



Local Labour Market Overview

March 2012

Introduction

This is the latest edition of our bi-annual Local Labour Market Overview release. It aims to provide an up to date picture of Lincolnshire's labour market, providing an understanding of how the county compares nationally. It will do this using a number of labour market indicators including unemployment, economic inactivity, vacancies and earnings.

Where relevant, indicators are presented since early 2008 to gauge any impact during and recovery since the recent recession. The document uses data sourced from the Annual Population Survey, Annual Survey of Hours and Earnings, and Jobcentre Plus.

The report also presents data for comparator areas relevant to the Lincolnshire economy; England, the Greater Lincolnshire LEP (Lincolnshire, North and North East Lincolnshire) and the Employment & Skills Board area of Lincolnshire and Rutland combined.

Key Findings

- Unemployment, as measured by the number of Job Seekers Allowance claimants, has seen a slow but steady increase since the summer months, with the latest data showing the highest rate since February 2010. None the less the Lincolnshire rate is still below the national rate.
- The numbers of jobseekers across all of the occupations have risen since the beginning of 2012, though the most sustained increase can be seen in administrative, sales and customer service roles since summer 2010. This is most likely to be as a result of cuts in the public sector which would have started to take effect at around this point.
- The number of vacancies has increased over the past year in Lincolnshire by 8% while England has seen a 0% increase in vacancies.
- The county's level of full time employment (77.8%) amongst those aged 16-64 is at its highest ever recorded, whilst part time employment levels are at their lowest, this being quite the opposite compared to the national picture.
- Data from the Annual Population Survey shows that the skills profile of the county has improved over time, and has closed the gap on national levels.



Other documents of interest:

1. Local Labour Market Assessment - September 2011
2. Unemployment in Lincolnshire - Monthly Reports
3. Lincolnshire - A Local Economic Assessment 2011

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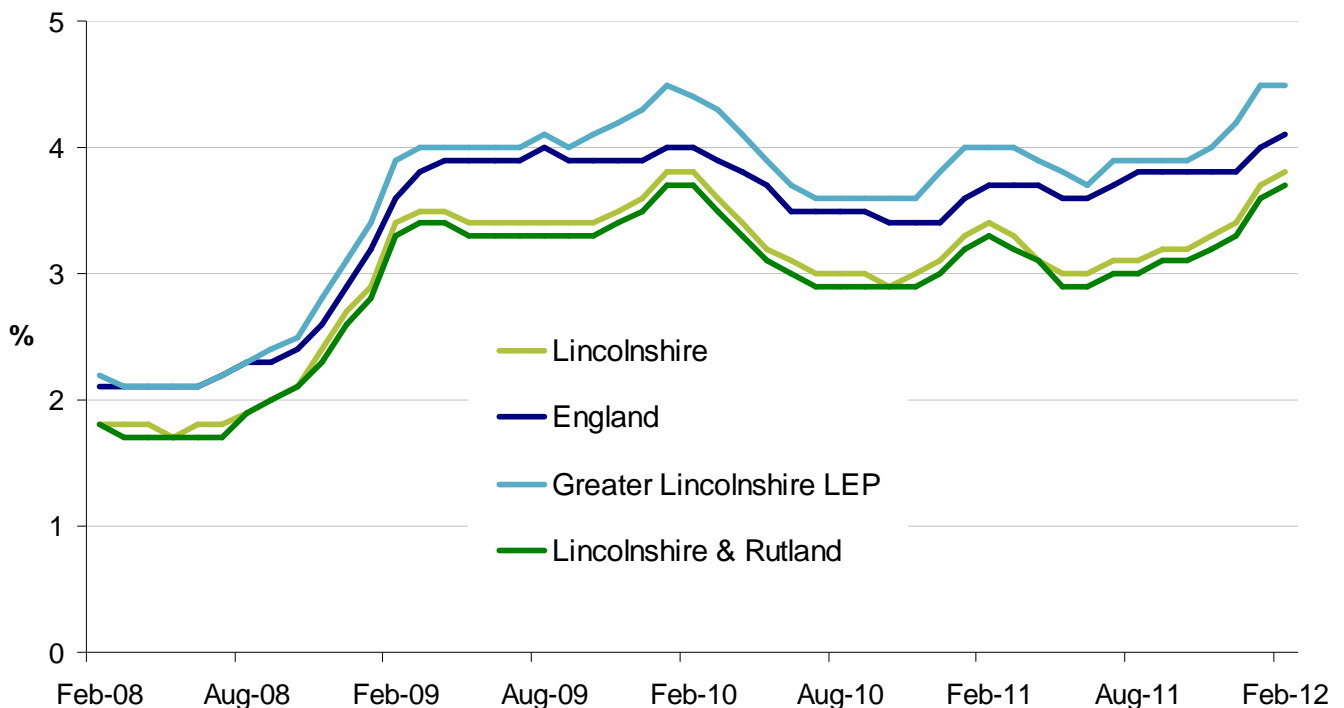


