



To: Economy and Jobs Policy Board

On: 25th May 2016

Report by: Director of Development and Housing Services

Heading: Labour Market Update and Business Birth and Death Rates

1. Summary

- 1.1 This paper provides the Policy Board with the most recent labour market statistics for Renfrewshire (end of March 2016). Where the data is available a comparison is made with the Scottish and UK figures.
 - 1.2 It should be noted that the reporting of unemployment stats has been changed nationally to incorporate new experimental Universal Credit figures. The report now reports on "Claimant Count" unemployed (a combination of JSA and UC claimants) where previously only JSA figures were available.
 - 1.3 The paper also provides the most recent annual figures for the Business Birth and Death rates for Renfrewshire and Scotland.
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2 Recommendations

Board members are asked to:

- (i) Note the change in reporting to new experimental statistics incorporating the Universal Credit figures;
- (ii) Note the most recent Business birth and death rate figures and Renfrewshire's relative position against the Scottish average.

3. Background

- 3.1 The report provides the current claimant figures for the end of March 2016.
- 3.2 There have been changes to the claimant count on ***nomis***, which is part of the Office for National Statistics (ONS). Now, Job Seeker's Allowance (JSA) and Universal Credit (UC) are measured together in one statistic: **the claimant count**.
- 3.3 The overall, long term goal of ***nomis*** is that **the claimant count** will be the **total number of JSA claimants + unemployed UC claimants**. These statistics are still experimental, but they allow for a comparison of Renfrewshire with Scotland and the UK.
- 3.4 For Renfrewshire, we currently have information on the following:
- **All Ages: 16+ (16-64)**
 - **Youth: 18-24**
 - **25-49**
 - **50+**
- 3.5 The claimant count is a measure of the number of people with live claims for the principal reason of being unemployed. Previously, Job Seeker's Allowance (JSA) was the main unemployment benefit. Now, Universal Credit (UC) is a new benefit also incorporated. However, UC is not an unemployment benefit entirely, given that some UC claimants will be in work, while others are unemployed but not required to seek work.
- 3.6 The experimental statistics still include UC claimants who are not in-work, but are also not required to seek work – a group that skew the statistics for as long as they are counted.
- 3.7 These new experimental statistics that now combine JSA and UC stretch as far back as January 2013 when the first pilots were introduced. Although experimental, this new claimant count is now the new standard. By contrast, the previous norm of using purely JSA claimants is no longer the official claimant count and is being slowly phased out.
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4. Labour Market Statistics for the month of March 2016

- 4.1 Renfrewshire's overall Claimant Count (experimental) figure for March 2016 is 2.6% with 2940 people claiming JSA. This figure represents a higher increase than we would expect to see over the past 3 months but still represents a fall from 2.9% at the same time last year.
- 4.2 Renfrewshire's youth unemployment rate is currently reported as a Claimant Count (experimental) figure of 3.8% with claimants totalling 570 for March 2016. This month the rate increased by 0.2% and Renfrewshire is currently ranked 18th out of the 32 local authorities.
- 4.3 Adult unemployment for Claimants aged 25 – 49 has remained constant at 2.8% with claimants totalling 1,600. The rate was higher this time last year at 3.3%.
- 4.5 The adult Claimant rates for those aged 50+ has also increased over the first quarter and is currently 2.2% with claimants totalling 750. The Claimant Count (experimental) figures now show that the rate for this group has increased from last year's figure of 2%.
- 4.6 The attached newsletter contains additional statistical information as well as the most up to date information on the Invest in Renfrewshire programme.

5. Business Birth and Death Rates

- 5.1 The report provides the most recently published Business Birth and Death statistics from ONS for all Scottish Local Authority areas as at November 2014. The main figures are presented in Appendix 1 of this report. The number of business births is defined as new VAT/PAYE registrations during the year.
- 5.2 Business deaths are defined as the number of businesses de-registering during the year although not necessarily ceasing to trade.

