STATE OF THE DISTRICT 2017

ECONOMY, BUSINESS AND EMPLOYMENT

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CONTENTS

ECONOMY, BUSINESS AND EMPLOYMENT

Enabling and supporting growth of the economy and opportunity for investment and jobs is one of the Council's strategic priorities to deliver the Council's vision of 'Securing a prosperous future for the Dover district, which will be a place where people want to live, work, invest and visit'[1].

1. KEY ECONOMIC INDICATORS - SUMMARY AND COMPARISONS

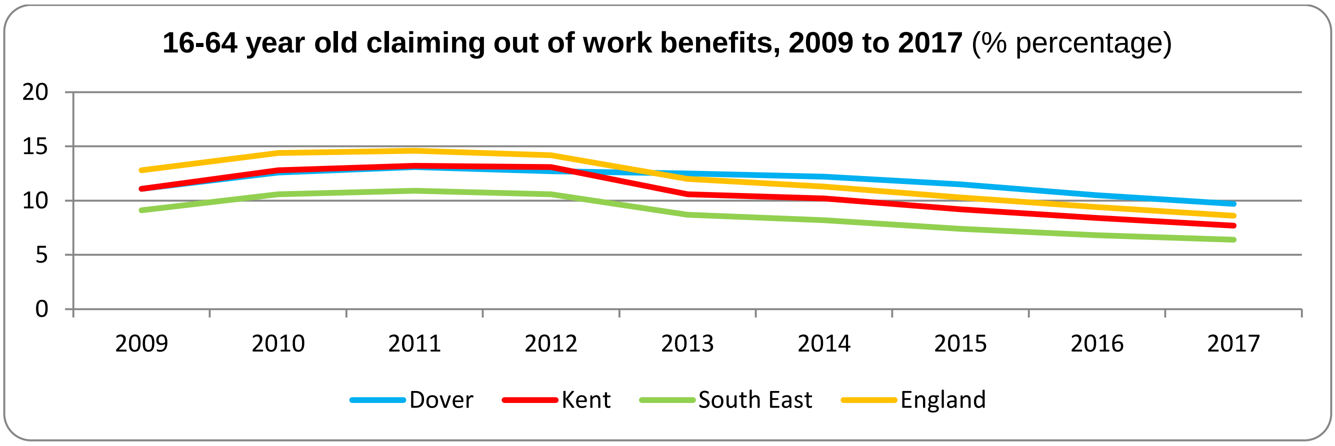
Dover	2013	2014	2015	2016	2017	
% 16-64 claiming out of work benefits	12.5	12.2	11.5	10.5	9.7	↓
Unemployment Rate (%)	3.9	3.4	2.7	1.9	2.0	↑
Median Gross Weekly Workplace Earnings (£)	498.6	480.8	508.9	504.9	519.1	↑
Median Gross Weekly Resident Earnings (£)	507.9	503.8	532.9	497.7	502.6	↑
Employment Rate (%)	67.5	71.2	64.8	69.4	76.7	↑
5 year % change in employees	-12.9	-19.3	-12.2	-7.5	-2.0	↑
Stock of businesses	3,115	3,180	3,305	3,345	3,390	↑
3-year Business Survival Rate (%)	59.1	63.8	53.8	55.1	55.9	↑
GVA per Head (£)	14,989	14,764	15,271	15,330	15,715	↑
% Employees in the Knowledge Economy	11.7	10.6	10.1	11.1	10.8	↓
% NVQ4+	18.4	32.4	28.6	27.8	32.8	↑
↓ Down from 2016 (good); ↓ Down from 2016 (bad); ↑ Up from 2016 (good); ↑ Up from 2016 (bad)						

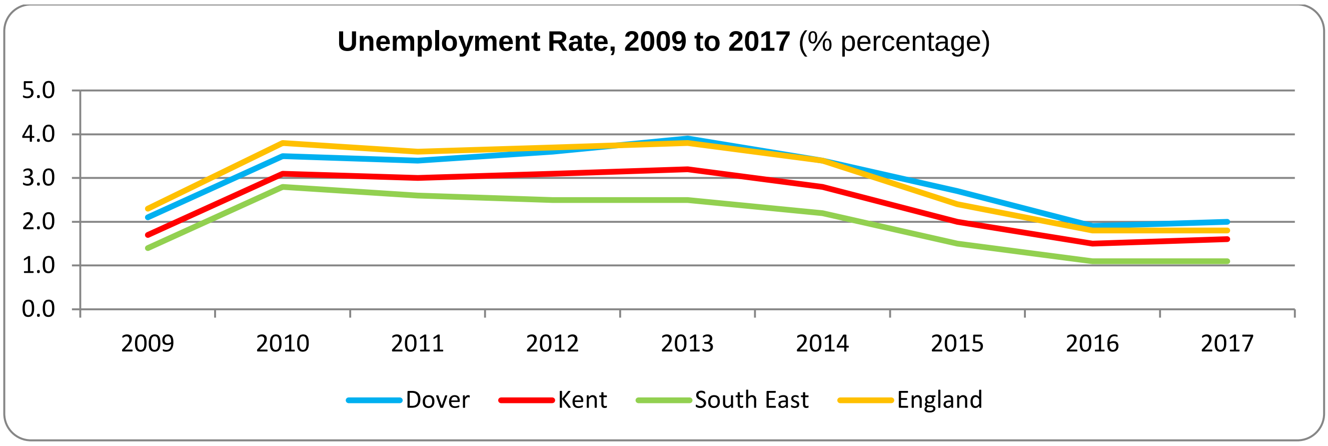
Source: KCC Research & Evaluation. Please see end note for an explanation of the indicators and the dates to which the data relates.

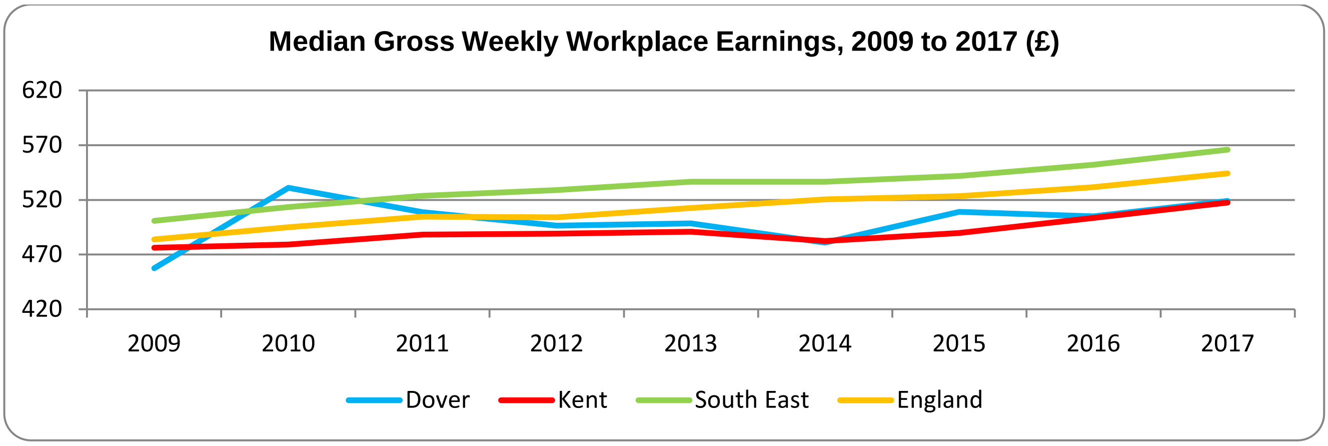
Employment and unemployment rates can rise at the same time as it depends on the number of people entering the working population and their circumstances. For example, if 10 million people are working, and 1 million are not (for whatever reason) and a further 2 million enter the working population, employment could rise to 11 million and unemployment to 2 million, which is a rise in both employment and unemployment.

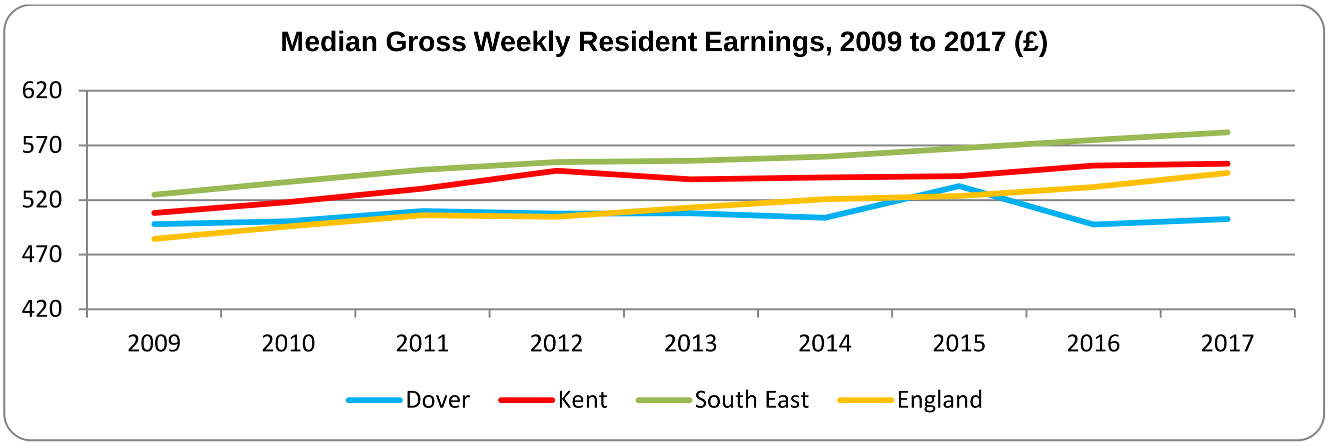
2017	Dover	Kent	South East	England
% 16-64 claiming out of work benefits	9.7	7.7	6.4	8.6
Unemployment Rate (%)	2.0	1.6	1.1	1.8
Median Gross Weekly Workplace Earnings (£)	519.1	517.5	566.0	544.2
Median Gross Weekly Resident Earnings (£)	502.6	553.3	582.0	544.7
Employment Rate (%)	76.7	74.7	77.6	74.3
Stock of businesses (number)[2]	3,390	n/a	n/a	n/a
Stock of businesses – new change (%)[3]	n/a	3.4	33.7	33.7
3-year Business Survival Rate (%)	55.9	59.6	61.1	59.2
GVA per Head (£)	15,715	21,636	27,847	26,159
% Employees in the Knowledge Economy	10.8	16.6	22.0	20.5
% NVQ4+	32.8	36.9	41.4	37.9

[1] Corporate Plan 2016-2020: www.over.gov.uk/Corporate-Information/PDF/Corporate-Plan-2016.pdf
[2] At district level, this gives a snapshot of the number of vat registered businesses in an area
[3] At county level and above, this is the net change in stock of businesses as a proportion of all businesses.


16-64 year old claiming out of work benefits, 2009 to 2017 (% percentage)
20
15
10
5
0
2009 2010 2011 2012 2013 2014 2015 2016 2017
Dover Kent South East England


Unemployment Rate, 2009 to 2017 (% percentage)
5.0
4.0
3.0
2.0
1.0
0.0
2009 2010 2011 2012 2013 2014 2015 2016 2017
Dover Kent South East England


Median Gross Weekly Workplace Earnings, 2009 to 2017 (£)
620
570
520
470
420
2009 2010 2011 2012 2013 2014 2015 2016 2017
Dover Kent South East England


Median Gross Weekly Resident Earnings, 2009 to 2017 (£)
620
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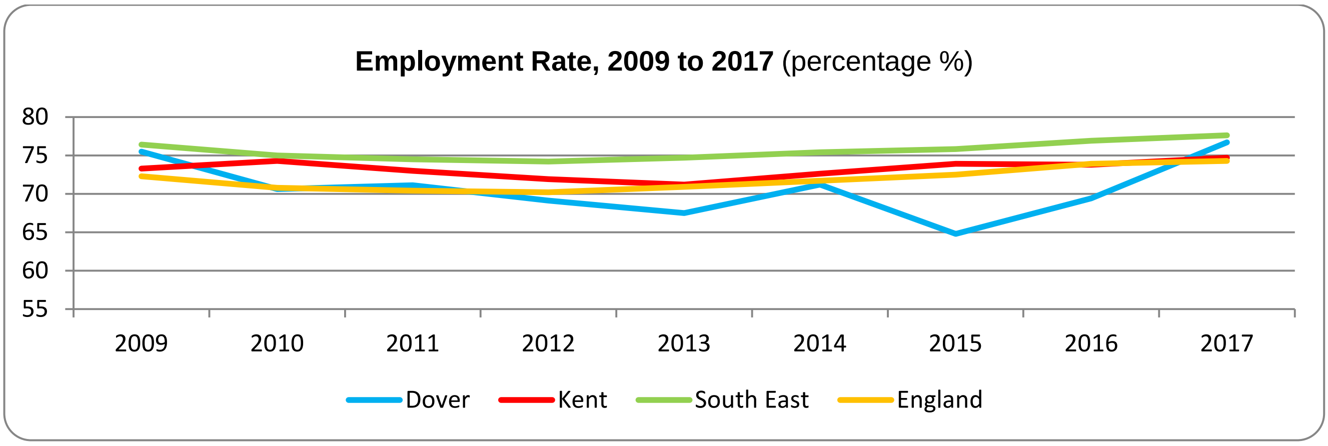
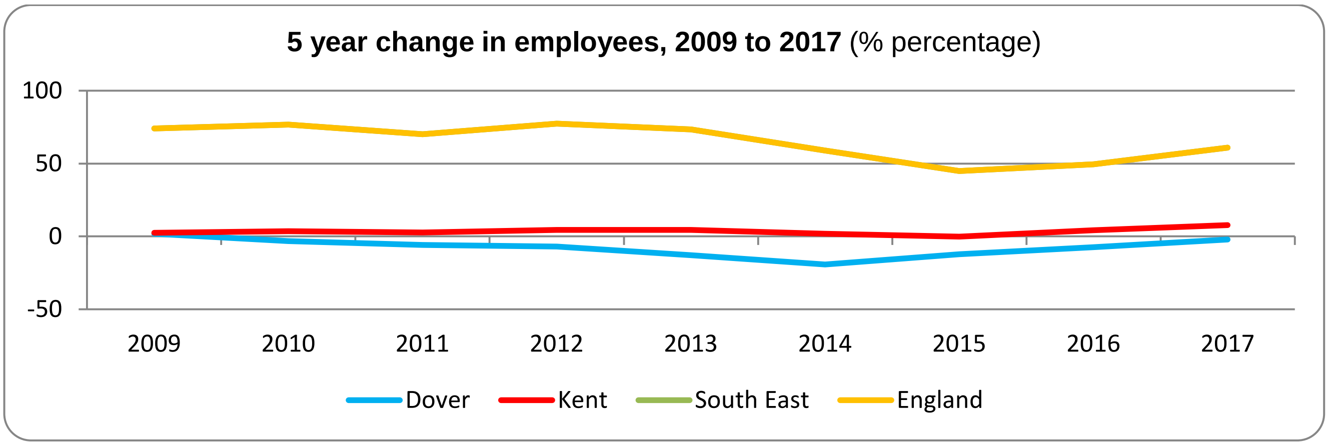
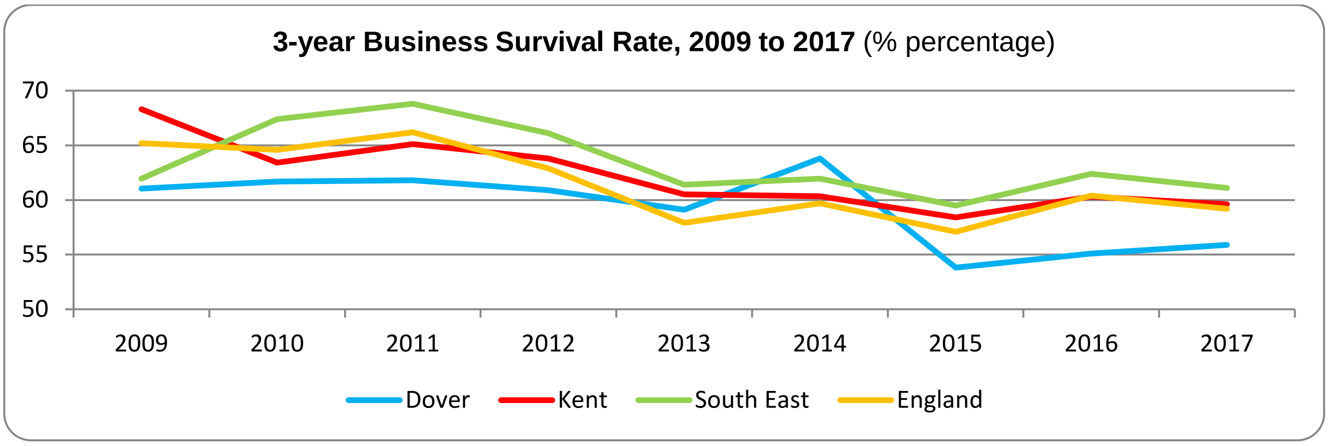
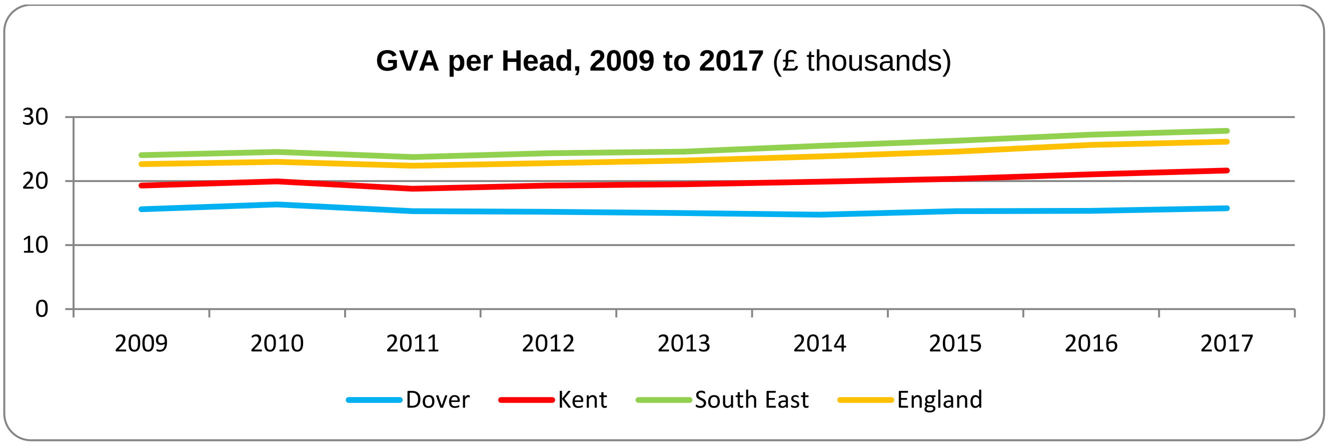
470
420
2009 2010 2011 2012 2013 2014 2015 2016 2017
Dover Kent South East England

