

Quarterly Economic Dashboard user guide

The Quarterly Economic Dashboard provides a close to real time overview of state of the Norfolk and Suffolk economy, allowing users to assess the flows and trends around key economic variables and how they impact on the delivery and realisation of the ambitions and indicators in the Economic Strategy (ES).

This dashboard **is not the official mechanism for reporting progress against the ES ambitions and indicators**; this is to be undertaken annually (in February), using more informed and reliable government-designated metrics and data. Unfortunately, the reliability of such metrics means there is some cost to timeliness (e.g. such metrics are updated only annually, reference year can be up to a year behind etc.)

Therefore, to overcome this stationary ‘data gap’ between official reporting timeframes, the quarterly **dashboard has been designed as an informal ‘tracker’ allowing users to assess the short term economic context** in which the LEP and partners are operating, utilising ‘proxy’ metrics that display both good timeliness and reliability but will not precisely align with or indeed demonstrate the official trajectory of the ES indicators.

This short user guide provides a summary of **how to read and understand the dashboard (on page 6)**, as well an overview of **how the proxy indicators have been chosen, defined and sourced (sorted by theme, pages 1-5)**, and **associated operating timetable (page 7)**.

Labour market theme

Primary ES Indicator(s) supported:



Metric(s) used to track quarterly progress:

Employment rate (and associated labour market indicators; unemployment rate, economic inactivity rate etc.)

Source: LEP-designed model drawing on [Office for National Statistics \(ONS\) base data](#)

NALEP Labour market profile:

<https://www.nomisweb.co.uk/reports/lmp/lep/1925185555/report.aspx>

Area profiles – this is what is used to work out the comparator table – and quarterly figures – though they don’t quite match up and vary in terms of LEP vs regional areas.

<https://www.nomisweb.co.uk/home/profiles.asp>

Definition: the employment rate refers to the number of working age people (statistically defined as those aged 16-64, which is the preferred International Labour Organisation definition) in

employment relative to the accompanying population. To be classified as 'in employment' a person must be in paid work, regardless of flexibility or hours worked.

Reason for selection: this is a readily available and well reported metric. It also happens to be the exact same definition and data source as that used to annually report on the indicator. It cannot be used to report quarterly though due to a lack of precision and reliability compared to the annual figures (which are boosted by less timely but more reliable supplementary data).

Comments: some caution should be urged when interpreting short term movements in the data as outputs are survey-based and can be subject to various sources of error and potential revision. Data is seasonally adjusted.

Total jobs and job creation (net new jobs)

Source: LEP-designed model drawing on [ONS base data](#)

Definition: a job is broadly defined as a role/position (not a person, as a person can have more than one job) that an organisation (including sole-traders/self-employed) compensates from its payroll/accounts in return for carrying out full or part-time work, or undertaking a training position or apprenticeship.

Reason for selection: this is the same dataset that was used in the original Ambitions Dashboard. Like the employment rate it also utilises the same definition and data source as that used to annually report on the indicator. It cannot be used to report quarterly though due to a lack of precision and reliability compared to the annual figures (which are boosted by less timely but more reliable supplementary data).

Comments: some caution should be urged when interpreting short term movements in the data as outputs are survey-based and can be subject to various sources of error and potential revision. Sectoral-level movements can be particularly volatile and subject to change. Data is seasonally adjusted.

Economic output and growth theme

Primary ES Indicator(s) supported:



Metric(s) used to track quarterly progress:

Purchasing Managers Index (PMI)

Source: [Markit's Regional PMI](#)

Definition: PMI data are based on monthly surveys of carefully selected companies. These provide an advance indication of what is really happening in the private sector economy by tracking variables such as output, new orders, stock levels, employment and prices.

Numbers relate to monthly seasonally adjusted diffusion indexes. An index reading above 50 signals an increase on the previous month. A reading below 50 signals a decline. The greater the divergence from 50, the greater the rate of change indicated.

From August 2019 - Quarterly figures are generated by taking 3 months worth of figures, and averaging them out, to produce a quarterly figure. The figures are produced on a monthly basis for each region, and then compiled into a single report. The numbers are derived from the [Natwest PMI regional surveys](#) – and therefore reflect regional, rather than LEP specific data. Copies of that quarter's surveys should be downloaded and saved in the relevant report's folder – 'PMI Quarterly Averages'. These PMI figures are derived from research undertaken by IHS Market – methodology is explained [here](#).

Reason for selection: PMI's have been shown to closely mirror the trends displayed by indicators such as GVA and GDP and are a well updated and reliable metric. Though not directly monitoring against the exact indicators (and thus a 'proxy' metric), broad inferences on short term trends can be easily and reliably made using the PMI, particularly in light of no available alternative.

Comments: data is only available down to a regional (former East of England GOR) level, though Norfolk and Suffolk account for a third of all economic activity in this region. Data is for private sector activity only. Data is seasonally adjusted.

Housing market theme

Primary ES Indicator(s) supported:



Metric(s) used to track quarterly progress:

Housebuilding (new dwellings completed)

Source: [Department for Communities and Local Government \(DCLG\) Live tables on housebuilding: Table 253a](#)

Definition: A dwelling is broadly defined (in accordance with the official government definition) as a self-contained unit of accommodation. In principle, a new dwelling/home is regarded as complete when it becomes ready for occupation or when a completion certificate is issued whether it is in fact occupied or not.