Business Demography				
Enterprise Births and Deaths				
		2013	2014	% inc/dec
Scotland	Births	21540	21235	-1.4%
	Deaths	14865	15565	4.7%
Net new births		6675	5670	- 15%
Renfrewshire	Births	610	605	-0.8%
	Deaths	445	465	4.5%
Net new births		165	140	- 15%

- 5.3 Renfrewshire sustained a slight fall of 0.8% (a reduction of 5 businesses) in business births in the period 2013 to 2014. Scotland sustained an average fall of 1.4% in business births over the same period.
- 5.4 Renfrewshire Business Death rate increased slightly over the 2013-14 period by 4.5%, representing an increase of 20 additional business deaths than the previous year. This rate was slightly lower than the Scottish overall rate of 4.7%.
- 5.5 Appendix 1 identifies the business birth and death rate per 10,000 working age population. While business births fell in Renfrewshire, the business birth rate per 10,000 population remained unchanged at 42.
- 5.6 The birth rate per 10,000 population ranges from 32 to 67 across Scotland with 17 unique rates shared by the 32 local authorities.
- 5.7 The business death rate in Renfrewshire has increased slightly from 31 to 32 de-registrations per 10,000 working age population. Scotland faced a similar point increase in rate from 34 to 35 in the period.
- 5.8 Overall the Renfrewshire position is positive with more business births, than deaths, in every year 2009 -2014. The Scottish average saw two years over this period (2009 and 2011) where there was a net loss of businesses.
- 5.9 The Renfrewshire figures however show that the net business births have decreased and that Renfrewshire is not performing to the same level as other Councils areas in the Clyde Valley. This is potentially down to a particularly strong labour market in Renfrewshire and increased numbers choosing employment over self employment.

Implications of the Report

- 1. **Financial** - None
- 2. **HR & Organisational Development** – None
- 3. **Community Planning – Jobs and the Economy** - Labour market intelligence is vital to informing future policy and service delivery decision making across the Community Planning Partnership.
- 4. **Legal** – None
- 5. **Property/Assets** – None

6. **Information Technology** – None
7. **Equality & Human Rights** -
The Recommendations contained within this report have been assessed in relation to their impact on equalities and human rights. No negative impacts on equality groups or potential for infringement of individuals' human rights have been identified arising from the recommendations contained in the report because it is for noting only.
8. **Health & Safety** – None.
9. **Procurement** – None
10. **Risk** – None
11. **Privacy Impact** - None

List of Background Papers

- (a) None
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Author: Ruth Cooper, Economic Development Manager
ruth.cooper@renfrewshire.gov.uk
Tel: 0141 618 7868

Renfrewshire Economic Development

Newsletter – April 2016



Important Changes to the Newsletter Statistics

There have been significant changes to the claimant count on nomis, which is part of the Office for National Statistics (ONS).

Previously the most regularly updated figures indicating, at local authority level, those unemployed and seeking work were the Job Seeker Allowance (JSA) figures. These figures have been used and reported on regularly to the Economy and Jobs Policy Board over the past few years.

The new Universal Credit (UC) system has rolled out in stages across the country since 2013. There have been no published figures available on UC since the roll out until now.

From March 2016 the Nomis figures have changed and Job Seeker's Allowance (JSA) and Universal Credit (UC) are measured together in one statistic: the claimant count.

The Claimant Count

The claimant count is a measure of the number of people with live claims for the principal reason of being unemployed. Previously, Job Seeker's Allowance (JSA) was the main unemployment benefit. Now, Universal Credit (UC) is included.

These new experimental statistics that now combine JSA and UC stretch back to January 2013 when Universal Credit started to roll out in pilot areas. Although experimental, this new claimant count is now the new standard. By contrast, the previous norm of using purely JSA claimants is no longer the official claimant count and is being slowly phased out.

The experimental statistics still include UC claimants who are not in-work, but are also not required to seek work – a group that skew the statistics for as long as they are counted.