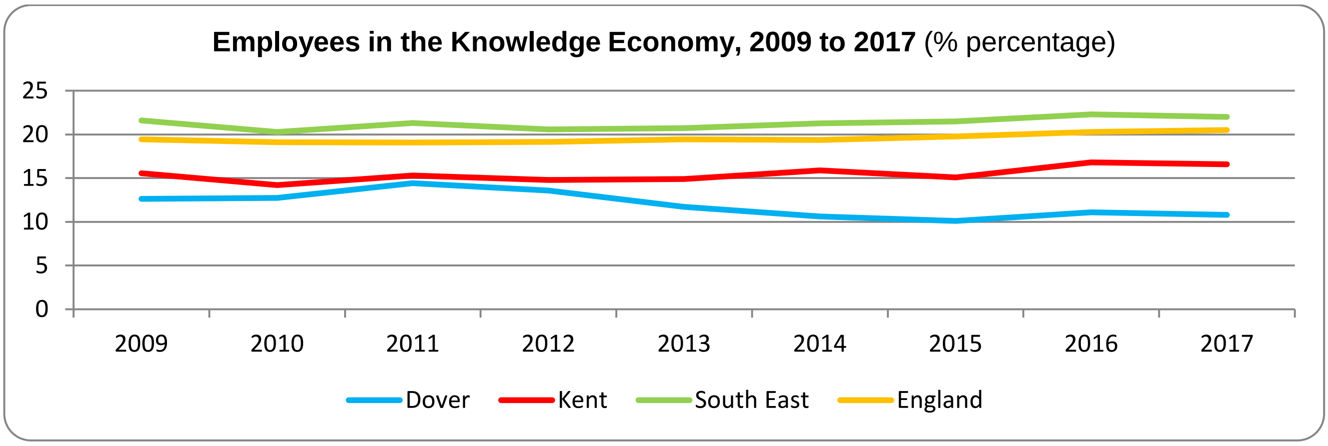


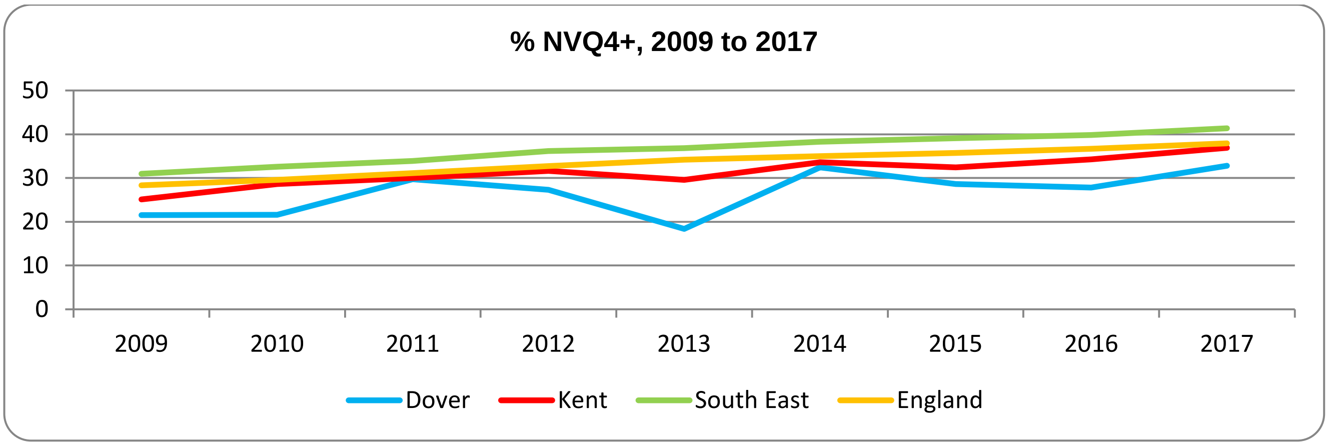


The South East and England values are the same





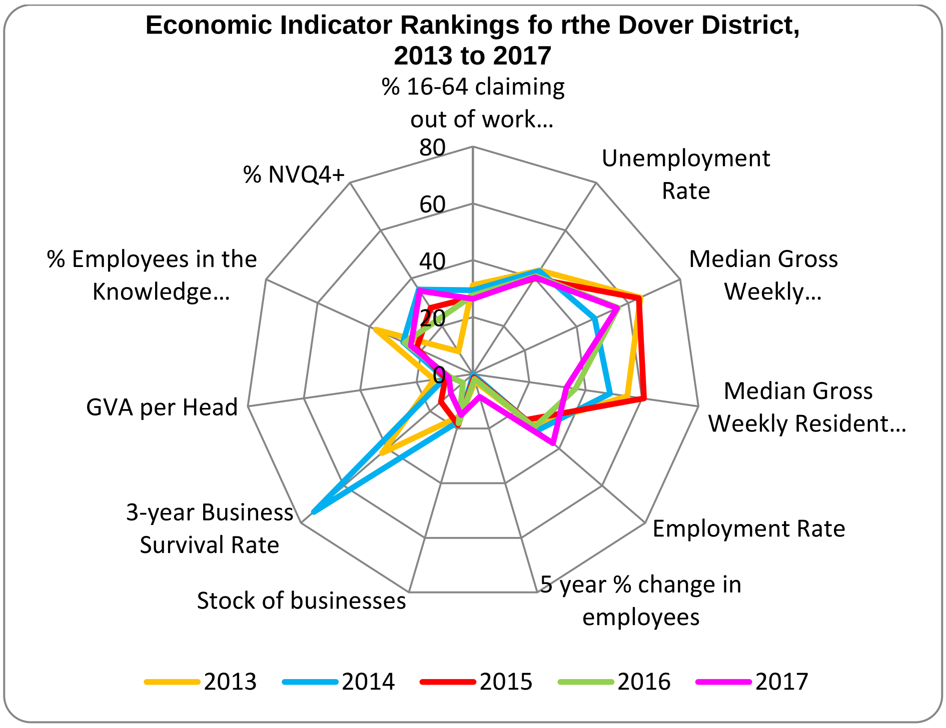




Further information on these key economic indicators in covered in the remainder of this chapter.

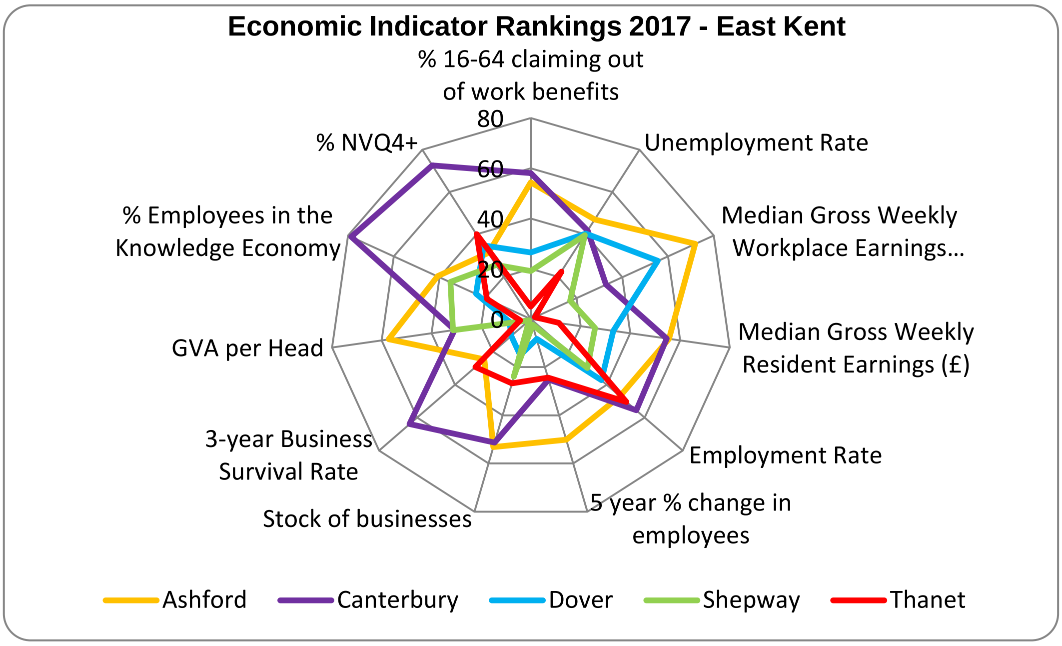
2. ECONOMIC INDICATOR RANKINGS

- The spider chart below shows the 'shape' of the economy for the Dover district over the past five years, based on eleven economic indicators. The Kent County Council model summarises a range of indicators for all 326 District and Unitary Authorities in England, ranks the indicators and then converts the ranks to percent-ranks (a rank score out of 100). This standardises all of the scores and enables direct comparison of indicator values.
- In ranking the indicators, the order in which they are ranked has been set so that the higher the score the 'better' the outcome. This means that the nearer the outside of the spider chart, or closer to 100 the percent rank score is, the better. It is important to remember that these scores are based on the ranking position of the selected area relative to all other Districts/Unitary Authorities in England.



- In 2017, while Dover compares quite well compared to other areas for workplace earnings, it ranks quite poorly in most of the remaining indicators.
- It ranks in the bottom 10% of the country for the following indicators:
  - GVA per head
  - 3-year business survival rates
  - 5-year change in employees
- On the whole, over the past five-years, Dover's economic shape has contracted indicating that it is not performing as well as previous years. There are two areas in which Dover's area has performed better than in 2013: employment rate and population qualified to NVQ4 and above.

- This spider chart compares the shape of the economy in the Dover district in 2017, to the other East Kent local authority areas.



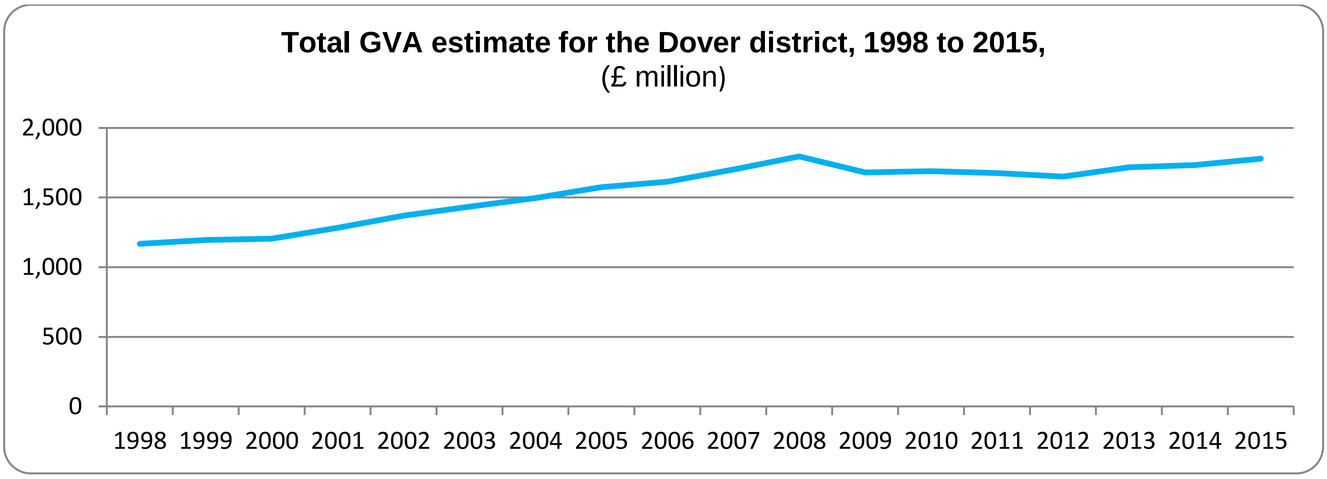
Source: KCC Strategic Business Development and Intelligence

3. ANNUAL GROWTH

- **Gross Value Added (GVA)** is the value of the goods and services produced in the economy. It is used primarily to measure the performance of the national economy and is now the Office for National Statistics (ONS) preferred measure to assess the overall economic wellbeing of an area.
- In March 2017, the ONS decided to publish district level GVA statistics for the first time. These included total GVA, GVA per head and total GVA per industry for all local authority districts in the UK. The latest data available is for 2015.
- In previous versions of the State of the District report, we have used Kent County Council's unofficial estimates of GVA and GVA per Head for the Dover district. The ONS figures now supersede these and are reported below:

a) Gross Value Added

- The data shows that total GVA in Kent & Medway is £37,783 million – growing by +84.6% since 1998, a lower rate than the UK as a whole (+95.0%) and in the South East (+95.0%). Since the previous year, GVA in Kent & Medway has grown by +3.9%, a higher rate of growth than seen nationally (+2.6%) and in the South East (+3.2%).
- Maidstone has the highest total GVA in all of the Kent districts (£3,763 million), whilst Gravesham has the lowest GVA in Kent (£1,603 million). Although increasing, the Dover district has the second lowest GVA in Kent (£1,779 million).



Source: ONS March 2017

GVA 2014-15 Change in Kent

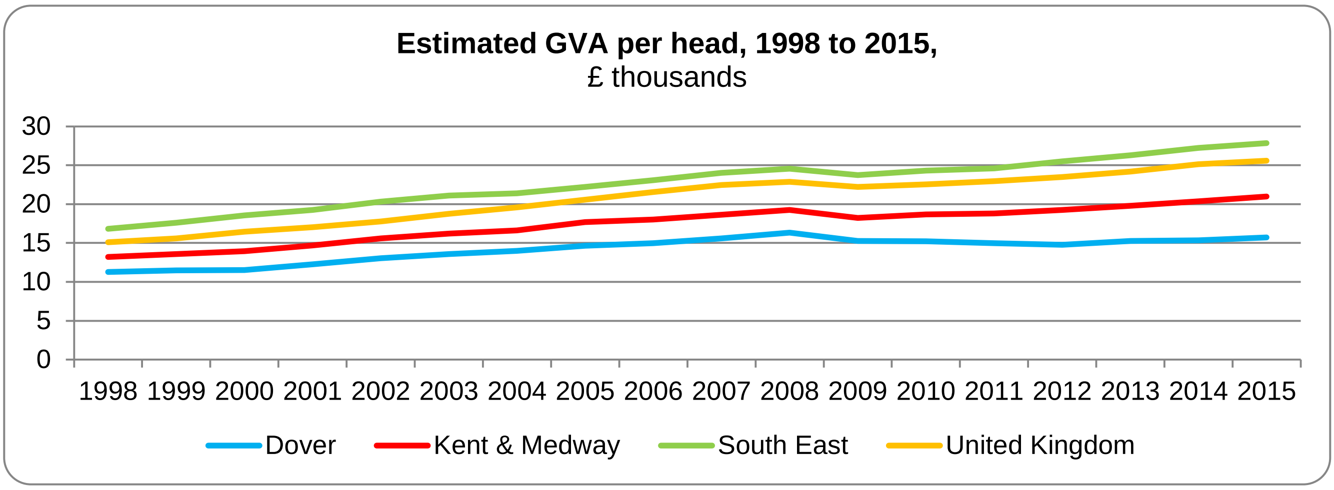
	£ (millions)		Change	
	2014	**2015**	**£ (millions)**	**%**
Ashford	2,815	2,879	64	+2.3
Canterbury	3,093	3,050	-43	-1.4
Dartford	2,834	3,064	230	+8.1
Dover	1,733	1,779	46	+2.7
Gravesham	1,536	1,603	67	+4.4
Maidstone	3,565	3,763	198	+5.6
Sevenoaks	2,960	3,134	174	+5.9
Shepway	2,054	2,105	51	+2.5
Swale	2,567	2,694	127	+4.9
Thanet	2,026	2,099	73	+3.6
Tonbridge and Malling	3,397	3,534	137	+4.0
Tunbridge Wells	3,222	3,285	63	+2.0

- Over this period, all areas of Kent saw GVA increase, with the exception of the Canterbury district where GVA reduced by £43m, which equates to a reduction of £551 per head of population.

- The Kent districts did not generate as much GVA when compared to other areas in the South East region. Four Kent districts (Dover, Gravesham, Shepway and Thanet) were within the bottom 20% in the region.

b) GVA per head

- GVA per head in Kent & Medway is £20,977. This is below the national figure (£25,601) and the South East (£27,847). Dartford (£29,495) has the highest GVA per head in Kent and Thanet the lowest (£15,021).



Source: [ONS March 2017]

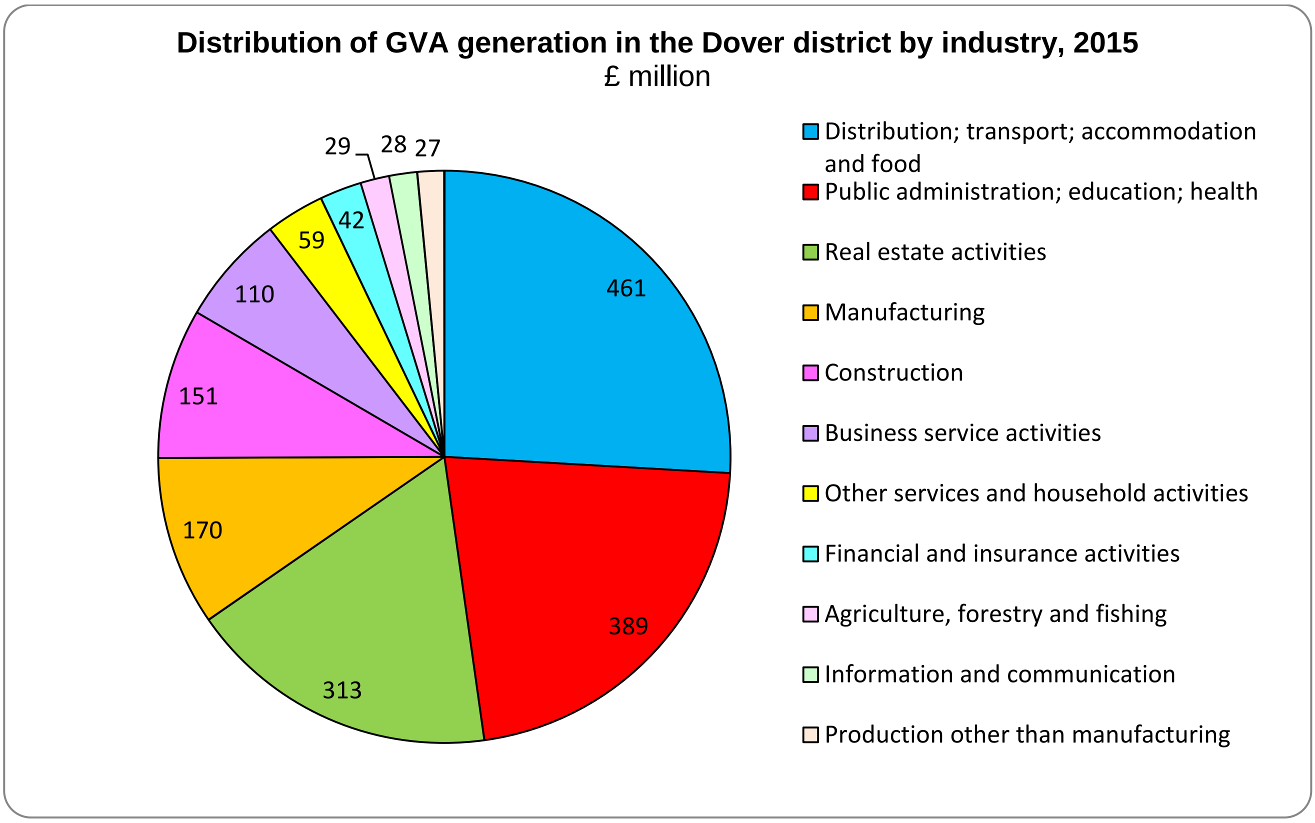
GVA per head 2014-15 Change in Kent

	£ (per head)		Change	
	2014	**2015**	**£ (per head)**	**%**
Ashford	22,833	23,173	340	+1.5
Canterbury	19,617	19,066	-551	-2.8
Dartford	27,725	29,495	1,770	+6.4
Dover	15,330	15,715	385	+2.5
Gravesham	14,594	15,082	488	+3.3
Maidstone	22,031	22,873	842	+3.8
Sevenoaks	25,121	26,469	1,348	+5.4
Shepway	18,764	19,130	366	+2.0
Swale	18,229	18,916	687	+3.8
Thanet	14,641	15,021	380	+2.6
Tonbridge and Malling	27,298	28,108	810	+3.0
Tunbridge Wells	27,747	28,256	509	+1.8
Kent & Medway	20,380	20,977	597	+2.9
South East	27,214	27,847	633	+2.3
United Kingdom	25,145	25,601	456	+1.8

