

Hampshire Economic Assessment, 2011

Worklessness Assessment

April 2011



Hampshire
County Council

SQW

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1: Introduction

- 1.1 This report provides an overview assessment of worklessness in the *Hampshire Economic Area*, drawing on a range of secondary data sources. The analysis has been developed to complement the Hampshire Economic Assessment, 2011, and to sit alongside the more detailed Extended Evidence document. It is a stand alone report but also part of the suite of documents which together comprise the Hampshire Economic Assessment 2011. Together, these set out the broader context. They also provide key background detail and explain the geographical definitions and terms that have been used throughout this document.
- 1.2 In preparing this assessment, we have drawn heavily on the data and subsequent analysis undertaken as part of the Hampshire Economic Assessment. This information has then been supplemented through a small number of additional data sources. The result is that this assessment includes most of the indicators suggested by the Improvement and Development Agency (IDeA – now Local Government Improvement and Development) in its guidance on developing Work and Skills Plans^{1 2} (of which the preparation of a Worklessness Assessment is an important element).
- 1.3 The remainder of this report is structured as follows:
- Chapter 2 – discusses the data related to economic activity, employment and unemployment for the resident population in the *Hampshire Economic Area*
 - Chapter 3 – explores the levels and nature of benefit claimants and how this has changed over time
 - Chapter 4 – presents the data related to the skills and qualification levels of residents
 - Chapter 5 – looks at the employment opportunities within the *Hampshire Economic Area*
 - Chapter 6 – draws together the key messages from this report.

¹ IDeA, Work and Skills Plans (no date) - <http://www.idea.gov.uk/idk/aio/16822661>

² Indicators were excluded where data were either unavailable or lacking robustness at relevant spatial scales

2: Economic activity, employment and unemployment

- 2.1 This chapter discusses the headline indicators relating to worklessness in the *Hampshire Economic Area*: economic activity, employment and unemployment. The chapter concludes with a short summary of the key messages emerging from the analysis.

Economic activity

- 2.2 Table 2-1 provides estimates of the economically active populations of the *Hampshire Economic Area* sub-areas in 2004 and 2008/09 (the latest date published). All data are derived from sample surveys. It is important therefore to acknowledge that small year on year changes are as likely to reflect sampling variability as any underlying trend³.

Table 2-1: Economically active population of working age, 2004, 2008, 2008/09, *Hampshire Economic Area*, '000

Area	2004	2004 %	2008	2008 %	2008/09	2008/09 %
England	23,804.8	78.3	25,005.4	78.9	25,121.6	79
South East region	4,042.2	82	4,156.2	82.3	4,172.2	82.4
<i>Hampshire Economic Area</i>	846.8	82.7	863.3	82.3	865.1	82.3
<i>North Hampshire</i>	175.7	84.6	184.8	86.5	186.7	87.1
<i>Districts in Central Hampshire/New Forest</i>	253.2	83.8	244.6	82.8	240.8	81.4
<i>Districts in South Hampshire</i>	417.9	81.2	433.9	80.4	437.5	80.8
Hampshire (County Area)	642.1	84.2	636.7	83.6	641.3	84.1

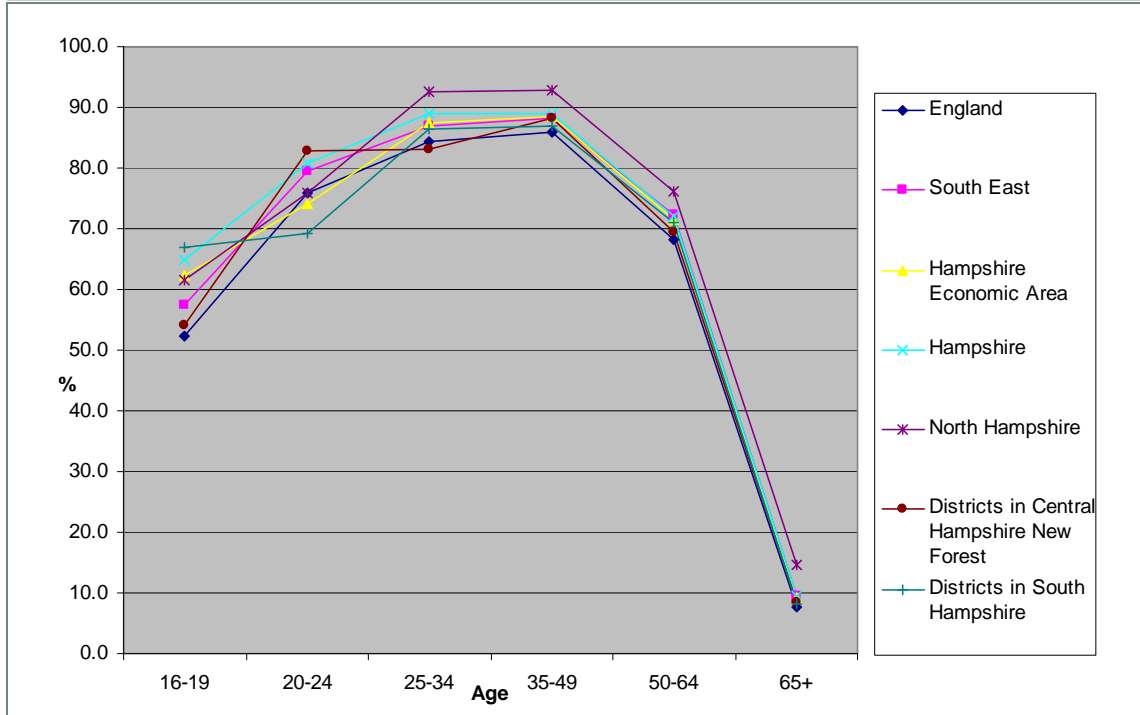
Source: APS from Nomis

- 2.3 The table shows economic activity rates for people of usual working age in excess of the England average throughout the period. At a sub-area level, the rates are highest in *North Hampshire* (around 87%) and are lowest in the *Districts in South Hampshire* (just below 81%). Overall, the *Hampshire Economic Area* rates are very much in line with the South East region as a whole. At a district level, economic activity rates are consistently highest in Hart (around 90% in 2008/09) and lowest in Portsmouth and Southampton (around 77.5% in 2008/09).

³ The APS is a household survey and is designed to be robust at the level of the former Learning & Skills Council areas. Sample sizes for shire district authorities are relatively small, with significant sampling variability. In 2009/10, the sample sizes in Hampshire county varied from 167 in Gosport to 450 in the New Forest. In contrast, the sample sizes were much higher in the unitary authority areas of Portsmouth (1,172) and Southampton (1,346). The APS is a quarterly survey with 25% of the sample 'refreshed' every three months. Consequently over the course of 12 months the samples achieved in each area will be twice the figures listed here. Even so there can be significant variations in recorded statistics year-on-year, especially at a district level, which only reflect sampling error rather than any underlying change in population measures

2.4 Figure 2-1 shows the proportion of economically active working age residents in the *Hampshire Economic Area* and its sub-areas along with the county, regional and national comparators. It shows that broadly all the areas follow a similar pattern of economic activity, peaking at the age of 35 to 49 before falling steeply at retirement age (65+). However, within this overall picture it is interesting to note that in the *Districts in South Hampshire*, the proportion of economically active aged 16-19 years is higher than in the other two sub-areas and the national and regional comparators. Conversely, within the 20-24 age bracket, it is lower.

Figure 2-1: % of economically active population of working age in each age bracket 2008/09, *Hampshire Economic Area*



Source: APS from Nomis

2.5 Economic inactivity rates for residents of working age are the mirror image of the above analysis.

Employment

Total employment...

2.6 Table 2-2 looks at employment rates, again expressed as a percentage of the working age population.

Table 2-2: Employed resident population of working age, 2004, 2008, 2008/09, *Hampshire Economic Area*, '000

Area	2004	2004 %	2008	2008 %	2008/09	2008/09 %
England	22,668.4	74.6	23,514.2	74.2	23,334.8	73.4
South East region	3,887.9	78.9	3,967.0	78.5	3,957.8	78.1
<i>Hampshire Economic Area</i>	817.1	79.8	827.8	78.9	818.2	77.8

Area	2004	2004 %	2008	2008 %	2008/09	2008/09 %
North Hampshire	171.4	82.5	177.8	83.2	175.5	81.9
Districts in Central Hampshire/New Forest	246.1	81.5	238.3	80.6	233	78.8
Districts in South Hampshire	399.6	77.7	411.7	76.3	409.6	75.7
Hampshire (County Area)	624	81.8	613.9	80.6	610.4	80.1

Source: APS from Nomis

- 2.7 The table shows that the employment rate of *Hampshire Economic Area* residents of usual working age reduced by two percentage points from 79.8% to 77.8% between 2004 and 2008/09; in England as a whole the rates reduced by 1.2 percentage points (down from 74.6% to 73.4%). In the South East they fell by 0.8 percentage points from 78.9% to 78.1%. The APS consequently indicates that the *Hampshire Economic Area* employment rate is now marginally below the South East rate.
- 2.8 At a sub-area level, the employment rate fell by 0.6 percentage points in *North Hampshire* (from 82.5% to 81.9%). In *Districts in South Hampshire*, the rate fell by 2.2 percentage points and in *Districts in Central Hampshire/New Forest* by 2.7 percentage points. However, as discussed above, care is required in interpreting the data because of sampling error.
- 2.9 Employment rates for the population of usual working age were highest in 2008/09 in Hart district, at 86.2%. They were lowest in Portsmouth (71.7%) and in Southampton (72%).
- 2.10 The APS also provides estimates of total employed residents aged 16 plus. As the State retirement age increases, this is a valuable indicator. Table 2-3 provides the estimates together with associated 'employment rates'.