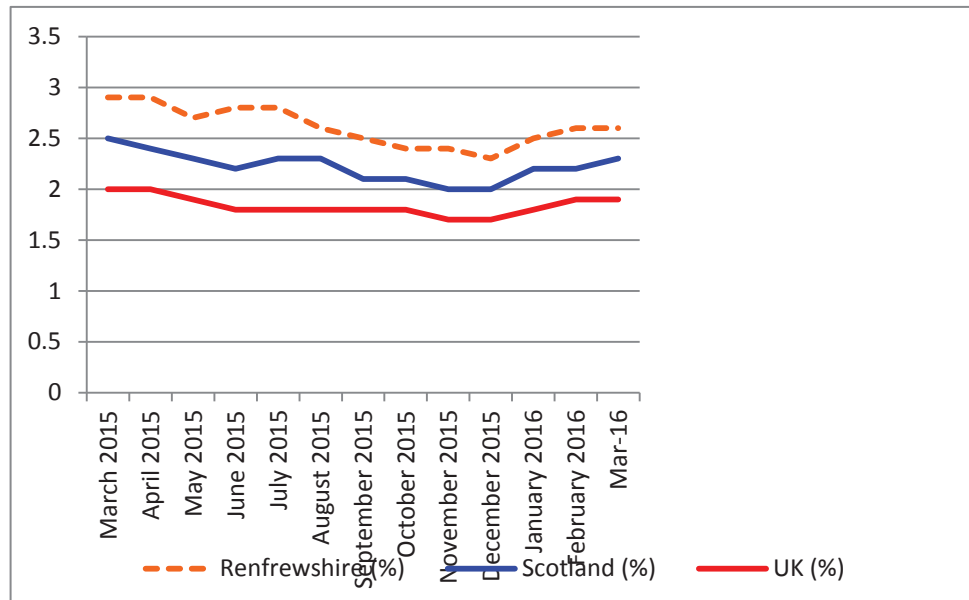
The new Claimant Count figures are relatively limited at present and provide information on key age groups but not length of unemployment or the breakdown of male /female. It is expected that this further breakdown of information will become available soon.

March 2016: Claimant Count Figures

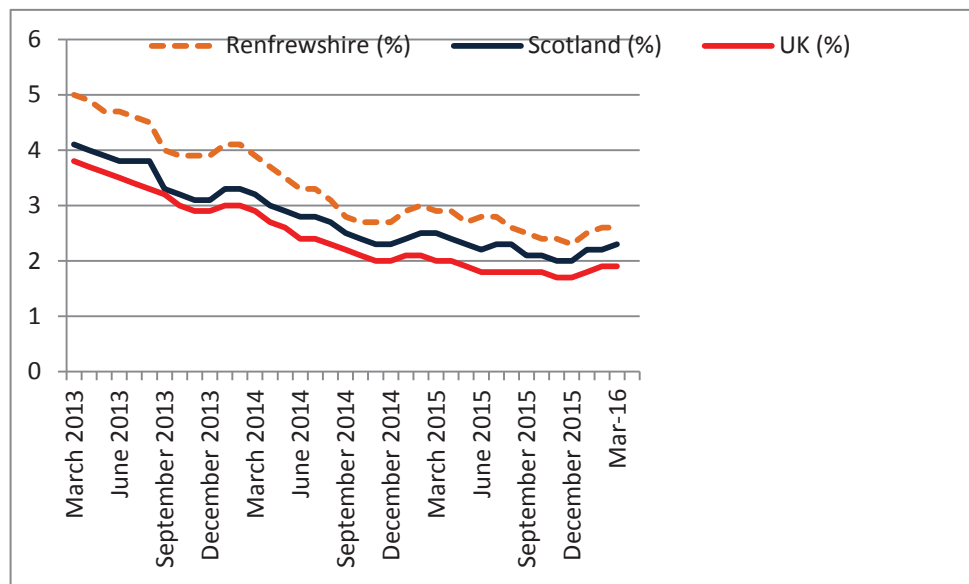
Claimant Count: All Ages (16+)

- The claimant count rate for Renfrewshire for March 2016 is 2.6%, with claimants totalling 2,940.
- This month the rate is unchanged.
- Renfrewshire is currently ranked 24th out of the 32 local authorities.
- The rate this time last year was higher at 2.9%.
- Over the last 3 years the rate has dropped from 5% to 2.6%

