

Employment and Skills Briefing

The following information summarises the DWP (*Central England Group*) *State of the Group Report (February 2016)* and provides a focus on East Midlands through District level, local authority, and LEP data. National data is also covered, providing a context for local employment and skills.

JSA & UC (Universal Credit) Unemployment (claimant count)

The *unadjusted* JSA / UC claimant count (Central England Group) is **143,844**. This is **up 11,757 (8.9%)** from the previous month. **This is a normal seasonal trend for the New Year.**

The national seasonally adjusted claimant count saw a modest fall of 0.5% from the previous month. The **East Midlands** saw a **fall of 1.8% over the last month.**

National and regional Claimant Count figures can be seasonally adjusted to take account of labour market factors that tend to occur around the same time every year; for example, temporary recruitment on the approach to Christmas.

East Midlands based Local Authorities Claimant Count Levels (unadjusted) over last 12 months

Local Authority	January 2015	January 2016	Change (actual and %)	
Leicester	6,390	4,850	-1,535	-24.0
Rutland	175	135	-40	-23.3
Derby	3,245	2,565	-680	-21.0
Derbyshire	7,480	6,055	-1,420	-19.0
Nottingham	8,525	7,140	-1,385	-16.3
Nottinghamshire	9,100	7,690	-1,410	-15.5
Lincolnshire	8,930	7,685	-1,245	-13.9
Leicestershire	4,250	3,750	-500	-11.8
Northamptonshire	7,480	6,830	-650	-8.7

Employment Rate

In the **East Midlands** for the period August to October the rate was **74.3%**, **down 0.6%** from the previous quarter. The rate for the UK was 74.1%, up 0.4% from the previous quarter.

ILO Unemployment*

ILO unemployment currently stands at **4.5% (106,000) in the East Midlands (down 0.1% from previous quarter)**. The rate for the UK is 5.1%.

**ILO Unemployment is different from the claimant count, which measures only those people who are claiming unemployment-related benefits (JSA since 1996). The claimant count is normally the lower measure because some unemployed people are not entitled to claim unemployment-related benefits, or choose not to do so.*

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New JSA & UC Claims (on-flows)

Claimant count on-flows (the number of people making new claims to Jobseeker's Allowance or Universal Credit) in the Central England Group totalled 97,416 over the three-month period November 2015 to January 2016, down 12% on the corresponding period a year ago. Across the whole of Great Britain, on-flows fell by 11%.

When comparing the period November 2015 to January 2016 with the corresponding period 12 months ago, the **East Midlands** based Districts saw a notable fall in their *unadjusted* claimant count on-flow levels (both JSA and UC), by an average of 11.7%.

JSA: Stopping Claims (off-flows)

Universal Credit claimants do not off-flow (i.e., close their claim) on starting employment. It can still be useful however to monitor off-flow rates for JSA claims.

Seasonally adjusted off-flows in the Central England Group over the period November 2015 to January 2016 totalled 88,400 and are down by 30.1% on the same period last year.

For the **East Midlands** based districts they are down by an average of 17.6% on the same period last year and 14.5% from the previous quarter.

Universal Credit – in employment

The proportion of Universal Credit claimants in employment fell from 40% to 31% over the past month, the first time the proportion has fallen since May 2015.

This needs to be seen in the context of continuing expansion of Jobcentres introducing Universal Credit; also data for the latest month can be revised as real-time data from HMRC about earnings catches up. Many UC claimants will have ended seasonal employment after the Christmas period however.

31.3% of UC claimants in the **East Midlands** were in employment last month (January).

JSA Claimant Count (unadjusted) by Local Enterprise Partnerships (East Midlands) December 2015 to January 2016

Local Enterprise Partnership	December 2015	January 2016	change	% change
Northamptonshire	6,120	6,830	710	11.6
Leicester and Leicestershire	7,720	8,605	885	11.5
South East Midlands	13,790	15,270	1,480	10.7
Derby, Derbyshire, Nottingham and Nottinghamshire	21,600	23,455	1,855	8.6
Greater Lincolnshire	12,875	13,805	930	7.2

Claimant Count by Age: Central England Group Age breakdown

The age breakdown below is that of the Claimant Count in Central England Group – those claiming Jobseeker’s Allowance and those in receipt of Universal Credit who are not in employment.

Age band	Numbers	% of Total	Great Britain
18-24	31,464	21.9%	21.8%
25-49	79,959	55.6%	55.3%
50+	32,191	22.4%	22.8%

Although DWP have data on Universal Credit claim durations, they are not comparable with Jobseeker’s Allowance data. Claimants on Universal Credit can move in and out of employment while their claim remains active so claim durations would not be an indicator of long-term unemployment.

JSA claims 6 months + (Central England Group)

The number of people who have been claiming Jobseeker’s Allowance for more than six months has fallen sharply over the past year, down by 22% to 54,595, the lowest figure since 2005.

