SW/O SOUTH WEST OBSERVATORY
SKILLS AND LEARNING

RECESSION BRIEFING

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INTRODUCTION

This report is the first of a series of monthly Recession Briefings produced by SLIM at the request of the People, Employment and Skills sub-group of the Regional Economic Task Group. It is also available for general circulation and use by partners within the South West region.

The report sets out and seeks to interpret the latest data on the employment and skills impacts of the recession. Although the focus is on monthly changes, it is often necessary to set these changes in context, drawing out longer-term trends and other factors, such as seasonal influences. The two main datasets analysed in this report are: Jobcentre Plus administrative data to May 2009 and Labour Force Survey (LFS) data for the quarter from February to April 2009.

SUMMARY

Employment / unemployment

There latest labour market and employment data for the South West is slightly contradictory. The results from the LFS suggest that the regional working age population that was in employment fell by 18,000 in the latest period and that unemployment rose from 5.7% to 5.8%.

The claimant count shows a healthier position, with the rate of growth easing off between March and May 2009. The overall number of claimants in the South West actually fell by 850 in May 2009. But this is partly a seasonal affect. The seasonally adjusted figure rose by 1,700. Nonetheless, it represents a dramatic slowdown in what was the fastest regional rate of unemployment growth between September 2008 and February 2009.

While rates of change are a useful in pointing to direction of travel, i.e. to whether the recession is easing or not, the volume of people affected is perhaps more significant. By this measure, although the South West has edged above the South East, we continue to have one of the lowest claimant count rates in UK.

The recent 'levelling off' in claimant numbers is partly due to a increase in people leaving benefits (off-flows) in the last three months, filling what may be a seasonal growth in the number of notified vacancies, seen from February to May 2009. The potential for this to change is evident from the figures for May 2009, which saw both an increase of c. 4,000 new claimants (on-flows) and an increase of c. 5,000 off-flows over the previous month. Together these combine to create the net reduction of c. 850 claimants. This will change if the rise in vacancies and off-flows proves to be seasonal.

Although people who have been claiming for less than six months make up around 75% of all claimants, the composition of claimants by duration of claim has been changing dramatically in recent months. Between February and May 2009 the number of people who had been claiming for less than six weeks fell by 11,770 or one third, while the number of people claiming for more than six weeks rose by 16,700. This 'hardening' or trend towards longer-term unemployment is likely to continue, with the 'harder-to-help' being increasingly represented among claimants as the recession continues.

Jobs and Vacancies

Data from Jobcentre Plus suggests that the number of notified redundancies in the region has been falling since mid February 2009. LFS data shows a rapid rise for Quarter 1 2009. Hopefully this line represents the first part of a spike and a decline in Quarter 2 will bring the LFS into line with the trend seen in the Jobcentre Plus data from April on.

It is interesting to note that although there was a rise in the number of new vacancies that were notified to Jobcentre Plus, the number of unfilled vacancies remained fairly static in May, at c. 40% of levels the previous year. This suggests that the rise in off-flows may be partly due to an increase in labour market efficiency, i.e. the speed at which vacancies are being filled.

The number of claimants per vacancy rose dramatically from around 1.5 at the start of the recession, to a figure of 5.4 in January 2009. It has since levelled off and in May 2009 fell to 5.1, down from 5.5 the previous month.

Impact on different groups

The recession appears to be having a bigger an impact on male than female employment, mainly due to differences in the sectors and jobs in which men and women are employed. Claimant Count growth rates are not dramatically different for the sexes - growing143% for men against 121% for women since April 2008. However, once one factors in the fact that there were nearly three times as many male than female claimants in April 2008, significant differences in the volumes of new claimants by gender appear.

The same principle applies when one considers age. Although the rate of claimant count growth has been broadly similar for all age bands, differences in the baselines for different groups has resulted in a widening of the 'gap' between the proportion of young people claiming JSA and the proportion of those in older age groups. The Claimant Count for people aged 20 to 24 is now approaching 5.8% compared to 2.5% to 2.75% for those in the bands between ages 35 and 59. The fact that April and May 2009 have seen a decline in the number of claimants aged 18 to 24 is positive, and may be due to young people finding seasonal jobs.

Claimant count rates for the region's 'White' population rose faster (145%) than rates for people from 'Ethnic Minorities (90%).

Impact on areas

Claimant count growth has varied significantly across the region, with rises ranging from 101% in Cornwall to 191% in Swindon and 224% in South Gloucestershire. Swindon has been particularly badly hit, having: the highest redundancy rates in the region; the biggest decline in vacancies; and the highest ratio of claimants to vacancies. Generally speaking the data suggests that labour market in northern and eastern parts of the region has been hit hardest by recession.

Impact on Sectors and Occupations

Data from Jobcentre Plus suggests that the majority of the region's redundancies have been in the Manufacturing and the Wholesale and retail sectors. Manufacturing has experienced a higher rate of redundancies as a proportion of the workforce than other sectors. Thankfully there have been few notified redundancies in Manufacturing during the last few weeks, from 23rd May to 13th June 2009.

The data suggests that the number of vacancies for jobs in higher skilled occupations have held up rather better than those for lower skilled occupations, though this could be due to employers using Jobcentre Plus to recruit to these posts more frequently during recession. Vacancies for Process, Plant and Machine Operatives, Administrative and Secretarial Occupations and Elementary and Skilled Trades occupations have more than halved. By contrast, vacancies in Personal Service Occupations, which includes the Care Sector, have only fallen by 14%.

Claimant count growth has been highest among Skilled Trades, Managers and Senior Officials, Professionals, and Process, Plant and Machine Operatives.

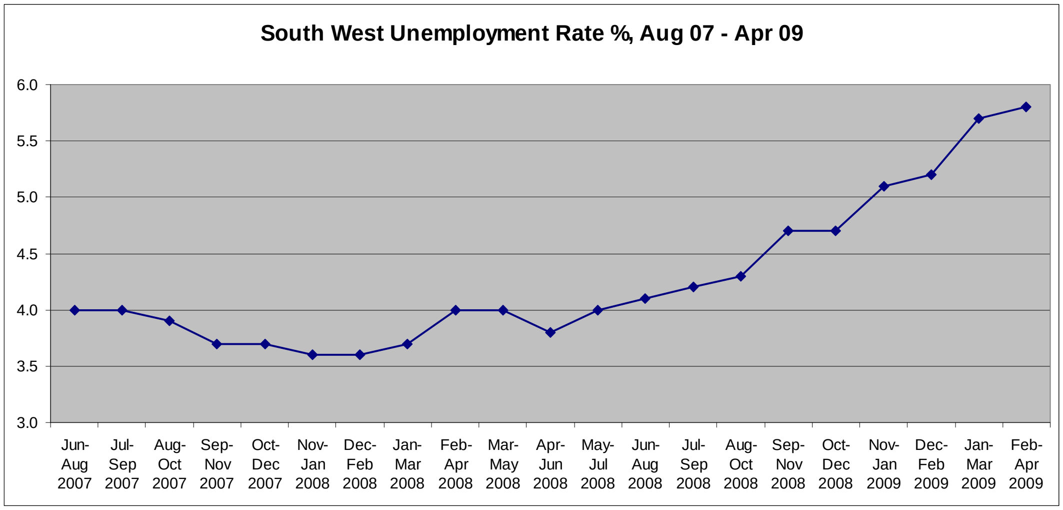
Taking these two factors together, there are now roughly 10 claimants whose ‘usual occupation’ was as a Process, Plant and Machine Operative or in a Skilled Trade occupation per vacancy available in those same occupations. This compares to 1.3 claimants per vacancy in the Personal Service Occupations and 1.4 in the Associate Professional and Technical Occupations (which includes fairly large numbers of health, youth, social and other public sector workers).

Patterns in employment by occupation at the local authority level are quite difficult to find. Significant differences in the availability of jobs in the same occupation are apparent inn different parts of the region. For example, there were 41.2 claimants per vacancy in the Elementary Occupations in Swindon, compared to 5.0 in Cornwall. There were also 95 claimants per vacancy in the Process, Plant and Machine Operative occupations in Plymouth, compared to 3.2 in South Gloucestershire. The latter may be a reflection of residence patterns, as it also appears as if the number of Claimants per Vacancy in Managerial, Senior Official and Professional occupations is highest in areas from which relatively highly skilled staff may have commuted to work, either within or beyond the region.

1. EMPLOYMENT / UNEMPLOYMENT

Labour Force Survey (LFS) data released on 17th June 2009 shows a rapid rise in regional unemployment from January 2009 onwards. The proportion of the economically active population in the South West who reported themselves as being unemployed was 5.8 % in the rolling quarter to Feb-Apr 2009, up 0.1% on the figure reported in the previous month.

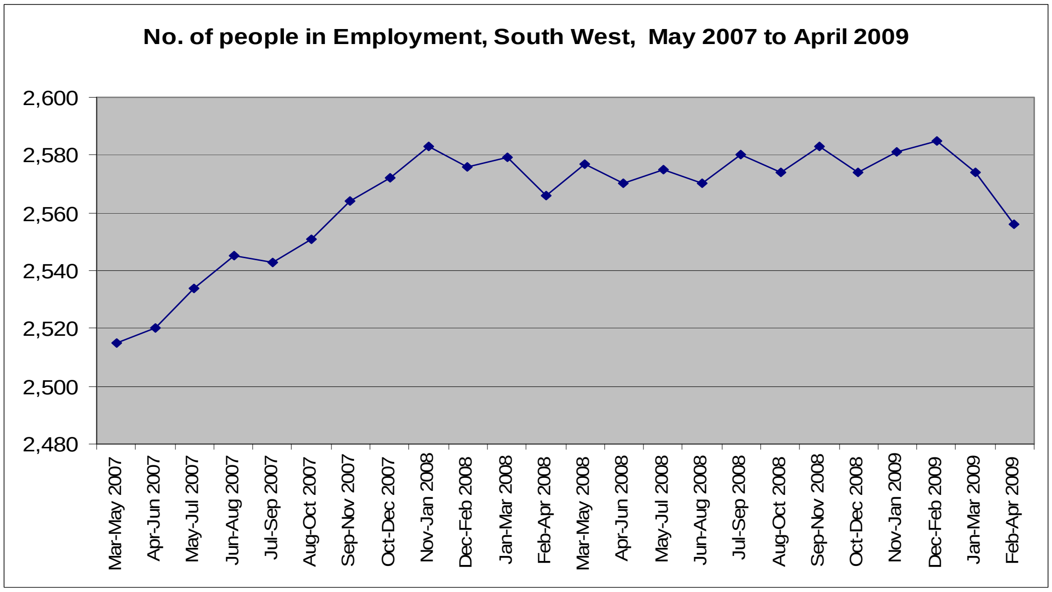
Figure 1: SW Unemployment Rate, % Economically active pop'n, Aug 07 – April 09



Source: LFS, ONS

Before the recession, the SW economy had been successful in creating large numbers of jobs. The number of people in employment remained fairly constant through 2008, including through the early part of the recession, but has declined since, in early 2009.