Unemployment

One measure of unemployment is the number of people claiming Jobseeker's Allowance. Referring to figure 1 below it shows that Lincolnshire's unemployment rate post recession peaked in February 2010 at 3.8%. In line with the seasonal nature of the county labour market, unemployment fell during the summer and peaked again in February 2011, albeit at a lower rate than the previous year. However, after this point levels of unemployment did not fall as much as would be expected and in fact during the summer, the rate of unemployment was higher than those experienced during the summer of the previous year. The result of this is that as the unemployment rate has climbed from summer 2011 onwards, it is currently the same as it was when the rate last peaked post recession in February 2010 at 3.8%.

Figure 1: Jobseeker's Allowance Claimants Rate

Source: Office for National Statistics



Importantly, the rate of unemployment in Lincolnshire remains below the national rate. In contrast, the Greater Lincolnshire LEP area has consistently had a claimant rate above that of the national level demonstrating the higher rates of unemployment in both North and North East Lincolnshire.

More recently, and certainly during the winter, increases in unemployment have been driven by normal seasonal change that we would expect to see at this time of year. The increase in unemployment locally is also in line with national changes. In England & Wales the number of people claiming Jobseeker's Allowance rose by around 32,000 in February to 1.47 million.

The number of people unemployed and claiming Job Seekers Allowance in February 2012 in the county now stands at 16,390. This is only 11 people less than February 2010 when unemployment peaked in the post recession period. In the previous two years and in line with seasonal changes, unemployment has peaked in February and then fallen though it remains to be seen if this will be the case in March.



