

Colchester Quarterly Economic Report

Issue 3: January 2010



Background information

The production of this quarterly economic report for Colchester aims to give a better understanding of the Borough's economic makeup and performance and in comparison to national and local trends.

The report also aims to inform policy-making through providing an objective Understanding of Colchester's communities of interest and geography.

These quarterly reports typically examine recent data on a range of variables which include:

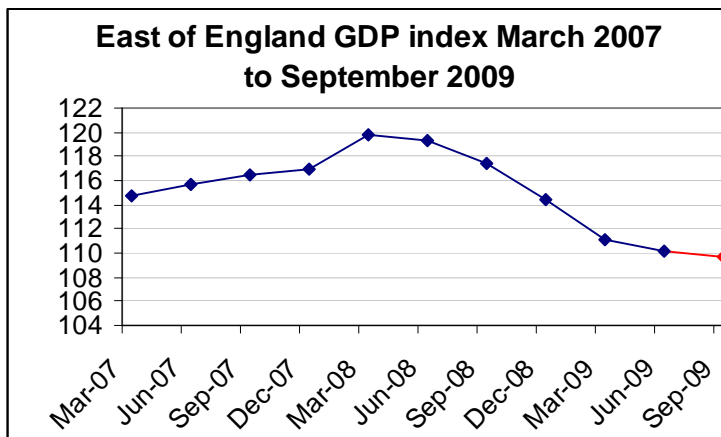
- Regional changes, including GDP
- The demographics of recession impacts
- Jobs advertised and sought through Jobcentre Plus
- Unemployment
- Worklessness
- Levels of 16-19 year olds Not in Education, Employment or Training (NEET)
- Redundancies
- Vulnerable sectors (of the economy)

In addition, each report will provide a topical focus or briefing section highlighting particular issues or economic developments.

Thanks go to Essex County Council, Connexions and Jobcentre Plus (Essex District and Colchester offices) for providing data towards this report.

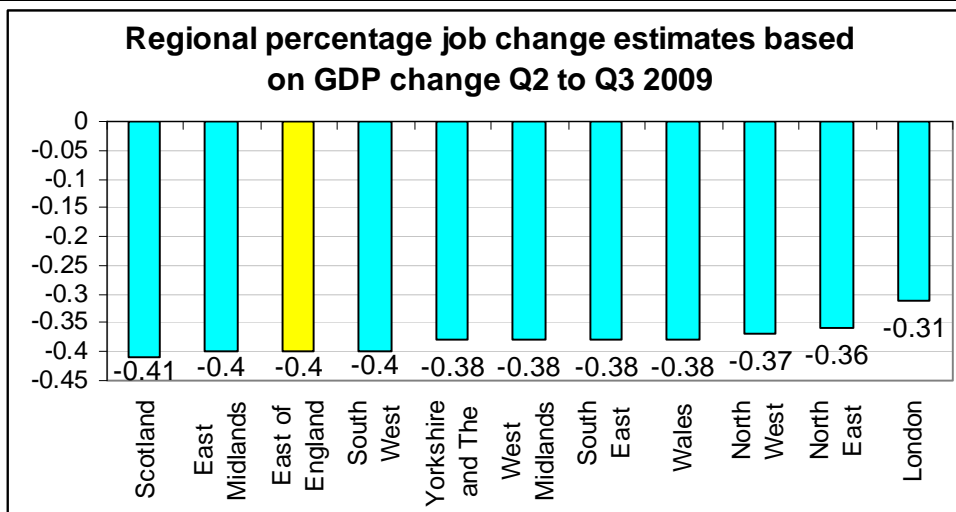
For more information or questions about this report, please contact Cheryl Pashley in the Research and Engagement team at Colchester Borough Council (01206) 505390.

GDP East of England values



ONS regional GDP data accessed from Gavurin recession map, © Crown Copyright, 2009
 Between June and September 2009, the East of England saw another fall in the GDP index, from 110.3 to 109.7. However, this was a smaller decline than in previous quarters.

