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Report to: LEP Board
Date: 19 July 2017
Subject: Economic Reporting

1 Purpose

1.1 To provide an update on the latest economic and business intelligence for the Board.

2 Information

2.1 This report and the attached economic update and dashboard are based on the latest available economic and business intelligence information at the time of writing.

2.2 The main national and international economic developments since the last Board meeting include:

- The latest Economic Outlook from the OECD points to a modest acceleration in global growth, from 3% in 2016 to 3.5% in 2017.
- Whilst most developed economies are expected to follow global trends, the OECD forecasts UK growth to slow to 1.6% this year and 1% in 2018. This is broadly in line with their previous forecast, though growth this year is now expected to be 0.1% lower.
- The number of people in work in the UK continues to rise, with 109,000 more people employed in the three months to April than the preceding three months and the employment rate at a record high of 74.8%.
- Inflation reached 2.7% in May – its highest level for five years, whilst regular pay growth has fallen to 1.7%, its lowest level since the start of 2015. As such, incomes are declining in real terms.

2.3 For Leeds City Region and Yorkshire & Humber, headlines include:

- The number of new business bank accounts opened so far in 2017 is an almost identical figure to 2016. New business account activity has outstripped the national average so far this year.
- Employment in Yorkshire & Humber increased by 14,000 in the three months to April, taking the region's employment rate to 73.5% up from 72.2% a year ago.
- Exports from Yorkshire & Humber increased by 6.2% in Q1 2017, the fastest increase of any English region and outpacing overall UK growth of 1.6%. The value of goods exported from the region was at its highest level in a single quarter for over 4 years.

- Business activity in Yorkshire & Humber accelerated in May according to the Markit/Lloyds Bank Regional PMI. The region outperformed the national picture and other Northern regions.

3 Recommendations

- 3.1 The LEP Board is asked to note the analysis presented in the economic update and dashboard and consider how this relates to the work of the LEP and its strategy.