

## 5: People and communities

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### **Section 5: Key findings**

- Although the economy of the *Hampshire Economic Area* performs reasonably strongly overall, there remains significant exclusion and deprivation within it, and this tends to be concentrated in localised areas.
- Across the *Hampshire Economic Area*, activity and employment rates are very similar to the regional average. At a sub-area level, however, there are some differences. On both metrics, *North Hampshire* performs more strongly than the other two sub-areas.
- Overall, the rate of unemployment (measured in terms of JSA claimants) is marginally lower than the regional average and much lower than the national rate. There was an overall downward trend in JSA claimants in 2010, although numbers were still high compared to 2007 pre recession levels. For *South Hampshire*, the rate of unemployment is higher than the regional average while it is a good bit lower in *Central Hampshire/New Forest*. In all three sub-areas, there are unemployment hotspots at a localised level.
- Overall, about 10.4% of the working age population of the *Hampshire Economic Area* is claiming benefits. This figure is very much higher in some localities: in eight wards (all of which are in *South Hampshire*), the figure is over 20%.
- In terms of deprivation, a very similar pattern emerges. Overall, the *Hampshire Economic Area* fares well. However there are pockets of extreme poverty. In the main these are in the larger urban areas.
- Looking ahead, particular concerns must surround the incidence of child poverty for this has a major bearing on life chances. The incidence of children in low earning households is particularly high in wards in urban South Hampshire. Seen alongside poor levels of attainment at school and a high incidence of young people Not in Education, Employment or Training (NEETs), this must raise some real questions and concerns. The issues appear to be particularly acute in the two unitary authority areas of Portsmouth and Southampton.

### Labour market participation

#### **Employment and activity rates**

- 5.1 Alongside the Treasury-defined drivers of productivity, crucial dimensions of so-called “smart growth” concern the rates of economic activity and employment among the working age population<sup>50</sup>. Economic strategies have long sought to drive up performance on both indicators in order – literally – to extract more economic output from the same number of working age residents. Against this backdrop, we need to understand how the *Hampshire Economic Area* is performing on both measures:

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<sup>50</sup> A full glossary is provided at Annex A, but the “employment rate” refers to the proportion of the working age population that is employed while the “activity rate” is the proportion that is either employed or unemployed

- *Economic activity rates:* Across the *Hampshire Economic Area* as a whole, in 2008/09 there were about 865,000 economically active people; this was about 82% of the working age population (a rate that was similar to the regional average). At a sub-area level, the rates were highest in *North Hampshire* (around 87%) and lowest in the *Districts in South Hampshire* (just below 81%). At a district level, economic activity rates were highest in the *North Hampshire* district of Hart (around 90% in 2008/09) and lowest in Portsmouth and Southampton (around 77.5% in 2008/09). Economic inactivity rates for residents of working age were the mirror image.
- *Employment rates:* In 2008/09, the *Hampshire Economic Area* had an estimated employed resident working age population of 818,200. The employment rate was 77.8% and similar to the regional average (78.1%). At a sub-area level, the employment rate ranged from 75.7% across *Districts in South Hampshire* to 81.9% in *North Hampshire*. At a district level, the employment rate across the working age population was highest in Hart (86.2%); Gosport (83.8%); Test Valley (83.5%); and Rushmoor (83.3%). It was lowest in the two unitary authority areas of Portsmouth (71.7%) and Southampton (72.0%).

5.2 From both sets of observations, the clear inference is that levels of labour market engagement are higher in *North Hampshire* than in either of the other two sub-areas. They are particularly low across *Districts in South Hampshire*. As explained above, within the *Hampshire Economic Area*, this sub-area contains the largest concentrations of workers, jobs and businesses. The limited extent of labour market engagement must therefore be a concern.

### ***Unemployment***<sup>51</sup>

5.3 In the context of recession, there is a need to consider rates of unemployment (measured through Job Seekers Allowance (JSA) claimants). Across the *Hampshire Economic Area* as a whole – and using this metric – unemployment rates rose from 1.6% in October 2008 to 2.2% in October 2010; this picture matched that across the South East. The overall trend in 2010 was downwards, although unemployment levels remained higher than those experienced pre-recession. At a sub-area level – and on a ward-based definition – *Central Hampshire/New Forest* saw unemployment rising from 1.0% to 1.4% between October 2008 and October 2010; *North Hampshire* saw an increase from 1.2% to 2.0%; and *South Hampshire* experienced an increase from 1.9% to 2.5%. However locally, the picture was much more acute and some notable “unemployment hotspots” were evident in the data for March 2010. Specifically, 12

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<sup>51</sup> Hampshire County Council is also producing a separate Worklessness Assessment (Spring 2011) which will explore the issues of unemployment and worklessness in more detail.

wards in *South Hampshire* and five in *North Hampshire* (all of which were in Basingstoke and Deane district) had a claimant count rate in excess of 5%.

