



## SEMLEP SOCIAL INCLUSION EVIDENCE ANNEX A

### Worklessness

Levels of worklessness continues to rise as more people become unemployed/economically inactive and looking for work. At the same time unemployment rate is above South East Midlands and national averages in some areas of the South East Midlands, which remains a key concern for our economy. In particular both youth and female unemployment remain volatile and above precession levels as these groups face a number of barriers to accessing the labour market. This includes lack of affordable child care for women returners, flexible working practices, attitudes/lack of understanding of employment/business support advisors and lack of accessible and affordable public transport in significant parts of the area.

In September 2013, there were 6,915 young people or 3.7% of 16-24 year olds claiming Job Seeker's Allowance in South East Midlands. The rate of claimant count (16-24) varies across the South East Midlands from 6.7% in Corby to 2.2% in South Northamptonshire. The table below shows the claimant count rate for 16-24 year olds in September 2013. Young people between 16-24 years old represent 23.7% of all South East Midlands residents claiming Job Seekers Allowance in September 2013.

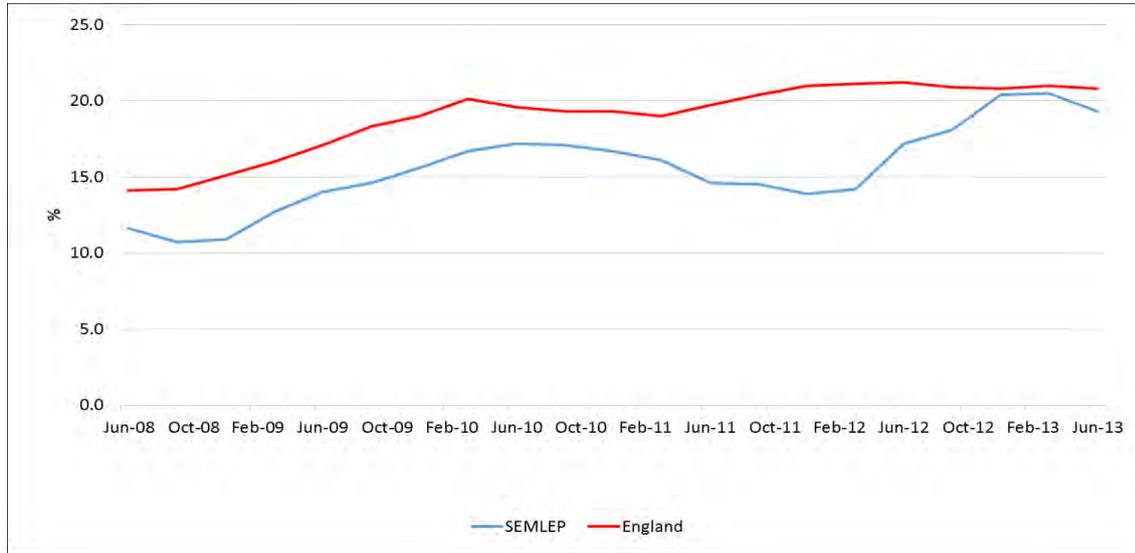
Table 1: Percentage of 16-24 year olds claiming Job Seekers Allowance

Area	Rate (%)
England	4.6
SEMLEP	3.7
Aylesbury Vale	2.1
Bedford	5.1
Central Bedfordshire	3.0
Cherwell	2.1
Corby	6.7
Daventry	3.5
Kettering	5.2
Luton	3.9
Milton Keynes	3.8
Northampton	4.4
South Northamptonshire	2.2

