

Coronavirus labour market update No.9

BRIEFING FOR ENTERPRISE M3

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The arrival of the Coronavirus contagion and the lockdown measures implemented in the middle of March 2020 represent an economic disruption unprecedented in terms of its speed and severity. Most economic and labour market data, especially at local level, takes months and years to emerge, but some data sources are more readily available. This briefing – the ninth in a monthly series – uses Emsi’s job postings, DWP Claimant Count and HMRC CJRS statistics to gain some indications of what is going on in the Enterprise M3 region, to supplement the national statistics which are available. These show that the 16-64 unemployment rate has risen significantly (from 2.6 per cent in Q2 2019 to 3.2 per cent in Q2 2020), but not as much as might have been feared. These data refer to the period to the end of December, in a period which started with the end of the November national lockdown and a return to a tiered system, but by the end of which the new strain had begun to create a rapid increase in infections concentrated in London and the South East.

A series of charts on the following pages show:

1. As the top part of Figure 1 illustrates, unique active job postings – the number available online at any one time – continued to remain stable despite the November lockdown and the return of the tiered system. To a great extent, recruitment plans seem to have adjusted to a Covid environment.
2. As discussed in previous reports, the return to higher active levels conceals a slower moving flow of new postings (bottom part of Figure 1). From November, the net flow has been more variable, although it should be said that this is usually the case given the Christmas period in the latter part of December.
3. Figure 2 compares this net flow over the most recent 3 months in 2020 with the same period in 2019. It shows that while the Christmas period saw some falling back, the flow of net new postings remained positive, in contrast to the significant falling-off seen in 2019.
4. Figure 3 shows a reduction in active postings for Enterprise M3 (in dark blue) compared with other LEP regions, since February. The performance in monthly terms is further from recovery than on the daily data (5 per cent down, while daily data suggests recovery in active volumes), as shown in Figures 1 and 2; the reason is that the daily data moves to reflect that more quickly, and so the monthly total is closing on its past level. Enterprise M3 remains in the middle of the ranking – and it is notable that some of those at the bottom are now entering positive territory, although how long this will last in the midst of the new conditions nationally remains to be seen.

5. Figure 4 groups occupations by the industry section in which they tend to most be concentrated – so for example, engineers are found in Manufacturing; programmers in IT; nurses in health and social work. The industry spread retains the pattern seen in July, although with a continued general positive shift – ten industries are now in positive territory, including construction, which was deeply affected early on in the period but is now 32 per cent above its previous lows. The pattern seen in in the last report remains in place, with accommodation and food service activities still 67 per cent below their pre-Covid level, as they were in November.
6. Figures 5 and 6 look at different metrics for LEP regions: the change in job postings from February to December; the change in overall Claimant Count unemployment from February to November; and the cumulative number of employees furloughed¹; for consistency each are measured against resident economic activity.²
7. Figure 5 looks at the change in job postings against the change in Claimant Count, both expressed relative to the size of the regional workforce and for all LEP regions. Expressed this way, the region's drop in job postings is a little above average (equivalent to 0.4 per cent of economically active residents, average 0.2 per cent), it has seen a relatively small increase in its claimant count (3.3 per cent, average 3.8 per cent) compared to other LEP regions – remaining the 8th smallest increase in the country, having started from a very low level on this measure
8. Figure 6 looks at the change in claimant count alongside the (much larger) number of employees furloughed under the Coronavirus Job Retention Scheme at some point before the end of June. The outlook continues to be that the Enterprise M3 is one of the least affected regions: Enterprise M3 is with New Anglia, Greater Lincolnshire and Oxfordshire LEPs in having the lowest combinations of furloughed employees and new claimant counts.

