

Employment & the Labour Market in Southwark

Regeneration and Leisure Scrutiny Committee
Wednesday 8th February 2012

Southwark Local Economy

Expansion of London's CAZ 1998 – 2007

- Southwark business base increase of 35%
(Inner London 12% - London 13%)
- 21,600 additional jobs – a 15% increase, *(London 8%)*

However

Rates of worklessness remain high

- concentrated in **demographic groups**
- and in specific **geographical areas** *(shadowing the general pattern of deprivation in the borough)*

National Policy - Welfare Reform

Key features -

- shift from passive to active benefit claim pathways
 - making work pay and be seen to pay
- increasing conditionality for receipt of out of work benefits
- a new DWP delivery and commissioning model - launch of the Work Programme in June 2011

DWP Work Programme

- Three 'prime contractor' delivery networks, competing across London East (17 boroughs) over seven years
- Mandatory referral by Jobcentre Plus according to claimant group -
 - 25 yrs plus jobseekers after 12 months
 - earlier referrals for young people and disadvantaged groups such as NEETs and offenders/ex-offenders.
- Staged payments by results (majority of the payment for each client dependent on completion of sustained employment over 2 years)

Southwark

Removal of local funding (WNF)

- 2010-11 – £4m commissioning for employment and enterprise
- 2011-12 - £0.7m

Highlights

- 75 new business start-ups in 2010/11
 - 15 in 2011-12
- 462 people into jobs for 6 months + in 2010/2011
 - 127 in 2011-12
- Review of commissioning & contracting to achieve cheaper and more efficient delivery of employment and enterprise support.

Southwark Local Economy Group Strategic Priorities

Partnership of main providers of employment support, adult vocational training, business/employer representatives - Jobcentre Plus, 3 DWP Work Programme providers, Southwark College, Skills Funding Agency, BIDs, LSBU, local business support agencies)

Strategic Priorities (employment)
Remove the barriers to work faced by priority groups
Increase business and employer engagement
Raise skills for sustained employment

Employment Trends

Employment deprivation:

- 2nd most deprived in London in 2007 - 4th in 2010.
- Nationally improved from 22nd to 33rd.

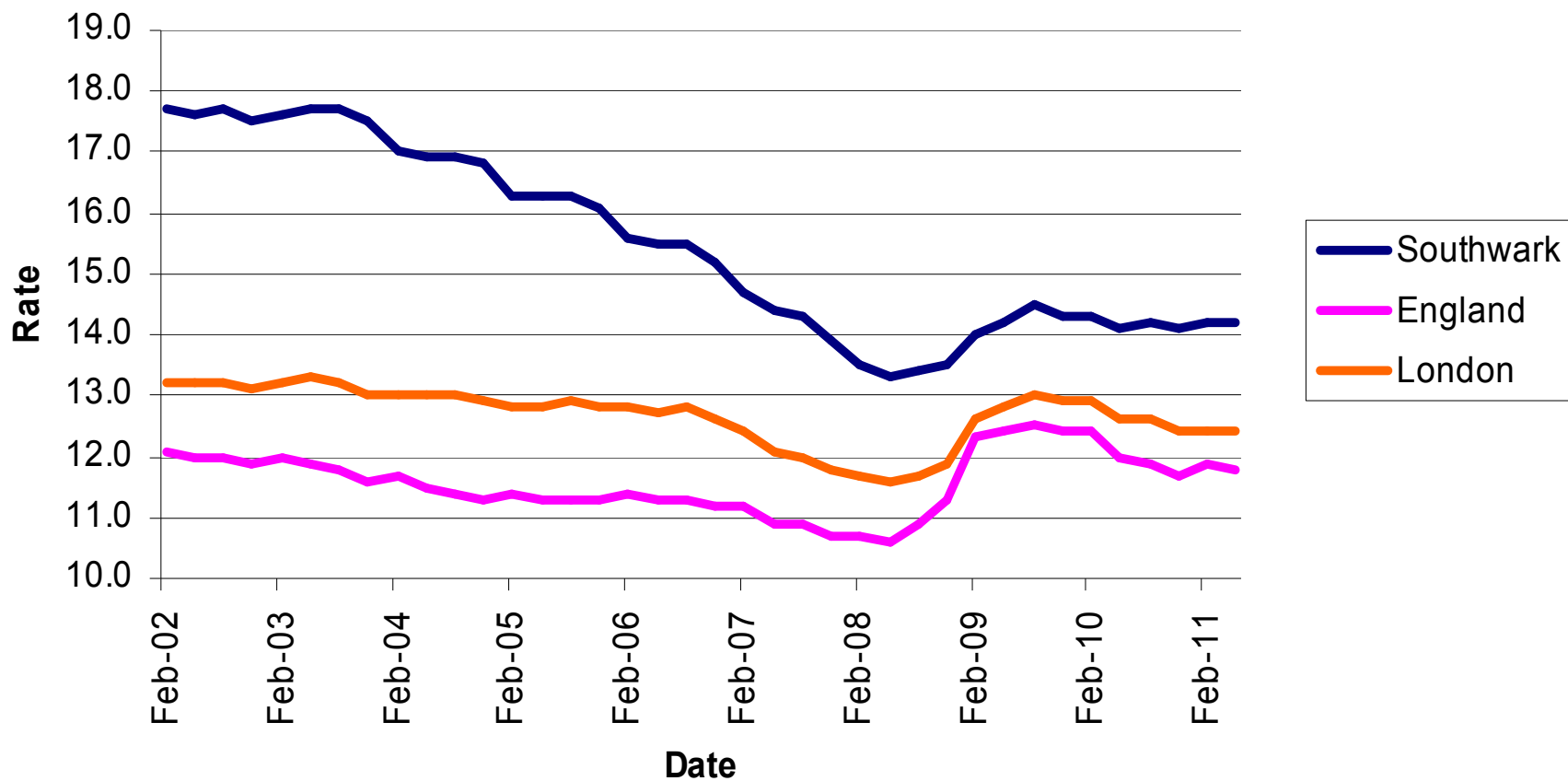
Employment rate: 64% 2007 - 67.2% in 2011