Reason for selection: like jobs this uses the exact same dataset that was reported on in the original Ambitions Dashboard. Though this metric is not an authoritative gauge of progress against the ES indicator (as the ES indicator draws on new builds as well as conversions, extensions, restorations etc. which can account for up to a quarter of new dwellings) and thus a proxy, it is a reliable and timely metric for assessing short term trends in the housing market and is also a good signal of wider economic health and trajectory.

Comments: data is not seasonally adjusted so can be subject to seasonal fluctuations and volatility.

Prices and affordability

Source: [Land Registry's House Price Index](#) (HPI, for house prices) and [ONS' ASHE dataset](#) (for earnings, and thus combined = affordability)

Definition: The Land Registry HPI is based on completed sales at the end of the conveyancing process, rather than advertised or approved prices. HPI produces average prices using the mean

rather than median. Wages/earnings refer specifically to the gross compensation (including overtime but excluding bonuses) paid to employees by registered employers. This particular metric looks at full-time (those working more than 30 hours per week) annual earnings for local residents. The mean rather than median average has been used to ensure alignment with the prices data.

To calculate the affordability ratio, the average (mean) house price from the HPI has been divided by the average (mean) annual earnings for local residents (in FT work).

Reason for selection: though neither metric are actual ES indicators, they provide some much-needed context around short-term trends in the local housing market. Prices in particular provide a balanced assessment by accounting for demand-side trends and factors. Reflecting governments increased emphasis on affordability metrics (as reflected in their housing white paper), this has also been included, and shows the connection between trends in the labour market (wages) and housing market (prices).

Comments: data is not seasonally adjusted so can be subject to seasonal fluctuations and volatility. Recent HPI estimates are provisional and subject to change as more data is incorporated into the index. Earnings data is only updated annually, so levels are assumed to hold throughout the year.

Business stock and enterprise theme

Primary ES Indicator(s) supported:



Metric(s) used to track quarterly progress:

Company registrations

Source: [Bureau Van Dijk's Fame software](#)

Definition: Fame is a database which contains information on over 2.8 million (public and private) active companies in the UK and Ireland. The data is provided by Jordan's who source it from Companies House in the main (as well as from numerous other data providers). A company is regarded as such as long as it is registered with Companies House.

Reason for selection: this is a proxy indicator that has been adopted to assess short term flows in light of no alternative. This is a pre-existing piece of software that was tendered with such short-term monitoring in mind. The data looks specifically at company registrations (mostly from Companies House), which form a substantial part of the net flow in new businesses (which is what the indicator reports against).

Comments: caution should be urged when taking a precise view of the numbers as not all new enterprises will register with Companies House, and few record their trading location accurately (e.g. using their accountants/solicitors address instead). It is important to note the indicator looks at net new business growth (i.e. businesses created relative to those lost) whilst the proxy metric records only new registrations. Data is also not seasonally adjusted so can be subject to seasonal fluctuations and volatility.

Earnings theme

Primary ES Indicator(s) supported:



Metric(s) used to track quarterly progress:

Advertised salary of job vacancies

Source: [Burning Glass Technologies Labour Insight software](#)

Definition: Labour Insight collects data from millions of online job postings provided by more than 20,000 sources (e.g. job boards, employer sites, newspapers, public agencies, etc). Once the information is aggregated, it mines and codes detailed data from each job listing. This includes information relating to the average advertised salary (both mean and median, with the latter used to ensure alignment with the ES) of job vacancies. Salary figures are pro rata to reflect full-time, annual wage status.

Reason for selection: like the others this is a proxy metric due to a lack of a readily available alternative. Though advertised salaries are only one interaction of wages in the labour market (as it ignores the majority of labour market participants; those already in work), it gives an unprecedented (although be no means authoritative) insight into short term movements in local wage levels.

Comments: caution should be urged when taking a precise view of the figures due to data quality issues (in particular, the fact that not all job vacancies will advertise a salary). Data is smoothed and seasonally adjusted.

Skills theme

Primary ES Indicator(s) supported:



Metric(s) used to track quarterly progress:

Advertised qualification level of job vacancies

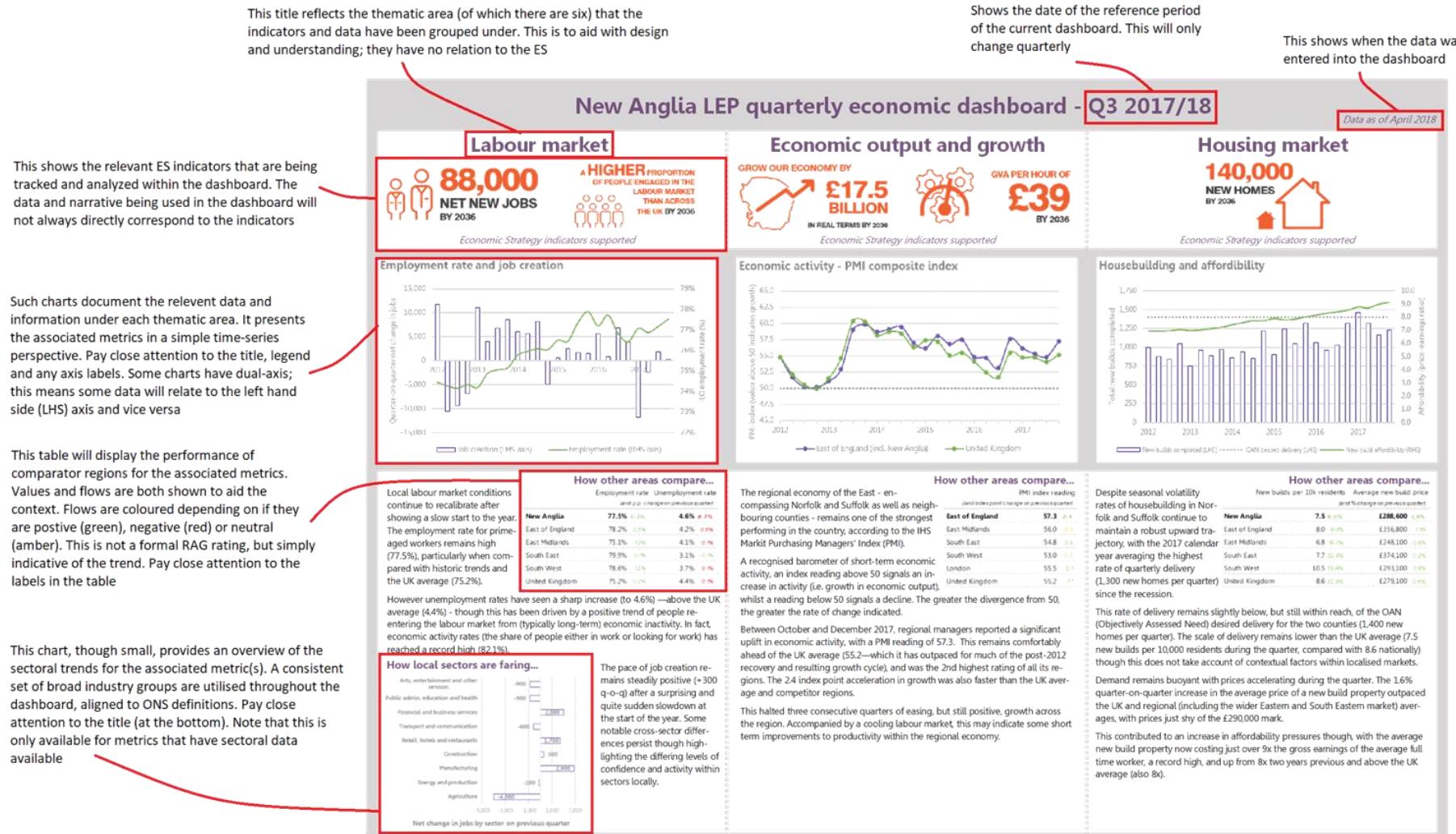
Source: [Burning Glass Technologies Labour Insight software](#)

Definition: Labour Insight collects data from millions of online job postings provided by more than 20,000 sources (e.g. job boards, employer sites, newspapers, public agencies, etc). Once the information is aggregated, it codes detailed data from each job listing. This includes information relating to the advertised qualification level of such job vacancies. Qualification levels are grouped under the following parameters: Postgraduate Degrees, Level 5 Certificates/Diplomas, Level 5 S/NVQs; Bachelor's Degrees, Graduate Certificates/Diplomas; Foundation Degrees, HNDs; HNCs, Level 4 Certificates/Diplomas, Level 4 S/NVQs; A-Levels, Highers, Level 3 S/NVQs; GCSEs, Standard Grades, Level 2 S/NVQs, and; Level 1 S/NVQs

Reason for selection: utilising the same software as that for wages this again gives us a previously unavailable insight, this time into short term trends associated with skills in the local labour market. Though the proxy metric is demand, rather than supply focused (like the indicator), there is still a good level of alignment between the two and helps ensure a focus on ensuring the supply of skills helps to meet and stimulate the demand.

Comments: as with wages, caution should be urged when taking a precise view of the figures due to data quality issues (in particular, the fact not all job vacancies will advertise a required qualification/skill level). Data is smoothed and seasonally adjusted.

Reading and understanding the new dashboard



Timetable for the new dashboard

	Apr-18	May-18	Jun-18	Jul-18	Aug-18	Sep-18	Oct-18	Nov-18	Dec-18	Jan-19	Feb-19	Mar-19	Apr-19	May-19
Economic level dashboard	Green	Purple		Green		Purple	Green	Purple		Green	Purple		Green	Purple
LEP programme dashboard	Green	Purple		Green		Purple	Green	Purple		Green	Purple		Green	Purple
Official economic indicators reporting dashboard (annual only)	Green	Purple	Green	Green	Green									

Key	
Data collected/analysed and dashboard designed	Green
Dashboard taken to LEP board and publicised	Purple