GDP and job changes by region

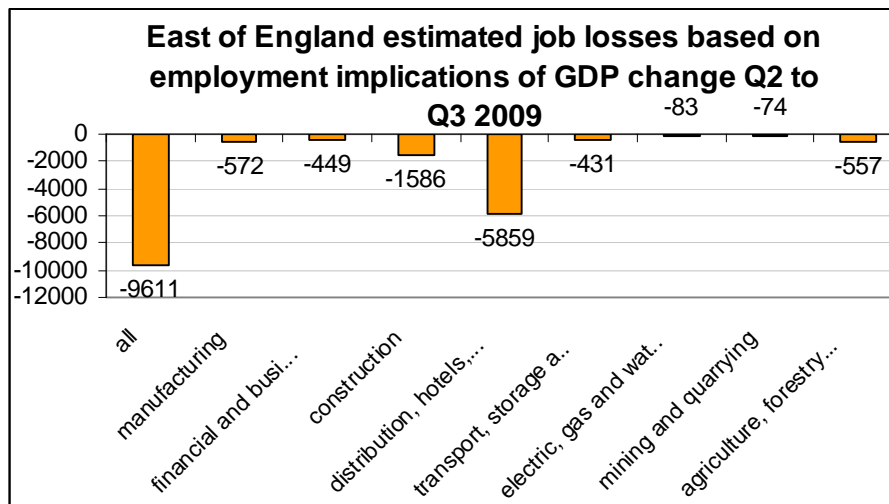


ONS regional GDP data accessed from Gavurin recession map, © Crown Copyright, 2009

From Q1 to Q2 the largest GDP based employment fall was -2.24% (East Midlands) and the smallest was -1.88% (London). The East of England region had a drop of -2.08% which made it the fourth highest region for predicted job losses.

From Q2 to Q3 in 2009 shown in the chart, the GDP based job change estimates were significantly lower than the previous quarter, the largest change was -0.41% (Scotland) and the smallest predicted to be -0.31% (London). In this quarter the East of England job change was predicted as -0.4%, which is much lower than the reduction of -2.08% in the previous quarter. This would be explained by the smaller quarterly decrease in the GDP index, as shown in chart 1. However, this figure placed the East of England with joint second largest number of job losses, with the East Midlands and the South West, where it had only been fourth highest in the previous quarter.

GDP and estimated job losses (East of England)



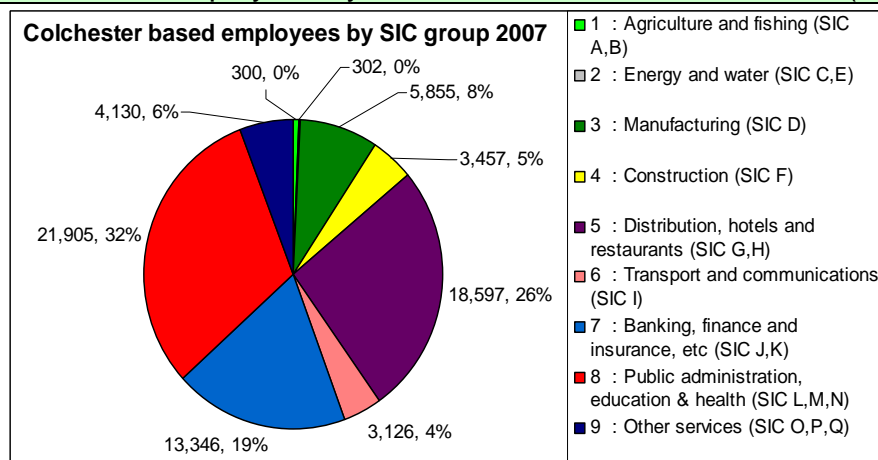
ONS regional GDP data accessed from Gavurin recession map © Crown copyright 2009
Please note that the data for this release does not contain any agricultural data

Between Q1 and Q2 of 2009, reported in issue 2 of this series, the estimated overall job loss for the East of England was -49,457. Between Q2 and Q3 of 2009, as shown in this chart, the decrease was far lower, at only -9,611 over all sectors across the East of England.

In the previous quarter, financial and business activity was predicted the largest regional job losses, at -12,557. Between Q2 and Q3, this sector had the fourth highest estimated job losses of the eight sectors listed, at a far reduced number of -449 compared to the previous quarter.

