



Report to:	Culture, Heritage and Sport Committee
Date:	26 January 2024
Subject:	Economic and Sector Reporting
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Is this a key decision?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Is the decision eligible for call-in by Scrutiny?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Does the report contain confidential or exempt information or appendices?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
If relevant, state paragraph number of Schedule 12A, Local Government Act 1972, Part 1:	
Are there implications for equality and diversity?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

1. Purpose of this Report

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

2. Information

Update on Economic Data

National Economic Context

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

- Employment in *Arts, entertainment and recreation*¹ grew to a modest extent in the quarter to September 2023 with annual growth of around 1%. Employment in this part of the sector remains below pre-pandemic levels. Employment in *Information and Communication*² grew only slightly in the latest quarter but increased at a similar rate to the wider economy for the preceding 12 month period at three-times the rate for the wider economy in the period since 2019 (pre-pandemic)

¹ This category includes: Creative, arts and entertainment; Libraries, archives, museums; Gambling and betting activities; and Sports, amusement, recreation

² This category includes: Publishing activities; Motion picture, video and TV programme production, sound recording and music publishing activities; Programming and broadcasting activities; Telecommunications; Computer programming, consultancy; Information service activities.

- Strong pay growth in the *Information and communication* sector appears to have flattened out in recent months; the picture for *Arts, entertainment and recreation* has only been flat.
- The output of the *Arts, entertainment and recreation* sector has grown quite strongly over the last year.
- UK vacancies in both parts of the sector have been falling since the early part of 2022, with further falls in the latest quarter. The vacancy count is now in line with pre-pandemic levels for both parts of the sector.
- The count of online job postings in occupations relevant to culture, heritage and sport is now falling steadily in West Yorkshire.
- The count of businesses in culture, heritage and sport sectors remained flat between 2022 and 2023 in West Yorkshire. A decline in the number of digital businesses offset growth for other sectors.

Output (Figure 1 of Appendix)

- 2.14 Output data are volatile at this level but the figures suggest that the *Arts, entertainment and recreation* sector has seen an upward trend in terms of output over the last year. Output in the latest 3 month period to October 2023 was 7.5% higher than for the same period of 2022 and there have been increases in recent months.
- 2.15 *Information and Communication* output was 3% higher in the three months to October 2023 than for the same period of 2022. Output for this part of the sector has remained fairly flat in recent months.

Employment (Figure 2)

- 2.16 Seasonally adjusted employment in England in the *Arts, entertainment and recreation* sector increased to a modest extent between June 2023 and September 2023, growing by around 4,000 or 0.5%. Employment levels remained fairly flat over the previous 12 months (September 2022 to September 2023) increasing by 1% or 11,000, compared with growth of 3% across the wider economy. As of June 2023, employment in the sector remains 15,000 or 2% lower than in December 2019 (pre-pandemic).
- 2.17 Employment in the *Information and Communication* sector in England was fairly flat in the latest quarter, growing by around 3,000 or 0.2% between June 2023 and September 2023. Growth in the previous 12 months was similar to the average for the wider economy at 3% (+48,000). Employment in the sector is 147,000 or 11% larger than pre-pandemic (December 2019) compared with a growth figure for the wider economy of 4%.

Pay (Figure 3)

- 2.18 At £1,127 per week, average earnings in the *Information and Communication* sector are 74% higher than across the *Whole Economy* average (£648), based on figures for October 2023. Average weekly earnings for *Arts, entertainment and recreation* are, at £451, 30% lower than the *Whole Economy* average.

- 2.19 The figures for average weekly earnings in *Arts, entertainment and recreation* declined by 4% year-on-year in nominal terms in October 2023. However, the data is volatile and, as the chart shows, the underlying trend seems to be fairly flat over this period. *Information and communication* saw strong year-on-year earnings growth of 9%, compared with the equivalent figure for the wider economy of 6%, although the level of pay in this part of the sector has been flat in the last few months.

