England – 2017

In 2017, British residents took 100.6 million overnight trips in England, totalling 299 million nights away from home and expenditure of £19 billion, with an average trip length of 3 nights. The number of domestic trips was 1% higher than in 2016.

47.2 million Holiday trips were taken in England in 2017. The number of holiday trips taken was 6% higher than in 2016. At 31.4 million, short breaks of 1-3 nights account for two-thirds of English holidays by volume. 15.8 million 4+ night holidays were taken. 14.2 million Overnight business trips were taken in England in 2017. The number of business trips was on par with 2016. The number of VFR trips taken declined by 1% in 2017, to 36.6 million.

Overseas trips to England increased by 4% compared to 2016 to a record 34.3 million and spend by 9% to £21.36 billion.

During 2017, GB residents took a total of 1,505 million Tourism Day Visits to destinations in England, decreasing by -3% compared to those taken in 2016; and around £50.9 billion was spent during these trips, decreasing by -5% year-on-year.

The South West Region – 2017

From a regional perspective the indications are that tourism in the South West during 2017 started relatively poorly impacted heavily by unsettled weather and the economic uncertainty following the fall-out from the Brexit referendum in June the previous year. Performance was then relatively level throughout the peak period months of May to September (compared to 2016) but finished off more positively towards the end of the year during the October to December period.

The modelled regional data for 2017 which has been derived from the national surveys, although differs from published data for the South West, estimates that;

- In terms of UK staying visitors in 2017 the South West witnessed an increase of 2% in terms of trips, a 4% increase in nights and a 2% increase in spend.
- Overseas trips to the region increased by 4%, nights increased by 4% and spend increased by 3% compared to 2016.
- Day visits to the South West however are estimated to have decreased by -2% whilst day visit spend remained level year on year. Visits to urban areas decreased by -1%, visits to rural areas decreased by -5% whilst visits to coastal areas remained level compared to 2016. Spend in urban areas remained at a similar level to 2016 and spend in rural areas decreased by -2% although coastal day visit spend increased by 1%.

2017 Month by Month Impacts

	Weather impacts	Economic impacts
January	January started with a brief northerly outbreak which brought bright and fairly cold weather with overnight frost. The second week was unsettled and increasingly windy, and there was snow in many places on the 12th-14th. The second half of the month was mostly dry and settled, and cold at times, especially in the south, but it turned much milder and wetter in the last few days. There were various impacts from wind, snow, ice and fog across parts of the UK through the month. Icy conditions across parts of eastern and south-east England on 5th and 6th led to a number of traffic accidents. During the early hours of Wednesday 11th a lorry overturned on the Forth Road Bridge, completely closing the bridge until evening resulting in significant disruption and economic impacts. Strong winds and some snow led to localised power outages across Scotland, northern England and Northern Ireland. Snow affected roads across the north of Scotland during the morning of the 12th, with jack-knifed lorries causing disruption on the A9. As the snow showers spread further south, snow disruption was reported on mainly high level roads across southwest Scotland, northwest England and Northern Ireland. In south-east England, snow, fallen trees and flooding affected local roads across London, Kent, Sussex and Surrey. Snow on the M25 caused long delays and problems on some slips roads, and five flights at Gatwick were cancelled due to snow. On Friday 13th further wintry conditions and fallen trees affected high parts of northern Scotland, Northern Ireland and northern England, leading to travel disruption, power outages and school closures. A fallen tree blocked the Norwich to Lowestoft rail line in Suffolk, and snow, ice and fallen trees caused localised transport disruption across south-east England. NHS Crawley reported a spike in A&E attendance due to slips, trips and falls in the wintry conditions. After a relatively quiet spell of weather, freezing fog and ice caused transport problems across south-east England later in the month. On Monday 23rd there were a number of accidents due to both ice and fog in parts of southeast England at first, with hundreds of flights either cancelled or delayed due to freezing fog at Heathrow, Gatwick, London City and Southampton airports. On Tuesday 24th the fog was more widespread and around 100 flights were cancelled at Heathrow, with delays at the other London airports and knock on effects across the UK and	New Year: a time for resolutions, detox diets and predictions. But after the year forecasters had in 2016, who would be brazen enough to predict how 2017 will pan out? Where most economists went wrong last year – including the likes of the Bank of England and International Monetary Fund – was in predicting a sharp slowdown in the event of a vote for Brexit. George Osborne, for example, made the misjudged warning that a vote to leave the EU was a vote for recession. The early data could be revised, but it suggests that far from grinding to a halt, the economy continued to grow in the months following the referendum. Consumers kept spending, house prices rose and businesses continued to win new contracts at home and abroad. There are plenty of signs the economic pain has been delayed rather than averted. Inflation is picking up as a weak pound raises import costs. Cracks are showing in the jobs market and wages will soon struggle to keep pace with inflation. Business and consumer confidence have waned. And Brexit negotiations haven't even begun. There are other threats beyond Brexit. Elections in the Eurozone may bring turmoil to the bloc if support rises for anti-establishment nationalists. In the US, Donald Trump moves into the White House in less than three weeks and there is a risk he may start a trade war with China that could have global consequences. Yet there are still reasons to hope that 2017, like 2016, will not turn out as bad as the doomsayers predict. Surely, one lesson from last year is that when forecasters accentuate the negative they risk missing the positives altogether. So to start the new year on an upbeat note, here are a few reasons to be cheerful in 2017. The economy will keep growing - The UK economy remains unbalanced, with an over-reliance on consumer spending, but it chalked up respectable growth in 2016. Expansion will most likely slow in 2017, but the UK should avoid recession. The services sector's fortunes will depend largely on how hard inflation hits consumer spending. Manufacturing and construction face a tough year as uncertainty and higher costs bite. But tourism and exports should be helped by a weak pound and there has been no exodus of foreign firms from Britain yet. Productivity is back in the spotlight - After years of the UK lagging other big economies on productivity, ministers have vowed to sort out economic efficiency and the chancellor, Philip Hammond, announced a £23bn productivity fund in his autumn statement. It will not go very far but it is a start.

	Europe. Isle of Wight ferries were suspended, and icy roads caused some localised travel incidents. Icy roads across on the 28th caused a number of further traffic accidents across south-east England.	The government push could be complemented by the private sector if the adversity and higher costs sparked by the Brexit vote force firms to improve their productivity. With a slowdown in immigration and a rise in the minimum wage coming, employers will need to look beyond cheap labour to maintain their profit margins. Ideally, that means investing more in good management, training and technology. Wages for the lowest paid will rise - Inflation will squeeze average take-home pay in 2017, but for the lowest paid there is some good news as the “national living wage” – the minimum wage for over-25s – will rise in April from £7.20 to £7.50 an hour. That is still below what anti-poverty campaigners say should be the real living wage needed to meet everyday costs. The voluntary living wage is £9.75 in London and £8.45 elsewhere as set by the Living Wage Foundation. It reckons a fifth of UK workers are still not paid enough. But the good news is 3,000 employers have joined the voluntary scheme, including almost a third of the FTSE 100. Gender pay gap rules come into force - There is still a 9.4% gap in average pay between male and female full-time employees. But companies will come under pressure to address the discrepancies when new rules come into force in April requiring large employers to report their gender pay and gender bonus gaps. More funding for apprenticeships - Another change for employers this year is the apprenticeship levy, a tax on businesses designed to fund more work-based training schemes. It is high time young people in the UK are given more routes into decent careers and expanding apprenticeships could help tackle skills shortages in sectors such as construction. But employer groups have voiced legitimate concerns that the government risks going after quantity and not quality with its target of 3m apprenticeships by 2020. There are warnings the levy may prompt unscrupulous employers to rebadge existing jobs as apprenticeships to meet training targets and recoup the costs of the charge. Faint hopes for first-time buyers - There was no house price crash after the referendum, but growth eased, dampened by Brexit-related uncertainty and stamp duty changes. The market is expected to slow further in 2017 and some forecasters predict prices could fall. That outlook will bring homeowners out in cold sweats but for anyone who has been trying to get on the housing ladder, a moderation in prices is long overdue. There is also a slither of hope that a government drive to address the UK’s housing shortage could help first-time buyers. Still, given past experience of unfulfilled housebuilding promises, they should not hold their breath, and the uncertain economic outlook may make builders nervous about taking on big projects. The weak pound will help exporters - There is little sign of it yet, but in theory the weak pound should help UK exports by making them cheaper in overseas markets. If the