Table 2-3: Employed resident population aged 16+, 2004, 2008, 2008/09, *Hampshire Economic Area*, '000

Area	2004	2004 %	2008	2008 %	2008/09	2008/09 %
England	23,532.3	59.9	24,627.1	59.9	24,463.7	59.2
South East region	4,066.3	63.4	4,185.9	63	4,180.9	62.6
<i>Hampshire Economic Area</i>	850.6	64.2	867.8	63.4	859	62.5
<i>North Hampshire</i>	180.3	69.8	184.7	69.3	185	68.6
<i>Districts in Central Hampshire/New Forest</i>	257.9	63.9	251.6	61.9	244.9	60
<i>Districts in South Hampshire</i>	412.4	62.2	431.5	62	429	61.6
Hampshire (County Area)	651.7	65.4	646.2	63.9	643.6	63.3

Source: APS from Nomis

- 2.11 In 2008/09 the *Hampshire Economic Area* had an estimated 859,000 employed residents, down on the 2008 estimate of 867,800 but above the 2004 figure of 850,600. Expressed as a percentage of the resident population aged 16+, this was 62.5% in 2008/09. This is on a par

with the South East region estimate and well above the England average of 59.2%. However, there are marked differences at a sub-area level. The employment rate in *North Hampshire* in 2008/09 was 68.6%, above both the *Districts in Central Hampshire/New Forest* (60%) and the *Districts in South Hampshire* (61.6%). At a district level the 16+ employment rates were particularly high in Hart (73.7%) and Rushmoor (70.3%). They were relatively low in the New Forest (53.4%), Southampton (59.7%), Havant (60.4%) as well as in East Hampshire and Portsmouth (both 61%). It is important to note that areas with a large retired population may well record relatively low employment rates as a percentage of the 16+ residents. Elderly residents constitute a larger percentage of the population in both *Districts in Central Hampshire/New Forest* and *Districts in South Hampshire* than in *North Hampshire* and population projections indicate that this trend will become more pronounced in the period through to 2026.

...by gender

- 2.12 Table 2-4 shows the data in Table 2-2 split by gender. It shows that in the *Hampshire Economic Area*, in 2004, around 85% of working age males were in employment compared to 71% of females – a gap of just under 14 percentage points; nationally and regionally the gaps were similar. In England the gap was 13 percentage points and in the South East it was 13.5. Between 2004 and 2008/09, both the male and female employment figures in the *Hampshire Economic Area* fell by more than two percentage points, reflecting the change in total employment reported above.

Table 2-4: Employed resident population of working age – split by gender – 2004, 2008, 2008/09, Hampshire Economic Area, '000

	2004		2004 %		2008		2008 %		2008/09		2008/09 %	
	M	F	M	F	M	F	M	F	M	F	M	F
England	12660	10689	79.4	66.3	12943	11052	78.3	66.4	12814	11003	77.2	65.9
South East region	2142.1	1824.2	84.0	70.5	2180.6	1888.9	82.7	70.3	2168.7	1888.4	82.0	70.1
Hampshire Economic Area	451	380.8	84.6	71.3	459.2	390.3	83.4	70.4	452	384.9	81.9	69.0
North Hampshire	94.8	80.6	86.9	74.2	96.7	83.2	87.1	74.1	97	80.6	87.3	71.1
Districts in Central Hampshire /New Forest	133.1	111.4	88.3	71.8	134.3	110.1	87.3	69.6	129.7	107.4	84.2	67.2
Districts in South Hampshire	223.1	188.7	81.7	69.9	228.1	197	79.9	69.3	225.2	196.9	78.6	69.2
Hampshire (County Area)	337.5	289.1	87.0	72.8	340.4	289.3	85.9	71.0	337.3	286.7	84.9	69.8

Source: APS from Nomis

- 2.13 The highest male and female employment rates were both consistently recorded in *North Hampshire*, with the lowest male rates recorded in the *Districts in South Hampshire*. The lowest female rate was recorded in *Districts in Central Hampshire/New Forest* in 2008/09, but in both 2004 and 2008 the rate was lowest in *Districts in South Hampshire*. However, sampling variability means that it is impossible to be sure that there is any underlying trend at work.
- 2.14 At a sub-area level in 2008/09, the greatest disparity between male and female rates of employment was 17 percentage points in the *Districts in Central Hampshire/New Forest*. It was smallest in the *Districts in South Hampshire* at 9 percentage points. The gap between male and female employment rates closed nationally and regionally between 2004 and 2008/09 by 2 percentage points. In the *Hampshire Economic Area* it has not apparently closed; it may even have widened in *North Hampshire* by 3 percentage points⁴.
- 2.15 In 2008/09 the male employment rate was highest in Test Valley (93%) and lowest in Portsmouth (77%) whilst female employment rates were highest in Gosport (74%) and lowest in Havant (64%). The biggest disparity was in East Hampshire where the male employment rate was 20 percentage points higher than the female rate – although with regard to these data, the small sample size at a district level is critical (the more recent differential recorded in 2009/10 in East Hampshire is 15 percentage points). The differential in 2008/09 was lowest in Southampton at 8 percentage points.
- 2.16 There is no straightforward explanation of the differences at a district level. Areas with further and higher education institutions tend to have lower employment rates because many students are not in the labour force. Areas with large numbers of armed forces can have high male employment rates and often lower female employment rates. This is partly because base housing can be isolated in terms of access to jobs. In addition partners of service personnel who have to move frequently may also find it difficult to find short-term employment. Rural areas can have lower female employment rates because the range of jobs available locally is restricted, with fewer part-time opportunities than in towns; households with only one car may also face problems especially if there is inadequate public transport.

...by ethnic minority

- 2.17 Table 2-5 shows the numbers and rates of 'white' and 'ethnic minority' working age residents in employment as recorded by the APS. It is very important to note that with small ethnic minority communities in many Hampshire districts, there can be very significant changes in recorded numbers/rates which arise solely from sampling variability. The data are not robust and as presented here, it is advisable to average three years' worth of statistics and not to attempt to measure year on year changes.

⁴ Sampling variability may explain small differences between male and female employment rates at a sub-area level when one year is compared with another. Monitoring of trends over time will help establish true trends affecting the underlying population.

Table 2-5: Employed residents of usual working age (16 to 64), white & ethnic minority, average annual for 2006/07 to 2008/09

Area	White	Ethnic minority	White %	Ethnic minority %
England	21,490,200	2,394,400	74.1%	59.6%
South East region	3,787,400	262,200	77.0%	70.0%
<i>Hampshire Economic Area</i>	806,600	35,900	77.0%	70.3%
<i>North Hampshire</i>	169,800	10,200	80.8%	82.3%
<i>Districts in Central Hampshire/New Forest</i>	235,400	6,800	77.8%	78.2%
<i>Districts in South Hampshire</i>	401,400	18,900	75.0%	63.1%
Hampshire (County Area)	606,500	22,600	78.5%	79.7%

Source: APS from Nomis

- 2.18 The table shows that overall employment rates in *Hampshire Economic Area* mirror the South East region for both white and other ethnic minority populations (77% and around 70% respectively). However, a more detailed sub-area analysis indicates that white and ethnic minority employment rates are very similar in both *North Hampshire* and in *Districts in Central Hampshire/New Forest*. In both cases the ethnic minority employment rates are slightly higher than the white rates⁵. In contrast in *Districts in South Hampshire* the ethnic minority employment rate is significantly below the white employment rate – around 63% as compared with 75%. The difference is primarily due to significantly lower ethnic minority employment rates as recorded in both Southampton and especially Portsmouth. In both districts the 3 year-averaged ethnic minority employment rate is at least 11 percentage points below the white rate.

...by age group

- 2.19 Table 2-6 shows employment rates by age group averaged over the three years 2006/07 to 2008/09. Again, this approach has been adopted in order to improve the robustness of sample data.

Table 2-6: Employment rates by age group, 2006/07 to 2008/09 annual average, Hampshire Economic Area, % of all

Area	16-19	20-24	25-34	35-49	50-64	65+
England	42.1	67.1	79.6	82.0	65.6	7.3
South East region	49.0	70.6	83.5	85.3	70.6	8.8
<i>Hampshire Economic Area</i>	53.1	70.2	83.0	85.9	70.4	8.1
<i>North Hampshire</i>	59.2	78.1	85.3	90.2	71.8	8.8
<i>Districts in Central Hampshire/New Forest</i>	50.4	79.5	84.6	85.9	72.0	9.4
<i>Districts in South Hampshire</i>	52.5	64.1	81.4	84.0	68.8	6.9

⁵ It is possible that the high EM employment rate in *North Hampshire* reflects the armed forces bases in the area.

Area	16-19	20-24	25-34	35-49	50-64	65+
Hampshire (County Area)	54.8	77.2	85.0	87.2	71.6	8.3

Source: APS from Nomis

2.20 There are a number of variations across the age bands:

- amongst 16-19 year olds the employment rate is lowest in *Districts in Central Hampshire/New Forest* at just over 50% and is highest in *North Hampshire* at 59.2%. Employment rates throughout the *Hampshire Economic Area* exceed that recorded in the South East region (average of 49%) and are also well above the England rate of 42%
- amongst 20-24 year olds, the employment rate is lowest in *Districts in South Hampshire*, reflecting the sub-area's large student population (64.1%). The employment rate for this age group is particularly high in *Districts in Central Hampshire/New Forest* at 79.5%, well above the all-England average of 67% and the South East region average of 70.6%
- the employment rate among 25 to 34 year olds is very high in *North Hampshire* at over 85%, above national and regional rates. The rate is lowest in *Districts in South Hampshire* at 81.4%
- the 35-49 year old age group similarly recorded a very high employment rate in *North Hampshire* at over 90%, again significantly above national and regional rates. Employment rates were also relatively high in *Districts in Central Hampshire/New Forest* at just under 86%. The rate in *Districts in South Hampshire* was marginally below the regional rate, 84% as compared with 85.3%
- employment rates amongst the population aged 50 to 64 were similar in *North Hampshire* and in *Districts in Central Hampshire/New Forest* at around 72%. They were slightly lower in *Districts in South Hampshire* at just under 69%
- employment rates in the population over the current State pension age of 65 averaged 8.1% in the *Hampshire Economic Area*, above the national rate of 7.3% but below that recorded for the South East region (8.8%). The rate was lowest in *Districts in South Hampshire* (6.9%) and highest in *Districts in Central Hampshire/New Forest* at 9.4%.

2.21 Age-specific employment rates are generally relatively low in both Southampton and Portsmouth, especially amongst people of student age (20 to 24) but also amongst the 50 to 64 year old group. The Southampton 50-64 employment rate averages 66% and the Portsmouth rate averages 66.3% as compared with a Hampshire county rate of 71.6%. The small APS sample size in Winchester makes it impossible to state with any certainty whether the presence of the university has any impact on employment rates amongst the population aged 20-24.