The sector with the largest number of predicted job losses was distribution, hotels, restaurants and repairs, with a predicted 5,859 job losses. This sector was also predicted to have lost 8,659 jobs in the previous quarter, suggesting it is one where long term and sustained economic impact could be found.

Colchester employees by Standard Industrial Classification (SIC)

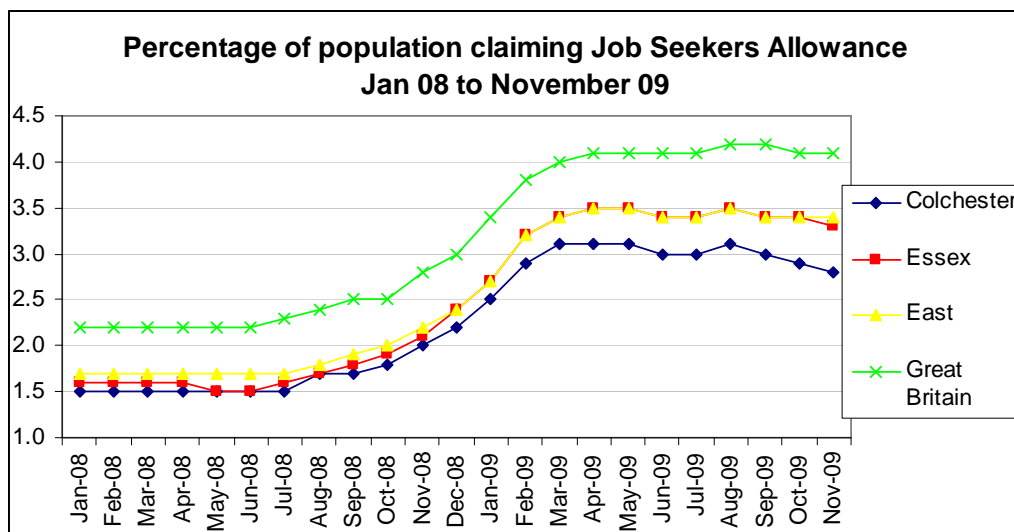


ONS Labour Market Statistics © Crown copyright 2008

The chart above the make up of Colchester's population according to their employment classification. 26% of the population work in distribution, which was estimated to have the largest effect from the GDP Q2 to Q3 change in terms of job losses.

The largest percentage of Colchester's population are estimated to work in public administration, education and health (32%) Although in the GDP data job losses in this sector are not identified, it has been widely reported that this sector has felt the smallest impact in terms of job losses in the recession.

However, from 2010 onwards, it is also predicted that the public sector will start to feel the recession impacts at a greater level, with many predicting a post election recession in the public sector as finances are cut, (BBC News) and as the Treasury is expected to cut Capital expenditure from £44 Billion to £22 Billion by 2013/14 (Politics.co.uk)

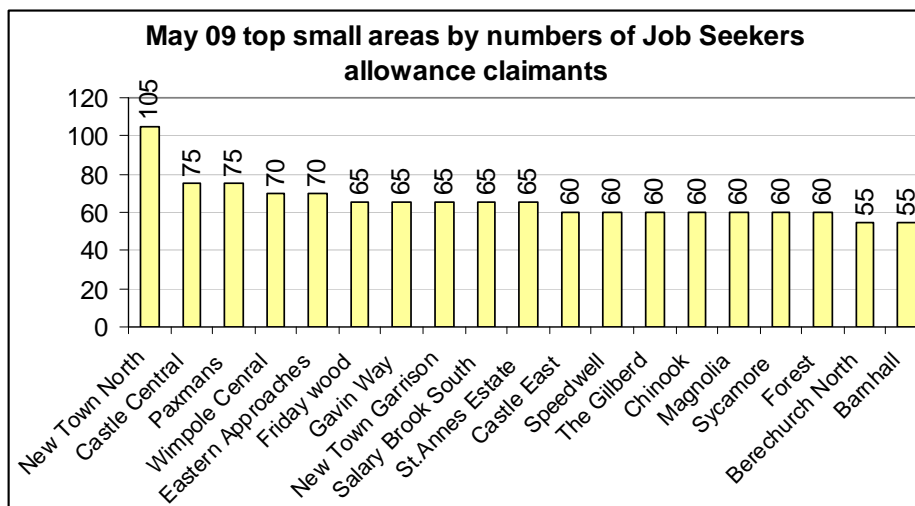


Nomis web data ONS claimant count as a percentage of the working age population © crown copyright, 2009

The percentage of the population claiming Job Seekers Allowance (JSA) in the last report, using the August 2009 data showed the most recent figures for Colchester at just over 3% of the population claiming JSA. In all three months following this, the more recent data shows that the figure declined, and in both October and November 2009, less than 3% of the population were workless.