Source: Department for Work and Pensions, Benefits via nomisweb, September 2013



Chart 1: Youth unemployment as a percentage of all aged 16-24, June 2013



Source: Office for National Statistics, Annual Population Survey, June 2013

Youth unemployment varies across the South East Midlands with areas such as Milton Keynes having higher levels of youth unemployment at 25.8%<sup>1</sup>. Youth unemployment includes people in full-time education (FTE) if they have been looking for work within the last four weeks and are available to start work within the next two weeks. Other reasons cited for the increase in youth unemployment across the country include: seasonal increases in the number of young people NEET, growth of highly skilled occupations, increased competition for low wage service employment, increased demand for a more qualified workforce and a shift in focus to support lone parents and those on incapacity benefit has impacted upon young people's ability to find employment. (Source: Short-term crisis-long-term problem? Addressing the youth employment challenge, The Work Foundation, 2012)

## Female unemployment

The number of females of working age (16-64) unemployed has more than doubled in numbers since June 2008 and has increased at a faster rate compared to male unemployment rate. Since June 2008, the number of females (16-64) unemployed has increased from 16,300 to 35,000 in June 2013, an increase of 114.7%. The female unemployment rate (16-64) has also doubled since June 2008 from 4.1% to 8.2%<sup>2</sup> in June 2013. It has continued to increase most quarters since 2008. The rate for female unemployment varies significantly across South East Midlands with for example Luton at 11.8% to 6.9% in Central Bedfordshire in June 2013.

In comparison the number of males (16-64) unemployed has increased at a slower rate from 21,600 in June 2008 to 28,500 in June 2013 or percentage increase of 31.9%. In June 2013 male unemployment rate (16-64) in South East Midlands was 6.0%. This has increased from 4.6% in June 2008.

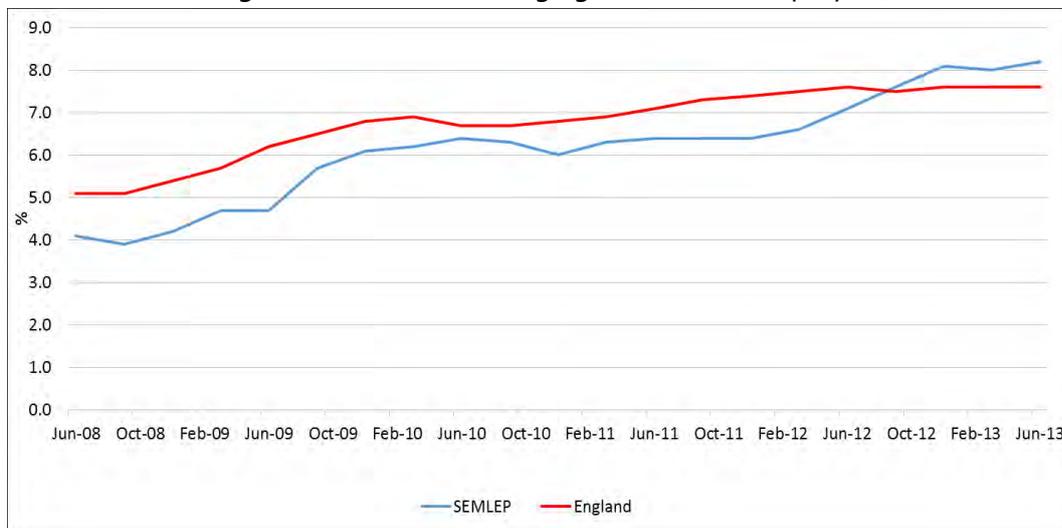
<sup>1</sup> The confidence interval can be as high as 8.7 percentage points, meaning that the actual figure could fall anywhere with 8.7 points either side of the figure reported.

<sup>2</sup> The confidence interval associated with these figures should be noted as it means the actual figure could fall anywhere with 1.3 points either side of each figure reported. However some data is missing due to small sample sizes being unreliable across a number of local authority areas.



