

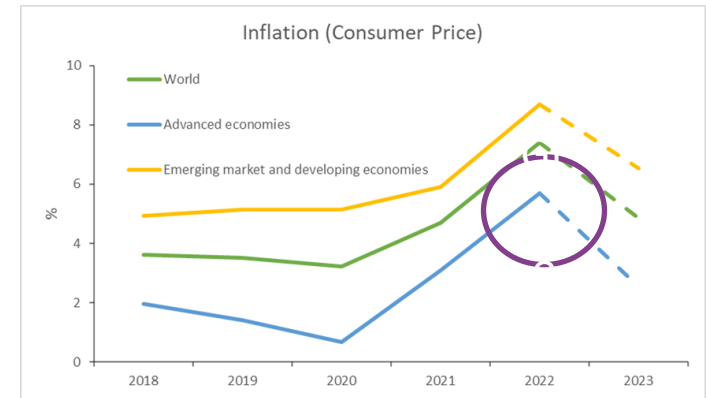
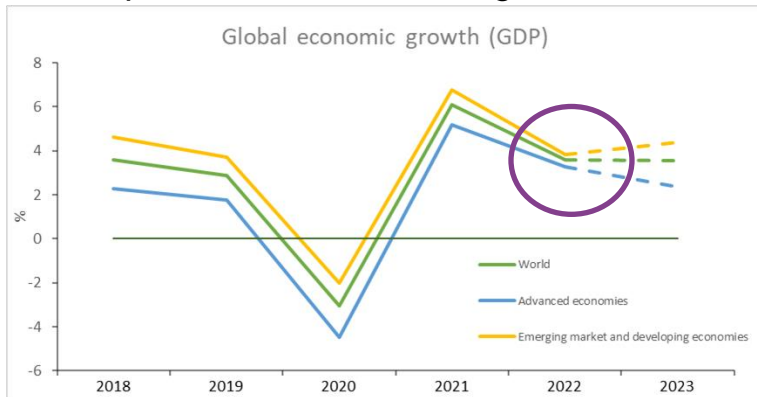
Overview of local economy in Windsor

Windsor Town Forum 13 July 2022

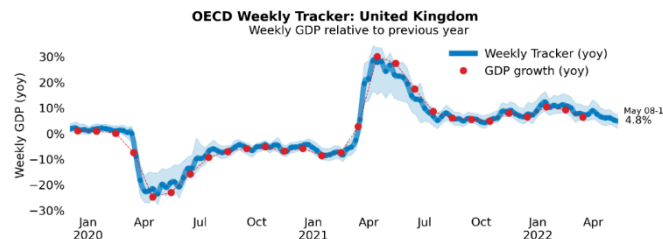


Global and national context:

- **Global Outlook** – we are seeing a worldwide impact on the economy due to the war in Ukraine and its impact on global markets. The result is a slower rate of economic growth and a very rapid increase in inflation.
- **UK Outlook:** GDP growth has slowed, tracking at 4.8% in May and has dipped below that of Germany 8.9%, France 6.9%, Italy 7.4% and Japan 5.4%. The USA is tracking at 2.5%.
- UK growth is projected to slow in 2022 to around 3.9%, and drop to 1.1% in 2023, as we feel the impact of the cost of living crisis.



Select a country:



National context:

- In 2021 annual consumption growth was 6.2%, projected to fall to 4.3% in 2022, and 0.5% in 2023.
- Yael Selfin, KPMG Chief Economist:
“Lower-income households are particularly vulnerable to this year’s rise in utility costs, with those in the lowest income band potentially standing to lose more than 8% of their disposable income.”
- Inflation has already reached 9.1% in May, over the April prediction of a high of 8.8% this summer, the highest it has been for 40 years.
- The current fall in real wages is set to continue until late 2023, meaning real wages in 2025 will still be below levels seen in the Global Financial Crisis in 2008.
- GfK’s consumer confidence barometer in April, fell to its second-lowest level in almost 50 years.
- The UK is the second largest exporter of services globally, worth \$418bn in 2019 or 45% of total exports. We are also strong in beverages, aircraft, pharmaceuticals and artworks which add \$65n to UK exports.
- ICT and financial services exports are growing up to three times faster than goods trade.
- Digitisation and data is a strong area of growth – the UK now delivers 80% of services digitally post pandemic.

