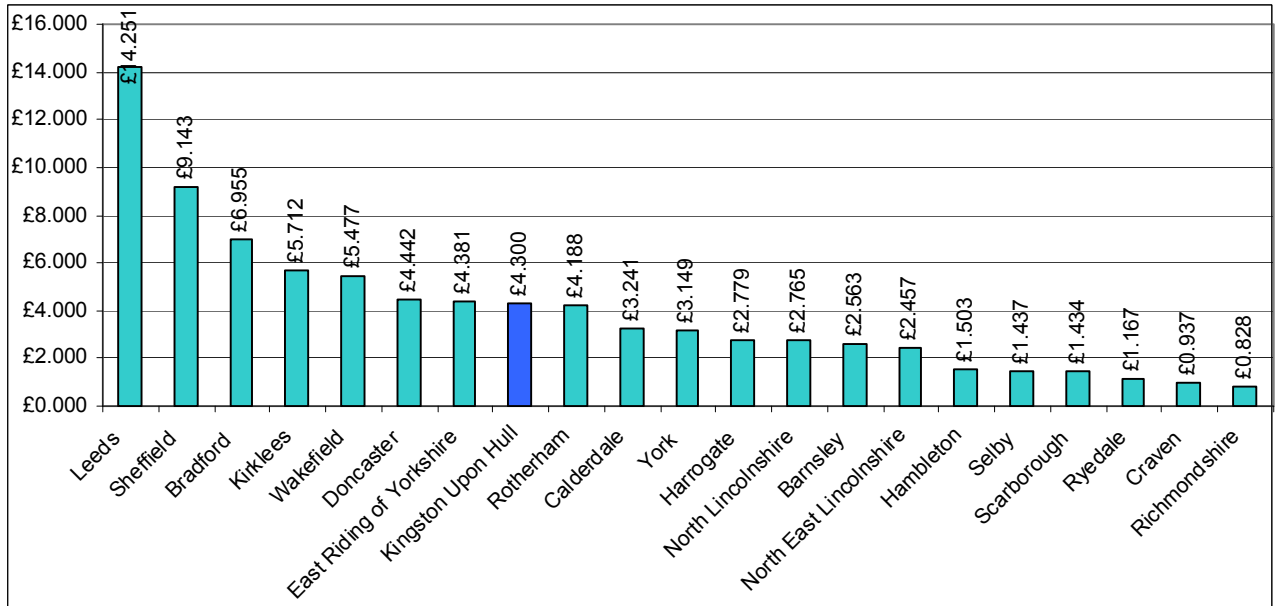


HULL- AN ECONOMIC OVERVIEW¹

This briefing focuses on the impacts of recession, how residents and businesses within the Yorkshire and Humber region are coping, what measures they are taking to weather the current economic climate, as well as looking at attitudes of businesses about and use of our business support services and how these can help mitigate current issues and best prepare businesses in the region for the future. As far as possible, data has been provided at district and constituency level.

Introduction:

Figure 1 – Yorkshire & Humber Local Authority GVA (£,bn) (2008)

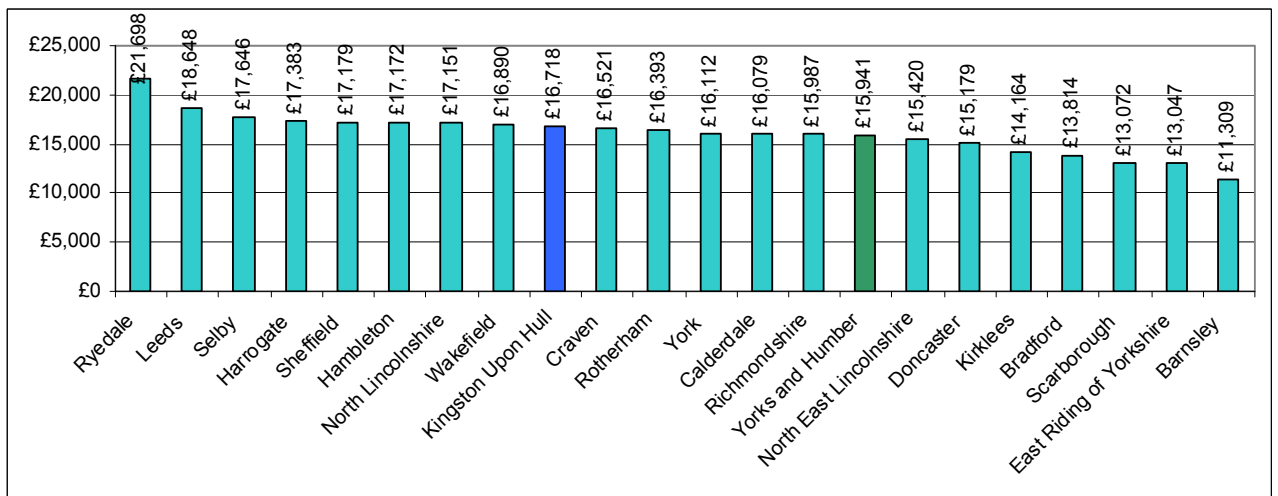


Source: Yorkshire Forward Regional Econometric Model 2008

- The GVA of the local authority of Hull is £4.3 billion. This places the region 8th of the 21 local authorities in Yorkshire and Humber in terms of the size of its economy.
- The Hull economy makes up 5.2% of the total Yorkshire and Humber economy of £82.96 billion.

GVA Per Head

Figure 1: Yorkshire and Humber Local Authority GVA/per head (2008)



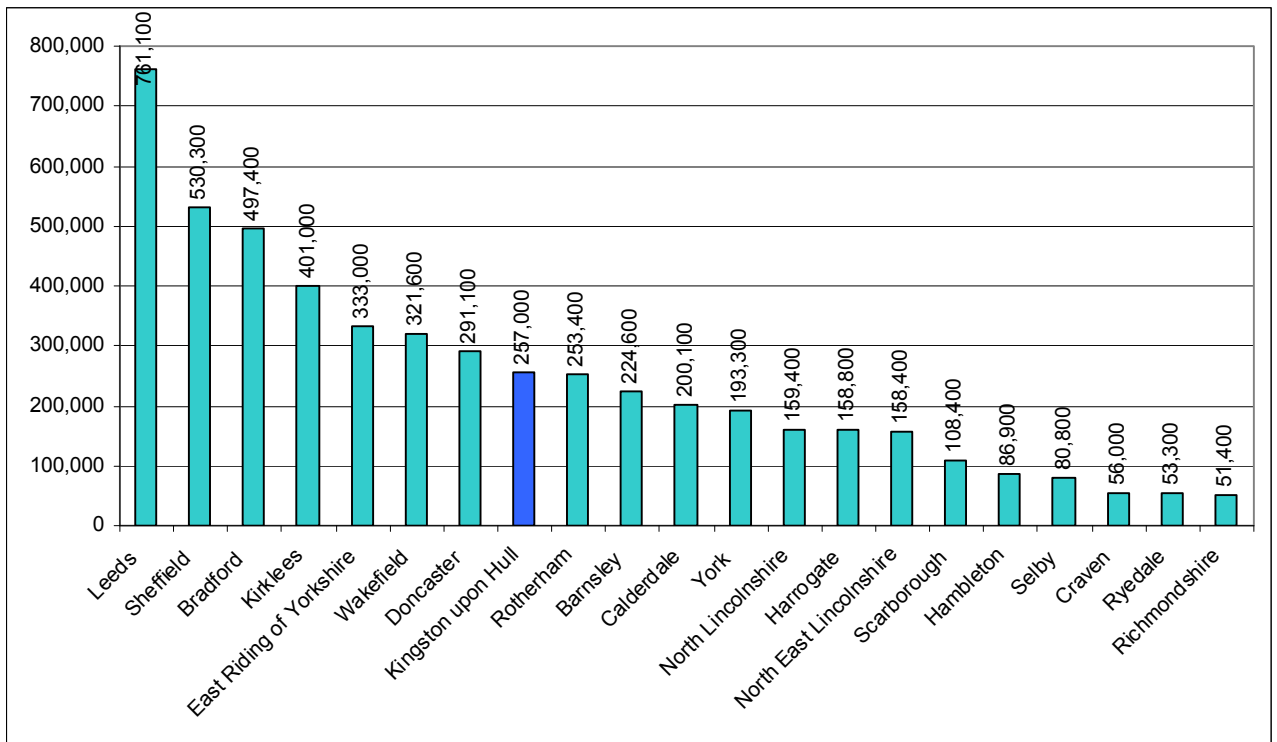
¹ Based on material from Yorkshire Forward (February and July 2009)

Source: Yorkshire Forward Regional Econometric Model 2008

- Hull's GVA per head is £16,718. This places the local authority 9th of the 21 local authorities of Yorkshire and Humber. The average for Yorkshire and the Humber is £15,941.
- Hull's GVA per head is 105% of the Yorkshire and Humber Average.

Population Estimates

Figure 2: Mid Year Population Estimates 2007

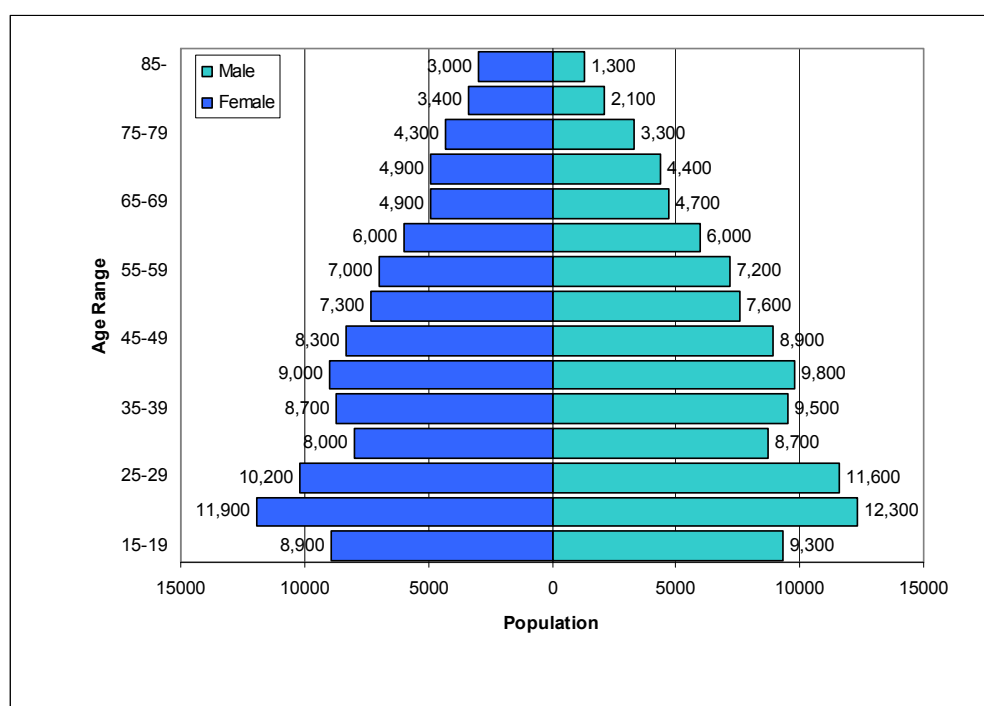


Source: ONS Mid Year Population Estimates, NOMIS

- Hull's population is approximately 257,100. It is the 8th largest local authority by population, and accounts for 5.0% of the regions total population of 5,117,000 people. 50% of the population is male and 50% female.