The historically high levels of female unemployment maybe explained when considering the national picture. According to Office for National Statistics, the main reason why more women are becoming unemployed is because more full-time mums are having to re-enter the labour market and therefore moving from economically inactive and not seeking work to unemployed. The recent increase in female unemployment nationally has also been linked to pension reform and increase in state pension age which has led to older women abandoning their retirement plans and re-entering the labour market thus moving from economically inactive to unemployed. Furthermore, the impact of public sector cuts, rising cost of child care and inflexible working practices also act as barriers to women returning to the labour market.

Chart 2: Percentage of female of working age (16-64) unemployed, June 2008-June 2013



Source: Office for National Statistics, Annual Population Survey, June 2013

A report by the Women’s Business Council ‘Maximising women’s contribution to future economic growth’ in June 2013 highlighted a number of challenges for women accessing and progressing in the labour market. In the UK, there are over 2.4 million women who are not in work but want to work, and over 1.3 million women who want to increase the number of hours they work. There is still a gap in employment (67% of working-age women are employed, compared to 76% of men) and women are much more likely to be in low-paid jobs (women’s average hourly earnings are 19.7% less than men’s).

Furthermore, women are more likely to work in public administration, health and education (23.1% of women work in this sector compared with 8.6% of men) and in distribution, hotels and restaurants (10% compared with 8.8%). At the same time, women are much less likely to work in construction (0.9% compared with 6.1% of men), manufacturing (2.6% compared with 7.1%) and transport and communications (2.2% compared with 6.4%). This has an impact on their pay levels – 22% of the gender pay gap can be explained by the industries and occupations women work in. Science, Technology, Engineering and Manufacturing subjects offer high potential for rewarding careers, yet these industries



typically suffer skills shortages. According to the National Skills Forum, the low number of women working in science, engineering and technology (SET) exacerbates skills shortages in these sectors thus reducing the productivity of SET organisations and therefore making it harder for them to compete at an international level.

Women still face a pay gap compared to men in a number of areas:

- For example, a male graduate could expect to earn 20% more on average, than a female graduate. The gap was wider for non-degree holders at 23%.
- The 2012 median full-time gender pay gap for hourly earnings was 9.6%. £28,700 was the median gross annual earnings for male full-time employees however the figure was lower for women at £23,100.
- Women working full-time earn 55% less annual average gross salary than their male colleague in the Finance Sector.

Source: Business in the Community, Women and Work Factsheet 2013.

In 2013, Central Bedfordshire Council commissioned a Labour Market Inequalities Research study to examine barriers to the labour market for disadvantaged groups. Consultation with providers delivering employability support to young people in Central Bedfordshire highlighted a number of barriers they face:

- The fact that Connexions no longer exists and it has not been replaced by anything very effective.
- Geography – there is no Jobcentre in Dunstable.
- The lack of focus on those with neither the highest need for support nor supportive backgrounds who “will get there whatever”.
- Lack of motivation and lack of input to broaden people’s understanding of their options.
- Lack of understanding even by professionals about different types of qualifications that are equivalent to one another, e.g. level 2 qualifications and GCSE maths and English.
- Restrictions within colleges on when people can start courses during the year.

As part of the Labour Market Inequalities research, a number of focus groups took place with women returners and young mums to find out what barriers they face accessing/returning to the labour market. Key findings from the focus groups highlighted the following barriers:

- lack of flexibility of employers about existing constraints, such as school hours.
- the expense of updating skills having been out of the labour market to look after family/home.
- attitudes of Jobcentre staff.
- lack of internet access at home, combined with limited public transport, particularly in rural areas.
- lack of consistency with advisors and tutors – no opportunity to build a rapport or relationship because people see a different advisor every time.