- 5.4 With regard to the duration of unemployment, one-third of all JSA claimants have been unemployed for 6 months or more. Some 16% of claimants aged 25 and over have been unemployed for at least one year and 22% have been unemployed for between 6 and 12 months. Some 3% of claimants aged 18 to 24 can be considered ‘long-term’ unemployed (i.e. out of work for more than 12 months); around 15% have been out of work for between 6 and 12 months.
- 5.5 At a sub-area level there is evidence to indicate that young people (aged 18 to 24) out of work for 6 months or more account for a slightly higher share of all JSA claimants in the *Districts in South Hampshire* than elsewhere, although the differences are not large.

### **Benefit claimants**

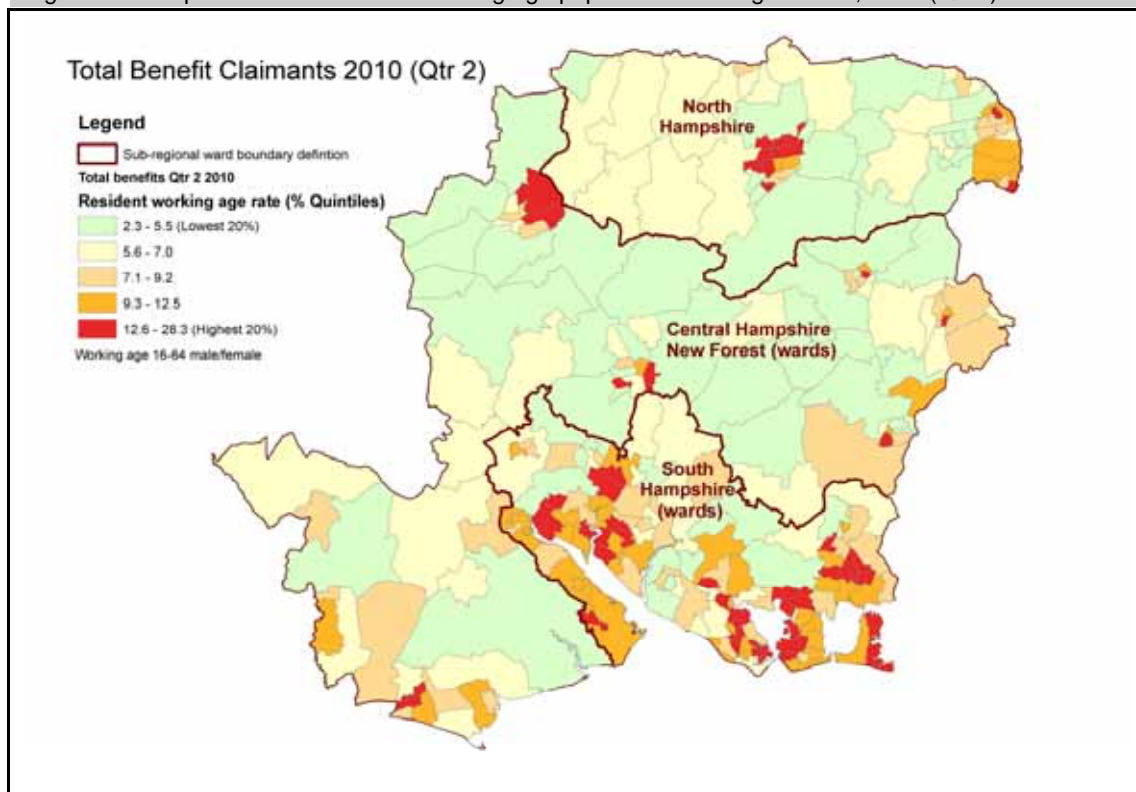
- 5.6 Of perhaps greater long term concern, particularly in relation to levels of worklessness, is the overall pattern of benefit claimants. In addition to JSA, this includes other benefits such as Incapacity Benefit<sup>52</sup>, Severe Disablement Allowance, and Income Support. Overall, by May 2010, some 10.4% of the working age population of the *Hampshire Economic Area* was claiming benefits. This figure was marginally lower than that for the South East (10.7%) and four percentage points lower than the Great Britain-wide figure (14.7%)<sup>53</sup>. At sub-area level, *Central Hampshire/New Forest (ward)* performed best (8.2%) and *South Hampshire (ward)* performed worst (11.8%). Again though, at individual ward level some real “hot spots” were evident: for eight wards within the *Hampshire Economic Area*, more than 20% of the working age population was claiming benefits (all of these were in *South Hampshire*). In addition – as Figure 5-1 flags – there were localised pockets of relatively high benefits dependency in Andover, Basingstoke and Winchester.

