

THE NEW FOREST LABOUR MARKET PROFILE

1. RECOMMENDATIONS

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

2. INTRODUCTION

- 2.1 This report provides a snapshot of the New Forest Economy using headline labour market 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. These influences on the New Forest Economy are demonstrated through a variety of different data sources.
- 3.3 This report provides a snapshot of the key aspects of the New Forest labour market which in turn influences the prosperity and further growth of the District.
- 3.4 The previous COSP report, submitted on 23 September 2021, detailed the New Forest Claimant Count (unemployment) with particular emphasis on youth unemployment figures and the impact of the pandemic. Future reports will cover other indicators of the health of the local economy including businesses demography (business births, deaths and survival rates). The business demography data for 2020 will be published in November 2021 and will be the subject of a COSP report in the new year.

4. New Forest Economic Snapshot:

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

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

'The UK economy sees growth but labour supply not keeping pace with labour demand.'

In Hampshire: *'Demand for labour remains strong with a robust uptick on the month in hiring intentions for Hampshire and Isle of Wight. September's online job postings were up 10% on a sluggish August, 34% higher than a year ago and 9% above pre-pandemic levels (Feb 2020).'*

There were 32,000 Hampshire & Isle of Wight residents on furlough to end of August 2021, with a 4% take-up rate. This is marginally lower than the national and South East region averages (5%). The Hampshire County Council area (County area) uptake is also 4% based on 22,900 furloughs. The furlough scheme has now ended.

Around 31,000 self-employed Hampshire & Isle of Wight residents made a claim for the fifth grant of SEISS by mid-September 2021, representing a 31% take-up rate and broadly in line with national and South region averages. County area has 28% take-up rate (19,300)'.

4.2 **New Forest Labour Market Profile:**

Like many economic indicators, the labour market is affected by factors that tend to occur at around the same time every year; for example, school leavers entering the labour market in July and whether Easter falls in March or April. In order to compare movements other than annual changes in labour market statistics, such as since the previous quarter or since the previous month, the data are seasonally adjusted to remove the effects of seasonal factors and the arrangement of the calendar.

The tables below report from the latest available data provided by the ONS (Office for National Statistics).

The total population of the New Forest (2020) was 179,600 (Source: ONS Population estimates)

4.3 **Resident & Non Resident Workers in the District**

A key consideration when reviewing the New Forest Labour market are the levels of out commuting by residents to jobs in other districts and in-commuting by the non-resident workforce (see appendix 1). These figures are from the 2011 Census (the latest figures currently available).

The New Forest has a resident worker population of close to 84,000 and a total workplace population of over 76,000.

In simple terms, this pattern of cross commuting is in part due to those living in higher cost housing travelling out of the district to higher value jobs and those in lower income jobs travelling in from less expensive accommodation in Southampton and Bournemouth.

4.4 **Resident & Non-Resident Earnings**

Earnings of Residents (2020):

The earnings information collected relates to gross pay before tax, national insurance or other deductions, and excludes payments in kind.

The average weekly earnings (median) of New Forest residents are less than in the South East and Great Britain.

Earnings of Residents only	New Forest	South East	Great Britain
	(Pounds)	(Pounds)	(Pounds)
Gross Weekly Pay			
Full-Time Workers	599.9	631.8	587.1

Source: ONS annual survey of hours and earnings - resident analysis

Earnings of those working in the District (2020): - includes residents & non-residents

When data on earnings also takes into account those working in the District, but who are resident outside of the District, the impact of lower pay for workers who commute into the New Forest, can be seen in the table below.

Earnings of those working in the District	New Forest	South East	Great Britain
	(Pounds)	(Pounds)	(Pounds)
Gross Weekly Pay			
Full-Time Workers	570.8	608.6	586.7

Source: ONS annual survey of hours and earnings - workplace analysis

4.5 The Economically Active:

'Economically Active' is a measure of people who are either in employment or unemployed. The number shown on the table below is for those aged 16 and over, whilst the % are for those aged 16-64.

The table below shows that the New Forest had a slightly lower rate of economically active people than the comparator areas, however this figure reflects the higher number of people aged 16-64 who are 'economically inactive' (see below).

	New Forest	New Forest	South East	Great Britain
	(Numbers)	(%)	(%)	(%)
Economically Active residents	77800	76.5	80.8	78.4

Source: ONS annual population survey

4.6 Economic inactivity (Jul 2020-Jun 2021):

This is a measure of people who are neither in employment nor unemployed aged 16-64. The number shown on the table below is for those aged 16 and over, whilst the % are for those aged 16-64.

The main economically inactive groups are students, people looking after family and home, long-term sick and disabled, temporarily sick and disabled, retired people and 'discouraged' workers.

