

Economic and Demographic Report Quarter 4 January 2020

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Luton Key Statistics

Headlines

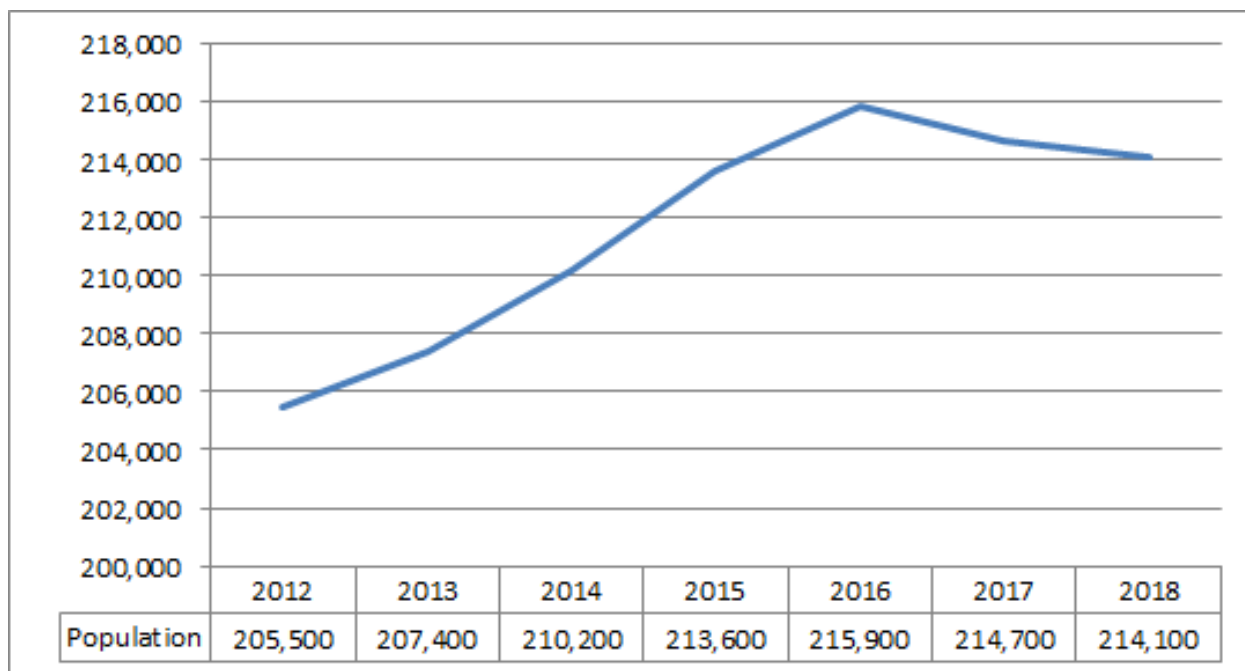
- New data shows that there was an increase in claimant rates which went up from 1.9 per cent of Luton's working age population to 3.2 per cent
- However the broader Annual Population Survey suggests that there was an overall drop in unemployment in the last year by 1.1 per cent
- The economic activity rate in Luton is notably lower than the national rate with 74 per cent economically active compared to 79 per cent and 84 per cent for England and Central Beds respectively
- The biggest proportion of those who are economically inactive are those looking after family / home (36%). The retired population of Luton is much lower with 5 per cent compared to 13 percent nationally
- Luton's GDP per head is above the national average. Economic growth was higher in Luton than nationally at 6.2 per cent compared with 2.7 per cent from 2017-18.
- Almost half (47 per cent) of jobs held nationally are managerial and senior positions compared to only 35 per cent of Luton's working age population in senior roles
- Luton resident full time weekly pay is much lower than national but workplace based earnings (i.e. those who work but don't necessarily live in Luton) is notably higher, suggesting higher paid roles are more likely to be filled by people living outside of Luton
- There were 395 new businesses added to Luton's economy with a difference of 33 per cent in births and death for 2018
- The average house price in Luton (£235,621) fell by 1.29 per cent over the past year

1. Population

Table 1: Population components of change 2017-2018

Values	Luton	Central Beds
Estimated Population 2018	214,100	283,600
Births	3,200	3,300
Deaths	1,600	2,200
Births minus Deaths	1,600	1,000
Internal Migration Inflow	9,000	16,900
Internal Migration Outflow	13,200	14,900
Internal Migration Net	-4,200	2,000
International Migration Inflow	4,100	1,900
International Migration Outflow	2,100	1,300
International Migration Net	2,000	600
Estimated Population 2017	214,700	280,000
Population Change	-600	3,600
% Population Change	-0.3%	1.3%
% Population Change due to Births and Deaths	0.7%	0.4%
% Population Change due to Internal Migration	-2.0%	0.7%
% Population Change due to International Migration	0.9%	0.2%
% Population Change due to Other Adjustments	0.0%	0.0%