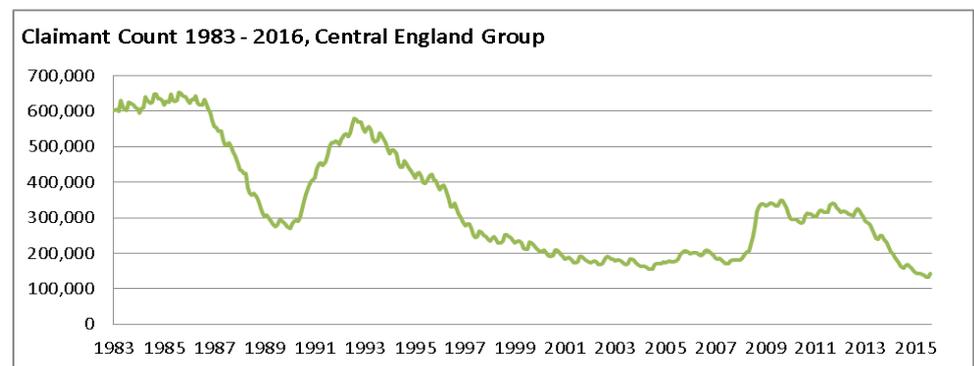
This observation needs to be seen in the context that significant volumes of people who would have claimed JSA over the last few months have claimed Universal Credit (UC) instead.

Youth Unemployment in Central England Group

The Group continues to see significant reductions in its aged 18-24 Claimant Count register (young people receiving either JSA or UC-not in employment).

The current total of 31,466 is, seasonal increase for January aside, the lowest ever recorded since comparable records began in 1985.

In the East Midlands based districts, the 18-24 claimant register has fallen by an average of 21.7% over the last 12 months.



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Skills: Qualification levels in the East Midlands Data on the qualification levels of the working age population is currently available for the year *to December 2014*.

District	% Quals to NVQ level 4+	% Quals to NVQ level 3+	% Quals to NVQ level 2+	% Quals to NVQ level 1+	% no Quals
Leicestershire & Northamptonshire	32.2%	54.0%	72.4%	85.2%	8.6%
Midland Shires	29.4%	53.1%	71.4%	84.1%	10.3%
Lincolnshire, Nottinghamshire & Rutland	29.4%	51.8%	69.9%	83.2%	10.5%

Jobs Sought by Occupation (Central England Group)

Over the past 3 months jobseekers who have made new claims in the Central England Group have registered for work in the following top 15 occupational areas.

Occupation	Jobseeker volumes	Percentage of Total Jobseekers
Sales and retail assistants	46,460	51.2%
Other goods handling and storage occupations	5,980	7.0%
General office assistants/clerks	3,705	4.4%
Labourers in process and plant operations	1,285	1.5%
Retail cashiers and check-out operators	920	1.1%
Packers, bottlers, canners, fillers	775	0.9%
Van drivers	645	0.8%
Care assistants and home carers	585	0.7%
Cleaners, domestics	565	0.7%
Labourers in other construction trades	475	0.6%
Kitchen and catering assistants	455	0.5%
Labourers in building and woodworking trades	395	0.5%
Customer care occupations	370	0.4%
Bar staff	365	0.4%
Shopkeepers and wholesale/retail dealers	345	0.4% ⁴

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Vacancies (UK)

ONS statistics show that across the UK there were **776,000** job vacancies available at any one time for the period November 2015 to January 2016. This is the highest the figure has been since comparable records began in 2001.

It is up 23,000 on the previous quarter (August to October 2015) and is up 45,000 from a year earlier.

UK Labour Market, February, 2016 (ONS)

Main points for October to December 2015

- There were 31.42 million people in work, 205,000 more than for July to September 2015 and 521,000 more than for a year earlier.
- There were 22.98 million people working full-time, 387,000 more than for a year earlier. There were 8.43 million people working part-time, 134,000 more than for a year earlier.
- There were 1.69 million unemployed people (people not in work but seeking and available to work), 60,000 fewer than for July to September 2015 and 172,000 fewer than for a year earlier.
- The unemployment rate was 5.1%, lower than for a year earlier (5.7%). The unemployment rate is the proportion of the labour force (those in work plus those unemployed) that were unemployed.

Regional Labour Market, February, 2016 (ONS)

- The UK employment rate, for the 3 months ending December 2015, was highest in the East of England (78.0%) and lowest in Northern Ireland (68.8%). The employment rate estimates showed few large movements for the regions and countries of the UK.
- **The East Midlands had the largest decrease in the employment rate, with a decrease of 0.6 percentage points. This is partially due to some unusually high estimates through the summer. Despite the latest fall, the underlying pattern for employment rate estimates in the East Midlands have been generally flat over the year.**
- The UK unemployment rate, for the 3 months ending December 2015, was highest in the North East (8.1%) and lowest in the South West (3.7%).
- The largest increase in UK workforce jobs, for September 2015, was in the South West, at 39,000.
- The highest proportion of workforce jobs in the service sector was in London, at 91.7%, which has remained unchanged since June 2015. The West Midlands had the highest proportion of jobs in the production sector, at 12.9%.