Overall, the ninth snapshot remains reassuring for the labour market, even if the Coronavirus infection spread has escalated rapidly in concern over the past month. The constraints on business activity, especially in consumer-facing services, do not seem to have further affected recruitment plans – that suggests that workplaces in these sectors had not sought to recruit, and so remain to recover in future, which is supported by the industry pattern. Further measures on business support mean that the situation is likely to be supported into the Spring – the questions on recovery possibility will depend on the speed of vaccination production and distribution over the coming weeks and months, and the success of lockdown in reducing case levels and health demands.

1 As the geographical data only shows the cumulative number, the reduction in furlough in anticipation of CJRS's end in October means that the data were no longer changing by month – and will take some steps to surge above past levels even with the new extensions announced in November.

2 It should be noted that Claimant Count and furlough are measured on a residential basis, whereas job postings are a workplace measure, and so they will differ.



Figure 1: Overall postings trend

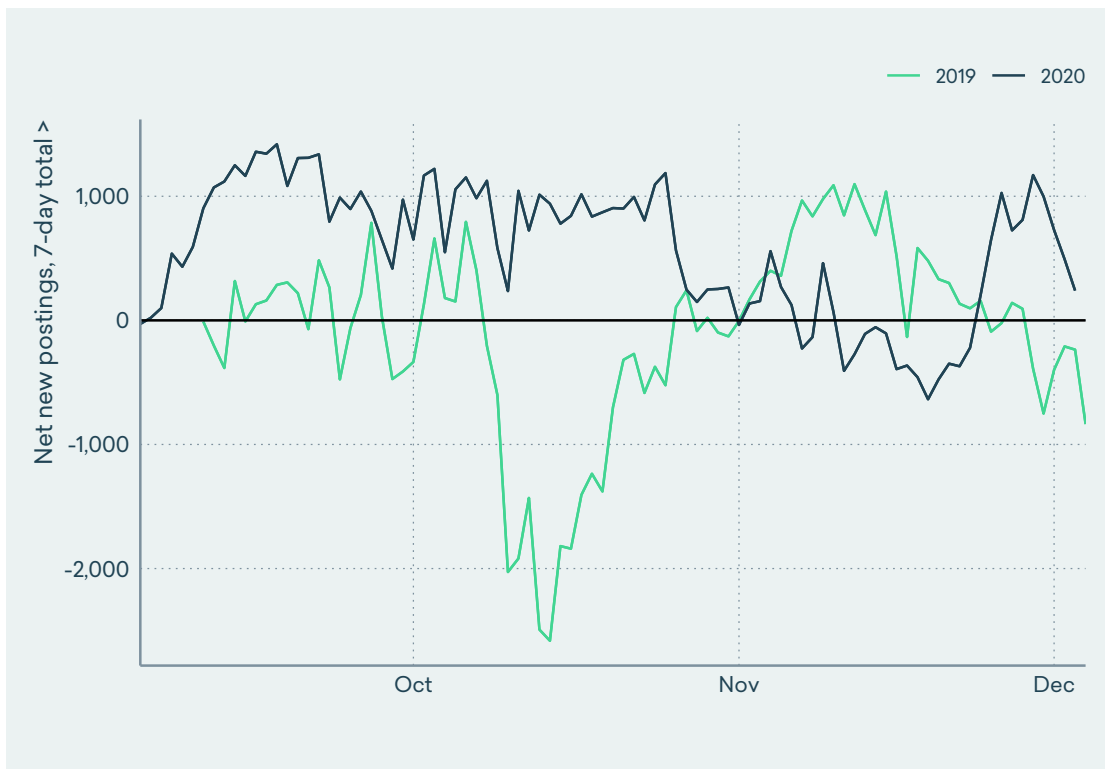


Figure 2: Net additional postings, 7-day total: 2019 and 2020 compared