Figure 1: Luton population 2012-2018



Latest data 2019 Mid-year Population Estimate, June 2019
 Next Update: June 2020
 Source: Office for National Statistics

2. Employment and jobs

2.1 Employment

Table 2: Total Employee Jobs

	Bedford	Central Beds	Luton	SEMLEP	Great Britain	East
2013	67,000	88,000	85,000	846,000	27,096,000	2,447,000
2014	70,000	92,000	90,000	873,000	27,932,000	2,557,000
2015	73,000	94,000	88,000	900,000	28,739,000	2,629,000
2016	73,000	106,000	94,000	947,000	29,214,000	2,701,000
2017	75,000	103,000	95,000	962,000	29,543,000	2,763,000
2018	76,000	104,000	92,000	969,000	29,758,000	2,781,000
2017-18 Change	1,000	1,000	-3,000	7,000	215,000	18,000
2017-18 Growth	1.3%	1.0%	-3.2%	0.7%	0.7%	0.7%

Table 3: Full Time Employee Jobs

	Bedford	Central Beds	Luton	SEMLEP	Great Britain	East
2013	43,000	60,000	58,000	584,000	18,328,000	1,601,000
2014	46,000	63,000	60,000	609,000	19,082,000	1,690,000
2015	50,000	65,000	61,000	631,000	19,685,000	1,756,000
2016	49,000	72,000	63,000	654,000	19,838,000	1,770,000
2017	50,000	69,000	65,000	665,000	19,944,000	1,808,000
2018	50,000	70,000	62,000	666,000	20,132,000	1,803,000
2017-18 Change	0	1,000	-3,000	1,000	188,000	-5,000
2017-18 Growth	0.0%	1.4%	-4.6%	0.2%	0.9%	-0.3%

Table 4: Part Time Employee Jobs

	Bedford	Central Beds	Luton	SEMLEP	Great Britain	East
2013	24,000	28,000	27,000	262,000	8,769,000	846,000
2014	24,000	29,000	30,000	264,000	8,850,000	867,000
2015	24,000	29,000	26,000	269,000	9,054,000	874,000
2016	24,000	34,000	31,000	293,000	9,377,000	931,000
2017	25,000	34,000	30,000	297,000	9,599,000	955,000
2018	26,000	34,000	30,000	303,000	9,626,000	977,000
2016-17 Change	1,000	0	0	6,000	27,000	22,000
2016-17 Growth	4.0%	0.0%	0.0%	2.0%	0.3%	2.3%

Components may not sum to totals due to rounding

The number of employee jobs in Luton fell from 95,000 to 92,000 between 2017 and 2018, a decrease of 3.2 per cent. Employment nationally rose by 0.7 per cent. Full time employment in Luton fell by 3,000 people while part time employment remained constant.

2.2 Employee jobs by industry

The largest employment sector in Luton in 2018 was in the 'Business administration sector' with 16,000 people employed.

Luton has a higher proportion of people working in manufacturing than nationally, 9.8 per cent compared with 8.1 per cent.

The largest group in Luton are those working in business admin and support jobs at 17.4 per cent. This compares with 9 per cent nationally.

In Luton 9.8 per cent of people work in transport and storage reflecting the importance of the airport.

There are also 5.4 per cent in professional, scientific and technical jobs in Luton which is lower than the national figure of 8.6 per cent.

Table 5: Employee jobs by industry

	2017	2018	2017-18 change
Agriculture, forestry & fishing	0	0	0
Mining, quarrying & utilities	200	300	100
Manufacturing	9,000	9,000	0
Construction	4,000	3,500	-500
Motor Trade, wholesale & retail	14,000	13,000	-1,000
Transport & storage	8,000	9,000	1,000
Accommodation & food services	4,500	4,500	0
Information & communication	2,000	2,000	0
Financial & insurance	1,300	800	-500
Property	2,300	2,000	-300
Professional, scientific & technical	6,000	5,000	-1,000
Business administration & support	16,000	16,000	0
Public administration & defence	3,000	3,000	0
Education	8,000	8,000	0
Health	13,000	12,000	-1,000
Arts, recreation and other	2,800	2,800	0