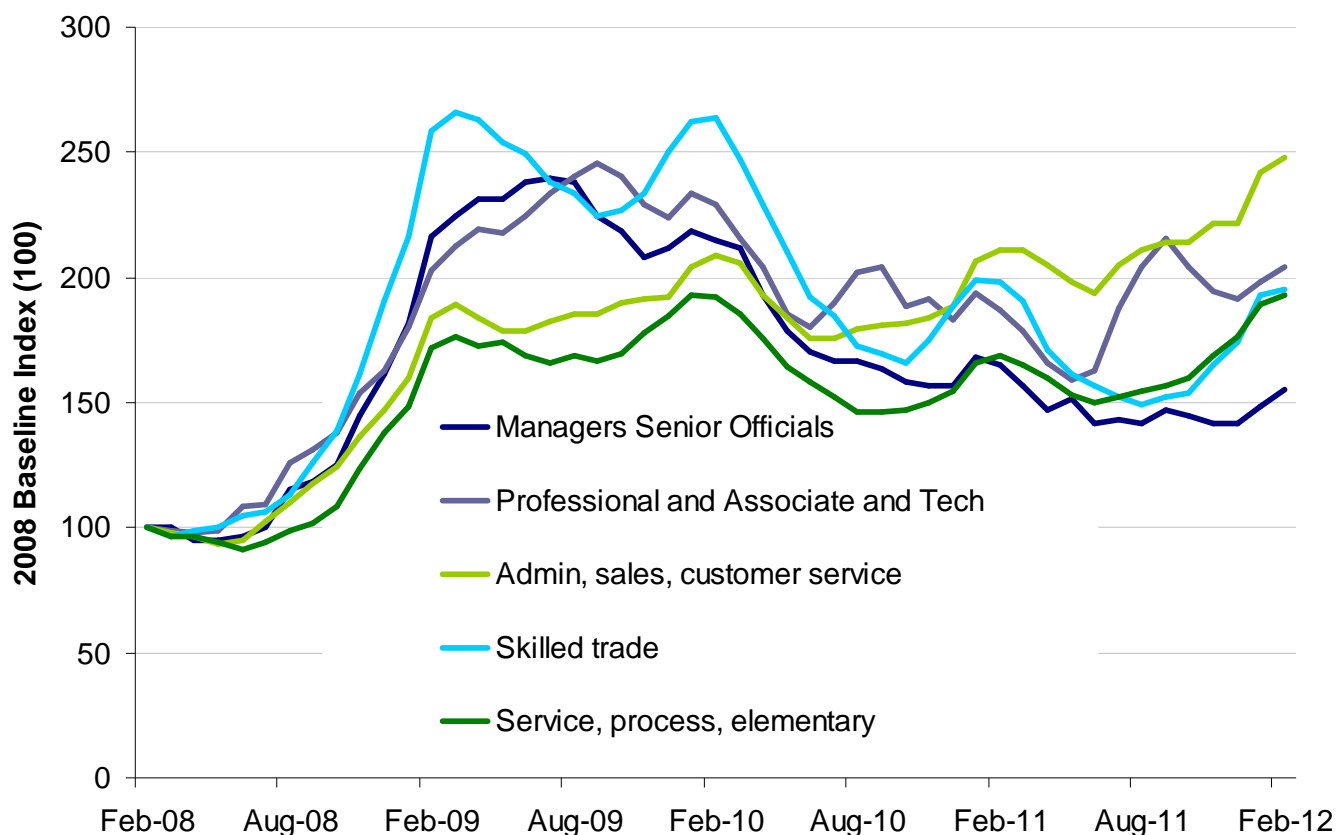
Youth unemployment in Lincolnshire also increased to 5,560 people with 110 more claimants amongst the 18-24 age group than there were in January. This age group now make up 34% of all those unemployed in the county compared to 30% nationally.

The number of people who have been unemployed for longer than six months increased by 280 people to 5,925 in total. The long term unemployed currently make up 36% of all people unemployed in Lincolnshire compared to 41% nationally.

Figure 2 below considers the usual occupations of those coming on to the unemployment register and compares each type of occupation separately against its own 2008 baseline (shown as 100) to highlight trends.

Figure 2: Usual Occupations of Jobseekers over time (indexed to 2008)

Source: Department for Work and Pensions



The most recent data shows that the numbers of jobseekers across all of the occupations have risen since the beginning of 2012, though the most sustained increase can be seen in administrative, sales and customer service roles since summer 2010. This is no doubt a result of cuts in the public sector which would have started to take effect at around this point.