Where Colchester had very similar percentages of JSA claimants to Essex and the East in January 2008 (between 1.5 and 1.8), Colchester's claimant level, although increased throughout the recession, has increased at a lower level than Essex or the East of England since December 2008, with highest values of 3.1% compared to 3.5% for Essex and the East.

Between August and November 2009, Colchester saw a 0.3% decrease in claimants, compared to 0.2% for Essex and 0.1% for the East.



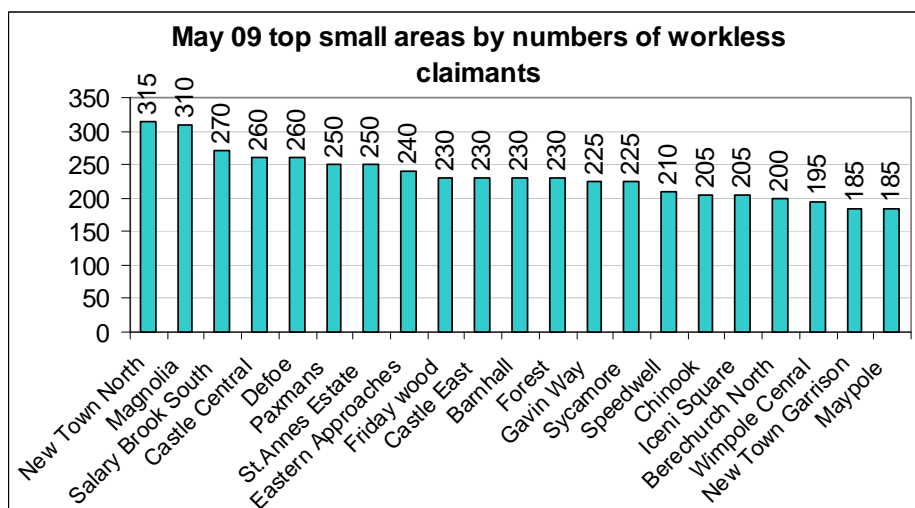
DWP claimant data downloaded from Information Directorate January 2009

In May 2009, New Town North had the largest number of Job Seekers Allowance claimants, at 105, which was the same figure as February 2009.

In February 2009, this was followed by Castle Central with 75 claimants which is also the same for May 2009, and Paxmans, with 70 in February 2009, but this had increased to 75 in May 2009.

Salary Brook South decreased from 70 claimants in February to 65 in May. Castle East decreased from 65 to 60, as did The Gilberd, while Defoe decreased from 65 claimants in February to 50 in May.

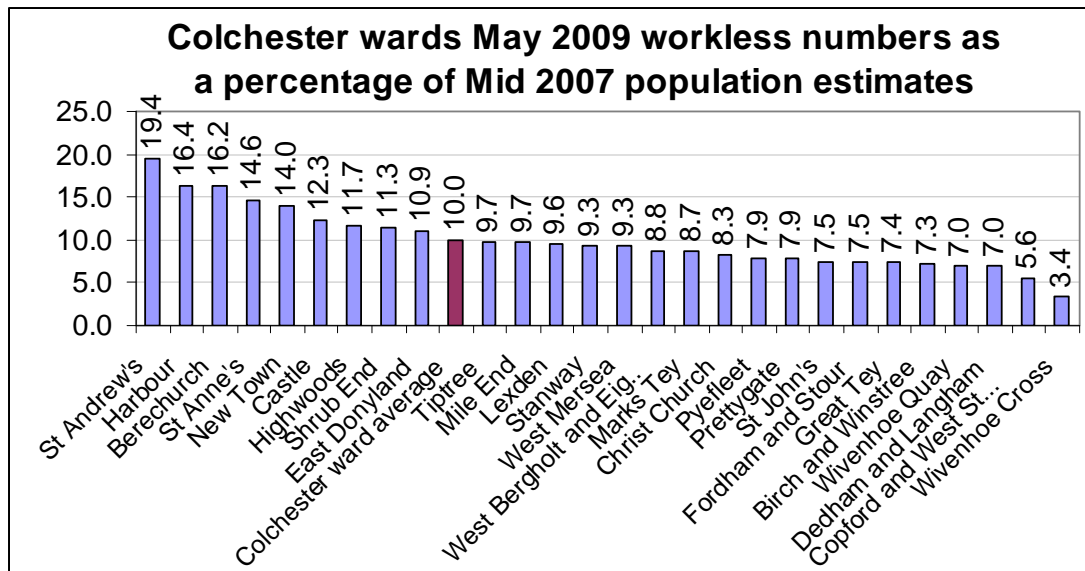
Gavin way increased from 60 to 65 Job Seekers Allowance claimants over the period.