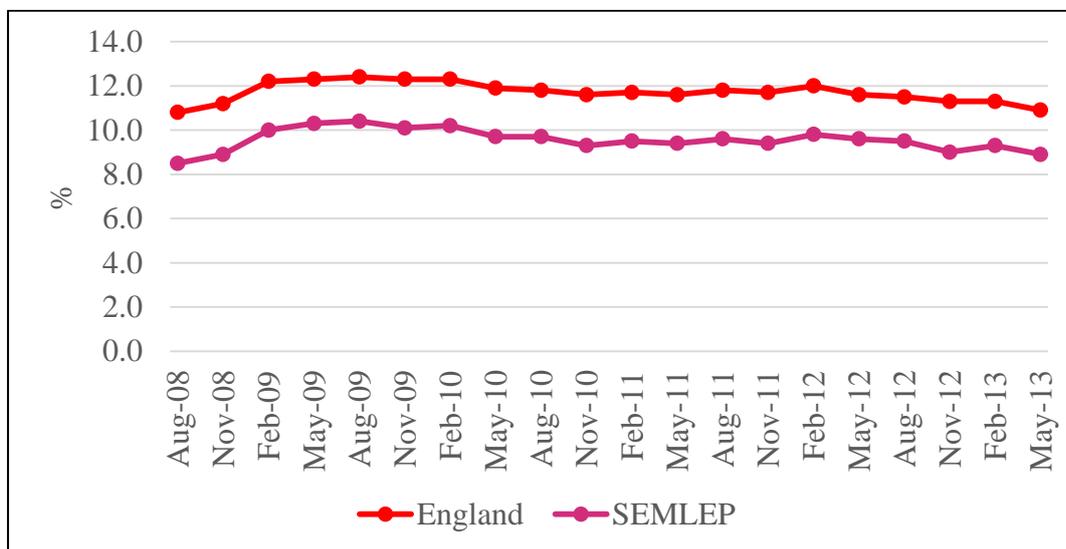
- lack of work experience.
- the stigma of being out of work, especially as a (single) mother.
- quality and affordability is a major issue for young mothers.
- part-time work that fits around free child care provision (15 hours) is scarce.

Whilst this relates to experience of providers and women in Central Bedfordshire the same issues are likely to arise in other areas across the South East Midlands as it is also nationally.

## Out of work benefits

In May 2013, there were 125,820 or 11.3% of people of working age (16-64) claiming any type of benefit in the South East Midlands. This is lower than the England rate which stands at 13.5% in May 2013 however it has continued to increase since August 2008. In regards to out of work benefits, 8.9% of people of working age were claiming out of work of benefits in May 2013 in South East Midlands. This compares to the England rate which was slightly higher at 10.9%. The number of people claiming out of work benefits has continued to fall since August 2009 by 12,290 people. Those claiming Employment Support Allowance/Incapacity Benefit continues to account for the largest proportion of those claiming any type of benefit at 40.6% in May 2013. However this has fallen since August 2008 from 44.6%.

Chart 3: Proportion of resident population (16-64) claiming out of work benefits, August 2008-May 2013



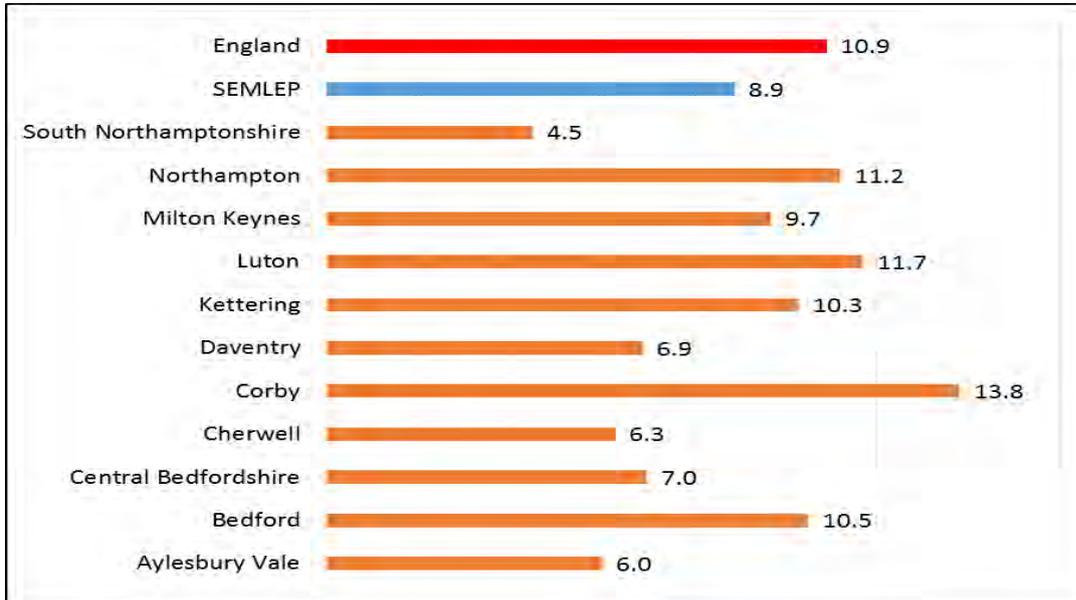
Source: Department for Work and Pensions, Benefits via nomisweb, May 2013