		government wants UK businesses to capitalise on the drop in sterling it will need to give them more support to crack new markets such as one-to-one mentoring and funding to attend trade fairs. Interest rates will stay low - The Bank of England faces a trade-off between supporting growth and jobs on the one hand and keeping inflation in check on the other. The Bank has said there are limits to how far it will tolerate rising inflation but most of the signals suggest that under Mark Carney it is more worried about jobs. So it is bad news if you are saver, but for businesses and mortgage holders, 2017 will see continued support from rates staying at, or close to, their all-time low of 0.25%. Calls for government help will grow louder - The Bank stepped in with a package of post-referendum support for the economy, but the government has been more hands off. Carney and other central bankers around the world have repeatedly urged politicians to do their share of the heavy lifting to bolster their economies with spending on infrastructure and structural reforms. If Hammond's maiden autumn statement was anything to go by, he is not ready to pick up the baton. Far from abandoning Osborne's austerity drive, the new chancellor merely pared it back and he remains fixated on cutting the deficit. Yet, there are growing signs that voters here and abroad are fed up with the status quo and as inflation starts to erode UK living standards, Theresa May's government will come under more pressure to deliver her promise of an economy "that works for everyone". She and her cabinet will ignore people's frustrations at their peril.
February	**Weather impacts**	**Economic impacts**
	February started with a mild and wet south-westerly type, but between the 5th and 12th easterly winds prevailed and brought mostly dry but cloudy weather, with snow for many parts on the 11th and 12th but generally limited accumulations on the ground at low levels. From the 13th onwards it was generally mild, and it was relatively quiet until the 20th but the last third of the month was unsettled and often windy. On the 3rd, strong winds disrupted south coast ferries, with fallen trees causing disruption in Dorset, the New Forest and Bournemouth. On the 6th, strong winds caused localised reports of fallen trees and associated transport disruption in Northern Ireland, and ferry services in western Scotland were cancelled. Snow and ice also caused difficult driving conditions in Highland Perthshire later that day, and jack-knifed lorries blocked the A9; also localised flooding affected rail services on the Ayrshire coast and the A90 in Fife.	The Bank of England has painted a brighter outlook for the UK economy this year, with faster growth, lower unemployment and a more modest rise in inflation. After further signs that consumers and businesses have shrugged off the Brexit vote, the Bank revised its earlier gloomy forecasts to predict the economy would grow 2% this year - matching its 2016 performance. That forecast was above the 1.4% figure policymakers had penciled in for 2017 in November. It was also in stark contrast to the sharp slowdown predicted by the Bank and others in the immediate aftermath of the vote to leave the EU. But despite more optimistic forecasts, the central bank highlighted risks ahead. It expects business investment to fall and consumer spending to slow as rising inflation eats into household budgets. It also raised concerns about households becoming overstretched, as it predicted people would use savings to spend.

	Ice was an issue in western areas on the 7th/8th, causing localised travel disruption in south Wales, Northern Ireland and south-west Scotland. On the 11th snow and ice caused difficult travel conditions for the Pennines, North York Moors and the Southern Uplands of Scotland. After a quiet spell, Storm Doris brought widespread disruption on the 23rd. The Dartford Crossing, the Orwell Bridge in Suffolk and the M48 Severn Bridge were all closed due to the winds, 77 flights were cancelled at Heathrow and Aer Lingus cancelled flights between the UK and Ireland. Ferry crossings were cancelled too, with widespread delays on the rail network due to speed restrictions and the closure of some lines due to fallen trees. Western Power Distribution reported having had over 17,000 customers without power in Wales, and Scottish Power Energy Networks moved to their highest emergency level due to the scale of disruption to power across North Wales and Clwyd. UK Power Networks reported 12,000 properties without power in Suffolk and around 40,000 across East Anglia, with around 5,000 outages reported across Yorkshire and Lancashire. Snow caused significant disruption in parts of central Scotland, with the M80 closed completely for a time during the morning rush hour. Trees fell onto properties in London, Birmingham and Cannock, there was widespread structural damage and there were 2 reported deaths and numerous injuries associated with windblown debris and fallen trees. Storm Ewan was named by the Irish Met Service for the 25th and 26th but impacts were limited. In the colder showery air mass following Storm Ewan, snow caused problems on the M74 on the afternoon of the 27th, and this spread to affect transport in the Borders, and 30-40 vehicles were stranded due to snow on the A68.	At its rate-setting meeting the Bank's monetary policy committee, led by governor Mark Carney, voted unanimously to hold interest rates at the record low of 0.25% and to continue with a program of electronic money printing known as quantitative easing. Presenting the Bank's forecasts, Carney said that plans for more government spending, stronger world growth and other factors had made policymakers more upbeat. He conceded the Bank had been too gloomy on the prospects for consumer spending since the Brexit vote. "Growth has remained resilient since the referendum," he told a news conference. But he flagged potential challenges ahead and sought to emphasise that the Bank could still move interest rates in either direction. "The **Brexit** journey is just beginning. While the direction of travel is clear, there will be twists and turns along the way. Whatever happens, monetary policy will be set to return inflation sustainably to target while supporting the necessary adjustments in the economy," Carney said. Minutes from the rate-setting meeting revealed that some members of the nine-strong committee were growing more worried about inflation, which has been rising as the weak pound pushes up import costs. The Bank's forecast for inflation, however, was little changed from its last outlook in November. That was largely because it now believes unemployment can fall further than previously thought before wages start to accelerate. That relatively benign inflation outlook helped push the pound down, with investors seeing less reason for interest rates to be raised to keep prices rises in check. After last June's vote to leave the EU, the Bank stepped in with an interest rate cut and more QE to shore up confidence. Carney defended that action on Thursday, saying it was the correct thing to do in "pretty exceptional circumstances" and that the moves had supported growth. Since the referendum, the Bank has faced the balancing act of safeguarding growth and jobs while being careful that very loose borrowing conditions do not allow inflation to rise too quickly. Carney has repeatedly asserted that the Bank is comfortable letting inflation go above the government-set target of 2% to protect jobs but that there are limits to how far an overshoot can be tolerated. The minutes to the latest rate-setting meeting noted an important shift for some policymakers who now felt "the risks around the trade-off" between supporting growth and controlling inflation "had moved a little closer to those limits". The key forecast changes in the latest inflation report are:

		• The Bank expects official figures to eventually show the economy grew 2.2% in 2016, compared with an early estimate from the statistics office of 2.0%. • The economy is expected to grow 2.0% in 2017, 1.6% in 2018 and 1.7% in 2019. That compares with November forecasts of 1.4%, 1.5% and 1.6%, respectively. • Carney emphasised the level of GDP would still be 1.5% lower in two years' time than projected before the referendum in May. • **Inflation** to be 2% this quarter, 2.7% in early 2018 and 2.6% in early 2019. That compares with November forecasts of 1.8%, 2.8% and 2.6%, respectively. • Unemployment forecasts were revised down. Expected to be 4.9% this quarter, 5.0% in early 2018 and 5.0% in early 2019. That compares with November forecasts of 5.0%, 5.5% and 5.6%, respectively.
March	**Weather impacts**	**Economic impacts**
	March began mild and changeable with mainly south-westerly winds. The south-westerly type persisted until mid-month but there were some quieter interludes. It was unsettled and briefly colder from the 20th to the 22nd with some snow in the north. Several days of dry sunny weather followed, but it turned unsettled again and very mild for the last few days. March began where February left off, with unsettled conditions dominating. On the 2nd, snow and ice created some difficult travelling conditions across the Peak District and Pennines, and the Snake Pass was closed due to snow for much of the morning. Although a deep low pressure system brought considerable disruption and 120 mph gusts to north-western France on the 6th, no specific impacts were noted in the UK. The weather was more benign and mild for the next two weeks, punctuated by a brief windy spell for the Northern Isles and north of Lewis on the 14th. Some short-lived power cuts occurred on Lewis during the day, and further away a high-sided vehicle blew over on the Forth Road Bridge, forcing a lengthy closure of the bridge to all traffic during the afternoon peak. On the 21st, the M8 was closed westbound by a jack-knifed lorry during the morning peak, and the A702 into Edinburgh was closed due to multiple collisions. The M77 was also partially blocked for a time, as well as some other closures on higher-level routes such as the A83 at the Rest and Be Thankful. On the 22nd, many roads in Cumbria were affected by snow including the Kirkstone Pass, the	With Theresa May about to trigger Article 50 and the UK set to start two years of Brexit negotiations with the rest of the EU, how is the country's economy doing? Before the referendum last June, many economists produced gloomy forecasts which have since been proved wrong. Consumers' confidence has not suffered, and by and large, things have gone on as before. However, the UK has not actually left the EU yet - the real change may only happen once it does. The current uncertainty, ahead of talks between the UK and the rest of the EU, over what form Brexit will take is an issue for many firms when it comes to investment planning. The UK economy grew by more than previously reported in the final three months of 2016, according to the latest official estimate. Gross domestic product (GDP) increased by 0.7%, up from 0.6%, according to the Office for National Statistics (ONS). The upward revision is mainly due to the manufacturing industry having done better than thought. The ONS cut its estimate for growth in 2016 as a whole to 1.8%, down from the 2% it forecast last month. There are hints that Brexit uncertainty is hitting business confidence. The ONS also said there had been a slowdown in business investment, which fell by 1% compared with the three months to the end of September. Growth in the UK's service sector eased to a five-month low in February, according to a closely watched survey. The Markit/CIPS purchasing managers' index (PMI) for services fell to 53.3, down from 54.5 in January. However, it remains above the 50 threshold that separates growth from contraction. Meanwhile, the UK's independent budget watchdog,

A590, the A684 and the A66. The M6 was also affected by an accident for a while near Shap and Tebay.