DWP claimant data downloaded from Information Directorate January 2009

In February 09, Magnolia (St Andrews) had the largest number of workless claimants, at 315, followed by New Town North (New Town) with 300 claimants.

In May 09 these two small areas have switched position, with the highest number of worklessness claimants in New Town North, which had increased to 315, and the second in Magnolia which had decreased to 310 claimants.



DWP claimant data downloaded from Information Directorate January 2009 and ONS mid 2007 ward based population estimates, published 2008.

As a percentage of the mid-2007 working age population, St Andrews had the highest proportion of worklessness claimants in May 2009, at 19.4%. This was followed by Harbour, at 16.4% and Berechurch at 16.2% of the working age population as worklessness claimants.

In May 2009, the ward average for worklessness claimants as a percentage of the working age population was 10%, which was estimated as 9.5% in February 2008 (DWP benefit data)

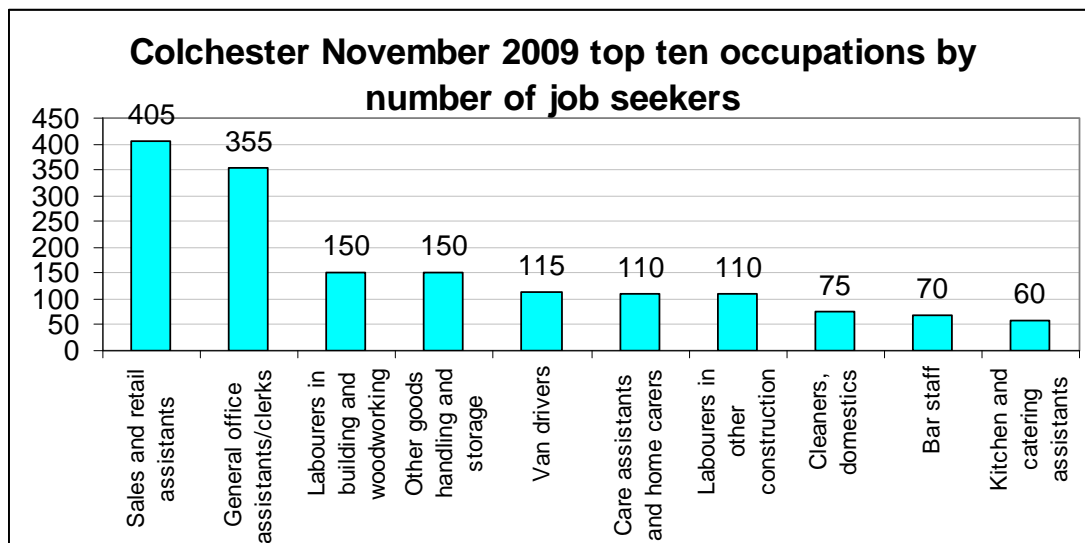
		Nov-09		Percent*
	Aug 09 percent*	Vacancies advertised	Occupations sought	
Brentwood	50.784314	518	940	55.10638
Witham	20.662983	267	790	33.79747
Chelmsford	27.783251	1240	3800	32.63158
Rayleigh	32.740741	357	1220	29.2623
Grays	20.056577	922	3255	28.32565
Loughton	12.529412	415	1715	24.19825
Colchester	31.535381	853	3535	24.13013
Harlow	19.321534	755	3190	23.66771
Southend	22.327416	1024	4955	20.66599
Braintree	21.149111	726	3530	20.56657
Harwich	11.570248	118	620	19.03226
Basildon	19.938776	919	4910	18.7169
Clacton	15.192744	424	2280	18.59649
Canvey Island	13.215859	184	1065	17.277

