



Nottinghamshire Economic Insight Issue 33: October 2012 Labour market

International:

The US unemployment rate fell in September to its lowest rate since January 2009, figures from the Department of Labor showed. It reduced to 7.8% in September from 8.1% in August. It surprised analysts who had expected a small rise. The latest data also showed that the US economy added a further 114,000 jobs in September, slightly more than markets had expected.

BBC News Business (5.10.12), [US unemployment rate falls in September](#), BBC © 2012

Europe:

Unemployment in the eurozone hit a fresh high of 18.2 million in August, the EU statistics agency said. The number out of work rose by 34,000, but after the July data was revised up, it meant the unemployment rate remained stable at a record high of 11.4%. The highest unemployment rate was recorded in Spain, where 25.1% of the workforce is out of a job, and the lowest of 4.5% was recorded in Austria. Youth unemployment remains a particular concern, with the rate among under-25s hitting 22.8% across the eurozone, and 52.9% in Spain. The commission repeated its call to governments and businesses to act to try to avoid the "disaster" of "a lost generation".

BBC News Business (1.10.12), [Eurozone unemployment at fresh high](#), BBC © 2012

National:

Figures reveal how the introduction of the English Baccalaureate has led to a huge increase in the proportion of young people studying the core academic subjects so highly valued by universities and employers. The EBacc was introduced by the Department for Education in the performance tables in January 2011. Pupils who achieve a GCSE grade C or better in English, maths, a language, history or geography, and two sciences achieve the EBacc.

Department for Education (DfE) (5.10.12), [Twice as many students now taking key academic subjects thanks to the EBacc](#), © Crown copyright 2012

This was the first national study dedicated to examining the psychological health and wellbeing of Jobseeker's Allowance (JSA) claimants. It was designed to inform policy on supporting unemployed people with different levels of psychological health to access services, seek jobs and return to work.

Sally McManus, Alice Mowlam, Richard Dorsett, Stephen Stansfeld, Charlotte Clark, Victoria Brown, Ivonne Wollny, Nilufer Rahim, Gareth Morrell, Jenny Graham, Rachel Whalley, Lucy Lee and Howard Meltzer Department for Work and Pensions (DWP) (3.10.12), [RR 810 Mental health in context: the national study of work-search and wellbeing](#), © Crown copyright

Labour is looking at plans to cut winter fuel allowance and other benefits for better off pensioners to use the cash to help fund social care for the elderly. Liberal Democrat social care minister, Norman Lamb, is seeking crossparty consensus on how to fund a cap on social care costs, identified in plans set out by economist Andrew Dilnot for the Government. Dilnot proposed to cap individual costs of care for elderly and disabled people at about £35,000. A report by the Institute for Fiscal Studies (IFS) suggested in June 2012 that means-testing the winter fuel allowance and TV licence could raise £1.4bn a year, almost enough to cover the Dilnot proposals (cost of more than £1.8bn a year).

Patrick Wintour, theguardian (3.10.12), [Labour considers curbs on universal benefits to pay for social care](#), © 2012 Guardian News and Media Limited or its affiliated companies

Labour leader Ed Miliband pledged to transform the lives of the "forgotten" 50% of young people in England who do not go to university. In his party conference speech in Manchester, he unveiled proposals for a new qualification - the technical baccalaureate - to be taken at 18. The aim is for the new qualification to replace the dozens of existing vocational qualifications with a single "gold standard" exam, which will also include maths and English. Labour would also reform apprenticeships, giving control of the £1bn budget for on-the-job training to business and allowing firms more of a say in setting the standards for vocational qualifications.

Brian Wheeler, BBC News Politics (2.10.12), [Ed Miliband tells Labour conference: We're the one-nation party](#), BBC © 2012

From 1 October, migrants who have overstayed their leave by more than 28 days and then apply for further leave in the UK will be automatically refused. Previous rules allowed people who had come to the UK on a work or study route to make further applications to stay, even if their original leave had long since expired. As a result migrants could apply to stay in the country more than a year after their leave had expired, without any penalty.