The weather turned warmer for the remainder of the month. On the 28th, fog caused disruption to flights in London, and the Woolwich Ferry on the Thames was suspended due to fog. The fine conditions also led to a marked increase in wildfire activity in south Wales, which tested the resources of the Fire and Rescue service.

the Office for Budget Responsibility (OBR) recently revised up its growth forecast for this year from 1.4% to 2%. However, it expects growth to then slow to 1.6% next year.

The pound fell dramatically after the Brexit vote last year, and since then has been trading around 15% lower compared to the dollar and 12% lower compared to the euro than it was before the referendum. The fall in the pound has helped exporters but it has made foreign holidays more expensive for British tourists. It has also increased import costs for manufacturers (see Trade below) which is a key factor for sectors such as the car industry, where vehicles which may be completed in the UK often have imported component parts. Record low UK interest rates have also contributed to a weaker pound.

When Parliament passed the Brexit bill allowing the prime minister to trigger Article 50 and start the Brexit negotiations, the pound hit an eight-week low against the dollar. Currency strategists say that sterling is likely to remain volatile in the coming months until there is greater clarity about the UK's Brexit deal. The pound may have weakened but investor confidence as measured by UK share prices is holding up well - UK stock markets have risen since last summer.

The FTSE 100 has risen 16% since the eve of the referendum. Much of this could be linked to the pound's decline. As big companies' profits are often international and calculated in dollars, they would automatically rise when converted back into the weaker pound. Yet there is a similar picture when looking at the mid-range FTSE 250, which includes many firms focused on the domestic market. This index is now about 11% higher than it was on 23 June 2016. Importantly, many forecasts of immediate economic gloom if the UK voted to leave the EU were proved wrong. They did not take into account possible compensatory action by the Bank of England in the wake of a Brexit vote.

After the referendum the Bank of England took steps to boost the economy. In particular it cut interest rates from 0.5% to 0.25% in August - the first reduction in the cost of borrowing since 2009 - taking UK rates to a new record low. Rates are unlikely to go up any time soon. This month's Budget provided little stimulus for the economy via tax breaks or spending announcements, so the Bank is more likely to keep rates on hold, because raising them could affect growth.

However, at the most recent meeting of the Bank's interest rate-setting committee, one member of the Monetary Policy Committee did vote for a rate rise. UK house prices accelerated in February rising by 4.5% in a year, according to the Nationwide, and by 5.1%, according to the Halifax. "Housing demand is being supported by an economy that continues to perform well with employment still expanding," said Martin Ellis, Halifax housing economist. But the rate at which house prices are rising has slowed significantly, nearly halving since spring 2016. The outlook for the market is uncertain, with the Nationwide predicting a 2% rise in UK house prices over the course of 2017.

		Net migration to the UK dropped to 273,000 in the year to September 2016, down 49,000 from the previous year. The Office for National Statistics said it was the first time in two years the balance of people arriving and leaving the UK had dipped below 300,000. Published in February, this is the first data to include migration estimates following the EU referendum. Immigration was estimated to be 596,000; of these 268,000 were EU citizens, 257,000 non-EU citizens and 71,000 were British citizens. Some 323,000 people are thought to have left the UK in the same period, up by 26,000 on the previous year. Of these, 103,000 were EU citizens, 93,000 non-EU citizens and 128,000 British citizens. The UK has long been running a trade deficit, meaning that overall it imports more than it exports, and both imports and exports have been boosted by the weaker pound. UK exports and imports both rose in January - by £400m and £300m respectively - leaving the trade deficit in goods and services steady and unchanged from December 2016 at £2.0bn, the ONS said. However, the ONS also said that in 2016, excluding oil and other erratic commodities (such as ships, aircraft, and precious stones, silver and non-monetary gold) the underlying trend in trade in goods was a widening of the deficit. House building has slowed to a six-month low as costs have soared, due largely to a weaker pound. However, output in the construction industry overall has risen for the sixth consecutive month in February, led by civil engineering. Some firms say that rising input costs have had an effect on decision making and have led to delays in contracts being completed. The unemployment rate has been falling steadily over the last five years, as the UK recovered from the global financial crisis, which saw up to two million jobs lost, according to one report. Wages have been growing faster than inflation in recent months, though the gap is narrowing, leading to warnings of squeezed incomes. In the three months to January, regular pay increased by 2.3%, compared with the same period a year earlier. That was sharply lower than the 2.6% seen in the three months to December. Meanwhile, inflation currently stands at 1.8%, up from 1.6% a month ago. Real income growth is now running at 0.6%. "If the incomes squeeze translates into falling consumer confidence, then the main driver of the better-than-expected economic news since the referendum could turn more negative," says the BBC's economics editor Kamal Ahmed.
April	**Weather impacts**	**Economic impacts**
	April began with slackening low pressure over the country and a mix of sunshine and showers, but it soon became dry, warm and sunny for most parts as high pressure built from the south. It was often unseasonably warm until the 9th with plenty of dry sunny weather. The rest of the month was cooler but remained mostly dry and settled. A northerly outbreak brought widespread wintry showers on the 25th and 26th, and the 30th was wet in the south-west.	The UK economy grew by just 0.3% at the start of the year, the slowest growth rate since the first three months of 2016, according to official figures. The Office for National Statistics said that the slower pace in the January-to-March period was due mainly to the service sector, which sank to 0.3% growth against 0.8% at the end of 2016. In the last quarter of 2016, gross domestic product increased by 0.7%. Friday's figure is a first estimate and could be revised in the coming months. Economists had been

	With benign conditions dominating the first three weeks of the month, there were no significant impacts until the 25th. Snow was reported on the 24th, mainly on high-level roads across the central and northern Highlands of Scotland and Aberdeenshire, but no disruption was reported. On the 25th, the snow gates were closed on the highest routes in Grampian. An HGV overturned on the A9 south of Inverness in snowy conditions.	expecting GDP growth to slow as consumers reined back spending in the face of rising inflation, but they had pencilled in a higher figure of 0.4%. Chris Williamson, chief economist, IHS Markit, said: "The message is clear: the start of the year saw the weakest pace of growth for a year as rising prices have started to hit household spending." The main drag on the service industry, which accounts for about 78% of the UK economy, came from the hotels, restaurants and the distributions sector, which fell by 0.5%, as increasing prices from rising inflation applied the brakes to retail trade, The ONS said that output in the construction sector was also dragging on GDP after expanding by 0.2% in the first three months of the year following 1% growth in the fourth quarter of 2016. Industrial production expanded by 0.3% over the period, with manufacturing increasing by 0.5% thanks to a jump in motor vehicle output, while agriculture growth eased to 0.3% in the first quarter from 1% in the final quarter of 2016. Consumers have been feeling the pinch since the beginning of 2017, with inflation sitting at its joint highest level for more than three years at 2.3% in March. The squeeze on household spending power has led to weaker retail sales, which recorded their biggest fall for seven years in the three months to March. Nancy Curtin, chief investment officer at Close Brothers Asset Management, said the data would add to uncertainties. "With the General Election just around the corner and Brexit negotiations afoot, any dip in the economy risks bringing further caution and uncertainty to businesses, which has a knock-on effect when it comes to investment and employment. "However the chancellor, with better than expected Budget tax receipts in his pocket, has room for manoeuvre and should be able to pre-empt any further slowdown which should help with business confidence," she said. Suren Thiru, head of economics at the British Chambers of Commerce, said the data confirmed his groups' own survey that businesses were starting to feel the pressure. "It is increasingly likely that the slowdown in the first quarter is the start of a sustained period of more sluggish growth. Inflation is expected to continue to rise, increasing the squeeze on consumer spending power and firm's profit margins, pushing growth lower," he said. Despite the service sector slowdown, other economists pointed to more positive signs. Lee Hopley, chief economist at EEF the manufacturers' group, that "even with the pace of expansion dropping, we shouldn't be too hasty in dialling up the despair about the