Figure 2: Luton jobs by industry

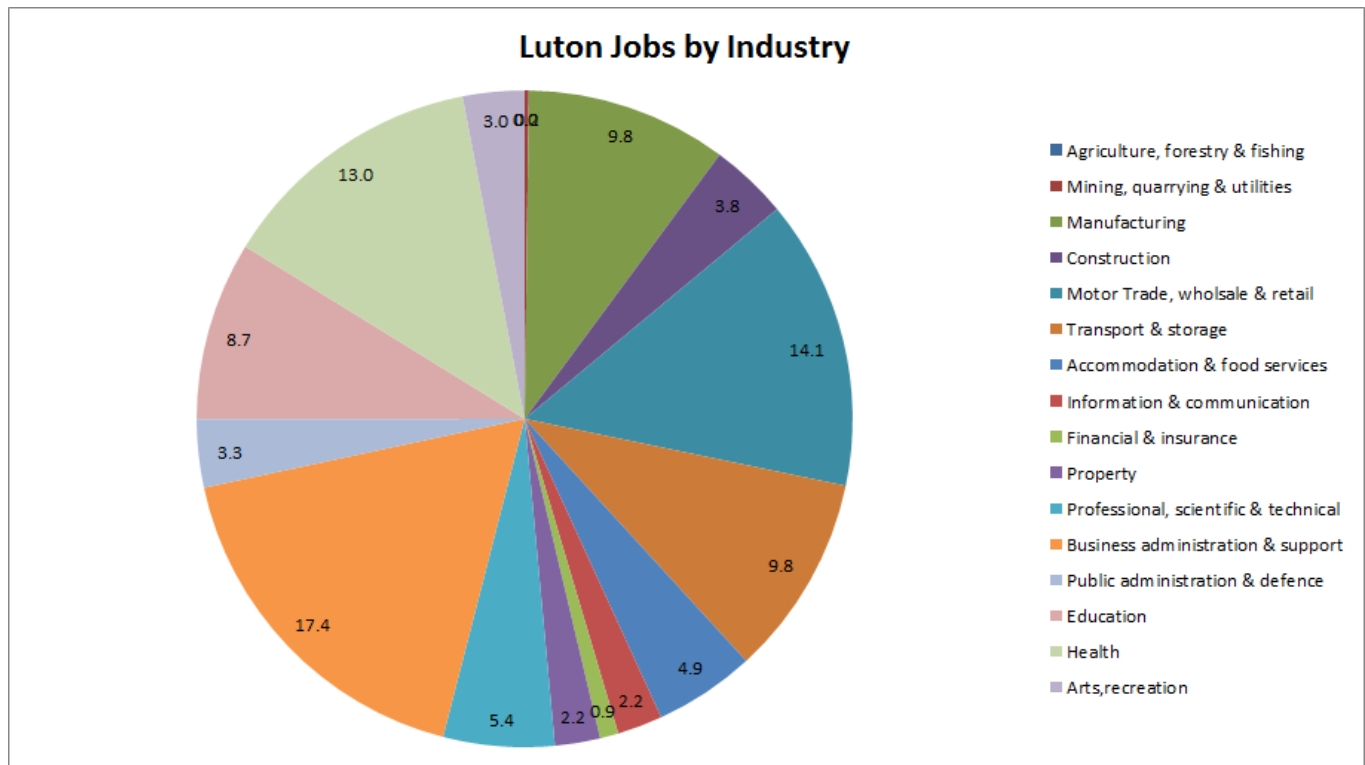
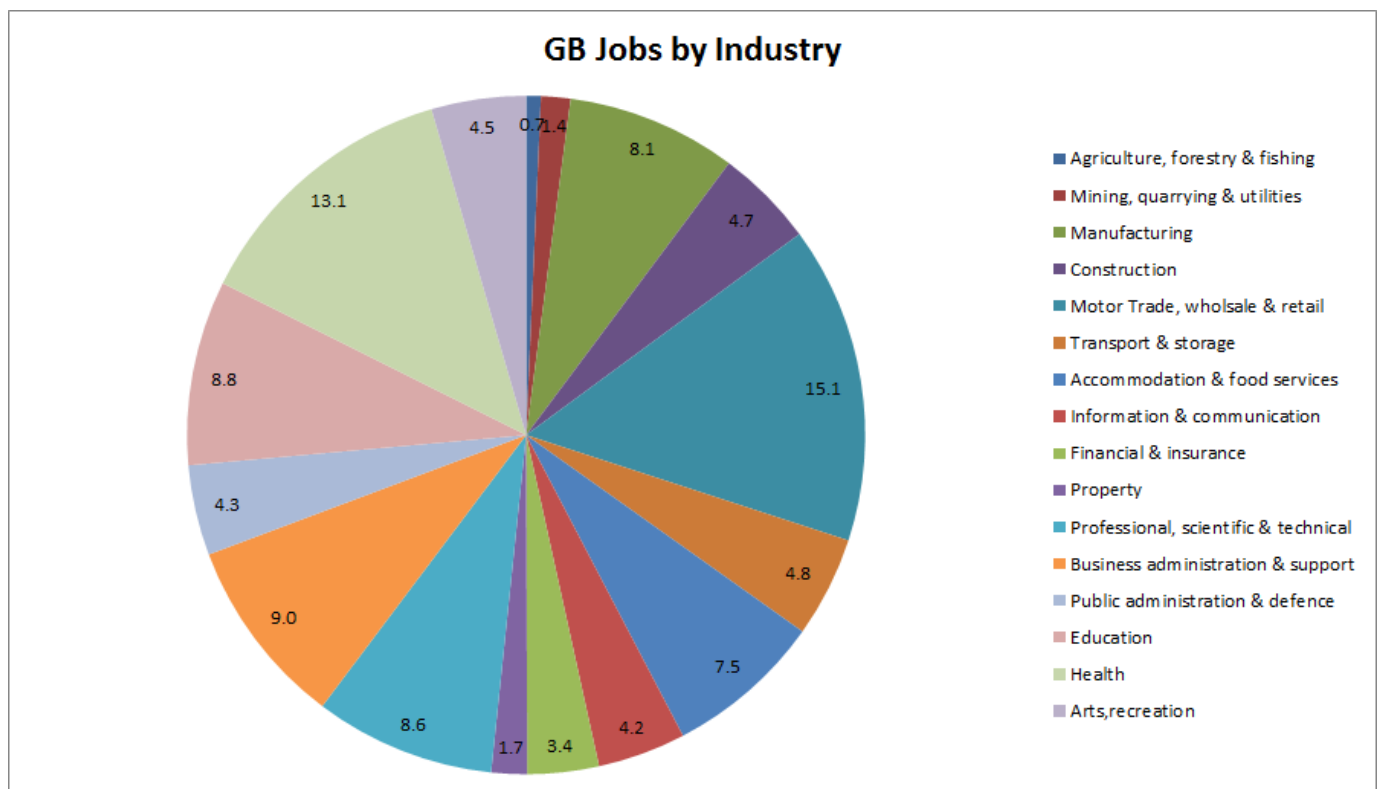