*Percent refers to the percent of which vacancies account for the number of occupations sought

Data source, Job Centre Plus, Colchester branch site level vacancies, November 2009.

Of the 14 Essex areas, only five saw a decrease in the percentage of occupations sought to the number of vacancies advertised. Colchester was one of these, with a reduction from 31.5% in August 2009 to 24.1% in November 2009.

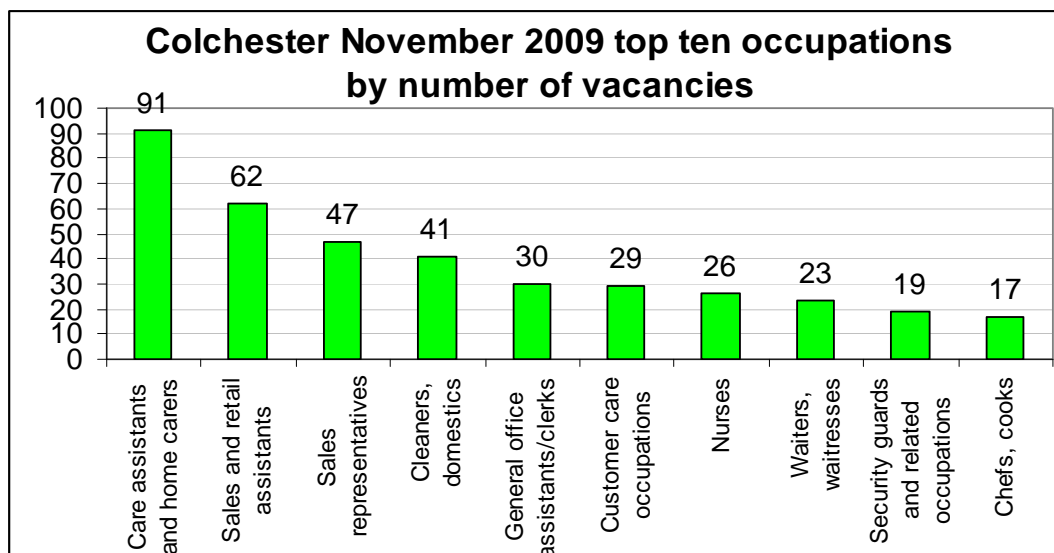
Overall, there are around three times as many occupations sought to the numbers which are advertised through the Job Centre Plus for November 2009. Breaking down the Job Seekers and vacancy data into job types will give a more indicative idea about whether the skills of the available workforce match the available jobs.



Job Centre Plus site level vacancy data November 2009, provided by Colchester branch, January 2010.

As in August 2009 data shown in the last report, Sales and retail assistant job seekers accounted for the largest number of those interested seeking vacancies through the Job Centre Plus. There were 445 jobs seekers for this area in August; this had decreased slightly to 405 people in November. Unfortunately, only 36 vacancies of this nature were available.

General office assistants/ clerks were also the second highest for number of Job Seekers in both August and November 2009 (shown above). The number of Job Seekers for this area had also decreased somewhat, from 415 Job Seekers in August, to only 355 in November. In November 2009, there were only 27 vacancies to match to these 355 job seekers.



Job Centre Plus site level vacancy data November 2009, provided by Colchester branch, January 2010.

The top vacancy for November 2009, as in August 2009 was care assistants and home carers. In August 2009, there had been 177 vacancies in this area, but this had dropped significantly to only 91 in November 2009.

Sales and Retail assistants accounted for the second largest at 62 vacancies in November, which had increased from only 36 vacancies in August 2009. This may have been largely due to seasonal availability in the lead up to the busy Christmas period.