All Ages(16+): Claimant count rate 2015-2016



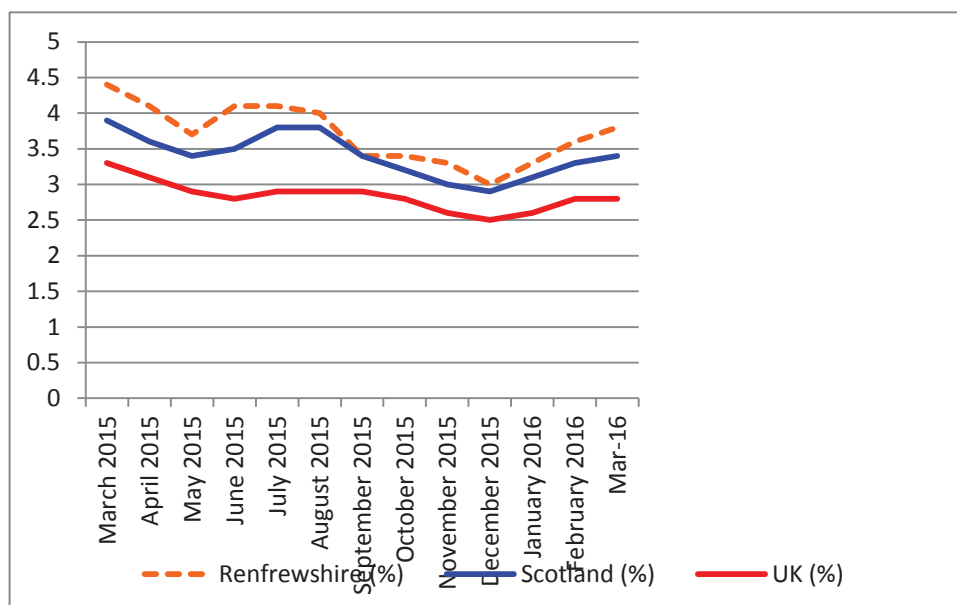
All Ages(16+): Claimant count rate 2013-2016



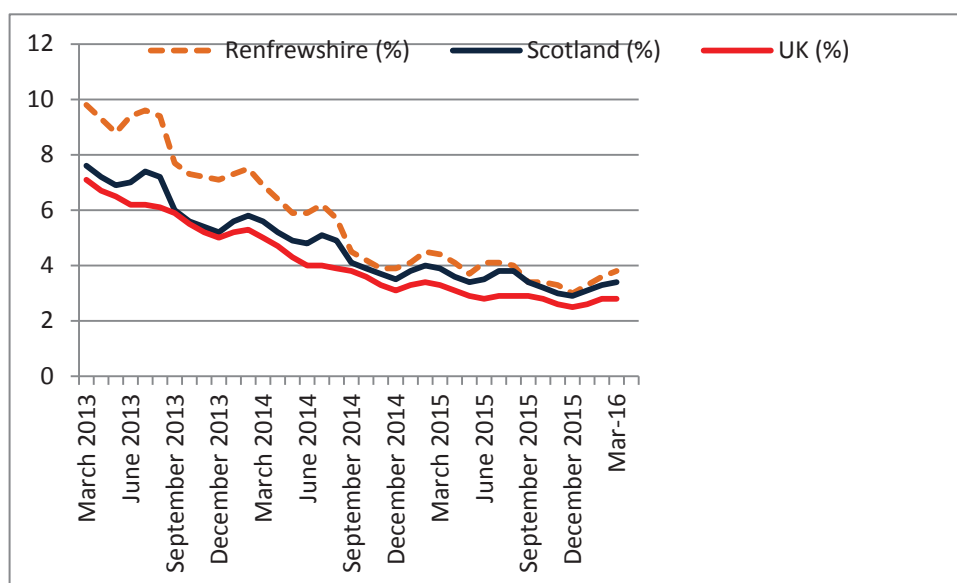
Claimant Count: Youth (18-24)

- The claimant count rate for Renfrewshire for March 2016 was 3.8% with claimants totalling 570.
- This month the rate has gone up by 0.2%.
- Renfrewshire is currently ranked 18th out of the 32 local authorities.
- The rate this time last year was higher at 4.4%
- Over the last 3 years the rate has fallen from 10% to 3.8%