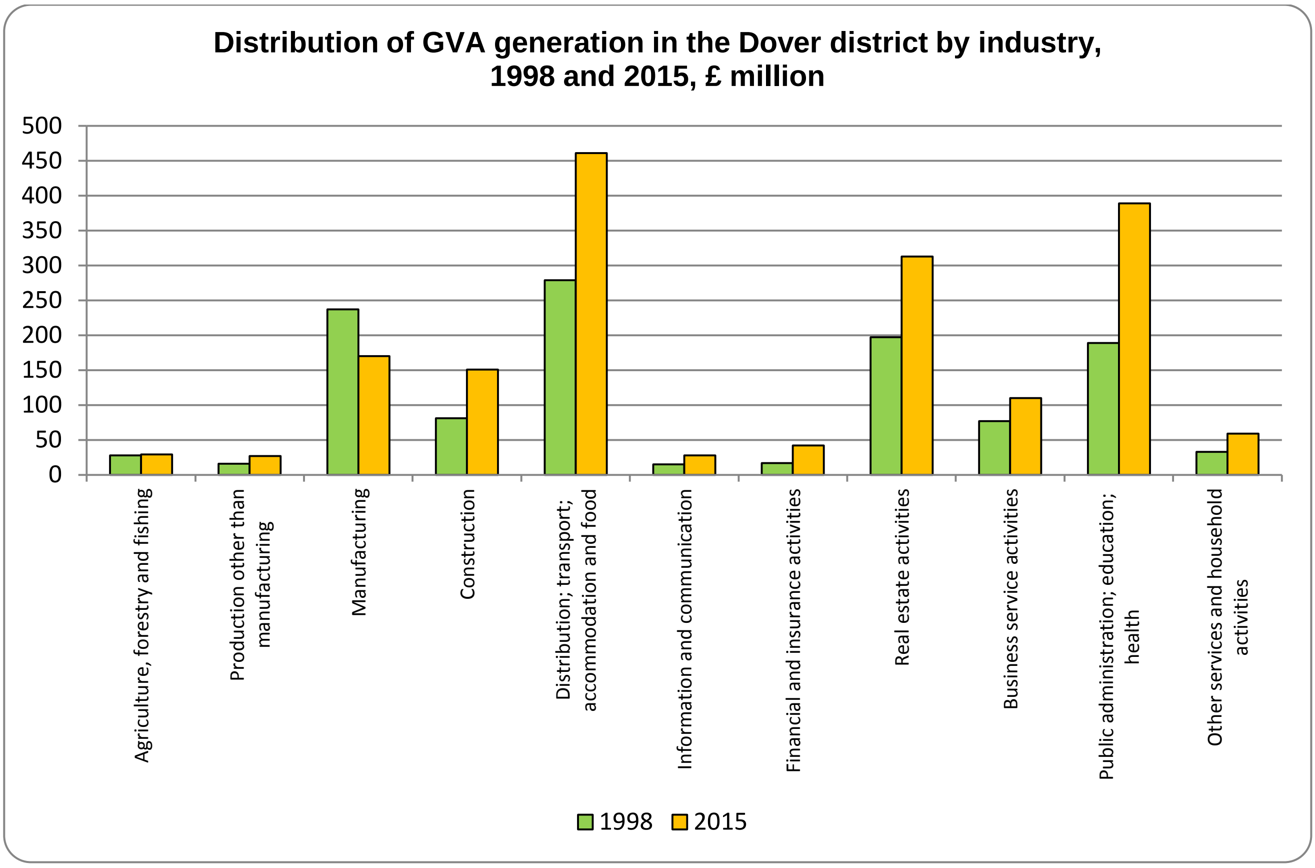
- The Dover district saw an increase in GVA per head of +2.5% during 2014 to 2015. This compares to Kent & Medway (+2.9%), South East (+2.3%) and United Kingdom (1.8%).
- Three local authority districts in Kent (Dartford, Tonbridge and Malling and Tunbridge Wells) had GVA per head above the level for the South East as a whole. However, three districts (Dover, Gravesham and Thanet) were among the lowest in the whole of the South East.

c) GVA by Industry

- In the Dover district, the Distribution sector generated the highest proportion of GVA, accounting for over a quarter (26%) of the GVA generated in the district. This sector includes distribution, transport, accommodation and food.
- Production other than manufacturing accounts for the smallest proportion of GVA generated in the district (1%).



Source: [ONS March 2017]



Source: [ONS March 2017]

GVA by Industry	£ million		Change	
Source: ONS March 2017	1998	2015	Number	%
Agriculture, forestry and fishing	28	29	1	3.6
Production other than manufacturing	16	27	11	68.8
Manufacturing	237	170	-67	-28.3
Construction	81	151	70	86.4
Distribution; transport; accommodation and food	279	461	182	65.2
Information and communication	15	28	13	86.7
Financial and insurance activities	17	42	25	147.1
Real estate activities	197	313	116	58.9
Business service activities	77	110	33	42.9
Public administration; education; health	189	389	200	105.8
Other services and household activities	33	59	26	78.8

- Between 1998 and 2015, the financial and insurance activities sector saw the greatest percentage growth in GVA, increasing by +147.1%, which equates to an increase of £25m.
- In real terms, the public administration, education and health sector saw the biggest increase in the amount of GVA generated, which rose by £200m.
- Manufacturing is the only sector to see a decline in the district since 1998, falling by over a quarter (-28.3%). However, in recent years it has risen from £141m in 2012 to £170m in 2015 (+20.6%).

4. BUSINESS IN THE DOVER DISTRICT

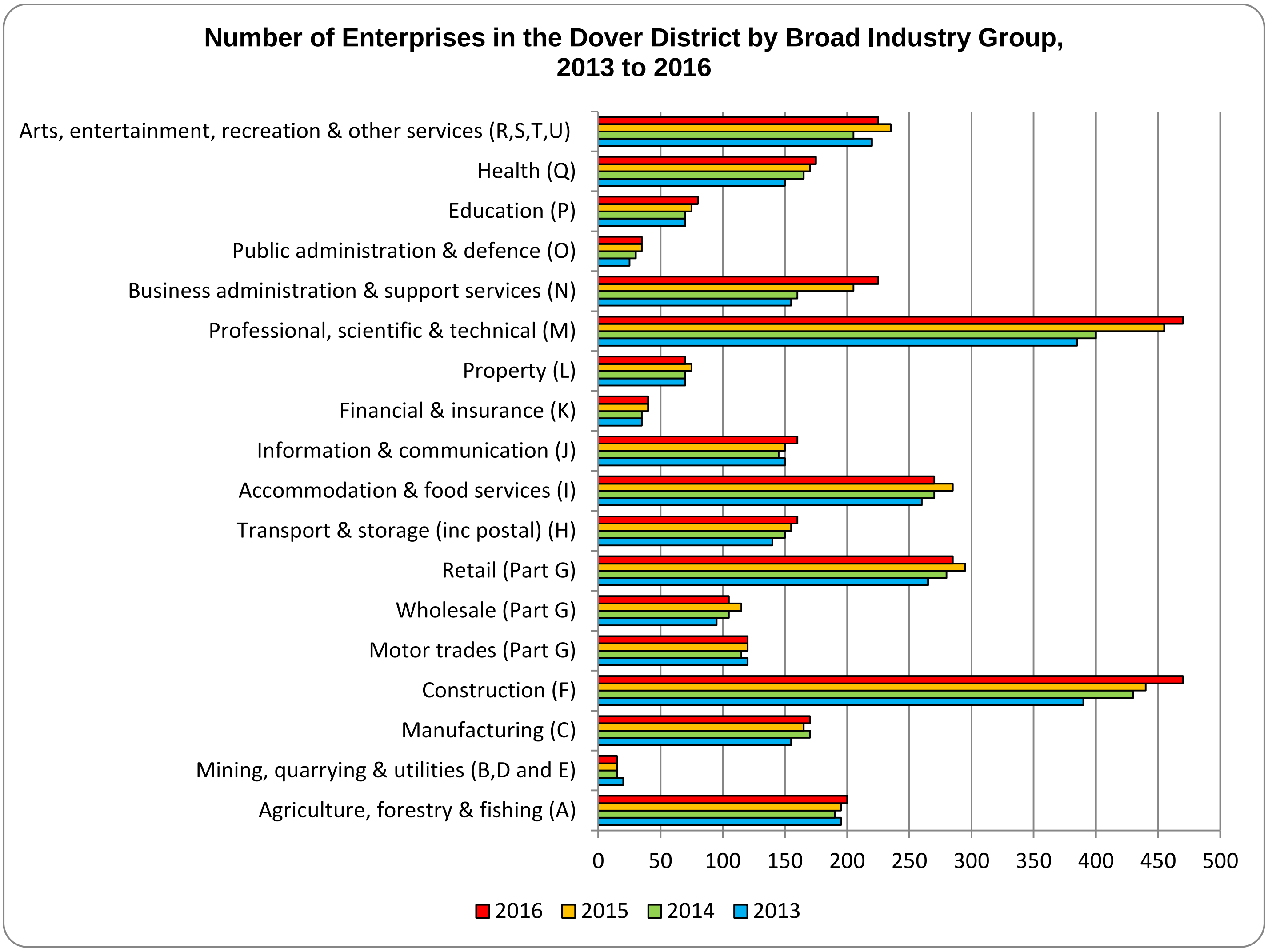
a) Number and Type of Businesses

- The Dover District is home to **3,275** enterprises[4] as at March 2016 – up from 3,220 (+1.7%) in 2015.
- The broad industry groups in the district can be broken down as follows:

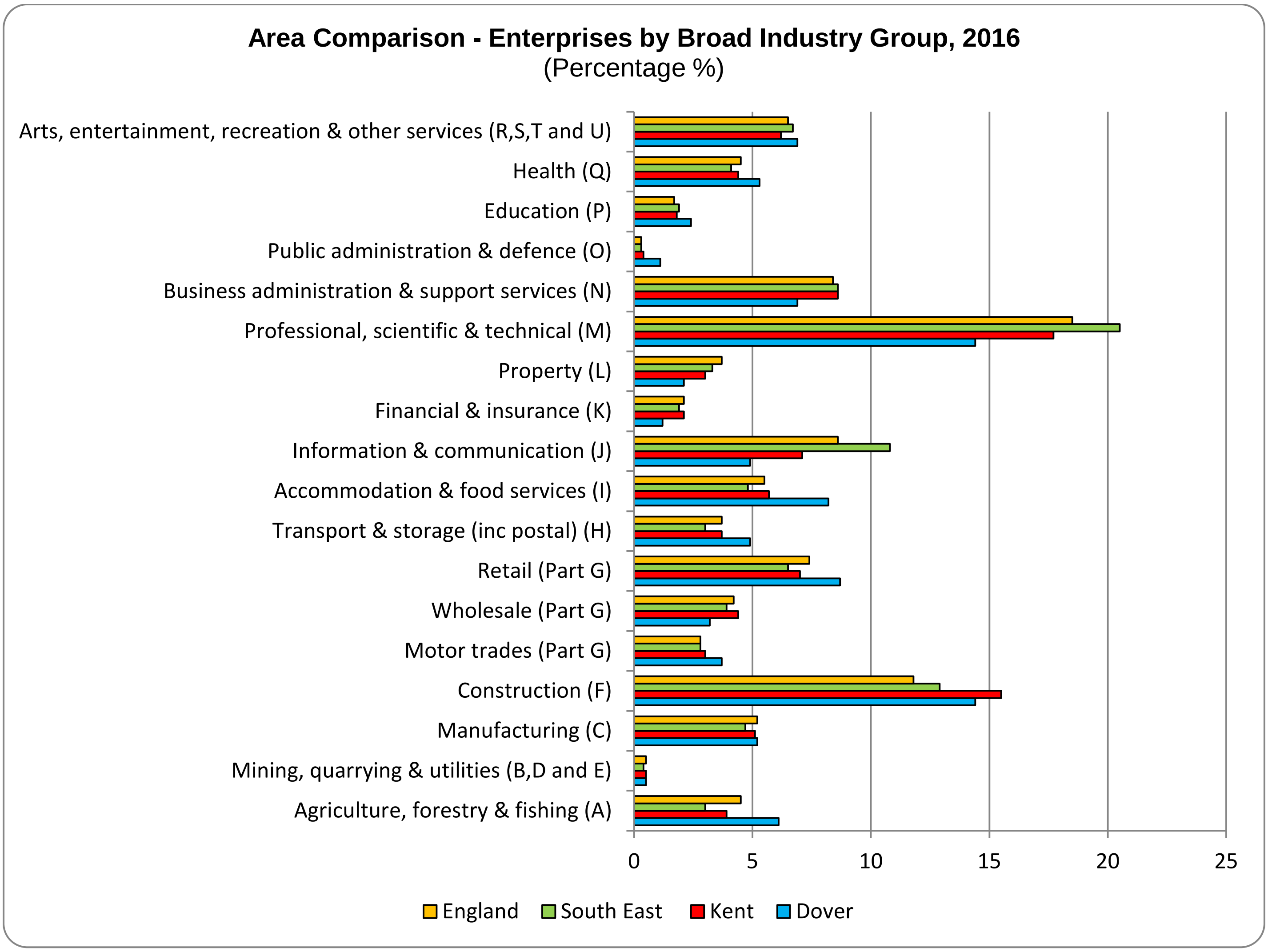
Dover District: Broad Industry Groups					2015-2016 Change	
Source: ONS dataset UKBAA01b - Enterprises	2013	2014	2015	2016	No.	%
Agriculture, forestry & fishing (A)	195	190	195	200	5	+2.6
Mining, quarrying & utilities (B,D and E)	20	15	15	15	0	0.0
Manufacturing (C)	155	170	165	170	5	+3.0
Construction (F)	390	430	440	470	30	+6.8
Motor trades (Part G)	120	115	120	120	0	0.0
Wholesale (Part G)	95	105	115	105	-10	-8.7
Retail (Part G)	265	280	295	285	-10	+3.4
Transport & storage (inc postal) (H)	140	150	155	160	5	+3.2
Accommodation & food services (I)	260	270	285	270	-15	-5.3
Information & communication (J)	150	145	150	160	10	+6.7
Financial & insurance (K)	35	35	40	40	0	0.0
Property (L)	70	70	75	70	-5	-6.7
Professional, scientific & technical (M)	385	400	455	470	15	+3.3
Business administration & support services (N)	155	160	205	225	20	+9.8
Public administration & defence (O)	25	30	35	35	0	0.0
Education (P)	70	70	75	80	5	+6.7
Health (Q)	150	165	170	175	5	+2.9
Arts, entertainment, recreation & other services (R,S,T,U)	220	205	235	225	-10	-4.3
TOTAL	**2,905**	**3,000**	**3,220**	**3,275**	55	+1.7

[4] These are thought of as the overall business, made up of all the individual sites or workplaces. It is defined as the smallest combination of legal units that has a certain degree of autonomy within an enterprise group.

- Of the 18 broad industry groups, nine saw an increase in the number of enterprises in the district between 2015 and 2016, four groups saw no change and five groups saw a fall.
- The highest proportion of enterprises in the district are within the Construction (F) and Professional, scientific & technical (M) sectors (both 14.4%).
- The lowest proportion of enterprises in the district are within the Public administration and defence sector (1.1%).
- The majority of enterprises in the district are in the private sector (98.5% or 3,225). Of these, 1,845 are companies (56.3%), 845 sole proprietors (25.8%), 430 partnerships (13.1%) and 110 non-profit bodies or mutual associations (3.4%).
- 50 enterprises in the district are classed as public sector (1.5%). Of these, five are public corporations, ten are central government and 35 local authority.
- The following two charts show the number of enterprises by industry in the Dover district over the past four years plus a profile of enterprises in the district compared to Kent, South East and England.



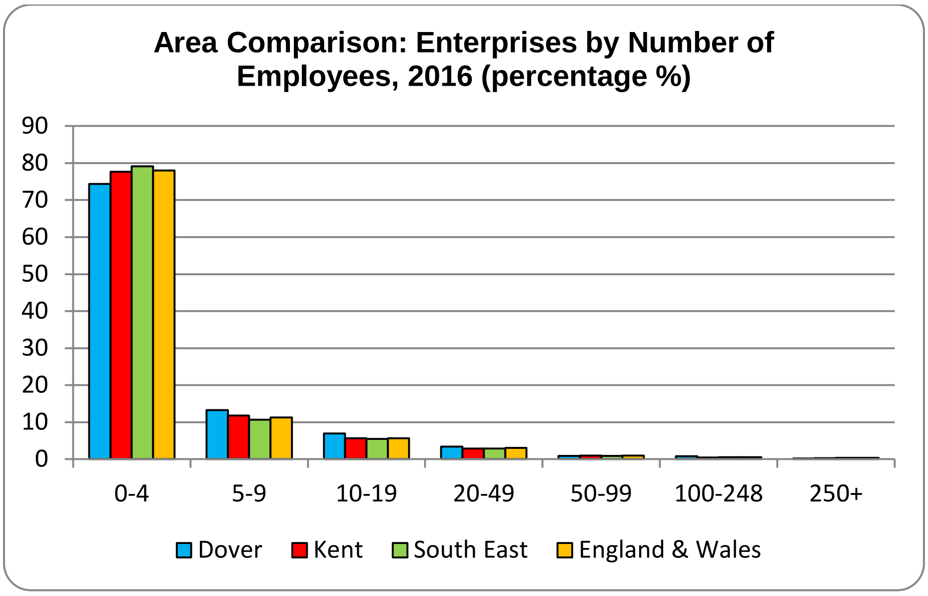
Source: ONS dataset UKBAA01b - Enterprises



Source: ONS dataset UKBAA01b – Enterprises

b) Employee Size

- As is the case across the country, the majority of enterprises in the Dover district are small businesses. Small and medium enterprises (SMEs), employing less than 250 people, account for 99.8% of businesses in the Dover district.