Unemployment

- 2.22 This section reviews two measures of unemployment. The first is an estimate of what is termed ‘ILO’ unemployment⁶. This covers anyone who is actively seeking work and consequently is not restricted to people eligible to claim Job Seekers Allowance (JSA). This is derived from sample surveys and benefit claimant records and is modelled by ONS at a local authority level. The second is the JSA claimant count. This is restricted to people eligible to claim on account of National Insurance contributions paid and typically excludes many women and young people. However it has the great advantage of being a comprehensive administrative data set and very up-to-date. It is also published for very small areas, thus enabling pockets of unemployment to be identified.

ILO modelled unemployment

- 2.23 Table 2-7 shows that ILO unemployment, when expressed as a percentage of the population of working age, increased across the *Hampshire Economic Area* from 3.1% in 2004/05 to 4.3% in 2008/09. Unemployment nationally did not start to rise significantly until June 2008, continuing to increase steadily through to May 2009. Consequently the 2009/10 estimates are likely to be higher still.
- 2.24 At a sub-area level, the rates have consistently been highest in the *Districts in South Hampshire* and lowest in the *Districts in Central Hampshire/New Forest* sub-area.

Table 2-7: ILO unemployment, *Hampshire Economic Area* & sub-areas, 2004 to 2008, numbers & %:

Area	2004/05	2005/06	2006/07	2007/08	2008/09
<i>Hampshire Economic Area</i>	31,550 (3.1%)	36,580 (3.5%)	39,450 (3.8%)	38,780 (3.7%)	45,480 (4.3%)
<i>North Hampshire</i>	5,420 (2.6%)	6,730 (3.2%)	6,680 (3.2%)	6,680 (3.1%)	8,480 (4%)
<i>Districts in Central Hampshire/New Forest</i>	7,150 (2.4%)	8,000 (2.7%)	9,100 (3.1%)	8,480 (2.9%)	10,330 (3.5%)
<i>Districts in South Hampshire</i>	18,980 (3.7%)	21,850 (4.1%)	23,680 (4.4%)	23,630 (4.4%)	26,680 (4.9%)
Hampshire (County Area)	19,800 (2.6%)	23,030 (3%)	25,100 (3.3%)	24,430 (3.2%)	30,080 (3.9%)

Source: ONS Modelled Estimates Note: 4 quarters average unemployment; all figures rounded

- 2.25 The 2008/09 modelled rates at a district level are highest in Portsmouth, Havant and Southampton (all just above 5%). The lowest rate is in Hart, 3%.

JSA claimant unemployment

- 2.26 Table 2-8 summarises the total JSA claimant count in recent years using March comparator data. This count is expressed as a rate using estimates of the population of usual working age. This data are then mapped for 2008, 2009 and 2010 in Figure 2-2.
- 2.27 The number of 18-24 year olds claiming JSA in March 2010 was 8,605, representing 28% of all working age claimants. By October of 2010 that number had fallen by 1,805 to 6,800, although the percentage share of JSA claimants remained unchanged at 28%. The number of

⁶ ILO : International Labour Organisation definition

young claimants whilst lower than October 2009 was still 80% higher than figures released back in October 2007 when the economic crisis began to first materialise. However, these numbers are much lower than 18-24 year old unemployment levels experienced during the recessions of the 1980s and 1990s. Over the past 25 years as a percentage share, the 18-24 age group has generally accounted for anywhere between 21% (1999) and 36% (1985) of JSA claimants. This highlights how the costs of unemployment are borne disproportionately by a group vulnerable to economic shocks, particularly those with no or few qualifications, but also students who have graduated during a recession or amidst public spending cuts.

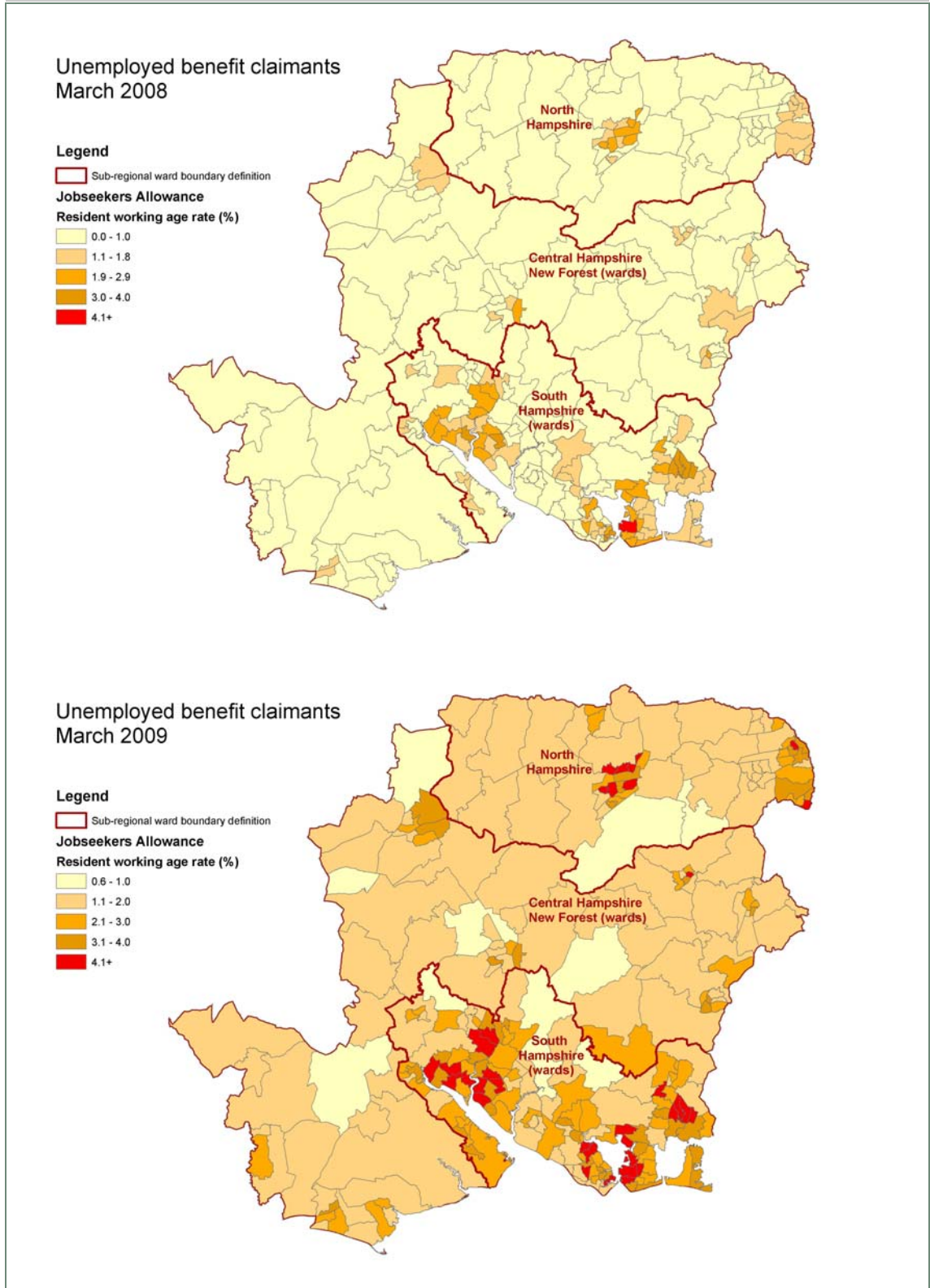
- 2.28 In any given month, most people who become unemployed will return to work within a short time. However, there are still many who are classed as long term unemployed. The number of long term unemployed (over 12 months) has slowly but steadily fallen since May 2010, with levels moving from 3,930 to 3,115 by October 2010. This is still twice the level reported in October 2007. The number claiming for over six months has also been falling although from the beginning of 2010 rather than the spring, and numbers are down from 10,250 in January to 6,910 in October, but likewise the level is still twice that for October 2007.

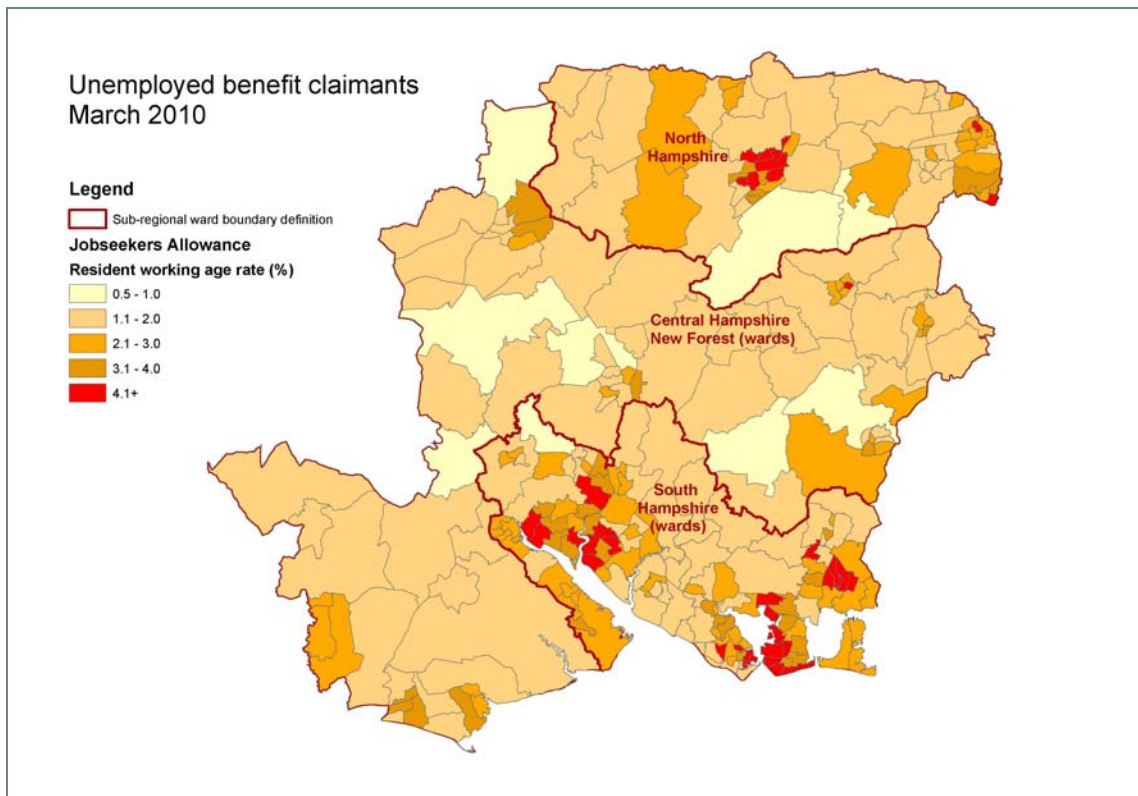
Table 2-8: JSA claimant unemployment, Hampshire Economic Area & sub-areas, 2006 to 2010, numbers & %