		outlook for the UK economy. "There are clearer signs that the consumer is wavering as inflationary pressures have picked up, but the production related sectors of the economy are forging ahead thanks to an improving global picture and the more competitive pound. "Manufacturing also saw another solid quarter with output increasing by 0.5% and official data indicating that this positive trend was fairly broad based across sub-sectors." The caution among consumers was underlined on Friday in separate figures from the British Bankers' Association. These showed British banks approved the fewest mortgages in four months in March and consumer credit growth slowed. Banks approved 41,061 mortgages for house purchase last month, down from 42,247 in February, the BBA said. Annual consumer lending growth slowed to 6.1% from 6.5% in February, easing further from October's 10-year high of 7.2%.
May	**Weather impacts**	**Economic impacts**
	May started with some rain or showers in the south, but otherwise the first third of the month was settled with mainly easterly winds, warm and sunny in the north-west but often cool and cloudy in the south-east. The second half was more changeable but mostly warm. There was a notable hot and sunny spell from the 23rd to 26th, followed by significant thunderstorms across many areas on the 27th and in the south-east on the 28th/29th. Although the weather was largely quiet throughout the first two weeks of May, there were some localised weather impacts reported – localised flooding in Maesteg, south Wales on the 11th, and reports of a tornado causing damage in Stapleford, Nottinghamshire. The first organised rain for some time on the morning of the 15th prompted concerns over potential for surface water flooding in south-west Scotland, but no impacts were reported. Very localised, temporary flooding and lightning impacts were reported, mainly across south and south-east England, during Wednesday 17th to Friday 19th. Thunderstorms broke out between the 27th and 29th following a spell of very warm/hot conditions. The thunderstorms started in south-west England during the early hours of the 27th, with both Cornwall and Devon and Somerset Fire and Rescue Services reporting a number of callouts due to lightning strikes. Flooding was reported in North Yorkshire and more than 500 properties lost power in the Lake District due to lightning strikes. In Scotland, localised flooding was reported in Lanarkshire and in Cupar in Fife. Subsequently, heavy rain and lightning mainly affected southeast England during the morning of the 29th. Kent Fire and Rescue Services reported a house roof fire	The UK economy was the worst performer in the European Union in the opening months of 2017 as the Brexit vote took its toll, according to official statistics that underscore the challenge facing the next British government. With economic growth of just 0.2% in the first three months of this year**,** the UK was well behind its European neighbours. Official EU figures released as Britons went to the polls on Thursday showed the growth for the whole of the EU was 0.6% in the first quarter. The Eurozone single currency bloc also grew 0.6% in the opening quarter, buoyed by strong domestic demand. The Eurostat figures showed every nation in the 28-member bloc reported first-quarter GDP figures growing faster than the UK. The strongest expansion was in Romania at 1.7%, followed by Latvia at 1.6% and Slovenia at 1.5%. The closest countries to the UK's weak pace of growth were France and Greece, with GDP growing 0.4% in both. However, in year-on-year terms the UK was closer to the EU performance and ahead of the 19-nation Eurozone. After a strong second half to 2016, when the economy defied predictions of a post-referendum slump, UK GDP was still 2% bigger in the first quarter of 2017 than a year earlier. The EU's economy was 2.1% bigger on the year while the Eurozone was up 1.9%. Recent business surveys have suggested the UK economy has picked up some momentum in the second quarter **after** its slow start to 2017. But with higher inflation weighing on consumer spending**,** most forecasters expect growth to be lackluster over 2017 as a whole and even weaker in 2018. The main pressure is expected to come from higher inflation, stemming largely from the pound's sharp fall since the Brexit vote last year. That has made the many imported goods to the UK more expensive and been passed on to consumers. Wages meanwhile

	following a lightning strike near Maidstone, with a number of other reports of lightning strikes on buildings. Localised road and rail flooding was also reported.	have failed to keep pace with those price rises and so workers are worse off in real terms and have been cutting back. Prospects for the 19-nation Eurozone, by contrast, have brightened. Political uncertainty has diminished now France's presidential election is out the way, unemployment has fallen, business surveys point to solid demand and a continuing recovery in the global economy could boost exports, economists say. The confirmation that the UK was the worst performer in the EU growth league in the first quarter follows news last week that it was also trailing behind the world's advanced economies, with Canada registering stellar growth in the first three months of the year. The outlook for the UK was tough but stronger global prospects should provide some cheer, economists said. "Brexit has been partly to blame for slower UK growth, as higher prices due to lower sterling and uncertainty hit retail spending and the willingness of firms to invest," said George Buckley, economist at the financial firm Nomura. "But it's not all bad news – this is as much a story about global strength as it is about downside risks to the UK, which should eventually support exports" The European Central Bank was the latest body to raise its growth forecasts for the Eurozone on Thursday after telling financial markets it had no plans to cut interest rates. ECB president Mario Draghi said growth was now expected to come in at 1.9% in 2017, up from the 1.8% forecast made in March. The outlook for 2018 was nudged up to 1.8% growth, from 1.7%. "We consider that the risks to the growth outlook are now broadly balanced," said Draghi, dropping a previous assertion that risks were skewed to the downside. Draghi said the risk of deflation – or persistently falling prices – in the Eurozone had dissipated. But at the same time, inflation was not showing much sign of picking up and the ECB toned down its inflation forecasts for this year, 2018 and 2019. That suggested policymakers would be in no hurry to withdraw the stimulus they have been providing to the Eurozone after the global financial crash of 2008-9 and the Eurozone debt crisis of 2012. That broad package of measures, includes printing electronic money to buy bonds and record low interest rates. Some rates are below zero, meaning people effectively pay to deposit money.
June	**Weather impacts**	**Economic impacts**
	The first ten days of June were changeable, with mainly westerly winds, but rather warm, especially in eastern counties, and it was quite windy at times. After that came a dry, sunny and increasingly hot spell which affected much of the south between the 13th and 21st, and spread to cover all areas between the 17th and 19th. This spell brought the highest temperatures in June since 1976. After a	Before last year's Brexit vote, there were warnings from many economists that the UK would suffer a catastrophic economic shock and be catapulted into recession by a Leave vote. As it turned out, those predictions were a touch pessimistic. But one year on, what do economists and businesses think of the aftermath of the vote? And what do they think the future holds?

thundery breakdown for some, it was generally cloudy from the 22nd onwards and turned very wet in many areas in the last few days.

Most of the weather impacts worthy of note this month centered around heavy rainfall, some of it thundery in nature. Thundery downpours during the afternoon and evening of the 2nd across East Anglia, London and parts of SE England caused localised flooding, with some disruption to trains, roads, and at Stansted Airport.

Persistent rain fell across much of the country on the 5th/6th, together with some unseasonably strong winds across England and Wales. Tragically, on the 6th three men died in Plymouth when their van overturned, and there were two deaths due to trees falling on cars, one in Hampshire and the other in Perthshire. Over 300 homes and businesses in Devon and Cornwall lost power, and fallen trees were reported across a wide area, bringing down overhead power lines, while floods also blocked some major roads. Localised flooding also affected eastern Scotland, including Edinburgh's trams and the Inverness to Aberdeen rail line.

The 17th was the start of several days of notably hot weather across England and Wales, with maxima exceeding 30 °C somewhere for 5 consecutive days – the first time this has happened in June since 1995. Impacts from the hot weather sadly included a further two fatalities, with two teenage boys drowning in separate reservoir incidents in Rochdale and Walsall. The heat also affected train services in south Wales, and over 90 trains were cancelled or disrupted across Norfolk, Suffolk and Essex. A road bridge in Lowestoft, Suffolk became stuck after the mechanism seized due to high temperatures, and roads in Cambridgeshire and Norfolk reportedly started to melt.

On the 21st there was a risk of large hail, frequent lightning and gusty winds. Localised flooding was reported in north-east England and lightning strikes were reported across northern England. On the 22nd, roofs were damaged by lightning in Kent, North London and Leicestershire, power cuts were reported across Kent, while Thameslink, Southern and Greater Anglia train services were all affected by lightning strikes.

On the 27th, lightning strikes caused more rail disruption between East Anglia, Essex and London. Localised flooding was also reported on roads in the south-east. More persistent rain and strong winds across southern and eastern England on the 28th led to minor disruption to road, ferry and rail travel.

David Owen, chief European financial economist for Jefferies, still thinks the UK could be in for a rough ride. "For six months or so after the Brexit vote, the UK economy as a whole also held up surprisingly well, helped by the significant monetary easing announced by the Bank of England last August and the move down in the currency," he says. "But recent weeks have seen growing signs of the wheels coming off the UK recovery, with real incomes squeezed by the decline seen in real wages."