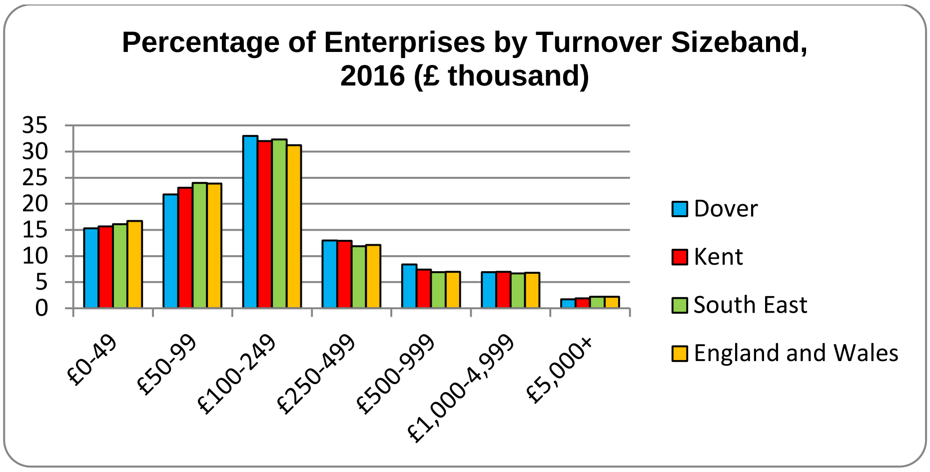
Source: ONS dataset UKBD01

In the Dover district there are:

- 2,870 micro businesses (0 to 9 employees), equating to 87.7% of total businesses in the district.
- 340 small businesses (10 to 49 employees), equating to 10.4% of total businesses in the district.
- 55 medium businesses (50 to 249 employees), equating to 1.7% of total businesses in the district.
- 5 large businesses (over 250 employees) equating to 0.2% of total businesses in the district.

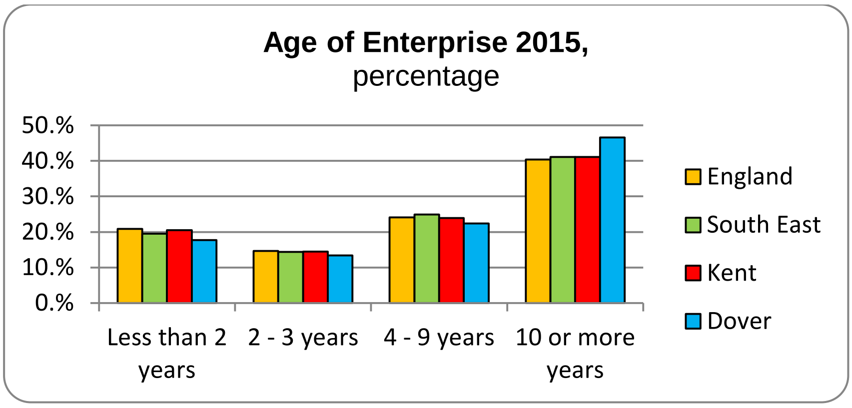
c) Turnover

- 33% (1,080) of enterprises in the Dover district have a turnover size between £100,000 - £249,000, which is above the average for Kent (32%), South East (32.3%) and England & Wales (31.2%).
- 1.7% (55) of business in the district have a turnover of £5,000,000 plus. This is below the average for Kent (1.9%), South East (2.2%) and England (2.2%).



Source: ONS dataset UKBAF01

d) Age

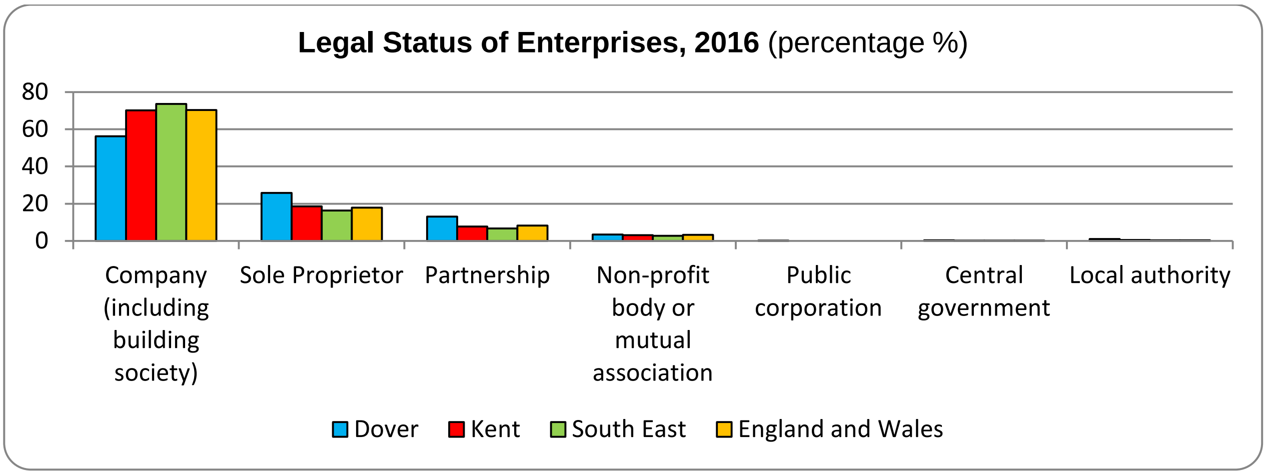


Source: ONS – user requested data (latest available)

- In the Dover district, 46.6% of businesses (1,500) are over 10 years old.
- This is higher than the averages for Kent (41.2%), South East (41.1%) and Great Britain (40.4%).

e) Legal Status

The following chart shows the proportion of enterprises by legal status in the district compared to Kent, South East and nationally.

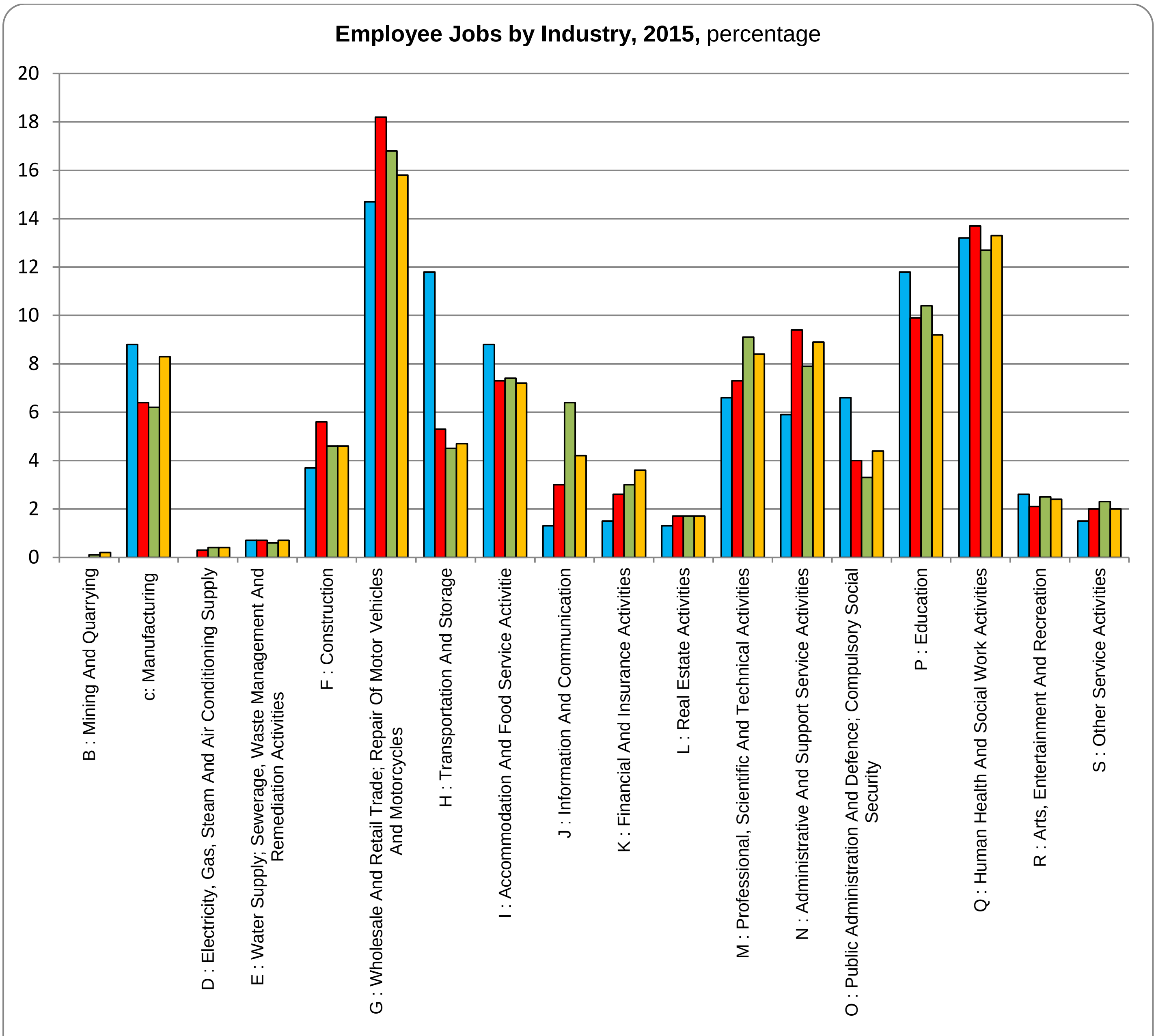


Source: ONS Business Register and Employment Survey (BRES)

- The majority of enterprises in the district are companies, which account for 56.3% of all enterprises. This is a significantly lower proportion than seen across the whole of Kent, South East and nationally.
- The district has a higher proportion of sole proprietors, partnerships, non-profit bodies and public sector enterprises.

f) Employee jobs by industry, 2015

- As at March 2015, there were a total of 34,000 jobs in the Dover district – an increase from 32,000 in 2014. 23,000 jobs (67.6%) are classed as full-time and 11,000 (32.4%) are part-time. The proportion of part-time jobs in the district is above the regional (31.4%) and national averages (30.9%) but just below county (32.6%).
- As is the case across the country, the services industry (G-S) employs the highest number of people in the district, with 29,800 jobs (87.6%).
- In the Dover district, the 'Public Admin, Education and Health' sectors (O-Q) employ 10,750 people (31.6%). This is a higher proportion than Kent (27.6%), South East (26.4%) and Great Britain (26.9%).
- The number of employees in the Transport and Storage industry has risen from 10.1% in 2013 to 11.8%. The proportion is still significantly higher percentage than Kent (5.3%); South East (4.5%) and Great Britain (4.7%).



Source: NOMIS (% is a proportion of total employee jobs (Employee jobs excludes self-employed, government-supported trainees and HM Forces). These figures exclude farm agriculture

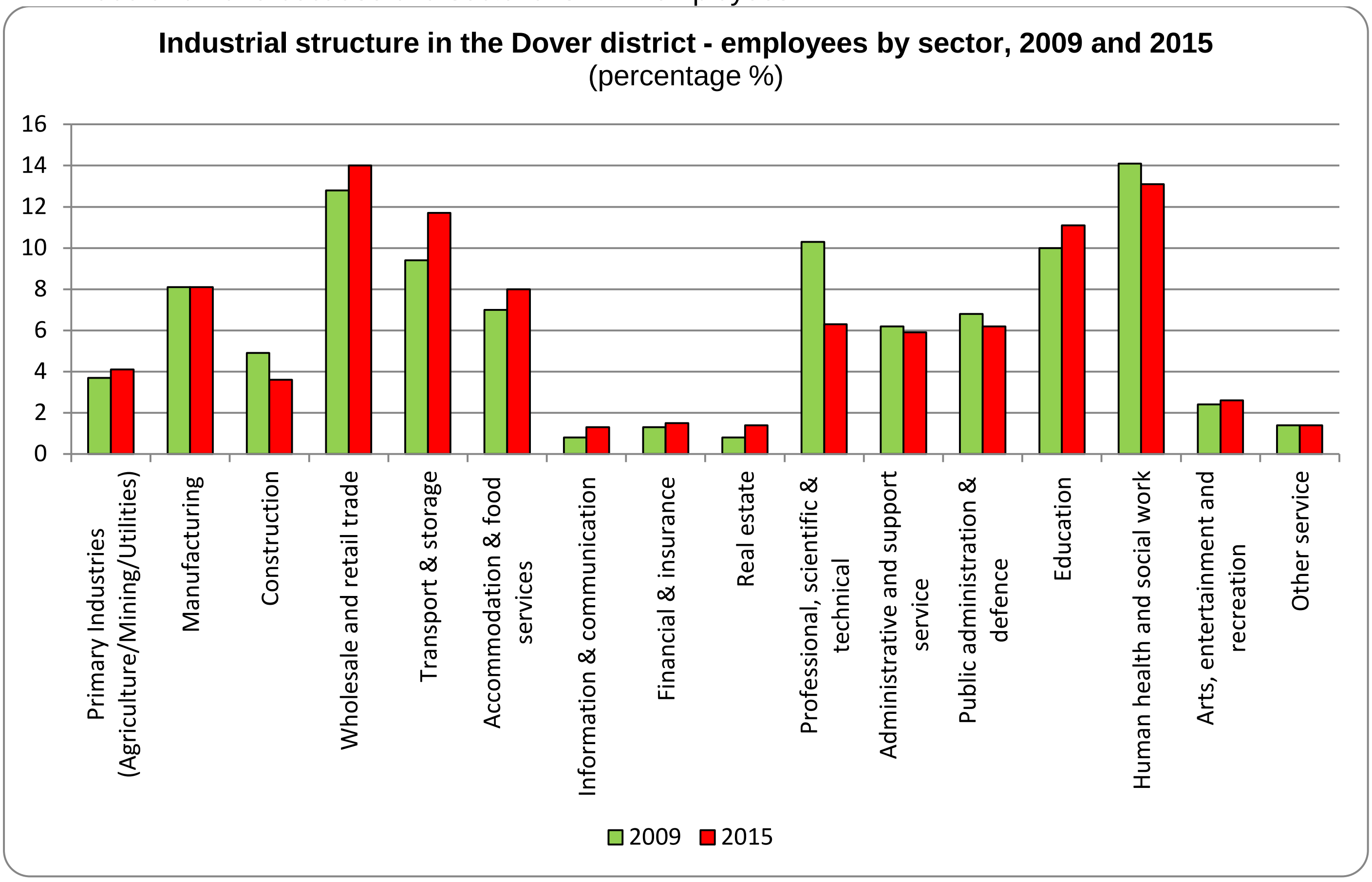
g) Industrial Structure

Dover District Industrial Structure Change 2009 - 2015		
	No.	%
Primary Industries (Agriculture/Mining/Utilities)	100	6.9
Manufacturing	-200	-5.5
Construction	-500	-30.5
Wholesale and retail trade	200	4
Transport & storage	600	18.8
Accommodation & food services	200	8.3
Information & communication	200	61.2
Financial & insurance	0	8.8
Real estate	200	54.6
Professional, scientific & technical	-1,600	-42.1
Administrative and support service	-200	-10
Public administration & defence	-300	-13.7
Education	200	5
Human health and social work	-600	-11.6
Arts, entertainment and recreation	0	3
Other service	0	-0.4
TOTAL	-1,700	-4.8

Source: KCC BRES Survey results for 2015

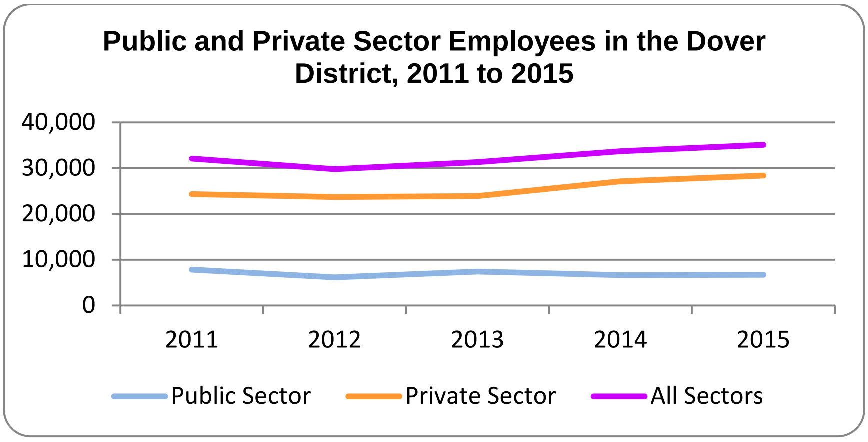
- Between 2009 and 2015, the number of jobs in the Dover district has reduced by -1,700 (or -4.8%).
- The largest fall in job numbers has been in the 'professional, scientific and technical sector', which dropped by 1,600 jobs (or -42.1%). This decline reflects the significant reduction in Pfizers' operations at its research and development facility at Sandwich in 2011 (now designated the Discovery Park Enterprise Zone).
- Between this period, jobs in the construction industry fell by -500 (-30.5%), public administration and defence by -300 (-13.7%), human health and social work by -300 (-11.6%), administrative and support by -200 (-10%) and manufacturing by -200 (-5.5%).
- The largest growth sector for employee job numbers in the district between 2009 and 2015 was 'transport & storage', with an additional +600 jobs (+18.8%). The largest percentage change in employee jobs was seen in 'information & communication' (+200 or +61.2%) and 'real estate' (+200 or +54.6%).

- The following chart shows how the industrial structure for the Dover district has changed between 2009 and 2015 because of a sectorial shift in employees.