Unemployment Rate 10.5% (London 9.1%; National 7.7%)

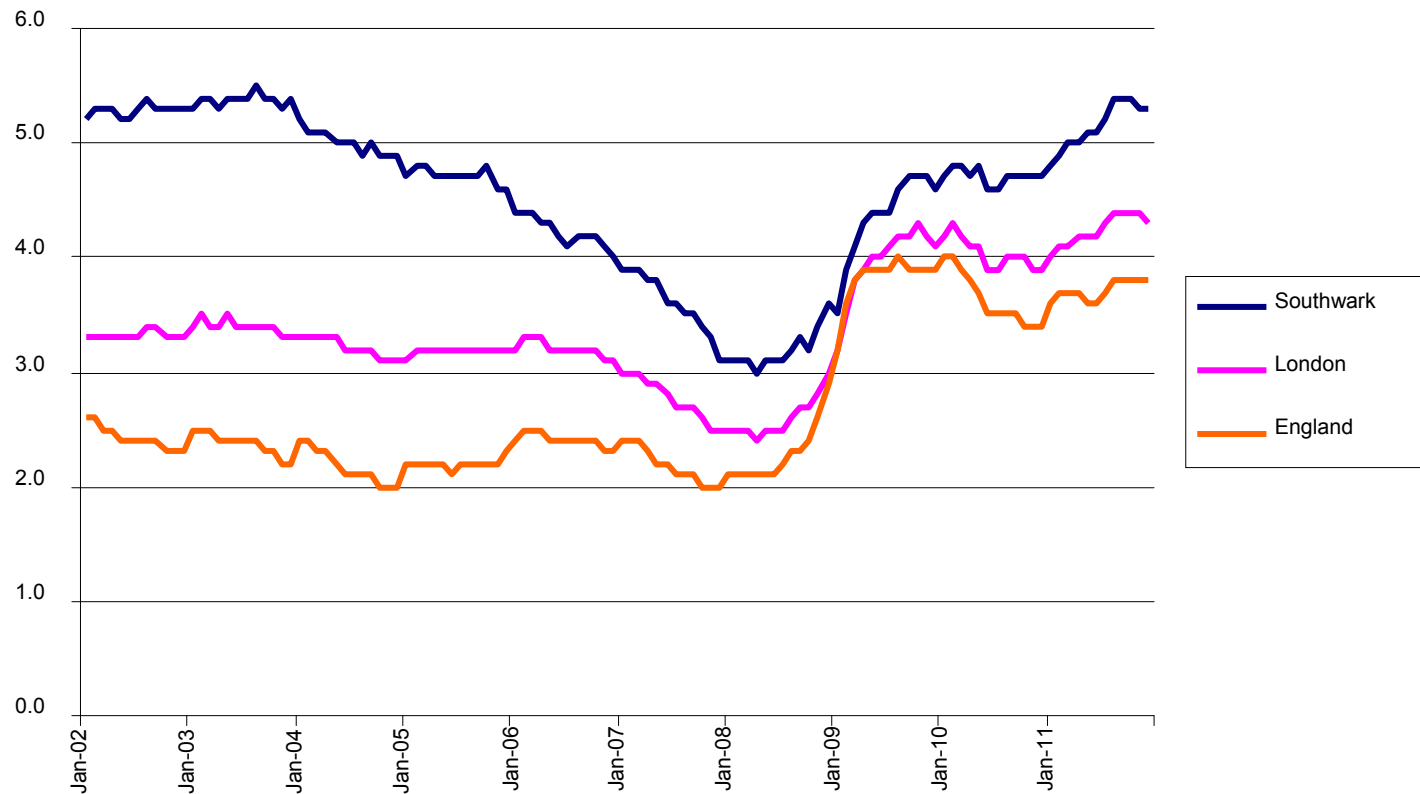
29,980 working age residents (14.2%) claim an out of work benefit

