

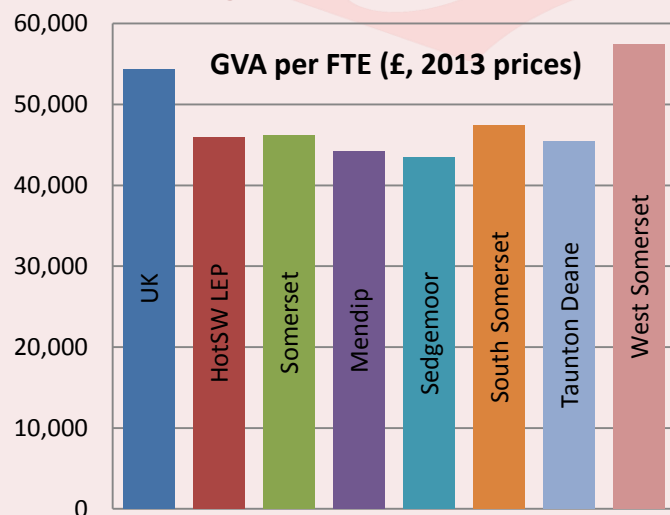
# Somerset's Economy

## Output

	GVA (£m) 2015	% Change 2014 - 2015
Somerset	£11,148	2.4% ▲
Heart of the SW LEP	£34,271	1.9% ▲
UK	£1,666,342	2.6% ▲

Source: Regional Accounts, (Income approach) ONS 2016.

## Productivity

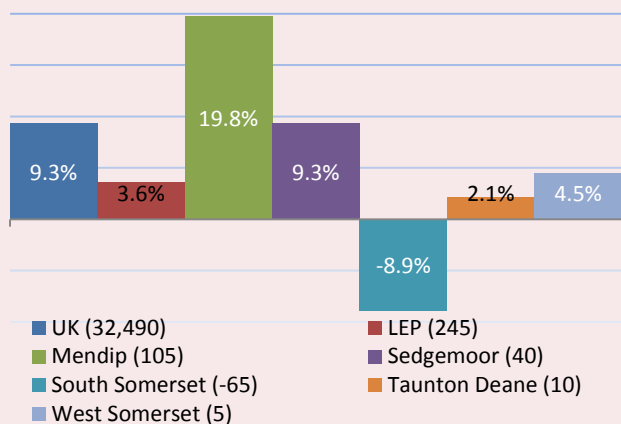


Source: HotSW LEP Economic Model, Oxford Economics 2016

## Business

### Change in number of businesses 2014-15

(Source: ONS Business Demography)

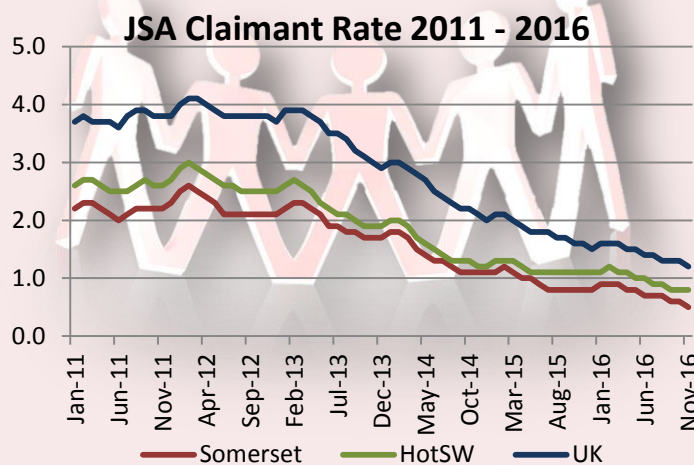


## Qualifications of Workforce (2015)

	% with NVQ4+	Annual Change (%)
Somerset	35.9	5.8
HotSW LEP	36.3	5.9
UK	36.9	5.8

Source: Annual Population Survey, NOMIS 2016

## Labour Market



Source: Claimant Count with rates and proportions, NOMIS 2016 (monthly).