Population Structure

Figure 3: Population Pyramid Hull2007



Source: ONS Mid Year Population Estimates NOMIS

- The average age of the population in Hull is 36, below the Yorkshire and Humber average of 38. The largest age category for the population of Hull is between the ages of 20-24 where 9.4% of the population fall.

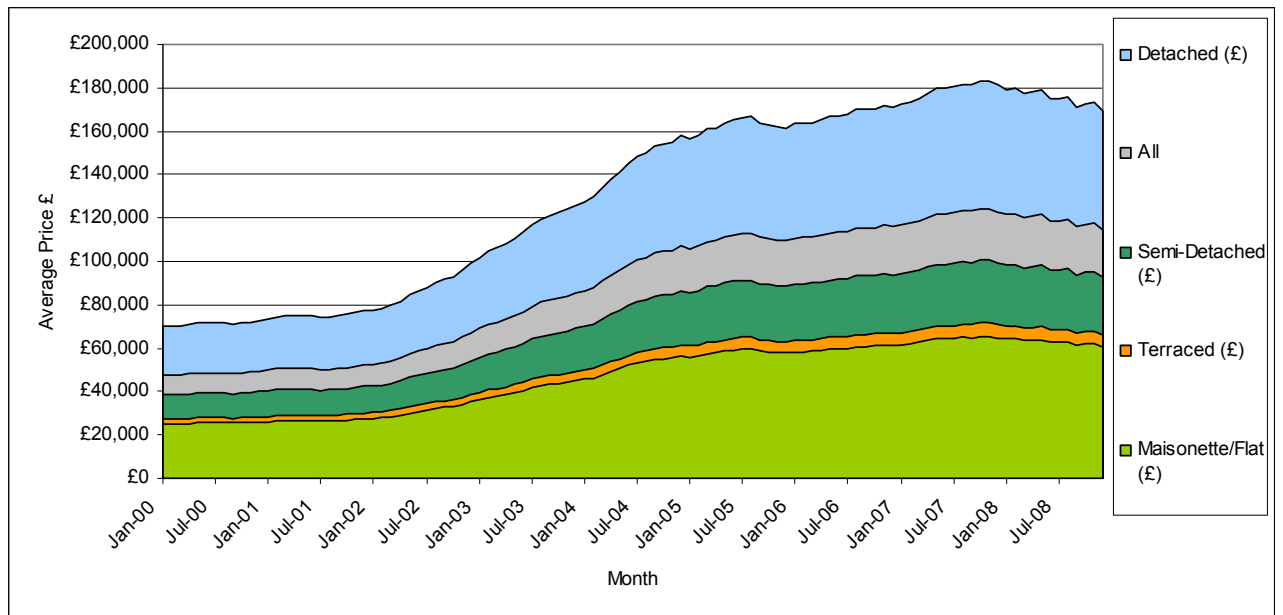
Table 1: Population Age Structure 2007

	Age Range Total	Age Range %
Aged 15 - 19 years	18,200	7.1%
Aged 20 - 24 years	24,100	9.4%
Aged 25 - 29 years	21,700	8.4%
Aged 30 - 34 years	16,800	6.5%
Aged 35 - 39 years	18,200	7.1%
Aged 40 - 44 years	18,700	7.3%
Aged 45 - 49 years	17,200	6.7%
Aged 50 - 54 years	14,900	5.8%
Aged 55 - 59 years	14,200	5.5%
Aged 60 - 64 years	12,000	4.7%
Aged 65 - 69 years	9,600	3.7%
Aged 70 - 74 years	9,300	3.6%
Aged 75 - 79 years	7,600	3.0%
Aged 80 - 84 years	5,500	2.1%
Aged 85 and over	4,300	1.7%
Total	257,000	
Working Age Total	176,000	
Working Age %	68.48%	

Source: ONS Mid Year Population Estimates NOMIS

House Prices

Figure 4: Average Property Prices in Hull (February 2009)



Source: Land Registry

- The average property price in Hull is £81,044. This is 63% of the Yorkshire and Humber average of £128,955.
- There is a particularly large difference between the average price of Maisonette/Flat type properties in Hull and the rest of the region with the average price being just 60% of the regional average.

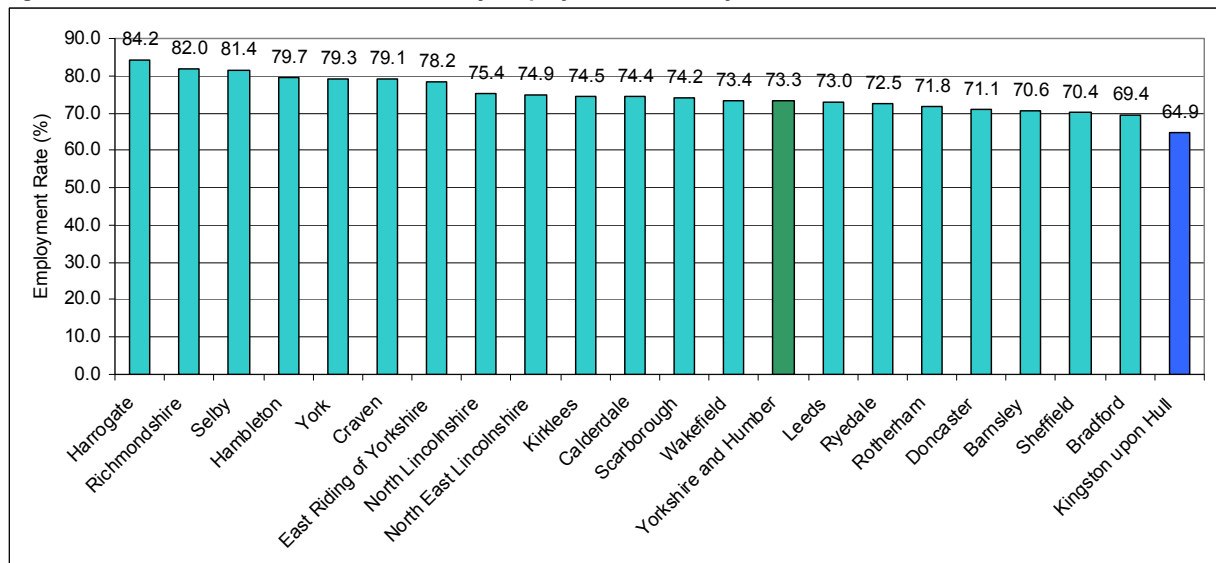
Table 2: Average Property Values in Hull (£) December 2008

Area	Detached (£)	Semi-Detached (£)	Terraced (£)	Maisonette/Flat (£)	All Properties
Yorkshire and Humber	215,011	116,799	82,490	115,897	128,955
Hull	156,468	94,841	61,650	69,659	81,044

Source: Land Registry

Employment Rate

Figure 5: Yorkshire and Humber Local Authority Employment Rates July 2007-June 2008

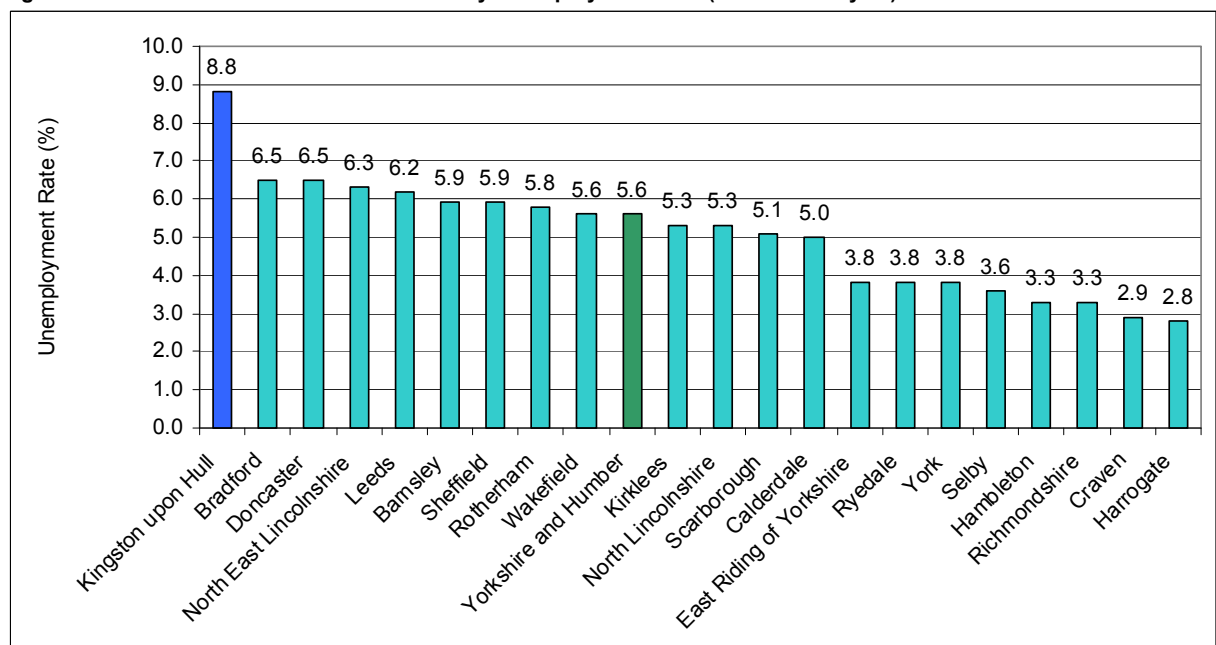


Source: ONS NOMIS

- Hull has an employment rate of 64.9% placing it last of the Regions local authorities. Hull's employment rate is below the Yorkshire and Humber average of 73.3%.

Unemployment Rate ILO

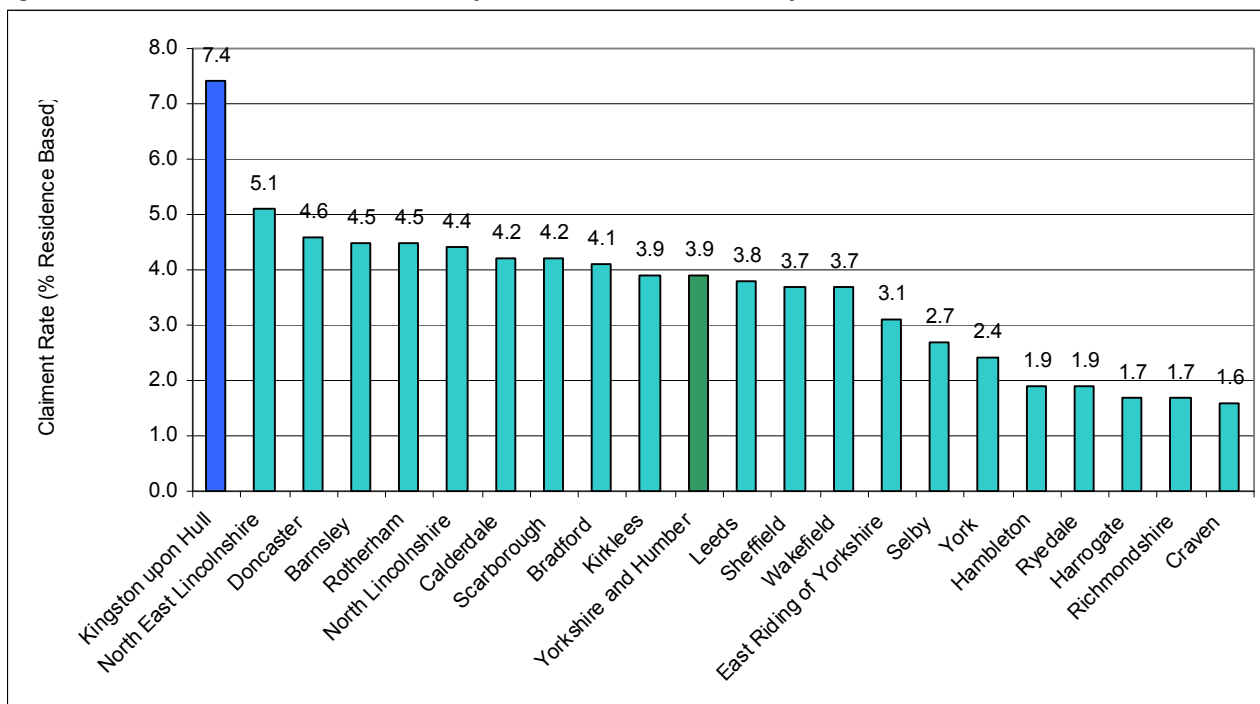
Figure 6: Yorkshire and Humber Local Authority Unemployment Rate (June 07 – July 08)



Source: ONS Labour Force Survey NOMIS

- Hull has an unemployment rate of 8.8% which places it highest in the Yorkshire and Humber region. Hull's employment rate is 3.2 points higher than the regional average of 5.6%.