UK wage growth slowed down this year and started to lag behind inflation in May. Prices are rising in the shops faster than people's wages are going up, meaning the amount people have to spend is going down in real terms. In the future, "much will depend on what deal the UK ultimately manages to strike with the rest of the EU, but with Brexit discussions now commencing, uncertainty and political risk will dominate discussion," he adds.

Last year, not all economists thought the shock to the economy would be so profound. Martin Beck of Oxford Economics said then that although the Brexit vote would hit the UK, it would avoid recession. Since a majority of voters chose to leave the EU, it was "not obvious" that business and consumers would cut back on spending immediately, he says. However, he still believes that UK growth will slow down, partly because of "uncertainty over Brexit negotiations and uncertainty as to what the outcome will be".

After the Brexit vote, the pound dropped sharply against the euro. It is still trading about 14% down against the dollar. As a result of that devaluation, UK consumers are starting to be squeezed by price inflation. However, exporters are feeling the double benefit of a weaker pound and no change to tariffs to the EU at the moment, Mr Beck says.

What happens next to the UK economy "depends on the deal" that the UK government manages to come up with. Research done by Oxford Economics "suggests a long-run hit to the economy" with a gradual cumulative effect. By 2030, the UK will have missed out on 3% to 4% of growth, he adds. Last year, some economists were positively gung-ho for Brexit.

Prof Patrick Minford of Cardiff University is a member of Economists for Free Trade, formerly known as Economists for Brexit. Prof Minford says that "the consensus was for a recession", but "we thought it [the UK economy] would be pretty much unaffected". However, he says Economists for Brexit "didn't get the scale of the devaluation right" for sterling. They thought devaluation would be about 6% and it turned out to be more like 15%. However, this isn't necessarily a bad thing, he says. Having a devalued pound boosts demand for exports, Prof Minford says. Businesses invest more money because they can sell more easily abroad. And more expensive foreign goods encourage consumers to buy British, giving an extra push for business investment, he adds. The devaluation is "likely to remain for quite some time" because of the length of the Brexit negotiations. He says that the eventual agreement is likely to be a compromise between soft and hard Brexit. If negotiations are derailed, this may be positive for stock market sentiment, as the UK could move towards free trade agreements faster. But the economy will probably move towards having more of an emphasis on free trade gradually, he adds.

Mr Beck of Oxford Economics also says that being outside the customs union with the EU may bring benefits. Trade with the EU may not be as important as building trade links with rapidly growing large economies such as China and India, he says. Even before Brexit, exports to the EU had been falling relative to other markets. China and India are "growing very quickly", whereas European countries are wealthy and so are growing more slowly as a market, Mr Beck says.

Some economists have a completely different take on where they think the economy is heading. Douglas McWilliams, deputy chairman of the Centre for Economics and Business Research, said after the Brexit vote that he expected a boom. But now there will be a hit to the UK economy due to uncertainty and a fall in immigration. The creative industries fuel a large chunk of the UK economy, he says, and without immigrants to stimulate new ways of thinking, business will be hobbled. "The real benefit [to immigration] is that skill bottlenecks are solved," he says. Eventually, the UK will "change what we make and sell" in the longer term. But he expects negative effects on the economy to outweigh positive effects until 2030.

Business lobby group the CBI says that growth in the UK economy will "shift down a gear" in the short term as household spending slows down. "The less likely a Brexit deal starts to look, the harder it will be for firms to recruit and retain talent as well as push the button on big investment decisions. We must get Brexit right," says CBI director-general Carolyn Fairbairn.

Big firms such as Rolls Royce have said they want as little change as possible after Brexit. And car-makers are worried about a trade "cliff edge" if tariffs are suddenly imposed on EU imports and exports.

Finally, what do people in the UK think about Brexit? Joe Twyman from pollsters YouGov says that in the main, they haven't changed their mind from how they voted last year. "Nothing has changed, because nothing has changed," he says. "Negotiations have just started."

One interesting twist is that 26% of the population that voted Remain believe the UK should go ahead with Brexit, because that's how the majority voted, he says. However, he adds that the political situation is "very fluid", and depending on how the negotiations go, those opinions could easily shift.

	Weather impacts	Economic impacts
July	July was a generally unsettled month but it was often warm, especially in the south-east, until the 20th. There were brief hot spells with widespread thunder on the 6th and the 17th-19th. It was cooler from the 21st onwards, and there was some heavy persistent rain at times. On the afternoon and evening of the 4th across parts of England and east Wales, localised flooding and lightning strikes caused some disruption to travel and schools. On the 6th, localised flooding and lightning strikes occurred in North Yorkshire and across East Anglia. After a brief very warm spell on the 18th and 19th, a thundery breakdown ushered in an unsettled period of weather. Thundery showers pushed north across southern parts of the UK later on the 18th. This included a flash flood affecting the village of Coverack, Cornwall: fifty properties were flooded, a sewer pipe was damaged, and the main road into the village became impassable with rubble. Elsewhere there was loss of power in Plymouth as well as flooding of roads and some properties. In south-east England, roads and properties were flooded and lightning strikes resulted in some fires at businesses. On the 19th some roads in Wales were flooded; across eastern England there were travel delays due to flooding and lightning strikes, as well as fires due to lightning hitting properties. Across the NW of England there was some travel disruption due to floodwater on the A6 and M6. From the 20th it turned unseasonably cool, wet and windy across the west and south-west, with flooding causing travel disruption on numerous roads. Trains between Brockenhurst and Lymington Pier were disrupted by a tree blocking the line. On the 22nd across the south-east, trains were delayed following a lightning strike, and there was flooding on the A40. Also a London to Chennai flight was hit by lightning in London air space. Across Dumfries & Galloway, there was of flash flooding, and some properties flooded as well as surface water causing issues for motorists. Scotland's National Air Show was described as a "washout" with a reduced display taking place. Multiple collisions on the M65 resulted in the road being closed for a time. Heavy showers caused some flooding on roads in Gloucester on the 25th. On the 26th rain and strong winds meant some travel delays, and certain Hebridean ferries were cancelled. On the 29th ferries were delayed at Dover and some flights were delayed at Gatwick due to rain. The month ended very unsettled, and various events were cancelled including the Y Not Festival. Balham station was	UK economic growth edged slightly higher in the three months to June, as a stronger service sector offset weaker manufacturing and construction. The Office for National Statistics (ONS) said the economy expanded by 0.3% in the quarter, up from 0.2% in the previous three months. But the ONS added there had been a "notable slowdown" from last year. Within the service sector, the retail and the film industries helped underpin growth, the ONS said. "While services such as retail, and film production and distribution showed some improvement in the second quarter, a weaker performance from construction and manufacturing pulled down overall growth," said Darren Morgan, ONS head of national accounts. Although the economy eked out higher growth in the second quarter, it was below levels seen in the final three months of 2016, when gross domestic product grew by 0.7%. Analysts said the latest ONS data, which is an initial estimate, diminished the chances of an interest rate rise any time soon. Chris Williamson, chief business economist at IHS Markit, said: "The confirmation of the lacklustre performance of the economy so far this year surely also diminishes the chance of an interest rate hike any time soon, especially as growth prospects for coming months have become increasingly skewed to the downside." Film production in the UK, plus box-office receipts from cinemas, was one of the best performing parts of the economy during the April-June period. The ONS said ticket receipts from Wonder Woman and the latest Pirates of the Caribbean film were among the items that had boosted the sector it calls motion picture activities. That sector grew 8% in the second quarter. Chancellor Philip Hammond said the UK economy had now grown consistently for four-and-a-half years. "We can be proud of that, but we are not complacent," he added. "We need to focus on restoring productivity growth to deliver higher wages and living standards for people across the country." Labour shadow chancellor John McDonnell said: "Growth for the first half of 2017 is below expectations, and it follows continued data showing working families are being squeezed with wages not keeping up with prices." Aberdeen Asset Management chief economist Lucy O'Carroll said: "This pick-up will be taken as good news, but it really doesn't amount to much. "The figures are the first estimate of growth, based on very patchy data. They always get revised over time, and often substantially so. "It's the underlying trends that matter. They don't look favourable at the moment, given the uncertainties around Brexit and the pressure on household budgets from higher inflation."