Figure 3: GB jobs by industry



Latest data: 2018 Business Register & Employment Survey, September 2019
 Next Update: September 2020
 Source: Office for National Statistics

2.3 Unemployment claimant count

The unemployment claimant count is a measure of all people who are registered as claiming unemployment benefits.

In Luton, approx. 16 per cent of claimants are in the 16-24 age group which is lower than the national figure of 19.3 per cent. Also 26.7 per cent of claimants in Luton are aged 50 and above which is slightly higher than the national figure of 25 per cent.

Table 6: Claimant count over time

	All			Male			Female		
	Dec-17	Dec-18	Dec-19	Dec-17	Dec-18	Dec-19	Dec-17	Dec-18	Dec-19
All categories: Age 16+	2,495	2,570	4,305	1,490	1,530	2,465	1,005	1,040	1,845
Claimants as a proportion of residents aged 16-64	1.8	1.9	3.2	2.1	2.2	3.5	1.5	1.6	2.8
Aged 16-24	385	375	690	235	225	425	150	150	265
Aged 25-49	1,390	1,440	2,465	800	840	1,350	585	600	1,115
Aged 50+	725	755	1,150	455	465	690	270	290	465

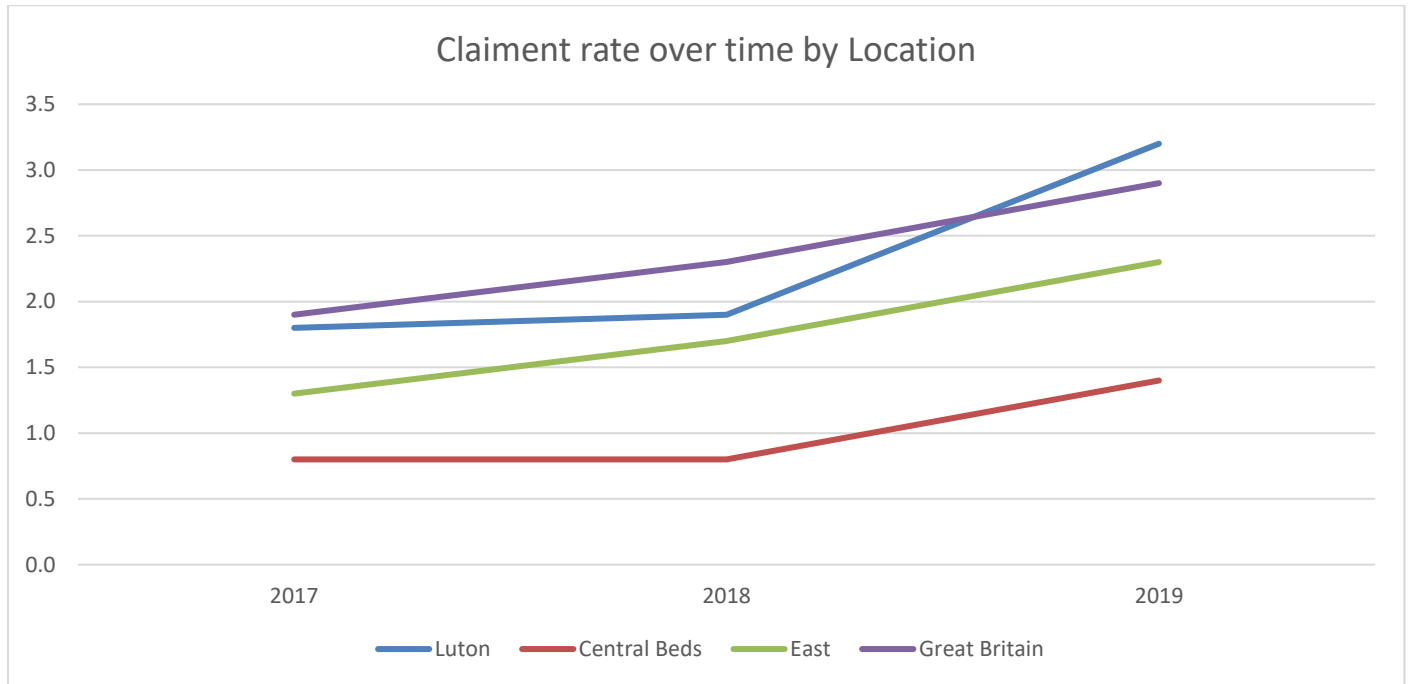
Table 7: Claimant count comparison

Claimants as a proportion of residents aged 16-64			
Dec-19	All	Male	Female
Luton	3.2	3.5	2.8
Central Beds	1.4	1.6	1.3
East	2.3	2.5	2.0
Great Britain	2.9	3.4	2.4

Claimant Count Trend Dec 2017- Dec 2019

There was a notable increase in the number of claimants in Luton in the last year but there has been a similar trend nationally and regionally and this is mainly due to the change to Universal Credit which has led to an increase in the numbers listed as claimants.