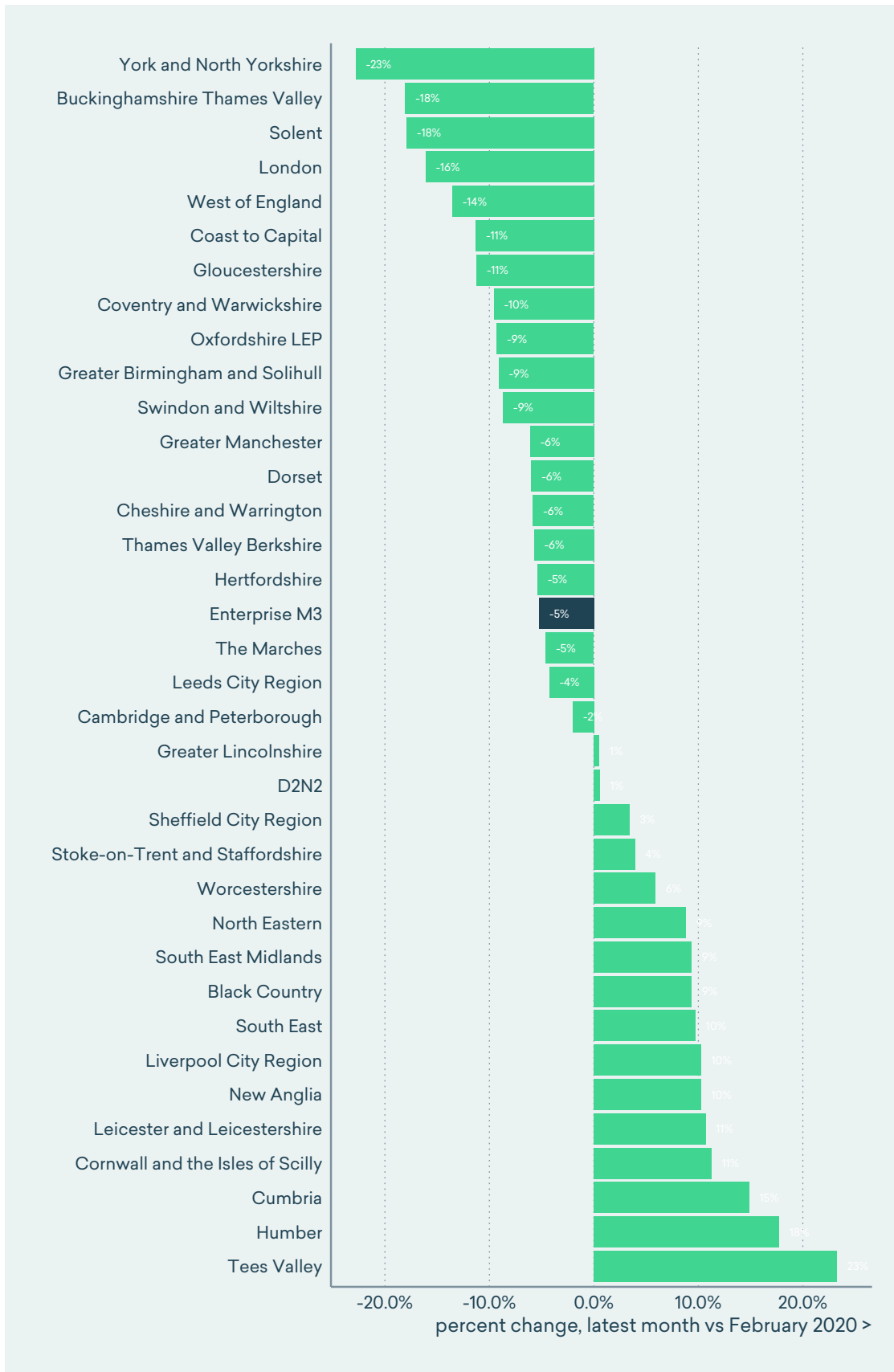


Figure 3: EM3 compared to other LEP regions

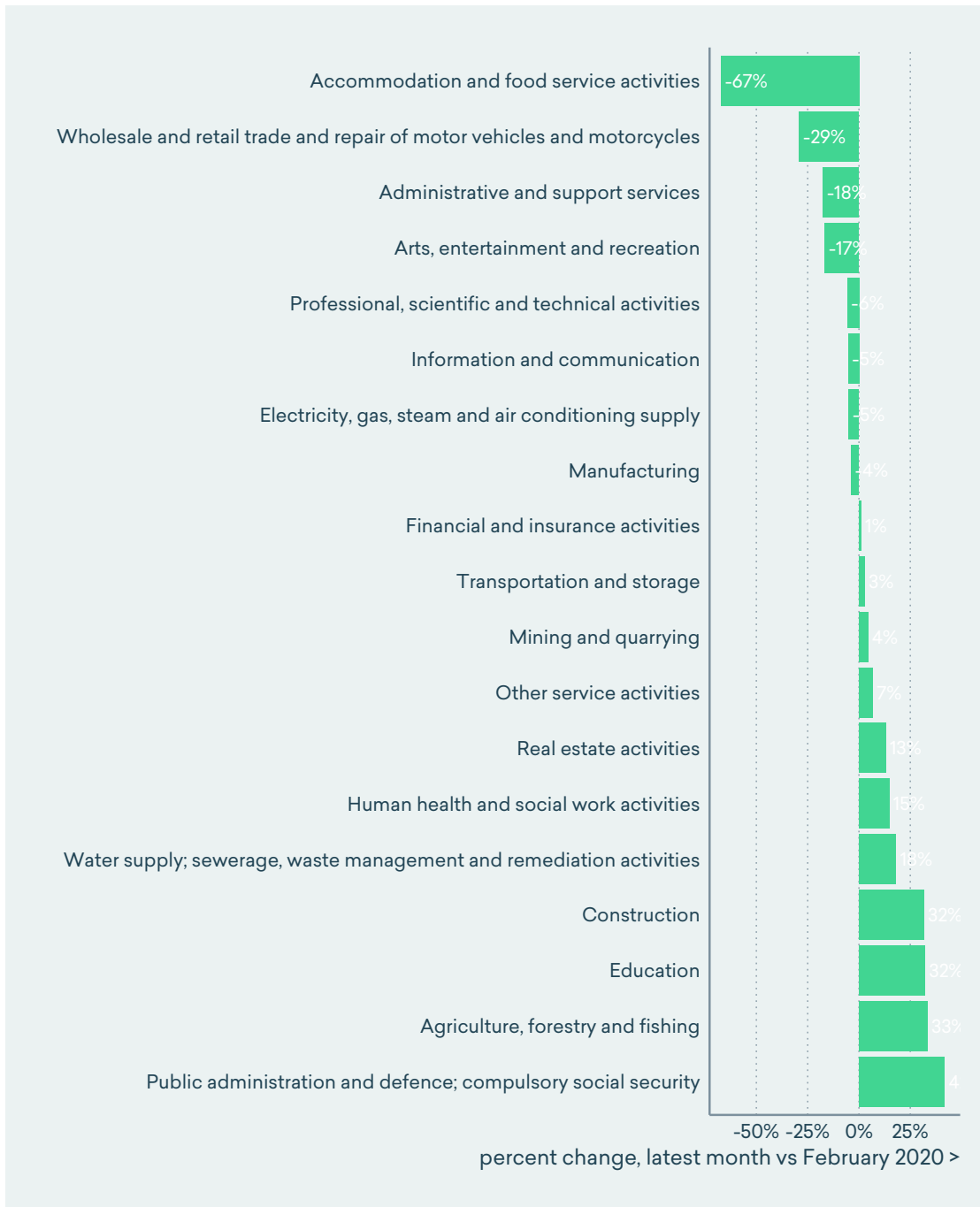


Figure 4: EM3 industry groups

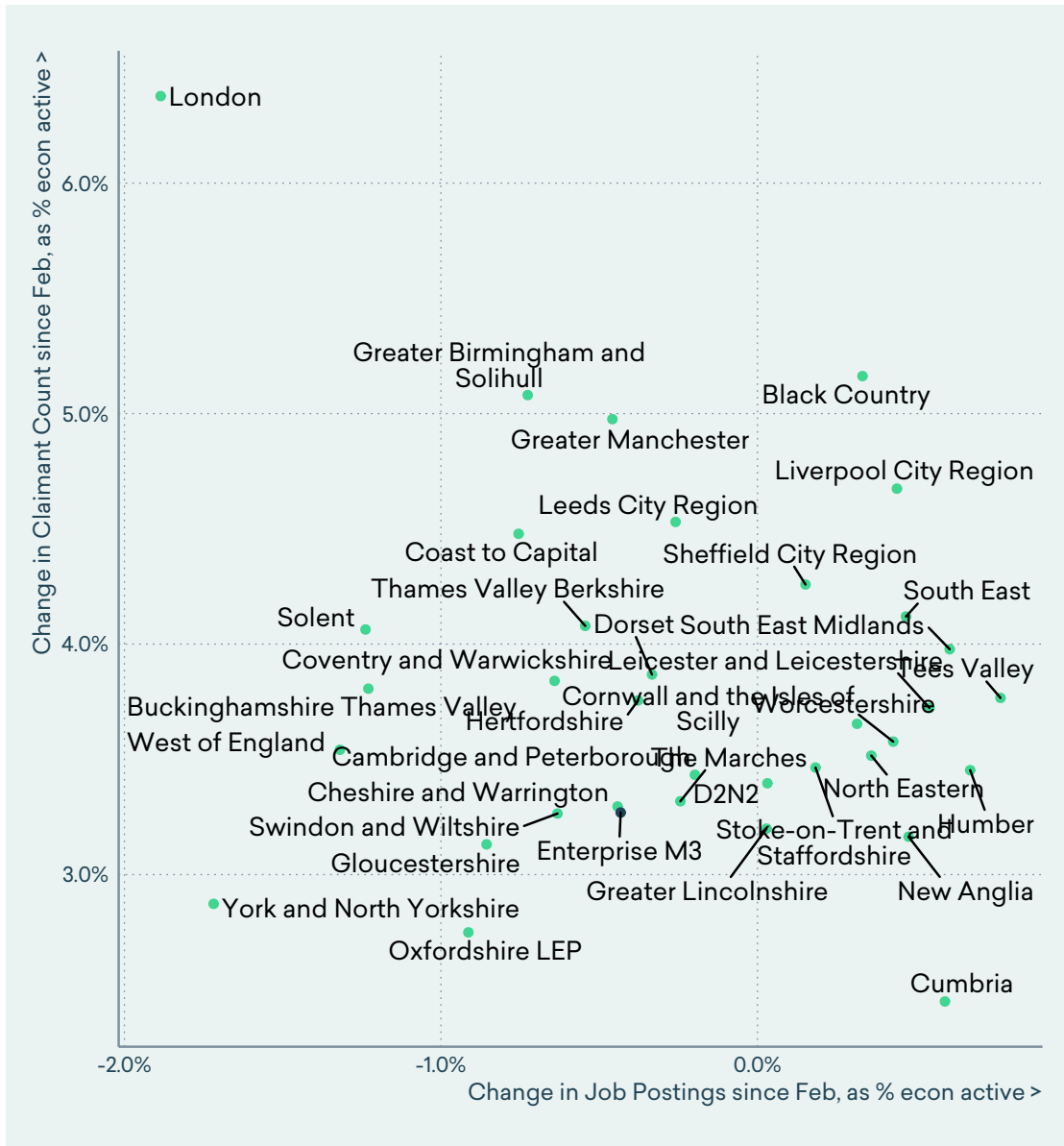


Figure 5: Job posting and claimant count change by LEP

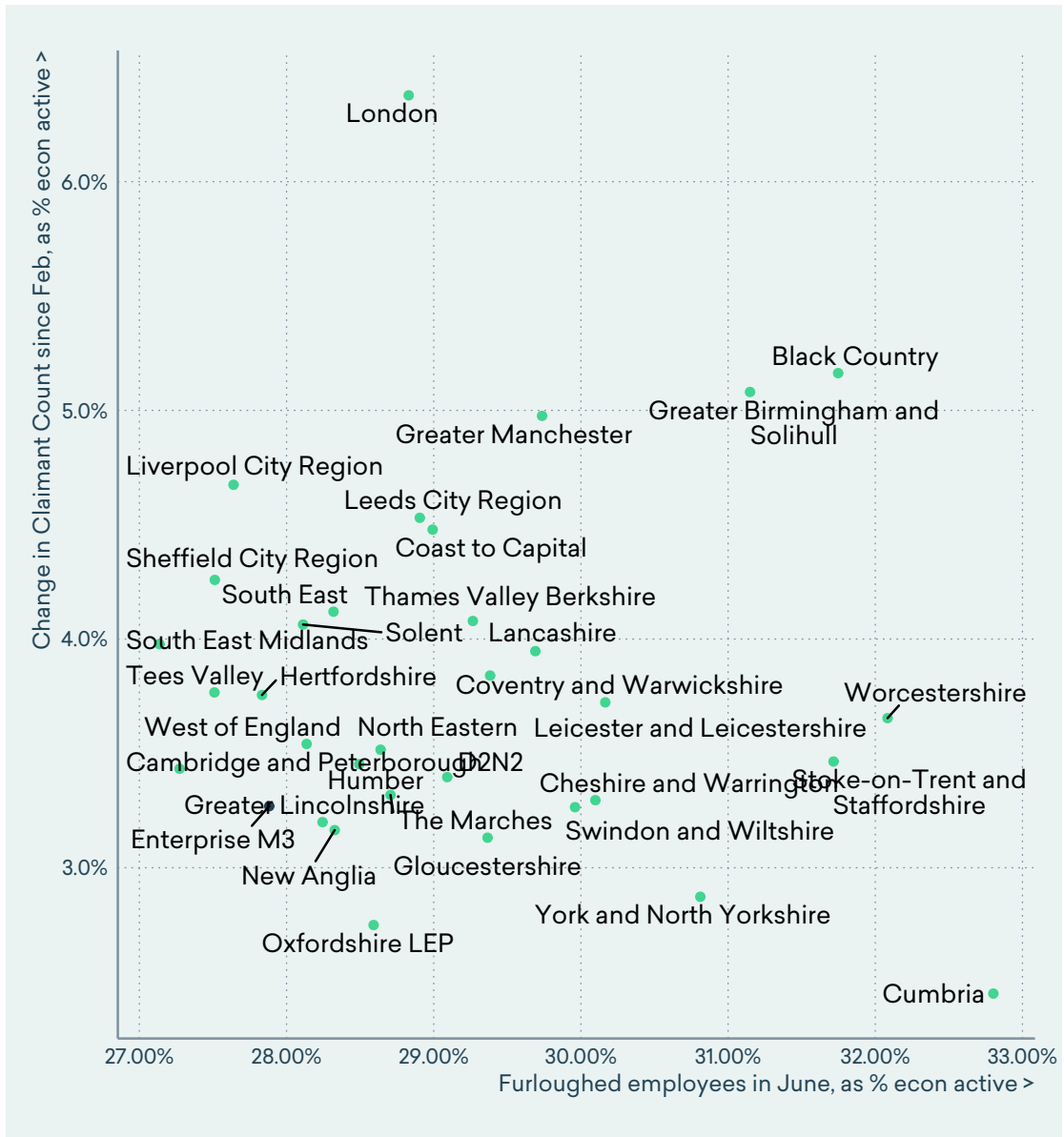


Figure 6: Furlough and claimant count change by LEP