Figure 2: SW Employment volumes, May 2007 to April 2008

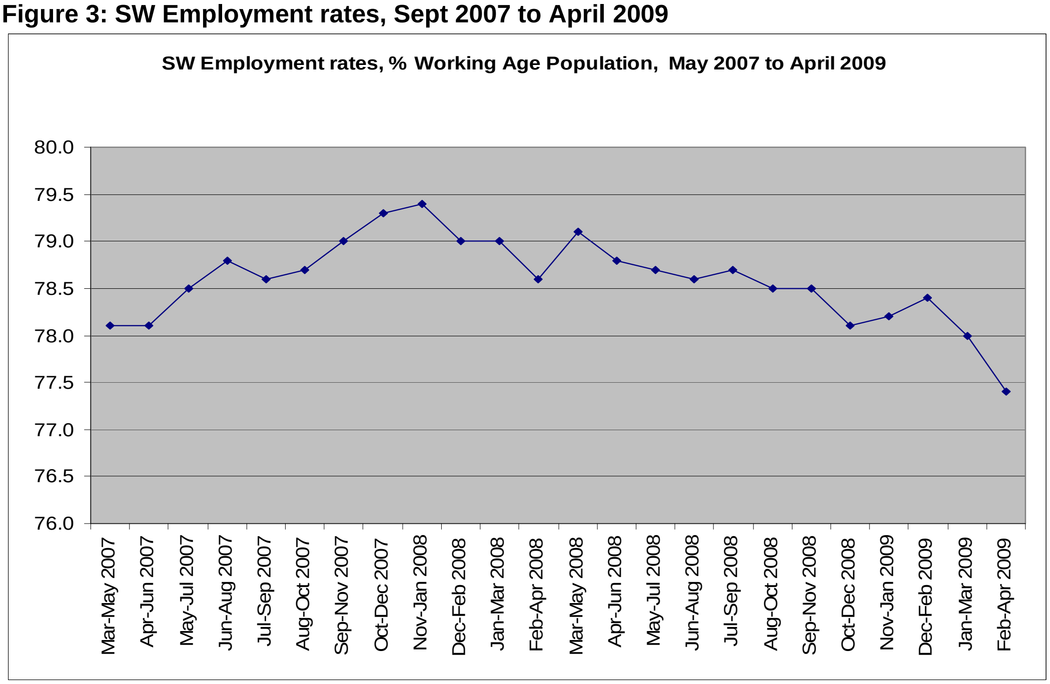


Source: LFS, ONS

As a result, there were an estimated 18,000 fewer people in employment in the SW Region in the quarter Feb-Apr 2009 than there were in Jan-Mar 2009.

When this decline in the number of people who are in employment is combined with continued growth in the region's overall working age population, we see a more rapid decline in the proportion of the region's population that is in employment. According to the LFS, the proportion of the working age population of the South West that was employed declined from 78% to 77.4% between the rolling quarter Feb-Mar 2009 and the quarter Jan-Mar 2009.

Figure 3: SW Employment rates, Sept 2007 to April 2009



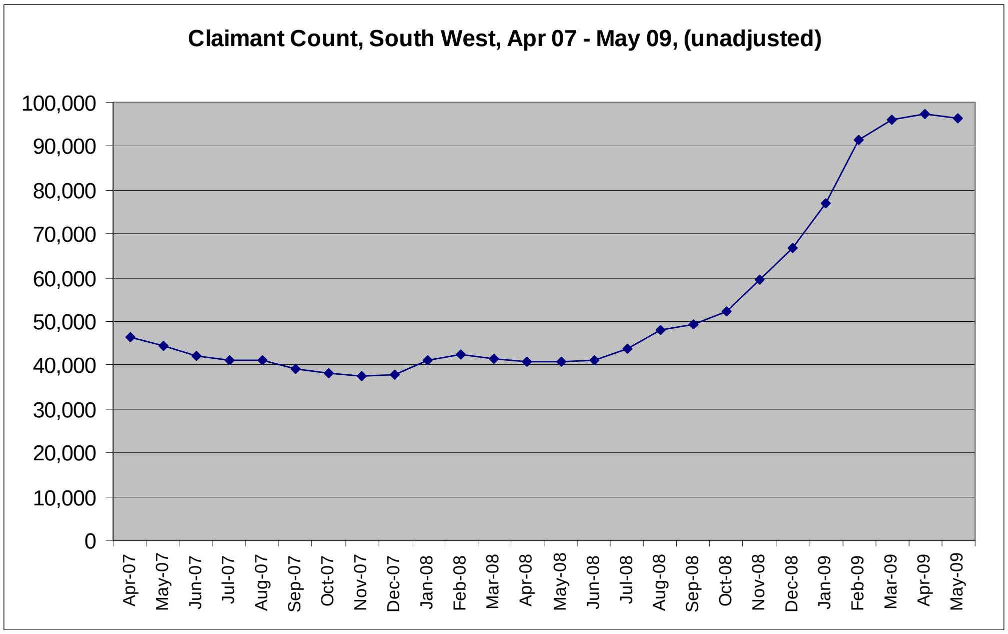
Source: LFS, ONS

2. CLAIMANTS

2.1 South West

Following a rapid rise from Nov 2008 to Feb 2009, the rate of growth in the regional claimant count has levelled off in recent months. In May 2009 the number of people claiming Jobseekers Allowance was actually 850 lower than it was in April 2009.

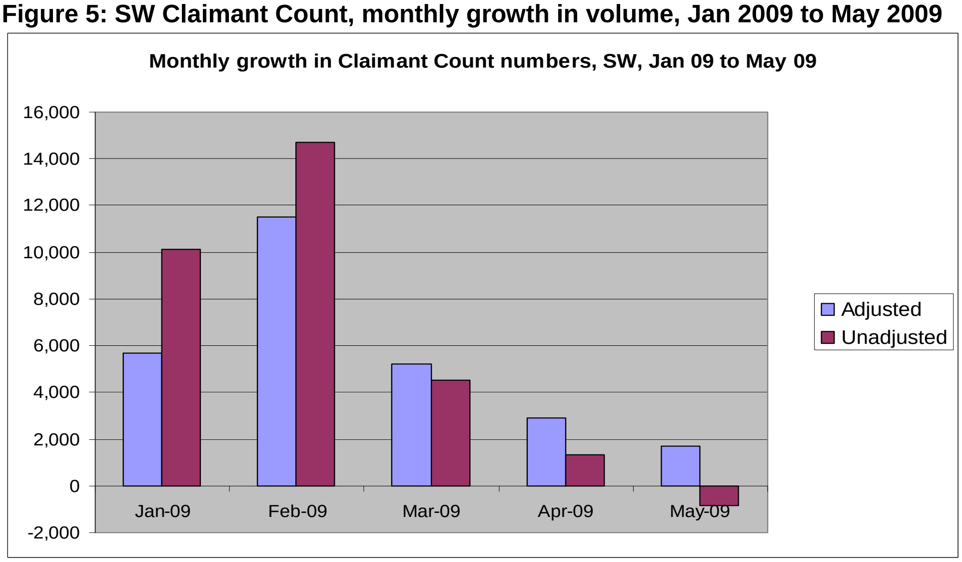
Figure 4: SW Claimant Count Unadjusted, April 2007 to May 2009



Source: JC+ / NOMIS

However, this drop was partly due to seasonal factors. Seasonally adjusted data (Figure 5) shows a more gradual slowdown in the rate of growth.

Figure 5: SW Claimant Count, monthly growth in volume, Jan 2009 to May 2009

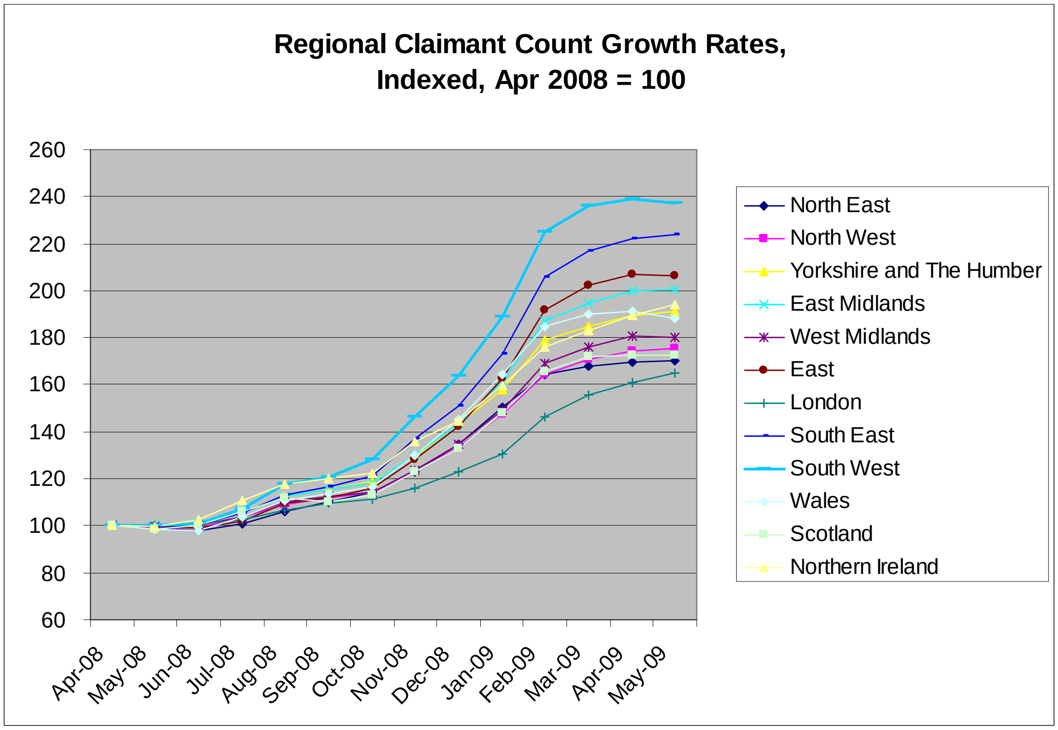


Source: JC+ / NOMIS

2.2 Inter-regional comparison

The number of people claiming Jobseekers Allowance in the region grew by 237% between April 2008 and May 2009, a faster rate of growth than any other region.

Figure 6: Regional Claimant Count growth, indexed, April 2008 = 100

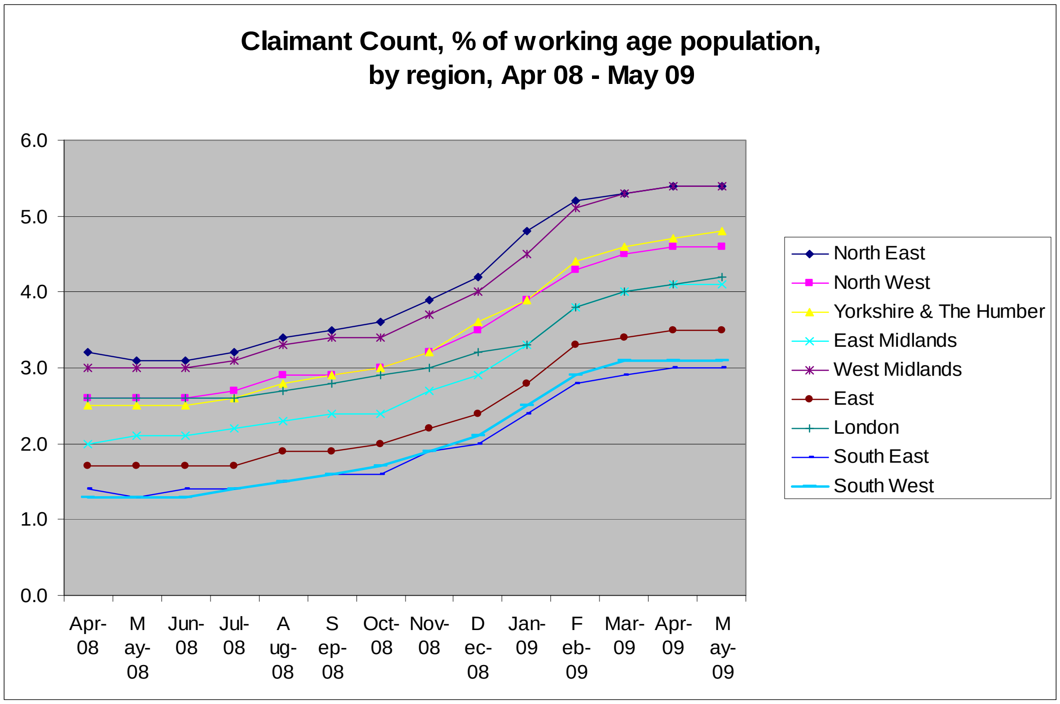


Source: JC+ / NOMIS

However, the South West started from a lower baseline than any other region, resulting in a higher proportionate effect for each additional person added to the claimant count.

Figure 7 shows that the proportion of the South West's working age population that is claiming Jobseekers Allowance remains below all other regions, apart from the South East.