Vacancies (Figures 4 and 5)

- 2.20 The trend in vacancies is downward. According to the ONS Vacancy Survey the number of UK vacancies in the *Arts, entertainment and recreation* sector fell by 5% in the September to November 2023 quarter compared with the June to August 2023 quarter. Vacancies across the wider economy fell by 5%, whilst vacancies in *Information and communication* declined by 7% over the same period. This is a continuation of an existing trend and vacancies fell over the preceding 12 months by 22% in *Arts, entertainment and recreation*, by 28% in *Information and communication* and by 19% across the wider economy.
- 2.21 The current levels of vacancies for both *Arts, entertainment and recreation* and *Information and communication* have now fallen to levels that are broadly similar to their pre-pandemic position.
- 2.22 *Arts, entertainment and recreation* and *Information and Communication* are ranked eighth 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 and both are now below the average ratio for the wider economy.

Online job postings in West Yorkshire (Figures 6-8)

- 2.23 Data from online job postings allow us to assess the vacancy situation in West Yorkshire³ for occupations that are relevant to the sector; although the picture is not directly comparable to national vacancy figures. The data shows that recruitment activity is now in decline (see figure 6) in West Yorkshire. Although still above pre-pandemic levels, the average count of postings in the three-months to December 2023 was 44% lower than in the same period of 2022. Meanwhile, the count of postings at national level fell by 31% for the same period.
- 2.24 The biggest occupational categories in terms of online job postings continue to be *IT, software and computer services* and *Advertising and marketing*. Both of these categories have seen substantial falls in job postings in recent months, with a decline of 59% for the former and 30% for the latter when comparing the average for the three months to December 2023 with the same period of 2022..

West Yorkshire business counts (Figures 9-12)

³ 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.

- 2.25 Each year a data extract is published, compiled from the Inter Departmental Business Register (IDBR) recording the number of enterprises that were live at a reference date in March. Analysis of this dataset provides a picture of the number of businesses operating in culture, heritage and sport sectors in West Yorkshire, based on [definitions](#) developed by the Department for Culture, Media and Sport.
- 2.26 As of March 2023 there were 17,400 businesses in the DCMS sectors in West Yorkshire, 22% of all businesses in the region. This is slightly lower than the UK average representation of 24%.
- 2.27 Leeds has a higher representation of businesses in DCMS sectors than the other local authorities in West Yorkshire, accounting for 24% of total businesses. This includes a relatively strong representation of Creative businesses.
- 2.28 In the period covered by the data, from 2012 to 2023, the number of businesses in the DCMS sectors grew by 33%, a faster rate than the UK average growth of 26%. However, growth has stalled since the pandemic, with the number of businesses increasing by only 1% in West Yorkshire between 2019 and 2023 and declining by 1% at UK level. The business count for DCMS sectors remained static between 2022 and 2023 in West Yorkshire, whilst declining by 1% across the wider economy of the region.
- 2.29 The lack of growth in the stock of businesses in the DCMS sectors since the pandemic is due to the *Creative* sector, which saw a decline of 10% between 2019 and 2023, including a fall of 1% between 2022 and 2023. All other sectors grew throughout this period (2019-2023): the *Cultural* sector saw an increase of 16%, *Tourism* grew by 10% and *Sport* by 14%. In addition, *Culture* and *Sport* each grew by 5% between 2022 and 2023. The decline in *Creative* businesses during the period was centred on the *IT, software and computer services* sub-sector, which experienced decline of 26% between 2019 and 2023.

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. Evidence shows that people from lower socio-economic backgrounds face problems of exclusion in terms of employment in some parts of the culture, heritage and sport sector and accessing senior roles.

5. Equality and Diversity Implications

- 5.1. Equality, diversity and inclusion is a key challenge with regard to the culture, sport and creative workforce. National data shows that females are under-represented and face an acute gender pay gap. People from ethnic minorities are strongly represented in the digital sector but poorly represented in sport.



6. Financial Implications

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

7. Legal Implications

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 messages from the report.

11. Background Documents

There are no background documents referenced in this report.

12. Appendices

APPENDIX 1 – Economic and sector reporting