Area	March 2006	March 2007	March 2008	March 2009	March 2010
England	817,204 (2.6%)	797,608 (2.5%)	700,433 (2.2%)	1,272,858 (4%)	1,333,659 (4.2%)
South East region	87,388 (1.7%)	80,976 (1.6%)	69,318 (1.4%)	149,906 (2.9%)	156,288 (3.1%)
Hampshire Economic Area	16,341 (1.5%)	16,031 (1.5%)	14,086 (1.3%)	30,309 (2.8%)	30,939 (2.9%)
North Hampshire	2,467 (1.1%)	2,387 (1.1%)	2,067 (1.0%)	5,304 (2.5%)	5,703 (2.6%)
Central Hampshire/New Forest (Wards)	1,902 (1.0%)	1,916 (1.0%)	1,505 (0.8%)	3,959 (2.0%)	3,996 (2.0%)
South Hampshire (Wards)	11,965 (1.9%)	11,725 (1.8%)	10,509 (1.6%)	21,033 (3.2%)	21,225 (3.3%)
Hampshire (County Area)	9,579 (1.2%)	9,425 (1.2%)	7,915 (1.0%)	18,993 (2.5%)	19,111 (2.5%)

Source: DWP from Nomis. Two sub-areas are defined by wards and cross district boundaries

Figure 2-2: JSA claimant unemployment – March 2008, 2009 and 2010





Source: Hampshire County Council

- 2.29 JSA claimants have almost doubled in number nationally between 2008 and 2010. In the *Hampshire Economic Area* the number increased by 120%, from around 14,000 to over 30,000. Expressed as a percentage of the population of working age, claimant unemployment in the *Hampshire Economic Area* increased from 1.3% to 2.9% between 2008 and 2009. In England, the rate rose from 2.2% in 2008 to 4.2% in 2010. The *Hampshire Economic Area* rate remains marginally below the South East rate (3.1% in March 2010).
- 2.30 At a sub-area level, claimant unemployment rates remain lowest in the *Districts in Central Hampshire/New Forest* (2% in March 2010). In the *Districts in South Hampshire* the rate was highest at 3.3%, with *North Hampshire* closer to the *Hampshire Economic Area* average (2.6%). The local authorities with the highest rates of JSA unemployment in March 2010 were Portsmouth (4.2%), Southampton (3.9%), Havant (3.7%), Gosport (2.9%) and Basingstoke and Deane (2.9%). The lowest rates of JSA unemployment were recorded in Winchester and Hart (both 1.7%) and in Test Valley (1.9%).
- 2.31 Examination of the most recent data suggests that JSA claimant counts in the *Hampshire Economic Area* were falling from early January 2010, and the overall trend of fewer unemployed benefit claimants remained the pattern up to October 2010. JSA rates have fallen across all three sub-areas with most of that downward movement occurring in the first six months of 2010, notably in May and June. In the six month period to June, absolute levels went from around 33,300 in January to 26,100 in June, with JSA rates (based on the 16-64 working age population) falling by 0.7 percentage points from 3.0% to 2.3%. Thereafter JSA counts and rates continued to fall, but at a slower pace in the four months from July to October with around 1,800 fewer JSA claimants and a 0.1 point reduction in the working age rates. For a direct seasonal comparison there were roughly 7,200 fewer JSA claimants in October 2010 (24,315) than October 2009 (31,505), whilst the rate fell by 0.6 percentage

points to 2.2%. The reduction in numbers of claimants in 2010 can be partially explained by the UK officially emerging from recession in the fourth Quarter of 2009, with limited economic growth reported in the first three quarters of 2010. Outcomes from the Comprehensive Spending Review are expected to impact on both public and private sector employment, which could potentially reverse the current downward JSA trend in 2011 should private sector employment growth fail to absorb job losses.

JSA claimants – age & duration

- 2.32 One key concern relating to unemployment is age; another is duration as past experience suggests that the longer people are unemployed, the more difficulties they face in getting into work. Table 2-9 profiles JSA claimants by age in March 2010, comparing the *Hampshire Economic Area* and sub-areas with the South East and England. Table 2-10 (below) records the JSA claimant count unemployment rates by age group; the rates are calculated as a percentage of the total resident population in each age group not solely the economically active.

Table 2-9: JSA Claimant unemployed, March 2010 by age, <i>Hampshire Economic Area</i> (% of all)						
Area	18 to 24	25 to 29	30 to 39	40 to 49	50 to 59	60 +
England	386,445 (29%)	184,095 (14%)	273,045 (21%)	276,510 (21%)	188,655 (14%)	14,875 (1%)
South East region	43,330 (28%)	19,470 (13%)	30,800 (20%)	34,195 (22%)	25,115 (16%)	2,230 (1%)
<i>Hampshire Economic Area</i>	8,605 (28%)	4,030 (13%)	6,090 (20%)	6,630 (22%)	4,910 (16%)	460 (2%)
<i>North Hampshire</i>	1,425 (25%)	695 (12%)	1,135 (20%)	1,310 (23%)	960 (17%)	120 (2%)
<i>Districts in Central Hampshire/New Forest</i>	1,075 (27%)	435 (11%)	735 (18%)	915 (23%)	745 (19%)	70 (2%)
<i>Districts in South Hampshire</i>	6,100 (29%)	2,900 (14%)	4,210 (20%)	4,400 (21%)	3,195 (15%)	270 (1%)
Hampshire (County Area)	5,305 (28%)	2,250 (12%)	3,555 (19%)	4,215 (22%)	3,290 (17%)	360 (2%)

Source: DWP from Nomis

- 2.33 The table above indicates a very similar profile across the *Hampshire Economic Area's* sub-areas and also mirrors both the South East region and England as a whole. As noted above, claimant unemployment particularly affects young people aged 18 to 24. If claimants were spread evenly across all eligible ages (18 to 64) this age group would account for 15% of the total (i.e. 7 of 46 years). In fact the share is almost twice this, at 29% in England as a whole and 28% in the *Hampshire Economic Area*. Only in *North Hampshire* is the share lower, at 25%. The 25 to 29 year old age group is also over-represented, accounting for 14% of all JSA claimants in England and 13% in the *Hampshire Economic Area*; the notional 'pro rata' share would be 11%. It is the 60+ age group which is significantly under-represented. JSA

claimants aged 60+ account for only 1% to 2% of the total, rather than the 10% share which might be expected on a pro-rata distribution by age cohort⁷.

- 2.34 Together the 18 to 29 year old age group accounts for 41% of all JSA claimants in the *Hampshire Economic Area*. The share is lowest in *North Hampshire* at 37% and is highest in the *Districts in South Hampshire* at 43%. Claimant unemployment amongst people aged 50 and over accounts for a higher share of the total in the *Districts in Central Hampshire/New Forest* sub-area (21%) and the lowest share in *Districts in South Hampshire* (16%).
- 2.35 Table 2-10 shows that claimant unemployment rates are highest amongst young people. In *Hampshire Economic Area* the rate for 18 to 24 year olds is 4.9%, below the South East Region rate of 5.8% and well below the England rate of 7.8%. The low rate is due, in part, to the large number of students living in Southampton. Claimant unemployment rates amongst 25 to 29 year olds average 3.5% in the *Hampshire Economic Area*, again below both the regional and national rates. The claimant rates for older age groups in the *Hampshire Economic Area* are similar to, or just below, the regional rates and well below the national rates.

Table 2-10: JSA claimant unemployment rates by age (as a % of total resident population), *Hampshire Economic Area*, March 2010

Area	18 to 24	25 to 29	30 to 39	40 to 49	50 to 59	60 to 64	Total 18 to 64
England	7.8%	5.2%	3.9%	3.6%	3.0%	0.5%	4.1%
South East Region	5.8%	3.8%	2.8%	2.7%	2.4%	0.4%	3.0%
<i>Hampshire Economic Area</i>	4.9%	3.5%	2.8%	2.6%	2.3%	0.4%	2.8%
<i>North Hampshire</i>	5.2%	3.1%	2.2%	2.3%	2.3%	0.6%	2.6%
<i>Districts in Central Hampshire/New Forest</i>	2.8%	1.9%	1.3%	1.2%	1.1%	0.2%	1.3%
<i>Districts in South Hampshire</i>	5.5%	4.2%	3.4%	3.7%	3.2%	0.5%	3.7%
Hampshire (County Area)	5.2%	3.3%	2.3%	2.1%	2.0%	0.4%	2.4%

Source: DWP, ONS 2009 Mid Year Population Estimates from Nomis

- 2.36 Age specific claimant count rates of unemployment are consistently lower in *Districts in central Hampshire/New Forest* than the other two sub-areas and are generally only half the rates recorded in the *Hampshire Economic Area*. The *Districts in South Hampshire* recorded higher age-specific rates than elsewhere apart from amongst the over 60s.
- 2.37 Table 2-11 brings together the claimant count data by age for March 2010 with recent population estimates for the *Hampshire Economic Area* as a whole to provide age-related JSA claimant count unemployment rates. This shows clearly that claimant unemployment is highest for younger age groups.

⁷ However, until recently, very few women over 60 years of age would be included as JSA unemployed.