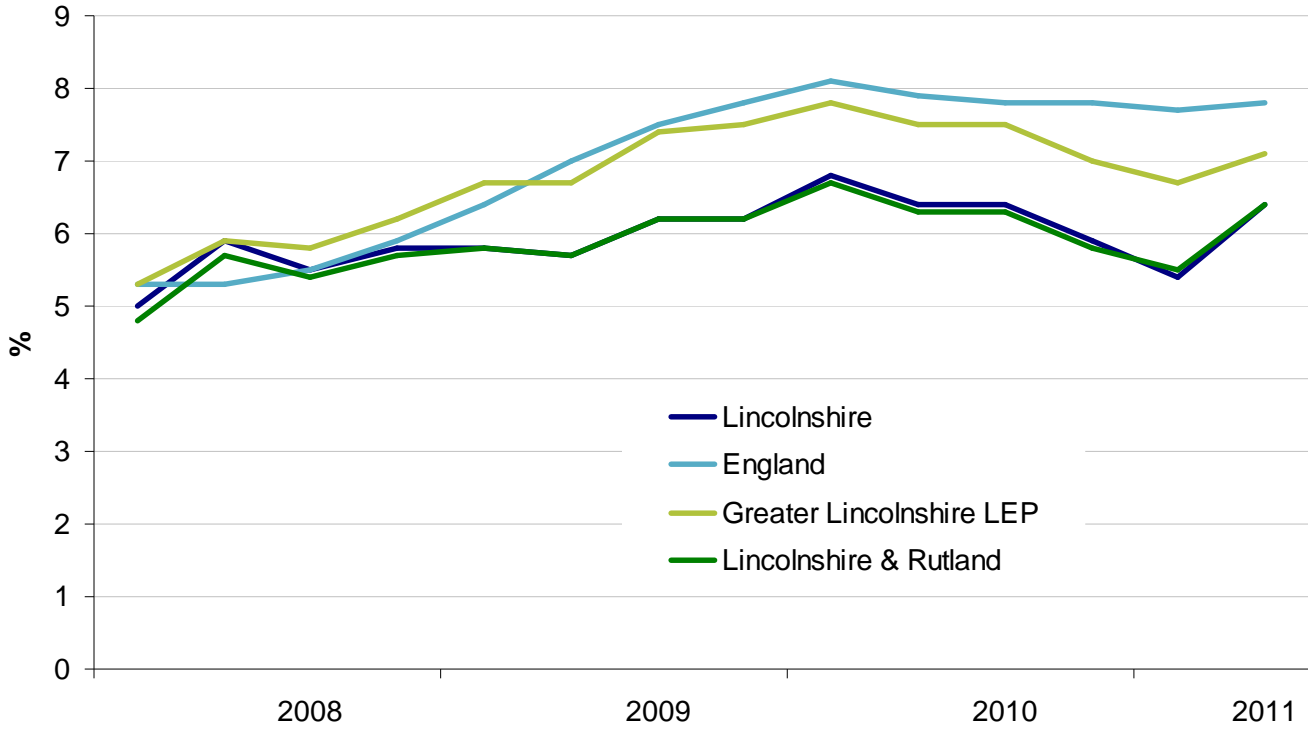
Figure 2 also shows that it was those in skilled trades, management posts and professional roles that saw the greatest impact as a result of the recession compared to their historical claimant patterns.

An alternative measure of unemployment is the International Labour Organisation (ILO) definition, which includes all those who are out of work, available to start work, and actively looking for a job.



The Government commonly uses the ILO figures, which tend to be higher than the claimant count as shown in figure 3 below, to measure unemployment. Referring to figure 3 below, prior to the recession England and Lincolnshire had ILO unemployment rates of around 5%. Since that point and up until 2010 the ILO unemployment rate in the Greater Lincolnshire LEP has by and large followed the national trend, Lincolnshire and Lincolnshire & Rutland have been less affected with ILO unemployment rates well below the national rate.

Figure 3: ILO Unemployment
Source: Annual Population Survey



More recently, Lincolnshire's ILO unemployment rate has increased at a faster rate than nationally during the first six months of 2011 though it remains over 1% below the national rate.

Employment

The employment rate is the proportion of the working age population (i.e. those aged 16 to 64) who are in work. Figure 4 below shows that the employment rates in local areas have consistently been above that of the national rate. It also shows that the employment rate has fallen for the last 4 years across England, but positively for local areas has risen between 2010 and 2011.

