



Lincolnshire Economic Briefing

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Headlines

National

Economic growth slows slightly to 0.5 per cent (Q3 2015)

Manufacturing output remains low but services output remains strong and stable

Inflation rises to 0.1 per cent in November

Local

Employment rate currently 74.8 per cent, above the national rate (72.9 per cent)

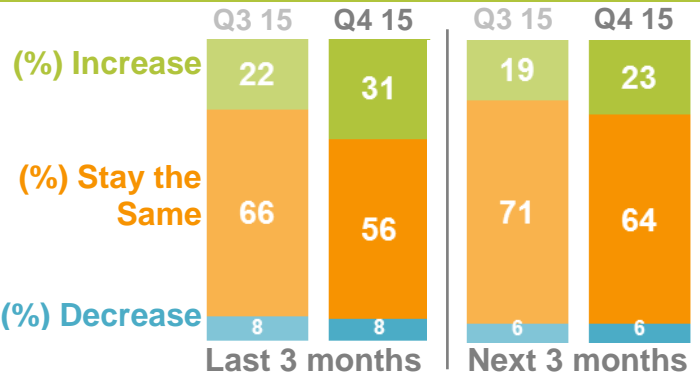
Overall unemployment rises slightly, whilst long term unemployment rate is below the national average

Quarterly Economic Survey Snapshot – Q4



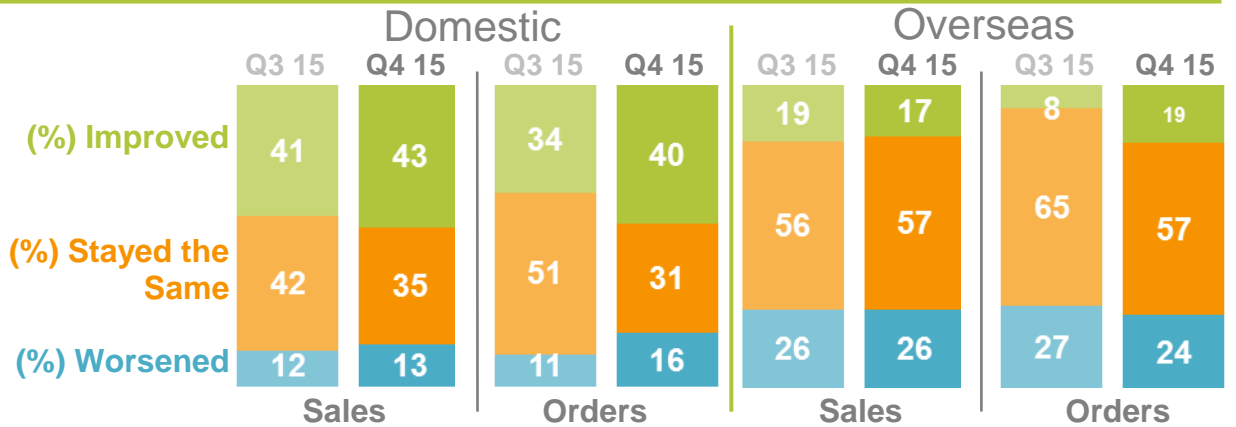
Domestic demand remains strong
 Domestic sales and orders at all-time high for second consecutive quarter
 High levels of confidence for the coming 12 months

Workforce



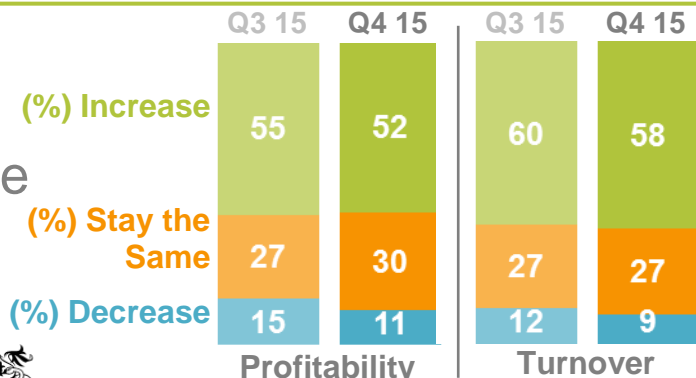
Sales and Markets

Last 3 Months



Performance

Next 12 Months



Net balance of sales and orders for exporting businesses remains negative
 Manufacturing sector continues to struggle compared to service sector





Businesses optimistic for the year ahead

Businesses appear confident about the new year despite challenges in Europe according to the latest findings from the Lincolnshire Quarterly Economic Survey.

Domestically, businesses continue to report increases in both sales, and bookings and orders.