In August, Sales related occupations made up the second largest number of Job Centre Plus vacancies, with 72 advertised positions, but this occupation did not appear on the list for top ten vacancies in November.

An overall comparison with the vacancy and Job Seeker charts by employment type demonstrates that not only is there an overall problem in that there are far more job seekers than available positions in Colchester, but also that those jobs which are available often don't match the skills and interest of the Job Seekers.

Redundancy data

Since the last quarterly report (October 2009), Colchester Jobcentre Plus has registered the following *notified redundancies*:

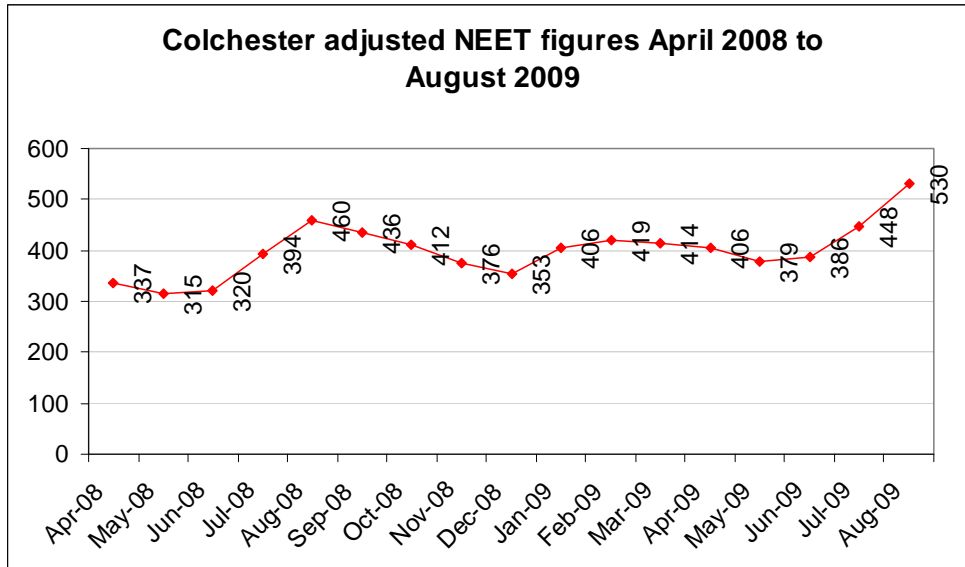
Date of notification	Company	Redundancies
December 2009	RG Carter (building)	15- 20 redundancies

Source: Jobcentre Plus District Office, January 2009.

It is important to note that redundancies only have to be notified, by law, if they concern 20 or more employees, so potentially more redundancies could have occurred in the borough underneath this threshold. This is particularly likely in a town like Colchester, where small and medium enterprises (fewer than 250 employees) account for a large number of businesses.

In the current recession young people are still being shown to be disproportionately affected by redundancies and employment and appear in more of our Council-wide research into the local recession impacts. The NEET figures also give further weight to the case that this group is one of the hardest hit by the recession.

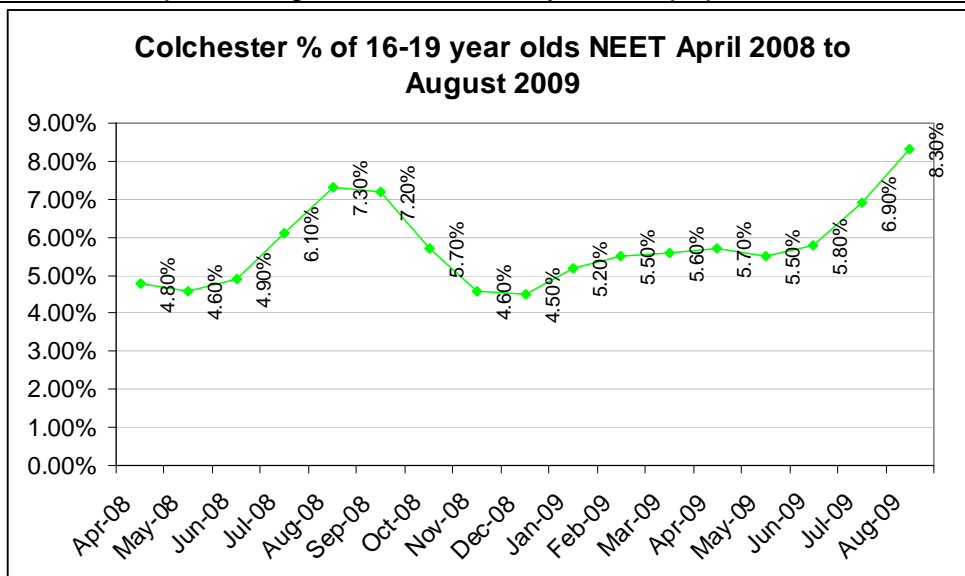
Adjusted NEET figures April 2008 to August 2009