Youth (18-24): Claimant count rate 2015-2016



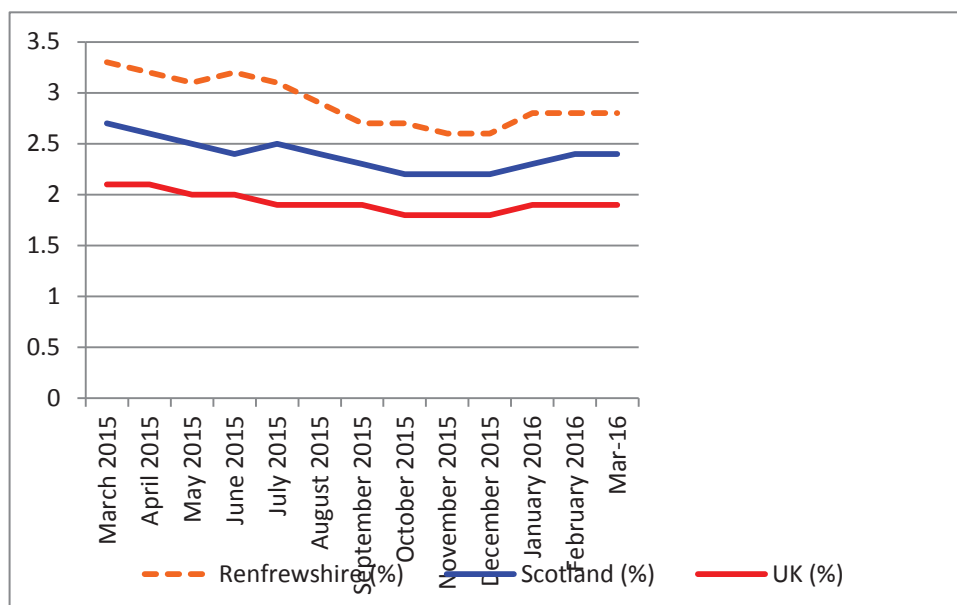
Youth (18-24): Claimant count rate 2013-2016



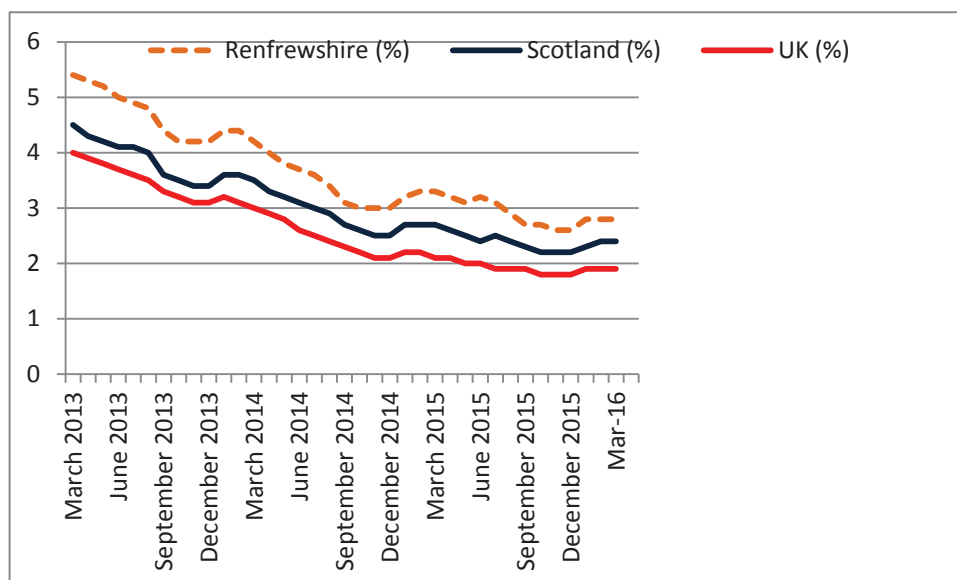
Claimant Count: 25-49

- The claimant count rate for Renfrewshire for March 2016 was 2.8% with claimants totalling 1,600.
- This month the rate has remained constant.
- Renfrewshire is currently ranked 23rd out of the 32 local authorities.
- The rate this time last year was higher at 3.3%
- Over the last 3 years the rate has fallen from 5.4% to 2.8%