There have been increases in businesses expanding their workforce in the past quarter, as well as an increasing number reporting improvements in cash flow, which could be driven in part by the seasonal effect on the service sector recruiting before the busy Christmas period.

Whilst domestic demand remains the driver behind UK business confidence, businesses who export are still facing a challenge. The net balance of exporting businesses have experienced a decrease in sales and orders in the past quarter.

In particular the service sector has seen a relatively steep decline in overseas sales. However, the manufacturing sector reports a cautiously improving picture overseas with the net balance of exporting businesses reporting improving overseas sales, bookings and orders, a reverse on the previous quarter. Despite this the manufacturing sector is still struggling in

comparison to the service sector.

The export markets remain under pressure despite improving exchange rates (£1=1.39 Euro). Slow growth in the Eurozone remains a factor in the poor exporting figures reported. Growth in the Eurozone slowed to 0.3 per cent in the three months to September, which remains below the UK growth rate of 0.5 per cent which also slowed from 0.7 per cent in the previous quarter. There is still a fair degree of uncertainty in the Eurozone for local businesses, particularly with speculation looming around the EU referendum for the UK being held as soon as next year.

Despite this, businesses remain bullish about the forthcoming year with high levels of confidence that turnover and profitability will increase over the next 12 months. Businesses appear to be preparing for this by revising their investment plans upwards for the coming three months.

Export markets remain the main challenge for many businesses. This is recognised by the government, as exporting is seen as integral to the plan to raise productivity. The recently launched Exporting Is Great programme seeks to provide support to businesses, whilst the trade agreement between Lincolnshire and Hunan in China and improving domestic demand is a cause for optimism in the coming year.