Table 2-11: JSA claimant count unemployment rates by broad age group, Hampshire Economic Area, March 2010

Age group	JSA claimants	JSA rate %
18 to 24	8,605	5.5%
25 to 29	4,030	3.6%
30 to 39	6,090	2.5%
40 to 49	6,630	2.9%
50 to 59	4,910	2.3%
60 to 65	460	0.9%
Total #	30,725	2.9%

Source: DWP Nomis; HCC population estimates; SQW Consulting Note #: JSA total differs slightly from 30,939 quoted in other data sets

- 2.38 The table below provides an overview of the duration of claimant unemployment, broken down into the population aged 18 to 24 and the over 25s⁸. It shows three time periods: under 6 months, 6 to 12 months and over 12 months. The analysis has been carried out for the Hampshire Economic Area as a whole.

Table 2-12: JSA claimants by broad age groups and duration, March 2010, Hampshire Economic Area

Category	Under 6 months	6 to 12 months	Over 12 months	Total
18 to 24s No.	7,080	1,305	220	8,605
18 to 24s %	82%	15%	3%	100%
25 & over No.	13,759	4,915	3,660	22,334
25 & over %	62%	22%	16%	100%
Total No.	20,839	6,220	3,880	30,939
Total %	67%	20%	13%	100%

Source: DWP from Nomis

- 2.39 The table shows that whereas 16% of claimants aged 25 and over have been unemployed for at least one year, a lower 3% of claimants aged 18 to 24 are long-term unemployed. However the table does indicate that a significant 15% of claimants aged 18 to 24 have been out of work for between 6 and 12 months – only slightly lower than the 22% of older claimants. Overall one-third of all JSA claimants have been unemployed for 6 months or more.
- 2.40 At a sub-area level there is evidence to indicate that young people (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* wards than elsewhere, (5.3% of the total). However differences are not large; at a district level, Portsmouth records the highest share of all claimants in this category at 5.8%, with Havant recording 5.7%; the Hampshire Economic Area average is 5%.

⁸ Unfortunately there is only limited information published on the duration of claim by detailed age group amongst people aged 25 and over. The percentage of claimants aged 25 to 49 in the 'under 6 months' category was 63% in March 2010 as compared with 59% of the claimants age 50 and over

JSA Claimant count hot-spots

2.41 The following table lists the 20 wards in the *Hampshire Economic Area* recording:

- the highest rates of JSA claimants in March 2010
- the largest percentage point increases in JSA unemployment as measured over the period October 2008 to October 2009, when the recession had most impact. (There are 279 wards in total in the *Hampshire Economic Area*).

Table 2-13: JSA claimant count hot-spots (i) % of working age population March 2010; (ii) percentage point increase October 2008 to October 2009, wards, *Hampshire Economic Area*

Wards	LA	JSA claimant rate March 2010	Wards	LA	Percentage point change JSA claimant count Oct 08 to Oct 09
Charles Dickens	Portsmouth	7.3%	Popley West	Basingstoke	3.3
Warren Park	Havant	6.8%	Warren Park	Havant	3.1
Popley West	Basingstoke	6.4%	Rooksdown	Basingstoke	3
Bitterne	Southampton	6.4%	Buckskin	Basingstoke	2.9
Rooksdown	Basingstoke	6.3%	Bondfields	Havant	2.8
Town	Gosport	6.1%	North Town	Rushmoor	2.6
Battins	Havant	6.1%	Barncroft	Havant	2.5
Barncroft	Havant	6%	Brighton Hill S	Basingstoke	2.4
Buckskin	Basingstoke	5.8%	Heron Wood	Rushmoor	2.4
Bondfields	Havant	5.7%	Bitterne	Southampton	2.4
Paulsgrove	Portsmouth	5.5%	Redbridge	Southampton	2.4
Nelson	Portsmouth	5.3%	Woolston	Southampton	2.4
Woolston	Southampton	5.3%	Holbury & N Blackfield	New Forest	2.3
Christchurch	Gosport	5.2%	Paulsgrove	Portsmouth	2.3
South Ham	Basingstoke	5.1%	Battins	Havant	2.2
Popley East	Basingstoke	5%	Mayfield	Rushmoor	2.2
Fratton	Portsmouth	5%	South Ham	Basingstoke	2.1
Forton	Gosport	4.9%	Christchurch	Gosport	2.1
Bevois	Southampton	4.9%	Grange	Gosport	2.1
Redbridge	Southampton	4.9%	Harefield	Southampton	2.1
<i>HEA average</i>		2.9%			

Source: DWP from Nomis Note: Millbrook ward in Southampton also recorded 2.1 P.P increase Oct 08/09; Wards highlighted in **bold** are included in both lists.

2.42 The table shows that Charles Dickens ward in Portsmouth recorded the highest rate of JSA unemployment at 7.3%. The second highest rate was recorded in Warren Park ward in

Havant. Other wards recording 6% or more were Popley West and Rooksdown (Basingstoke), Bitterne (Southampton), Town (Gosport) and Battins and Barncroft (both Havant). All these wards recorded JSA unemployment rates at least double the *Hampshire Economic Area* average of 2.9%. Six of the top 20 wards were in Basingstoke and Deane, four each were in Portsmouth and Havant and three each were in Gosport and Southampton. Thus all 20 wards with the highest JSA unemployment were located in five local authority areas.

- 2.43 The table also shows the wards where JSA unemployment rates increased by 2.1 percentage points or more between October 2008 and October 2009. The biggest increase was recorded in Popley West ward in Basingstoke, 3.3 percentage points. Warren Park (Havant) recorded an increase of 3.1 and Rooksdown, also in Basingstoke, an increase of 3. Other wards recording increases of 2.5 percentage points or more were Buckskin (Basingstoke), Bondfields and Barncroft (Havant) and North Town (Rushmoor). The profile of wards experiencing the largest increases in claimant unemployment was similar to the profile of wards with the highest overall claimant rates. The local authorities most affected by increasing unemployment were Basingstoke and Deane and Southampton (each with five wards), Havant with four, Rushmoor with three, Gosport with two and Portsmouth and New Forest each recording one ward.
- 2.44 The table shows that 13 wards experienced both high claimant unemployment rates and a recent significant increase in those rates. Four of these wards were in each of Basingstoke and Deane and in Havant, with a further three in Southampton. One ward in each of Portsmouth and Gosport was also affected. However there appear to be some areas which either experience long-term high claimant unemployment, particularly in Portsmouth, or have recently experienced an increase from a relatively low base rate, such as in Rushmoor.

Key messages

- 2.45 The analysis has shown that rates of economic activity and employment in the *Hampshire Economic Area* are generally higher than the national average and similar to the average across the wider South East region. However, within this generally positive picture there are a number of points to note:
- the employment rate of working age residents in the *Hampshire Economic Area* appears to have fallen more between 2004 and 2008/09 than it did nationally and regionally
 - there is – often significant – variation between the three sub-areas within the *Hampshire Economic Area* with *North Hampshire* (particularly districts like Hart) performing better on a range of indicators than the *Districts in South Hampshire* (most notably the cities of Southampton and Portsmouth)
 - the employment rate of the (non-white) ethnic minority population remains particularly low in some *Districts in South Hampshire*, notably Portsmouth
 - whilst relatively low employment rates amongst 20-24 year olds in *Districts in South Hampshire* may be explained by the large student population, there is an issue with

lower than average employment rates amongst the population aged 50 and over, especially in Portsmouth and Southampton.

- 2.46 In terms of unemployment, the picture is also one of worsening performance as evidenced by an increasing proportion of the working age population claiming JSA which increased by 120% in the *Hampshire Economic Area* between 2008 and 2010 (to a rate of 2.9%) – although the claimant unemployment rate does remain below the South East average (3.1%). The impact of unemployment is felt most significantly amongst 18-24 year olds who represented 28% of all working age claimants (in March 2010). It also has geographical ramifications with a number of wards in the *Districts of South Hampshire* with an unemployment rate of 6% or higher (primarily located in Portsmouth, Southampton, Gosport and Havant). There are also some pockets of high unemployment in *North Hampshire*, particularly within Basingstoke and Deane.

3: Benefit claimants

- 3.1 This chapter explores the rate and nature of benefit claimants in the *Hampshire Economic Area*. It examines all claimants of working age but also more specifically considers claimants of Incapacity Benefit and the new Employment and Support Allowance. The chapter concludes with a short summary of the key messages emerging from the analysis.

Benefit claimants of working age

- 3.2 It is valuable to look at data relating to all key benefit claimants of working age. The main benefits paid in addition to JSA (see Chapter 2) are Incapacity Benefit (IB) and Income Support (IS)⁹. IB has recently been replaced by Employment & Support Allowance (ESA) for all new claimants from October 2008¹⁰.
- 3.3 To set the scene, Table 3-1 summarises the position for November 2007 to November 2009 for the *Hampshire Economic Area* and its sub-areas.

Table 3-1: Total benefit claimants of working age; % rates, November 2007 to 2009, *Hampshire Economic Area*

Area	Nov 2007 no.	Nov 2007 %	Nov 2008 no.	Nov 2008 %	Nov 2009 no.	Nov 2009 %
England	4,254,920	13.4%	4,504,080	14.1%	4,904,470	15.4%
South East	484,290	9.5%	526,990	10.3%	5,887,810	11.5%
<i>Hampshire Economic Area</i>	99,140	9.5%	108,570	10.3%	120,140	11.4%
<i>North Hampshire</i>	15,230	7.2%	16,810	7.9%	19,550	9.1%
<i>Districts in Central Hampshire/New Forest</i>	22,730	7.7%	24,760	8.4%	27,410	9.3%
<i>Districts in South Hampshire</i>	61,190	11.4%	67,000	12.4%	73,180	13.5%
Hampshire (County Area)	63,160	8.3%	65,770	8.6%	77,260	10.1%

Source: DWP from Nomis

- 3.4 The table shows that over the period 2007 to 2009, the total number of claimants of working age in the *Hampshire Economic Area* has increased by 20% from just under 100,000, 9.5% of residents, to over 120,100, or 11.4% of residents. Nationally, the share of the working age population recorded as a claimant increased from 13.4% to 15.4% and regionally it increased from 9.5% to 11.5% - almost the same as in the *Hampshire Economic Area*. There is evidence to show that the increase is primarily due to additional JSA claimants. Between November

⁹ The data set covers the numbers of people of working age (males aged 16 to 64 and females aged 16 to 59) claiming one or more key DWP benefits. These include: Bereavement Benefit; Carer's Allowance; Disability Living Allowance; Incapacity Benefit; Severe Disablement Allowance; Income Support, including Pension Credit for males aged 60 to 64; Jobseeker's Allowance and Widow's Benefit.

