

# CORPORATE AFFAIRS AND LOCAL ECONOMY OVERVIEW AND SCRUTINY PANEL JUNE 2022

## 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 in time for ONS (Office for National Statistics) Claimant Count data
- 3.5 This ONS data is for the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work.

### 4. New Forest Economic Snapshot:

#### 4.1 National & South-East region Headlines:

The latest update from the Economic & Business Intelligence Service, Hampshire County Council: Hampshire Monthly Labour Market Update (May 2022) stated:

*“Although the UK economy (GDP) grew by 0.8% in the three months to March 2022 (Quarter 1), on the monthly measure the economy was down 0.1% in March from no growth in February (revised downwards).*

*Office for National Statistics (ONS) Headline (Survey-based) Labour Market figures were positive with employment growth and the unemployment rate at its lowest for 50 years. However, economic inactivity\* remains stubbornly high despite record vacancies, although there were net flows from economic inactivity into employment.*

*The labour market continues to tighten as demand is not being met despite record vacancies, and for the first time there are more job vacancies than unemployed people. Labour demand remains solid in Hampshire, but April's figures saw a significant slowdown in online hiring intentions compared to March.*

*Higher wage growth in private sector, but real wages not keeping pace with rate of inflation. The CPI rate of inflation is currently at 9% and at its highest level since 1982, while the RPI rate in double digits at 11%.*

*On the timelier monthly claimant count measure, provisional unemployed benefit claimants in Hampshire were down in April 2022, and across all broad age groups”.*

\*Note: Economic inactivity is defined by the ONS as ‘People not in employment who have not been seeking work within the last 4 weeks and/or are unable to start work within the next 2 weeks’ i.e. they are neither working or actively seeking employment. Economic inactivity includes students, early retirees and the long-term sick.

#### 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 as at April 2022:** 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. This can be seen in the chart in Appendix 1

The chart in Appendix 1 also illustrates the impact of Covid restrictions, and the resultant economic shock, on the Claimant Count. In May 2020, during the first period of restrictions, the number of individuals aged 16 – 64 recorded on the New Forest Claimant Count peaked at 4,435 (4.5%). This trajectory and rate closely mirrored those for Hampshire.

Broadly the New Forest economy appears to be recovering positively from the impacts of the pandemic. The claimant count for April 2022 for ages 16 – 64 continues to move in a positive direction with the Claimant Count standing at 2,100 individuals (2.1%).

#### 4.4 **The Claimant Count for ages 16-24 as at April 2022:** Youth unemployment is also showing a positive trend; in April 2022, 335 young people aged 16-24 were recorded on the Claimant Count, down from a peak in July 2020 of 865.

The chart at Appendix 2 illustrates the Claimant Count for ages 16-24 compared to the Claimant Count for ages 16 – 64 from April 2021 to April 2022.

## 5 **Initiatives to support the Economy**

### 5.1 The Economic Development team are working with partners to provide access to support for residents that are currently unemployed, in insecure employment or wish to explore different career options. These include:

**The Central and West Hampshire 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 deliver the ‘Youth Employment Hub’. This is helping young people across the district find employment by offering advice and guidance in their future career path and the opportunities that are available to them.

One successful young person to have benefitted from this service is 17 year old Gary (name changed to protect identity). Gary was living alone with limited support and access to IT. When the Youth Employment Hub opened in Brockenhurst last year,

Gary attended weekly appointments where the team helped him to explore his options and realise his interest in hospitality. They helped him to put together an improved CV and begin searching and applying for hospitality apprenticeships. In February, Gary began a hospitality apprenticeship with a New Forest hotel.