Home Office (1.10.12), [Rules to clamp down on overstayers take effect](#), © Crown copyright

The UK needs to increase by as much as 50% the number of science, technology, engineering and maths (Stem) graduates it is creating, according to a study by the Royal Academy of Engineering. It said 100,000 Stem graduates are needed a year just to maintain the status quo. It argued the UK is already slipping down the international innovation league tables. The UK has dropped to eighth globally in the number of US patents registered. The report estimated 830,000 graduate-level Stem experts and 450,000 technicians will be needed by 2020.

Hannah Richardson, BBC News Education & Family (1.10.12), [Warning over shortage of engineering graduates](#), BBC © 2012

Around half of the current year's graduates will struggle to find full-time jobs for many months after leaving university if current employment trends continue, according to research by the Local Government Association (LGA). It revealed that 51% of graduates were in full-time employment within three months from leaving university in 2010 (the latest figures available), compared with 57% in 2003. There is a huge variation in post-university employment levels across England and Wales, with some areas seeing around one in three (36%) graduates in full-time employment, while two in three (60%) are in work in other parts of the UK.

Jamie Doward, TheObserver (29.9.12), [New graduates face tougher struggle in their search for jobs](#), © 2012 Guardian News and Media Limited or its affiliated companies

This is a transcript of the speech by Minister for Welfare Reform Lord Freud at the Centre for Responsible Credit Annual Conference on 26 September 2012. He spoke about Universal Credit, and the provision of debt advice and financial inclusion.

Department for Work and Pensions (DWP) (26.9.12), [Centre for Responsible Credit Annual Conference - Speech by Lord Freud](#), © Crown copyright

This is a transcript of the speech by Work and Pensions Secretary Iain Duncan Smith at the Welfare to Work Conference, Glasgow on 19 September 2012. He talked about the Government's joined up social justice strategy across Scotland and the rest of the UK.

Department for Work and Pensions (DWP) (19.9.12), [Welfare to Work Conference, Glasgow: Speech by Rt Hon Iain Duncan Smith MP, Secretary of State for Work and Pensions](#), © Crown copyright

This is a transcript of the speech by Minister for Employment Mark Hoban, at Channel 4 on 19 September 2012, about tackling youth unemployment.

DWP (Department for Work and Pensions (19.9.12), [Tackling youth unemployment](#), © Crown copyright

The Work and Pensions Committee concluded that the Government's Youth Contract is a good start in attempting to tackle youth unemployment but that, on its own, it will be insufficient given the scale of the current problem.

Parliament.uk (19.9.12), [Youth unemployment: Government package not enough on its own, say MPs](#), © Parliamentary copyright

Many of the recent increases in women's employment levels have been in self-employment and involuntary part-time work, which pose a threat to their pay and job security, according to the latest economic report by the Trades Union Congress (TUC). While male unemployment rose fastest during the first two years of the recession, female unemployment has risen more sharply in the last two years, mainly due to public sector job losses. The report shows that the type of work women are doing has changed considerably since the recession. While the number of women in full-time employee jobs has fallen by 170,000, nearly 200,000 more women now describe themselves as being self-employed.

TUC (17.9.12), [Part-time work and self-employment are replacing full-time jobs for women](#), © Trades Union Congress 2012

The Government is considering ending the automatic annual increase in benefits in line with inflation, sources told BBC Newsnight. If implemented, the move would see many benefits frozen for two years then rising only in line with average pay. In recent years inflation has risen at a far higher rate than average earnings - Whitehall officials said a switch since 2008/9 would have saved £14bn. The Government needs to find £10bn of extra savings in the welfare budget.

BBC News Politics (17.9.12), [Government eyes end to benefits and inflation link](#), BBC © 2012

The GCSE exam system in England faces a shake-up which will mean a single end-of-course exam, fewer top grades and one exam board for each subject. Education Secretary Michael Gove and Deputy Prime Minister Nick Clegg were due to confirm the plans for reform. Pupils who have begun secondary school in September 2012 will be the first to take the revised exams in 2017.

BBC News Education & Family (17.9.12), ['Tougher GCSE' exam to be unveiled by Gove and Clegg](#), BBC © 2012

The number of people who believe that unemployment benefits are too high jumped sharply in the previous year, with the majority thinking that generous welfare payments prevent people "standing on their own two feet". It contrasts with opinion during previous recessions when support increased. The authors of the report said it pointed to a long-term change in attitudes, with support shifting away from a belief in state handouts. Despite doubts about the Government's austerity programme, the study showed strong public support for moves by Iain Duncan Smith, the Work and Pensions Secretary, to overhaul the welfare system. The survey, conducted by NatCen, a social research group, and funded by government departments and charities, has tracked public opinion in Britain over a period covering seven general elections, five prime ministers and three recessions, allowing it to distinguish from short and long-term trends. (See also 'the economy' pages).