Figure 4: Claimant count over time and location

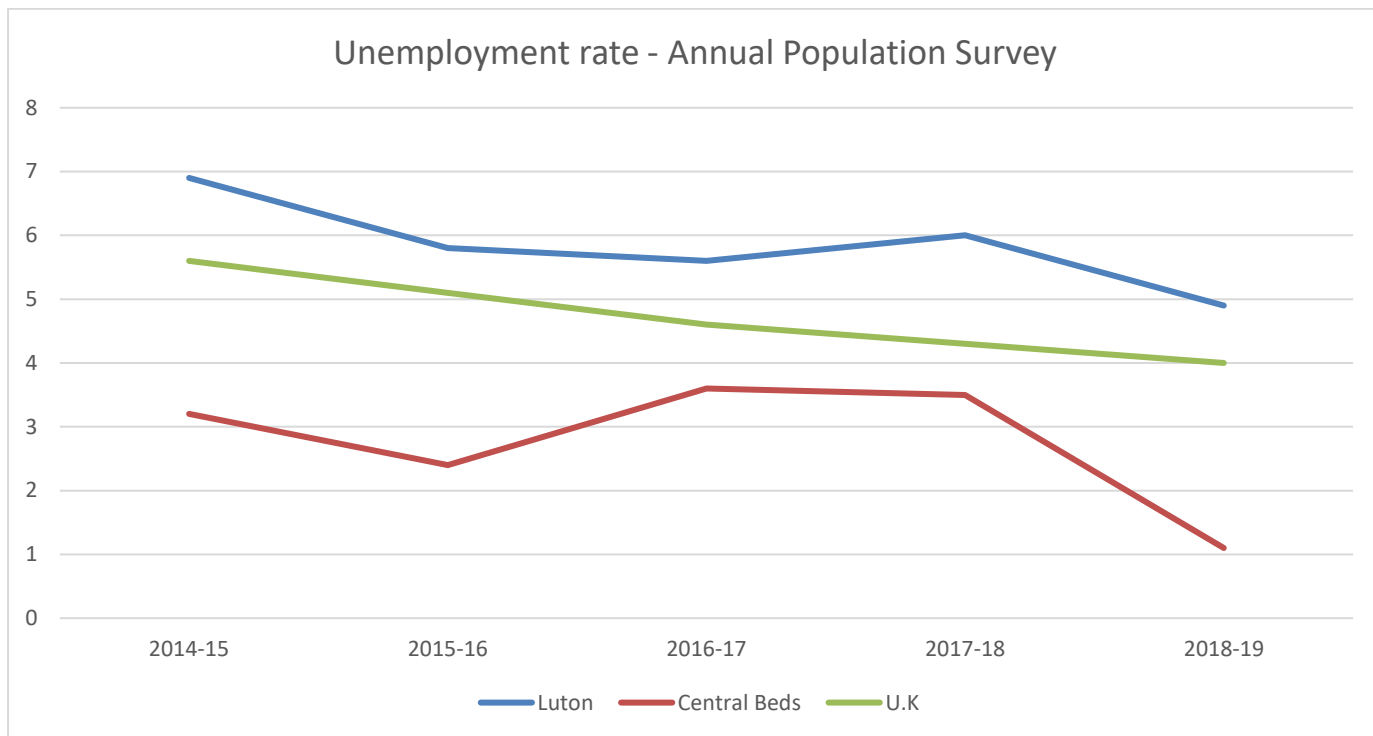


Latest data: September 2019 Claimant Count
Next Update: Published monthly
Source: Office for National Statistics via NOMIS

2.4 Annual Population Survey unemployment rate, 2015-2019

The unemployment rate from the annual population survey is a broader measure than the claimant count because it comes from a survey question. The rate for Luton fell from 6 per cent in 2018 to 4.9 per cent at the end of 2019 but is still above the regional and national figures.

Figure 5: Unemployment rate – Annual population survey



Latest data: Annual Population Survey Q3 2019
Next Update: Published quarterly
Source: Office for National Statistics via NOMIS

3. Economic activity

The economically active rate i.e. people either in work or looking for work, has been at a similar rate for the past three years and is now 73.8 per cent in Luton, this is lower than the national rate of 78.7 per cent.

The male economic activity rate in Luton is 80.1 per cent compared with 83.3 per cent nationally and the female rate 67.1 per cent compared with 74.2 per cent nationally. There are currently 102,600 economically active people in Luton.

Table 8: Economic activity by time, age and gender

Economic activity rate (age 16-64)		All	Male	Female
Oct 2014-Sep 2015	Central Beds	81.3	88.5	74.3
	Luton	72.9	80.8	64.9
	UK	77.5	83	72.1
Oct 2015-Sep 2016	Central Beds	80.9	88.2	73.8
	Luton	72.6	81.4	63.4
	UK	77.7	83	72.4
Oct 2016-Sep 2017	Central Beds	84.6	88.6	80.6
	Luton	74.4	82.3	66.1
	UK	77.9	83	72.9
Oct 2017-Sep 2018	Central Beds	84.4	85.3	83.6
	Luton	70.3	78.2	61.8
	UK	78.3	83.2	73.4
Oct 2018-Sep 2019	Central Beds	82	87.8	76.2
	Luton	73.8	80.1	67.1
	UK	78.7	83.3	74.2

3.1 Economic inactivity

In Luton 36.9 per cent of those economically inactive are looking after family/home compared with 23.6 per cent nationally. The proportion of the economically inactive who are long term sick is 15.9 per cent compared with 23.3 per cent nationally.