	closed for a time due to flooding, and there were delays on the M25 due to surface water.	The construction sector weakened in the second quarter, according to the ONS. That was backed up by Andrew Sweeney, from Care Building Services. He told the BBC: "We seem to be pricing a lot more projects. We price projects for clients; we have estimators in the office. After we've priced it the clients pull it because it is coming over the budget. "We've been given orders for jobs and at the last minute the clients have pulled them away from us due to concerns over the market." Kallum Pickering, senior UK economist at Berenberg, said the UK's growth in the first half of the year had been its slowest since 2013. He added: "Whereas growth has accelerated significantly so far this year in continental Europe and many emerging markets, the UK is missing out. "While the downside risks from the Brexit vote have not yet played out in a major way, the uncertainty stemming from Brexit is leading to caution in all areas of spending and policy that have long-term implications. "The UK would probably be growing at 2.5% or above this year were it not for Brexit, with strong gains in real wages and more business investment." The latest growth figure was in line with economists' expectations, and is unlikely to change expectations that, at its policy meeting next week, the Bank of England will keep interest rates at their current record low. On Monday, the International Monetary Fund downgraded its forecast for UK economic growth this year because of the weak first-quarter figure. The IMF said it expects UK GDP to grow by 1.7% instead of its previous projection of 2%.
August	**Weather impacts**	**Economic impacts**
	August began unsettled with rain or showers and mainly westerly or south-westerly winds, and this pattern continued until the 18th. It turned warmer from the 19th, and it was often warm and sunny, particularly in the south-east, between the 25th and 29th, but the month ended cooler and showery. Rain on the 2nd was heavy in the south; some ferries in the south-west were cancelled due to the adverse weather, and flooding caused major disruption on certain roads. A lightning strike in Stafford badly damaged a house on the same day. Slow-moving heavy thundery showers in parts of eastern Scotland on the 3rd led to the suspension of the Women's British Open Golf in Fife due to threat of lightning, while in Hampshire a falling tree crushed a man. Parts of England saw a slow-moving band of rain with some embedded heavy and thundery bursts on the 8th and 9th. Lightning struck several buildings and caused train delays in the south-east, where the M20 was flooded, causing long delays, and heavy showers led to delays on the M25. There was also flooding in the East Midlands with delays on the M1. Many other roads across south-eastern and central parts of England were closed due to flooding.	Removing all trade tariffs and barriers would help generate an annual £135bn uplift to the UK economy, according to a group of pro-Brexit economists. A "hard" Brexit is "economically much superior to soft", argues Prof Patrick Minford, lead author of a report from Economists for Free Trade. He says eliminating tariffs, either within free trade deals or unilaterally, would deliver huge gains. Other economists say cutting barriers sets off a "race to the bottom". Economist Dr Monique Ebell from the National Institute of Social and Economic Research (NIESR) says Prof Minford "ignores decades of evidence on how trade actually works". Dr Ebell's own research showed that if the UK left the single market but made unilateral trade deals with major developing economies and the Anglosphere, it would only claw back about one-third of the 20-30% reduction in lost total trade by leaving the EU. Dr Ebell says many of the trade barriers that Prof Minford argues to be removed are subtle, non-tariff barriers, such as agreed common standards. Campaigners against a hard Brexit said the plan amounts to "economic suicide". The UK is part of the EU customs union, and so imposes tariffs - taxes on imports - on some goods coming into the country. Countries in the customs union don't impose tariffs on each other's goods, and every country inside the union levies the same tariffs on imports from abroad. So, for example, a 10% tariff is imposed on some cars imported from

	The 22nd to 25th saw heavy rain over Northern Ireland and much of northern Scotland. There was widespread flooding across north-western parts of Northern Ireland with damage to properties and infrastructure, and over a hundred people were rescued after becoming trapped in homes and cars by overnight flooding. Derry Airport was closed due to flooding as well as many roads across the region. Landslides also closed roads; combined with swollen rivers, various bridges were damaged, some bridges collapsing and cutting off communities. The coastguard rescued more than 30 people, with helicopters brought in from other areas to assist. Roads in Counties Londonderry and Tyrone were impassable, with the A5 and A2 completely closed for a time. Train services to the north-west were suspended due to flooding, and there were temporary power cuts due to lightning damage to the electricity supply network. Impacts were still being felt a week later with another bridge collapsing on the 31st after some moderate rain. The Western Isles also suffered from heavy flooding with rain falling on Barra and South Uist resulting in disruption to travel.	outside the customs union, while 7.5% is imposed on roasted coffee. Other goods have no tariffs. The UK has said it is leaving the EU's customs union because as a member it is unable to strike trade deals with other countries. Prof Minford's full report, From Project Fear to Project Prosperity, is due to be published in the autumn. He argues that the UK could unilaterally - before a reciprocal deal is in place - eliminate trade barriers for both the EU and the rest of the world and reap trade gains worth £80bn a year. The report foresees a further £40bn a year boost from deregulating the economy, as well as other benefits resulting from Brexit-related policies. Mr Minford - a professor at Cardiff University - says that when it comes to trade the "ideal solution" would still be free trade deals with major economic blocks including the EU. But the threat that the UK could abolish all trade barriers unilaterally would act as "the club in the closet". The EU would then be under pressure to offer Britain a free trade deal, otherwise its producers would be competing in a UK market "flooded with less expensive goods from elsewhere", his introduction says. He argues UK businesses and consumers would benefit from lower priced imported goods and the effects of increased competition, which would force firms to raise their productivity. However, Dr Ebell says that "competition needs to be fair". "Some foreign firms from outside the EU can produce more cheaply because they pollute, or treat workers in ways that we find unacceptable. So we impose tariffs to level the playing field. That is legitimate, and only fair." However, Open Britain, a campaign group arguing for the UK to remain within the single market and the customs union, said the proposed strategy would be damaging to the UK economy. "Unilaterally scrapping our tariffs without achieving similar reductions in the tariff rates of other countries would see Britain swamped with imports, leaving our manufacturers and farmers unable to compete," said Labour MP Alison McGovern, a supporter of the cross-party group Open Britain, which is campaigning against a hard Brexit. "The levels of bankruptcy and unemployment, especially in industry and agriculture, would sky-rocket. "This is a project of economic suicide, not prosperity. No responsible government would touch this report with a barge pole as a source of ideas for our future trade policy." Economists for Free Trade is a group of 16 economists, including former government advisers and academics. The group plans to release further chapters of the report in the run-up to its full publication. It is a counter-intuitive idea, but actually, the economics textbooks do provide some support for the idea of unilateral trade liberalisation. This analysis suggests that removing trade barriers produces benefits for consumers and businesses buying components or raw materials that exceed the losses suffered in industries that face stiffer competition. The downside is that it may take time, perhaps years, for the workers who lose their jobs to find new ones. Prof Minford has expressed

		the view that the British economy is flexible enough to cope. There is also the question of how the new jobs would compare with the old ones. The mainstream view among economists is that while countries overall may gain from trade liberalisation, there are usually some specific groups that lose. Prof Minford also directs criticism at Chancellor Philip Hammond's current approach to Brexit, which he says amounts to "throwing away our hard-won freedom from EU rules". The chancellor is viewed as favouring a softer approach to Brexit, but recently co-authored an article in the Telegraph in which he proposed that the UK would leave both the single market and the customs union in March 2019, but that there would be a "time-limited" transition period to help businesses adjust. A government spokesman said the UK would maintain a "deep and special" relationship with the bloc after departing the EU. "The economy has grown continuously for four years and there are more people in work than ever before. "As we leave the European Union, we will build on this success by maintaining a deep and special partnership with the EU while embracing the wider world as an independent, open, trading nation.'" During the referendum campaign last year, Prof Minford stoked controversy by suggesting that the effect of leaving the EU would be to "eliminate manufacturing, leaving mainly industries such as design, marketing and hi-tech". However, in a recent article in the Financial Times, he suggested manufacturing would become more profitable post-Brexit.
September	**Weather impacts**	**Economic impacts**
	September started with a weak ridge of high pressure which brought relatively quiet weather, but the rest of the month was generally unsettled with an unusually high number of rain days. It was often cool until the 19th with frequent north-westerly winds and belts of persistent rain alternating with brighter showery weather, and it was windy at times, especially around the 10th-13th. It was warmer from the 20th onwards with mainly southerly winds, but often cloudy with some fog patches. On 3rd September, western parts were windy and cloudy with some heavy rain. There were some reports of impacts from heavy rain in Cornwall, where 40-50mm fell locally in a few hours causing some flooding on roads. Rain on the 5th brought some flooding to a B road in North Wales, with reports of train delays also due to flooding. Again, on the 8th the main railway line between Bangor and Holyhead was affected by overnight rain. Across south-east Wales on the 11th there were reports of some power loss to homes, as well as some fallen trees attributed to strong winds across the area. The first named storm of the 2017/18 season, Storm Aileen, passed over the British Isles on the 12th and 13th. There were reports across north-west England and Wales of flooding on railway lines and roads; some trees blocked railway lines,	UK car production fell during September as confidence was hit by Brexit uncertainty, according to a major car industry body. Plans to improve air quality also added to the decline in car output, the Society of Motor Manufacturers and Traders (SMMT) said. A 14% fall in demand in the UK market drove the overall drop, it said. But a government spokesperson said "the UK's automotive industry remains a great British success story". Mike Hawes, SMMT chief executive, said: "With UK car manufacturing falling for a fifth month this year, it's clear that declining consumer and business confidence is affecting domestic demand and hence production volumes." "Brexit is the greatest challenge of our times and yet we still don't have any clarity on what our future relationship with our biggest trading partner will look like, nor detail of the transitional deal being sought," he said. Mr Hawes said that "uncertainty regarding the national air quality plans also didn't help the domestic market for diesel cars, despite the fact that these new vehicles will face no extra charges or restrictions across the UK." In July government set out statutory plans to reduce roadside nitrogen dioxide pollution. Mr Hawes added that "leaving the EU with no deal would be the worst outcome for our sector" and urged the government to "safeguard the competitiveness of the industry".