Figure 4: Employment Rate (%)
Source: Annual Population Survey

	2007/08	2008/09	2009/10	2010/11
England	72.7	71.5	70.5	70.3
Lincolnshire	74.3	73.6	72.2	74.1
Greater Lincolnshire LEP	73.8	72.6	71.5	73.1
Lincolnshire & Rutland	74.5	73.7	72.4	74.3

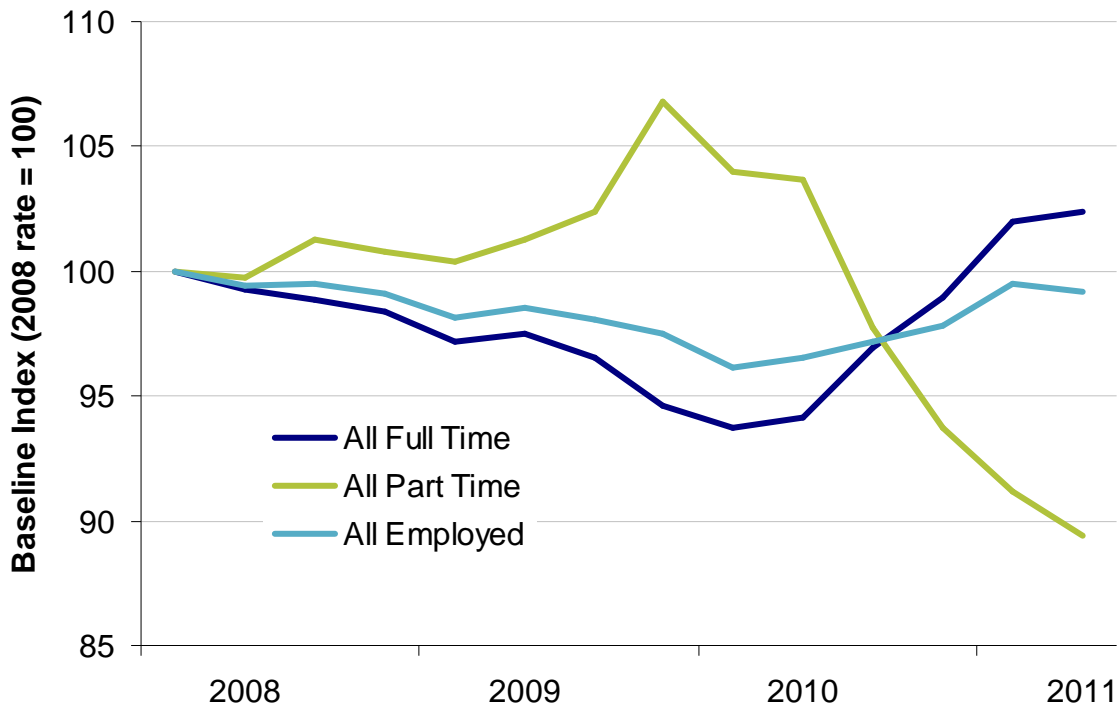


Figure 5 below shows that those employment trends that began in the second half of 2010 have continued into 2011 with full time employment and the overall employment rate generally rising and levels of part time employment falling.

In fact the county's level of full time employment (77.8%) amongst those aged 16-64 is at its highest ever recorded, whilst part time employment levels are at their lowest, this being quite the opposite compared to the national picture.

Figure 5: Full and Part Time Employment in Lincolnshire (indexed to 2008)

Source: Annual Population Survey



Vacancies

Referring to figure 9 below, between 2008 and 2009 the average number of vacancies per month registered with Jobcentre Plus fell by at least 11% in Lincolnshire compared to 20% nationally. Average vacancy numbers recovered in 2010 with all areas experiencing levels around 20% higher than in 2009. In 2011 this positive trend has continued in Lincolnshire but not nationally.