Table 9: Economic inactivity by reason and location

Economic inactivity (Oct 2018-Sep 2019)	Luton	Luton	East	GB
	(level)	(%)	(%)	(%)
Total (all people)	36,400	26.2	19.5	21.1
Student	11,500	31.4	23.4	26.7
looking after family/home	13,400	36.9	24.8	23.6
long-term sick	5,800	15.9	21.9	23.3
retired	1,800	4.8	15.6	12.9
other	2,700	7.5	12.5	11.4

3.2 Employment by occupation

In Luton 16 per cent of those employed are in professional occupations compared with 21 per cent nationally. There are 15 per cent of people in Luton employed in elementary occupations compared with 10 per cent nationally.

Table 10: Employment by occupation

Employment by occupation Oct 19-Sep19	Central Beds	Luton	UK
% all in employment who are - 1: managers, directors and senior officials	13.1	8.6	11.2
% all in employment who are - 2: professional occupations	20.9	16.0	21.2
% all in employment who are - 3: associate prof & tech occupations	21.2	10.0	14.6
% all in employment who are - 4: administrative and secretarial occupations	8.9	10.7	9.8
% all in employment who are - 5: skilled trades occupations	9.1	8.4	10.1
% all in employment who are - 6: caring, leisure and other service occupations	8.5	7.9	9.0
% all in employment who are - 7: sales and customer service occupations	5.3	7.7	7.3
% all in employment who are - 8: process, plant and machine operatives	5.3	15.0	6.2
% all in employment who are - 9: elementary occupations	7.8	15.1	10.2

Latest data: Annual Population Survey Q3 2019

Next Update: Published quarterly

Source: Office for National Statistics via NOMIS

4. Economy

4.1 Gross domestic product

The collection of this data has changed and it now includes the effects of taxes and subsidies on products to derive annual estimates of regional gross domestic product (GDP). GDP is equivalent to GVA plus Value Added Tax (VAT) plus other taxes on products less subsidies on products.