The figures in the table below reflect the District's higher proportion of 'economically inactive' students (43.4%) compared to averages across the South East (30.6%) and GB (28.5%). In addition, the New Forest has a higher proportion of retired people who are under 64 (17.8% in the New Forest compared to the South East at 16.3% and GB at 13.5%).

Other categories used to determine 'economically inactive' residents are similar in rates to the South East & GB whilst for others, the New Forest sample size is too small to be included in the breakdown of data.

	New Forest	New Forest	South East	Great Britain
	(Level)	(%)	(%)	(%)
Economic inactivity	22700	23.5	19.2	21.6

Source: ONS annual population survey

4.7 Employment by occupation: (Jul 2020-Jun 2021)

The table in appendix 2 shows New Forest occupations classified according to the Standard Occupation Classification 2010. The % shown is a proportion of all persons in employment.

The New Forest has an occupational deficit among higher skilled occupations with its comparator areas. Some 38% of New Forest residents were employed in one of the top three occupational categories, compared to 53% in Hampshire and 50% in GB. Around 36% of New Forest residents were in lower skilled occupations compared with 28% Hampshire and 31% in GB.

It is interesting to note the higher number of residents in 'Skilled Trades Occupations' than in the comparator areas, however ONS do not provide further detail of the composition of this group which would enable further analysis.

4.8 Qualifications of residents (Jan 2020-Dec 2020)

The figures in appendix 3 show the total number of people who are qualified at a particular level and above, so data in this table are not additive. The numbers and % are for those (resident population) aged 16-64.

In order to add value to the economy through higher value jobs and high growth businesses, there is first the need to ensure that the local workforce is adequately skilled to facilitate this. The New Forest suffers from a skills deficit at the higher end, with only 38% of those aged 16-64 having degree level or higher qualifications compared approximately 44% in the comparator areas.

In addition to ensuring that high growth businesses are provided with a suitably skilled workforce, there is also the need to provide support to lower skilled jobs which evidence shows make up a relatively high proportion of occupations in the district

Whilst the number of residents that have no qualifications is too small for reliable estimate, those residents in this group are by definition more likely to be NEETs (Not in Education, Employment or Training) and subsequently less likely to find employment.

4.9 Support to grow the New Forest economy

There are a number of initiatives that the Council are working on in response to the issues within the economy of the district:

This work programme includes:

- Working with partners, including the Solent LEP, Growth Hubs and Innovate UK to ensure New Forest businesses and entrepreneurs have access to targeted support, funding and specialist advice to help them to grow and create higher value, sustainable jobs.
- Developing a range of initiatives to ensure the resident workforce have the skills necessary to help drive the local economy and that young people see career opportunities within the district. This will include a 'Get Inspired' event which will bring together local businesses and young people to showcase the range of career and employment opportunities that already exist within the District.
- Working with partners to ensure young people have access to advice and information to help to reduce their barriers to employment.

The Central and West Hampshire Youth Employment Hub was launched on 1 November 2021 and has been developed by the Economic Development team along with partners in Eastleigh Borough Council, Test Valley Borough Council and Winchester City Council and the DWP (Department of Work & Pensions).

The Youth Hub will support young people across the four districts and is a virtual, face to face 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. Further information is available at www.newforest.gov.uk/article/1107/Employment-skills-and-training-support

5. CONCLUSIONS

- 5.1 It is important that there is an understanding of how our economy, and the work force which drives it, 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:

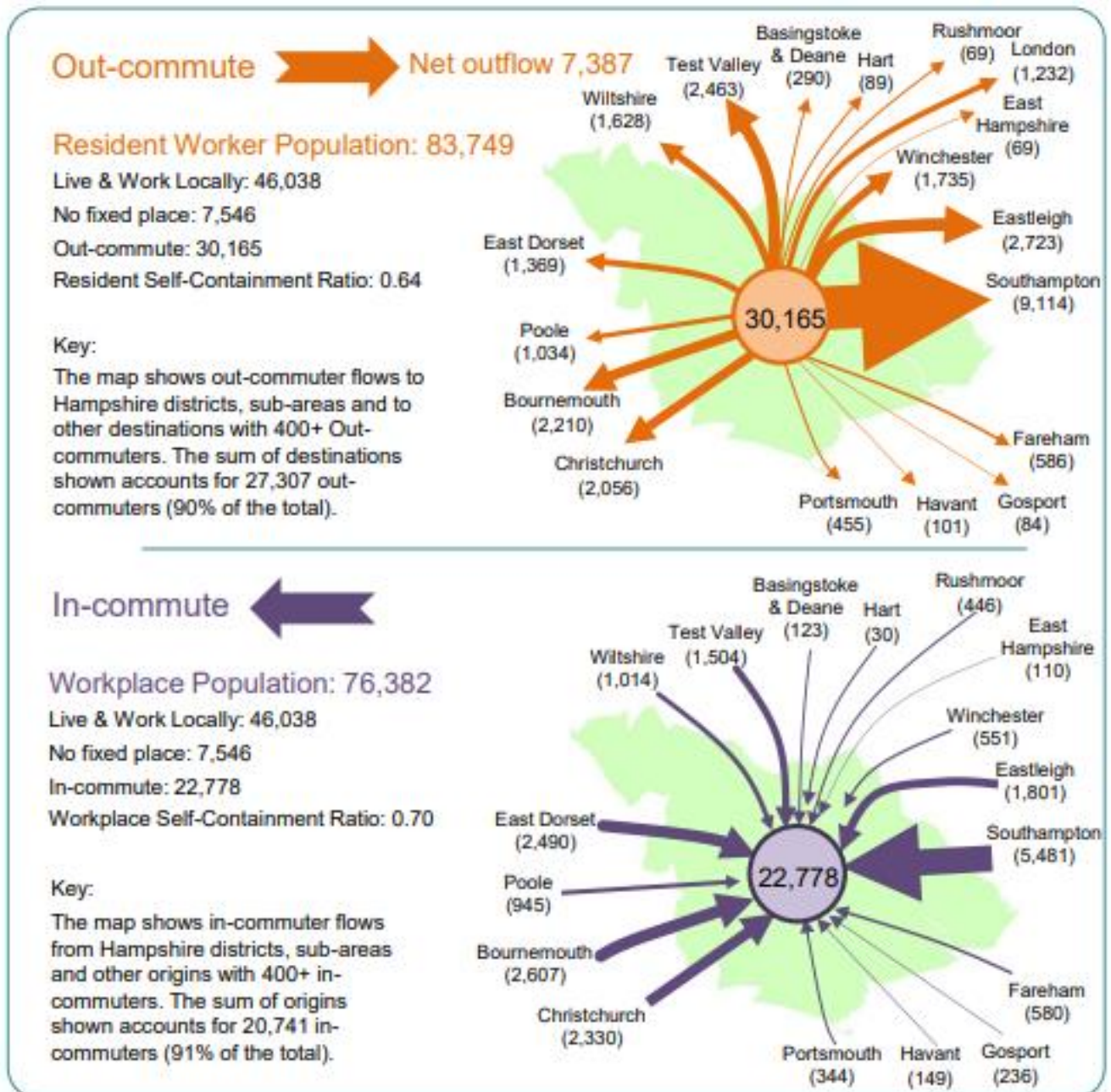
Data Source: Labour Market Profile - New
Forest, Nomis (Office for National Statistics)

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

New Forest Economic Profile 2018, New
Forest District Council

Illustrating the commuting patters in to and out of New Forest District for both residents and the District's workforce.

Source: New Forest Economic Profile 2018, based on data from ONS 2011 Census (latest available data)



Appendix 2: Employment by occupation: (Jul 2020-Jun 2021)

This table shows New Forest occupations classified according to the Standard Occupation Classification 2010. The % shown is a proportion of all persons in employment in the District.

	New Forest	South East	Great Britain
	(%)	(%)	(%)
1 Managers, Directors and Senior Officials	10	12.4	10.9
2 Professional Occupations	17.6	23.9	23.3
3 Associate Professional & Technical	10.6	16.6	15.6
4 Administrative & Secretarial	9.7	10.4	10.2
5 Skilled Trades Occupations	16.3	8.9	9
6 Caring, Leisure & Other Service Occupations	9.8	9.2	9
7 Sales & Customer Service Occupations	6.5	6.4	7.1
8 Process Plant & Machine Operatives	6.3	4.3	5.6
9 Elementary Occupations	13.2	7.8	9.1

Source: ONS annual population survey

Appendix 3: Qualifications of residents (Jan 2020-Dec 2020)

The figures in this table show the total number of people who are qualified at a particular level and above, so data in this table are not additive. The numbers and % are for those (resident population) aged 16-64. Source: ONS annual population survey.

symbol denotes a sample size too small for reliable estimate.

Qualification Level	Approximate equivalents	New Forest	New Forest	South East	Great Britain
		(Level)	(%)	(%)	(%)
NVQ4 And Above	e.g. HND, Degree and Higher Degree level qualifications or equivalent.	37,300	37.8	45.1	43.1
NVQ3 And Above	e.g. 2 or more A Levels, advanced GNVQ	61,000	61.9	63.8	61.3
NVQ2 And Above	e.g. 5 or more GCSEs at grades A-C, intermediate GNVQ	78,900	80	80.5	78.1
NVQ1 And Above	e.g. fewer than 5 GCSEs at grades A-C, foundation GNVQ	94,200	95.6	90.2	87.7
Other Qualifications	n/a	#	#	5	5.9
No Qualifications	n/a	#	#	4.8	6.4