Source: KCC Business Register & Employment Survey results for 2015

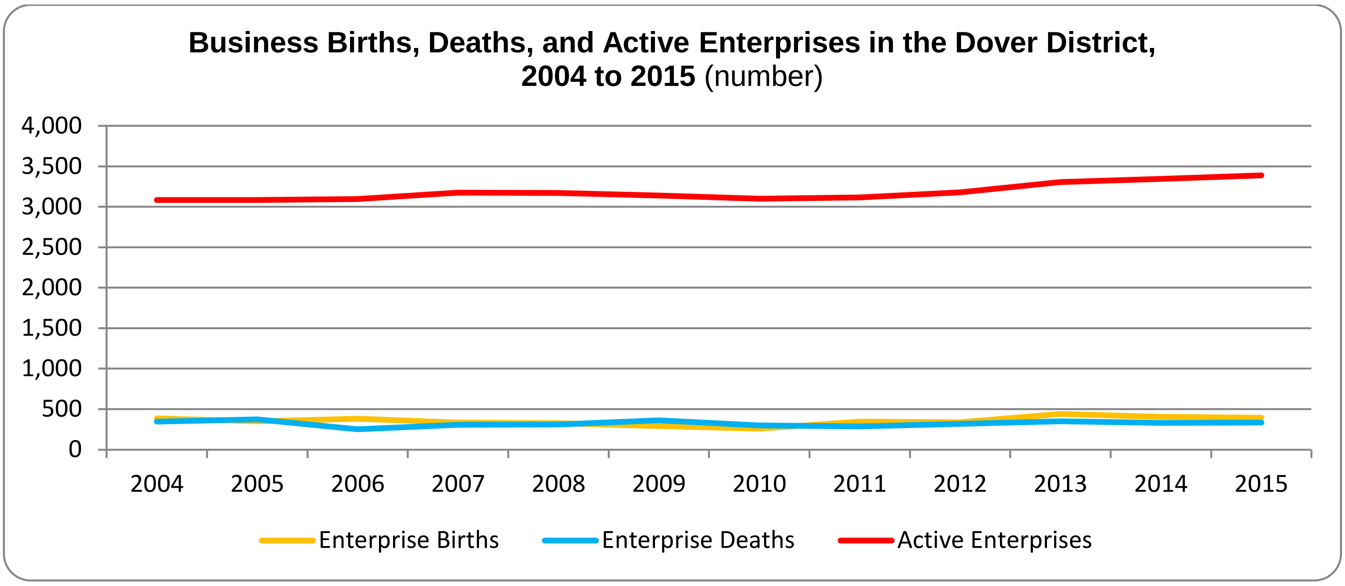
h) Public and Private Sector Employees



- The number of private sector employees in the Dover district has risen by +16.9% from 24,300 in 2011 to 28,400 in 2015.
- Over the same period, the number of public sector employees has fallen by -14.1% from 7,800 to 6,700.

Source: ONS Business Register and Employment Survey (BRES) - Table 6: Local Authority District[5]

i) Business Births, Death and Active Businesses



Source: UK Business Demography, ONS (Table 1.1/1.2; 2.1/2.2/3.1/3.2)

Births

- In 2015, business births fell in the Dover district by -10 (-2.5%) to 395 since the previous year. This compares to rises of +8.5% across Kent, +8.4 in the South East region and +9.2% in Great Britain as a whole.
- In Kent, one other local authority saw a fall in business births: Tunbridge Wells by -75 or -9.2%. All other local authority areas experienced rises in business births. Sevenoaks saw the highest growth with +155 additional business births (+21.1%).
- Since 2004, business births in the Dover district have grown overall by +10 (+2.6%).

Deaths

- In 2015, business deaths rose in the Dover district by +5 (+1.5%) to 335 since the previous year. This compares to rises of +1.8% across Kent, +3.1% in the South East region and +2.8% in Great Britain as a whole.

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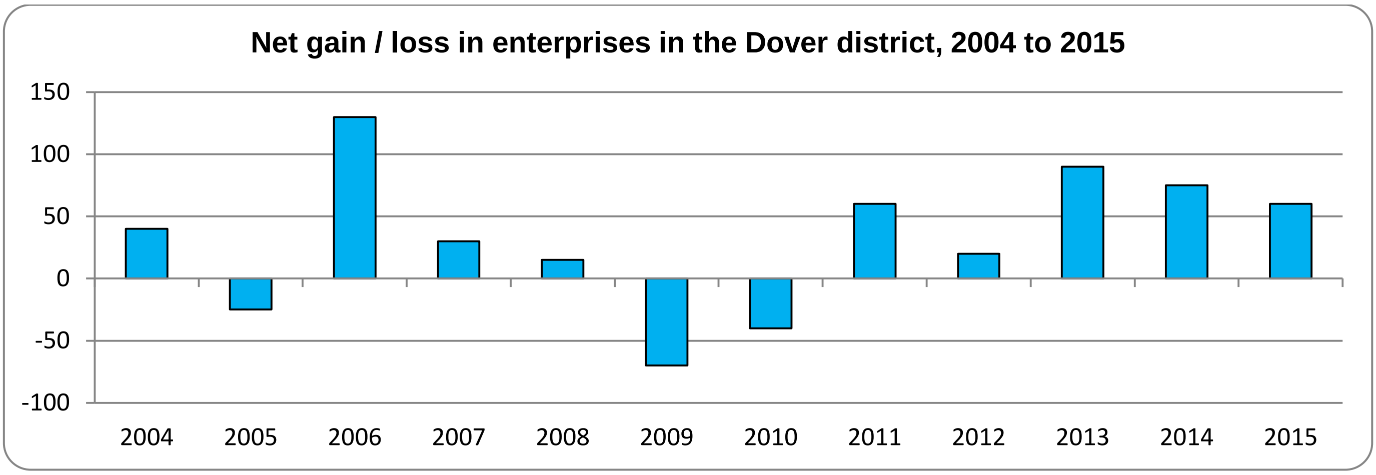
[5] When looking at changes in the number of employees in the public and private sectors, it should be noted that these estimates can be distorted as a result of changes to the public or private designation of large businesses. For example, the transport and storage (including postal) industry in the public sector declined in 2014 due to the privatisation of the Royal Mail. Similarly, the finance and insurance industry in the public sector declined in 2014 due to the return to the private sector of one of the major banks brought into public ownership in 2008.

- In Kent, three local authority areas saw a fall in business deaths: Maidstone (-9.2%), Thanet (-7.8%) and Tunbridge Wells (-4.5%).
- Since 2004, business deaths in the Dover district have fallen overall by -10 (-2.9%).

Active Enterprises

- In 2015, the overall count of active enterprises in the Dover district rose by 45 (+1.3%) on the previous year. This compares to rises of +4.3% across Kent, +4.3% for the South East and +4.8% nationally. All Kent districts experienced increases, with Gravesham rising the highest with +340 (+9.5%).
- In 2015, with regards net gain in new enterprises (births minus deaths), the Dover district saw net gain of 60 enterprises. As a percentage of active enterprises, this is +1.8%, which compares to +4.3% for Kent as a whole.
- Since 2004, all areas of Kent have seen an increase in the number of active enterprises. The Dover district saw the smallest growth with +9.9%, which is equivalent to 305 more active enterprises. This compares to the growth in the number of businesses in Kent of +18.5%, South East +18.8% and nationally +24.2%.

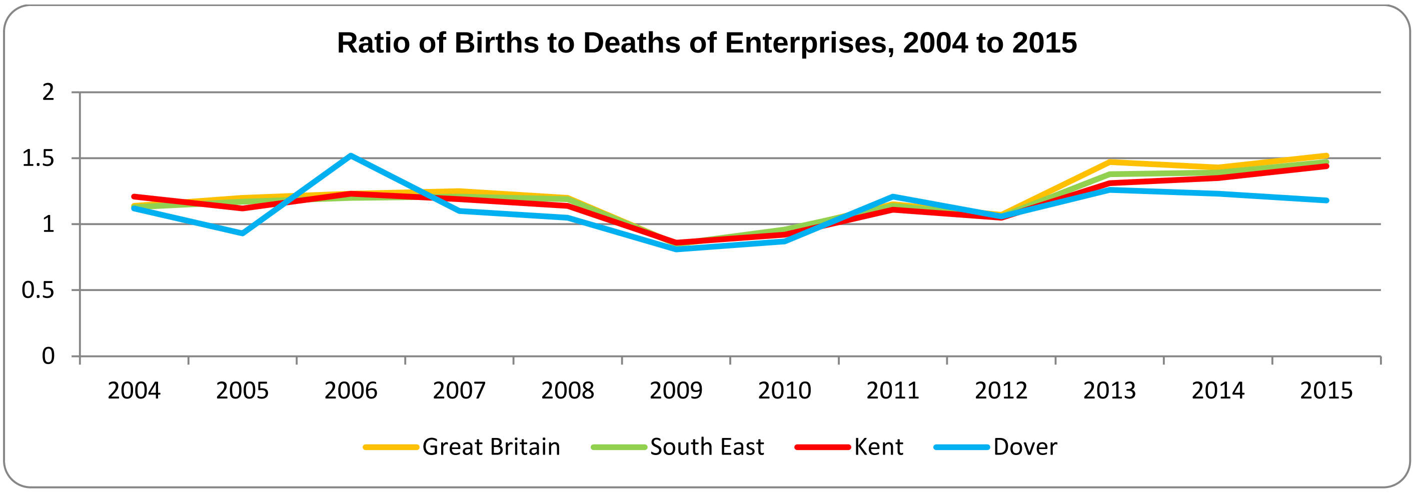


Ratio of Births to Deaths of Enterprises, 2004 – 2015

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Great Britain	1.14	1.20	1.23	1.25	1.20	0.85	0.95	1.15	1.07	1.47	1.43	1.52
South East	1.13	1.17	1.20	1.21	1.19	0.85	0.96	1.14	1.06	1.38	1.39	1.47
Kent	1.21	1.12	1.23	1.19	1.14	0.86	0.92	1.11	1.05	1.31	1.35	1.44
Dover	**1.12**	**0.93**	**1.52**	**1.1**	**1.05**	**0.81**	**0.87**	**1.21**	**1.06**	**1.26**	**1.23**	**1.18**

Source: ONS UK Business Demography 2015

A ratio less than 1 indicates that the number of deaths is greater than the number of births.

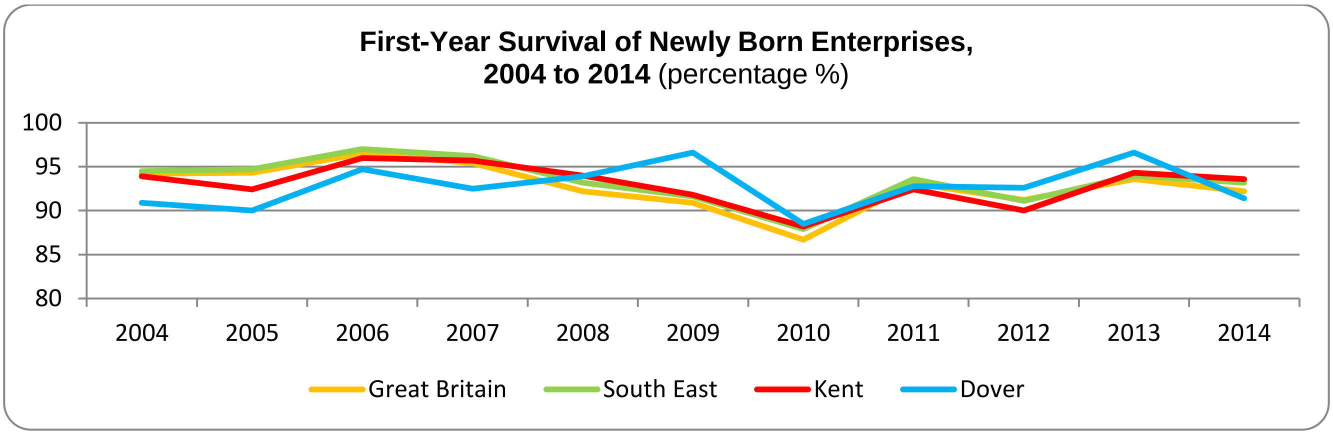


- In 2009, across the country there was a noticeable increase in deaths of enterprises reflecting the initial impacts of the recession. There are now encouraging signs of improvement, with the Dover district achieving a ratio over 1.0 for the past five years. All Kent districts have ratios greater than 1.0 in 2015, which means the number of enterprise births is higher than the number of enterprise deaths.

j) Survival rates

- Survival rates data looks at the annual survival rates for newly born businesses for the first five years of their existence.

One-Year Survival Rates

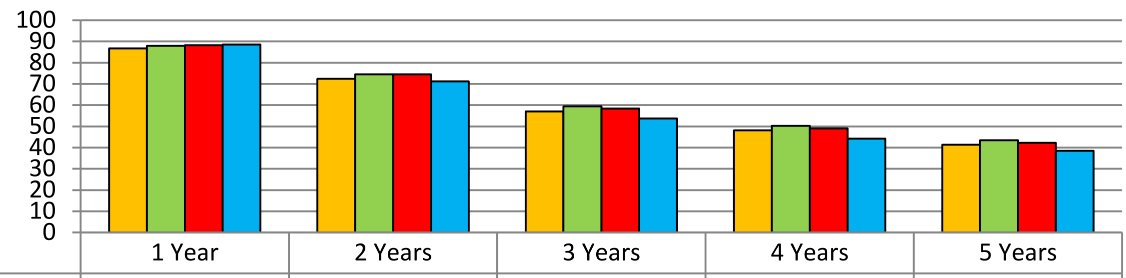


- This chart looks at one-year survival rates for businesses formed in each year 2004 to 2014, to show how the level of first-year survivors has changed over time.
- In the Dover district, one-year survival rates fell around the time of the recession but had started to pick up only to fall back again in 2014. The one-year survival rate in the district was 91.4% in 2014 (down from 96.6% in 2013), below the averages across Kent (93.6%), South East region (93.2%) and nationally (92.2%).

Survival of newly formed businesses

- The chart below shows the one, two, three, four and five-year survival rates for enterprises born in 2010.
- In the Dover district, 88.5% of these enterprises survived one year, 71.2% survived two years, 53.8% three years, 44.2% four years and 38.5% five years.

Enterprise survival rates for businesses born in 2010 (percentage %)



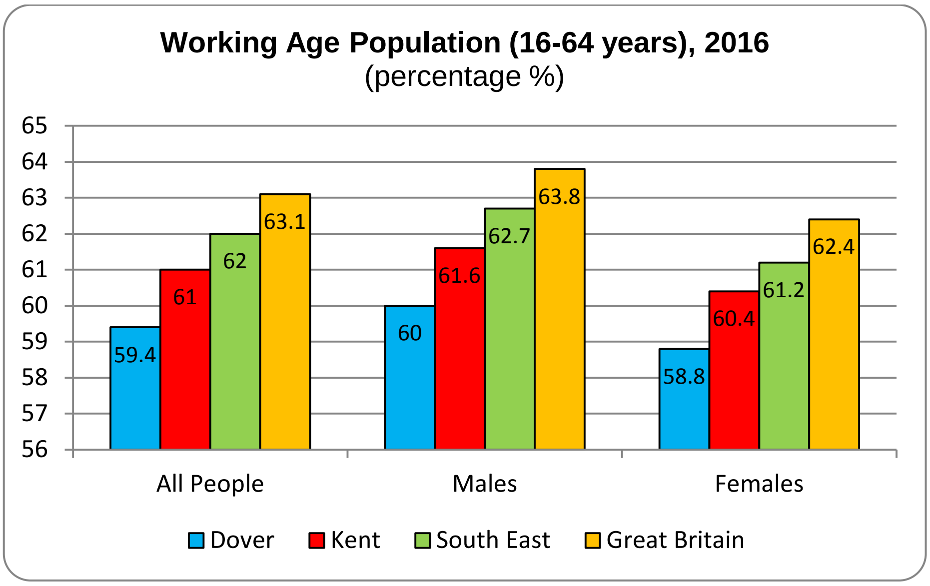
	1 Year	2 Years	3 Years	4 Years	5 Years
Great Britain	86.7	72.5	57.1	48.1	41.4
South East	87.9	74.5	59.5	50.3	43.4
Kent	88.2	74.5	58.4	49	42.2
Dover	88.5	71.2	53.8	44.2	38.5

Source: ONS UK Business Demography (Tables 5.1)

5. ECONOMIC ACTIVITY AND EMPLOYMENT

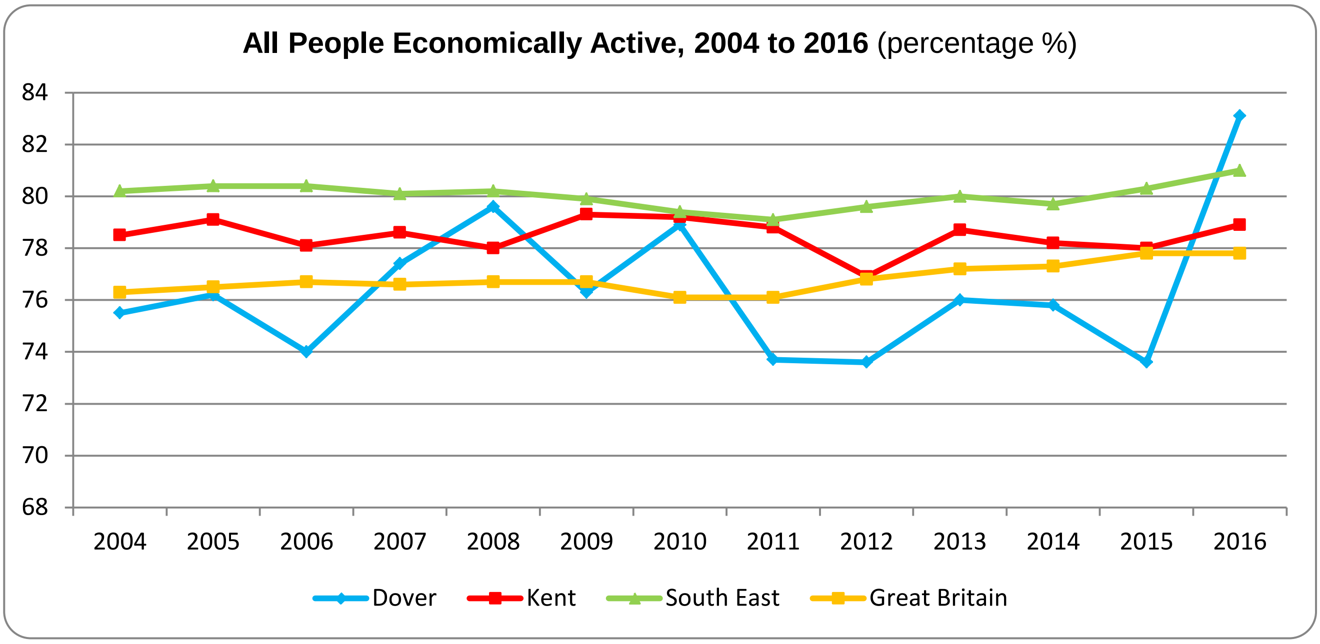
a) Working Age Population

- In the Dover district, there are 67,800 people of working age (16-64 years), which equates to 59.4% of the total population.
- The district has a lower proportion of working age people than Kent (61.0%), South East (62.0%) and Great Britain (63.1%).
- There is a slightly higher number of working age females (34,100) to men (33,700) in the Dover district.



Source: ONS population estimates – local authority based on five year age band; % is a proportion of total population

b) Economic Activity



Source: ONS Nomis Time Series (Jan – Dec) – Annual Population Survey

- Economic activity measures the proportion of the working age population that is theoretically available for work, including all those in employment, self-employed and those who are unemployed.
- During January to December 2016, 56,800 (83.1%) in the Dover district were economically active. This is a rise from 59,500 (73.6%) for the same period in 2015.
- The chart shows that the proportion of people economically active in the district is now above levels seen across Kent (78.9%), South East (81.0%) and nationally (77.8%).

The Annual Population Survey (APS) is a combined survey of households in Great Britain. The APS consists of a relatively small sample size for the Dover district, and therefore it can fluctuate. The data has a 95% confidence interval of percent figure (+/-).