25-49: Claimant count rate 2015-2016



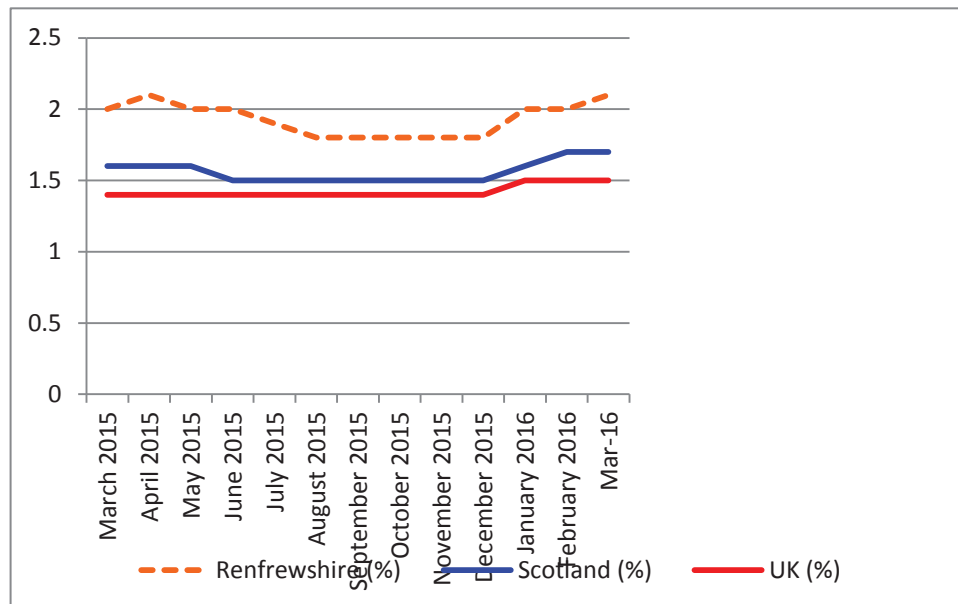
25-49: Claimant count rate 2015-2016



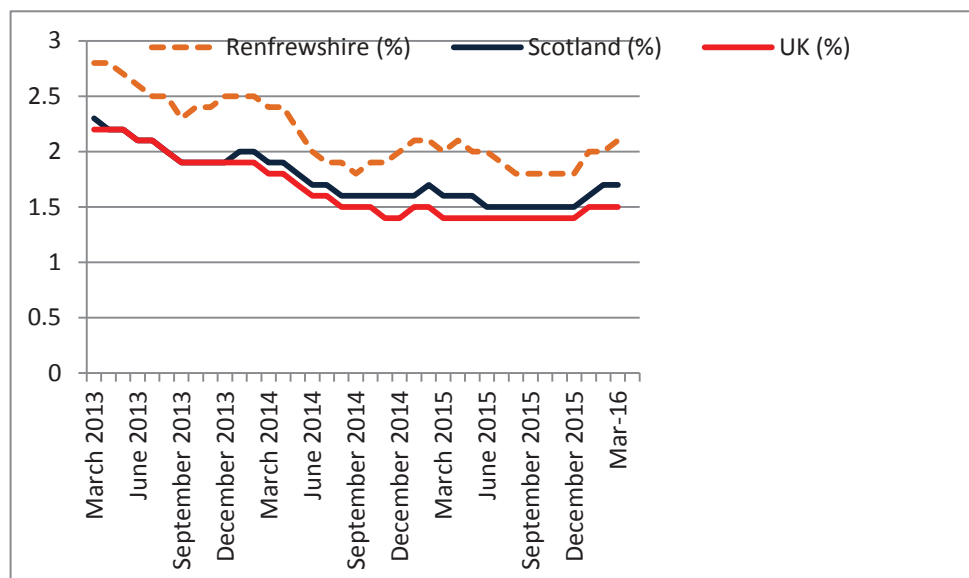
Claimant Count: 25-49

- The claimant count rate for Renfrewshire for March 2016 was 2.2% with claimants totalling 750.
- This month the rate has increased by 0.1%.
- Renfrewshire is currently ranked 25th out of the 32 local authorities.
- The rate this time last year was lower at 2.0%
- Over the last 3 years the rate has fallen from 2.8% to 2.1%

Ages 50+: Claimant count rate 2015-2016



Ages 50+: Claimant count rate 2015-2016



Invest in Renfrewshire Update – April 2016

INVEST IN EMPLOYMENT

Since the launch of Invest in Renfrewshire in June 2012 **1,027** new paid posts have been created:

- **774** new jobs have been created through the wage subsidy / Employer Recruitment Incentive programmes.
- **200** Graduate Internships have been created, **135** within the Council and **65** with local companies (approved).
- **88** people have started traineeships, **80** with the Council and **8** with Businesses.