The gap has narrowed and we're maintaining performance despite recession

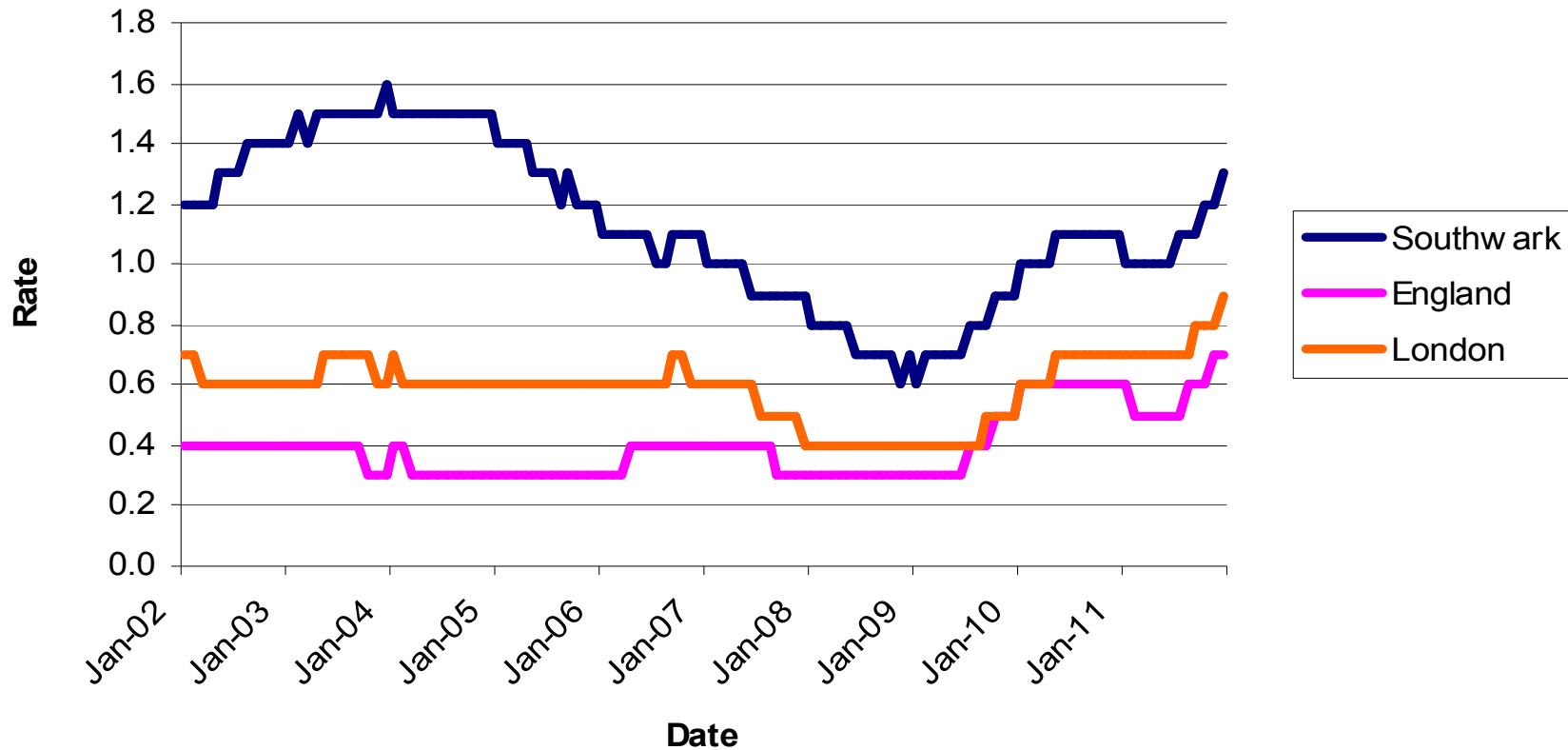
Out of work benefits



- 2008 - 2011 saw a 60% rise in unemployment,
- long-term unemployment (JSA claims over 12mths) rising by 100% in the same period



JSA long term unemployment



Workless Characteristics

Ethnicity -

- Ethnic minority employment rate is 64.5%
- Compared to White grouping at 73.1%
- Black or Black British Group is 60.2%

- Economic inactivity rate is 22.7% for ethnic minority group
- Compared to 21.2% for White grouping
- Black or Black British – 20.2%

Health and Disability

- London's highest claim rate for health related out of work claims – 48% are mental health issues
- 13,440 claiming either Incapacity Benefit (IB) or Employment Support Allowance (ESA) – (6.4% of working age population)
- 6,000 currently claiming IB will be re-assessed and migrated on to active benefits (ESA or JSA) over the next eighteen months

Gender Disparity

- Female employment rate - 61.0%
- Male employment rate - 72.9%.

- Female unemployment - 10.5%
- Male unemployment - 13.1%

- Women 'economically inactive' rate 32% (18% for men)