Figure 7: Regional Claimant Count, % working age pop'n, April 08 – May 09

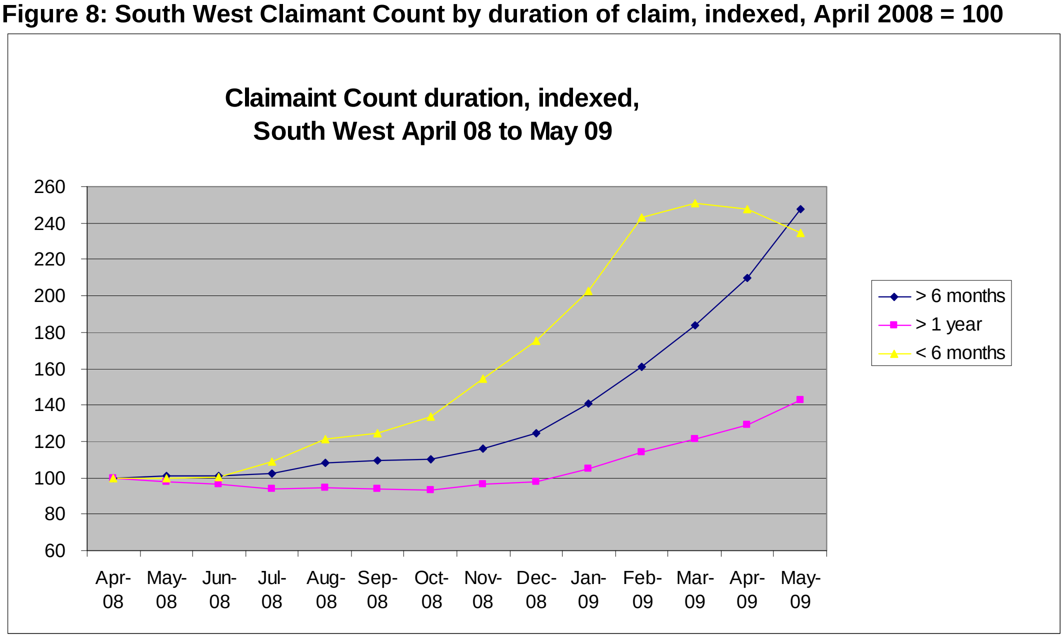


Source: JC+ / NOMIS

2.3 Claim duration

Figure 8 shows changes in the duration over which South West JSA claimants have been in receipt of benefits. At the outset of recession, from October 2008 to February 2009, there was a sharp rise in the number of new claimants (those claiming for 6 months or less). The rise in the number of people claiming for 6 or 12 months plus lagged behind at first, but has picked up in recent months.

Figure 8: South West Claimant Count by duration of claim, indexed, April 2008 = 100



Source: JC+ / NOMIS

In May 2009 the long-term unemployed (>6 months) overtook the newly unemployed (<6 months) to become the group with the greatest proportionate growth in numbers, compared to levels in April 2008. This shift, sometimes referred to as a 'hardening' of unemployment, is a cause for concern as long-term unemployment leads to loss of skills and alienation from the labour market.

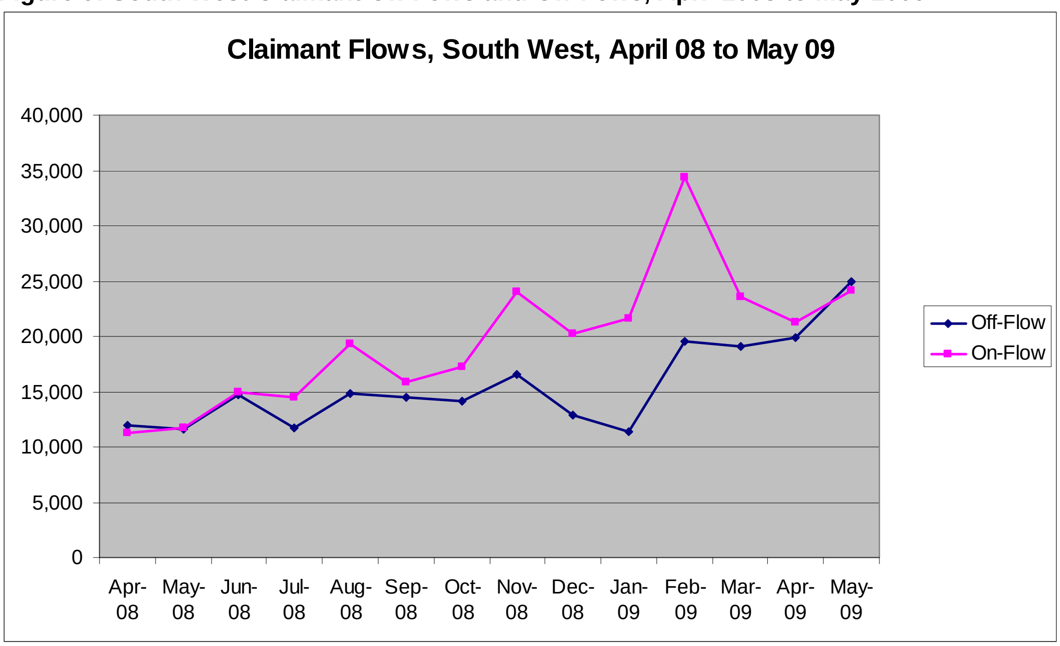
Further evidence of this 'hardening' effect can be seen in Table 1. This shows that between February and May 2009 the number of very short term claimants, those claiming JSA for less than 6 weeks, fell by 11,800, while the number of people who had been claiming for between 6 weeks and 6 months rose by c9,000.

Table 1: South West Claimant Count by duration of claim, number of claimants

	Feb 2009	March 2009	Apr 2009	May 2009	Change - Feb to May 09
Up to 6 weeks	34,950	28,850	26,435	23,180	(11,770)
> 6 weeks and up to 26 weeks	42,250	50,790	52,240	51,340	9,090
> 26 weeks and up to 52 weeks	10,025	11,765	13,805	16,615	6,590
> 52 weeks	4,145	4,415	4,695	5,185	1,040
Total	91,370	95,820	97,175	96,320	4,950

Figure 9 shows that this is partly due to a significant decline in the number of new claimants, or claimant count on-flows, in recent months.

Figure 9: South West Claimant On-flows and Off-flows, April 2008 to May 2009

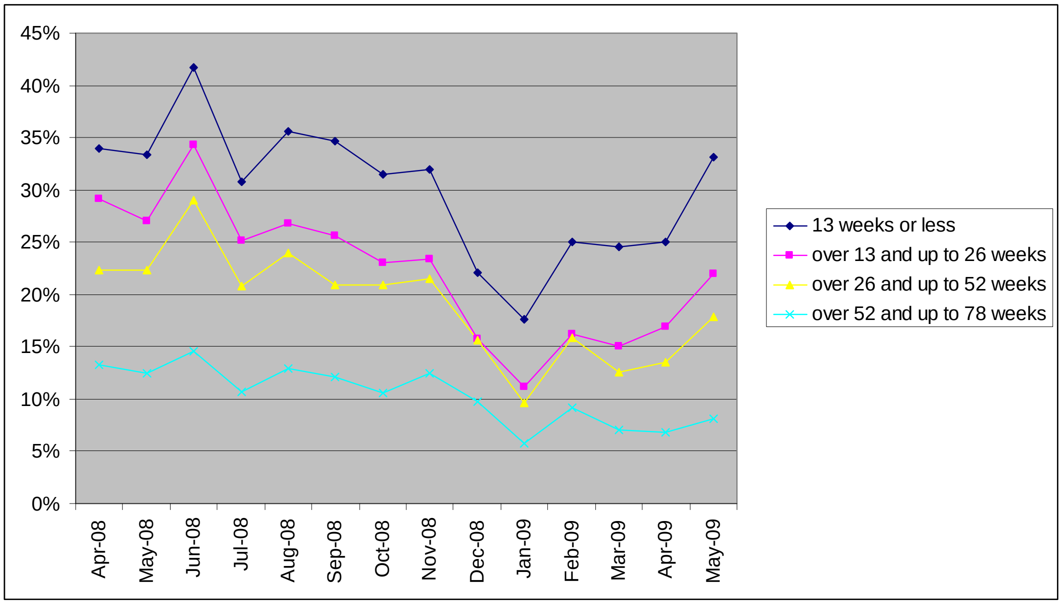


Source: JC+ / NOMIS

It is also partly due to the fact that recent claimants are more successful at finding new jobs than the longer-term unemployed, and are therefore 'over-represented' amongst off-flows, which rose in the last month. Figure 10 shows that in May 2009, 33% of people who had been claiming JSA for less than 13 weeks left benefits, compared to 22% of those claiming between 13 and 26 weeks.

Off-flows rose sharply in May 2009, as they did in May 2008, due to growth in seasonal employment opportunities. These opportunities were most frequently taken up by recent claimants, with little rise in off-flows among those claiming for more than 1 year.

Figure 10: South West Claimant Off-flows, April 2008 to May 2009

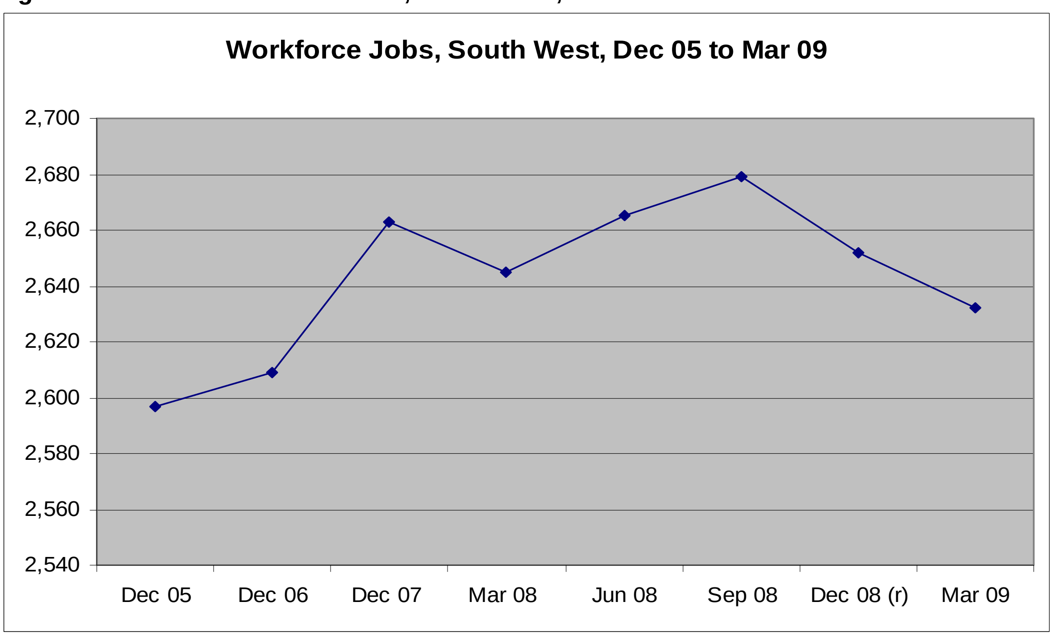


Source: JC+ / NOMIS

3. JOBS AND VACANCIES

LFS data suggests that the number of civilian workforce jobs in the South West declined by 20,000 between January and March 2009. This follows a reduction of 27,000 in the previous quarter.

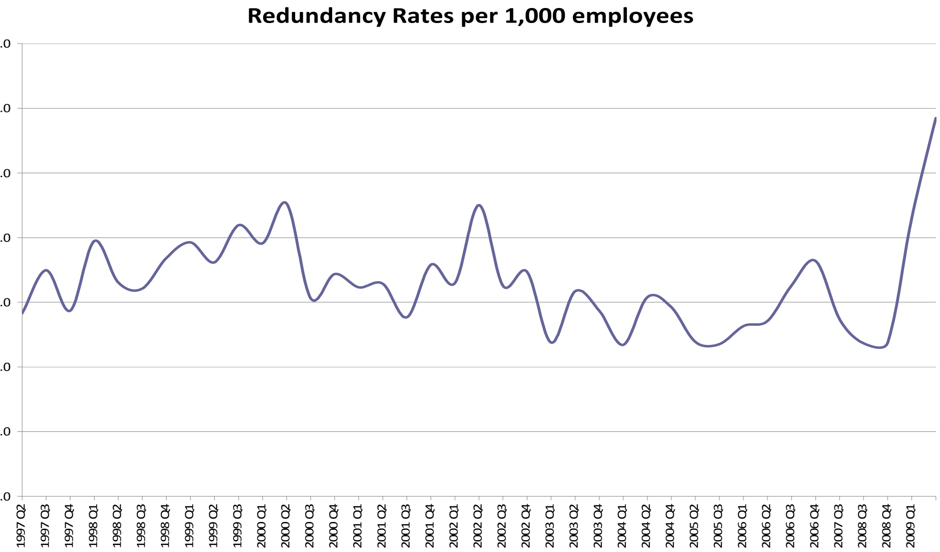
Figure 11: Civilian workforce Jobs, South West, Dec 2004 – Mar 2009



Source: LFS

LFS also shows rapid growth in regional redundancies over the past three quarters - from 4.7 per 1,000 employees in Quarter 3 2008, to 8.6 in Quarter 4 and 11.7 in Quarter 1 2009. This is nearly equal to the national rate of 11.8 per 1,000 people.