In addition:

- **7,392** unemployed people have registered and received support from the Invest in Renfrewshire employability service.
- **2,286** additional people have been supported to move into wider employment opportunities.

INVEST IN COMMUNITIES

The Invest in Renfrewshire Social Enterprise Small Grants Fund, launched in December 2014, with a budget of £200k has now:

- Dealt with enquiries from more than **56** social enterprise companies and organisations.
- Approved **15** awards totalling **£97,422**.
- Additionally, **4** Community Traineeships grants have been awarded, totalling **£20,000**.

INVEST IN BUSINESS

877 local companies have signed up to the Invest in Renfrewshire initiative of which:

- **374** companies have been offered grants to pursue development, training, exhibition and ICT projects, amounting to combined funding of over **£1,666,940**.
- Funding of **£87,100** has been provided through the micro loan fund.
- The Retail Improvement Scheme has received **161** formal applications. The applications to hand are **12**. The amount of grant support awarded to date is approximately **£1,000,000**.

In the last **42** months, since the start of the new Business Gateway contract:

- **1,112** new companies have been established with Business Gateway support.
- **459** businesses have demonstrated growth aspiration and been given a dedicated business adviser.
- **313** start-up workshops and **228** business growth workshops have been delivered.

Business Births and Deaths 2014

Appendix 1

	Business Births		Business Deaths		Net Births		Birth Rates per 10,000 population		Death Rates per 10,000 population	
	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014
SCOTLAND	21,540	21,235	14,865	15,565	6,675	5,670	49	48	34	35
Aberdeen City	1,445	1,315	885	875	560	440	74	67	46	45
Aberdeenshire	1,395	1,220	815	890	580	330	67	58	39	42
Angus	405	400	290	270	115	130	42	41	30	28
Argyll & Bute	320	295	295	255	25	40	43	40	40	34
Clackmannanshire	150	165	115	120	35	45	36	39	27	29
Dumfries & Galloway	435	425	315	365	120	60	35	34	25	29
Dundee City	515	500	345	375	170	125	41	40	28	30
East Ayrshire	350	390	250	270	100	120	35	39	25	27
East Dunbartonshire	400	395	255	310	145	85	46	45	29	35
East Lothian	350	315	260	260	90	55	42	38	31	31
East Renfrewshire	360	340	240	245	120	95	49	46	33	33
Edinburgh City of	2,730	2,765	1,790	1,865	940	900	66	66	43	45
Eilean Siar	95	105	70	65	25	40	43	40	28	27
Falkirk	550	520	365	350	185	170	40	39	26	28
Fife	1,210	1,170	795	855	415	315	57	57	43	46
Glasgow City	2,830	2,880	2,165	2,290	665	590	50	50	36	38
Highland	970	960	695	735	275	225	34	32	25	24
Inverclyde	225	215	170	160	55	55	45	39	26	29
Midlothian	310	270	180	200	130	70	37	40	28	27
Moray	285	315	220	215	65	100	41	46	31	29
North Ayrshire	415	425	280	295	135	130	37	38	25	26
North Lanarkshire	1,090	1,120	725	780	365	340	40	41	26	28
Orkney Islands	85	70	40	50	45	20	47	39	22	28
Perth & Kinross	615	625	475	495	140	130	50	50	39	40
Renfrewshire	610	605	445	465	165	140	42	42	31	32
Scottish Borders The	395	450	325	345	70	105	42	47	34	36
Shetland Islands	85	100	70	65	15	35	45	53	37	34
South Ayrshire	385	380	300	305	85	75	41	40	32	32
South Lanarkshire	1,225	1,160	845	840	380	320	47	45	33	32
Stirling	420	430	285	315	135	115	56	57	38	41
West Dunbartonshire	250	265	160	200	90	65	34	36	22	27
West Lothian	635	645	400	440	235	205	45	45	28	31

Source:

Business Demography ONS