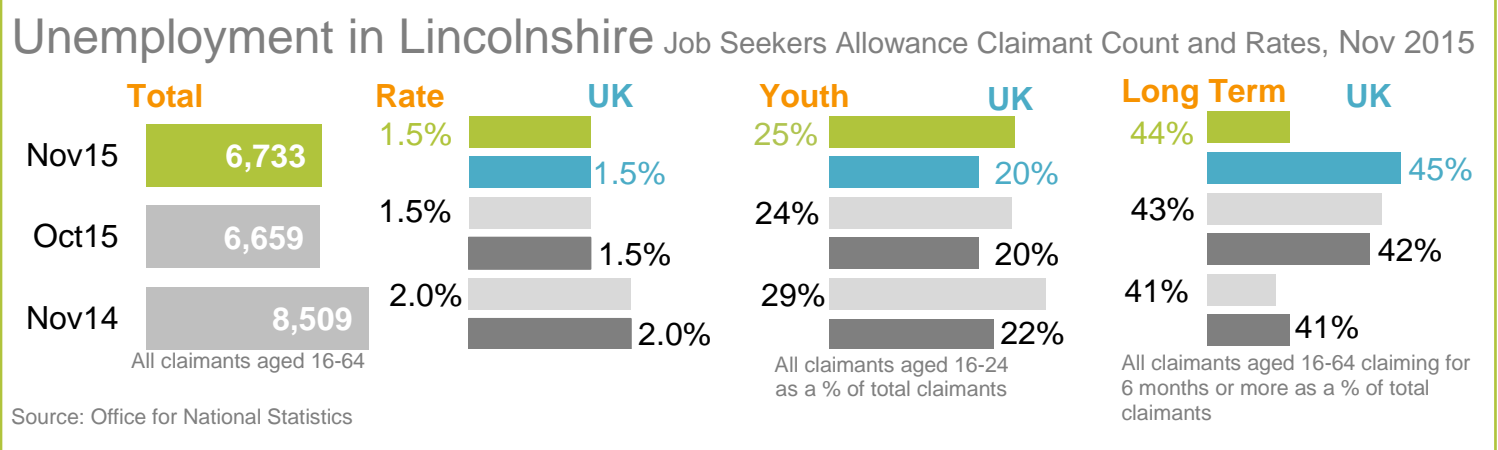
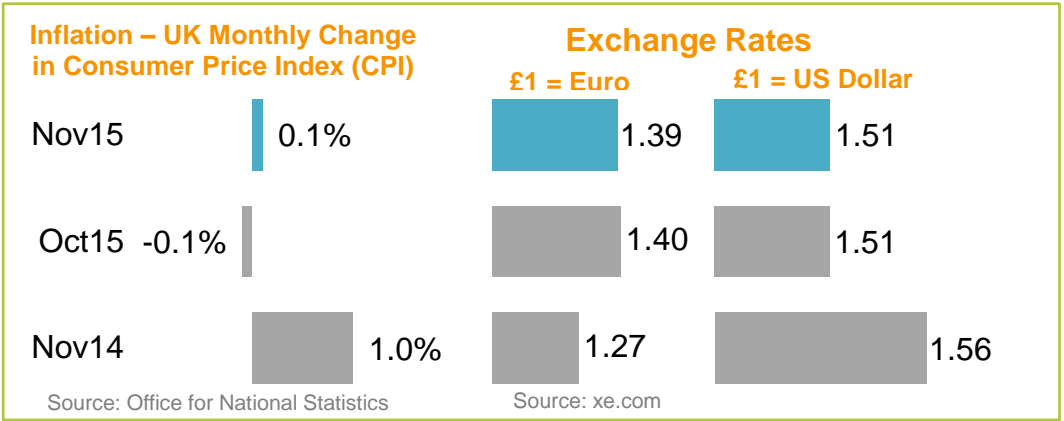
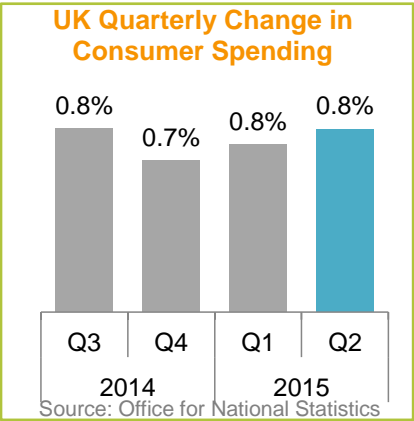
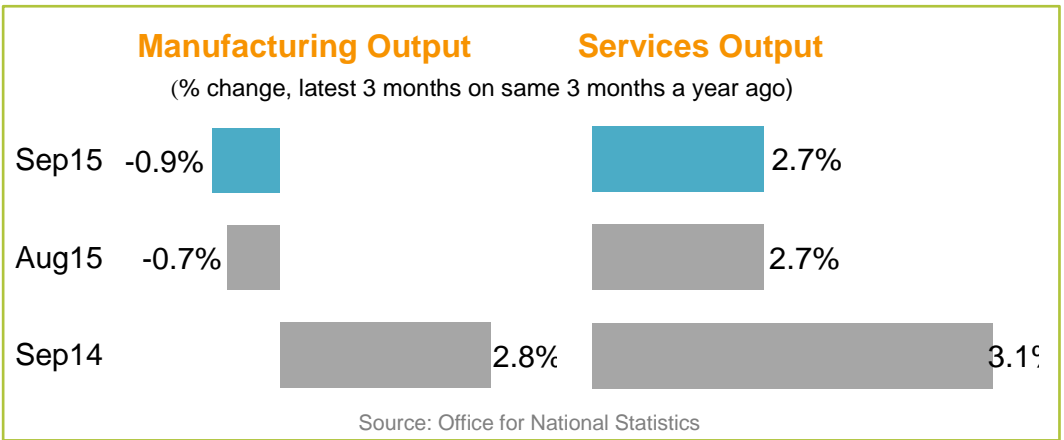
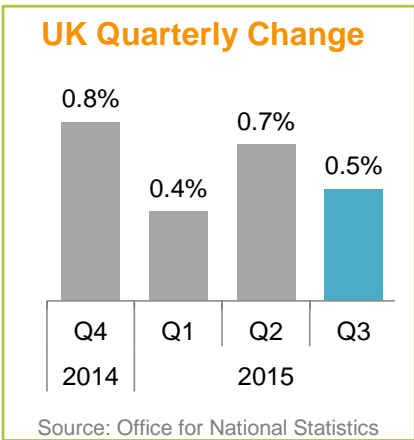
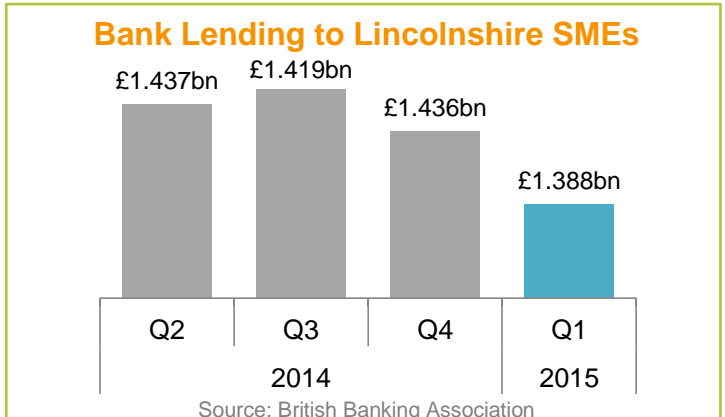
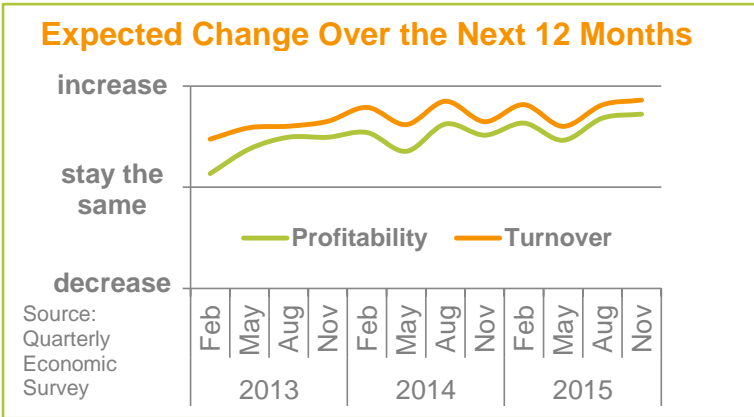
Previous Quarter (Q3) Comparison with National Results