Figure 12: South West Redundancy Rate, redundancies per 1,000 employees

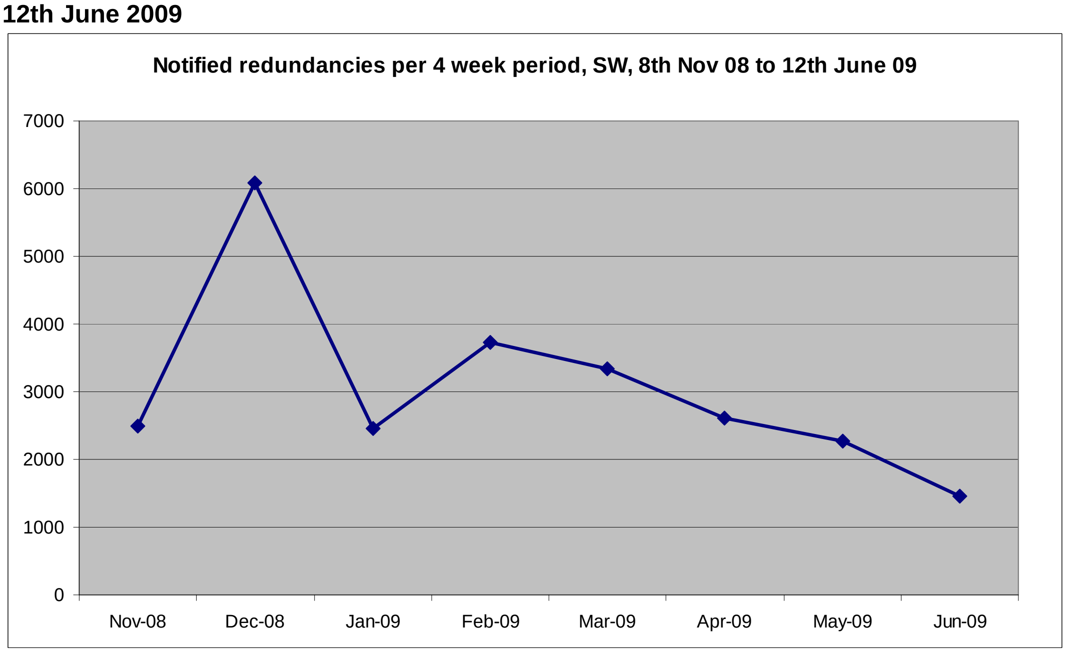


Source: ONS / Labour Force Survey

Information on redundancies is also available weekly, in the form of data on the number of redundancies that employers notify Jobcentre Plus that they intend to make.

Figure 13 suggests that the volume of redundancies being notified to Jobcentre Plus has gradually declined since February 2009.

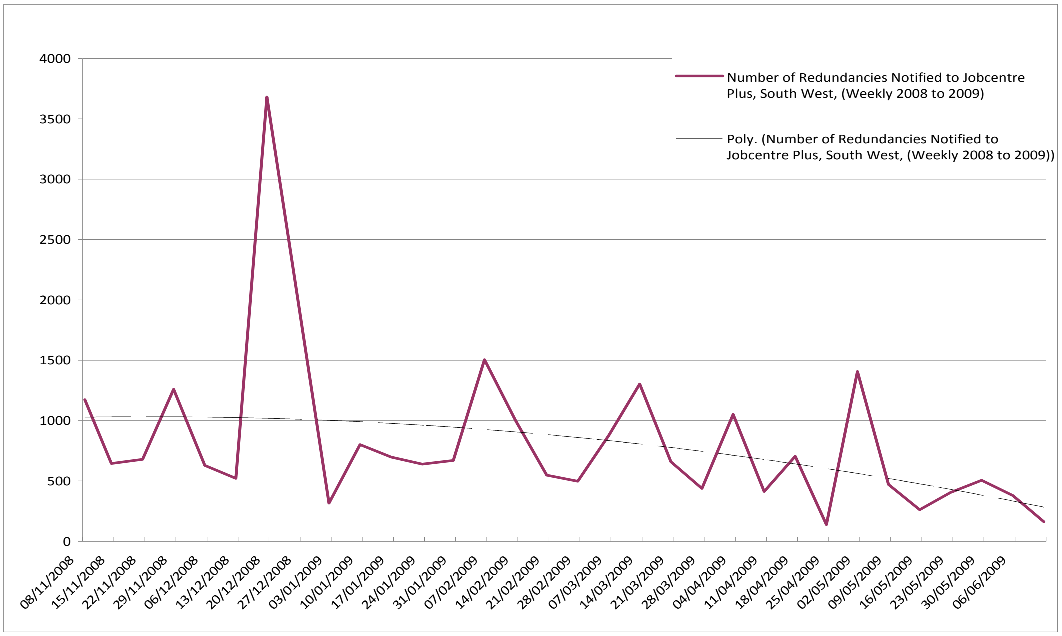
Figure 13: Notified redundancies per 4 week period, South West, 1st November 2008 to 12th June 2009



Source: Jobcentre Plus Administrative Data

Caution is however needed, as weekly redundancy figures are extremely volatile (shown in Figure 14). The announcement of a few large redundancies could easily reverse the general downward trend.

Figure 14: Notified redundancies each week, South West, 1st Nov 2008 to 12th June 2009



Source: Jobcentre Plus Administrative Data

A decline in the availability of jobs is evident at national level via the Vacancy Survey. This shows a pattern of continued but gradually slowing decline to May 2009, with vacancies 34% lower in May 2009 than they were a year previously.

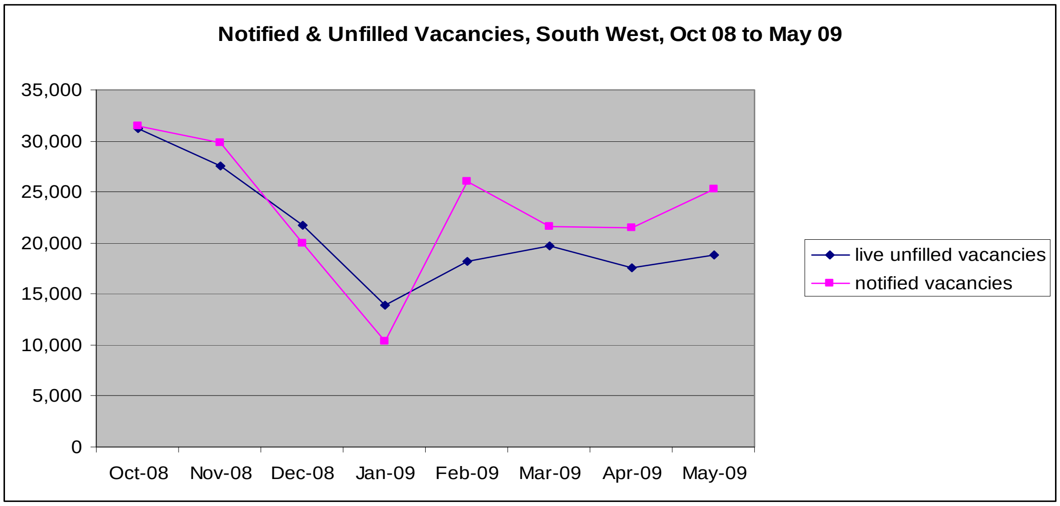
At regional level, the number of live unfilled vacancies available through Jobcentre Plus halved in 3 months between Oct 2008 and Jan 2009. This sharp, part seasonal, decline has levelled off over the last 4 months, but at a level 40% lower than a year ago.

Figure 15: Live unfilled vacancies, South West, April 2008 to May 2009

Source: JC+ / NOMIS

If unfilled vacancy numbers are indicative of job availability, newly notified vacancies measure the extent to which vacancies are being created by the regional economy, or at least notified to Jobcentre Plus. It is interesting therefore that the gap between notified vacancies and unfilled grew between March and May 2009. This suggests that the recent growth in claimant off-flows may be partly due to an increase in the speed at which notified vacancies are being filled. While this is welcome and a sign of an efficient labour market and institutions, it may not be sustainable and growth of both the number of notified and unfilled vacancies may be more desirable in the long-term.

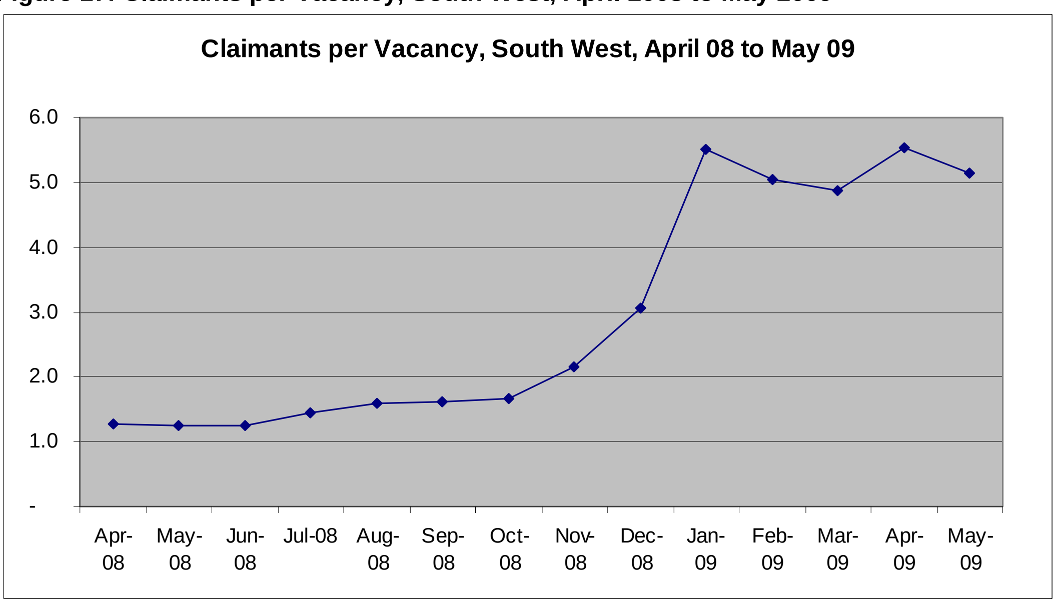
Figure 16: Notified & Unfilled Vacancies, South West, Oct 08 to May 09



Source: JC+ / NOMIS

Data on the number of claimants per live unfilled vacancy provides a further, if rough, measure of the level of competition for jobs or the difficulty that people will have getting back into work.

Figure 17: Claimants per Vacancy, South West, April 2008 to May 2009



Source: JC+ / NOMIS

Figure 17 shows that in May 2009 there were 5.1 claimants per vacancy in the region, down slightly from 5.5 claimants per vacancy the previous month. This decline is, however, marginal when compared to the fourfold rise, from 1.2 claimants per vacancy, since May 2008.