Figure 7: Yorkshire and Humber Local Authority Claimant Count Rates January 2009

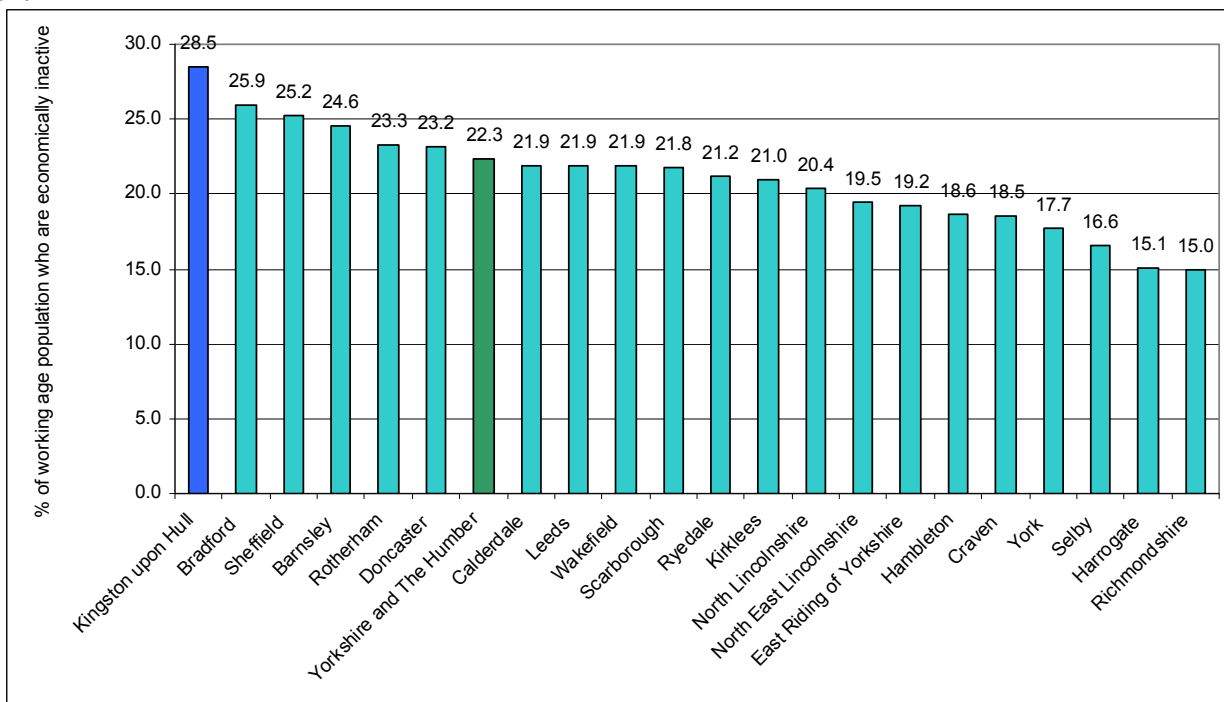


Source: ONS Jobs Centre Plus, NOMIS

- Hull has a claimant rate of 7.4% which places it highest in the Yorkshire and Humber region. Hull's employment rate is 3.5 points higher than the regional average of 3.9%.

Economically Inactive

Figure 8: Yorkshire and Humber Local Authority Economic Inactivity Rate (As a percent of working age population. Jul2007-June 2008)

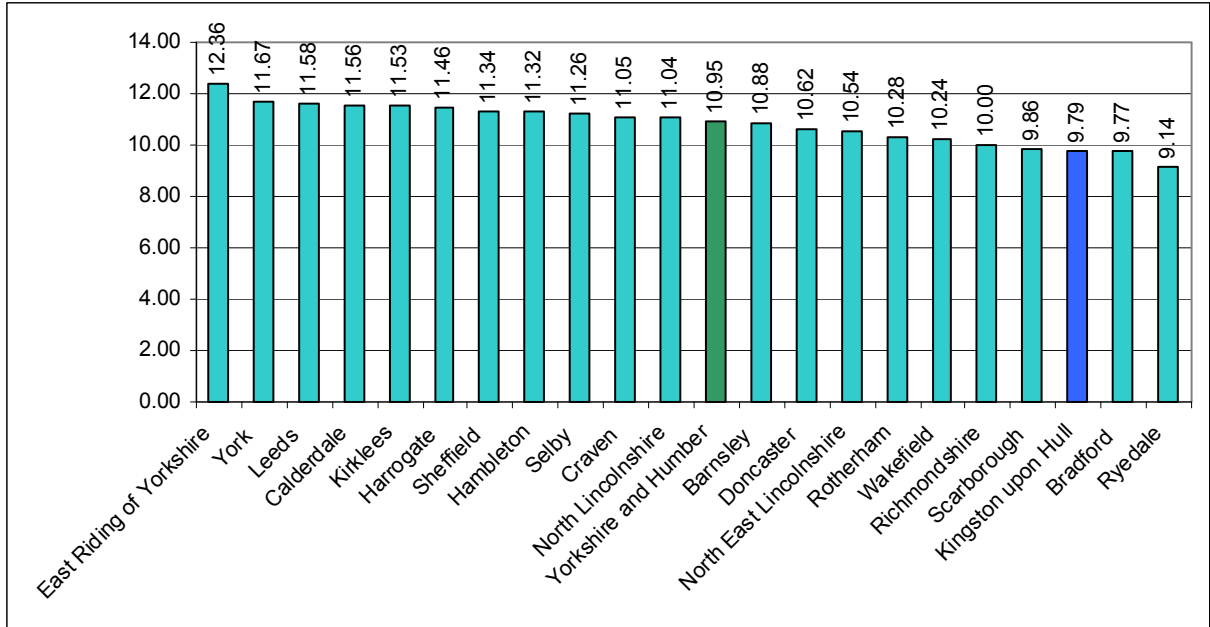


Source: ONS, Annual Population Survey, NOMIS

- Hull has an economic inactivity rate of 28.5% which places it highest of the Yorkshire and Humber local authorities. Hull's economic inactivity rate is 6.2 points higher than the Yorkshire and Humber average of 22.3%

Earnings

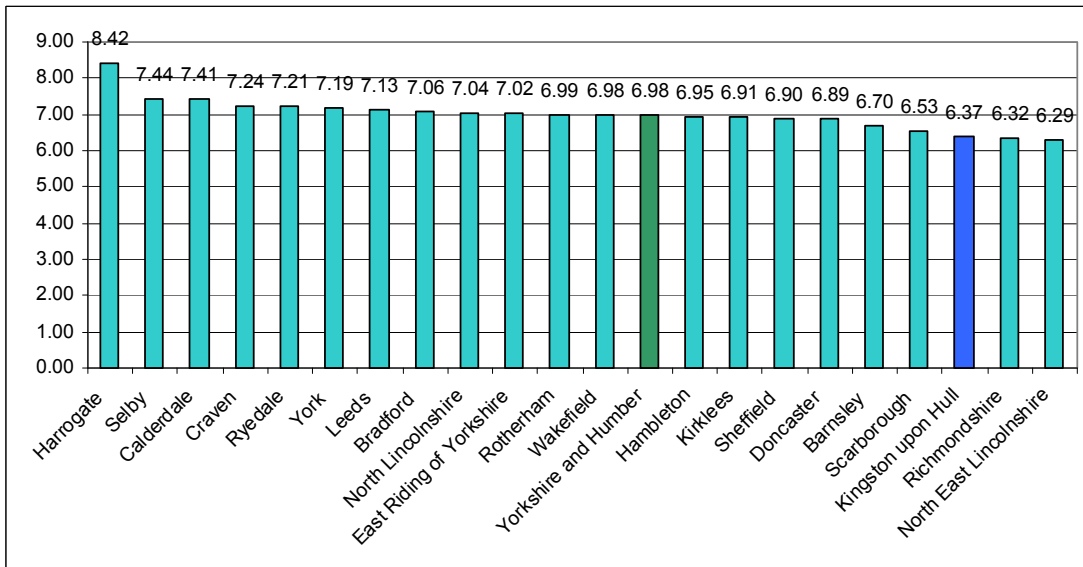
Figure 9: Gross Hourly Pay (Full Time Workers)



Source: ONS, Annual Survey of Hours and Earnings, NOMIS

- Gross hourly pay for full time workers is £9.79 in Hull. This places the region 20th of the Local Authorities and below the Yorkshire and Humber average of £10.95 per hour.