Figure 9: Average Number of Vacancies per Month

Source: Jobcentre Plus

	2008	2009	% change 2008-09	2010	% change 2009-10	% change 2010-11	% change 2010-11
England	297,643	238,148	-20	288,437	21	288,786	0
Lincolnshire	3,227	2,880	-11	3,452	20	3,733	8
Greater Lincolnshire LEP	5,166	4,298	-17	5,144	20	5,401	5
Lincolnshire & Rutland	3,427	3,045	-11	3,635	19	3,877	7



Earnings

Figure 11 below shows that on average Lincolnshire residents and workers have lower wages than nationally average and other local areas.

Latest data for 2011 from the Annual Survey of Hours and Earnings (ASHE) shows that resident's earnings were higher than workplace earnings in all local areas barring North Lincolnshire. Where this is the case, this suggests that there is more out-commuting than in-commuting within the area as residents are willing to travel for higher salaries.

Figure 11: Average Gross Weekly Earnings 2011

Source: Annual Survey of Hours and Earnings (ASHE)



In North Lincolnshire however, where workplace earnings are slightly higher than resident earnings, this suggests that to some extent higher paid jobs are taken in the area by in-commuters and not residents.

The biggest difference between residence and workplace pay is in Rutland, where the average resident earns over £30 more a week than the average employee. This is most likely due to the area being within a good commuting distance of London, and other areas to the south, where wages tend to be higher.





Appendix

Local Labour Market Assessment (LLMA)

Please note figures may not sum due to rounding.

Population by working age 16-64 (% of total population of area) 2010

Source: Office for National Statistics, 2010 Mid Year Population Estimates

Geography	Working age (number)	Working age (% of total population)
England	33,861,400	64.8
East Midlands	2,895,100	64.6
Lincolnshire	434,100	61.8
Greater Lincolnshire LEP	634,700	62.1
Lincolnshire & Rutland	457,500	61.7

Employment status of all those aged 16-64* in employment (in numbers and %)

Source: Annual Population Survey Jul 2010 – Jun 2011

Geography	Total	Full time	Part time	% Full time	% Part time
England	23,657,300	17,554,600	6,068,700	74	26
East Midlands	2,036,200	1,517,800	515,000	75	25
Lincolnshire	318,100	247,600	70,100	78	22
Greater Lincolnshire LEP	459,300	353,000	105,700	77	23
Lincolnshire & Rutland	334,600	259,100	75,200	78	22

Employment status of those aged 16-64* in employment by gender

Source: Annual Population Survey Jul 2010 – Jun 2011

Geography	Male	% Full time Male	% Part time Male	Female	% Full time Female	% Part time Female
England	12,716,000	88	11	10,941,300	58	42
East Midlands	1,087,400	90	10	948,800	57	43
Lincolnshire	168,400	93	7	149,600	61	39
Greater Lincolnshire LEP	242,700	92	7	216,600	59	41
Lincolnshire & Rutland	177,400	92	7	157,200	61	39

Employment Rate (%)

The percentage of people of working age who are employed

Source: Annual Population Survey Jul 2010 – Jun 2011

Geography	Total	Males	Females
England	70.3	75.8	64.9
East Midlands	70.9	76.0	65.8
Lincolnshire	74.1	79.9	68.6
Greater Lincolnshire LEP	73.1	78.3	68.1
Lincolnshire & Rutland	74.3	80.1	68.7



Economically Inactive

This refers to people in Lincolnshire who are neither in employment or registered as unemployed e.g. those looking after a home, those with a long-term illness or retired (Aged 16-64)

Source: Annual Population Survey Jul 2010 – Jun 2011

		Lincolnshire		National
		Number	%	Comparator (%)
Total	Economically Inactive	89,200	20.8	23.7
	Wanting A Job	15,900	17.8	23.7
	Not Wanting A Job	73,300	82.2	76.3
Males	Economically Inactive	29,900	14.2	17.2
	Wanting A Job	6,200	20.8	28.1
	Not Wanting A Job	23,700	79.2	71.9
Females	Economically Inactive	59,300	27.2	30.1
	Wanting A Job	9,700	16.4	21.2
	Not Wanting A Job	49,600	83.6	78.8