¹⁰ Severe Disablement Allowance (SDA) has not been available for new claimants of usual working age after April 2001 and numbers are both low and steadily reducing.

2007 and November 2009, JSA claimants in the *Hampshire Economic Area* increased by just over 19,000 from 12,700 to 31,950.

- 3.5 However there are differences at a sub-area level. The *Districts in South Hampshire* experienced higher claimant rates throughout and also recorded a larger increase in percentage point terms, rising from 11.4% in November 2007 to 13.5% in November 2009. The *Districts in Central Hampshire/New Forest* area recorded an increase in rate from 7.7% to 9.3%. The *North Hampshire* sub-area started from the lowest share in 2007, 7.2%, but experienced a significant increase to record 9.1% in 2009. Thus both the *North Hampshire* and the *Districts in Central Hampshire/New Forest* sub-areas record total benefit claimant rates well below the national and regional averages.
- 3.6 At a district level in November 2009, Havant recorded 15.6% of its working age population as claiming benefits. Other districts with relatively high rates were Southampton and Portsmouth (both 14.6%) and Gosport (13.6%). The districts with the lowest rates include Hart (6.2%) and Winchester (7.7%).
- 3.7 New quarterly benefit data for the first half of 2010 do not show any significant changes in the pattern of claimants in the *Hampshire Economic Area*.

Families of working age with children claiming benefits

- 3.8 DWP takes a 5% sample of all claimants in August each year and publishes data on household and family type. Unfortunately the most recent data available relate to August 2007, before the more recent increase in unemployment. Table 3-2 provides a breakdown by 'couple' and 'lone parent' families for the *Hampshire Economic Area* and calculates the share of all households accounted for by families with children receiving benefits.

Table 3-2: Families of working age claiming benefits, August 2007 (5% sample), *Hampshire Economic Area*

Area	Single parent with children	Couple with children	All families	% of all households
England	801,800	372,600	1,177,600	5.5%
South East Region	90,600	40,800	131,500	3.8%
Hampshire Economic Area	18,100	9,100	27,000	3.8%
<i>North Hampshire</i>	2,600	1,500	4,100	3%
<i>Districts in Central Hampshire/New Forest</i>	3,400	2,100	5,200	2.5%
<i>Districts in South Hampshire</i>	12,100	5,500	17,700	5%
Hampshire (County Area)	10,000	5,900	15,600	3%

Source: DWP; ONS Note: all figures rounded independently

- 3.9 The table shows that single parent families accounted for around two-thirds of all families with children receiving benefits in the *Hampshire Economic Area*, England and the South East region. The share was slightly lower in *North Hampshire* and in *Districts in Central Hampshire/New Forest* and marginally higher in *Districts in South Hampshire*. The share exceeded 71% in both Portsmouth and Southampton.

- 3.10 Families with children receiving benefits accounted for 5.5% of all households in England in August 2007. This was significantly higher than in the South East as a whole, 3.8%; the *Hampshire Economic Area* mirrored the region. At a sub-area level the percentage was highest in *Districts in South Hampshire* at 5%; the percentage was 3% or less in the other two sub-areas. At a local authority level the percentages were highest in Portsmouth (6.7%), Southampton (6.2%) and in Havant (5.3%). The percentage was very low in Hart at 1.7% and also in Fareham, at 1.8%.

Total benefit claimants of working age – ward hot-spots

- 3.11 The following table (Table 3-3) lists the 28 wards in the *Hampshire Economic Area* with the highest rates of benefit claimants in November 2009, expressed as a percentage of all residents of working age. In aggregate these wards accounted for over 29,600 claimants, around 25% of the total in the *Hampshire Economic Area*. It is important to note that wards vary significantly in terms of population with Portsmouth and Southampton wards generally being considerably larger than elsewhere in the *Hampshire Economic Area*.

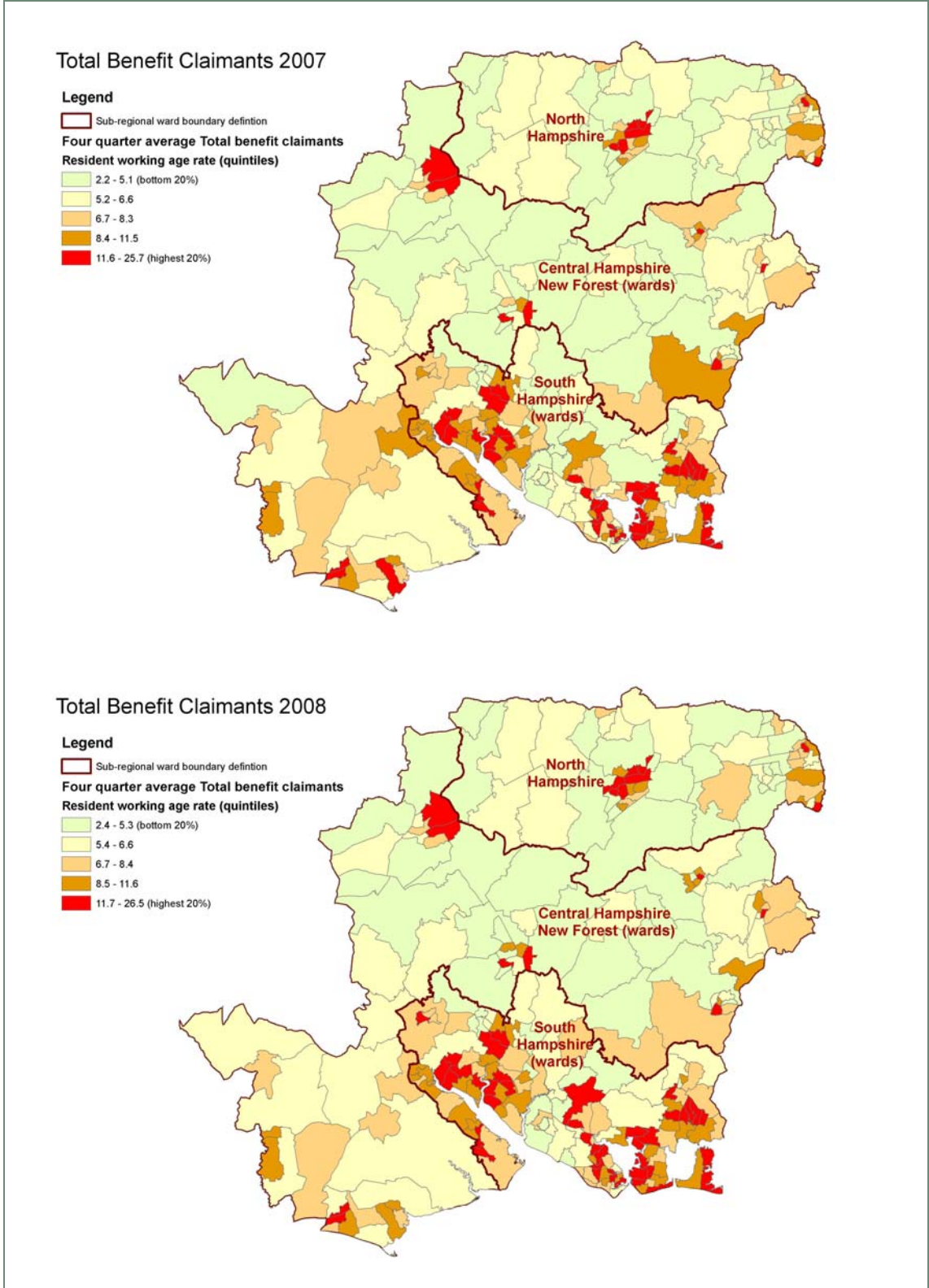
Table 3-3: Benefit claimants & rates of resident population of working age, top 10% of wards in the Hampshire Economic Area, November 2009			
Ward	LA	Number	% of working-age residents
Warren Park	Havant	1,185	29.2%
Charles Dickens	Portsmouth	2,225	28.2%
Battins	Havant	1,005	25.6%
Bondfields	Havant	1,035	25.4%
Bitterne	Southampton	2,105	25.2%
Town	Gosport	675	24%
Barncroft	Havant	810	23.2%
Redbridge	Southampton	2,035	22.3%
Woolston	Southampton	1,865	21.2%
Paulsgrove	Portsmouth	1,920	20.9%
Buckskin	Basingstoke & Deane	655	20.5%
Grange	Gosport	785	19.6%
Alamein	Test Valley	990	19.4%
Popley West	Basingstoke & Deane	460	19.3%
Alton Eastbrooke	East Hampshire	305	19.1%
South Ham	Basingstoke & Deane	825	18.7%