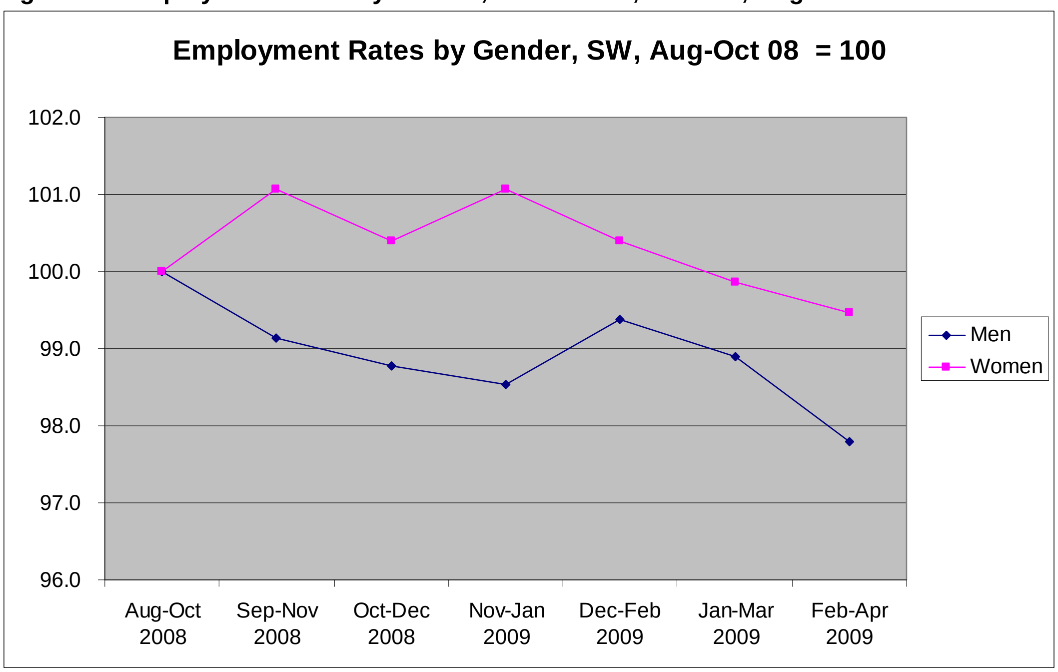
4. IMPACT ON DIFFERENT GROUPS

4.1 Gender

So far the recession has produced a greater decline in male than female employment. This is largely due to the fact that more men work in the private sector than women; differences in the industries that men and women tend to work in, and differences in the jobs they tend to hold within those industries. It may also be due to other factors, such as women entering employment to replace the incomes of partners who have lost work.

LFS data suggests between February and March 2009 the employment rate for men was 2.2% lower than it was between August and October 2008, around the time the recession began. The employment rate for women has fallen by around 0.5% in the same period.

Figure 18: Employment Rates by Gender, South West, Indexed, Aug-Oct 08 = 100



Source: LFS

In the last period for which data is available, the rolling quarter Feb-Apr 09, the proportion of men who were in employment fell 0.9%, from 80.7% to 79.8%, while the proportion of women in employment fell 0.3%, to 74.6%.

Data on civilian workforce jobs suggests that in March 2009 there were 18,000 fewer jobs held by South West resident males compared to a year earlier[1]. There was a rise of 6,000 in the number of jobs held by South West resident females in the same period.

[1] Some men and women will hold more than one job, or may be doing one job where they previously did two.

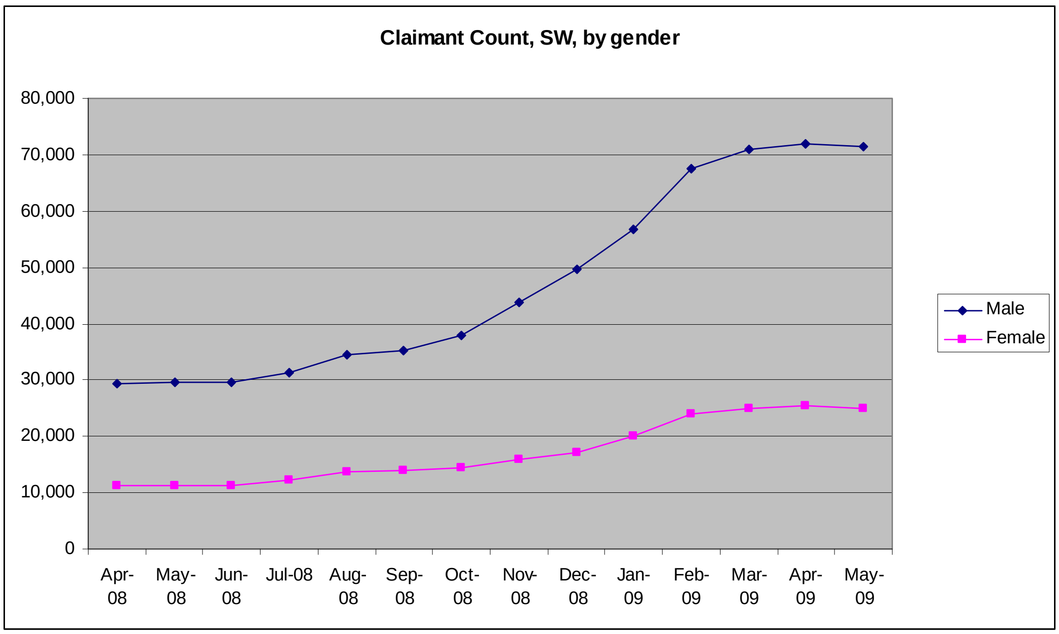
Table 2: Civilian jobs by Gender, South West, March to March 2009

Civilian Jobs '000s	Males	Females
Mar-08	1,383	1,262
Jun-08	1,392	1,273
Sep-08	1,393	1,286
Dec-08	1,370	1,283
Mar 09	1,365	1,268
Change on year	*-18*	*6*
Change %	*-1.3*	*0.5*

Source: ONS, LMS Regional Monthly Data

The claimant count shows that from April 2008 to May 2009 the number of male JSA Claimants in the South West Region rose by 42,000, compared to a 13,700 rise among females. In the last month, May 09, the number of male claimants fell by 550, compared to a fall of 300 in the number of female claimants.

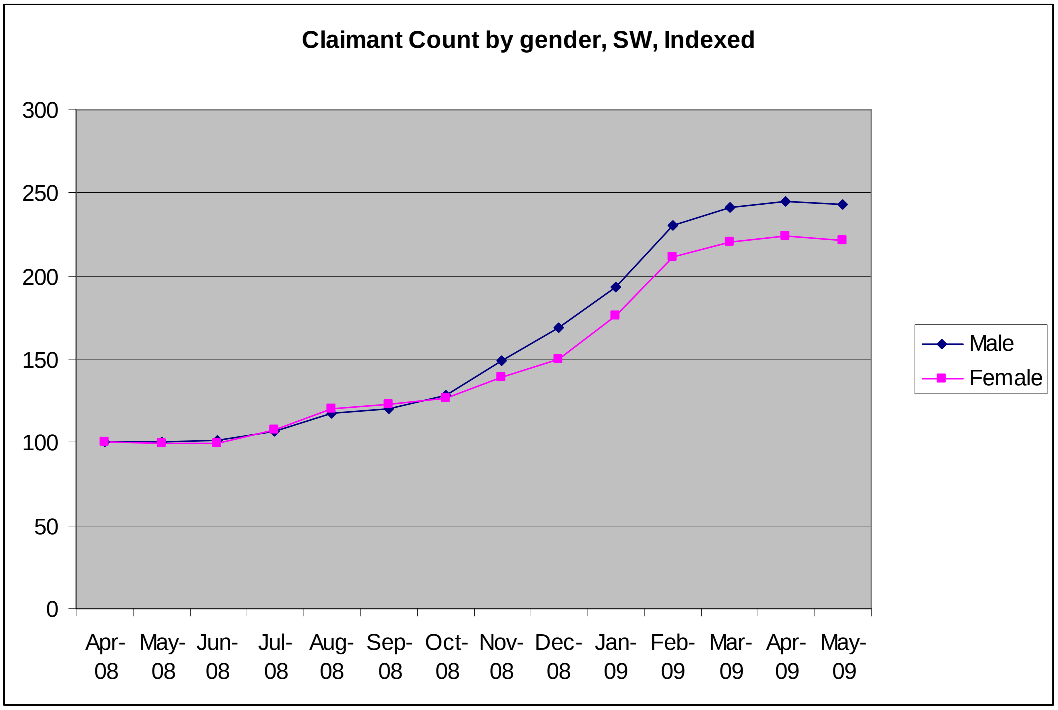
Figure 19: Claimant Count by Gender, South West, April 2008 to May 2009



Source: JC+ / NOMIS

However, as Figure 20 (below) shows, this differential in volume growth is largely due to differences in baseline for each gender. If we only look at growth rates by gender it is apparent that although the male claimant count has been rising at a slightly higher rate than the female claimant count, the difference is not enormous.

Figure 20: Claimant Count by Gender, South West, indexed, March 2008 = 100



Source: JC+ / NOMIS

4.2 Age

Unfortunately, at the time of writing, regional LFS data on economic activity by age was only available to September 2008, before the recession began. National data suggests:

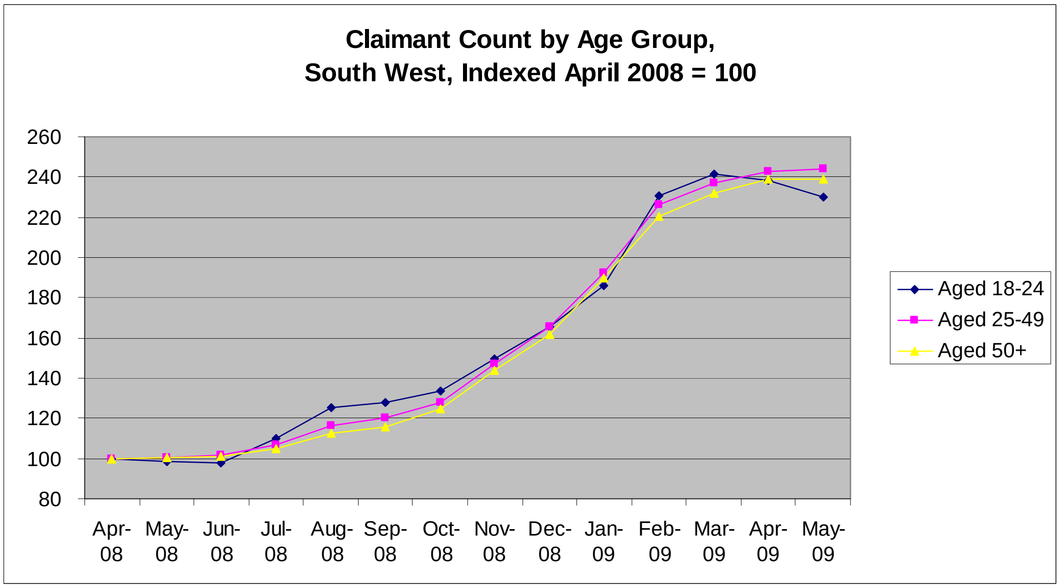
Young people have experienced the largest decrease in employment rates, compared with other age groups. In the three months to March 2009, employment rates for 16-17 and 18-24 year-olds were down 3.9 percentage points on the previous year, at 30.6 per cent and 60.6 per cent respectively[2].

This may be partly due to growth in the number of young people who are staying on in education.

Looking at the claimant count, we see that the growth-rate during the first phase of the recession was very similar for all age groups, though it is interesting to note that claimant count rate for 18 to 24 year olds declined in April and May 2009, while rates continued to rise or were steady for older age groups. This may be due to young people entering seasonal work.