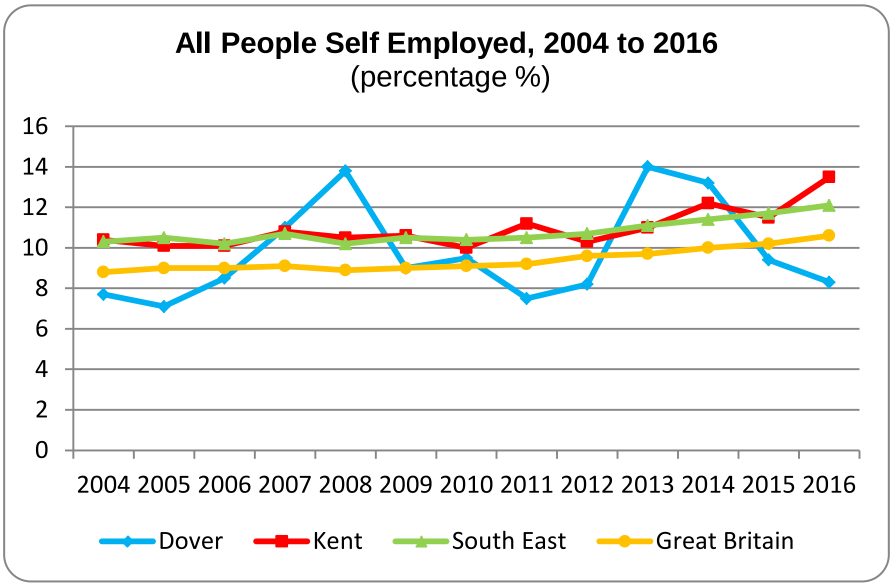
c) In Employment

Source: ONS Nomis Time Series (Jan – Dec)
Numbers are for those aged 16 and over, % are for those of aged 16-64

- For the period January to December 2016, there were an estimated 46,700 employees (68.4%) and a further 5,700 self-employed people (8.3%) in the Dover district.
- This takes the total number of people in employment in the district to 52,400 (76.8%), which is a rise from 46,700 (69.4%) in 2015.
- This compares to 74.7% in Kent, 77.6% in the South East and 74.0% for Great Britain.

d) Self Employed

- In the Dover district, the estimated self-employment rate has fallen over the past three years. For the period Jan-Dec 2016, 8.3% (5,700 people) were self-employed. This is a fall from 6,300 (9.4%) for the same period in 2015.
- This rate is now lower than averages for Kent (13.5%), South East (12.1%) and Great Britain (10.6%).



Source: ONS Nomis Time Series (Jan – Dec)
Numbers are for those aged 16 and over, % are for those of aged 16-64

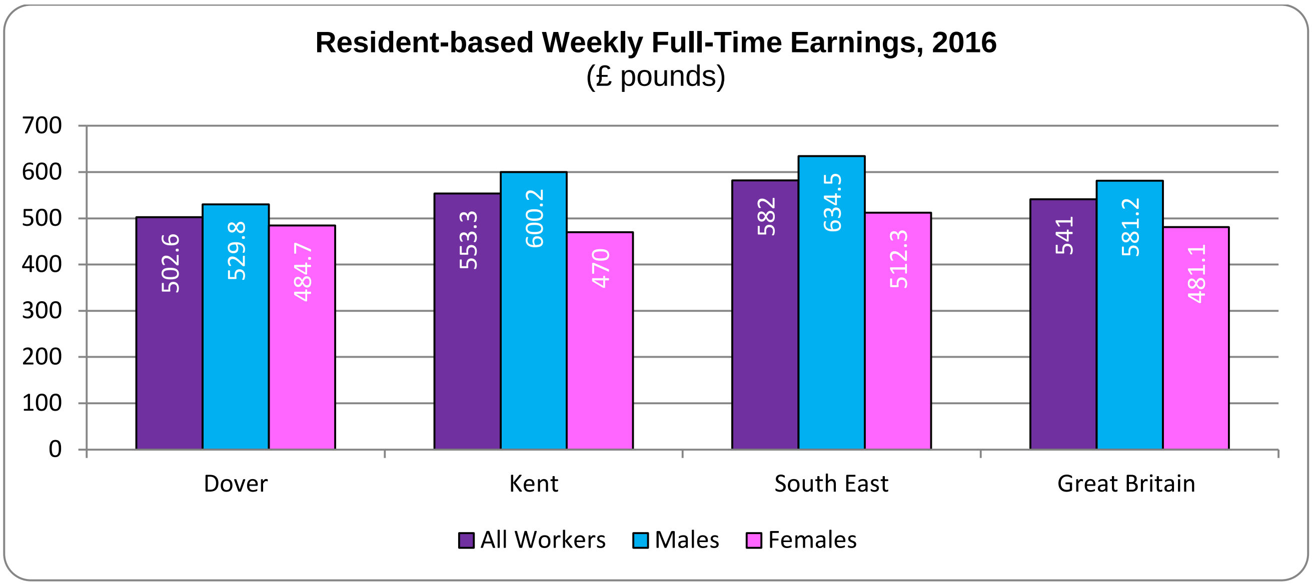
e) Residence and Workplace Based Earnings

- Another way to look at the district's relative economic strength is to consider individual incomes. This can be done by measuring disposable household income and measuring wage levels. Gross disposable household income figures are only recorded at county level and above and are therefore not available.
- Earnings data comes from the Annual Survey of Hours and Earnings (ASHE) from the Office for National Statistics. Data is based on a sample of employee jobs taken from HM Revenue & Customs PAYE records.
- ASHE provides data on gross earnings (earnings before tax, National Insurance or other deductions) for employees by gender and by full-time and part-time workers. ASHE does not cover the self-employed or employees not paid during the reference period.
- ASHE data can provide a comparison of male and female earnings. However, this does not show differences in rates of pay for comparable jobs. This is because they do not allow for the different employment characteristics of men and women, such as the proportion in different occupations and their length of time in jobs.

- Owing to the sample methodology used to compile the ASHE data, interpretation of the estimated figures requires caution and the results should therefore be taken as a guide.
- Median earnings are presented although mean earnings are also available from this dataset. The median value is the mid-point in the distribution of earnings data in the survey. The median value is the preferred measure of earnings, as it is less affected by a relatively small number of very high earners that tend to skew the distribution of earnings. It therefore gives a better indication of typical pay than the mean.

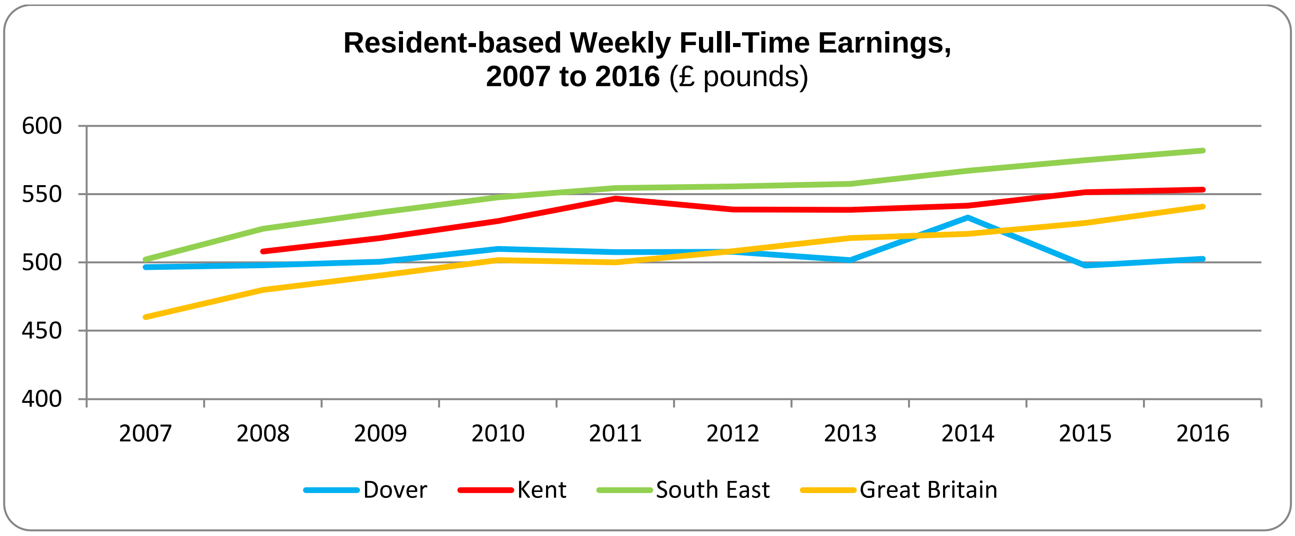
i. Earnings by residence

Resident based earnings show the amount a worker earns based on where they live.



Source: ONS annual survey of hours & earnings – resident analysis

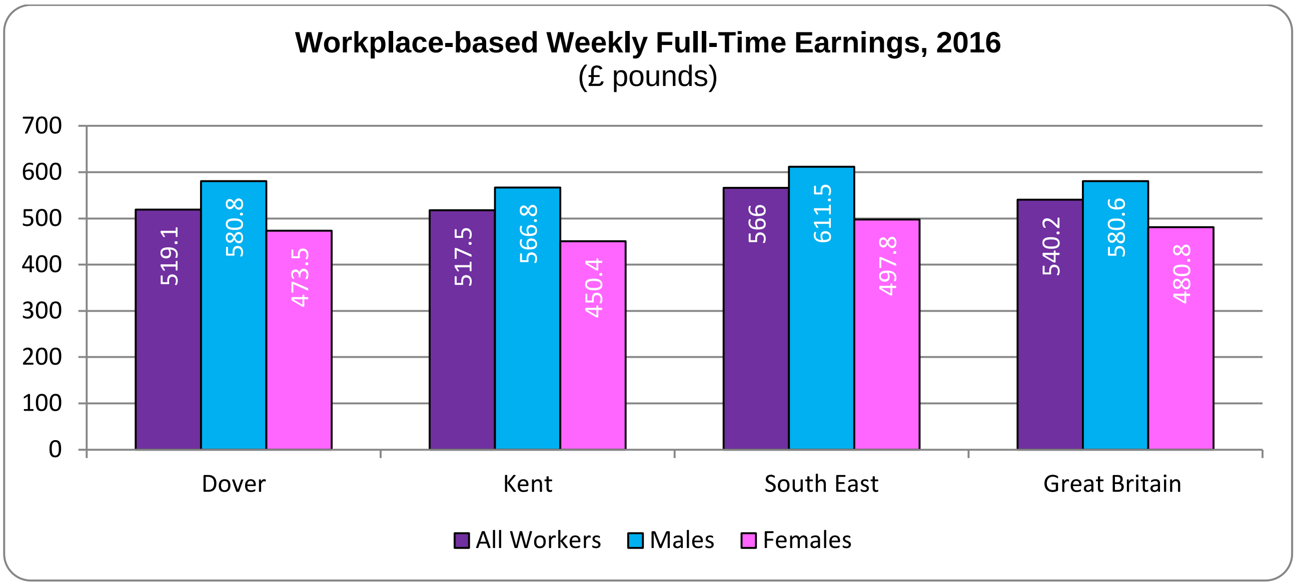
- In 2016, the median residence-based earnings for full-time workers, living in the Dover district, was £502.60pw – up from £497.70pw in 2015 (+1.0%). This is lower than the average across Kent (£553.30pw), South East region (£582.00pw) and Great Britain as a whole (541.00pw).
- Within the Kent districts, only Shepway and Thanet have a lower resident-based earnings figure for full-time workers than the Dover district (£490.60pw and £462.50pw respectively).
- Within the South East region, Thanet has the second lowest resident earnings, Shepway the fifth and Dover the eighth lowest.
- In 2016, the median residence-based earnings for all workers (full and part-time) in the Dover district was £448.00pw – a rise from £425.70 in 2015 (+5.2%). This compares to Kent £452.30pw, South East £479.10pw and Great Britain £440.80pw.
- The weekly full-time earnings for males living in the Dover district are £529.80pw. This has fallen from £549.00pw in 2015 (-3.5%). This is lower than the averages for Kent (£600.20pw), South East (£634.50pw) and nationally (£581.20pw).
- The weekly full-time earnings for females living in the Dover district are £484.70pw – a rise from £445.10pw in 2015 (+8.9%). This compares to Kent £470.00pw, South East £512.30pw and Great Britain £481.10pw.
- Figures for Kent show that those with the highest weekly earnings (those with earnings within the top 20% in the country), live in the west of the county in Tonbridge & Malling and Dartford).
- Overall residence-based earnings of people living in the Dover district have grown by +1.2% since 2007, equivalent to an increase of £5.90 per week.
- The chart below shows that, over the past 10-years, resident-based earnings in the Dover district have grown at a slower rate than that experienced across Kent (+8.9%), South East (+15.9%) and Great Britain (+17.6%).



Source: ONS annual survey of hours and earnings - resident analysis. Figures for Kent in 2007 are missing

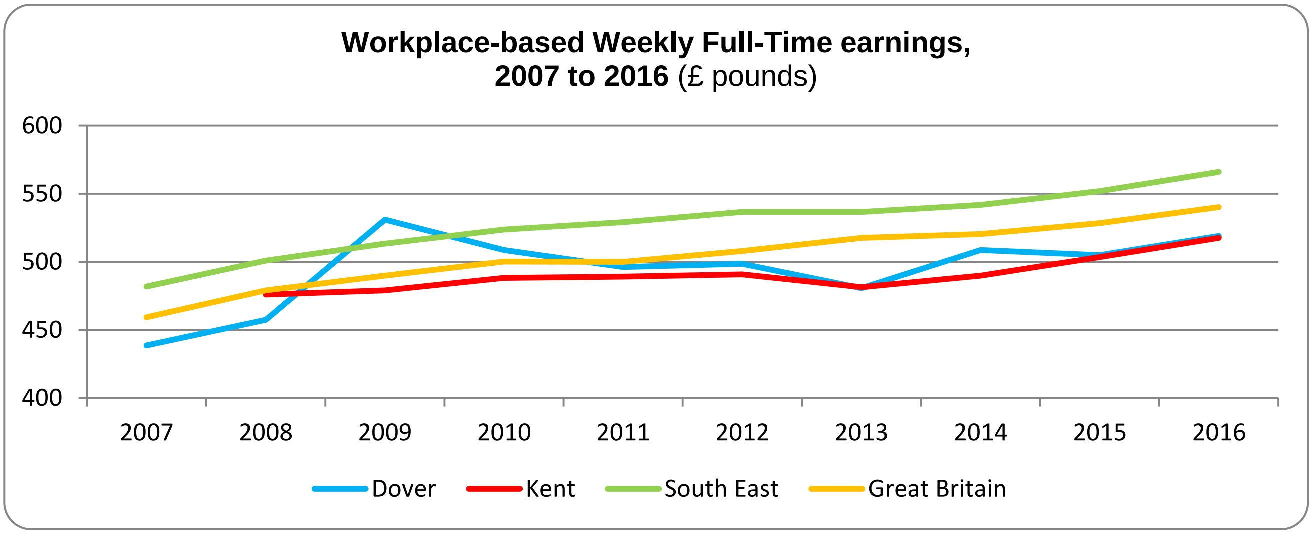
ii. Workplace Based Earnings

Workplace-based earnings show the amount a worker earns based on where they work.



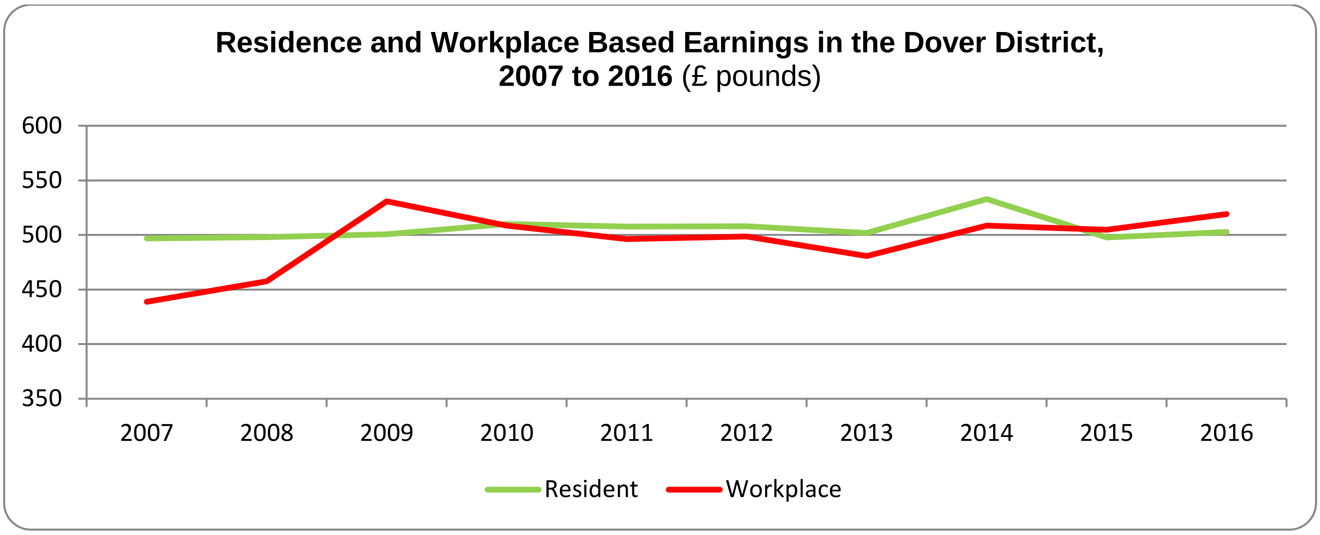
Source: ONS annual survey of hours & earnings – workplace analysis

- In 2016, the median workplace based earnings for full-time workers, living in the Dover district, was £519.10pw, this is up from £504.90pw in 2015 (+2.8%). This compares to Kent (£517.50pw), South East region (£566.00pw) and Great Britain as a whole (540.20pw).
- Seven districts in Kent have workplace-based earnings below the national average. Only Dartford, Tonbridge & Malling, Ashford and Gravesham have workplace-based earnings higher than the national average. In 2016, the median workplace-based earnings for all workers (full and part-time) in the Dover district was £443.00pw – up from £409.00pw in 2015 (+8.3%).
- The weekly full-time workplace based earnings for males living in the Dover district are £580.80pw – down from £594.30pw (-2.3%) in 2015. This is higher than the average for Kent (£566.80pw) and nationally (£580.60pw) but lower than the South East region (£611.50pw).
- The weekly full-time workplace based earnings for females living in the Dover district are £473.50pw – up from £421.70pw (+12.3%) in 2015. This is higher than the average for Kent (£450.40pw) but below those in the South East region (£497.80pw) and nationally (£480.80pw).



Source: ONS annual survey of hours and earnings – workplace resident analysis. Figures for Kent in 2007 are missing

- Overall workplace-based earnings of people living in the Dover district have grown by +18.3% since 2007, equivalent to an increase of £80.40 per week.
- The chart above shows that, over the past 10-years, workplace-based earnings in the Dover district have grown at a faster rate (+18.3%) than that experienced across Kent (+8.7%), South East (+17.5%) and Great Britain (+17.6%).

