Report to:	Culture, Heritage, and Sport Committee
Date:	21 July 2023
Subject:	**Economic and Sector Reporting**
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Is this a key decision?	☐ Yes ☒ No
Is the decision eligible for call-in by Scrutiny?	☐ Yes ☒No
Does the report contain confidential or exempt information or appendices?	☐ Yes ☒ No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	☐ Yes ☒ No

1. Purpose of this Report

1.1. To provide an update on the latest economic data relating to the sector.

2. Information

<u>Update on economic data</u>

<u>National economic context</u>

2.1. The latest available data presents a mixed picture for the sector. In summary:

- Employment in *Arts, entertainment and recreation* has remained fairly flat over the last three quarters but has grown steadily in *Information and Communication* over the same period.
- Average pay in *Information and Communication* is seeing double-digit rates of annual growth currently, enough to generate real terms pay increases. Growth in average pay in *Arts, entertainment and recreation* has been below the average for the whole economy in the early months of 2023.
- The output of the *Information and Communication* sector continues to grow strongly. The more volatile data for *Arts, entertainment and recreation* show growth in recent months but an overall flat position over the last year.

Output (figure 1 of appendix)

2.2. Both elements of the sector saw output growth between March and April 2023 with *Arts, entertainment and recreation* and *Information and Communication* growing by 0.2% and 1.4% respectively.

2.3 *Information and Communication* has performed strongly over the course of the 12 months to April 2023 with output growth of 3.5%. The figures for *Arts, entertainment and recreation* are volatile but point to a flat position, with growth of 0.2%. This compares with growth across the wider economy of 0.4% for the same period.

Employment (figure 2)

2.4 Seasonally adjusted employment in the *Arts, entertainment and recreation* sector remained broadly flat across England between December 2022 and March 2023, continuing the pattern seen in the two previous quarters. As of March 2023, employment in the sector remains 28,000 or 3% lower than in March 2020 (pre-pandemic).

2.5 Employment in the *Information and Communication* sector grew by 1.3% (+20,000) between December 2022 and March 2023, similar to the overall rate of employment growth at national level; and was 7% (+98,000) higher than in March 2022. Employment in the sector was 10% higher in March 2023 than in March 2020.

Pay (figure 3)

2.6 At £1,144 per week, average earnings in the *Information and Communication sector* are 76% higher than across the *Whole Economy* (£649), based on figures for April 2023. Average weekly earnings for *Arts, entertainment and recreation* are, at £469, 23% lower than the *Whole Economy* average.

2.7 Average weekly earnings in *Arts, entertainment and recreation* grew by 5% year-on-year in nominal terms in April 2023, whilst *Information and communication* saw stronger year-on-year earnings growth of 13%. The equivalent figure for the wider economy was 7%. To set this latter figure into context, the increase for the whole economy in nominal terms equates to a real terms fall of 2% when adjusted for inflation.

Vacancies (figures 4 and 5)

2.8 According to the ONS Vacancy Survey the number of UK vacancies in the *Arts, entertainment and recreation* sector fell by 7% in the March to May 2023 quarter as compared with December 2022 to February 2023. This was similar to the rate of reduction seen across the wider economy. Vacancies in *Information and communication* fell by 4% over the same period.

2.9 The current level of vacancies for both *Arts, entertainment and recreation* and *Information and communication* remain higher than pre-pandemic levels (8% and 14% higher respectively than in December to February 2020 period) but have fallen some way from their peaks in early 2022.

2.10 *Arts, entertainment and recreation* and *Information and Communication* are ranked seventh and ninth respectively in terms of the sectors with the highest ratio of vacancies to jobs. These ratios have declined from their peaks in early 2022, reflecting the softening in recruitment demand.

Online job postings (figures 6-8)

2.11 Data from online job postings allows us to assess the vacancy situation in West Yorkshire[1], although the picture is not directly comparable to national vacancy figures. The data show that recruitment activity remains relatively strong. Although the monthly volume of postings for creative and cultural occupations fell for four consecutive months in early 2023 it grew strongly in May 2023, taking it to its highest level since January 2020. The biggest occupational categories in terms of online job postings continue to be *IT, software and computer services* and *Advertising and marketing*. All creative and cultural occupations saw growth in postings in May 2023, as did Sport occupations.

3. Tackling the Climate Emergency Implications

3.1. There are no climate emergency implications directly arising from this report.

4. Inclusive Growth Implications

4.1. There are no inclusive growth implications directly arising from this report.

5. Equality and Diversity Implications

5.1. There are no equality and diversity implications directly arising from this report.

6. Financial Implications

6.1. There are no financial implications directly arising from this report.

7. Legal Implications

[1] Note that an occupational definition is used for the analysis of West Yorkshire online job postings whereas ONS' UK vacancy analysis uses industry sectors. Therefore, the basis for each analysis is different.

7.1. There are no legal implications directly arising from this report.

8. Staffing Implications

8.1. There are no staffing implications directly arising from this report.

9. External Consultees

9.1. No external consultations have been undertaken.

10. Recommendations

10.1. That the Committee notes the evidence presented in the report.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

Appendix 1 – Economic and sector reporting analysis