The rate is higher than nationally in some areas like Corby (13.8%), Luton (11.7%) and Northampton (11.2%) whereas others are relatively low such as South Northampton (4.5%).

In regards to Job Seekers Allowance, the percentage of South East Midlands working age population claiming Job Seekers Allowance remains below the England average. In September 2013, 2.6% of working age population in South East Midlands were claiming Job Seekers Allowance compared to an England average of 3.1%.



Chart 4: Proportion of resident population (16-64) claiming out of work benefits, May 2013



Source: Department for Work and Pensions, Benefits via nomisweb, May 2013

The majority of IB/SDA/ESA claimants are long-term claimants, with 58.0% having claimed for five years and over and 73.0% having claimed for two years or more. (Source: DWP Benefits Claimants, via Nomis, May 2013)

In regards to age, those aged 45-54 years represent the largest proportion accounting for 17.9% of all those claiming out of work benefits whilst those aged 60-64 years old represent only 6.9%. All age groups have seen a decrease in numbers of people claiming out of work benefits between May 2012 and May 2013 with those aged under 25 years old witnessing the biggest decrease in number of people claiming out of work benefits (-2,200) or percentage decrease of 12.2%.



Table 2: Out of work benefits by age band, May 2012-May 2013

	May 12	Aug 12	Nov 12	Feb 13	May 13	% of all benefits, May 13	Change May 12 to May 13	% Change May 12 to May 13
Under 25	18,260	18,410	16,300	17,300	16,040	12.8%	-2,220	-12.2
25-34	22,750	22,500	21,550	22,600	21,560	17.2%	-1,190	-5.2
35-44	22,330	21,840	20,910	21,230	20,340	16.2%	-1,990	-8.9
45-54	23,510	23,200	22,720	23,140	22,480	17.9%	-1,030	-4.4
55-59	11,170	11,000	10,770	11,030	10,860	8.6%	-310	-2.8
60-64	8,860	8,860	8,810	8,860	8,730	6.9%	-130	-1.5

Source: DWP Benefits via nomisweb, May 2013

In regards to male/female split, there were more females claiming lone parent, bereaved, disabled and carer related benefits than males in May 2013.

## Poverty

There exist pockets of deprivation across the South East Midlands. Index of Multiple Deprivation 2010 data for the whole of the South East Midlands area presented in Table 1 shows that overall there are 194,800 people in the area who live in an area classed as within the 20% most deprived in England. This is 11.3% of the total population.

The following wards are currently designated as Assisted Areas that have both economic need and opportunities for growth. These are: Biscot, Challney, Crawley, Dallow, High Town, Lewsey, Round Green, Saints, South, Stopsley and Wigmore within Luton and Houghton Hall, Icknield, Parkside and Tithe Farm within Central Bedfordshire.