Figure 10: Gross Weekly Pay (Part Time Workers)



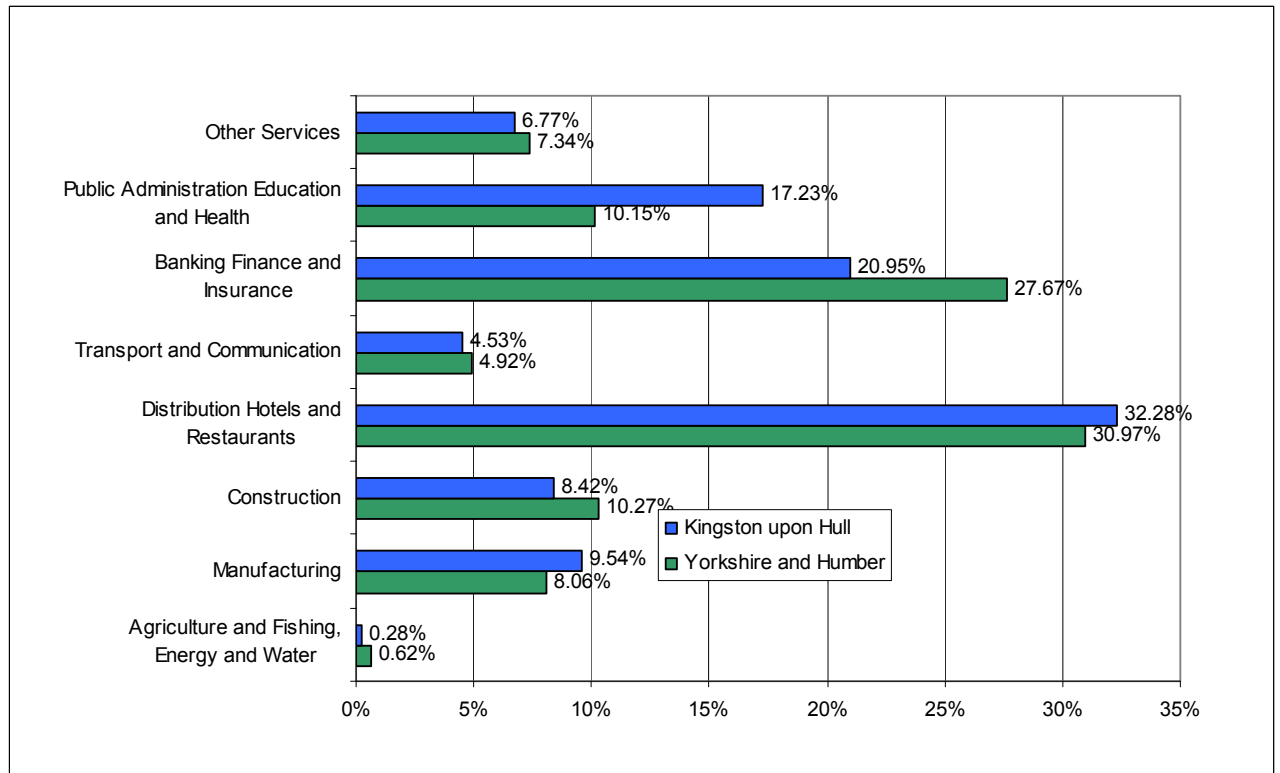
Source: ONS, Annual Survey of Hours and Earnings, NOMIS

- Gross hourly pay for part time workers in Hull is £6.37 in Hull. This place the region 20th of the local authorities and below the Yorkshire and Humber average of £6.98 per hour

Business Profile

- There are 8,329 business units in Hull.

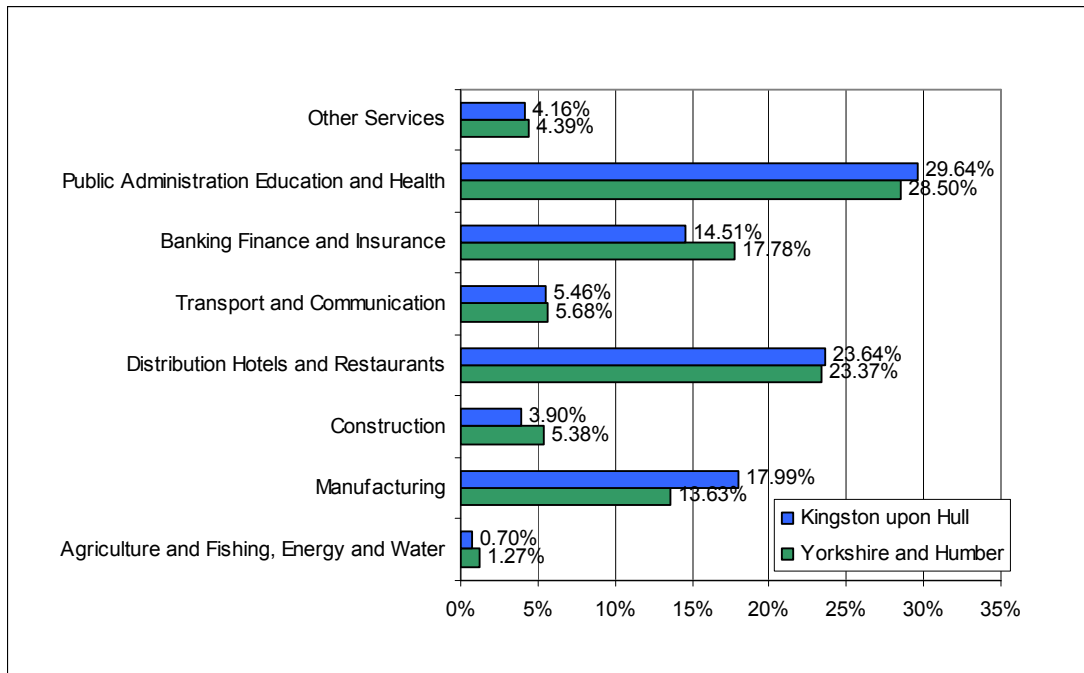
Figure 11: Breakdown of Businesses by Broad Industrial Sector 2007



Source: ONS Annual Business Inquiry, NOMIS

- The largest business sector in Hull by business numbers is the Distribution, Hotels and Restaurants sector (32%), followed by the Banking Finance and Insurance sector (21%) and Public Administration, Education and Health (17%).
- The smallest sectors are Agriculture, Fishing, Energy and Water (0.3%), Transport and Communication (4%) and Manufacturing (9%).
- Hull has a slightly higher proportion of businesses in the Public Administration, Education and Health and Distribution, Hotels and Restaurants sector than the Yorkshire and Humber average and fewer in Banking, Finance and Insurance.

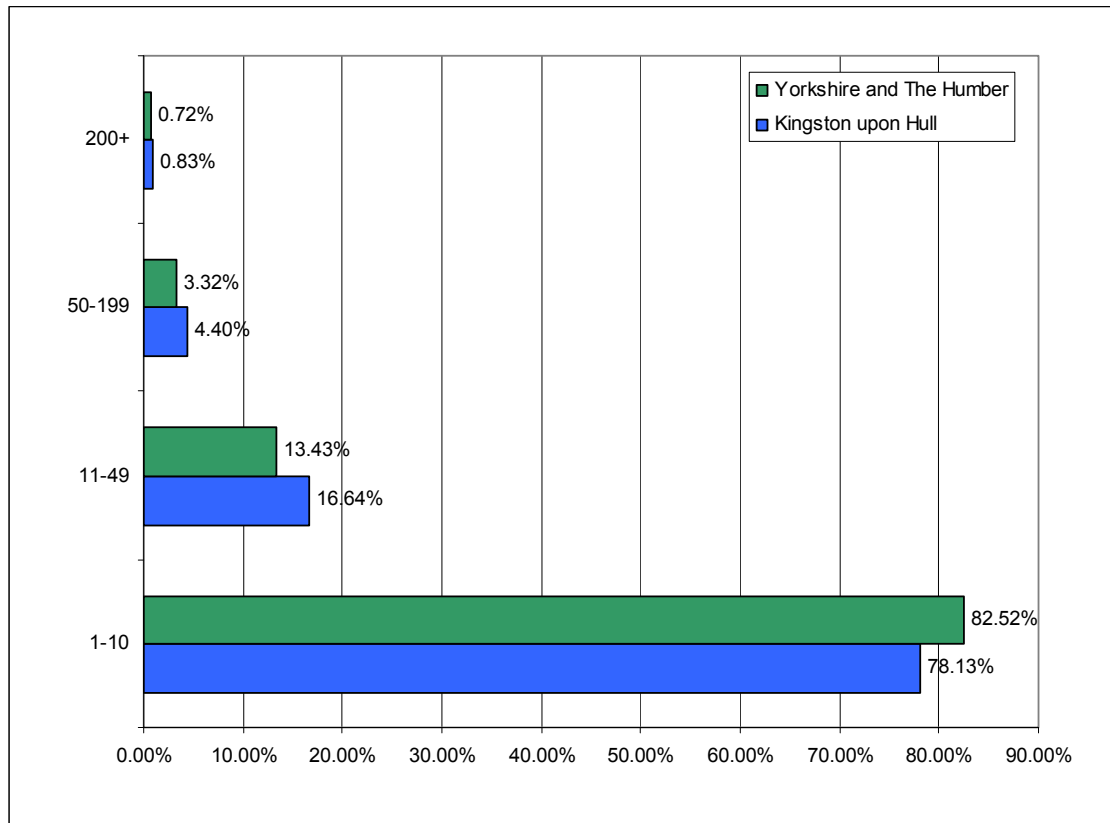
Figure 12: Breakdown of Employment by Broad Industrial Sector 2007



Source: ONS Annual Business Inquiry, NOMIS

- The largest sectors by employment are Public Administration, Education and Health (30%) followed by Distribution Hotels and Restaurants (24%) and Manufacturing (18%).
- The smallest sectors are Agriculture, Fishing, Energy and Water (0.7%), Transport and Communication (5.5%), and Other Services (4%).
- Hull has proportionally more employment in Manufacturing and less in Banking Finance and Insurance than the Yorkshire and Humber average.

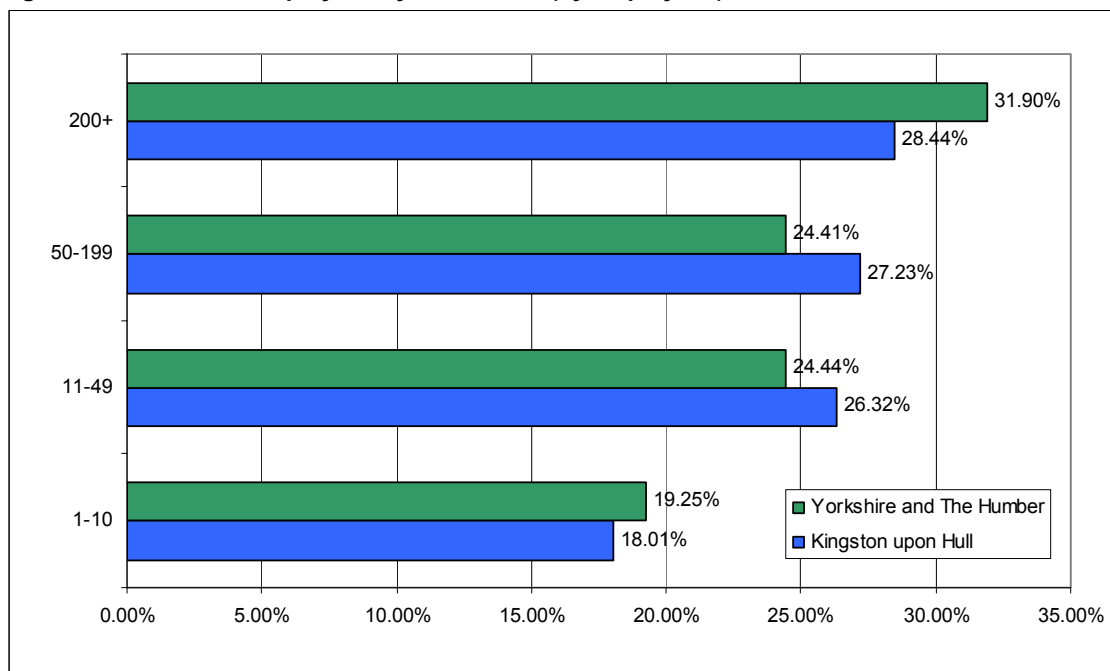
Figure 13: Number of Businesses by Number of Employees 2007



Source: ONS Annual Business Survey NOMIS

- The employment profile of businesses in Hull shows that businesses in the local authority are broadly similar to the Yorkshire and Humber Average. The area has 6,501 businesses employing 1-10, 1,385 businesses employing 11-49, 366 businesses employing 50-199 and 69 employing 200+.