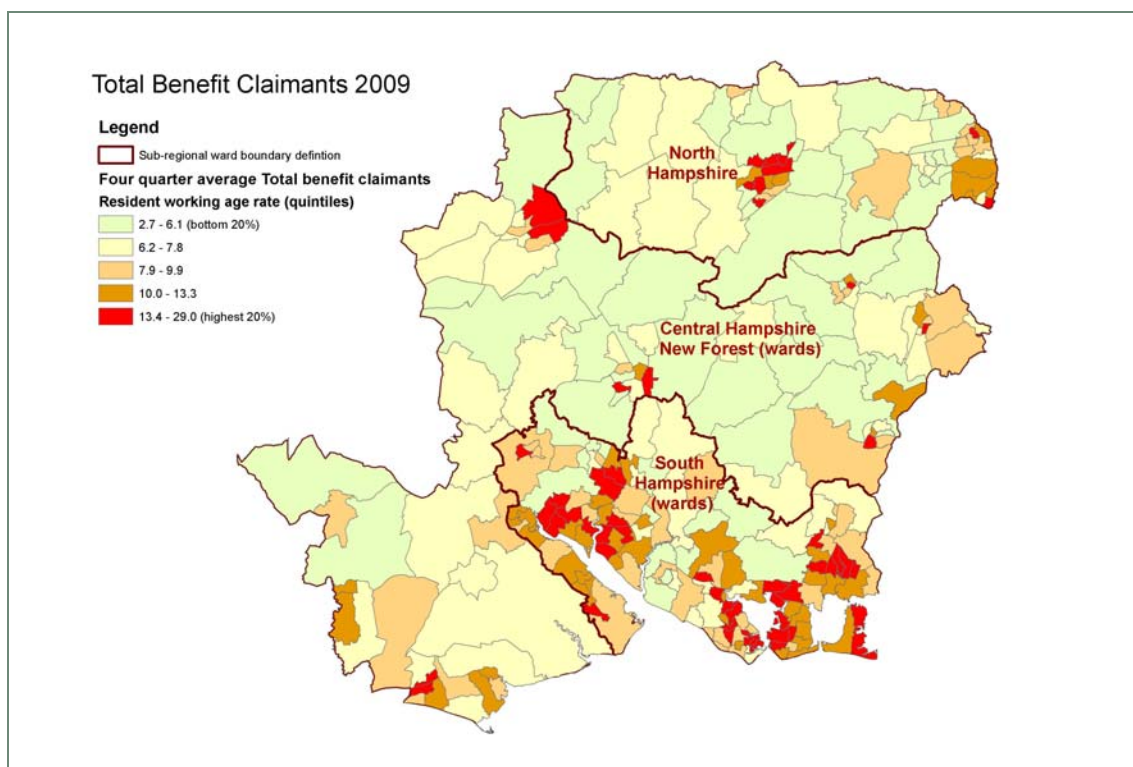
Ward	LA	Number	% of working-age residents
Rooksdown	Basingstoke & Deane	200	18.5%
Harefield	Southampton	1,510	18.1%
Nelson	Portsmouth	1,795	17.9%
Heron Wood	Rushmoor	645	17.9%
Forton	Gosport	495	17.8%
Milton	New Forest	455	17.7%
Popley East	Basingstoke & Deane	585	17.6%
Rowner & Holbrook	Gosport	495	17.6%
Fernhill	New Forest	565	17.5%
Bridgemary South	Gosport	470	17.3%
Eastleigh South	Eastleigh	815	17%
Millbrook	Southampton	1,715	16.9%
Sub-total for 28 wards above		29,625 (25% total)	
<i>Hampshire Economic Area total</i>		120,100	11.3%

Source: DWP from Nomis

- 3.12 Three local authorities each had five wards with high ‘total claimant’ rates: Basingstoke and Deane, Gosport and Southampton. Havant had four wards and Portsmouth three. The New Forest had two wards and Rushmoor, Eastleigh and Test Valley each had one ward.
- 3.13 Overall in the *Hampshire Economic Area*, the average ‘total claimant rate’ was 11.3%. As the table shows, seven wards recorded rates which were more than double this. Warren Park in Havant recorded 29.2%, just above Charles Dickens ward in Portsmouth, with 28.6%. Other wards with high rates were Battins and Bondfield in Havant, Bitterne in Southampton and Town in Gosport.
- 3.14 Most of these wards have already been listed as JSA claimant count hot-spots but not all. Two wards with high rates of ‘other’ claimants are Alamein in Test Valley and Alton Eastbrooke in East Hampshire.
- 3.15 Figure 3-1 maps the total benefits claimants for 2007, 2008 and 2009.

Figure 3-1: Total benefit claimants 2007, 2008 and 2009





Source: Hampshire County Council

Incapacity Benefit & Employment & Support Allowance

- 3.16 It is useful to look in more detail at IB and ESA claimants as this group has experienced a very big increase nationally in recent years and government policy is to encourage and support as many recipients as possible to move back into the labour force. In a tight labour market, recipients of the various incapacity benefits can potentially provide an additional resource if appropriately assisted back into work.
- 3.17 Table 3-4 shows numbers of claimants in November 2008 and November 2009 and expresses these as a rate of the population of usual working age. Claimants include people receiving IB tax credits as well as those receiving direct payments in respect of National Insurance contributions.

Table 3-4: ESA & IB claimants of working age, November 2008 & 2009, Hampshire Economic Area, % of working age population

Area	2008	2008 %	2009	2009 %	2008/09 change	2008/09 % change
England	2,113,740	6.6%	2,133,100	6.7%	19,360	+ 0.9%
South East region	240,920	4.7%	246,360	4.8%	5,440	+ 2.3%
<i>Hampshire Economic Area</i>	48,760	4.6%	50,300	4.7%	1,540	+ 3.2%
<i>North Hampshire</i>	7,470	3.5%	7,730	3.6%	260	+ 3.5%
<i>Districts in Central Hampshire/New Forest</i>	11,700	3.9%	11,940	4.0%	240	+ 2.1%
<i>Districts in South Hampshire</i>	29,600	5.4%	30,620	5.5%	1,020	+ 3.4%
Hampshire (County Area)	31,340	4.1%	32,290	4.2%	950	+ 3%

Source: DWP

- 3.18 The *Hampshire Economic Area* recorded an increase of 1,540 ESA/IB claimants from 48,760 in November 2008 to 50,300 in 2009, around 3.2% of the 2008 figure. The comparable regional increase was lower at 2.3%, and lower still in England as a whole which recorded an increase of 0.9%. At a sub-area level, the *North Hampshire* sub-area experienced the biggest year-on-year percentage rise of 3.5%; the increase in the *Districts in South Hampshire* was 3.4%; and in the *Districts in Central Hampshire/New Forest* the increase was lowest at 2.3%.
- 3.19 In terms of shares of the total population of working age, ESA/IB claimants in November 2009 accounted for 4.7% in the *Hampshire Economic Area* as a whole, just below the South East region (4.8%) and significantly lower than in England overall (6.7%). The *North Hampshire* sub-area recorded the lowest rate in 2009 (3.6%) and the highest rate reported was in the *Districts in South Hampshire* (5.5%). At a district level, Havant recorded the highest rate of claimants in November 2009 (6.6%), just ahead of Southampton (6.2%) and Portsmouth (6%); Hart recorded the lowest rate (2.3%).

Duration

- 3.20 The profile of claimants by length of claim is shown for the *Hampshire Economic Area* as a whole for both 2008 and 2009 in Table 3-5. This identifies a recent increase in claimants, with numbers increasing in all categories.

Table 3-5: Duration of ESA/IB claim, *Hampshire Economic Area*, November 2008 & 2009

Duration of claim	November 2008 no.	November 2008 % all	November 2009 no.	November 2009 % all
Under 6 months	5,130	10.5%	5,220	10.4%
6 months to 1 year	2,950	6.1%	3,540	7.0%
1 to 2 years	4,450	9.1%	4,580	9.1%
2 to 5 years	8,840	18.1%	9,070	18%
Over 5 years	27,400	56.2%	27,880	55.4%
Total	48,760	100%	50,300	100%

Source: DWP

- 3.21 The table shows that in November 2009, 10.4% of ESA/IB claimants had been claiming for less than 6 months – 5,220 in total. This represented an increase of 90 over the previous year. Numbers claiming for between 6 and 12 months increased by just under 600, with the share of the total increasing from 6.1% to 7%. In contrast the shares claiming for more than a year declined slightly, although numbers increased.
- 3.22 There is, consequently, a challenge to address the increase in short-term ESA claimants. Research in this field generally indicates that the longer the duration of claim, the more difficult it is for people to return to employment.

Age structure & gender

- 3.23 The age structure of ESA/IB claimants tends to be more heavily weighted to older groups than the JSA claimant count; it is also more balanced between men and women as entitlement

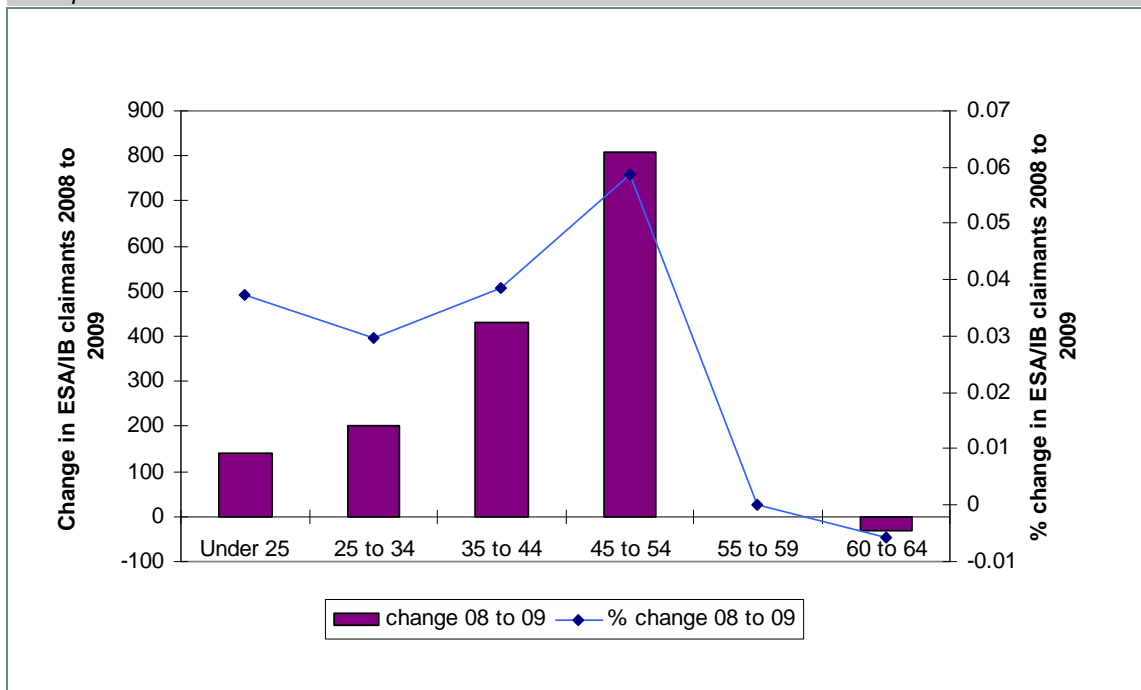
is not restricted to National Insurance payers. The following table (Table 3-6) provides a summary, again at the *Hampshire Economic Area* level, of ESA/IB claimants by broad age group and gender in both November 2008 and 2009.