These wards (and those adjacent) still show considerable economic need and/or opportunity. They also provide a continuous area with a population of 151,000 (ONS 2011-based mid-year population estimates).

The percentage varies from district to district from 0% in Aylesbury Vale and South Northants to 30% in Corby. This is consistent with claimant count unemployment rates in the South East Midlands shown in Table 3.



Table 3: IMD – South East Midlands Population in LSOA Within 20% Most Deprived

District	Population in LSOA Not Within 20% Most Deprived	Population in LSOA Within 20% Most Deprived	% of Total Population in an LSOA Within 20% Most Deprived	Grand Total
Aylesbury Vale	175892	0	0.0	175892
Bedford	141048	17139	10.8	158187
Central Bedfordshire	252721	5523	2.1	258244
Cherwell	133337	8641	6.1	141978
Corby	42844	18360	30.0	61204
Daventry	76554	1806	2.3	78360
Kettering	82990	10838	11.6	93828
Luton	149594	56249	27.3	205843
Milton Keynes	215598	31565	12.8	247163
Northampton	168630	44724	21.0	213354
South Northamptonshire	86450	0	0.0	86450
Total	1525658	194845	11.3	1720503

Source: IMD - 2010 – ONS

Table 4: Unemployment Claimant Rates, January 2014

Area	Male		Female		Total	
	Number	Rate	Number	Rate	Number	Rate
Milton Keynes	2,423	2.9	1,533	1.8	3,956	2.4
Aylesbury Vale	949	1.7	509	0.9	1,458	1.3
Cherwell	550	1.2	348	0.8	898	1.0
Bedford	2,037	4.1	1,176	2.3	3,213	3.2
Central Bedfordshire	1,700	2.0	1,081	1.3	2,781	1.7
Luton	2,613	3.8	1,772	2.7	4,385	3.3
Corby	849	4.2	495	2.4	1,344	3.3
Daventry	584	2.4	293	1.2	877	1.8
Kettering	1,080	3.6	614	2.0	1,694	2.8
Northampton	2,803	4.0	1,582	2.2	4,385	3.1
South Northamptonshire	330	1.2	178	0.7	508	0.9
Total	15,918	2.9	9,581	1.7	25,499	2.3

Source: Department for Work and Pensions, JSA Claimant Count, January 2014



## Barriers to the labour market

Despite having a relatively strong employment rate, some groups experience lower employment rates and face a number of barriers to the labour market. This includes ethnic minority females, disabled people, young people and people over 50.

Table 5: Employment rates by disadvantaged groups

Group	Rate
Total employment rate	75.1%
Disabled people	39.0% <sup>3</sup>
Disabled females	41.0% <sup>4</sup>
Disabled males	36.5% <sup>5</sup>
Ethnic minority females	57.3%
Ethnic minority males	69.7%
Over 50 years old	44.1%
16-24 year olds	57.4%

Source: Office for National Statistics, Annual Population Survey, June 2013

Whilst over half of the resident population work in highly skilled occupations, it masks differences by gender. Men in South East Midlands are almost twice more likely to work in higher skilled occupations than women. In June 2013 65.5% of males employed worked in higher skilled occupations compared to 39.3% of females. In fact women are less likely to work as managers, directors and senior official occupations within South East Midlands compared to men. In June 2013, only 6.3% of females were employed in these occupations compared to 12.6% of men. In comparison, almost a quarter (21.0%) of females of working age in South East Midlands worked in administrative and secretarial occupations in June 2013 compared to 4.8% of males.

Table 6: Occupational Structure by gender, June 2013

Occupation by Standard Occupational Categories (2010)	Male	Female
Managers, directors and senior officials	12.6	6.3
professional occupations	19.6	18.7
associate prof & tech occupations	16.9	11.8
administrative and secretarial occupations	4.8	21.0
skilled trades occupations	16.4	2.5

<sup>3</sup> December 2012 is the most recent figure available for this indicator.

<sup>4</sup> Ibid.

