

Southwark Council Economic Development Bulletin

February 2012

Key Statistics

Unemployment – January 2012

General stats

- 11,104 (5.3%) working age residents claiming JSA – higher than Inner London (4.7%) and London (4.4%).
- Southwark's 11,104 JSA claimants represent 6.5% of the economically active population. Comparative rates are 5.4% for Inner London¹ and 5.7% for London.
- 5,560 (2.6%) working age residents have been claiming the benefit for less than 6 months.
- 2955 (1.4%) residents have been claiming for over a year – Inner London's rate is 1.2% and London's rate is 1.0%.

Youth Unemployment

- 2420 people aged 16 to 24 (6.7% of residents in this age band) were claiming JSA in January 2012; this is a decrease of 70 claimants on the previous month. The claimant rate for young people in Inner London is 6.4% and the rate for London is 6.2%.
- 2,420 of the young claimants were aged 18 to 24 (7.7% of Southwark residents in this age band). Inner London's rate is 7.4%, while London's is 7.6%.
- 1,515 18 to 24 year olds claiming JSA are male; this is 9.1% of the male resident population in this age group. 905 (6.1%) were female.
- 260 young people aged 16 to 24 have been claiming for over one year. All of these claimants are over the age of 18 and 175 of them are male.

DWP Benefits – May 2011

- 33,450 (15.8%) Southwark working age residents were claiming a DWP benefit in May 2011. (Inner London-

15.3%, London - 14.3%). This was an increase of 60 on the previous quarter.

- 29,980 (14.2%) were claiming an out-of work benefit. (Inner London – 13.7%, London – 12.4%). 10,380 (4.9%) of working age residents in the borough have been claiming an out of work benefit for over 5 years. 7,970 (3.8%) have been claiming for less than 6 months.
- 4,180 claimants (13.9% of the claimant stock)² of out-of-work benefits are under the age of 25. 330 of these have been claiming for over five years. 29.0% young claimants on out of work benefits in Southwark have dependant children.
- 13,440 (6.4%) working age residents are claiming ESA or Incapacity Benefits. 580 (4.3% of the claimant stock) are under the age of 25.
- 4,870 (2.3%) are Lone Parents. 1,010 (around 20% of the claimant stock) are under the age of 25.
- 1,180 (0.6%) working age residents are on other income-related benefits. (London and Great Britain rates are 0.5%).

Jobs – June 2011

- 369,400 people were estimated to be working in Southwark as at June 2011. A decrease of 16,100 workers (-4.1%)³ from the previous quarter. The total number of jobs is estimated to have fallen by 17.9% (80,300 jobs) since June 2010.
- 83.5% of these are estimated to be in full time jobs.
- The number of 16-19 year olds in Southwark based jobs was estimated to have decreased by 11.8% on the previous quarter.
- 20-24 year olds in Southwark based jobs fell by approx. 5.2% within the quarter. This is estimated to have fallen by 27.7% since June 2010.

¹ Excludes City of London

² Inner London – 13.0%, London – 14.0%

³ Inner London -0.6%, London +0.3%

- 25-49 year olds occupying Southwark jobs fell by an estimated 5.2% on the previous quarter.
- People over the age of 50 in Southwark based jobs increased by 0.8%.
- The top occupation in Southwark is business, media, and public service professionals with 56,400 jobs.

Economic Activity – June 2011

- The economic activity rate for Southwark is 76.4% (Inner London – 74.7%, London – 75.0%)
- The employment rate for the borough is 67.2% (Inner London – 67.4%, London 68.1%)
- Southwark's unemployment rate⁴ is 10.5% (Inner London 9.5%, London 9.1%)⁵

Qualifications/Skills – Dec 2010

- 10.3% of working age residents have no qualifications, this figure is higher than Inner London's 9.2% and London's 9.9%. The rate for Great Britain's 11.3%
- 78.4% are qualified to at least level one. (Inner Lon – 78.5%, Lon – 76.3%, GB – 80.2%)
- 70.6% are qualified to at least level two. (Inner Lon – 71.4%, Lon – 67.3%, GB – 67.3%)
- 61.4% are qualified to at least level three. (Inner Lon – 62.2%, Lon – 55.7%, GB 51.0%)
- 49.6% are qualified to at least level four. (Inner Lon – 50.7%, Lon – 41.9%, GB – 31.3%)
- 11.2% have other qualifications. (Inner Lon – 12.3%, London – 13.8%, GB – 8.5%)

⁴ ONS model-based unemployment rate.

⁵ Unemployment rate and employment rate have different denominators. The unemployment rate is a percentage of the civilian labour force which does not include economically inactive, while the employment rate is the ratio of the employed to the working age total population. The reason for both the employment and unemployment rates for Southwark being higher than the comparative areas is likely to be due to a higher economic activity rate in Southwark (i.e. other areas have a lower labour market participation rate which brings down their employment rate.