The net balance of companies that say:

	Manufacturing		Services	
	Lincolnshire	UK	Lincolnshire	UK
Their UK sales increased	↓	—	↑	↑
Their UK orders increased	↑	—	↓	—
Their export sales increased	↓	↓	↓	↓
Their export orders increased	↓	↓	↓	↓
They expect turnover to improve*	↓	↓	↓	↓
They expect their workforce to increase**	↓	↓	↑	↓

*in the next 12 months **in the next three months

National and Local Economic Indicators





LEADER Funding Open

Outline applications are now being accepted from the four LEADER programmes in Lincolnshire.

The Coastal Action Zone, Kestevens, Lindsey Action Zone and Wash Fens LEADER groups can support business and community projects in rural areas.

The Rural Development Programme for England (RDPE) provides money through LEADER for projects to improve agriculture, the environment and rural life. It is managed by the Department for Environment, Food and Rural Affairs (Defra).

Applications for funds must contribute to one or more of six national priorities to support rural development; farming, forestry, business, tourism, rural services and heritage restoration.

Cllr Colin Davie, the Executive Councillor for Economic Development & Tourism said:

“Local jobs and prosperity depend upon investment, which has always been a real priority for this council. One important way of investing for the future in rural areas is through the LEADER programme and I am absolutely delighted to announce that our Local Action Groups are now ready to accept Outline Applications.”

“This programme will mainly assist private sector projects and rural services which will support our ambitions for growth and productivity in our rural areas.”

The programme is planned to run for 5 years, or until all funding has been allocated. All project funded expenditure will need to be completed by 30th October 2020.

To find out if you are eligible to apply, or to access the applicant handbook go to:
<http://www.lincolnshire.gov.uk/funding>
 Or email: LincsLEADER@lincolnshire.gov.uk

Business Lincolnshire - The local website linking you to schemes and services to help you start or grow your business: www.businesslincolnshire.com
www.gov.uk

Greater Lincolnshire Employment and Skills Board - Giving employers opportunities to lead and influence local training provision to have access to skills needed to grow their business.
 tel: 01522 550545
 email: clare.hughes@lincolnshire.gov.uk

Greater Lincolnshire Local Enterprise Partnership - Supporting business in the region; aiming to improve infrastructure and conditions for doing business from the Humber to the Wash.
www.greaterlincolnshirelep.co.uk
 email: GLLEPsecretariat@lincolnshire.gov.uk

Jobcentre Plus - Providing services that support people of working age from welfare into work, helping employers fill their vacancies
www.gov.uk/jobs-jobsearch www.gov.uk/advertise-job

Select Lincolnshire - Raising the profile of Lincolnshire, promoting and attracting investment into the county, signposting to local produce within the County and promoting food and drink across the UK. www.selectlincolnshire.com tel: 01522 550618
 email: select@lincolnshire.gov.uk

Lincolnshire Chamber of Commerce
 A membership organisation providing business - support advice and benefits. www.lincs-chamber.co.uk tel: 01522 523333 email: enquiries@lincs-chamber.co.uk

Trading Standards business advice
 Giving support and encouragement to businesses by giving advice and information to help them get it right first time. www.lincolnshire.gov.uk tel: 01522 782341
 email: TradingStandards@lincolnshire.gov.uk

Federation of Small Businesses
 A non-profit making membership group promoting the interests of the self-employed and owners of small businesses www.fsb.org.uk email: david.thorpe@fsb.org.uk tel: 01522 790806 (Direct)
 m: 07917 628927 tel: 01522 688070 (Lincoln Office)

All information contained in this briefing is the most up-to-date available at time of publication (4th Jan 2015). This briefing has been produced by the Economy and Environment Research Team at Lincolnshire County Council, and published on the Lincolnshire Research Observatory (LRO) website. Visit the Economy theme page on the website for more information www.research-lincs.org.uk/Economy