	and trains were delayed, due to strong winds across England. A number of roads in Moray and the Borders were affected by flooding, with some reports of properties being flooded too. In Wales, there were reports of fallen trees damaging property and blocking roads and railway lines, as well as power outages, with some 60,000 properties without power at one point. The M48 Severn Bridge was closed in both directions, and there were delays to ferry services at Dover. On the 13th there were reports of flooding on the A90 and also in Moray. On the 16th, surface water in the Port Talbot area resulted in some travel disruption. In Cornwall there were reports of minor flooding on roads, and heavy rain was blamed for a rock fall at Lushington Cove near Porthtowan. There were reports of damage to a hospital roof in Shrewsbury on the 18th due to heavy showers. The 19th had a foggy start for some, and the Mersey Ferries in Liverpool were suspended due to fog. On the 20th there was persistent heavy rain in Northern Ireland. The Orchard Leisure Centre in Armagh was temporarily closed due to flooding. In Scotland, the Ayr Gold Cup horse-racing meet was abandoned due to a waterlogged course. During the remainder of the month there was fog at times, but no significant impacts were reported.	UK car output fell more than 4% to 153,224 vehicles in September. Production also fell in April, May, June, and August. Domestic demand dropped 14.2% to 31,421 units in September, contributing to an overall year-to-date production decrease of 2.2%. But a Department for Business, Energy and Industrial Strategy spokesperson said: "We have seen significant recent investment in the UK from companies in the sector." The government has already put £260m into "advanced propulsion" research, and has invested £246m over four years in battery technology, the spokesperson said. "This will ensure the UK builds on its strengths and leads the world in the design, development and manufacture of electric batteries to secure the future of our automotive sector in the low carbon economy," the spokesperson added. In September general UK manufacturing growth accelerated, a closely watched survey indicated. Arndt Ellinghorst, head of global automotive research at Evercore ISI, said consumer confidence had been on the decline. But he said UK car production had been at a "very high level" earlier in the year, and was "due to correct anyhow". He added that about 70% of UK car production was for export, so the "overall numbers are still ok", and that manufacturers such as BMW were doing well.
October	**Weather impacts**	**Economic impacts**
	October began unsettled with westerly winds and near-average temperatures, and this regime persisted during the first week. South-westerly winds prevailed for most of the month, and there were some notable high temperatures at times, notably the 16th (associated with ex-hurricane Ophelia) and 23rd/24th. It was often cloudy, especially in the north-west, but rainfall amounts were generally modest. It turned colder with overnight frost in places during the last few days. October brought two named storms, ex-hurricane Ophelia on 16-17 October and Brian on 21 October. On the 10th, over 150mm of rain fell at Honister Pass in Cumbria. There were some road closures due to flooding (some roads remaining closed until the 12th) and cancellations to some west coast mainline trains; nine schools were closed in Cumbria. In North Wales, a tree fell on a car, injuring the passengers. In Northern Ireland, all education facilities were closed on the 16th and 17th as a precaution ahead of the arrival of Ophelia. The police received over 500 additional calls directly related to the storm, with fallen trees blocking roads, and around 50 roads were still closed or restricted on the morning of the 17th. Flights were cancelled from all airports, and rail services were closed down during the evening; buses from the Republic of Ireland were cancelled or delayed. Over 57,000 customers lost power, with water supply and phones also disrupted. (The Irish	The UK's economy had higher than expected growth in the three months to September - increasing the chances of a rise in interest rates in November. Gross domestic product (GDP) for the quarter rose by 0.4%, compared with 0.3% in each of 2017's first two quarters, according to latest Office for National Statistics figures. Economists said the figures were a green light for a rate rise next week. If it happens, it will be the first rise since 5 July 2007. The financial markets are now indicating an 84% probability that rates will rise from their current record low of 0.25% when the Bank of England's Monetary Policy Committee (MPC) meets on 2 November. Governor Mark Carney indicated to the BBC last month that rates could rise in the "relatively near term". UK economist Ruth Gregory, of research company Capital Economics, said the figures "have probably sealed the deal on an interest rate hike next week". While many economists echo that view, some think the Bank of England will keep rates where they are. "If all we can muster... is an acceleration in economic growth that's so small you could blink and miss it, the Bank of England could still think better of a rate rise next week," said Ross Andrews from Minerva Lending.

	Republic experienced the worst of the impacts, with Met Eireann having issued a Red Warning.) Three people died in Storm Ophelia incidents, with a further two fatalities while people carried out repairs after the storm. In Scotland there was travel disruption with ferries cancelled, restrictions on bridges due to strong winds, disruption to coastal rail services in Ayrshire, and flights disrupted at all major airports. In Dumfries & Galloway, the strong winds resulted in numerous fallen trees blocking roads, with some power outages and property damage. In Wales, a number of schools remained closed, while all schools in Pembrokeshire closed early. Fallen trees blocked roads and railways as well as causing loss of power to around 200 homes. The main impacts in England were felt across the south-west; the M48 and some other coastal roads were closed, and fallen trees blocked roads and damaged cars. Trains ran at reduced speeds on certain routes. Both ferry and air services were cancelled, and around 12,000 customers lost power for a time. In the early hours of the 19th fog affected parts of southern and eastern England. Storm Brian affected the UK on 21st, but impacts were largely limited to coastal areas of south-west England and Wales. There was disruption to ferries, roads and bridges, and rail services in coastal areas, with fallen trees and large waves giving dangerous conditions and depositing debris onto coastal areas. Around 1500 properties lost power for a time in Wales.	
	<u>Weather impacts</u>	**<u>Economic impacts</u>**
<u>November</u>	November started off relatively quiet, but most of the month had a mobile westerly type interspersed with some short-lived northerlies. Fronts crossed the country at frequent intervals but many areas also had plenty of dry sunny weather in between. It was briefly very mild from the 20th to 22nd, and also very wet in the north-west, then turned colder in the last week with widespread (but not especially severe) frosts, and sleet and snow showers fell widely in eastern counties on the 30th. On the 1st, rain led to restrictions to high-sided vehicles on some bridges, with flooding reported on the A83. There was localised surface water flooding in Wolverhampton on the 7th due to some large short-period rainfall totals, but in general the weather was very quiet over the next two weeks. Flooding and a landslip closed the railway line between Inverness and Wick on the 21st. On the 22nd and 23rd some rail services were disrupted in Devon and Cornwall due to fallen trees, and flights between Newquay and the Isles of Scilly were cancelled due to strong cross-winds. Flooding in parts of Pembrokeshire caused some travel delays. Around 50 properties were flooded in Galgate and Lancaster and the Blackpool area; there were travel delays and congestion on the roads with part of the A6 closed due to flooding. A number of A roads in Cumbria	For the first time in more than 10 years, the Bank of England has raised interest rates. The official bank rate has been lifted from 0.25% to 0.5%, the first increase since July 2007. It is likely to rise twice more over the next three years, according to Bank of England governor Mark Carney. The move reverses the cut in August of last year, which was made in the wake of the vote to leave the European Union. Almost four million households face higher mortgage interest payments after the rise, but it should give savers a modest lift in their returns. As well as many of the country's 45 million savers, anyone considering buying an annuity for their pension will also see better deals. The main losers will be households with a variable rate mortgage. Mr Carney expects banks to pass on the rate rise to savers, but said many mortgages, loans and credit cards would not see an immediate impact. He said that British households have been "savvy" with their finances and have mostly taken out fixed-rate mortgages, which means it will take some time before the rise has an impact on them. The Bank estimates that almost two million mortgage holders have not experienced an interest rate rise since taking out a mortgage. Of the 8.1 million households with a mortgage, 3.7 million - or 46% - are on either a standard variable rate or a tracker rate - which generally move with the official bank rate. The average outstanding balance is