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<sup>52</sup> This has recently been replaced by the Employment and Support Allowance

<sup>53</sup> In August 2010, the Office for National Statistics realigned the female working age from 16-59 years to the male pensionable age of 16-64years. This new denominator was applied retrospectively to data.

Figure 5-1: Proportion of the resident working age population claiming benefits, 2010 (Qtr 2)



Source: HCC and DWP 2009 (based on four quarter average of total benefit claimants)

### ***Young people not in employment, education or training (NEETs)***

- 5.7 In considering the nature and extent of worklessness across the working age population in general, we need to pay particular attention to young people within the *Hampshire Economic Area*. There is evidence that the recession has hit this cohort – many of whom are attempting to enter the labour market – particularly badly. Overall, in 2009/10, there were estimated to be about 51,000 16-18 year olds across the *Hampshire Economic Area*. In the Hampshire County Council area, 5.7% were estimated – by Connexions – to be Not in Employment, Education or Training (NEET). In the unitary authority areas of Portsmouth (11.1%) and Southampton (9.7%), the incidence of NEETs was especially high, although it is reducing. Across the South East as a whole, 5.8% of 16-18 year olds were estimated to be Not in Employment, Education or Training.

### ***Conclusions in relation to labour market participation***

- 5.8 Overall then, although the *Hampshire Economic Area* has performed reasonably strongly in relation to activity and employment rates, it has been hit by the economic recession and unemployment rates have risen; although these started to fall towards the end of 2010, they are still well above pre-recession levels. At a localised level, there is a persistent pattern of economic inactivity. For a large handful of wards – which are mostly in *South Hampshire* with a few in the *North Hampshire* district of

Basingstoke and Deane – the challenges are both persistent and acute. In the main, the problem appears to be a largely (although not exclusively) urban one. In addition, the *Hampshire Economic Area* as a whole – and Portsmouth and Southampton in particular – appears to have major challenges with regard to the incidence of NEETs; this is really important in terms of future prospects, both for the individuals concerned and the area as a whole.

## Deprivation and poverty

- 5.9 To what extent though do these differences in economic activity and employment rates and patterns manifest themselves into multiple aspects of deprivation and disadvantage?

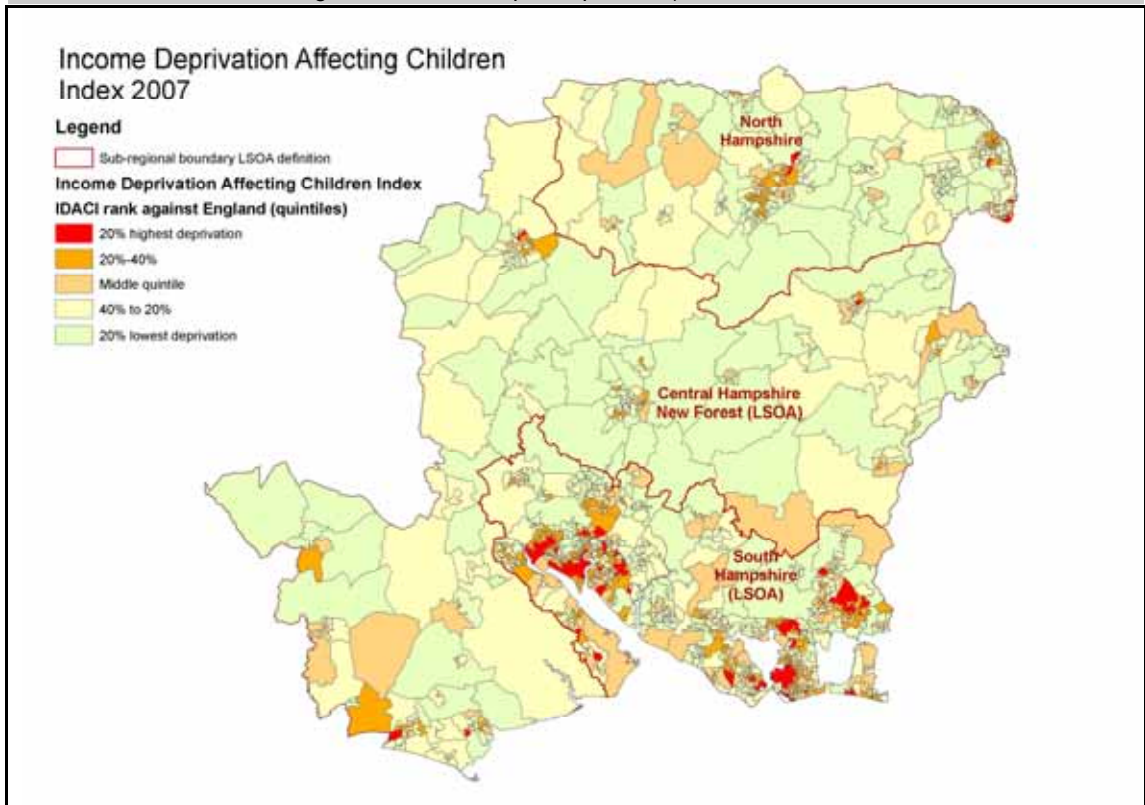
### ***Deprivation and disadvantage in relation to children and young people***