<sup>5</sup> Ibid.

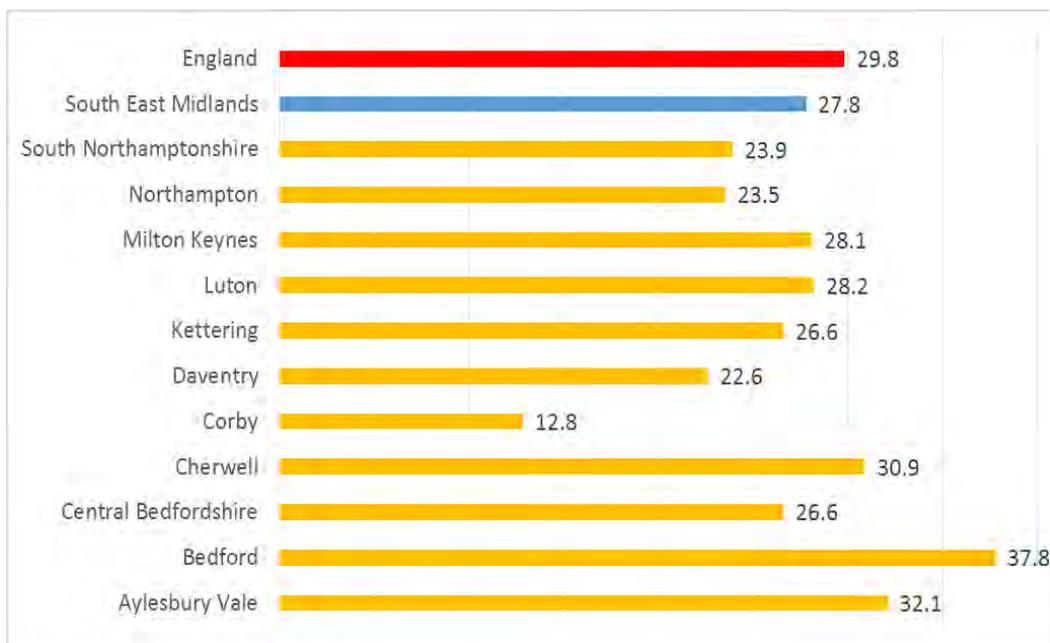


caring, leisure and other service occupations	2.6	16.0
sales and customer service occupations	4.2	11.8
process, plant and machine operatives	11.4	1.5
elementary occupations	11.2	10.4

Source: Office for National Statistics, Annual Population Survey, June 2013

Over a quarter of the working age population (27.8%) in the South East Midlands who are economically active have a degree or equivalent and above. This is slightly below England at 29.8%. There are significant variations in regards to level of attainment at degree level or equivalent and above with areas such as Bedford, Aylesbury Vale and Cherwell being well above South East Midlands and England average in 2012 at 37.8%, 32.1% and 30.9% of working age population who are economically active with degree level or above. In comparison some areas are trailing behind such as Corby with only 12.8% of its resident population who are economically active with degree level or equivalent and above. At the same time some areas have witnessed faster growth in attainment levels in terms of numbers of people who are economically active with degree or equivalent and above since 2006. Both Bedford and Central Bedfordshire have seen the biggest increase in number of people who are economically active with degree or equivalent and above by 15,300 (+89.5%) and 14,700 (+75.0%) respectively from 2006 to 2012.

Chart 5: Percentage of working age population who are economically active with degree or equivalent and above, December 2012



Source: Office for National Statistics Annual Population Survey December 2012



This is also the case at NVQ 1-4 and above where Corby trails behind all other local authorities within South East Midlands as highlighted in Table 14 below.