	were closed due to flooding, with delays on the M6 and M55 also due to flooding. 22 schools closed due to flooding in their local area. On the 25th and 26th, roads were icy in parts of North Wales due to rain, hail and sleet showers, particularly the A55. Icy rails caused delays to some South Western Railway services, with trains between Guildford and Havant cancelled. Icy stretches on some roads in the south-west of England resulted in some accidents, with an overturned car on the A30 being reported. Some flooding occurred on roads and railways in parts of Wales due to overnight rain on the 26th/27th: the Cambrian rail line to Aberystwyth was closed for several hours with some A roads closing due to flooding. On the 28th, across North Yorkshire, snow and ice caused travel disruption, with parts of the A170, A171 and A169 closed at one point. In Glencoe, it was the first official day of the new ski season with skiers flocking to the slopes. Nineteen schools across Aberdeenshire were closed on the 29th due to the weather while others were partly closed. There were reports of a four-mile tailback on the A96 near Inverurie, with incidents causing widespread travel chaos during the day for commuters. On the 30th, driving conditions were hazardous in Durham with the A66 affected by snow and ice. Schools in Yorkshire and Aberdeenshire were closed, and there were rush-hour travel delays in Scotland due to the snow.	£89,000 which would see payments increase by about £12 a month, according to UK Finance. The panel which sets interest rates, called the Monetary Policy Committee (MPC), justified the rate increase by pointing to record-low unemployment, rising inflation and stronger global economic growth. Seven out of the nine members voted in favour of higher rates. Mr Carney told the BBC that the Bank expected the UK economy to grow at about 1.7% for the next few years, which he said would require "about two more interest rate increases over the next three years". The pound fell about 1% against the dollar and euro, as some investors had hoped to see hints of more rate rises. Sterling dropped more than a cent against the two currencies to $1.3130 and €1.1280 respectively. The financial markets are indicating two more interest rate increases over the next three years, taking the official rate to 1%. Howard Archer, chief economic adviser to the EY Item Club consultancy, said: "The Bank of England seemingly sees the hike to 0.50% as more likely to be a case of 'one and a little more to come' rather than 'one and done'." The MPC also said that the decision to leave the European Union is having a "noticeable impact" on the economic outlook. Mr Carney said "Brexit-related constraints" on investment and workers appeared to be holding back the potential growth of the economy. Looking ahead, he said: "The biggest determinate of our outlook is going to be those negotiations ongoing on Brexit - both a transition deal to a new arrangement and what is the longer form arrangement with the European Union." The Bank of England is tasked with keeping consumer price inflation at around 2%. However, inflation has been running higher than that since February, and in September it hit 3% - the highest rate since April 2012. Mr Carney said inflation was unlikely to return to 2% without raising rates, because the economy was growing at levels "above its speed limit". Business bodies said the rise was expected, but warned that companies could be hit if further increases came too soon. The Federation of Small Businesses said some would struggle to "absorb more hikes in the short term", while the CBI said "what's important is the pace of any future rises". Economists said the rise was unlikely to have a big effect on the economy, because rates are still at the lows seen since the financial crisis. Lucy O'Carroll, chief economist at Aberdeen Standard Investments, said: "The symbolism of this hike is more significant than its economic impact." The Bank has been reluctant to raise interest rates until now, arguing that inflation had been boosted by the fall in the value of the pound since the Brexit vote in June of last

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<tr><td></td><td></td><td>year. That weaker pound has driven up the costs of imported food, fuel and other goods. The Bank says this effect is probably at its peak at the moment.

The other issue holding back the Bank has been the weakness in wage growth. While inflation hit 3% in September, wage growth was only 2.1%. However, the Bank sees wage growth "gradually" increasing over the 2018 and says there are signs of that happening already. In its Quarterly Inflation Report, released with the announcement on rates, the Bank estimated inflation was likely to peak this month at 3.2%.</td></tr>
<tr><td rowspan="2"><u>December</u></td><td><u>Weather impacts</u></td><td><u>Economic impacts</u></td></tr>
<tr><td>December was a mostly unsettled month, but with some brief anticyclonic spells, and had alternating mild and cold periods. The first week was mostly mild, but between the 8th and 16th it was often cold and frosty, and there was snow for some, especially in the Midlands. It was mild with westerly or south-westerly winds for most of the second half of the month, but there were further snowfalls after Christmas in some areas.

On the 7th, Storm Caroline caused disruption to travel, and power cuts with approximately 49,000 customers affected in Scotland. North Sea helicopter flights were disrupted, and train services across northern Scotland were pre-emptively withdrawn. Schools across Lewis, Harris and Uist were closed, no buses were running on the islands, and restrictions were put in places across the main bridges in Scotland. In Northern Ireland, there were delays to rail services on the Belfast-Londonderry line, and all ferry sailings to Rathlin Island were cancelled. Surface water in Wales resulted in some traffic accidents and delays.

On the 10th, there was widespread disruption due to snow. Schools were closed in many areas; roads were closed due to hazardous conditions, with severe disruption also to rail and air travel. Power outages occurred due to damaged lines in the West Midlands and parts of Wales. Significant disruption was experienced on the M11 and M25, and strong winds brought a few trees down in the south-west. Between the 11th and 18th there was travel disruption due to further snowfall and ice across Scotland, parts of Wales and central England. In North Wales, some flooding occurred on roads and rail lines due to heavy showers. Throughout this period, impacts from snow and ice continued to cause problems with accidents, severe disruption and some road closures on high routes. In Cornwall, intense hail showers caused several accidents on the A30.

Between the 25th and 27th a mix of rain, sleet and snow caused disruption. Throughout this period, roads were closed and there was further disruption to rail and air travel. Flights at Luton and Stansted were cancelled with Stansted airport closing for a time due to snow. The Welsh Grand National was postponed due to the weather. On the 28th and 29th, snow and strong winds caused travel disruption with some roads closed due to snow and ice. Across the</td><td>The UK economy expanded by less than previously thought in the last three months of 2017, official figures say. GDP grew by 0.4% in the October-to-December period, the Office for National Statistics (ONS) said, down from the initial estimate of 0.5%. The revision was due to slower growth in production industries, the ONS said.

In 2017 as a whole, the economy grew by 1.7%, also slightly lower than previously thought and the weakest since 2012. The ONS had previously estimated that the economy grew by 1.8% last year. The statistics body said that household spending grew by 1.8% last year, also the slowest annual rate since 2012. It said the slowdown was partly because of shoppers facing higher prices in stores. "A number of very small revisions to mining, energy generation and service were enough to see a slight downward revision to quarterly growth overall," said ONS statistician Darren Morgan.

One drag on the UK economy at the end of last year was the shutdown of the Forties pipeline system for a large part of December 2017. The closure of one of the UK's most important oil pipelines cost about £20m a day in lost activity, according to Oil and Gas UK.

Chris Williamson, chief economist at IHS Markit, said that some areas of the UK economy looked "worryingly weak" in the final months of last year. The data suggested the construction industry is in recession, business investment was stagnant and household spending was seeing only "modest" growth, he said. Households have been squeezed by rising inflation coinciding with weak wage growth.

John Hawksworth, chief economist at PwC, said that would hold back growth this year to 1.5%. "This would not be disastrous by any means, but would place us towards the bottom of the G7 growth league table together with Italy and Japan, rather than at the top with Germany and the US.

The UK's year-on-year growth rate in the fourth quarter of 2017 was 1.4%, making it the slowest growing of the world's wealthy nations (comparable figures for Canada are not yet available). The UK is also growing more slowly than the Eurozone. The Bank of England is a bit more optimistic about growth prospects.</td></tr>
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	south-west of England fallen trees caused travel disruption. On the 30th and 31st snow and ice caused further travel disruption across the country, particularly over the Pennines. There were some road traffic accidents in Scotland. Storm Dylan brought strong winds, and trees down in the South West also caused travel disruption. There were fallen trees also across Northern Ireland, with the Foyle Bridge closed for a time.	Last month, it raised its growth forecast for the UK economy to 1.8% this year, from its previous forecast of 1.6% made in November. At the time, the Bank indicated that the pace of interest rate increases in the UK could accelerate if the economy remained on its current track. One nagging problem for the UK has been a lack of productivity growth since the financial crisis of 2007. But on Tuesday, official data showed signs of improvement. Output per hour rose 0.8% in the three months to December, the Office for National Statistics said. It follows growth of 0.9% in the previous period. That was the strongest two-quarter period of productivity growth since the recession of 2008. There was also a better-than-expected rise in wages. Excluding bonuses, earnings rose by 2.5% year-on-year. Unemployment edged higher at the end of last year, but still remains low at 4.4%.

Data sources:

GBTS/IPS/GBDVS Surveys 2017
Met Office monthly summary reports
BBC News
The Guardian
ONS