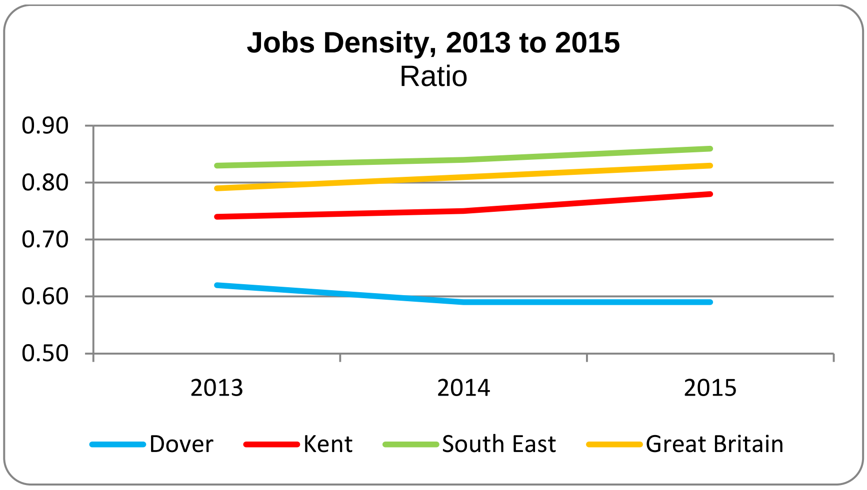


Source: ONS annual survey of hours and earnings – residence and workplace resident analysis.

- The Dover district is the only district in Kent where workplace earnings are higher than resident based earnings. This means commuters coming to the district to work, have on average, higher earnings than those who live in the district. There appears to be a trend of people commuting in for better paid jobs, rather than these being taken by local people.

f) Job Density

Job density is the number of jobs in an area relative to the size of the working age population and is a measure of availability of employment for residents in an area. A job density of 1.0 would mean that there is one job for every resident aged 16-64 years.

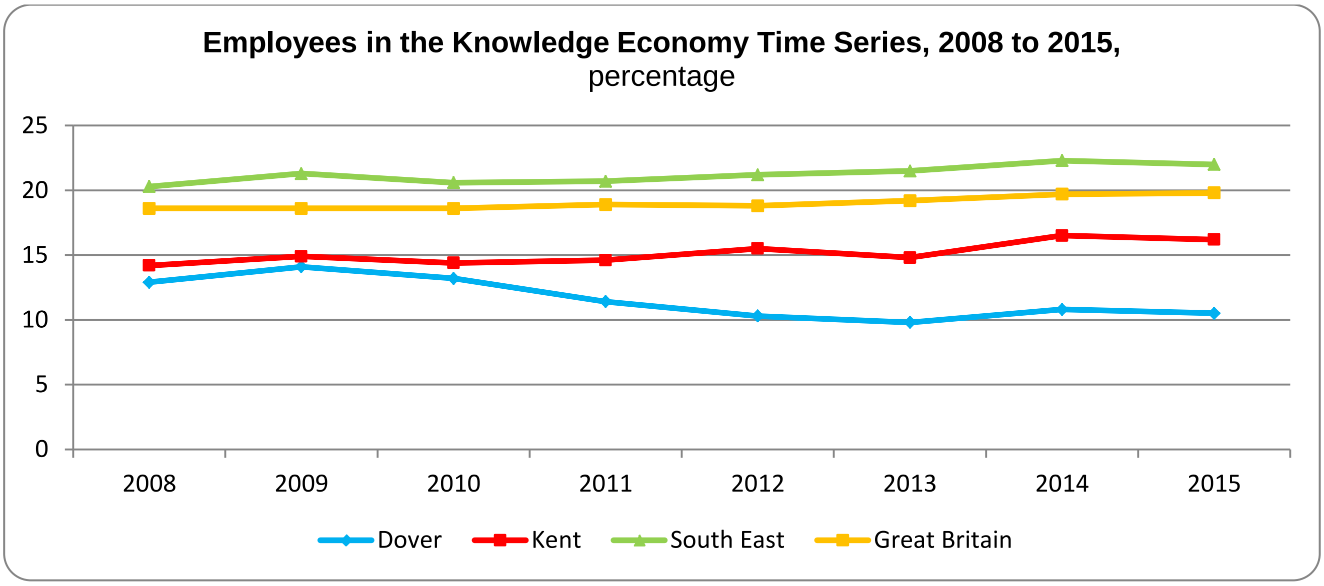


Source: NOMIS Jobs Density

- In the Dover district, in 2015, there were 40,000 jobs. This equates to 0.59 jobs per resident population aged 16 to 64 years – down from 0.62 in 2013.
- This is lower than the national average for Great Britain (0.79), South East (0.83) and Kent (0.74).
- Job density is relatively low in the Dover district. Of the Kent districts, only Thanet and Gravesham have lower job densities with 0.59 and 0.49 respectively.
- Dartford (1.03) and Tunbridge Wells (1.02) are the only districts with job densities above 1.0.

g) Knowledge Economy

The Knowledge Economy comprises those industries whose main purpose centres on knowledge or information, from highly technical industries and knowledge intensive services to creative industries. This includes such industries as Scientific Research and Development and Higher Education. It is often seen as a key driver for economic growth in the UK.

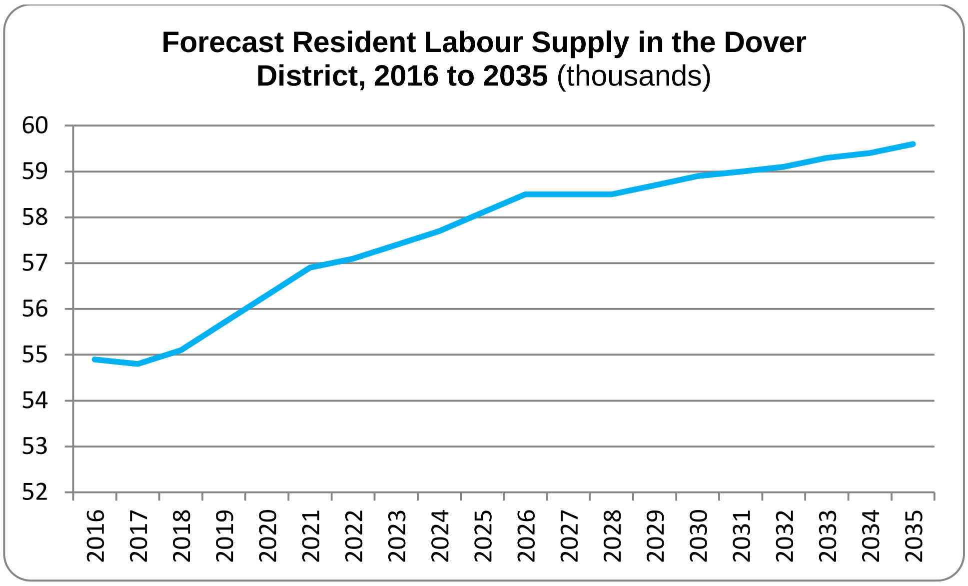


Source: Business Register of Employment

Percentage of Knowledge Economy Employees

- As at 2015, there are 3,600 knowledge employees in the Dover district (10.5% of all employees).
- There has been a significant decline in the number of employees in the Knowledge Economy in the district, with 1,500 fewer employees than in 2009 (-29.4%). This decline reflects the impact of the decision by Pfizer to withdraw activities from its site based in Sandwich. Following the designation of Discovery Park as an Enterprise Zone, substantial investment is being made to ensure its future success as a focal point for the life science industry.
- There is a big variation in the proportion of knowledge economy employees across Kent. Tunbridge Wells (34.9%) and Canterbury (21.7%) have the highest proportion of knowledge economy employees in Kent. Gravesham (8.2%), Thanet (10.1%), Dover (10.5%) and Dartford (10.7%) have the lowest proportions of knowledge economy employees in Kent.

h) Resident Labour Supply (Economically Active Population)

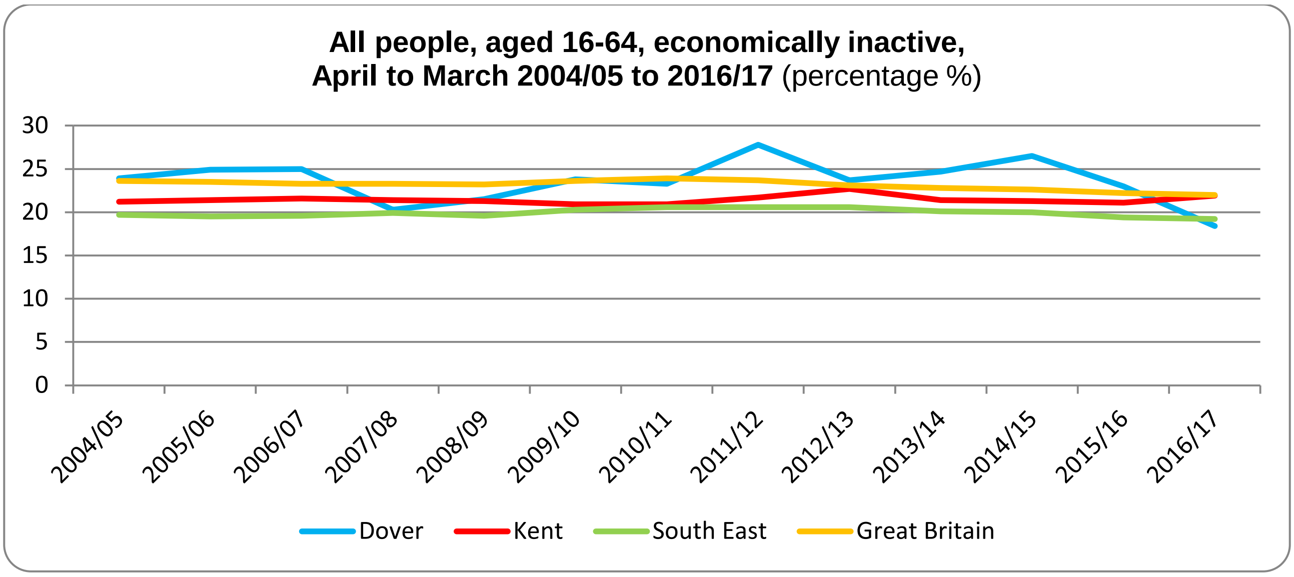


Source: KCC Housing Led Forecasts, October 2016

- KCC housing-led forecasts show that the workforce in the Dover district will increase from 54,900 in 2016 to 59,600 by 2035 (+8.6% or +4,700).
- This is significantly below the projected increase across the Kent area, which it expects to grow by +15.2% over this period.

6. ECONOMIC INACTIVITY AND UNEMPLOYMENT

a) Economic Inactivity



Source: ONS annual population survey

- Economic inactivity refers to people who are neither in employment nor unemployed and includes, for example, those looking after a home, long term sick or retired.
- In the Dover district, for the period from April 2016 to March 2017, 18.4% (12,400 people) of the resident population, aged 16 to 64 years, were economically inactive (6,100 males and 6,300 females). This is a fall from 23% the previous year (15,500 people) and is now below the averages for Kent (21.9%), South East (19.2%) and Great Britain (22%).
- Of those economically inactive in the district, 32.3% (4,000 people) wanted a job and 67.7% (8,400 people) did not want a job. The percentage of people wanting a job in the district is higher than the averages for Kent (24.1%), South East (25.6%) and Great Britain (23.8%).

The Annual Population Survey (APS) is a combined survey of households in Great Britain. The APS consists of a relatively small sample size for the Dover district, and therefore it can fluctuate. The data has a 95% confidence interval of percent figure (+/-).

b) Unemployment

- There are three different ways of measuring unemployment in general use[6]:
    - o Claimant count (Job Seekers Allowance and Universal Credit)
    - o The International Labour Organisation (ILO) definition of unemployment
    - o “Worklessness”

Claimant count

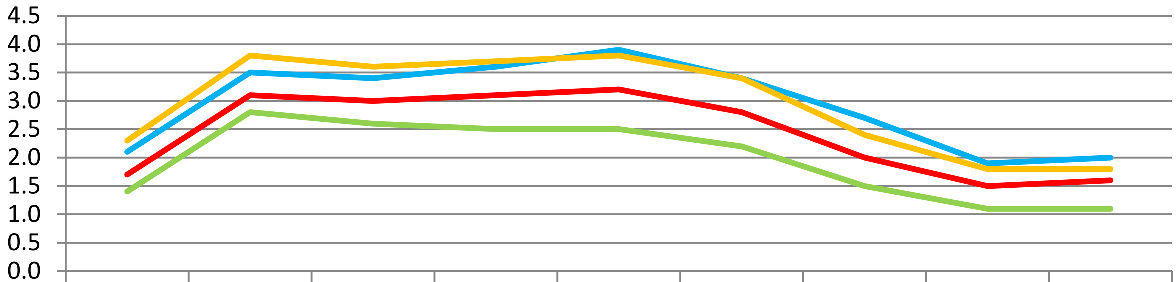
- Despite being restricted to a count of those claiming unemployment benefits only, the claimant-based data provides a robust count and is the timeliest of all three datasets, being published monthly and only one month in arrears. It is also “detail rich” compared to the other datasets, in that additional variables are available; age, gender and duration of claim. Therefore, we focus on this dataset in this report (including the Key Economic Indicators).

Universal Credit

- Since 2013, the roll out of Universal Credit has progressed across the country. Universal Credit will replace a number of means-tested benefits including the means-tested element of Jobseeker’s Allowance (JSA). From April 2015, Universal Credit started to be rolled out within Kent. It is now available in all Jobcentre areas in Kent & Medway to single claimants without a partner and without child dependents. Full roll out of Universal Credit to all claimant types in Kent began in 2017 (Dover May 2017).

i. Annual Average Unemployment Rate

Annual Average Unemployment Rate, 2008 to 2016 (percentage %)



	2008	2009	2010	2011	2012	2013	2014	2015	2016
Dover	2.1	3.5	3.4	3.6	3.9	3.4	2.7	1.9	2.0
Kent	1.7	3.1	3.0	3.1	3.2	2.8	2.0	1.5	1.6
South East	1.4	2.8	2.6	2.5	2.5	2.2	1.5	1.1	1.1
England	2.3	3.8	3.6	3.7	3.8	3.4	2.4	1.8	1.8

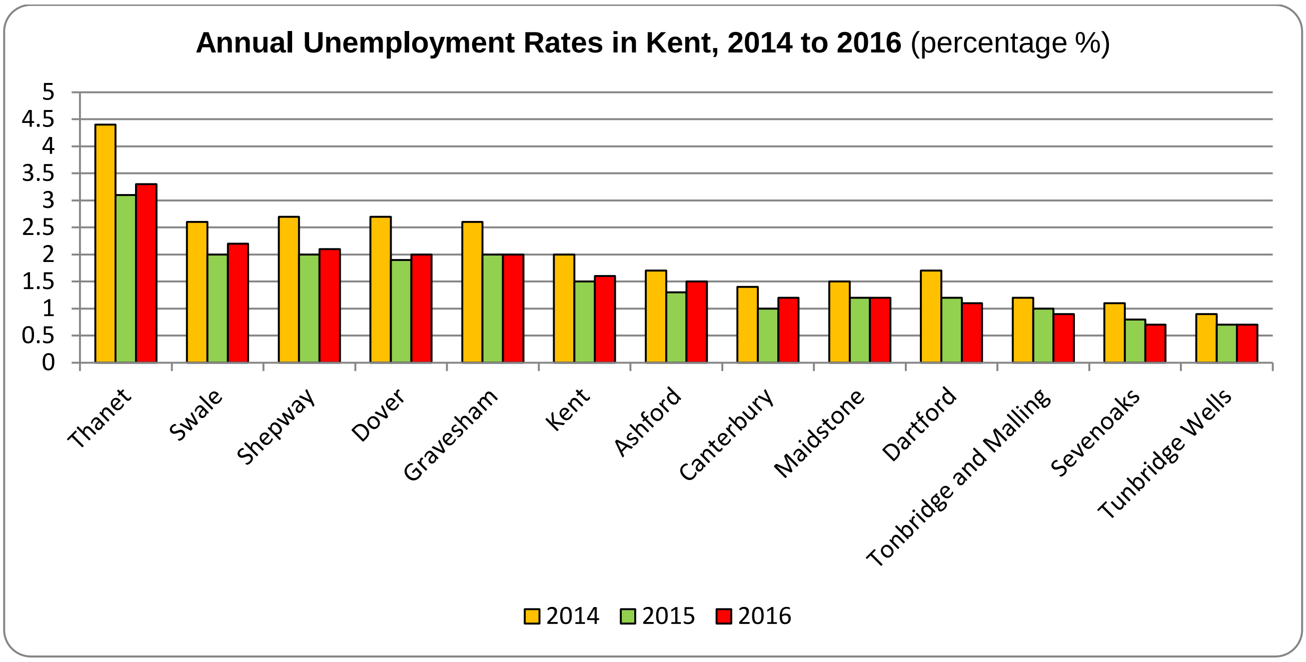
Dover Kent South East England

Source: ONS NOMIS – Claimant Count; % is numbers of persons claiming as a proportion of those aged 16-64

- The annual average unemployment rate in the district has fluctuated over the years. During 2016, the rate in the Dover district was 2.0% of the population aged 16 – 64 years, up from 1.9% in 2015. This rate is higher than that for Kent (1.6%) and the South East (1.1%) and Great Britain (1.8%).