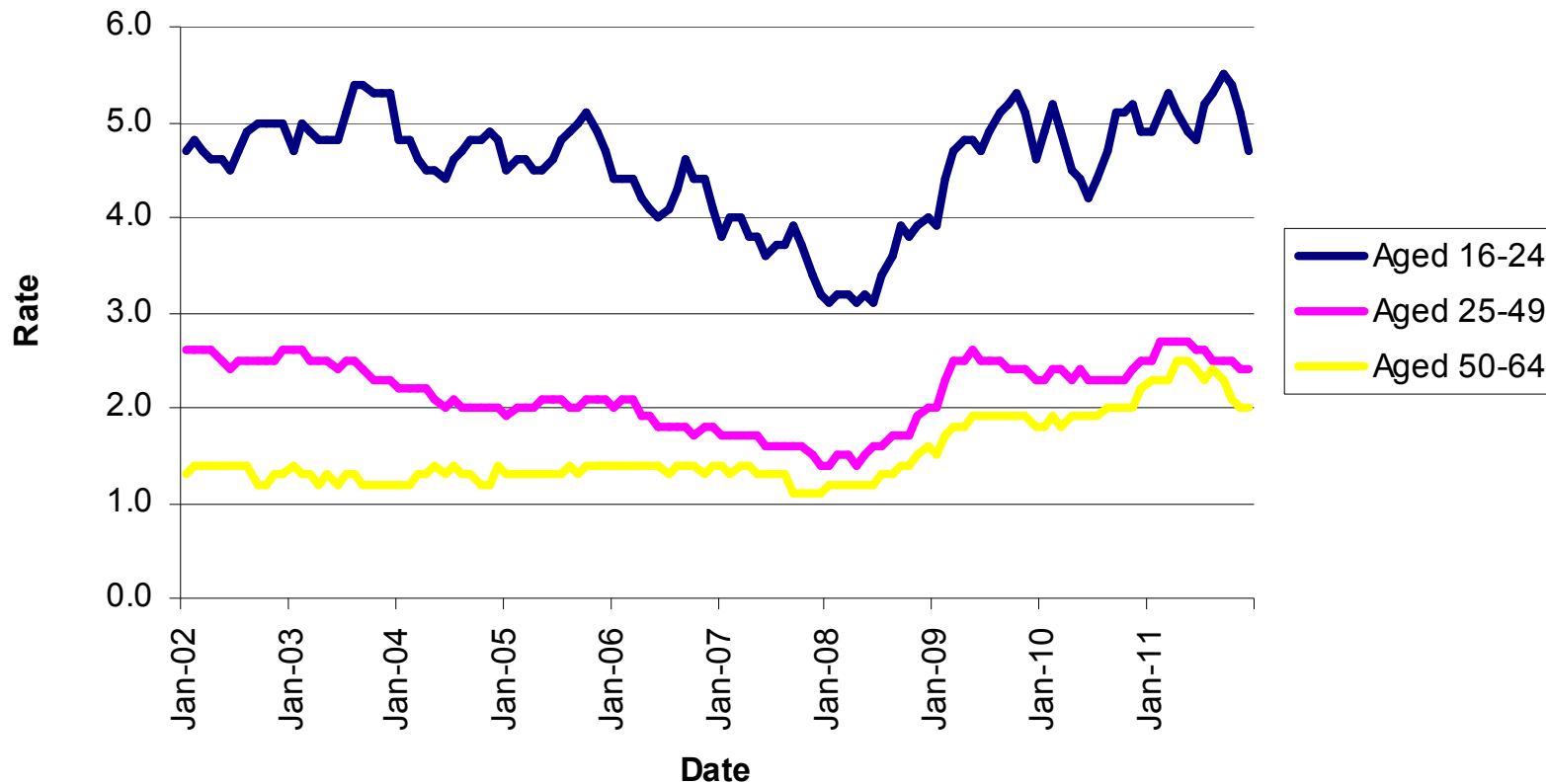
Families and Children

- 11,168 lone parent families in Southwark
- 4,870 residents (2.3% of the working age population) claim Lone Parent Income Support (IS)
- October 2011 - lone parents are migrated from IS to JSA once their youngest child reaches age 5, and expected to follow an active job-seeking pathway as part of benefit conditionality

- 41% of children are in one parent households (Census 2001).
- 33 % of dependent children (under 19 years) are living in poverty
- 19,610 children living in families that are in receipt of out of work benefits/tax credits or where household income is less than 60% of the median income.