John Bingham, The Telegraph (16.9.12), [Support for benefit system at lowest level for three decades](#), © Telegraph Media Group Limited 2012

The Work and Pensions Secretary, Iain Duncan Smith, warned by his own advisers that a vital element of his flagship bill to simplify the benefits system was "unworkable and unfair". Plans to force part-time workers to seek greater hours of employment or risk losing their benefits were condemned as unrealistic at a time of prolonged recession by the Social Security Advisory Committee, a Whitehall body in charge of monitoring the reforms.

Daniel Boffey, theguardian (15.9.12), [Welfare bill won't work, key advisers tell Iain Duncan Smith](#), © 2012 Guardian News and Media Limited or its affiliated companies

A quarter of universities in the UK's Russell Group still had vacancies, as the new tuition fees regime came in. The group, which includes many top universities, said changes to the funding system in England had meant students who wanted to go to a good university and had the right grades had not been able to. Six out of its 24 members had spaces. Higher Education Minister David Willetts said it was likely fewer people would go to university this year.

BBC News Education & Family (14.9.12), [Russell Group universities have student places](#), BBC © 2012

The number of people out of work fell by 7,000 to 2.59 million in the three months to July, compared with the previous three month period. The unemployment rate was 8.1%, down 0.1% on the previous quarter. The number out of work for more than a year was 904,000, the highest since 1996, official figures showed. However, the Office for National Statistics (ONS) also said the number of people claiming Jobseeker's Allowance fell by 15,000 in August to 1.57 million. The number claiming in July was also revised, to show a much larger fall than previously announced of 13,600; the largest drop since June 2010.

BBC News Business (12.9.12), [UK unemployment falls again in three months to July](#), BBC © 2012

Siemens, Sembcorp and Nissan are some of the 34 businesses that have successfully bid to design the vocational training programmes they need to create opportunities for young people, Business Secretary Vince Cable announced. They are the first round of winners taking part in the Employer Ownership Pilot (EOP). They will receive a share of £67 million and will more than match the funding by investing a combined total of £98 million. The EOP will give businesses access to up to a total of £250 million over two years, with more successful bidders being announced in October and a further bidding round to be launched in the autumn.

Department for Business, Innovation and Skills (BIS) (11.9.12), [Government and business boost UK workforce with £165 million co-investment in skills](#), © Crown copyright

Extract from Nottinghamshire County Council Employment Bulletin (figures relate to the bulletin titled August 2012):

Unemployment according to the Government's preferred measure was 2.59 million in the three months to July 2012, down 7,000 on the previous three months but up 61,000 on the same period a year ago. The unemployment rate was 8.1%, down 0.1 from the previous three months but up 0.1 from a year earlier.

The unemployment rate for 16-24 year olds was 21.6% in the three months to July 2012, down 0.2 from the previous three months. There were 1,020,000 unemployed 16-24 year olds in the three months to July 2012, up 7,000 from the three months to April 2012.

The seasonally adjusted claimant figure for the United Kingdom decreased by 15,000 last month to 1,570,500 and was down 3,600 over the year.

The number of people in employment aged 16 to 64 increased by 236,000 over the quarter to reach 29.56 million; this figure was up 431,000 on a year earlier.

The number of people in full-time employment has increased by 102,000 on the quarter to reach 21.44 million. The number of people in part-time employment was 8.12 million in the three months to July 2012, up 134,000 on the previous quarter.

Average total pay (including bonuses) was £471 per week in July 2012. In the three months to July 2012 total pay rose by 1.5% on a year earlier, down 0.3 from the three months to June. Average regular pay (excluding bonuses) was £443 per week in July 2012. In the three months to July 2012 regular pay rose by 1.9% on a year earlier, up 0.1 from the three months to June.