Vacancies – January 2012

- There were 1,417 JCP notified vacancies in January 2012, a decrease of 83 vacancies on the previous month.
- 79.9% of vacancies were for full-time positions – an increase on December's 64.1% but still lower than November's 82.3%. 25.4% of vacancies for self-employed positions, an increase on Dec's 13.7%
- The top occupation was associate professional & technical occupations.
- The top industry was banking, finance, and insurance.

Business Start-ups – January 2012

- 1.3% more businesses started up in Southwark in January 2012 compared with a year earlier, according to latest data from a BankSearch survey.
- 317 new businesses started up in January 2012, 62 more than the previous month (Dec is a quiet month for business starts).
- 96% of all new commercial enterprises were based in urban areas. At ward level, The Lane saw the most start-ups; East Walworth saw the least.
- The top industry for new start-ups was real estate, professional services, and support activities.

Business stock - 2011⁶

- Southwark's current stock of VAT and/or PAYE registered businesses is 11,745 (6.7% of the Inner London stock).
- 10,250 of these businesses have less than ten employees (8,775 have less than five – this is the fourth highest figure for inner London for this headcount band).
- Southwark's stock of local units in a VAT or PAYE based enterprise is 13,815.

⁶ Data was taken on the 28th of March 2011. Source: ONS/ Inter Departmental Business Register (IDBR)

News

Childcare

Social Market Foundation (SMF) calls for Government supported “use now, pay later” scheme for childcare

Parents should be able to access financial support of up to £10,000 from the Government to pay for childcare which they would then pay back as monthly contributions made through the tax system, according to The Social Market Foundation's. Their report, *A Better Beginning*, proposes a 'National Childcare Contribution Scheme', which would use the Government's low cost of borrowing to help parents overcome the huge financial burden of childcare. The scheme would extend the benefits of formal childcare to more children and families, without creating additional costs to the Exchequer.

The SMF paper comprehensively models how a National Childcare Contribution Scheme would work and recommends that the scheme adopt the following features:

- All working parents with a child under school-age would be eligible;
- Parents would be given the money up-front by Government through a voucher scheme and would then use a smart card to pay for childcare at a high quality formal childcare provider;
- The main earner would start paying back the contribution at 6% of their gross income above the income tax personal allowance (£8,105 for 2012-13);
- Parents would stop the monthly payments once they have paid back the amount in full or after 20 years;
- An interest rate of 3% above inflation would be applied.

http://www.smf.co.uk/files/4313/2864/0423/SMF_NCCS_final.pdf

Work Programme

ERSA's early indicative Work Programme performance figures and comments on DWP stats.

The Employment Related Services Association (ERSA), the trade association for the welfare to work industry, today provides the first indicative performance figures for the Work Programme.

Based on data from some of the largest prime contractors of the Work Programme, ERSA figures show that between 18% and 23% of customers who were referred to the Work Programme in June 2012 have already started employment, meaning that one in five customers have already found a job. This is in line with provider expectations.

ERSA welcomed the publication by the Department for Work and Pensions (DWP) of the first official statistics relating to the Work Programme.

In response to the news that referral figures for the first five months of the Work Programme were significantly higher than those previously predicted, Kirsty McHugh, ERSA's Chief Executive said: "The much higher than expected number of referrals has presented a significant challenge to welfare to work providers and it is a credit to the industry that it has been able to accommodate these so flexibly."

The figures reveal that the composition of referrals is different to that which was anticipated, with a lower number of Employment and Support Allowance (ESA) jobseekers coming onto the Programme. On this point, Kirsty McHugh continued:

“The low level of ESA referrals has a number of implications: first for provider cash flow, as ESA customers attract a higher payment level from government; secondly for voluntary and community sector providers of the Work Programme, as the sector disproportionately services these customers; and third and most importantly for customers themselves, as low referrals mean that they will not be accessing the specialist support to find and sustain employment to which they are entitled.