The Youth Employment hub currently operates from venues in Totton College (Thursdays 10am to 4pm) and Brockenhurst Masonic Hall (Fridays 10am to 4pm). In addition, two outreach days are planned that will encompass Holbury and North Blackfield and Milton wards (both areas with proportionately higher youth unemployment)

Further information is available at: [www.newforest.gov.uk/article/1107/employment-skills-and-training-support](http://www.newforest.gov.uk/article/1107/employment-skills-and-training-support)

**Get Inspired New Forest:** In April 2022, NFDC in partnership with EBP South, ran a 'Get Inspired New Forest' event. Over 200 pupils from schools across the New Forest attended the event which aims to create awareness of and inspire young people about the variety of career options in the area. Businesses and not for profit organisations provided an exciting range of hands-on activities for the young people to take part in. The activities included putting science and engineering into action by creating circuits, using a training automated external defibrillator and trying a music mixing stand. These engaging sessions gave students the opportunity to interact with business professionals and learn about the wide variety of career options available to them.

## 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.

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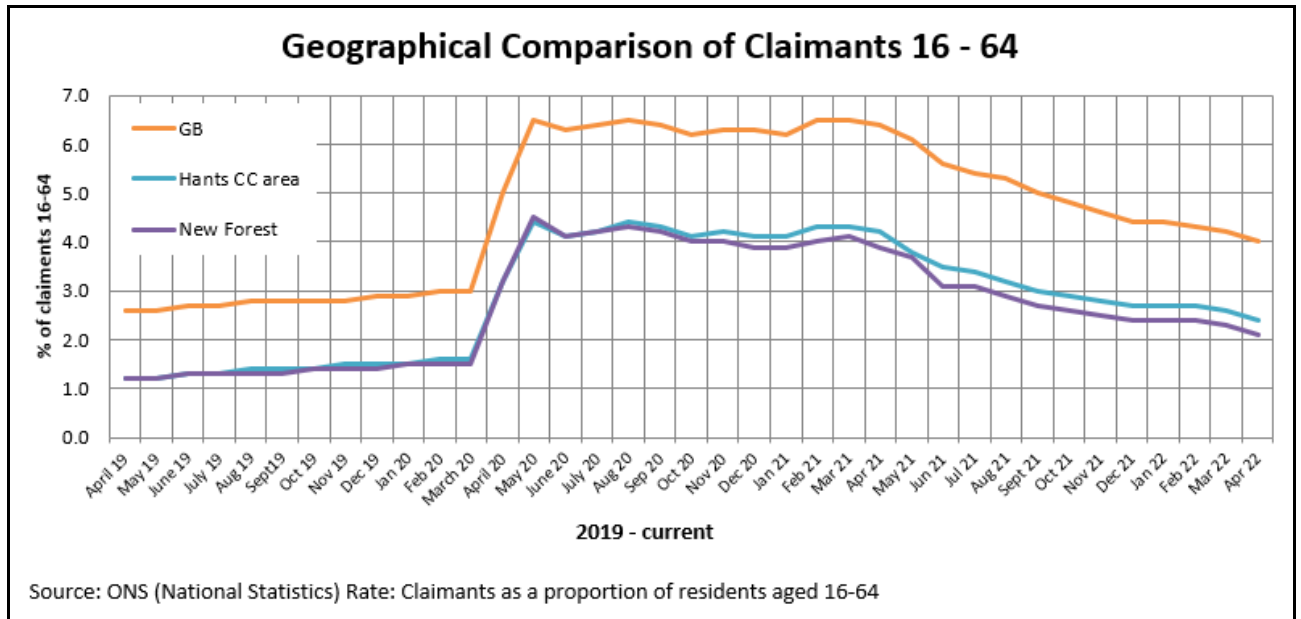
### Background Papers:

**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 May 2022**

**Profile of the New Forest Waterside,**  
**February 2022**

**Appendix 1: Illustrating a geographical comparison of claimants aged 16-64 as a proportion of residents aged 16-64 (as at April 2022)**



**Appendix 2: Illustrating:**

**RED Line:** The Claimant Count for residents aged 16 - 64 as a proportion of all residents aged 16-64 (as at April 2022)

**BLUE Line:** The Claimant Count for young people aged 16 - 24 as a proportion of all residents ages 16-64 (as at April 2022)

