

THE PERFORMANCE OF THE NEW FOREST ECONOMY

1. RECOMMENDATIONS

- 1.1 That the Panel note the contents of the report.

2. INTRODUCTION

This report provides a snapshot of the performance of the New Forest Economy using headline data.

3. BACKGROUND

- 3.1 The New Forest economy is hugely diverse in terms of the geographical landscape of the district, the workforce which shapes the local economy and the businesses located within it.
- 3.2 The New Forest economy is amongst the largest in Hampshire, however its overall growth does not reflect this for a variety of reasons. An ageing workforce, an underrepresentation of high value added sectors and a high proportion of unskilled residents are all limiting factors.
- 3.3 These influences on the New Forest Economy, as well as the impact of the Covid pandemic, are demonstrated through a variety of different data sources.
- 3.4 This report provides a snapshot of the number of people claiming benefits principally for the reason of being unemployed. Future updates will cover other indicators including businesses demography (business births, deaths and survival rates). The business demography data for 2020 will be published in November 2021.

4. New Forest Economic Snapshot:

- 4.1 **National & South-East region Headlines relating to July 2021** (latest available data):

The latest update from the Economic & Business Intelligence Service, Hampshire County Council: Hampshire Monthly Labour Market Update (August 2021) stated:

'The UK economy accelerated with the relaxation of Covid-related restrictions, and adjusted for inflation, the UK's economy grew by 4.8% between April and June (Q2).

Office for National Statistics (ONS) Headline (Survey-based) Labour Market statistics shows the labour market in July continuing to rebound well, with record vacancies, a rise in employment and pay-rolled employees, and falling unemployment'.

There was a strong increase in demand for labour with a monthly increase in hiring intentions in Hampshire and Isle of Wight'.

- 4.2 **New Forest Claimant Count:**

The monthly Claimant Count is a measure of the number of people claiming benefits principally for the reason of being unemployed, based on administrative data from the

benefits system. The monthly Claimant Count rate is the best proxy for unemployment at the local level. There is a data lag of approximately six weeks from month end.

- 4.3 **The Claimant Count for ages 16-64 to July 2021:** The New Forest Claimant Count has been consistently lower than the national average but more closely aligned to the Hampshire average with both seeing similar rates and trajectories.

The chart in Appendix 1 shows the impact of Covid restrictions, and the resultant economic shock, on the New Forest Claimant Count from March 2020 onwards. In May 2020 this peaked at 4,435 individuals claiming benefits. This trajectory and rates closely mirrored that for Hampshire.

Latest figures for the period to July 2021 show a decrease in the Claimant Count for the New Forest, Hampshire and England as restrictions were relaxed and recruitment increased. In the New Forest, the influence of the hospitality sector and associated vacancies in seasonal roles meant the reduction in the Claimant Count was more pronounced than in the rest of Hampshire.

A chart illustrating the Claimant Count for ages 16-64 to July 2021 can be found at **Appendix 1.**

- 4.4 **The Claimant Count for ages 16-24 to July 2021:** Of the 4,435 individuals aged 16 – 64 claiming benefits in May 2020, approximately 835 were young people aged 16-24. The industries that typically employ young people: retail, hospitality and leisure, are all key sectors in the New Forest and all disproportionately impacted by the pandemic. As with the claimant count for all ages 16 – 64; the influence of the hospitality sector and associated vacancies in seasonal roles has resulted in a decrease in claimants since restrictions were lifted.

A chart illustrating the Claimant Count for ages 16-24 to July 2021 can be found at **Appendix 2.**

5. Initiatives to support the Economy

- 5.1 The Economic Development team are working with partners to provide access to training and support for those who are currently unemployed. Current initiatives include:

The Rebel Business School: 18 – 22 October 2021. This is a collaborative project with three other local councils. The award winning Rebel courses promote a new way of thinking and practical ways to get business ideas off the ground. It is targeted at both start up and early stage businesses and entrepreneurs. At a previous Rebel school in Dec 2020; 37% of the attendees were unemployed at the time the event started (many were referrals from Job Centre Plus). 35% of attendees started their businesses following the course and 65% were almost ready to start. Promotion of the scheme across the District will commence shortly and members will be provided with further information.