NEET data provided by Essex County Council- Connexions, September 2009.

In August 2008, the adjusted NEET levelⁱ in Colchester was 460, and August is normally a month with higher levels, due to this age group leaving school and sometimes taking time to arrange employment or education. However, in August 2009, this figure was considerably higher, at 530 (an extra 70 NEET 16 to 19 year olds).

NEET as a percentage of the 16 to 19 year old population



NEET data provided by Essex County Council- Connexions, September 2009.

NEET figures as a percentage of the 16 to 19 year old population give a better understanding of the relative impact of NEET figures. They show that in August 2009, 8.3% of this age group were classed as NEET, which is up 1% of the 16 to 19 year old population, from 7.3% of 16 to 19's NEET in August 2008.

Economic projects in Colchester

Colchester Borough Council has submitted a bid to the Future Jobs Fund, with the aim of securing funding to provide waged job opportunities for the young (18-24) 6 month plus Jobseekers' Allowance claimant population. Some of these people will be those who were formerly in the NEET group and have now moved on to benefits.

This is one of the things Colchester Borough Council are doing to address claimant unemployment.

Future Jobs Fund jobs can be targeted either at young people who are 6 months and over on JSA or other long-term benefit claimants in areas where the claimant count is 1.5 percentage points above the national average ("areas of high unemployment"); Colchester is eligible to bid on the first of these measures.

Colchester Borough Council has worked closely with Jobcentre Plus (Essex District – Partnerships Manager) and North Essex Office (Manager and Account Manager) to bring forward this Bid

A minimum of 44 jobs will be created, each of 6 months duration; a total of 88 assuming two consecutive tranches of 6 month funding delivery. These jobs are in the public and voluntary/community sectors with some 20 organisations providing the temporary opportunities.

The bid has passed the first Department for Work and Pensions appraisal stage in London and has now been sent to the Region for further appraisal. Colchester Borough Council anticipates hearing whether or not or bid has been successful before the end of February.

In focus: developments and economic events

- Colchester has been recognised as the top authority in Essex for the take up of small business rates relief. Take up for this benefit is currently around 93%, and helps those businesses who are eligible by reducing the rate of tax they pay on the value of their property.
- Many retailers have reported that footfall was up during the Christmas shopping period in 2009, but it is yet to be established whether this has led to increased revenue for town retailers.

- The CBI reported that 13% of high street firms reported higher Christmas sales than the year earlier, and John Lewis reported that their Christmas Eve sales were up 24% from the previous year.
- H & M are moving into the old Woolworths store by March and will be recruiting approximately 60 people.
- Aldi, the supermarket chain, are to open a new store in Stanway at the old MFI site, and will take on 20 people.
- The latest National Institute of Economic and Social Research (NIESR) GDP estimates for Q4 of 2009 show that nationally, the country is officially out of a recession.

Further economic sources/ resources used

<http://news.bbc.co.uk/1/hi/business/8418440.stm>

[http://www.politics.co.uk/news/communities-and-local-government/public-sector-faces-tsunami-recession--\\$1336745.htm](http://www.politics.co.uk/news/communities-and-local-government/public-sector-faces-tsunami-recession--$1336745.htm)

ⁱ NEET are those young people aged 16 to 18 Not in Education, Employment or Training. This is shown as adjusted numbers (which account for seasonal rises) to put the figures into perspective Of those leaving school last year in Colchester 82.1% continued in full-time education at 1 November 2008; 11.3% were in work, training or voluntary opportunities; 5.3% were NEET. (Essex County Council -Connexions data)