- 5.10 A “first cut” in relation to disadvantage relates to children and young people. This is especially important because it embraces a strong inter-generational dimension. Figure 5-2 shows rates of income deprivation affecting children. These are defined as the proportion of children aged 0-15 living in income deprived households<sup>54</sup>. The map shows that the highest incidence of income deprivation affecting children is seen in pockets across the urban areas of *South Hampshire*: Portsmouth, Southampton, Havant, Gosport and Eastleigh. There are isolated issues elsewhere – notably in Farnborough and Aldershot (*North Hampshire*) and Andover and New Milton (*Central Hampshire/New Forest*).

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<sup>54</sup> Defined specifically as the percentage of an LSOA’s children under 16 who were living in families in receipt of IS and JSA (IB) or in families in receipt of Working Family Tax Credit/Disabled Persons Tax Credit and whose equivalised income is below 60% of median before housing costs

Figure 5-2: Income deprivation affecting children (rates) (Source: Department for Communities and Local Government 2007 English Index of Multiple Deprivation)



Source: Map produced by Hampshire County Council

5.11 The challenges of deprivation affecting young people across urban parts of *South Hampshire* really are acute and they manifest themselves in all sorts of ways, particularly within the unitary authority areas of Portsmouth and Southampton. Whereas Figure 5-2 considered children up to the age of 16, Table 5-1 presents key indicators relating to young people. It shows that young people in the area administered by Hampshire County Council generally perform better at both GCSE and A Level than those in England as a whole; and – as mentioned above – they are less likely to be NEET (and there is evidence that the position across the county improved between 2008/09 and 2009/10, and has improved further since January 2010). The exact opposite is the case for the unitary authority areas of Portsmouth and Southampton.

Table 5-1: Key indicators relating to young people in Hampshire, Portsmouth and Southampton (Source: DCSF; Hampshire County Council)

	Hampshire County Council	Portsmouth UA	Southampton UA	England
% of pupils at the end of Key Stage 4 achieving 5+A*-C (and equivalent) including English and maths GCSEs, 2009	55.4%	39.5%	43.1%	49.8%
Average A level points score per student, 2009	786.1	697.2	657.9	739.3

	Hampshire County Council	Portsmouth UA	Southampton UA	England
% of 16-18 yr olds Not in Education, Employment or Training (3 month average (Nov09-Jan10))	5.7%	11.1%	9.7%	6.4%

### ***Deprivation amongst the whole population***

- 5.12 The Index of Multiple Deprivation (IMD)<sup>55</sup> 2007 brings together indicators from a wide range of ‘domains’, including income, employment, health and crime, and it provides some useful insights with regard to the wider population. Table 5-2 shows the number of lower layer super output areas (LSOAs)<sup>56</sup> in the *Hampshire Economic Area* which are in the 20% most deprived in England. As the table shows, when set in the context of England as a whole, the *Hampshire Economic Area* is not generally deprived. Some 86 of the *Hampshire Economic Area*’s 1,091 LSOAs fall in the 20% most deprived in England (7.9% of the total). However, the table also shows that it is *South Hampshire* which is predominantly affected, accounting for 83 of these. Within the *Central Hampshire/New Forest*, there are no LSOAs in the most deprived group nationally while in *North Hampshire* there are three.