[2] *The Labour Market Impacts of the Recession, ONS, May 2009*

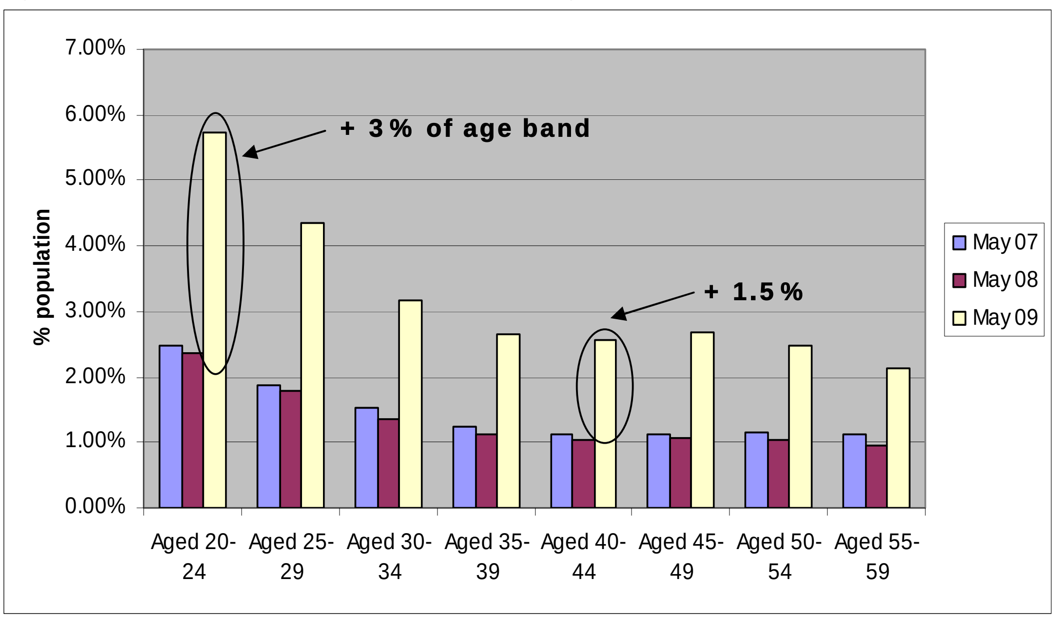
Figure 21: Claimant Count by Age, South West, March 2008 to May 2009



Source: JC+ / NOMIS

However, the proportion of young people who were on benefits in May 2008 was considerably higher than that for older age groups. This means that, while the rate of rise seen in Figure 21 may be similar for each age group, the proportionate impact on young people is much greater, as shown in Figure 22.

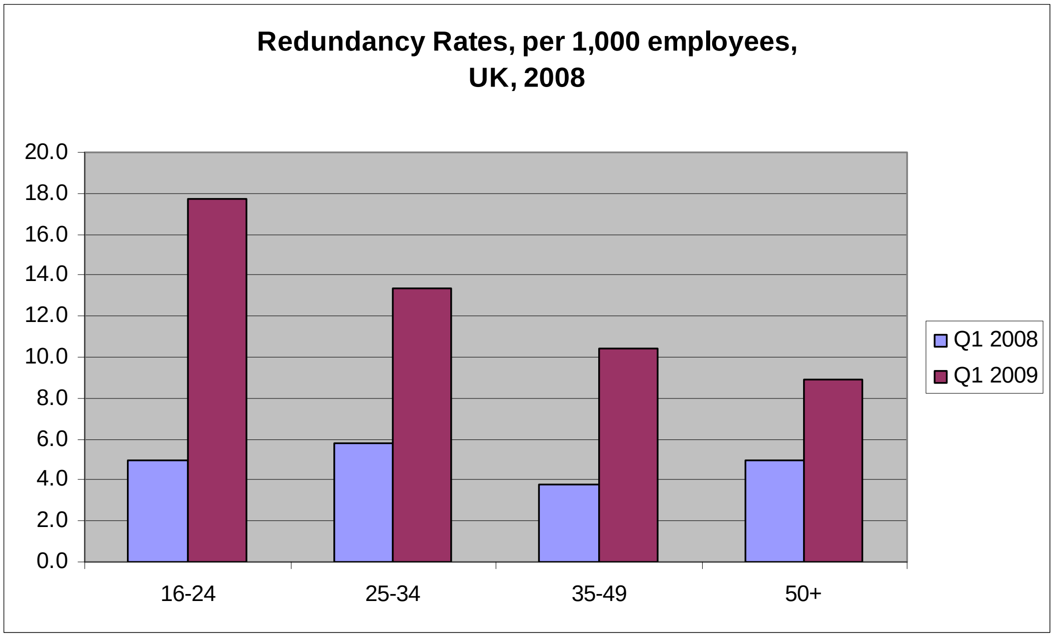
Figure 22: Claimant Count as % population by age, South West



Source: NOMIS / JC+

National data also shows that in Quarter 1 2009 young people were more likely to have been made redundant than people in other age groups, and that the likelihood of their being made redundant had grown faster over the last year than it had for older people. The mantra 'last in – first out' still appears to have some currency.

Figure 23: Redundancies by Age, UK, Change on last year



Source: LFS

4.3 Ethnicity

Across England, the claimant count for people who identified themselves as 'White' rose 102%, from 502,000 in March 2008 to 1,016,075 in April 2009. During the same period the rise among those who identified themselves as being from an 'Ethnic minority' rose 50% from 125,000 to 187,000. The rise among White people exceeded the rise among any single ethnic minority sub-group.

This trend is also seen in the South West, where the rise among the 'White' population was 145%, compared to a rise of 90% among the region's Ethnic Minority populations.

This is likely to be the result of differences in sector, occupation and type of employment (e.g. self employment), though other factors, such as family support systems or attitudes towards benefit dependency, cannot be discounted.

5. IMPACT ON AREAS

Table 3 shows that South Gloucestershire experienced the greatest growth in claimant numbers (224%), followed by Swindon (191%). In volume terms, the biggest rise in claimant numbers was in Gloucestershire, Devon and City of Bristol.

Table 3: Rise in Claimant Count, SW Local Authorities, May 2008 to May 2009

	%	Number
South Gloucestershire	224%	2,767
Swindon	191%	4,287
Poole	173%	1,540
Dorset	166%	2,936
North Somerset	164%	1,967
Wiltshire	160%	4,412
Devon	145%	6,624
Bath and North East Somerset	141%	1,403
Bournemouth	136%	2,261
Gloucestershire	135%	7,162
Somerset	129%	4,511
Bristol, City of	120%	6,247
Torbay	113%	1,881
Plymouth	102%	3,366
Cornwall	101%	4,432

Source: JC+ / NOMIS

Looking at redundancies, Swindon appears to be the area hardest hit, though this data should be treated with caution as it is collated by employer location. Commuting employees may come from a much wider area. Therefore, populations in centres of employment may appear to be 'harder hit' than perhaps they really are.

Table 4: Volume of Notified redundancies per County and Notified Redundancies as a % of Working Age Population , SW Counties, 1/11/08 to 12/6/09

	Volume	% working age population
Swindon	2,071	1.72%
Bristol	5,519	1.41%
Devon	5,941	0.90%
Wiltshire	2,250	0.85%
South West	24,762	0.81%
Glos	3,262	0.64%
Dorset	2,263	0.57%
Cornwall	1,581	0.51%
Somerset	1,875	0.45%

Source: JC+ / NOMIS

Vacancy numbers declined fastest in Swindon and Bournemouth, though South Gloucestershire was also hit hard. Generally speaking, areas to the east and to the north of the region have been more affected than those to the West.

Table 5: Decline in Live Unfilled Vacancies, SW Local Authorities, May 2008 to May 2009

	%	Number
Swindon	63%	913
Bournemouth	61%	1,179
Bristol, City of	55%	2,108
South Gloucestershire	50%	1,078
North Somerset	50%	551
Dorset	48%	1,004
Poole	48%	552
Wiltshire	46%	981
Gloucestershire	46%	1,846
Devon	37%	1,602
Plymouth	34%	410
Somerset	33%	965
Bath and North East Somerset	26%	212
Torbay	22%	171
Cornwall	12%	347

Source: JC+ / NOMIS

When these factors are brought together in a calculation of Claimants per Vacancy, Swindon heads the list by some distance. From 1.7 claimants per vacancy in April 2008, the figure rose rapidly to 14.2 claimants per vacancy in April 2009, falling back slightly to 12.2 in May 2009. This is well in excess of the regional average of 5.1 claimants per vacancy, which also fell back from a high of 5.5 in April 2009. Although Plymouth sits in the lower half of Tables 3 and 5, and does not appear to be too badly hit if one looks only at rates of change, it is the area with the second highest number of claimants per vacancy (8.2) in Table 6, due to having started from a higher baseline. Conversely, while South Gloucestershire appears hardest hit in Table 3, it continues to have comparatively low claimants to vacancy rates (Table 6), due to starting from a very low baseline.

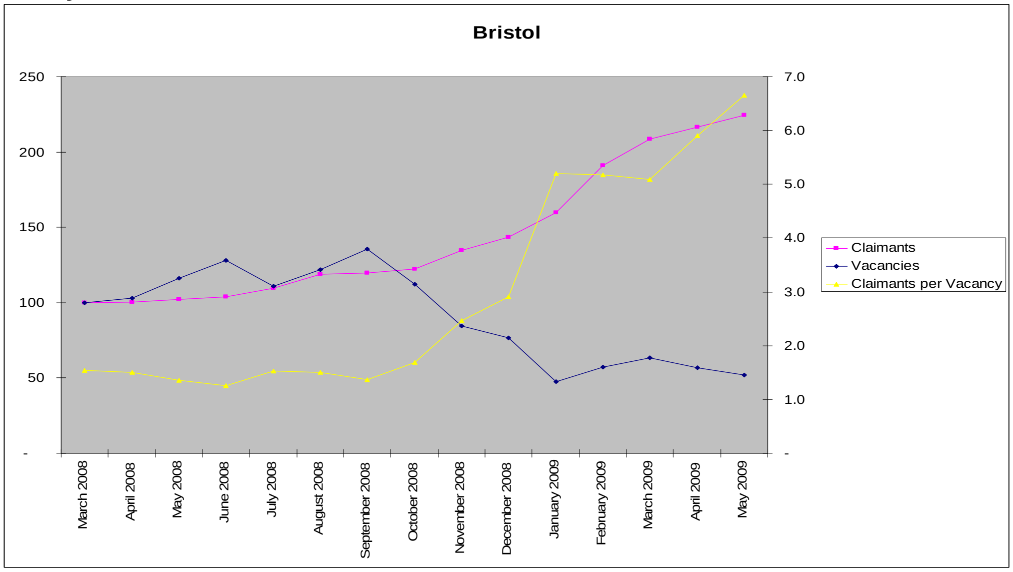
Table 6: Claimants per Vacancy, Local Authority, South West, April 2008 to April 2009

Claimants per Vacancy	**April 2008**	**February 2009**	**April 2009**	**May 2009**
Swindon	1.7	9.6	14.2	12.2
Plymouth	3.0	9.1	8.7	8.2
Bristol, City of	1.5	5.2	5.9	6.7
Wiltshire	1.3	4.5	7.4	6.2
Torbay	2.1	10.1	6.4	5.9
North Somerset	1.0	3.8	4.2	5.7
Gloucestershire	1.3	5.4	6.2	5.7
Bournemouth	0.9	2.9	4.6	5.3
South West	**1.3**	**5.0**	**5.5**	**5.1**
Dorset	1.1	3.5	4.8	4.4
Devon	1.0	4.8	4.4	4.2
Somerset	1.3	4.2	4.1	4.2
Poole	0.7	3.3	4.8	4.0
Bath and North East Somerset	1.1	3.6	5.2	3.9
South Gloucestershire	0.6	3.6	4.1	3.7
Cornwall	1.6	8.1	5.1	3.5

Source: JC+ / NOMIS

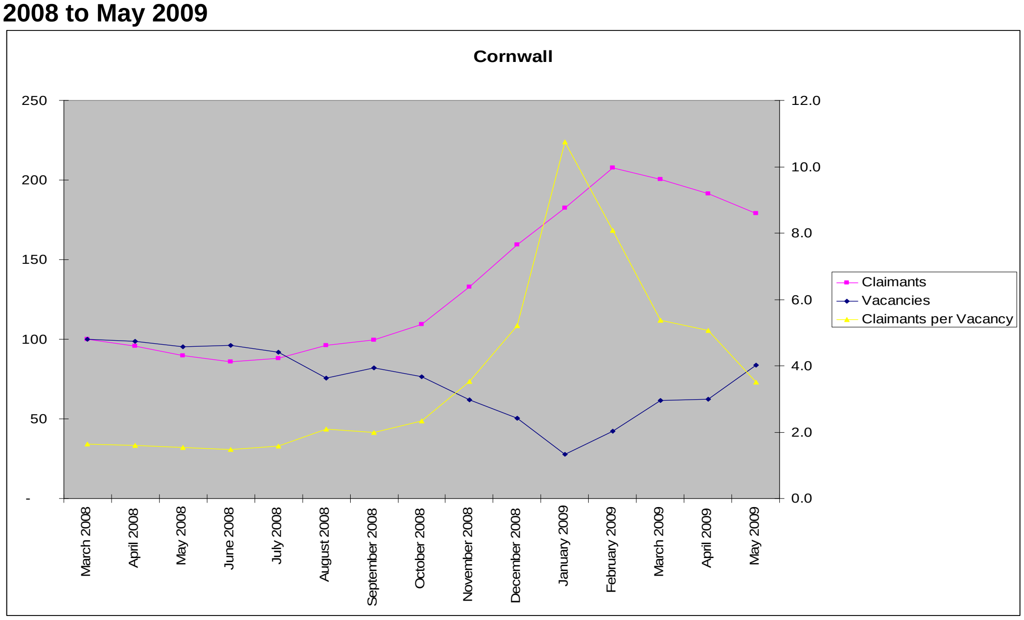
Table 6 also hints at a possible seasonal pattern, with declines in claimants per vacancy seen over recent months in some areas with significant tourism sectors, such as Cornwall and Torbay. Figures 24 and 25 below contrast Bristol, which shows continued rises in claimants and claimants per vacancy and static vacancies, with Cornwall, which has seen a rise in vacancies from January to May with associated falls in claimants and claimants per vacancy early in the year, a pattern that is also seen in 2007 and 2008.