Real wages will still be below 2008 levels in 2025

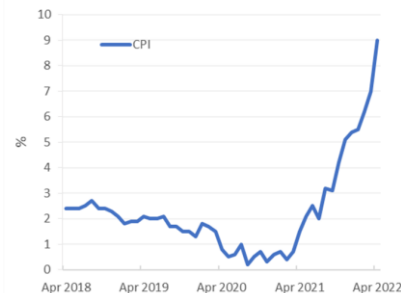
Average weekly earnings, adjusted for inflation (2021/22 prices), alongside latest OBR forecast to 2026 (£)



Source: Resolution Foundation analysis of ONS and OBR data

NEW STATESMAN

Inflation



Source: The Office for National Statistics (ONS)

Regional context:

Opportunities for Berkshire:

- Life sciences, a key sector in Berkshire, are set to grow in the future. Growth sectors will also include net zero and low carbon technologies
- Demographic change, particularly ageing, could mean more demand for both life sciences and pharmaceuticals, and digital services, areas of strength for Berkshire, as we deliver more and more of health services digitally.
- We may be about to see a new economic geography, as result of remote working. Places like Berkshire, with its access to green spaces, could focus on quality of life issues, allowing people to base themselves here but work for high-paying, London-based companies.

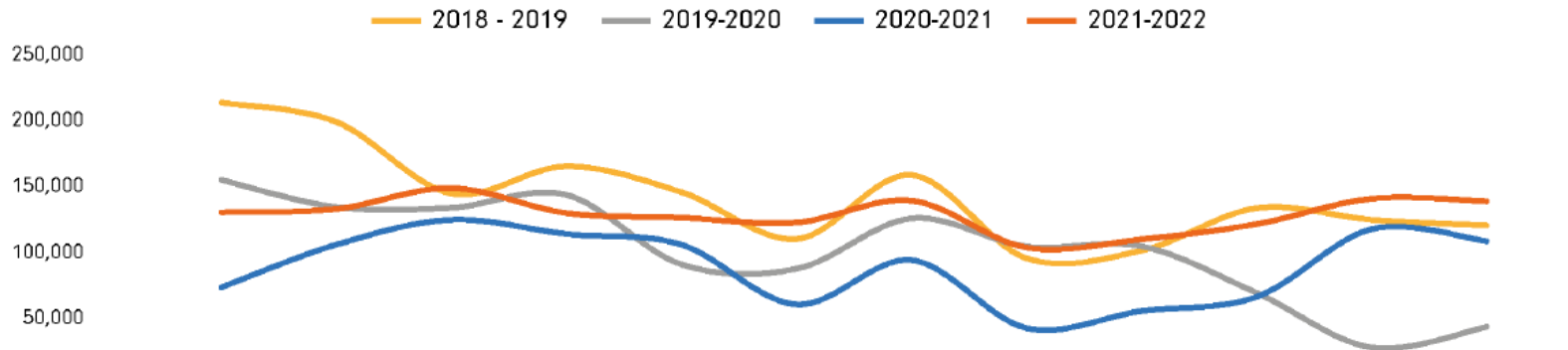
Windsor and Maidenhead

- We had 2,310 claimants (2.5% of the working age population) in Windsor and Maidenhead in April.
- Across Thames Valley Berkshire, claimant unemployment has fallen significantly from 30,395 in April 2021 to 17,920 in April 2022.
- In April 2022 there were 7,289 unique job postings for RBWM, versus 5,945 in April 2021. Salaries in the borough dropped by approximately 7K by summer 2021, and after a short recovery have dropped again. Average salary is now £31,833, reflecting vacancy growth in the low pay sector.
- The international Airport Review April 2022 estimates that, based on impact of the Ukrainian war, continuing travel restrictions, potential new Covid variants and the Bank of England forecasts on inflation and a UK recession, travel demand will be 65% of pre-pandemic levels in 2022.

Latest KPI's for Windsor town centre:

Footfall - rolling 12 months

The figures shown below are calculated using weekly averages.



	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
2021-2022	131,068	133,645	149,468	130,565	127,017	123,388	139,945	104,393	110,642	122,206	141,478	139,486
2020-2021	74,085	106,573	125,488	114,641	106,601	61,158	94,802	43,238	56,227	66,946	118,372	109,152
2019-2020	155,723	135,111	134,544	144,343	91,609	88,206	126,494	105,175	105,347	69,888	28,480	44,179
2018 - 2019	214,303	199,748	145,327	165,970	146,445	110,862	159,317	96,194	102,070	134,357	125,460	121,098
Year on Year %	76.9%	25.4%	19.1%	13.9%	19.2%	101.8%	47.6%	141.4%	96.8%	82.5%	19.5%	27.8%

Year on year % is calculated by comparing the 2021-2022 period with the 2020-2021 period i.e the figure for May compares May 2022 to May 2021

Latest KPI's for Windsor town centre cont:

The total number of visitors to Windsor Town Centre for the last 52 weeks is 6,868,017 which is 38.9% up on the previous year.