Figures for Southwark (October 2011) are in the tables below:

Table 1: Referral⁷ by payment group

Southwark (referrals)	Number	Proportion of total
Total	2420	
JSA 18 to 24	360	14.88%
JSA 25 and over	960	39.67%
JSA Early Entrants	920	38.02%
JSA Ex-Incapacity Benefit	-	-
ESA Volunteers	-	-
New ESA claimants	100	4.13%
ESA Ex-Incapacity Benefit	10	0.41%
IB/IS Volunteers	70	2.89%

Table 2: Attachments⁸ by payment group

Southwark (attachments)	Number	Proportion of total
Total	1,950	
JSA 18-24	260	13.33%
JSA 25 and over	770	39.49%
JSA early entrants	780	40.00%
JSA Ex-Incapacity Benefit	-	-
ESA Volunteers	-	-
New ESA claimants	70	3.59%
ESA Ex-Incapacity Benefit	-	-
IB/IS Volunteers	60	3.08%

Table 3: Attachments by Ethnicity and age

Work Programme Attachments (Southwark)	Total	Age						
		18 - 24	25 - 34	35 - 44	45 - 49	50 - 54	55 - 59	60+
Total	1950	320	410	450	30	280	170	20
Ethnicity summary	680	110	120	160	10	10	80	10
White								
Mixed	90	30	20	20	10	10	-	-
Asian or Asian British	70	10	20	20	10	-	-	-
Black or Black British	83	120	200	190	140	130	40	10
Chinese or Other Ethnic Group	10	20	20	20	20	10	10	-
Prefer Not to Say	180	30	30	40	20	30	20	-

DWP tabulation tool: <http://83.244.183.180/WorkProg/tabtool.html>

⁷ Referrals are made electronically by Jobcentre Plus

⁸ Once the provider has engaged with the client, they are required to register the attachment.

Skills

Government Announces £4.5 Million City Skills Fund (England)

A £4.5 million fund supporting collaborative projects between England's biggest cities and colleges, designed to boost adult skills, has been announced by the Government.

The City Skills Fund will be available to the eight core cities in England, plus London, and their surrounding local enterprise partnership (LEP) areas. It is part of the City Deal which frees cities from Whitehall control in several areas, allowing them to decide how best to drive growth in their region.

Each city will receive approximately £500,000 to address skills priorities across their regions.

The Skills Funding Agency is responsible for managing the funds. It is planned that the funding will be allocated before 31 March 2012.

<http://nds.coi.gov.uk/>

Radical new approach to defuse 'ticking time bomb' of NEETs

As part of the Youth Contract, The Deputy Prime Minister Nick Clegg will unveil a pioneering scheme to get 16- and 17-year-olds who are out of work and not in education, earning or learning again. Help will focus on at least 55,000 young people – those 16- and 17-year-old NEETs (Not in Education, Employment or Training) with no GCSEs at A* - C at the highest risk of long term disengagement. The Government is making £126m of new money available to give teenagers opportunities to train, work and get their lives on track.

Charities and businesses with expertise in supporting young people are being invited to bid for contracts worth up to £2,200 for every young person they help. Support will be tailored to suit individuals' needs, and may include support to help them access and remain in education, training or an apprenticeship.

Unlike any past schemes for this age group, payment will depend on results. Organisations will receive an initial payment for taking young people on, followed by subsequent payments when they show progress – including remaining in education, undertaking apprenticeships, or holding down a job. To achieve the best results, the scheme will give total freedom to those providing support – as long as the end result is success for the young person.

Funding will be awarded to organisations across England with a proven track record in getting young people into education, work, apprenticeships, or training. Three areas – Liverpool, Leeds-Bradford-Wakefield and Newcastle-Gateshead – will be able to allocate their own pot of money as part of the Government City Deal agenda, aimed at giving more autonomy to England's core cities.

Local authorities will be central to the success of the programme. They will work with successful providers to target those young people in their area who will benefit most, fitting this programme with other provision on offer locally.

Consultations

New system, designed to deliver 'timely, proportionate and effective justice for claimants', to start from April 2013

DWP has issued a consultation on the mandatory consideration of revision before appeal,

In a new consultation document, '*Mandatory consideration of revision before appeal*', which also contains draft regulations, the DWP sets out its proposals for the implementation of powers contained in the *Welfare Reform Bill 2011* which will mean that a claimant must request a revision of a decision before being able to lodge an appeal.

The DWP says that it plans to reform the appeals process so that, in future, claimants disputing a decision on their benefit claim or child support case will follow an escalating process of mandatory reconsideration and formal appeal which will allow it to carry out a 'robust review' of the disputed decision, with claimants given an opportunity to provide supporting information.

To support the 'robust review', the DWP says it plans to make improvements to the decision making process to make the reconsideration more independent, with a different officer taking a fresh look at the decision and re-examining the evidence provided, and the outcome being communicated more effectively, by phone whenever possible for the main benefits and child support, to provide the claimant with a clear explanation of the benefit decision.

The consultation document goes on to set out details of the DWP's proposals as to how the new process will work, including that it will start in April 2013, that it will exclude housing benefit and council tax benefit, and that appeals will be made directly to Her Majesty's Courts and Tribunals Service.

NB - the deadline for responding to the consultation is 4 May 2012.

The [DWP consultation on mandatory consideration of revision](#) before appeal is available from the DWP website.