Figure 24: Change in Claimants, Vacancies & Claimants per Vacancy, Bristol, March 2008 to May 2009



Source: JC+ / NOMIS

Figure 25: Change in Claimants, Vacancies & Claimants per Vacancy, Cornwall, March 2008 to May 2009



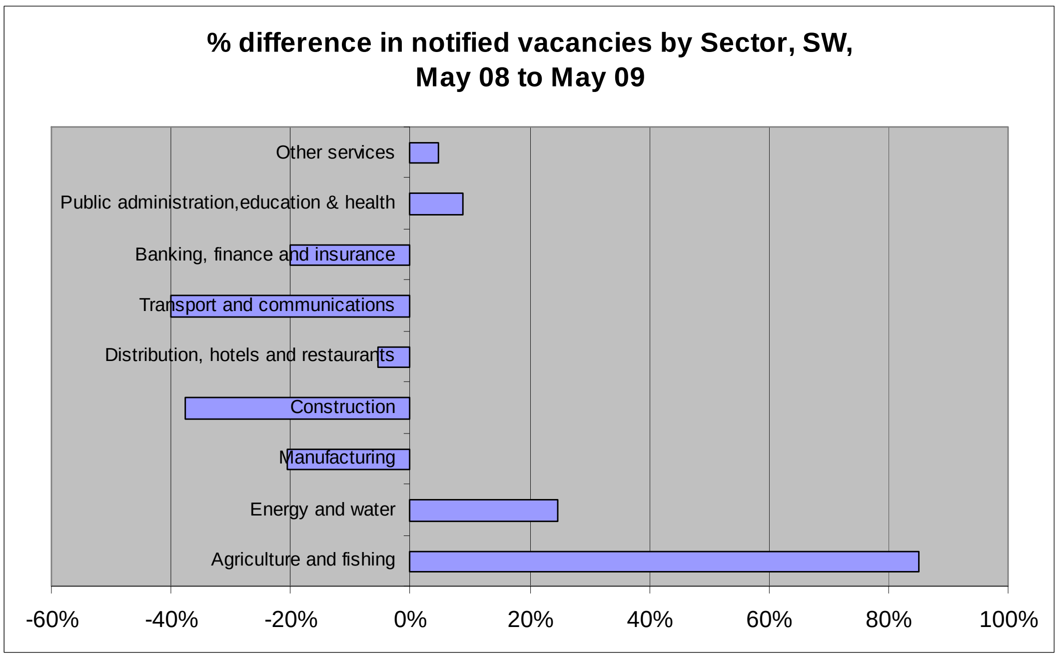
Source: JC+ / NOMIS

6. IMPACT ON SECTORS & OCCUPATIONS

6.1 Sectors

Jobcentre Plus data allows changes in the volume of vacancies to be tracked by sector (Figure 26 below). The data is volatile and needs to be treated with caution. That said, a comparison of changes in vacancies notified to Jobcentre Plus shows that over the year to May 2009 the greatest proportionate declines have been in Banking and Finance; Transport & Communications; and Construction and Manufacturing. Public and Other services have seen small increases in vacancy numbers. The data for Agriculture is based on very small numbers, while that for Energy and Water is highly volatile from month to month and needs to be regarded with scepticism[3].

Figure 26: % change in notified vacancies by sector, SW, May 2008 to May 2009

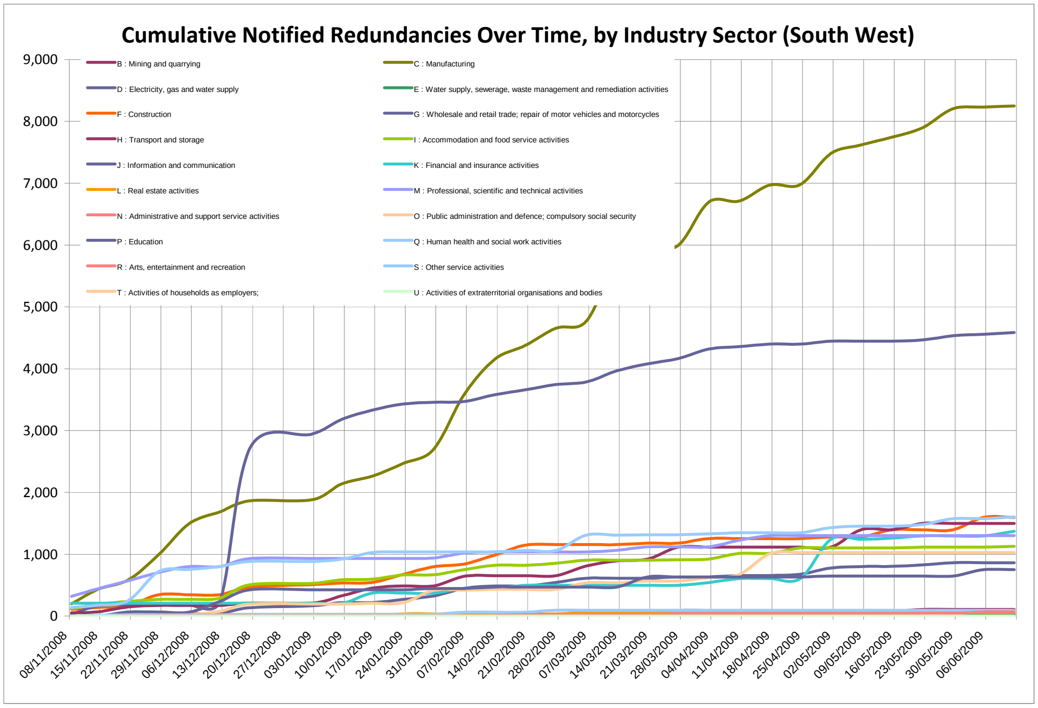


Source: JC+ / NOMIS

Looking at redundancies, Figure 27 below shows that, in the South West, the largest number of redundancies have been in the 'Manufacturing' and 'Wholesale and Retail' sectors. Large numbers of wholesale and retail redundancies were notified during December, including the Woolworths announcement. The volume of new manufacturing redundancies has eased somewhat in recent weeks.

[3] A comparison between June 2008 and May 2009 would show a 30% drop in vacancies, as opposed to a 20% rise.

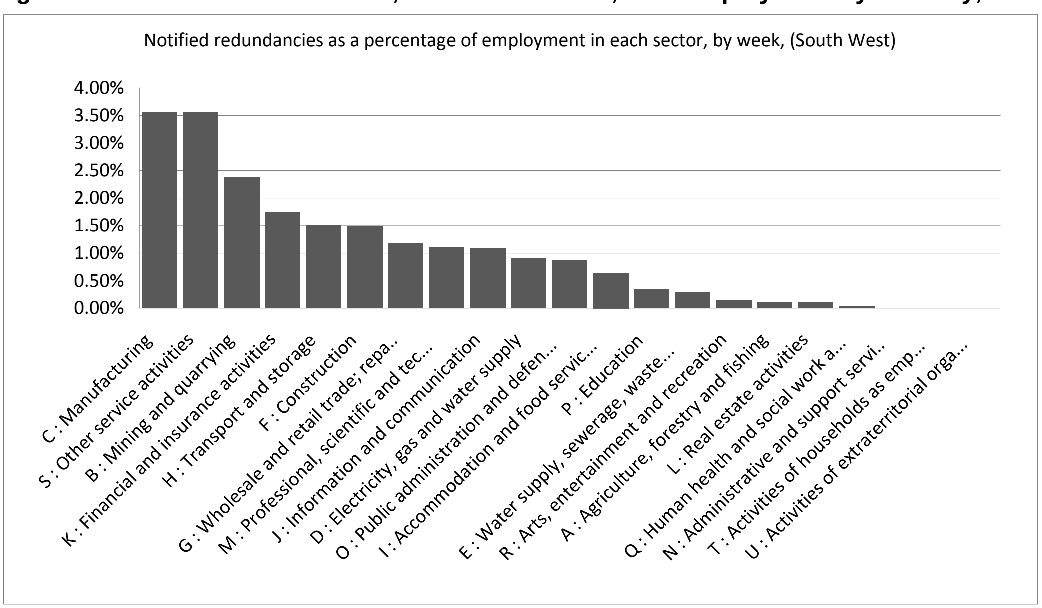
Figure 27: Notified Redundancies by industry, SW, Cumulative from 1/11/08 to 12/6/09



Source: JC+ administrative data

When the number of redundancies in each sector is calculated as a proportion of the population working in each sector, manufacturing emerges as the sector hardest hit, with notified redundancies amounting to over 3.5% of the sector workforce. 'Other service activities' also appear to have been hit[4], followed by Mining & Quarrying and Financial and Insurance Activities.

Figure 28: Notified Redundancies, 1/11/08 to 12/6/09, % of employment by industry, SW



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[4] Caution is required here. JC+ may note a variety of employers as suppliers of 'Other service activities' beyond official definitions which include dry-cleaning, funeral services, hairdressing and other services.

6.2 Occupations

Looking at occupations, vacancies for higher skilled occupations notified to Jobcentre Plus appear to have held up rather better than those for lower skilled occupations. There could be two interpretations of this. Either this is a reflection of genuine changes in the labour market or that during the recession employers are more willing to use Jobcentre Plus as a means of filling senior occupations, as this saves money and Jobcentre Plus may be a better route to 'job-ready' applicants during recession than it is in times of full employment. Unfortunately it is not possible to tell which.

Table 7: Annual change in notified vacancies by occupation, Mar-May 2008 to Mar-May 2009, South West[5]

	% Change
Associate Professional and Technical Occupations	26%
Personal Service Occupations	-14%
Professional Occupations	-22%
Managers and Senior Officials	-47%
Sales and Customer Service occupations	-51%
Elementary Occupations	-55%
Skilled Trades Occupations	-58%
Administrative and Secretarial Occupations	-62%
Process, Plant and Machine Operatives	-68%

Source: JC+ / NOMIS

The level of vacancies in Personal Service Occupations, such as those found in the care sector, have also held up well.

This data is highly volatile, affected by factors such as seasonal recruitment patterns in some occupations and recruitment drives by major employers. Thus, while there was a 10% fall in vacancies in Skilled Trades occupations between the quarters April to May 2008 and April to May 2009 (Table 7), there was a 62% rise, equivalent to an additional 1,141 Skilled Trades vacancies, notified to Jobcentre Plus in the last month (Table 8). While this rise in vacancies for skilled jobs is very welcomed, it would clearly be unwise to assume that it indicates a rise in the fortunes of sectors such as manufacturing and construction where these jobs are commonly found.

Table 8: Monthly change in notified vacancies by occupation, April 2009 to May 2009, South West

	%	Number
Managers and Senior Officials	25%	256
Professional Occupations	23%	164
Associate Professional and Technical Occupations	2%	80
Administrative and Secretarial Occupations	2%	39
Skilled Trades Occupations	62%	1,141
Personal Service Occupations	7%	147
Sales and Customer Service occupations	-3%	-120
Process, Plant and Machine Operatives	24%	410
Elementary Occupations	34%	1,658

Source: JC+ / NOMIS

[5] To compensate for volatility in the data and to better identify underlying trends, the average number of vacancies per month over a 3 month period has been used in these calculations.