The total number of visitors from January to date is 3,381,385 which is 47.1% up on the previous year.

The busiest day in week commencing 30 May was Thursday 2 June with 41,422 visitors monitored in the town centre.

Busiest week of the period was week beginning 30 May with 196,481 visitors recorded in the town centre.

Car and Coaching Parking overall for May: 20% (81290) up on last year (67809) , Down 4% vs 2019 (82841)

Vacancy Rates currently 13.17% increase on last month 12.63%

New Stores opened or about to open in the next 4 – 5 weeks

Greggs , TLC Group, Boots, Black Sheep, Franco Manca, Crispy Dosa , Mama Mia, Ole Steele, Zara Plus.

Recent Closures

Metro Bank, L'occitane, Windlesora, Jones.

Tourism & hospitality sector:

Latest International Passenger Survey Results from the ONS:

Visits: The UK received 5.9 million visits in the first 4 months of 2022. January saw the least amount of visits due to the Omicron variant and consequent travel restrictions to the UK. There was then a significant boost from February to March as travel restrictions loosened and international travel resumed.

Spending: Inbound visitors spent £4.3bn from January to April 2022. Following the same pattern as visits, spend picked up as the months went by.

The full year forecast for 2022, published 16th February, was for 21.1 million visits (52% of 2019) and £16.9 billion spend (59% of 2019 levels). This is based on all modes of transport. The forecast is for a gradual pickup throughout 2022 and by the end of the year visits will have recovered to around two thirds of pre-COVID levels, although recent flight booking numbers suggest that the outturn could be ahead of this.

All journey purposes were still a fraction of normal levels due to the COVID-19 pandemic.

Tourism & hospitality sector cont:

Domestic Consumer Sentiment*

The sector is set for improved domestic visitor admissions in 2022, with over a third of attraction audiences claiming that they will visit more often than in 2021 compared with less than 15% who feel that they will visit less often. There is a prevailing sense of happiness and relief among the public to return to normality.

However, the attractions sector as a whole has yet to see visitor admissions return to pre-pandemic levels. Whilst the rising cost of living has emerged as a significant barrier to visiting attractions, the lingering concerns around Covid are equally likely to still be holding audiences back – especially older audiences.

The *UK Consumer Confidence Barometer* shows that the public's outlook for their own personal financial situation over the next twelve months is at the lowest point for the past 15 years. Over 40% of those surveyed feel worse off than they did a year ago. This has particularly affected those from lower socio-economic backgrounds and there is increased concern with age.

The increased cost of living will be holding back many from visiting attractions this summer/autumn, although the attractions-visiting audience most likely to be affected is the 35-54yrs age group

However, free attractions are set to benefit over the next few months at the expense of paid attractions among that 40% of the public who feel worse off.

The return of longer overseas holidays of 5+ nights is also likely to limit the opportunities for visiting UK attractions this summer and autumn. From the summer onwards, for some it appears that domestic short breaks may be the trips most likely to be sacrificed for these longer overseas holidays.

* Fieldwork carried out 6 to 10 June for the Association of Leading Visitor Attractions

Tourism & hospitality sector cont:

Windsor

- Visitors from USA, France and Germany are returning to Windsor but not yet at pre-pandemic levels
- Groups business is generally down on 2019 – impacted by the rising cost of fuel
- Staffing issues are preventing businesses offering their full range of products and services
- Corporate business is buoyant
- Meeting & Event business has come back strong



Key issues facing the borough:

- Recruitment and retention of staff
- Cost of living
- Increasing business overheads (Business Rates)
- Resurgence of Covid-19 in the UK
- Disruption to flights affecting tourism
- Increase in business crime (shop theft and ASB)



Support available:

- My Royal Borough
- Berkshire Growth Hub
- Visit Windsor Partnership
- Windsor, Eton & Ascot Town Partnership
- Night Time Economy (NTE) Working Group



Forward look:

- My Royal Borough business networking sessions restarting in July
 - Economic Vision for the borough being developed with focus groups planned with the local business community
 - Business engagement a priority for the RBWM Economic Growth Team
 - Destination Access Guides for Windsor & Eton will be launched in the autumn along with free Disability Essentials E-learning for businesses
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