Table 5-2: *Hampshire Economic Area*: LSOAs in 20% most deprived in England, Index of Multiple Deprivation 2007

Area	Total LSOA	% of <i>Hampshire Economic Area</i> LSOA	LSOA in 20% most deprived in England	% of LSOAs in area	% of <i>Hampshire Economic Area</i> most deprived
<i>Hampshire Economic Area</i>	1,091	100%	86	7.9%	100%
North Hampshire	216	19.8%	3	1.4%	3.5%
Central Hampshire/New Forest	218	20%	0	0%	0%
South Hampshire	657	60.2%	83	12.6%	96.5%
Hampshire (County Area)	822	75.3%	27	3.3%	31.4%

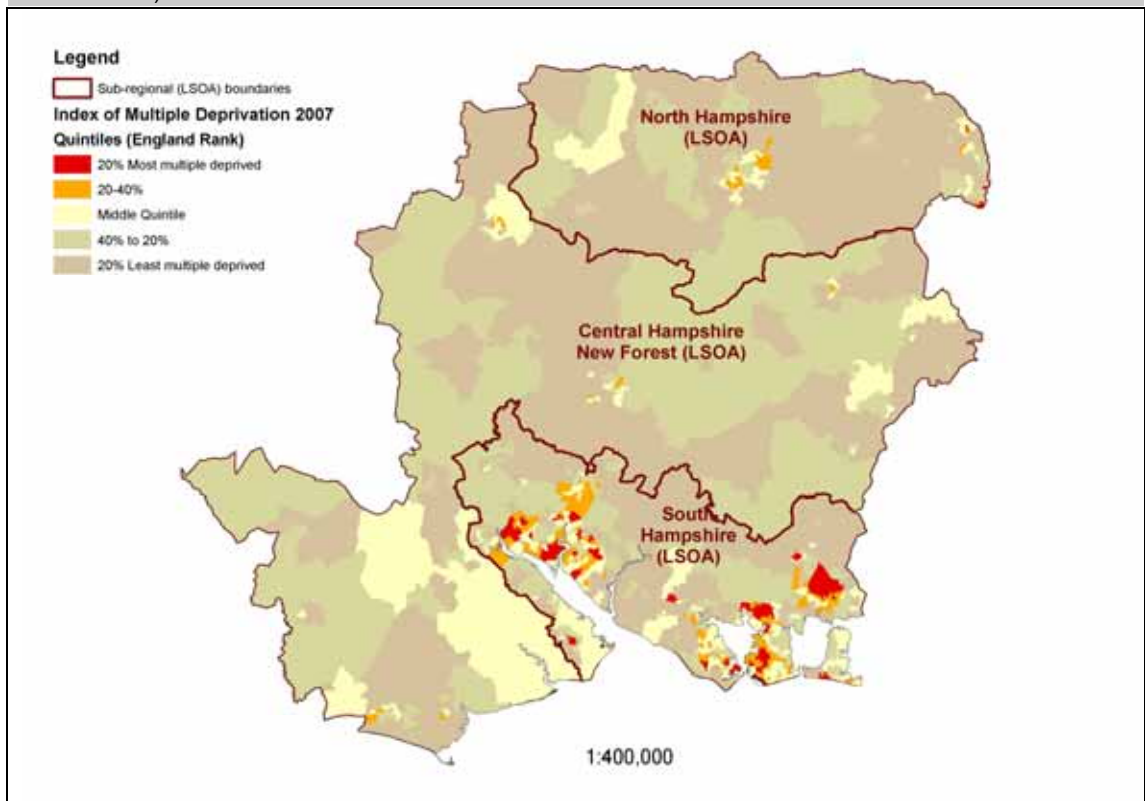
Source: *Index of Deprivation 2007*; Hampshire County Council

- 5.13 Analysis at the LSOA level also helps to pinpoint pockets of deprivation spatially; these are mapped in Figure 5-3. The most deprived areas in *South Hampshire* are predominantly in Southampton and Portsmouth, followed by Havant (especially Leigh Park and the Wecock Estate). Within *North Hampshire*, the most deprived LSOAs are in Rushmoor district (two wards in Farnborough (Mayfield and Grange) and one in Aldershot (Heron)).

<sup>55</sup> IMD is built up from LSOA level and therefore we are able to use a LSOA-based definition of sub-areas in the context of this dataset. See Footnote 12 for a further explanation

<sup>56</sup> These are defined in Annex A but essentially they relate to small areas which are defined in terms of population; the mean population within an LSOA is 1,500

Figure 5-3: Index of Multiple Deprivation 2007 (Source: Department for Communities and Local Government)



Source: Map produced by Hampshire County Council using data from IMD 2007