Further reason to welcome this recent rise in Skilled Trades vacancies lies in the fact that there has been rapid growth in the number of claimants whose usual job was in a Skilled Trades Occupation.

Between the quarters March to May 2008 and March to May 2009, the number of claimants whose usual job was in Skilled Trades occupations increased by over 200%, compared to rises in Elementary, Sales and Personal Service Occupations of 100% to 120%.

Table 9: Claimant Count Growth by Usual Occupation, SW, Mar-May 2008 to Mar-May 2009

	March - May 2008 to March - May 2009
Skilled Trades Occupations	204%
Managers and Senior Officials	184%
Professional Occupations	177%
Process, Plant and Machine Operatives	170%
Associate Professional and Technical Occupations	152%
Administrative and Secretarial Occupations	132%
Personal Service Occupations	120%
Sales and Customer Service occupations	117%
Elementary Occupations	101%

The fact that the Claimant Count has grown faster among the more highly skilled occupations is a cause for concern, but not entirely surprising. Provided they are not too choosy, relatively highly skilled people are less likely to have difficulty finding work during periods when jobs are abundant than those who are usually employed in elementary occupations. Recessions can be somewhat 'democratic', in the sense that when companies go bust, they often make their entire workforce redundant, including those in the more highly skilled occupations.

The concern at the relatively rapid rise in unemployment among those from higher level occupations derives from a) the possibility that their skills will atrophy or be 'lost' if they are out of the labour market for too long and b) that necessity may cause them to re-enter the labour market in lower-skilled less-productive jobs, at least in the short-term.

Table 10 looks at how the ratio between the number of claimants normally employed in a particular occupation and how the number of vacancies available in that occupation have changed in the last year. It shows that across the South West the Process, Plant and Machine Operative and those in Skilled Trade occupations have been hardest hit and, by inference, that those employed in these occupations may be experiencing most difficulty in finding new jobs.

By this measure, the growth in competition for jobs in Personal Service Occupations, such as care, and Associate Professional and Technical Occupations[6], appears relatively less severe.

[6] The Associate Professional and Technical Occupations includes lab technicians, draughtspersons, engineering technicians, nurses, youth workers and speech therapists. There are a considerable number of Associate Professionals in the Health and Social Welfare sector, which has not been as hard hit by recession as some other sectors.

Table 10: Claimants per Vacancy by Occupation, SW, March-May 2008 to March-May 2009

South West	Monthly Ave March to May 2008	Monthly Ave March to May 2009	% Rise
Process, Plant and Machine Operatives	1.2	10.7	772%
Skilled Trades Occupations	1.3	9.7	631%
Administrative and Secretarial Occupations	1.5	9.3	526%
Managers and Senior Officials	1.4	7.4	427%
Elementary Occupations	1.8	7.9	353%
Sales and Customer Service occupations	1.4	6.0	342%
Professional Occupations	1.4	5.0	257%
Personal Service Occupations	0.5	1.3	157%
Associate Professional and Technical Occupations	0.7	1.4	106%

6.3 Change in occupations by Local Authority

In support of further analysis on whether people in specific occupations have been particularly affected in different local authority areas, Annex 1 provides data on:

- claimants per vacancy[7] by occupation in different local authorities; and
- rates of growth in claimants per vacancy over the year.

The data is extremely detailed, with a lot of variation. It is difficult to identify many patterns. That said, it is worth pointing out:

1. The rapid rise in claimants per vacancy for Managerial, Senior Official and Professional Occupations in Wiltshire, Bath and North East Somerset and a number of other areas from which senior level staff may have commuted to work, either within or beyond the South West.
2. The fact that Swindon appears at the head of four of the six non-professional or managerial occupational lists, and second in the other two.
3. The very considerable variation in the apparent availability of work (by this measure) between both occupations, ranging from:
    a. there being fewer than 1.5 claimants per vacancy in Personal Service Occupations in 10 of the 16 local authority areas in the South West, to
    b. there being more than 10 claimants per vacancy in Skilled Trades Occupations in 10 of the 16 local authority areas in the South West.
4. The very considerable differences in the availability of work in the same occupation in different geographies, ranging from
    a. 95 claimants per Process, Plant and Machine Operative vacancy in Plymouth, down to 3.2 in South Gloucestershire; and
    b. 41.6 claimants per vacancy in the Elementary Occupations in Swindon, down to 5.0 in Cornwall.

[7] The 'claimants per vacancy' or CpV refers to the figure derived from dividing the number of Claimants whose normal occupation is in a particular occupation by the number of vacancies available via Jobcentre Plus in that same occupation.

ANNEX 1 – CHANGE IN CLAIMANTS PER VACANCY BY OCCUPATION AND LOCAL AUTHORITY

	Claimants Per Vacancy		
Managers and Senior Officials	**March to May 2008**	**March to May 2009**	**% Rise in year**
Wiltshire	1.8	11.2	509%
South Gloucestershire	1.1	10.7	861%
Bournemouth	1.6	10.6	584%
Bath and North East Somerset	1.5	10.4	587%
North Somerset	2.0	10.3	417%
Swindon	1.4	9.6	601%
Dorset	1.8	9.5	428%
Gloucestershire	1.5	8.2	448%
Poole	1.5	7.7	395%
Somerset	1.6	7.7	370%
South West	**1.4**	**7.4**	**427%**
Bristol, City of	1.4	7.2	424%
Cornwall	1.6	6.8	333%
Plymouth	1.6	6.7	317%
Devon	1.2	5.4	364%
Torbay	2.3	3.7	59%

	Claimants Per Vacancy		
Professional Occupations	**March to May 2008**	**March to May 2009**	**% Rise in year**
Dorset	1.7	10.5	501%
Wiltshire	1.8	10.4	487%
Gloucestershire	1.6	9.8	497%
North Somerset - by Occupation	1.4	9.7	620%
Bath and North East Somerset	3.4	8.5	154%
Cornwall	2.2	8.4	281%
Poole	1.1	7.8	589%
Torbay	5.0	7.6	51%
Swindon	1.2	7.1	493%
South West	**1.4**	**5.0**	**257%**
Bournemouth	0.8	4.9	518%
Bristol, City of	1.8	4.1	129%
South Gloucestershire	1.3	3.6	182%
Devon	1.0	3.6	249%
Somerset	1.3	3.4	162%
Plymouth	1.2	3.2	160%

	Claimants Per Vacancy		
Associate Professional and Technical Occupations	**March to May 2008**	**March to May 2009**	**% Rise in year**
South Gloucestershire	0.4	2.6	513%
Gloucestershire	0.9	2.1	134%
North Somerset	1.1	2.0	79%
Wiltshire	0.9	1.9	112%
Bristol, City of	0.7	1.8	165%
Bath and North East Somerset	0.6	1.7	189%
Dorset	0.9	1.6	65%
Swindon	0.5	1.5	202%
Torbay	0.8	1.4	80%
South West	**0.7**	**1.4**	**106%**
Poole	0.2	1.3	599%
Devon	0.8	1.2	57%
Somerset	0.7	1.1	48%
Cornwall	0.8	1.1	31%
Plymouth	1.0	0.9	-12%
Bournemouth	0.5	0.9	64%

	Claimants Per Vacancy		
Administrative and Secretarial Occupations	**March to May 2008**	**March to May 2009**	**% Rise in year**
Swindon	1.9	33.7	1673%
Plymouth	4.0	18.8	368%
Bournemouth	2.1	14.6	610%
Torbay	2.5	12.8	415%
Cornwall	3.0	12.6	322%
Dorset	1.3	11.2	748%
Gloucestershire	1.7	11.0	562%
Bristol, City of	1.1	10.7	839%
Somerset	1.8	10.4	486%
South Gloucestershire	0.8	10.1	1166%
South West	**1.5**	**9.3**	**526%**
Devon	1.3	8.0	540%
Wiltshire	1.5	7.0	362%
Bath and North East Somerset	1.3	6.9	417%
North Somerset	0.8	5.5	635%
Poole	0.6	3.5	466%

	Claimants Per Vacancy		
Skilled Trades Occupations	**March to May 2008**	**March to May 2009**	**% Rise in year**
Swindon	1.5	25.3	1637%
Plymouth	2.8	23.0	718%
Torbay	3.6	19.7	442%
Bournemouth	1.8	18.0	898%
Bristol, City of	1.3	16.9	1182%
Bath and North East Somerset	1.1	12.6	1079%
Gloucestershire	1.5	11.3	645%
Wiltshire	1.0	10.8	998%
North Somerset	1.8	10.7	501%
South Gloucestershire	0.8	10.6	1282%
South West	**1.3**	**9.7**	**631%**
Dorset	1.0	8.5	770%
Poole	0.8	8.0	877%
Devon	0.9	7.7	723%
Cornwall	1.5	6.7	360%
Somerset	1.4	6.5	352%

	Claimants Per Vacancy		
Personal Service Occupations	**March to May 2008**	**March to May 2009**	**% Rise in year**
Swindon	0.6	3.2	396%
Plymouth	1.0	2.4	130%
Cornwall	0.8	2.1	161%
Gloucestershire	0.6	1.6	157%
Wiltshire	0.4	1.6	257%
Poole	0.3	1.4	435%
Torbay	0.6	1.4	140%
South West	**0.5**	**1.3**	**157%**
Dorset	0.2	1.2	401%
Somerset	0.4	1.2	203%
Bournemouth	0.3	1.1	277%
Devon	0.4	1.0	134%
Bath and North East Somerset	0.3	1.0	211%
Bristol, City of	1.0	1.0	-2%
North Somerset	0.5	0.8	67%
South Gloucestershire	0.4	0.7	73%

Sales and Customer Service occupations	Claimants Per Vacancy		% Rise in year
	March to May 2008	March to May 2009	
Plymouth	3.7	16.7	355%
Swindon	1.4	16.5	1112%
Torbay	3.8	12.6	227%
Cornwall	2.8	8.5	205%
North Somerset	0.5	8.0	1416%
Somerset	1.6	7.4	370%
Wiltshire	1.2	7.3	489%
Bristol, City of	1.2	6.8	483%
Bath and North East Somerset	2.0	6.5	219%
Devon	0.9	6.0	555%
South West	**1.4**	**6.0**	**342%**
Gloucestershire	1.2	4.5	277%
Bournemouth	1.4	4.2	203%
Dorset	2.0	3.9	90%
South Gloucestershire	0.7	3.7	444%
Poole	0.9	3.3	269%

Process, Plant and Machine Operatives	Claimants Per Vacancy		% Rise in year
	March to May 2008	March to May 2009	
Plymouth	2.6	94.6	3491%
Swindon	2.1	59.0	2664%
Torbay	5.4	45.6	748%
Bath and North East Somerset	0.6	34.9	5566%
Bristol, City of	1.0	29.3	2751%
Bournemouth	2.8	27.1	857%
Poole	1.6	20.2	1204%
Wiltshire	1.8	17.3	848%
Gloucestershire	1.5	13.8	831%
Dorset	1.1	11.3	943%
South West	**1.2**	**10.7**	**772%**
Devon	1.4	8.8	546%
Cornwall	1.5	8.6	483%
North Somerset	1.3	7.7	492%
Somerset	1.0	6.6	549%
South Gloucestershire	0.2	3.2	1692%

	Claimants Per Vacancy		
Elementary Occupations	**March to May 2008**	**March to May 2009**	**% Rise in year**
Swindon	2.8	41.6	1391%
Plymouth	5.5	20.4	268%
Bristol, City of	3.7	13.0	252%
Torbay	2.4	12.0	398%
Bournemouth	0.8	11.1	1284%
Poole	1.2	10.8	818%
Gloucestershire	1.4	10.1	605%
Wiltshire	1.6	9.8	511%
South West	**1.8**	**7.9**	**353%**
North Somerset	1.9	6.8	268%
Devon	1.5	6.0	311%
South Gloucestershire	1.0	5.9	518%
Dorset	1.1	5.2	351%
Bath and North East Somerset	1.6	5.1	221%
Cornwall	1.7	5.0	190%
Somerset	1.9	4.7	152%