Luton's GDP per head is above the national average. Economic growth was higher in Luton than nationally at 6.2 per cent compared with 2.7 per cent from 2017-18. Please note that these data are not inflation adjusted.

Table 11: GDP per head over time

GDP per head £	2014	2015	2016	2017	2018	17/18 growth
Luton	30,306	31,348	32,839	33,096	35,139	6.2%
Central Bedfordshire	22,011	21,751	22,947	24,887	25,806	3.7%
UK	28,824	29,441	30,397	31,367	32,216	2.7%

Latest data: Regional GDP 2018, published December 2019
 Next Update: December 2020
 Source: Office for National Statistics

4.2 Gross disposable household income

Luton's GDHI per head is 21.6 per cent below the national average.

Table 12: Gross disposable household income per head

	2013	2014	2015	2016	2017	2016-17 Growth
Luton	75.9	76.3	74.8	77.4	79.4	2.6%
Central Bedfordshire	107.3	105.7	105.6	105.6	101.8	-3.6%

Table 13: Gross disposable household income per head index

	2013	2014	2015	2016	2017	2016-17 Growth
Luton	13,564	13,959	14,388	14,965	15,488	3.5%
Central Bedfordshire	19,161	19,343	20,306	20,399	19,870	-2.6%

Latest data: Regional GDHI 2017, published May 2019
 Next Update: May 2020
 Source: Office for National Statistics via NOMIS

4.3 Annual Survey of Hours and Earnings

Average full time earnings of those working in Luton but not necessarily living in Luton are higher than those of the residents of Luton.

Average residents' part time earnings fell by £2 whilst workplace part time earnings increased by £4 between 2018 and 2019.

Resident based full time earnings increased in Luton between 2018 and 2019 with an £18 per week increase in the average earnings of residents and £12 increase in workplace earnings.

Table 14: Median weekly pay

Median weekly pay					
Full Time Workers	2015	2016	2017	2018	2019
Resident	489	504	528.5	541.8	560.4
Workplace	524.1	543.6	591.2	576.6	598.2
Part Time Workers	2015	2016	2017	2018	2019
Resident	160.2	166.3	182.9	182.3	179.9
Workplace	158.5	196.1	198	199.6	204

Compared to England, Luton residents' average earnings are lower than and the workplace earnings are higher. The reverse is the case in Central Bedfordshire.

Table 15: Gross pay by location

Weekly gross pay 2019	Resident		Workplace	
	FT	PT	FT	PT
Central Bedfordshire	650	210	558	200
Luton	560	180	598	204
England	591	196	591	196

It is estimated that 25,500 people in employment (10,500 full-time and 15,000 part-time) earn below the real living wage of £9 per hour.

Latest data: Annual Survey of Hours & Earnings 2019, published January 2020

Next Update: January 2021

Source: Office for National Statistics via NOMIS

4.4 Business demography

There were 1,600 new enterprises in Luton in 2018, down by 145 from the previous year. The 2016 data for Luton and Central Bedfordshire looks like an error that was corrected for the late year.

In total, there were 395 new businesses added to Luton's economy with a difference of 33 per cent in births and death for 2018.

Table 16: Business births and deaths

	2015	2016	2017	2018	2018 growth
UNITED KINGDOM					
Births	382,755	413,900	381,885	380,580	13%
Deaths	281,995	280,680	361,940	335,665	
	100,760	133,220	19,945	44,915	
East					
Births	35,440	45,400	36,935	35,880	16%
Deaths	26,790	26,660	38,370	30,925	
	8,650	18,740	-1,435	4,955	
Central Bedfordshire					
Births	1,585	4,865	2,245	2,200	52%
Deaths	1,210	1,215	3,820	1,450	
	375	3,650	-1,575	750	
Luton					
Births	1,425	4,440	1,745	1,600	33%
Deaths	805	830	4,000	1,205	
	620	3,610	-2,255	395	

Latest data: Business Demography 2018, published January 2020

Next Update: January 2021

Source: Office for National Statistics Business Demography

5. House prices

5.1 Average house prices

The average house price in Luton is £235,621 which is lower than the national average. Luton's average house price fell by 1.29 per cent over the past year.

House prices also fell in Central Bedfordshire but rose slightly in England. The average house price in Luton rose by 0.5 per cent in the last month (November 2019) which was higher than the national increase. In contrast, there were a slight dip in house prices in Central Bedfordshire.