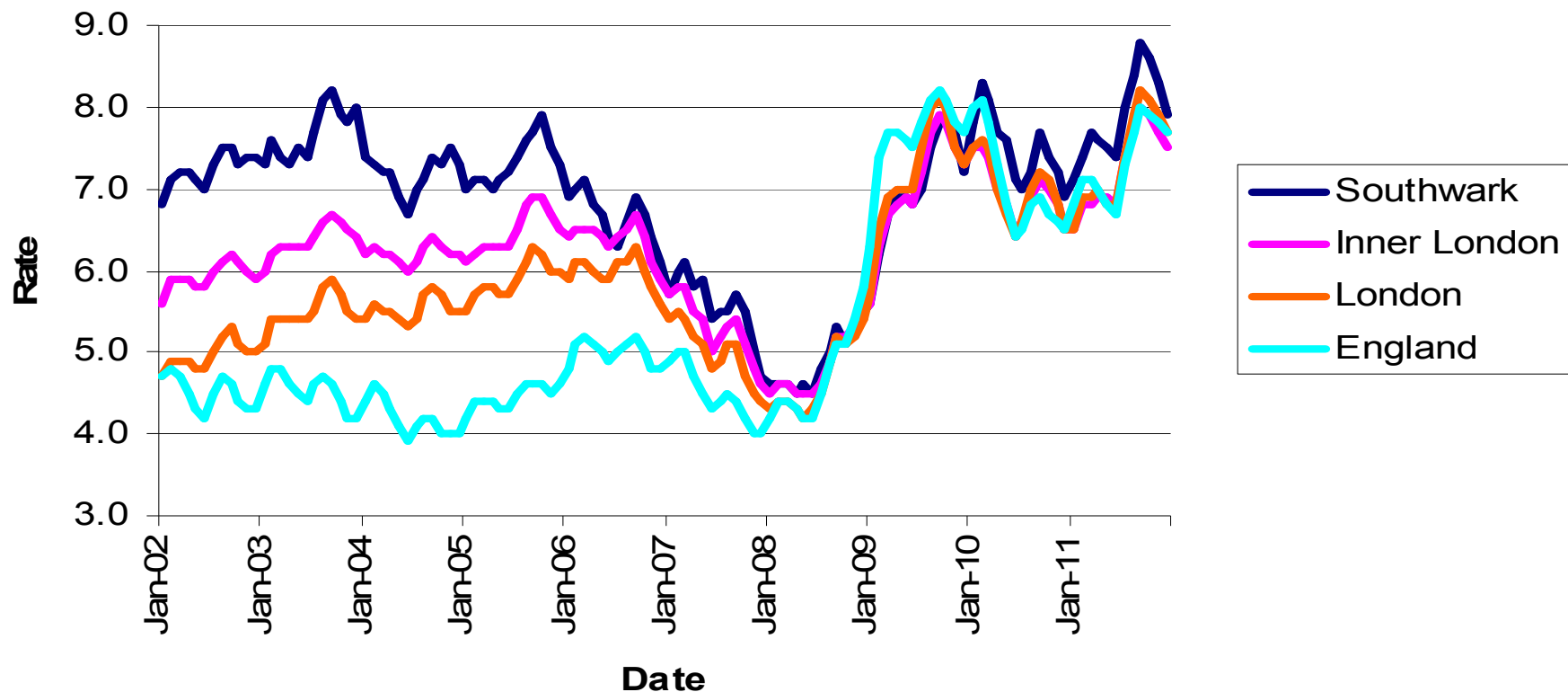
Age Cohorts and Unemployment

JSA claimant rates by age group



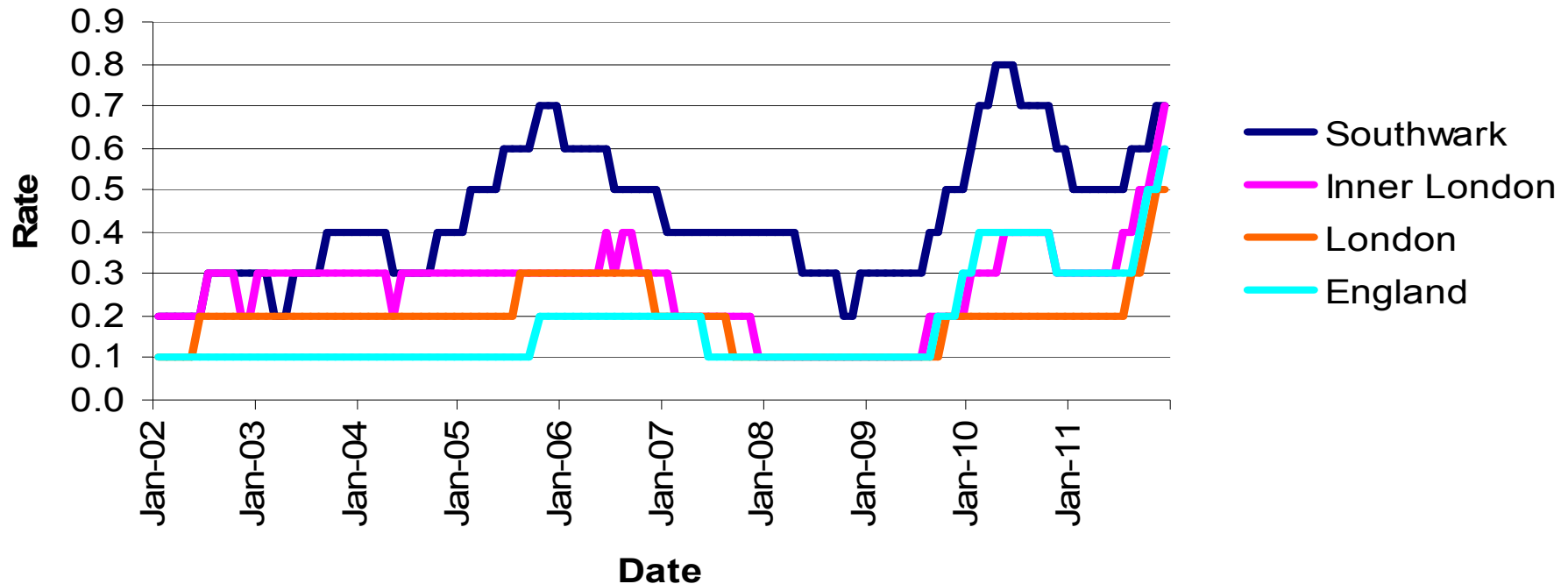
Age Cohorts and Unemployment

JSA claimant rates: Age 18-24



Age Cohorts and Unemployment

**Long term youth unemployment:
claiming for more than 12 months**



The Skills Challenge

Skills levels are polarised:

- 45% of residents are qualified to degree level (London average - 39%)
- 13% have no qualifications (London average - 12%).
- Proportion with no qualifications highest among those age 50 to retirement age (33.3%).
- 18.8% aged 16 to 19 have no formal qualifications London average (18%).

The London Industrial Base

- One third of London's jobs in central London;
- two thirds of employees commute from outside central London
 - Unemployment in London around 9%
- Employment growth in – Construction; Hospitality; professional services
- Employment loss in - public administration; wholesale & retail

Sector growth forecasts:

- financial and business service sectors
- health
- education
- hospitality

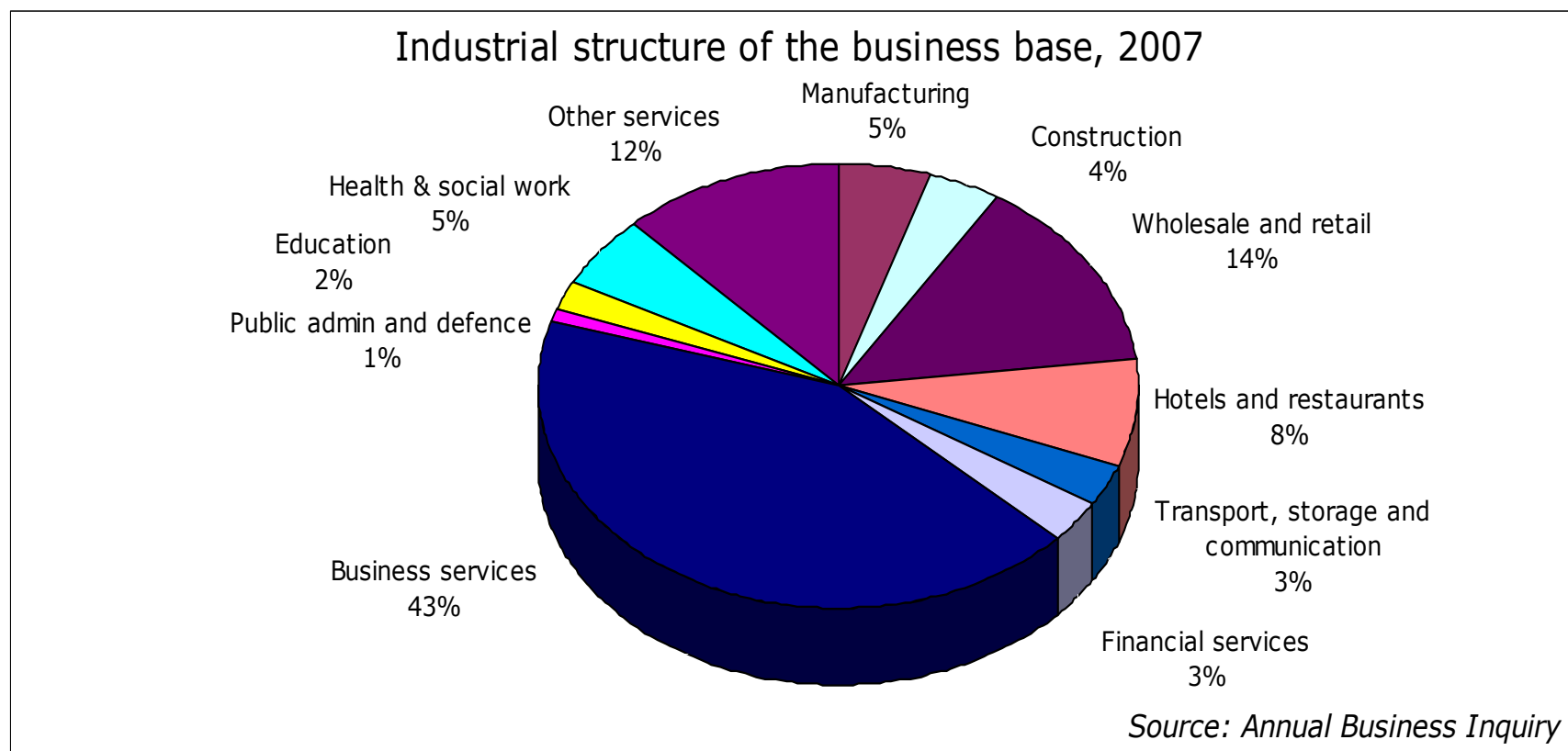
Southwark's Industrial Base

- Current stock of VAT and/or PAYE registered businesses - 11,745
- 10,250 micro businesses (fewer than ten employees) (8,775 fewer than five)
- 1,420 small or medium sized enterprises (SMEs) (10-249 employees)
- 75 large businesses (250-plus employees)
- 20th largest local economy in the UK and the 6th largest local economy in London.