Figure 14: Number of Employees by size of firm (by employees) 2007



Source: ONS Annual Business Survey NOMIS

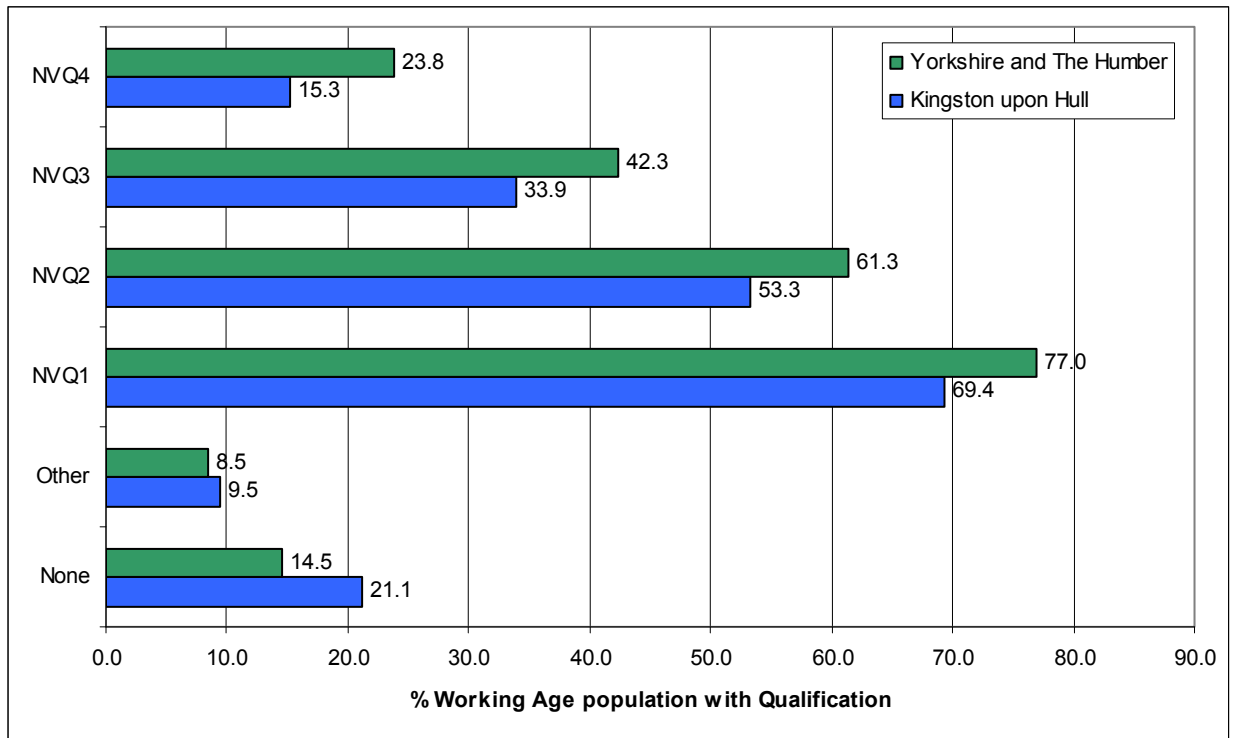
- Hull has slightly more people employed in mid sized firms, and slightly fewer in small and large sized firms than the Yorkshire and Humber average.
- The area has 14,628 people employed in firms employing 1-10, 21,187 people in firms employing 11-49, 30,958 people employed in firms employing 50-199 and 33,446 people employed in firms employing over 200.

Companies

- The largest employer in Hull is **the Hull and East Yorkshire Hospitals NHS Trust**, followed by **Hull City Council**, and **Cranswick**.
- The largest company in Hull by Turnover is **Cranswick** an engineering firm, followed by **KCOM Group** a food manufacturer and **Saltend Cogeneration Company Ltd**.

Qualifications

Figure 15: % of Working Age Population with Qualification by NVQ (2007)



Source: ONS Annual Population Survey

- Hull has lower levels of qualification than the Yorkshire and Humber average at all NVQ levels, and a higher proportion with no qualification. 21.1% of the working age population has no qualification in Hull compared with 14.5% across the region.

Part 2: The Current and Forecast State of the Economy²

Figure 1 – Current state of the Economy

		2008				2009	Percentage Change	
		Q1	Q2	Q3	Q4	Q1	Latest quarter on previous quarter	Latest quarter on corresponding quarter of previous year
GDP	£ million	361,000	363,122	361,247	357,552	352,176	-1.5	-2.4
GVA		322,289	323,830	324,742	323,418	319,800	-1.1	-0.8

Source: ONS, UK output, income and expenditure, Statistical Bulletin, May 2009

When we look at GDP and GVA we can see that there is no doubt that the UK economy is experiencing an economic downturn. The table above shows that GDP and GVA for quarter 1 2009 has declined in comparison to both the previous quarter (Q4 in 2008) and the corresponding quarter of the previous year (Q1 2008).

- The GVA of the local authority of Hull is £4.3 billion. This places the region 8th of the 21 local authorities in Yorkshire and Humber in terms of the size of its economy.
- The Hull economy makes up 5.2% of the total Yorkshire and Humber economy of £82.96 billion.

Figure 2 - GVA forecasts – 2009 – 2025

	2009	2015	2025	% growth 2009-2015	% growth 2009-2025
	Output in £millions			%	%
UK	1,037,928.129	1,187,862.716	1,546,361.447	14.4	49.0
Yorkshire and Humber	77,637.126	87,064.695	110,285.958	12.1	42.1
Humber	12,480.053	13,690.676	17,161.473	9.7	37.5
East Riding of Yorkshire	3,902.401	4,339.548	5,553.622	11.2	42.3
Kingston Upon Hull	3,902.600	4,278.107	5,231.626	9.6	34.1
North East Lincolnshire	2,207.253	2,427.877	3,013.419	10.0	36.5
North Lincolnshire	2,467.798	2,645.143	3,362.806	7.2	36.3

Source: Yorkshire Forward / Experian Business Strategies Ltd, Office for National Statistics, Regional Econometric Model, Spring 2009?

In 2009, total Gross Value Added³ (GVA) across Yorkshire and Humber is forecast at £77,637,126 (see GVA in Technical Information). By 2015, total GVA for the region is predicted to increase by 12% to around £87,064,695, and this is a slower rate of increase than that expected across the UK.

By 2015 total GVA in Kingston upon Hull is forecast to increase by 9.6%, compared to a low of 7.2% in North Lincolnshire and a high of 16.6% in Craven. This will raise total GVA in Kingston upon Hull to £4,278,107, maintaining the district's proportion of the overall Yorkshire and Humber economy to around 5%.

² Local Area Briefing: Kingston upon Hull – Overview, Yorkshire Forward, July 2009.

³ **GVA** - GVA in the Regional Econometric Model is calculated as the sum of sector output plus Ownership of Dwellings, the Adjustment for Financial Services and a statistical adjustment. Output of Financial and Business Services includes income from interest. This is removed from the GVA estimate by deducting the Adjustment for Financial Services. Output by sector is based on the information supplied in the Office for National Statistics Regional Accounts and the output movements implied by changes in employment. Recent construction output estimates are supplemented by regional data on contractors' output from Housing & Construction Statistics. All data are constrained to sum to the published UK totals.

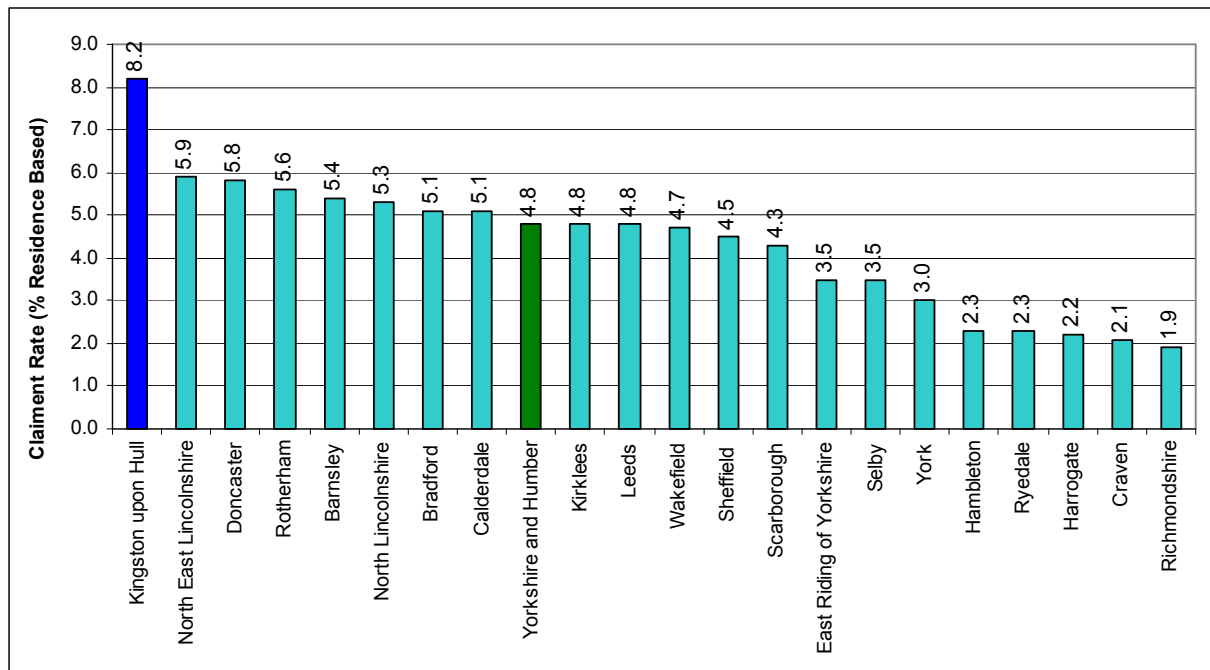
Figure 3 – Productivity per worker forecasts – 2009 - 2025

	2009	2015	2025	% growth 2009 2015	% growth 2009 2025
	Productivity per worker (£'000s)			%	%
UK	40.73	45.92	57.04	12.7	40.0
Yorkshire and Humber	36.93	41.33	49.61	11.9	34.3
East Riding of Yorkshire	35.75	39.94	47.66	11.7	33.3
Kingston Upon Hull	38.15	42.91	52.01	12.5	36.3
North East Lincolnshire	37.26	41.49	49.19	11.3	32.0
North Lincolnshire	38.34	41.83	49.46	9.1	29.0

Source: Yorkshire Forward / Experian Business Strategies Ltd, Office for National Statistics, Regional Econometric Model, spring 2009.⁴

In 2009, productivity per worker across⁵ Yorkshire and Humber is forecast to be £36,930. By 2015 this is predicted to increase by 11.9% to £41,330. In Kingston upon Hull, productivity is forecast to increase by 12.5%, compared to a low of 9.1% in North Lincolnshire and a high of 14.2% in Calderdale. This would raise productivity per worker to £42,910, ahead of the regional average by £1.4k.