Table 7: Percentage of working age population with NVQ 1-4 and no qualifications, December 2012

	NVQ 4+	NVQ 3+	NVQ 2+	NVQ 1+	No qualification
England	34.2	54.9	71.8	84.2	9.5
SEMLEP	32.8	53.6	71.8	84.8	8.6
Aylesbury Vale	35.9	58.7	77.9	91.7	4.5
Bedford	41.7	64.4	79.5	89.0	6.3
Central Bedfordshire	32.8	54.7	72.7	86.0	9.6
Cherwell	42.0	60.9	78.1	90.0	6.0
Corby	14.2	36.8	53.7	70.5	8.8
Daventry	26.5	50.1	68.9	85.1	12.1
Kettering	30.5	53.5	71.8	84.2	9.5
Luton	30.6	46.1	64.1	75.2	16.1
Milton Keynes	33.3	54.8	71.7	86.2	7.1
Northampton	27.6	46.7	67.2	80.5	8.7
South Northamptonshire	31.6	54.5	77.9	91.3	3.8

Source: Office for National Statistics, Annual Population Survey, December 2012

## ***Rural Economy***

### **Key Issue**

The rural economy continues to play a critical role in supporting sustainable economic growth across the South East Midlands however businesses and those living in rural areas face a number of barriers in terms of transport, access to skilled labour, superfast broadband and business support.



With 27.5% of the South East Midlands population living in areas classified as rural it is important to briefly consider some of the characteristics and issues that are particularly pertinent to such areas. Perhaps the most comprehensive research undertaken recently in relation to the rural economy and issues specifically relating to rural areas are the reports presented by Oxford Consultants for Social Inclusion (OCSI) – “The rural economy in South East Midlands LEP” (2011) and “Access to services in South East Midlands LEP” (2011).

These two papers identify a number of characteristics and issues for rural areas in the South East Midlands area:

**Self-employment rates tend to be higher in rural areas.** This is particularly evident in the South East Midlands area, where the self-employment rate in the rural areas is nearly double the rate for the urban parts. To a considerable extent, this is also reflected in the levels of VAT registered businesses, which is significantly higher in rural areas, but less so in the South East Midlands area compared with regional and national estimates. Importantly though, a much greater proportion of the business activity in the rural parts of the South East Midlands area is focussed in micro businesses (0-4 employees) and the agricultural sector.

**Higher than average occupational levels:** similar to the national and regional picture, and reflecting the attraction of the rural lifestyle and environment to higher level occupations, the employment rate in rural parts of the South East Midlands area is higher than in the urban parts.

**Working from home.** The proportion of people working from home is significantly higher in rural areas than in urban areas. This, of course, means that it is crucial that superfast broadband coverage and take up is extended to the rural areas as far as possible.

**Higher proportions of knowledge workers.** Reflecting the higher skills levels and greater proportion of knowledge workers in rural areas, the average household income in rural areas is also significantly higher than in urban areas. Notably, with an average household income 20% higher than in urban areas, the rural/urban differences in the South East Midlands area, on this particular measure, are much more pronounced than regionally and nationally.

**Housing affordability** appears to be less of an issue in the rural parts of the SEMLEP area than nationally.

**Jobseeker’s Allowance (JSA) claimant rates for rural areas** in South East Midlands has historically been much lower than in urban areas and continue to be so, despite a recent increase in the claimant rate. This measure, however, masks some “hidden” unemployment. Indeed, it is estimated nationally that less than 60% of unemployment is covered by the claimant rate. Notably, the claimant rate in rural parts of the SEMLEP area is significantly higher among people aged 50+ years (relative to urban areas).



**Access to services** continues to be an issue for many rural communities, for example within one area issues have been highlighted in Riseley, Washington, Woburn, Clipson, Blakesley and Brill. Consequently, there is a high reliance on cars in the rural parts of the South East Midlands area. Indeed, more than half of the households have two or more cars.

**Farming and diversification.** Continued support for diversification has a role to play in enabling farmers to restructure to meet the new challenges, such as increasing competition. It provides a number of benefits and forms an important mechanism in integrating farmers into the wider rural economy.