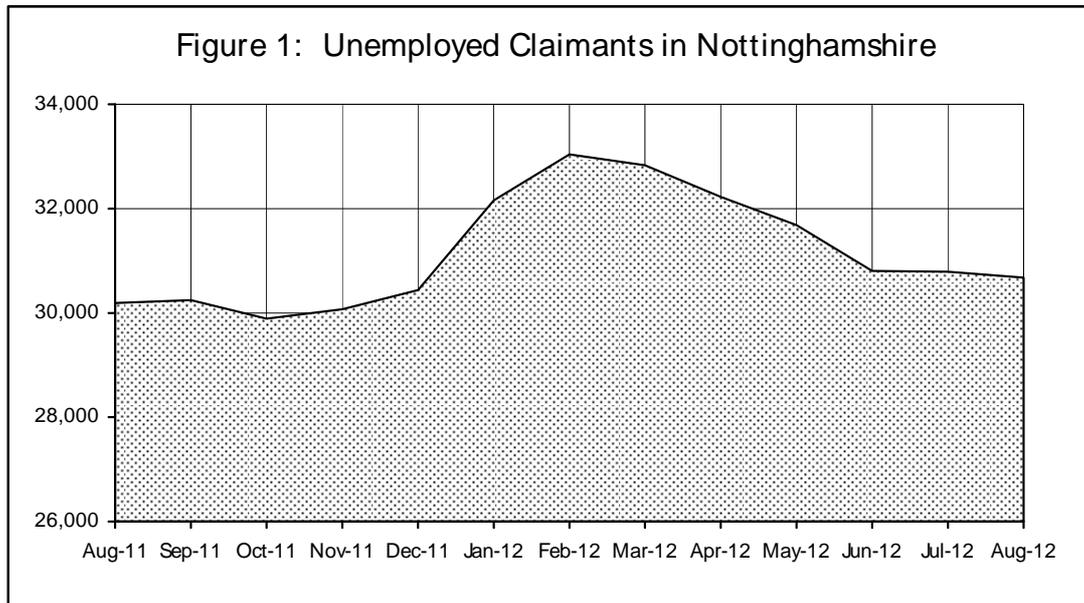
There were 473,000 job vacancies in the three months to August 2012, up 5,000 from the three months to May 2012 and up 14,000 on a year earlier. There were 1.8 vacancies per 100 employee jobs in the three months to August 2012, unchanged on the previous quarter but up 0.1 the year.

In the three months to July 2012, 142,000 people became redundant in the three months prior to their Labour Force Survey interview. This is down 13,000 from the previous three months and down 20,000 on the year. The redundancy rate was 5.7 per 1,000 employees, down 0.5 from the previous three months and down 0.8 from a year earlier.

The unadjusted claimant figure for the United Kingdom has decreased by 2,746 over the month to 1,569,926. The proportion unemployed calculated on the residence base now stands at 3.9% of the population aged 16-64.

Claimant Count data for Nottinghamshire

The number of claimants in Nottinghamshire has decreased by 115 between July and August 2012. The total of 30,677 is 490 more than it was a year ago (see figure 1). The proportion unemployed in Nottinghamshire is now 4.3%. This is higher than the East Midlands (3.7%) and the United Kingdom (3.9%).



Information relating unemployment in travel to work areas, local authority districts, parliamentary constituencies and wards is available in the latest Employment Bulletins at:

www.nottinghamshire.gov.uk/living/business/economicdata/employmentbulletins

Regional:

Commenting on the employment figures for August 2012 published by the Office for National Statistics (ONS), George Cowcher, Chief Executive of the Derbyshire and Nottinghamshire Chamber of Commerce (DNCC), said: "The overall unemployment total for the region and the claimant count for both the City and the County remain at similar levels to the last two months, which would suggest many local firms are holding off making decisions about whether to invest in their workforce until the current trading environment improves ... It's interesting to note that the East Midlands still has the UK's highest proportion of jobs in the production sector, which highlights the region's strengths in manufacturing that are driving employment opportunities upwards. Manufacturers tend to use a lot of part-time workers and recognise the importance of keeping skilled staff by reducing hours rather than cutting jobs. Given the fragile state the economy is in, with many local firms working below full capacity, this approach will be key to being able to meet new demand and grow quickly once the economy picks up."

Derbyshire and Nottinghamshire Chamber of Commerce (12.9.12), [Cut hours not jobs, says Chamber](#), © 2012
Derbyshire and Nottinghamshire Chamber of Commerce