[6] Please see KCC’s Defining and Measuring Unemployment and Worklessness bulletin for details: kent.gov.uk/__data/assets/pdf_file/0009/47385/Unemployment-measures-bulletin.pdf

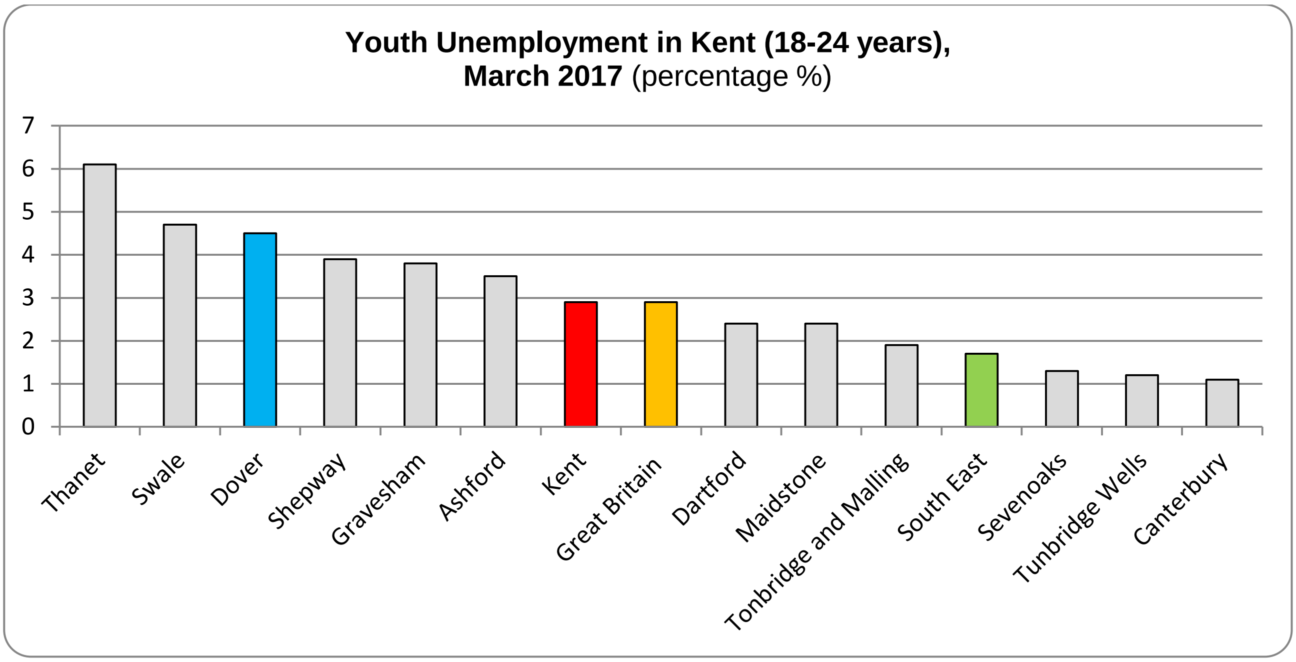
ii. Annual Unemployment Rates in Kent



Source: NOMIS - Claimant Count, KCC Economic Indicators Report 2017

- In 2016, the Dover district had the joint fourth highest unemployment rate in Kent (2.0%). Thanet had the highest (3.3%) and Tunbridge Wells the lowest (0.7%). The Dover rate is above the Kent average of 1.6%.

iii. Youth unemployment – aged 18-24 years old



Source: KCC District Unemployment Model; % is number of claimants as a proportion of resident population of the same age.

- The chart shows the number of 18-24 year olds in Kent claiming unemployment benefit as at March 2017.
- Six districts in Kent had youth unemployment rates above the county and national averages of 2.9%.
- The Dover district (4.5%) has the third highest rate behind Thanet (6.1%) and Swale (4.7%). This is also has the third highest rate in the South East.

iv. Ward Unemployment

The ward unemployment figures below are a monthly snapshot and do not indicate an annual trend. At ward-level, a small headcount change can lead to a large percentage change.

Monthly Summary of Ward Unemployment Rates (Resident Based) March 2017						
	Unemployed March 2017		Change Since Last Month		Change Since Last Year	
	Number	%	Number	%	Number	%
Great Britain	**-**	**2.0**	**-**	**2.4**	**-**	**3.4**
South East	**-**	**1.2**	**-**	**2.6**	**-**	**4.6**
Kent	**-**	**1.7**	**-**	**2.3**	**-**	**6.7**
Dover	**1,555**	***2.3***	**65**	***4.4***	**185**	***13.5***
Aylesham	70	2.3	5	7.7	20	40.0
Buckland	170	3.4	5	3.0	15	9.7
Capel-le-Ferne	10	0.6	5	100.0	0	0.0
Castle	80	5.7	0	0.0	15	23.1
Eastry	40	1.3	0	0.0	15	60.0
Eythorne and Shepherdswell	50	1.7	5	11.1	5	11.1
Little Stour and Ashstone	40	1.0	0	0.0	-5	-11.1
Lydden and Temple Ewell	15	1.0	0	0.0	5	50.0
Maxton, Elms Vale and Priory	185	3.6	10	5.7	40	27.6
Middle Deal and Sholden	110	2.4	10	10.0	30	37.5
Mill Hill	100	2.0	5	5.3	20	25.0
North Deal	80	1.8	-5	-5.9	0	0.0
Ringwould	15	1.5	0	0.0	5	50.0
River	10	0.5	0	0.0	-5	-33.3
St Margaret's-at-Cliffe	20	0.8	0	0.0	-10	-33.3
St Radigunds	175	4.8	20	12.9	25	16.7
Sandwich	45	1.1	5	12.5	0	0.0
Tower Hamlets	205	4.9	5	2.5	35	20.6
Town and Pier	55	3.9	5	10.0	10	22.2
Walmer	55	1.4	0	0.0	0	0.0
Whitfield	30	1.0	5	20.0	-5	-14.3

Source: Ward Unemployment Model, March 2017
Figures in red indicate a rise in unemployment benefit claimants. A negative number indicates a drop in unemployment benefit claimants

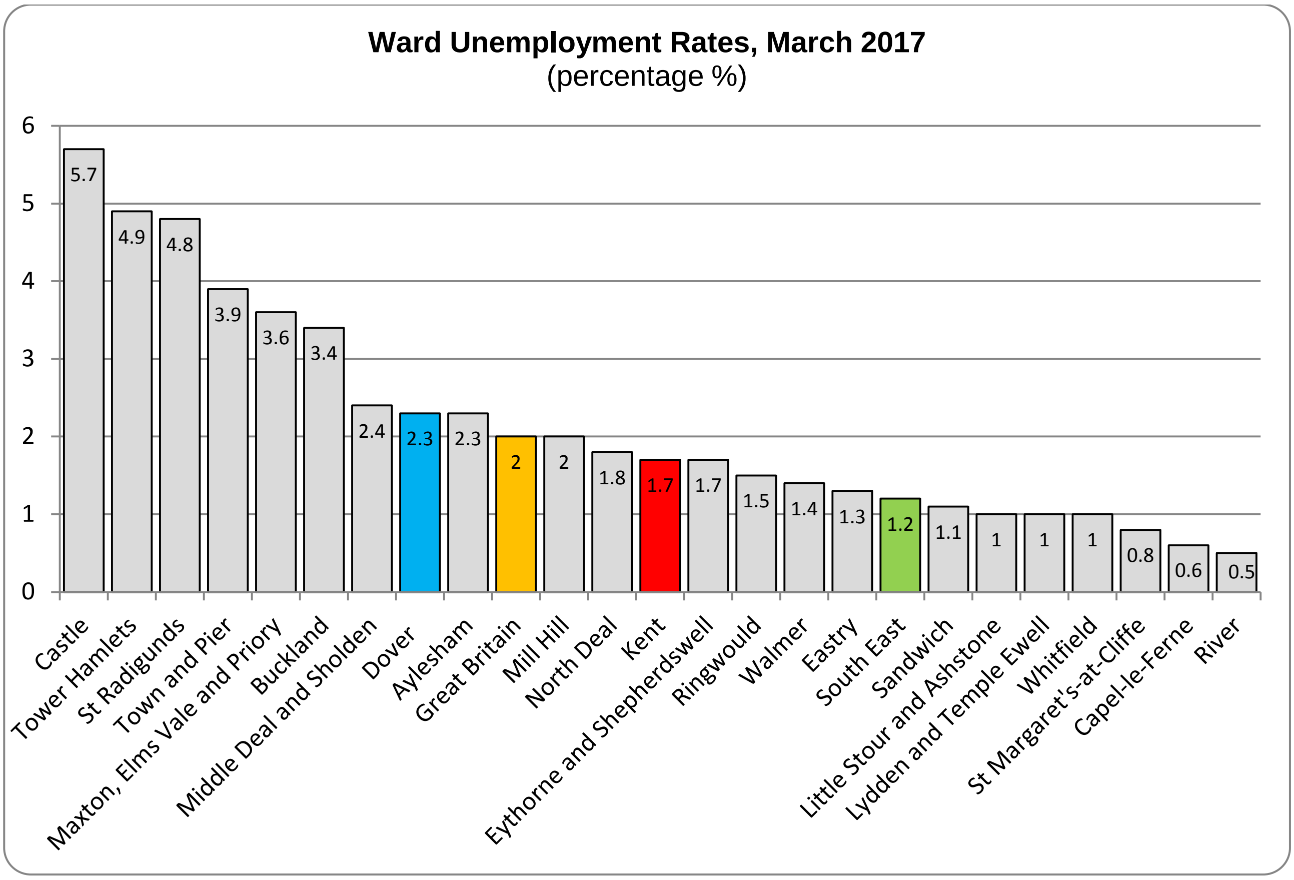
- As at March 2017, seven wards had unemployment above the average for the Dover district:
  - Castle (5.7%)
  - Tower Hamlets (4.9%)
  - St Radigunds (4.8%)
  - Town and Pier (3.9%)
  - Maxton, Elms Vale and Priory (3.6%)
  - Buckland (3.4%)
  - Middle Deal and Sholden (2.4%)

- Three wards had unemployment levels below 1%:
  - St. Margarets-at-Cliffe (0.8%)
  - Capel-le-Ferne (0.6%)
  - River (0.5%).

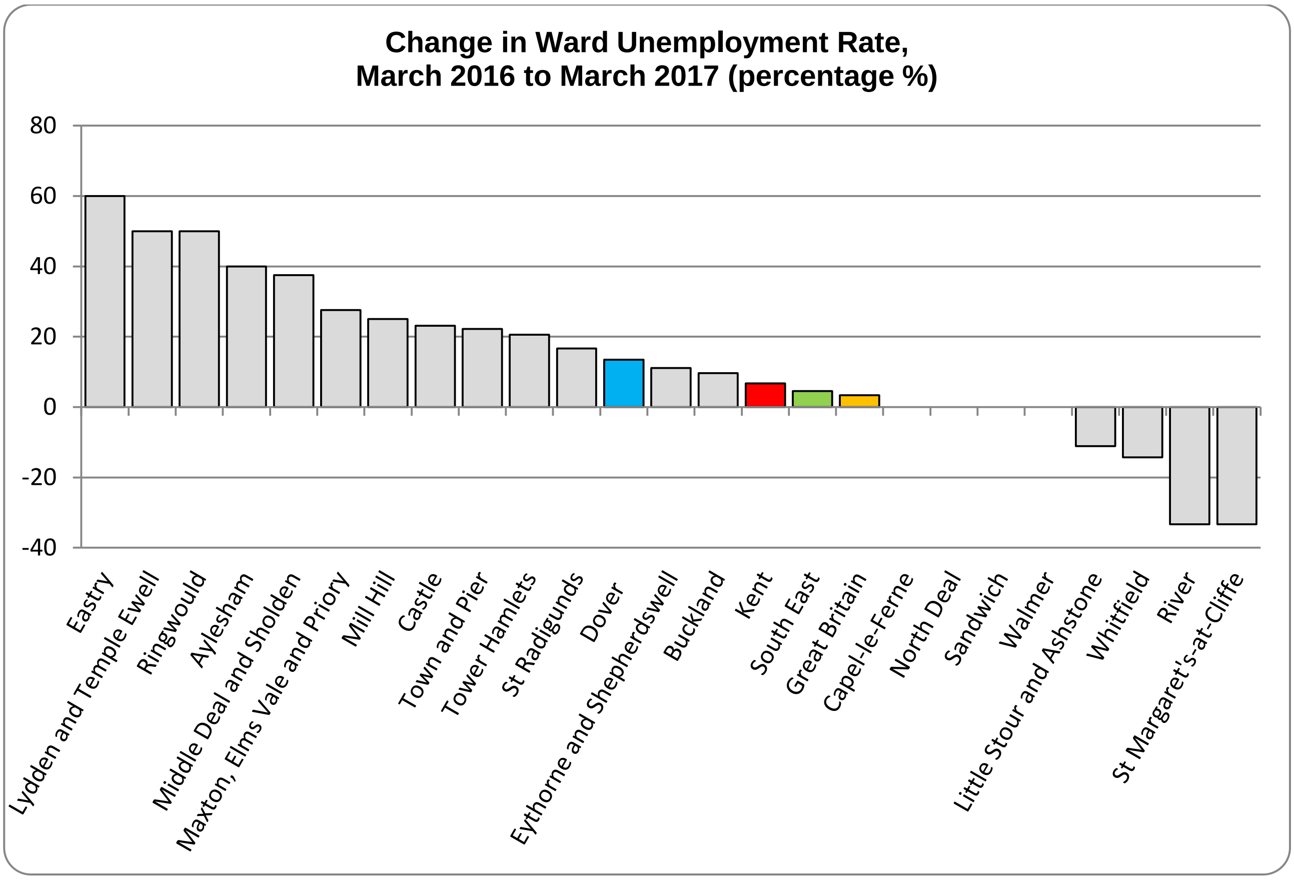
- Over the year, four wards saw a fall in unemployment:
  - Little Stour and Ashstone (-11.1%)
  - River (-33.3%)
  - St Margaret's-at-Cliffe (-33.3%)
  - Whitfield (-14.3%).

- There was no change in four other wards.

Dover District Ward Unemployment Rates and Percentage Change for March 2017



Source: Ward Unemployment Model, March 2017

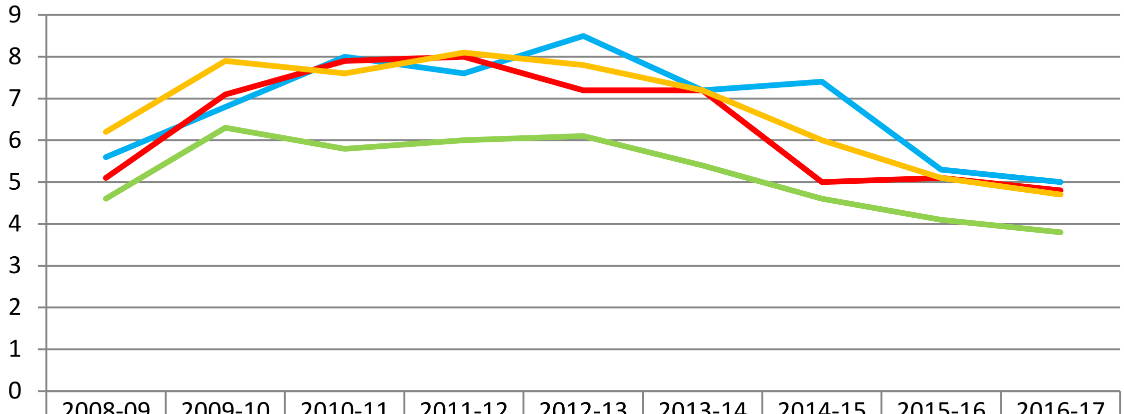


Source: Ward Unemployment Model, March 2017

v. International Labour Organisation definition of unemployment

- Unemployment refers to people without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.
- This is a wider definition of unemployment, as it is not restricted to an individual's eligibility to claim unemployment benefit, so the unemployment numbers and rates tend to be higher than for the monthly unemployment benefits claimant count.
- The unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed. This follows guidelines specified by the International Labour Organisation and it ensures that UK unemployment statistics are broadly comparable with those published by other countries.
- The definition is estimated from National Labour Force Surveys – published quarterly at a local level in the Annual Population Survey (APS), approximately 9 months in arrears, and the data for each period covers the previous 12 months, rather than a single point in time.
- As unemployed form a small percentage of the population, the APS unemployed estimates within local authorities are based on very small samples so for many areas would be unreliable. To overcome this ONS has developed a statistical model that provides better estimates of total unemployed for unitary authorities and local authority districts (unemployment estimates for counties are direct survey estimates). Model-based estimates are not produced for male or female unemployed or at ward-level.

Unemployment Rate (model-based), 2008-09 to 2016-17 (percentage %)



	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17
Dover	5.6	6.8	8.0	7.6	8.5	7.2	7.4	5.3	5.0
Kent	5.1	7.1	7.9	8.0	7.2	7.2	5.0	5.1	4.8
South East	4.6	6.3	5.8	6.0	6.1	5.4	4.6	4.1	3.8
Great Britain	6.2	7.9	7.6	8.1	7.8	7.2	6.0	5.1	4.7

Dover Kent South East Great Britain

Source: ONS Nomis (Annual Population Survey); Unemployed as a percentage of the economically active population.

- Using this measure of unemployment, for the period April 2016 to March 2017, the unemployment rate in the Dover district was 5.0% (2,900 people), which is higher than the averages for Kent, South East and Great Britain.
- Unemployment rates in the district have fluctuated and have been reducing since 2012-13, when they were 8.5% (4,500).

End Note: Kent Economic Indicators 2017 Data Years

Data Years - the years to which the data relates within the year of release

	2013	***2014***	***2015***	***2016***	***2017***
% 16-64 claiming out of work benefits	*Feb 12*	*Feb 13*	*Feb 14*	*Feb 15*	*Feb 16*
Unemployment Rate	*2012*	*2013*	*2014*	*2015*	*2016*
Median Gross Weekly Workplace Earnings	*2012*	*2013*	*2014*	*2015*	*2016*
Median Gross Weekly Resident Earnings	*2012*	*2013*	*2014*	*2015*	*2016*
Employment Rate	*2012*	*2013*	*2014*	*2015*	*2016*
Employee change since 2006	*2011*	*2012*	*2013*	*2014*	*2015*
Stock of businesses	*2011*	*2012*	*2013*	*2014*	*2015*
3-year Business Survival Rate	*2011*	*2012*	*2013*	*2014*	*2015*
GVA per Head	*2011*	*2012*	*2013*	*2014*	*2015*
% Employees in the Knowledge Economy	*2011*	*2012*	*2013*	*2014*	*2015*
% NVQ4+	*2012*	*2013*	*2014*	*2015*	*2016*

The 11 indicators used in the models are:

1. **Out of work benefits claimants:** This is defined as those people aged 16-64 who are claiming Jobseekers Allowance, lone parents claiming Income Support, those claiming incapacity benefits and others claiming income related benefits. Using data from the Department for Work and Pensions this is a wider picture of those people who are not working often used as a proxy for worklessness.
2. **Unemployment:** Taken from the ONS Jobseekers Claimant Count this shows the percentage of the population aged 16-64 who are claiming unemployment benefits.
3. **Earnings:** Using data from the Annual Survey of Hours and Earnings this looks at the average (median) weekly earnings on a resident and workplace basis.
4. **Employment rate:** In the county model this shows the proportion of those aged 16-64 who are in employment. This uses data taken from the Annual Population Survey.
5. **Employees:** This looks at the change in number of employees over the previous five years. This indicator uses Annual Business Inquiry (ABI) and Business Register and Employment Survey (BRES) data.
6. **Business Stock:** At district level this gives a snapshot of the number of vat registered businesses in the area. At county level this is presented as the net change in stock of businesses as a proportion of all businesses. This data comes from the ONS Business Demography dataset.
7. **3-Year Survival Rates:** This shows the proportion of new businesses which remain surviving after 3 years of trading. This data comes from the ONS Business Demography dataset.
8. **GVA:** Using Office for National Statistics estimates which shows the GVA (the value of the goods and services produced in the economy) which is used to measure the overall economic well-being of an area.
9. **Percentage employees in the knowledge economy:** Using figures from the ABI and the BRES this shows the proportion of employees who are employed in the knowledge economy. The knowledge economy is defined as “a group of specific sectors within the economy that are knowledge intensive in their activity, that deal extensively with information/information technology and whose business is all about the distribution or exchange of the information that they hold”. The knowledge economy has been identified as a key sector to drive future economic growth.
10. **NVQ4+:** Using figures from the Annual Population Survey this shows the proportion of the population aged 16-64 who are qualified to NVQ level 4 or above.