Figure 4 — Yorkshire and Humber local authority claimant rates



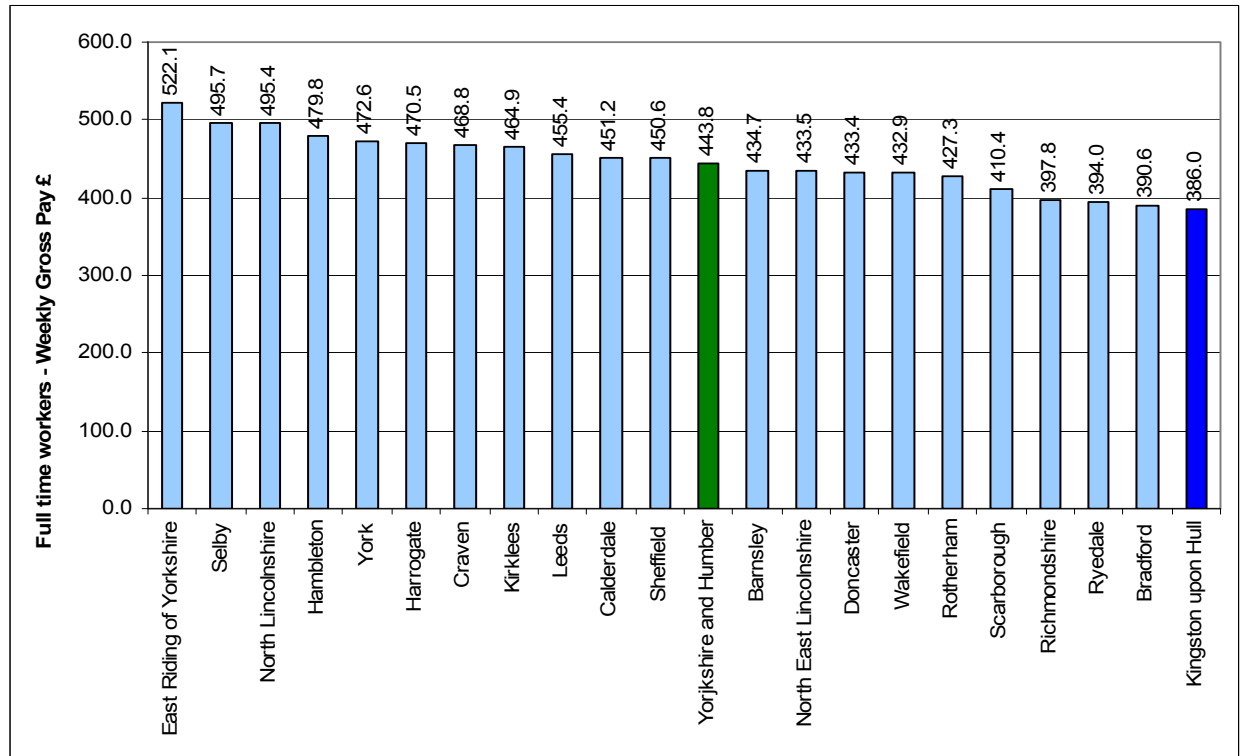
Source: ONS Jobs Centre Plus, NOMIS, June 2009

As of May 2009 the average claimant rate for England was 4.1%, and the region rank 3rd with 4.8% behind the North East and West Midlands. Kingston upon Hull has a claimant rate of 8.2%, and this compares to a rate of 4.8% in May 2008

⁴ NOTE - Please be aware that figures taken from the Regional Econometric Model are based on interim forecasts, and are subject to change over time. Future forecasts could show a different (and possibly more pessimistic) picture - this is especially the case in the current economic climate.

⁵ **Productivity** - productivity per worker figures are determined from the Yorkshire Forward Regional Econometric Model by dividing total output for each area by the total number of Full-Time Equivalent employees. Readers should note that the productivity per worker figures from the Regional Econometric Model are based on forecasts, and are therefore higher than those quoted from the Office for National Statistics, Regional Competitiveness Indicators, based on actual GVA per workforce job data (as of 2004).

Figure 5 - Gross Weekly Pay (Full Time Workers)



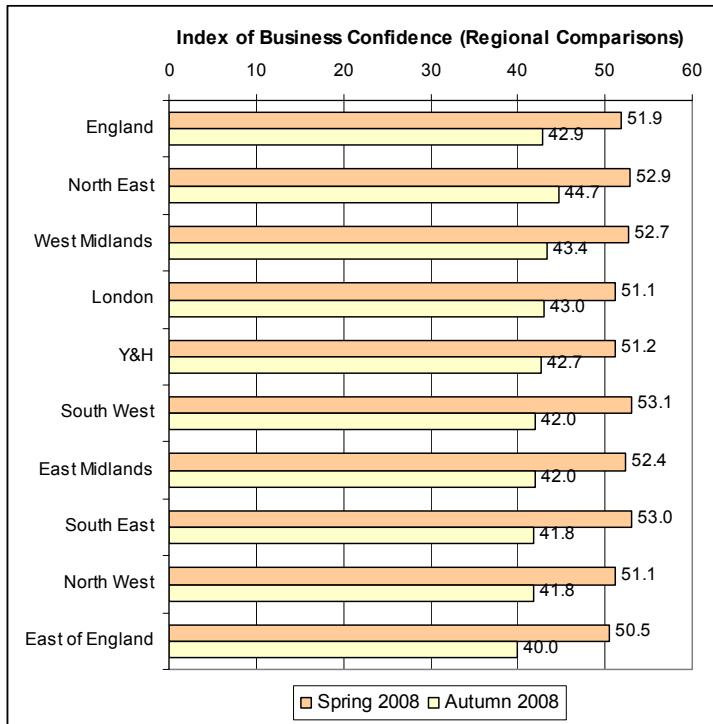
Source: ONS, Annual Survey of Hours and Earnings, NOMIS, 2008

The average gross weekly pay for full time workers across Yorkshire and Humber is £443.80 compared to the national average of £484, and the region ranks 8th behind London (£580.80) and above the North East (£421.60). However, since 2007 the average gross weekly pay has increased by 4.3% from £425.60, and this is in line with year on year growth seen at a national level.

Gross weekly pay for full time workers in Kingston upon Hull is £386.0 and this places the district lowest of all 21 districts within the Yorkshire and Humber region. In contrast to the year on year increases seen across the region and most other districts, average gross weekly pay for full time workers in Kingston upon Hull has remained relatively static since 2007 (£388.1).

Section 2: Business Perspective

Figure 6 - Business Confidence – National and regional trend

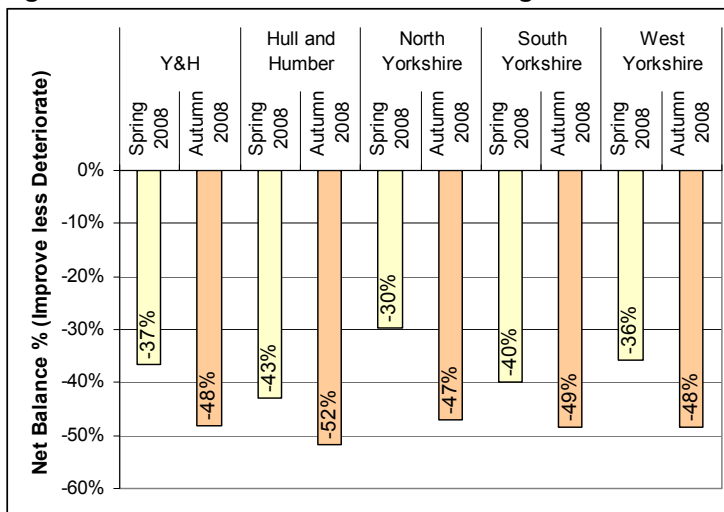


Source: Ipsos/MORI, National Business Survey, autumn 2008. Note : <50=Negative; > 50=Positive

From the chart above we can see two very interesting points. First, there has been a noticeable deterioration in business confidence between spring 2008 and autumn 2008, (the National Index of Business Confidence has fallen from 51.9 to 42.9), and secondly, this same trend has been experienced across all nine English regions.

Additional analysis shows that most variation is observed by sector, with the construction and retail industries most pessimistic (index of 33.8 and 40.1 respectively), and the public/personal services sector least pessimistic (index of 49.4).

Figure 7 – Business Confidence – Sub regional trend



Source: Ipsos/MORI, National Business Survey, autumn 2008

On both the spring 2008 and autumn 2008 National Business Surveys business respondents were asked if they felt that the business climate in which they were operating would improve, remain stable or deteriorate in the next 12 months.

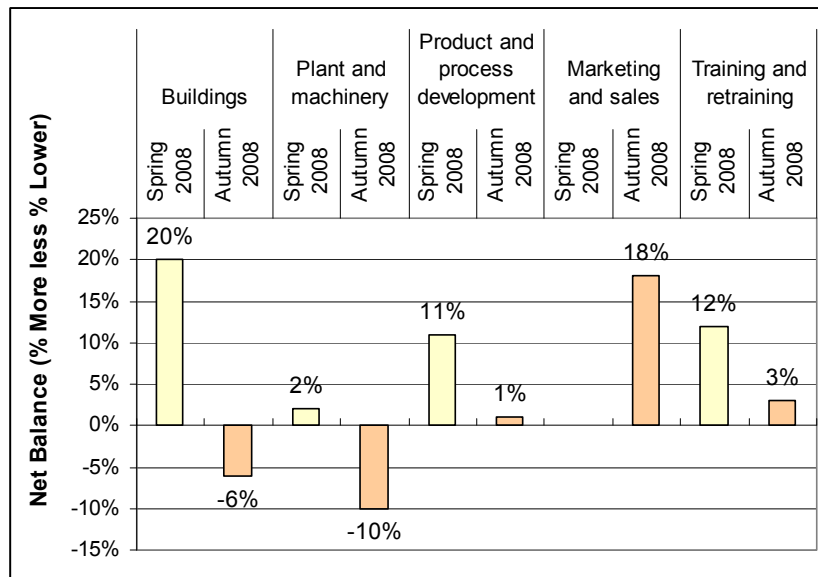
In Yorkshire and Humber business confidence has declined from -37% on balance in spring 2008 to -48% on balance in autumn 2008, (where the balance is the difference between the % of business respondents who indicated they felt the business climate would improve and the % who indicated they thought it might deteriorate).

Across the four sub-regions of Yorkshire and Humber we can see that businesses in Kingston upon Hull and Humber feel more pessimistic than businesses in North Yorkshire, however, confidence in the business climate has most drastically declined in North Yorkshire between spring and autumn 2008.

When we look at size of business we can see that small businesses (no of employees 1-9) are less pessimistic compared to businesses that have more than 50 employees (-48% v - 52% on balance respectively).

As seen in the National Index of Business Confidence, when we look at business sector we can see considerable variation in levels of confidence; whilst the hotel and catering and construction industries are more pessimistic (-70% and -62% on balance respectively), the public/personal services sector appears least pessimistic (-27% on balance).

Figure 8 – Long term investment intentions



Source: Ipsos/MORI, National Business Survey, autumn 2008

Business respondents have also been asked about what areas of their business they expect to spend more or less on in the next 12 months than the last 12 months. If we look at the long term expansion plans/investment intentions of businesses across the region we might begin to understand and identify priority focus areas for business support

There has been a noticeable fall back in investment across all indicators (land, labour, capital, and technology), e.g. intention to invest in buildings is now negative, having declined from +20% on balance in spring 2008 to -6% on balance in autumn 2008, (where the balance is the difference between the % of business respondents who indicated they expected to be spending more and the % who indicated they expected to be spending less).