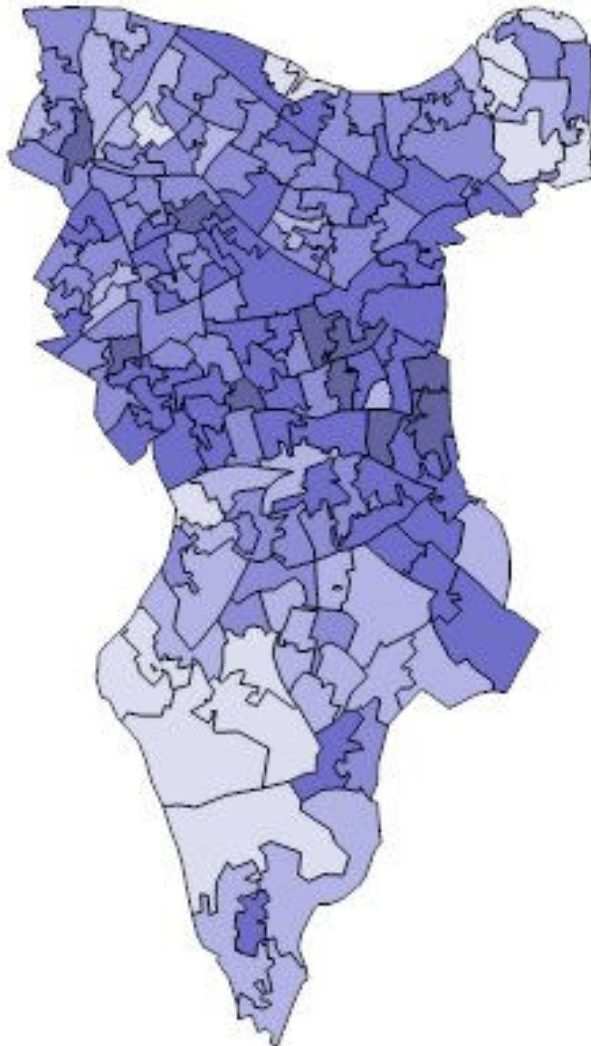
Growth Sectors - business services; hotels and restaurants; education; construction

Declining Sectors - transport and communications; wholesale and retail; public administration and defence; financial services; manufacturing

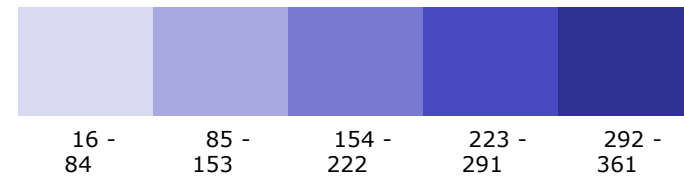
Southwark Business Base 2007



Distribution of benefits claimants in Southwark



Legend



Band of high numbers across Bermondsey, Walworth, Camberwell, Peckham and Nunhead