## Job Creation

	2015	% Change from 2014	% Change from 20141
England & Wales	26,087,725	2.3% ▲	7.6% ▲
HotSW LEP	682,175	0.4% ▲	4.4% ▲
Somerset	216,953	1.4% ▲	3.6% ▲
Mendip	45,261	4.6% ▲	9.6% ▲
Sedgemoor	42,288	3.5% ▲	11.5% ▲
South Somerset	64,331	-0.4% ▼	-1.9% ▼
Taunton Deane	53,451	-0.7% ▼	-0.4% ▼
West Somerset	11,622	2.6% ▲	6.9% ▲

Source: BRES 2016. NB. All figures are rounded to the nearest 100. Annually updated

## Housing Market Sept 2016

	Sept 2016	Annual Change	Monthly Change
Average house Price	Somerset £215,237	+5.9%	+0.3%
	England & Wales £226,768	+7.0%	+0.1%
House Price Index	Somerset 111.30	+5.9%	+0.3%
	England & Wales 113.94	+7.0%	+0.08%
Sales Volumes	Somerset 726	-24.2%	-20.3%
	England & Wales 67,803	-21.5%	-4.4%

Source: Land Registry, Crown Copyright 2016

## UK Context



The UK economy grew in real terms by an estimated 2.9% in 2014, displaying the strongest annual economic growth since 2005. During 2014 the expansion in Gross Domestic Product (GDP) was relatively consistent on a quarterly basis, with growth of 0.6% during quarter 1 (Jan–Mar) and quarter 3 (July–Sept), 0.9% during quarter 2 (April–June) and 0.8% during quarter 4 (Oct–Dec).

The UK economy grew in real terms by an estimated 2.9% in 2014, displaying the strongest annual economic growth since 2005. The Bank of England base rate remained at 0.5% throughout 2014. During the year inflation stayed below the 2% target. The Consumer Price Index (CPI) annual average rate for 2014 stood at 1.5%, decreasing from the 2.6% in 2013.

Workforce jobs increased in all UK regions except Northern Ireland between the fourth quarter of 2013 (Oct–Dec) and the corresponding period in 2014. The unemployment rate also declined in all UK regions.

Text source: Regional Gross Value Added (Income Approach): December 2015

<https://www.ons.gov.uk/economy/grossvalueaddedgva/bulletins/regionalgrossvalueaddedincomeapproach/december2015#economic-background-for-2014>

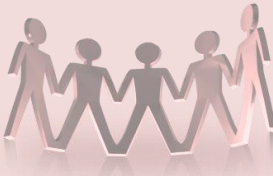
## Output



In 2015, the Somerset economy was worth £11.1 billion. GVA per head was £20,441, lagging behind the national level of £25,601. GVA per head figures are not available for LEP areas but an average of the local authority areas in the Heart of the South West LEP gives a figure of £19,077, also below the UK level. After a GVA increase of 6.1% between 2013 and 2014, Somerset's economic growth slowed to 2.4% over the last year. This represents faster growth than the LEP area (1.9%) but falls slightly below national growth (2.6%).

The 'GVA gap' between Somerset and the UK fluctuates but the overall trend shows the gap is increasing. In 1997, the UK's GVA per head was 18.9% higher than Somerset and in 2015 that gap stood at 25.2%. In the short term, the gap has reduced from 26.9% in 2013.

## Labour Market



In November 2016, 0.5% of people in Somerset aged 16-64 were claiming Jobseekers Allowance (JSA). Claimant count unemployment in Somerset has decreased by 0.2 percentage points since August 2016 and by 0.3 since November 2015.

Somerset has a consistently lower claimant rate than the UK and Heart of the South West LEP area. Somerset's claimant rate is steadily declining and is now similar to the low levels seen before the recession began in 2008.

## Business



There are currently 21,945 active enterprises in Somerset (2015). All parts of the County saw a net increase in the number of active enterprises between 2015 and 2014, as did the LEP area and UK as a whole. The number of business start-ups has been steadily rising since the financial crisis. In 2015, there were 2,370 business births in Somerset, a rate of 10.8%. 1,815 businesses failed in 2015 compared.

Survival rates are also improving for recently started businesses. 2010 was the worst year in recent times to start a business. Only 88.7% of Somerset businesses started that year were still trading in 2011. One year survival rates have improved since 2011, and 94% of new Somerset firms started in 2014 survived into 2015.

## Housing



Average house prices have increased by 5.9% in Somerset and 7% nationally. The average house in Somerset now costs just under £215,237, compared to £226,768 nationally, continuing the strong growth seen since the end of 2013.

Within Somerset the largest annual growth in the year to September 2016 was Mendip District, where average prices increased by 12.3% (£240,013) West Somerset property prices fell in price over the same period with -0.3% (£201,345).

Recent price inflation has largely been fuelled by a continued shortage of housing across the country, with demand outstripping supply.