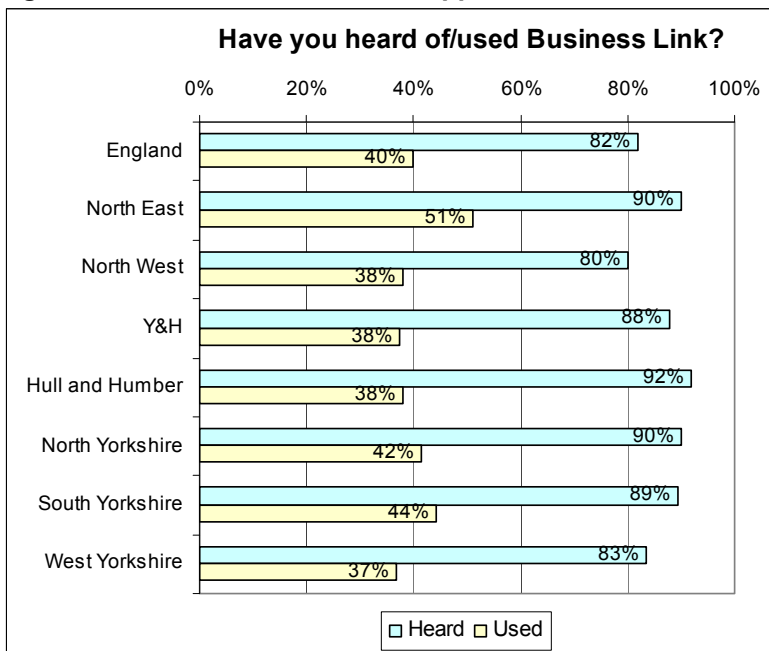
What is most interesting is that intentions to invest more in marketing and sales are positive (+18% on balance). Additional analysis has also identified that:

- Domestic orders have fallen sharply over the past 12 months, and businesses expect things to deteriorate further in the next 12 months, which suggests that marketing, sales support and networking could become an important area for restoring domestic trade networks.

- Sales & marketing, IT skills and management skills consistently come out as skills in need of improvement in the next 12 months, (and this same pattern is seen across all districts in the region)
- Investment in marketing and sales is strongly correlated with higher output expectations in the next 12 months, (along with having a formal business growth plan, investment in and introduction of a new product or process development in the next 12 months, and knowledge and understanding of the Business Link support network)

This helps to identify priority areas to help support the region's businesses weather the current economic climate.

Figure 9 – Attitudes to business support services



Source: Ipsos/MORI, National Business Survey, autumn 2008

Awareness of Business Link is high but use of the support services could improve; across England an average of 82% of businesses have heard of Business Link, whilst only 40% indicate they have used the support services on offer, which perhaps indicates that the benefits of Business Link need to be fully understood and marketed to businesses.

Despite a high rate of awareness Yorkshire and Humber ranks 7th behind the North East for use of services and from the chart above it is particularly noticeable that awareness and use of Business Link support services is by no means consistent across the region, which perhaps indicates an area of focus.

The National Business Survey contained a discrete sample of businesses from the Business Link Regional Knowledge System (622). Across all indicators, Business Link respondents are more positive on balance than the general business population (even when controlled for sector, size, turnover and site status).

In the past 12 months, Business Link respondents reported:

- higher domestic orders (29% v 22% general business respondents);
- ...and higher volume of output (37% v 25%);
- ...and higher cash-flow on balance (22% v 14%)

In the next 12 months, Business Link respondents anticipate:

- higher domestic orders (20% v 15%);
- ... and higher volume of output on balance (28% v 20%)

Most importantly, Business Link respondents intend to invest more in marketing and sales (+33% v +18%) and product and process development (+14% v +1%); and we saw in Figure 8 above how these two factors were highly correlated with higher output expectations in the next 12 months.

It will be interesting to monitor the future performance of Business Link responders to determine whether their current optimism continues over the forthcoming years and whether the use of business support services have contributed to long term success. Results from the spring 2009 survey will be available in July.

Figure 10 – Business Ownership – 2006 - 2008

	Potential Business Owners				Existing Self Employed/Business Owners			
	2006	2007	2008	2008 v 2006	2006	2007	2008	2008 v 2006
	% hhlds	% hhlds	% hhlds	Index	% hhlds	% hhlds	% hhlds	Index
England	4.9	5.2	3.8	77.4	11.0	10.6	10.8	98.2
Yorkshire and Humber	4.2	4.7	3.4	81.9	9.3	9.0	9.1	97.0
Humber	3.4	4.1	3.1	90.9	8.2	8.1	8.3	101.7
Kingston upon Hull	3.5	3.8	2.7	77.5	5.6	5.6	6.0	106.0
Kingston upon Hull East	2.7	3.0	2.2	81.4	5.0	5.3	5.4	108.2
Kingston upon Hull North	4.2	4.8	3.2	76.3	6.2	5.3	6.5	104.5
Kingston upon Hull West and Hessle*	3.9	4.0	3.3	85.9	7.2	6.7	6.7	93.0

Source: © Acxiom Ltd. Research Opinion Poll (2006-2008).

Note: Index = 100 indicates no change. Indices above 100 indicate that the area percent is higher in 2008 than it was in 2006. Indices below 100 indicate that the area percent is lower in 2008 than it was in 2006.

*although only part of West and Hessle constituency is within Kingston upon Hull Local Authority District we have included the whole for reporting purposes

Potential business owners - On average, levels of potential business ownership (proportion of households thinking about starting a new business) has fluctuated a little over the last 3 years, (an increase from 2006-2007 followed by a decline 2007-2008), and whilst to some degree this may be down to survey variation, this more recent universal downward trend may be due to the changing economic environment which means people could be less willing to take the risk of starting a new business than they have been in the past.

Business owners - Business ownership has also fluctuated a little over the last 3 years, but across all 9 regions there has been no change of ranking from 2006 – 2008. Yorkshire and Humber continues to rank 7th out of the 9 regions, and remains as far behind the national average in 2008 as it did in 2006.

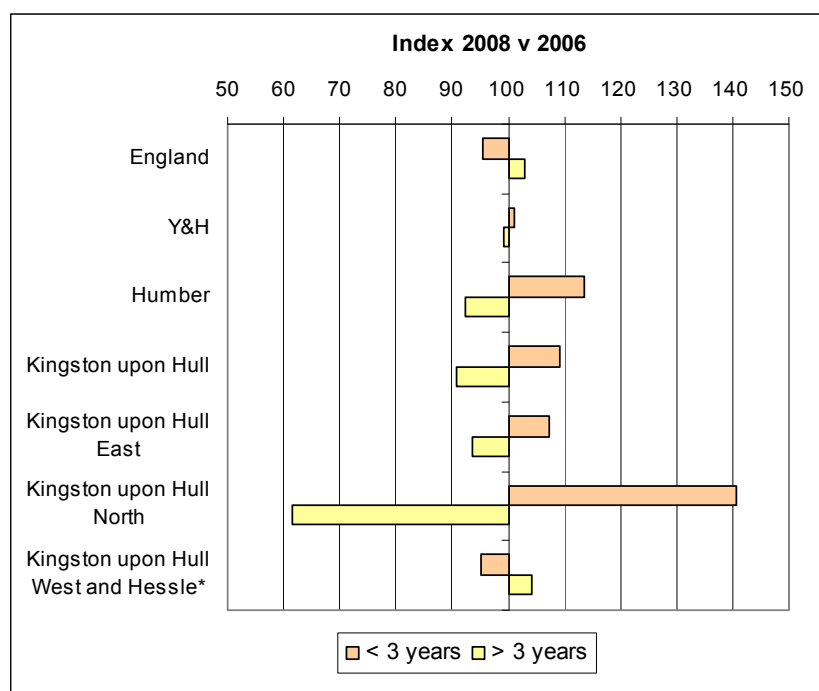
Kingston upon Hull – levels of business ownership appear to be on the increase, and this could be an indication of good conversion rates, which in turn perhaps explains why levels of potential business owners appear to be declining. It will be interesting to continue monitoring levels of entrepreneurship, since new business is important to stimulate and maintain the existing local enterprise community.

Figure 11 – Length of business ownership – 2006 - 2008

We can use length of business ownership as a proxy for reviewing new business growth v sustainability.

New business growth - Interestingly, when we look at length of business ownership the region has consistently ranked higher than the national average for new business start ups, (established < 3 years at the time of the survey), 2006-2008. Time series data shows levels of new business have remained relatively stable at a national and regional level, but different patterns of change can be seen at lower levels of geography.

Sustainability - Business survival can be expressed as the 'number of businesses surviving for three or more years' – and since on average 60% of business owners across England and the region have been running their business for more than three years this would indicate that the majority of business owners are enabling their businesses to survive.



Source: © Acxiom Ltd. Research Opinion Poll (2006-2008). Index: 2008 v 2006. Indices above 100 – area percent is significantly higher in 2008 than it was in 2006. Indices lower than 100 – area percent is significantly lower in 2008 than it was in 2006.

Kingston upon Hull - year on year trend shows that levels of new business owners are higher in 2008 than they were in 2006 and this means that Kingston upon Hull is the highest ranking district with 54.6% of businesses established within the last 3 years compared to 37.1% nationally. Across the constituencies different patterns of business growth can be seen. In both Kingston upon Hull East and North the proportion of new businesses has increased - but is this indicative of good sustainable growth or high turnover rates in the constituency, and is this at the expense of a declining established business community?

Section 3: Residents/Household Perspective

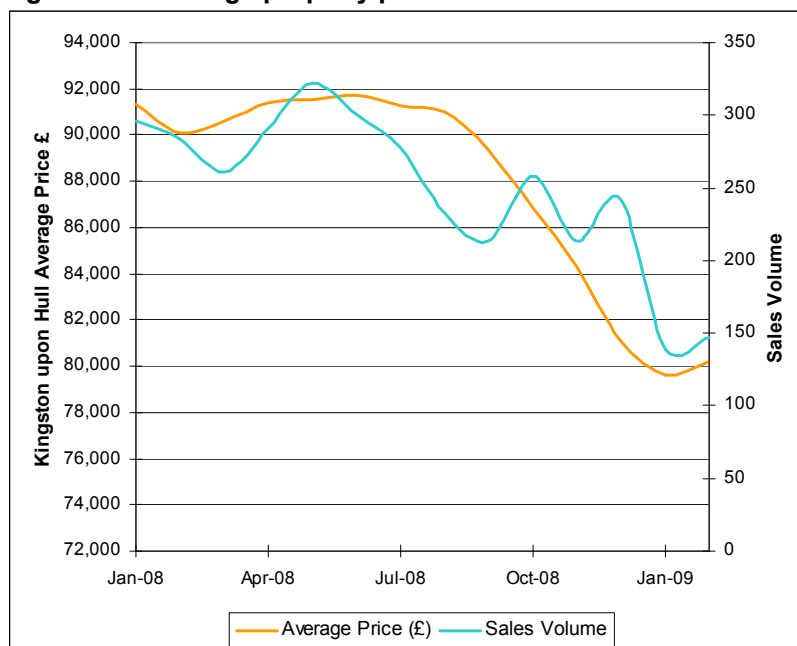
Figure 12 – Average Household Income – Working Households - 2006 – 2008

	Average Income - Working Households		
	2006	2007	2008
England	£38,665	£38,893	£39,649
Y&H	£33,829	£33,996	£34,984
Humber	£32,070	£31,961	£32,965
Kingston upon Hull	£25,358	£25,572	£25,260
Kingston upon Hull East	£25,439	£24,663	£25,255
Kingston upon Hull North	£27,077	£27,163	£25,984
Kingston upon Hull West and Hessle*	£24,968	£26,079	£26,785

Source: © Acxiom Ltd. Research Opinion Poll (2006-2008).

Although average working household income is rising Yorkshire and Humber remains below the national average. In Kingston upon Hull, the average household income for working households has remained relatively static, and the district ranks lowest of all 21 districts in the region.