The Youth Employment Hub: Economic Development, with partners in Eastleigh Borough Council, Test Valley Borough Council and Winchester City Council, have combined with the DWP (Department of Work & Pensions) to develop a new 'Youth Employment Hub'. The Hub will support young people across the four districts and is a virtual, face to face (if restrictions allow) and telephone-based support service with resources and opportunities designed to connect, listen to and provide solutions for young people to find employment, enhance their career prospects and secure their futures. The project aims to reduce the barriers for young people aged 16-24 and will work closely with employers, training providers, schools and colleges to give young

people the chances they deserve. The project is currently recruiting advisers and will be formally launched later in the autumn. Further information is available at <https://www.newforest.gov.uk/article/1107/Employment-skills-and-training-support>

Supporting Young Entrepreneurs: Economic Development is working with partners to develop support for the next generation of entrepreneurs through a 'New Forest Young Entrepreneurs Programme' of events. This will provide young people with the skills and knowledge to help them consider self-employment as a career option. Further information will be available in due course.

6. CONCLUSIONS

- 6.1 It is important that there is an understanding of how our economy is performing and target initiatives to address identified issues. Future reports will be brought to the Panel tracking the performance of the economy of the District.

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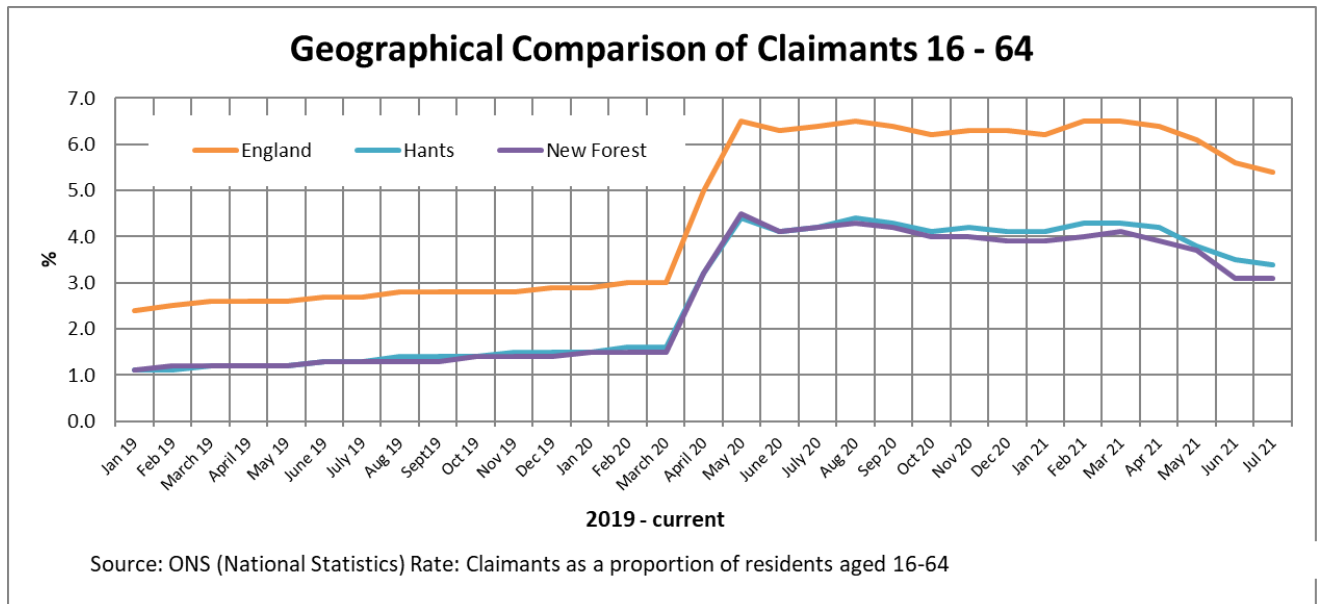
Background Papers:

Data Source: ONS (National Statistics)
Claimants as a proportion of residents
aged 16-64 & 16-24

Economic & Business Intelligence
Service (EBIS), Hampshire County
Council:
Hampshire Monthly Labour Market
Update August 2021

Appendix

Appendix 1: Illustrating the Claimant Count as a proportion of residents aged 16-64 to July 2021



Appendix 2: Illustrating the Claimant Count as a proportion of residents ages 16-24 to July 2021