Unemployment Rate 16-64* Lincolnshire

Source: Annual Population Survey Jul 2010 – Jun 2011

	Number Unemployed	Unemployment Rate (%)
Total	21,800	6.4
Male	12,500	6.9
Female	9,300	5.8

Disability

Number and % of those aged 16-64* and disabled - using the DDA definition of a disability: A physical or mental impairment which has a substantial and long-term adverse effect in someone's ability to carry out normal day to day activities.

Source: Annual Population Survey Jul 2010 – Jun 2011

Geography	No. aged 16-64 who are DDA only disabled	% aged 16-64 who are DDA only disabled	Employment rate aged 16-64 DDA only disabled
England	1,769,400	5.3	75.2
East Midlands	155,900	5.4	74.7
Lincolnshire	27,600	6.4	79.7
Greater Lincolnshire LEP	38,700	6.2	78.0
Lincolnshire & Rutland	28,600	6.3	80.0

Wages

Gross weekly pay (£) of full time workers – by area of residence and workplace

Source: Annual Survey of Hours and Earning 2011

Geography	Gross weekly pay in £ (Resident)	Gross weekly pay in £ (Workplace)
England	507.6	507.2
East Midlands	471.9	461.3
Lincolnshire	445.3	424.5
North Lincolnshire	495.9	496.3
North East Lincolnshire	482.5	477.5
Rutland	485.4	453.9



Qualifications

Qualifications of those aged 16-64*

Source: Annual Population Survey Jan 2010 – Dec 2010

	England (%)	East Midlands (%)	Lincolnshire (%)	Greater Lincolnshire LEP (%)	Lincolnshire + Rutland (%)
NVQ4+	31.1	27.2	25.3	24.1	25.8
NVQ3+	50.7	48.9	48.9	46.7	49.3
NVQ2+	67.0	65.9	66.0	64.7	66.4
NVQ1+	80.3	79.1	80.2	80.3	80.7
Other qualifications	8.6	8.0	9.0	8.9	8.9
No qualifications	11.1	12.9	10.7	10.8	10.4

Notes

The Annual Population Survey (APS) is a combined survey of households in Great Britain. Its purpose is to provide information on key social and socioeconomic variables between the 10-yearly censuses, with particular emphasis on providing information relating to sub-regional (local authority) areas. Due to sample size limitations, APS data is not available below local authority level i.e. data is not available for wards and super output areas. Source: Office for National Statistics (ONS).

Please note an important change to figures: ONS has changed its working-age population denominators (current and historical) to now include all females and males ages 16-64, in line with the expected increase in the female state pension age from age 59 to age 64 (equal to males) between 2010-2020. These changes have been applied to the relevant variables for all published APS periods.

Reweighting of estimates for periods back to Jan 2006 - Dec 2006 in line with population estimates published in 2009.

The APS is a sample survey, so the responses reflect only a small proportion of the total population. Each respondent is given a weight relating to the proportion of the total population that he or she represents. The sum of all the weights equals the total household population for the survey.

Annual Population Survey data is published at local authority district council level on the LRO, but due to small sample sizes may be subject to some year-to-year variations that may not necessarily reflect real changes.

More information is available at:

<http://www.ons.gov.uk/about-statistics/user-guidance/lm-guide/sources/household/aps/index.html>

Indexing 2012

- | | | | |
|----|--------------------------------|-----|-----------------|
| D. | Drivers for Change | 6. | Environment |
| 1. | Business and Industry | 7. | Health and Care |
| 2. | Crime & Safety | 8. | Housing |
| 3. | Deprivation | 9. | Labour Market |
| 4. | Economy | 10. | Population |
| 5. | Education, Skills and Training | 11. | Unemployment |



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