Figure 13 – Average property prices and volume of house sales



Source: Land Registry, March 2009

Average house prices across England and Wales began to decline around June 2008, and the change was seen in Kingston upon Hull around September 2008, following on from a decline in average monthly sales volume which had started in the district earlier in the year.

What have been the effects of this house price change? In March 2009 the average property price in Kingston upon Hull was £78,965 - a decrease of -13% since March 2008 when the average house price was £90,628. This is in comparison to the -14% and -16% decline experienced across the region and England and Wales respectively.

In addition, although the average monthly volume of house sales in the district has halved since the corresponding month in 2008 this is a slower rate of change compared to a decline of 60% across both the region and England and Wales.

Figure 14 – Personal Loans – 2006 - 2008

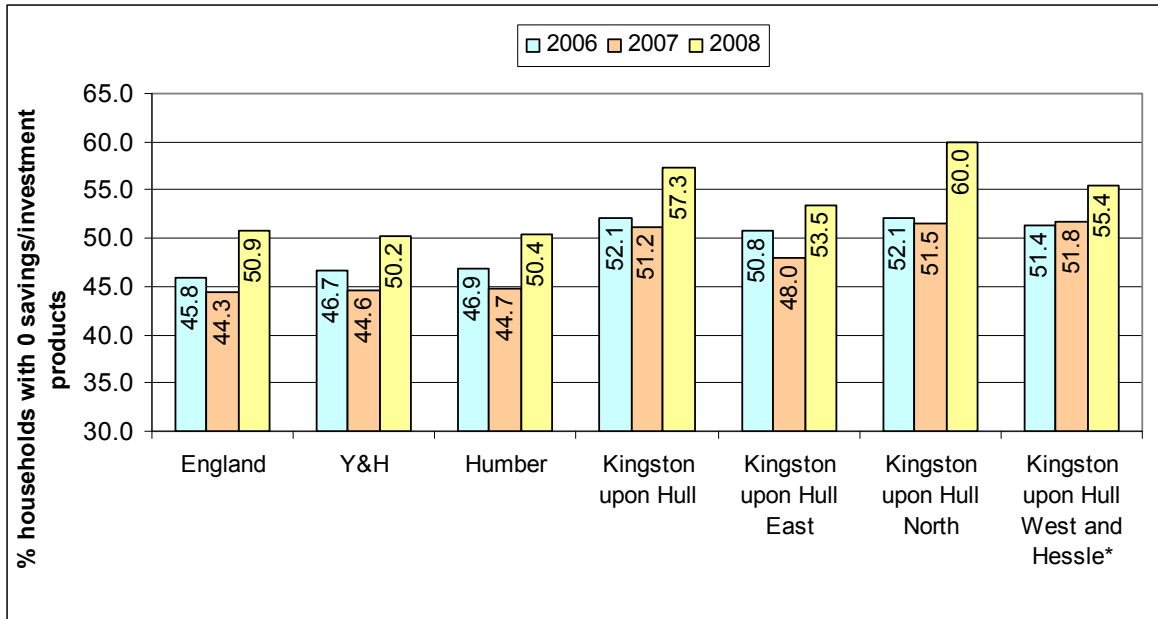
	Personal Loans			
	2006	2007	2008	Index 2008 v 2006
	%	%	%	
England	15.6	15.4	12.1	77.3
Y&H	15.9	16.0	12.9	81.1
Humber	16.7	17.1	12.7	76.0
Kingston upon Hull	16.1	16.4	12.2	75.9
Kingston upon Hull East	15.6	16.8	12.8	82.6
Kingston upon Hull North	15.1	17.3	12.0	79.5
Kingston upon Hull West and Hessle*	17.9	15.0	12.9	72.0

Source: © Acxiom Ltd. Research Opinion Poll (2006-2008).

On average the proportion of households that have a personal loan has declined from 15.6% in 2006 to 12.1% 2008. Yorkshire and Humber follows this trend, although a slower rate of decline than that seen in other regions such as London and the South East means that the region ranks 3rd highest for personal loans.

The proportion of households with a personal loan in Kingston upon Hull has declined from 16.1% in 2006 to 12.2% in 2008, (compared to a high of 15.9% in Selby and a low of 11.3% in Craven). All 3 constituencies have also seen a decline in the proportion of households with a personal loan, particularly West and Hessle.

Figure 15 - Total number of investments/savings products – 2006 - 2008

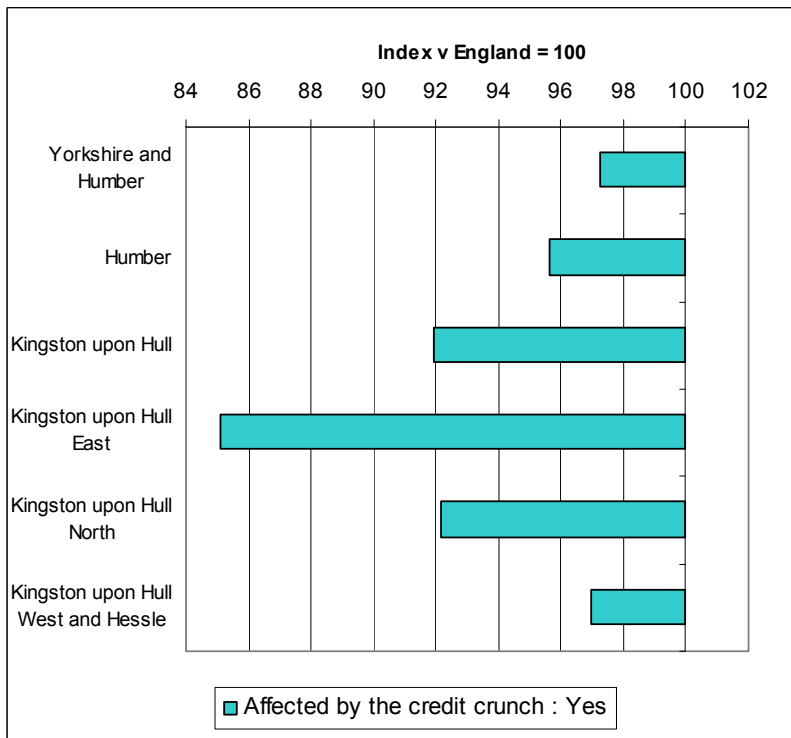


Source: © Acxiom Ltd. Research Opinion Poll (2006-2008) Note: Total savings/investments looks at sum of all financial products such as insurance, savings, investments and pensions.

On average, the proportion of households owning **no** savings/investments products is rising, and this same trend is seen at a national, regional and local level. This would seem to indicate that households are closing accounts/policies or perhaps not renewing them.

The region ranks lower than average, mid way between London (56.2%), and the South West (47.6%). In contrast, Kingston upon Hull ranks highest of all 21 districts in the region with 57.3% of households with no savings/investment products.

Figure 16 – Have you been affected in any way by the credit crunch?



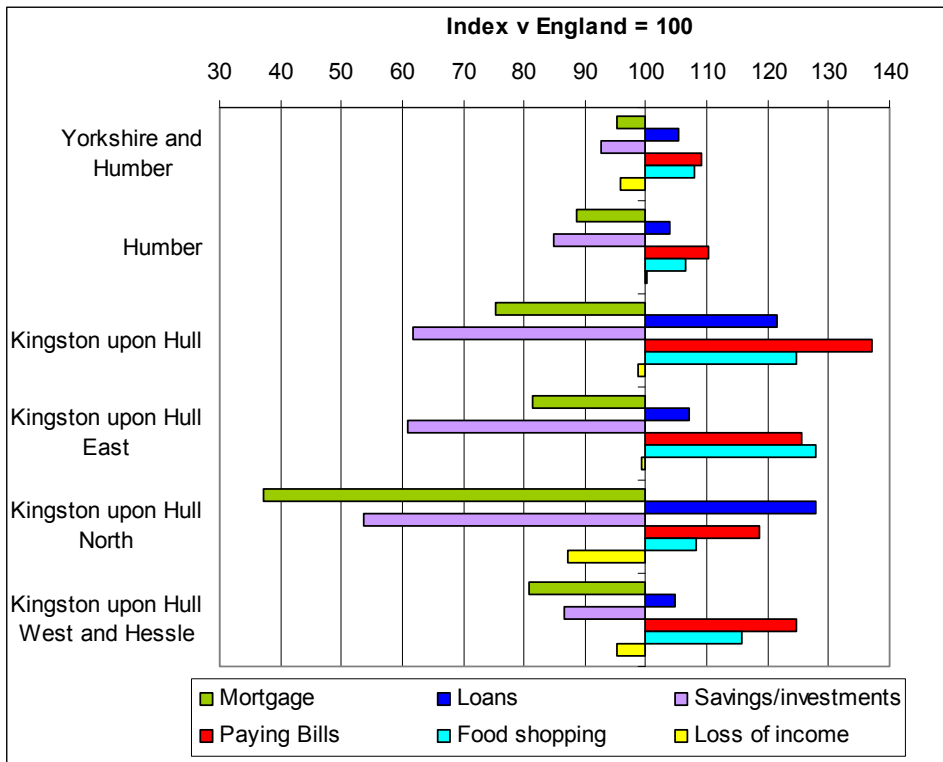
Source: © Acxiom Ltd. Research Opinion Poll (2009). Index against England = 100. Indices above 100 – area percent is significantly higher than England average. Indices lower than 100 – area percent is significantly lower than England average.

On the January 2009 Acxiom Research Opinion Poll respondents were asked if they had been affected in any way by the credit crunch. Preliminary results show that on average 51% of households that responded to the question said ‘Yes’ they were affected in some way.

This almost 50:50 Yes: No split would appear to indicate that perception of economic recession is not as pessimistic as that predicted or forecast by the media.

When we look at the data at lower levels of geography we can see some quite considerable differences across the region. Whilst Craven ranks highest (index of 106), Kingston upon Hull ranks lowest (index of 92 where 100 = average), however, not all constituencies within the district rank the same – households in Kingston upon Hull East feel less affected by the credit crunch than households in West and Hessele, although overall households in all 3 constituencies seem less affected than average households

Figure 17 – Are you struggling with?



Source: © Acxiom Ltd. Research Opinion Poll (2009). Index against England = 100. Indices above 100 – area percent is significantly higher than England average. Indices lower than 100 – area percent is significantly lower than England average.

On average 14% of households say they are struggling with paying bills and food shopping, whilst less than 5% say they are struggling with their mortgage or loans.

From the chart above we can see that households in Kingston upon Hull are more likely than average to be struggling with paying bills, food shopping, or loans, but less likely than average to be struggling with savings/investments or mortgages (but this is not surprising since the district ranks lower than average for households with savings/investments products and home ownership in general). A similar profile is seen across the constituencies.

Summary

In this briefing the aim was to show an overview of how the current economic downturn is affecting businesses and households across Yorkshire and Humber.

The briefing has looked at change in GDP, GVA and productivity forecasts, as well as some up to date survey results that have demonstrated reactions to, and perceptions of, the recent economic recession from the point of view of both businesses and households. The briefing has provided an overview of the region and local area including data at constituency level where possible.

The evidence has shown how Kingston upon Hull is being affected compared to the region and Humber, and that there are indeed variances at constituency level illustrating how the effect of the recession is by no means the same for everyone, how different groups perceive the recession, and how differently they are reacting and changing their behaviour.

Hopefully this information will help to understand the effects of the recession on your local businesses and residents, as well as provide some insight into their current and future concerns, and how they are changing their spending patterns and the effect this may have on the local and regional economy.