Table 17: Average house price

	Average house price	Monthly %	Annual %
Luton	£235,621	0.5	-1.29
C Beds	£304,673	-0.2	-1.92
England	£251,222	0.3	1.73

Latest data: Land Registry house prices November 2019, published monthly
Source: Land Registry

5.2 Housing affordability

House prices have become less affordable in Luton and Central Bedfordshire with the ratio of median house prices to median earnings increasing from 6.47 in 2014 to 8.76 in 2018 in Luton and from 7.32 to 9.68 in Central Bedfordshire.

The ratio of lower quartile house prices to lower quartile earnings has also increased in Luton and Central Beds. This measure has seen an increase from 7.30 to 9.24 in Luton between 2014 and 2018 and an increase from 7.98 to 10.71 in Central Bedfordshire in the same time period.

Table 18: Ratio of median house prices to median earnings

	2014	2015	2016	2017	2018
Central Beds	7.32	7.80	8.21	9.36	9.68
Luton	6.47	6.94	8.12	8.17	8.76

Table 19: Ratio of lower quartile house prices to lower quartile earnings

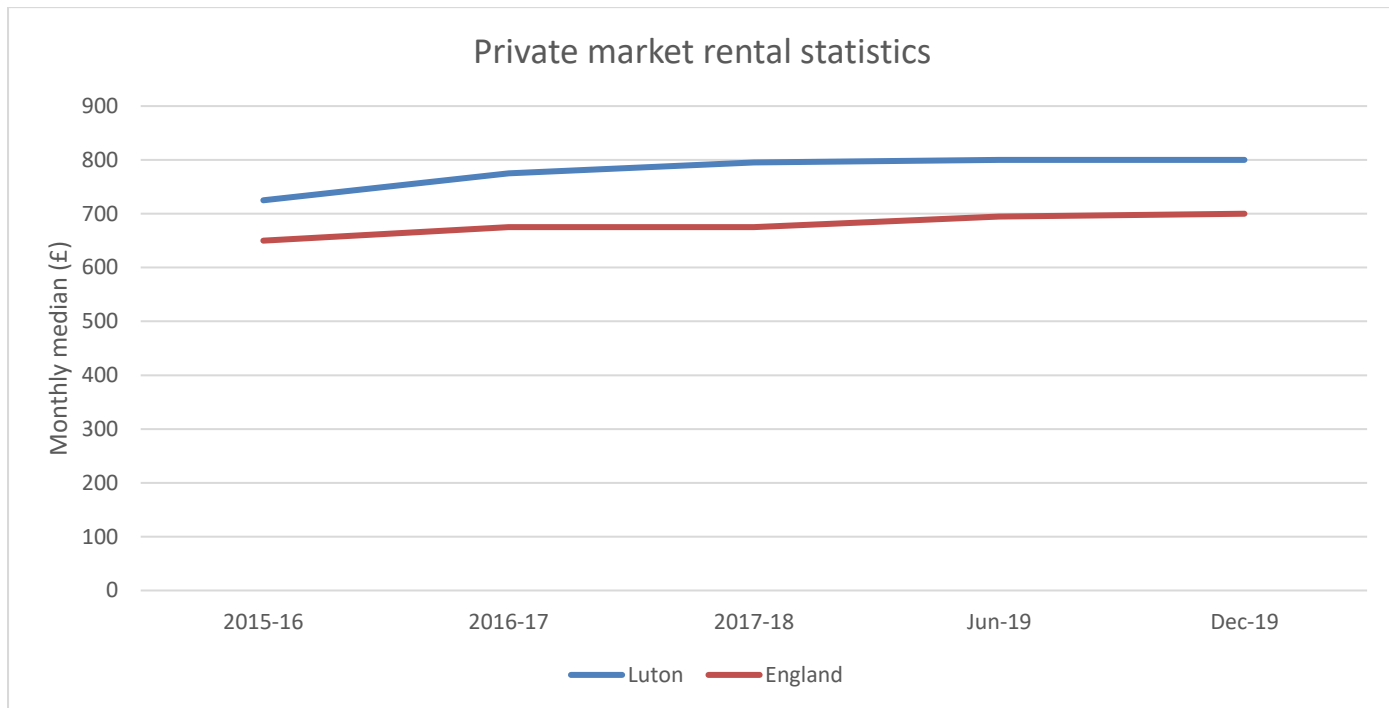
	2014	2015	2016	2017	2018
Central Beds	7.98	8.33	9.34	9.58	10.71
Luton	7.30	8.06	9.10	8.77	9.24

Latest data: Ratio of House Prices to Earnings 2018, published March 2019
Next Update: March 2020
Source: Office for National Statistics

5.3 Average monthly rents

Average rental prices have been increasing in Luton at a faster rate than the national figure. The trend has slowed in the last year.

Figure 6: Private market rental statistics



Latest data: Average Private Monthly Rental Statistics, Published December 2019
Next Update: June 2020
Source: Valuation Office

For further information on this topic, contact the Business Intelligence Team at:
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