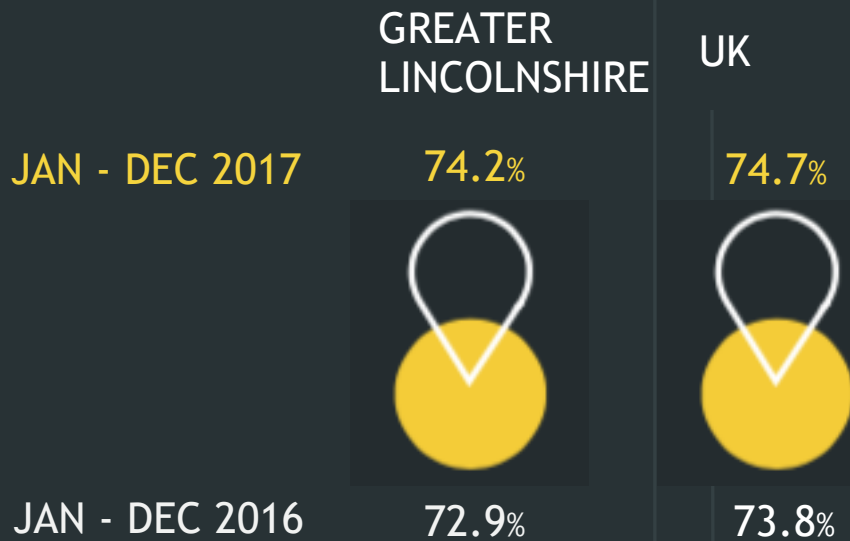
ALL WORKERS

LABOUR MARKET

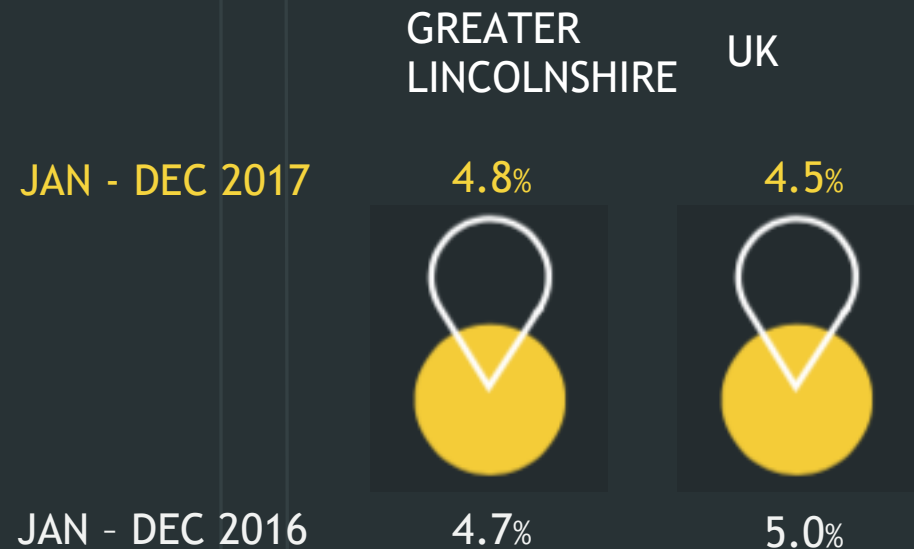
RATES OF EMPLOYMENT HAVE CONTINUED TO RISE DURING 2017 WITH UNEMPLOYMENT CONTINUING TO MOVE IN THE OPPOSITE DIRECTION, IN LINE WITH THE NATIONAL RATE

Source: Annual Population Survey, Office for National Statistics

EMPLOYMENT RATE (AGED 16-64)



UNEMPLOYMENT RATE (AGED 16-64)



This state of the economy report has been written and produced by Codename:Consulting on behalf of the Lincolnshire County Council Economy and Environment Research Team for the Greater Lincolnshire Local Enterprise Partnership (GLLEP).

The GLLEP evidence base on the Lincolnshire Research Observatory is the key source of analysis and intelligence for the GLLEP.
www.research-lincs.org.uk/lep-home.aspx