Age group/gender	November 2008 no.	November 2008 % all	November 2009 no.	November 2009 % all
Under 25	3,750	7.7%	3,890	7.7%
25 to 34	6,750	13.8%	6,950	13.8%
35 to 44	11,170	22.9%	11,600	23.1%
45 to 54	13,800	28.3%	14,610	29%
55 to 59	8,160	16.7%	8,160	16.2%
60 to 64	5,130	10.5%	5,100	10.1%
Total	48,760	100%	50,300	100%
Male: female %	57% : 43%		57% : 43%	

Source: DWP

- 3.24 The table shows that the number of claimants has increased between 2008 and 2009 in all age groups apart from the over 55s. The biggest increase is amongst people aged 45 to 54, followed by the age group 35 to 44 (see Figure 3-2).

Figure 3-2: Change in ESA/ Incapacity Benefit claimants November 2008 to 2009 by broad age group, *Hampshire Economic Area*



Source: DWP

IB/ESA claimant hot-spots by ward

3.25 The following table (Table 3-7) lists the 20 wards in the *Hampshire Economic Area* with the highest rates of ESA/Incapacity Benefit claimants in November 2009, expressed as a percentage of the resident population of working age.

Table 3-7: Wards in *Hampshire Economic Area* with highest ESA/IB claimant rates (% of working age population), November 2009

Ward	District	ESA & IB claimants November 2009	ESA/IB claimants as % of working age population November 2009
Charles Dickens	Portsmouth	1,380	12.1%
Warren Park	Havant	450	11.1%
Battins	Havant	430	11%
Town	Gosport	305	10.8%
Bondfields	Havant	435	10.7%
Bitterne	Southampton	815	9.8%
Redbridge	Southampton	835	9.2%
Alton Eastbrooke	East Hampshire	145	9.1%
Barncroft	Havant	310	8.9%
Milton	New Forest	225	8.8%
South Ham	Basingstoke & Deane	385	8.7%
Heron Wood	Rushmoor	315	8.7%
Woolston	Southampton	750	8.5%
Rowner & Holbrook	Gosport	235	8.4%
Fernhill	New Forest	265	8.2%
Bridgemary South	Gosport	220	8.1%
Popley West	Basingstoke & Deane	190	8%
Alamein	Test Valley	395	7.8%
Forton	Gosport	215	7.7%
Petersfield Cause	East Hampshire	95	7.6%
Hampshire Economic Area		50,300	4.7%

Source: DWP

3.26 The table shows that the 20 wards are spread across nine local authorities. East Hampshire, New Forest and Basingstoke and Deane each account for two wards and Southampton for three. Both Havant and Gosport account for four high-scoring wards. However, it is important to note that ward sizes vary significantly in terms of population.

- 3.27 The highest share of residents claiming ESA/IB benefits is recorded in Charles Dickens ward in Portsmouth, at over 12%. The rate is also very high, at over 10%, in three Havant wards (Warren Park, Battins and Bondfield) and in Town ward in Gosport. All 20 wards record at least 7.6% of working age residents as claiming incapacity benefits.

Key messages

- 3.28 The number of benefit claimants of working age has increased significantly (20%) over the last two years (2007 to 2009) from 9.5% of residents to 11.4%. It is an increase that appears to reflect national and regional trends which both increased by 2%. However, there are again differences across the three sub-areas with the *Districts in South Hampshire* experiencing higher claimant rates and also recording a larger increase in percentage point terms, rising from 11.4% in November 2007 to 13.5% in November 2009. Despite increases in claimants, both *North Hampshire* and the *Districts in Central Hampshire/New Forest* sub-areas still record total benefit claimant rates well below the national and regional averages. There were also some particular hot-spots – primarily in the *Districts in South Hampshire* – where the total claimant rate was more than double the *Hampshire Economic Area* average. Wards in Havant, Portsmouth, Gosport and Southampton were particularly affected.
- 3.29 The more detailed ESA and IB analysis paints a similar picture with total claimants increasing (albeit at a higher rate than the national and regional average) and sub-area variations. The largest increase in claimants was recorded in *North Hampshire* and the *Districts in South Hampshire* performed relatively poorly, with a number of hotspots in Havant, Portsmouth, Gosport and Southampton. Analysis of the duration of claimants suggests that there is a challenge to address the increase in short-term ESA claimants, with research generally indicating that the longer the duration of claim, the more difficult it is for people to return to employment.

4: Skills and qualifications

4.1 This chapter explores the skills and qualification levels of residents in the *Hampshire Economic Area*. It looks in turn at NVQ levels, GCSE and A-Level achievement and adult learning before concluding with a short summary of the key messages.

Qualifications

4.2 The Annual Population Survey records the qualifications of residents of working age and these are classified into the following NVQ levels:

- NVQ4+: Diploma, or first or higher degree or equivalent
- NVQ3: At least two Advanced level or 4 AS levels or equivalent
- NVQ2: At least 5 GCSEs grade A* to C or equivalent
- NVQ1: at least one GCSE
- Trade Apprenticeships
- Other qualifications: a very wide range, including those gained outside the UK
- No qualifications.

4.3 Table 4-1 and Figure 4-1 provide an overview of qualifications by all NVQ levels by percentage shares for 2008 for the *Hampshire Economic Area* and sub-areas. Table 4-2 looks at residents with at least NVQ Level 2, Level 3 and Level 4 qualifications¹¹. Table 4-3 concentrates on those residents with no or low qualifications: NVQ 1 or lower.

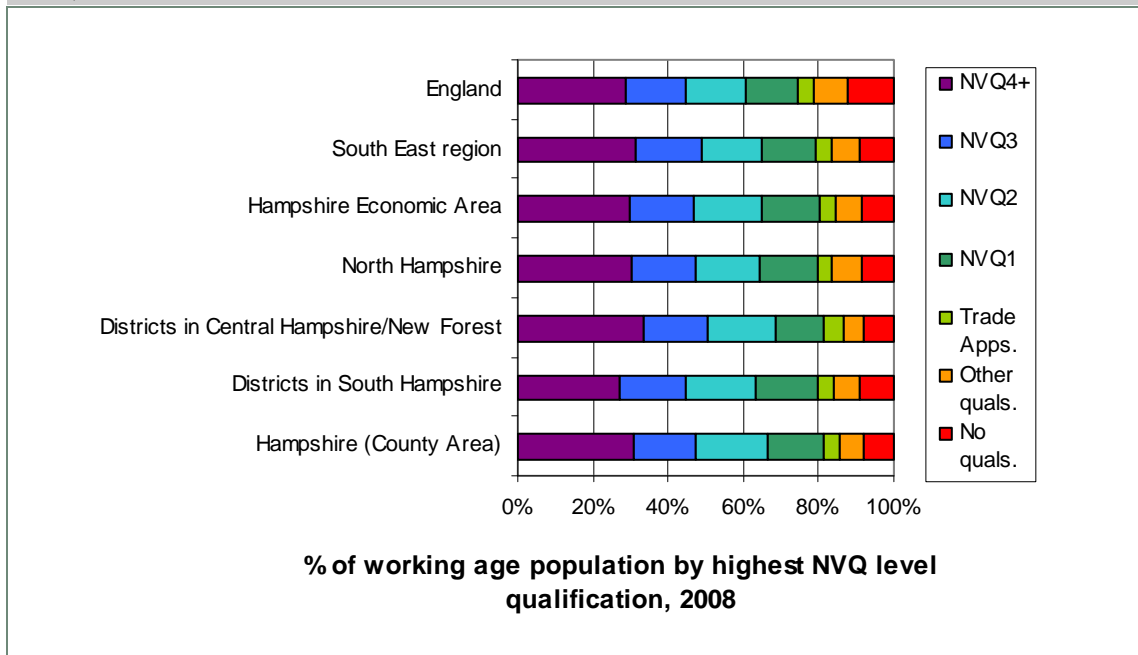
Area	NVQ4+	NVQ3	NVQ2	NVQ1	Trade Apps.	Other quals.	No quals.	Total 100% = '000
England	28.7	15.8	16.1	14.2	4.1	8.9	12.3	31,663.0
South East region	31.5	17.3	16.1	14.5	4	7.7	8.9	5,049.1
<i>Hampshire Economic Area</i>	29.6	17.4	18	15.2	4.4	6.7	8.7	1,048.7
<i>North Hampshire</i>	30.4	16.7	17.4	15.1	3.8	8.2	8.4	213.6
Districts in Central Hampshire/ New Forest	33.7	16.9	17.8	13.1	4.9	5.5	8	295.5
<i>Districts in South Hampshire</i>	27.0	17.9	18.3	16.4	4.3	6.8	9.2	539.6
Hampshire (County Area)	30.7	16.7	18.9	14.9	4.5	6.4	7.9	760.9

Source: APS from Nomis

¹¹ Trade Apprenticeship and 'other' qualifications are re-distributed by ONS to approximate NVQ levels

4.4 Table 4-1 and Figure 4-1 shows that the *Hampshire Economic Area* as a whole has a qualifications' profile which is similar to the South East region. The main differences relate to the *Hampshire Economic Area's* lower share of residents with NVQ4+ qualifications (29.6% as compared with 31.5%) and *Hampshire Economic Area's* relatively higher shares of NVQ2s (18% as compared with 16.1%) and NVQ1s (15.2% as compared with 14.5%). The South East has relatively more residents with 'other' qualifications, 7.7% as compared with 6.7% in the *Hampshire Economic Area*. This may reflect the region's higher share of minority ethnic population as compared with the *Hampshire Economic Area*. As compared with England the population of *Hampshire Economic Area* and all sub-areas is relatively well qualified.

Figure 4-1: Percentage of working age residents by level of highest qualification, *Hampshire Economic Area*, 2008



Source: APS from Nomis

4.5 At a sub-area level, there are more marked differences. The *Districts in Central Hampshire/New Forest* sub-area has the largest share of highly qualified residents: 33.7% to NVQ Level 4 or above. The *Districts in South Hampshire* have the lowest percentage share of highly qualified residents (27%). This sub-area also has relatively more residents with both no qualifications, 9.2%. and low qualifications (NVQ1), 16.4%. A breakdown by age group at sub-area level is not particularly robust because of small sample sizes. However, this analysis suggests that 40-49 year olds are particularly disadvantaged in terms of qualifications in *Districts in South Hampshire*. In the *Hampshire Economic Area* as a whole, 35% of this age group is qualified to NVQ Level 4. However in *Districts in South Hampshire*, the percentage is 28% (the comparable NVQ4+ percentage for *North Hampshire* is 35% and for *Districts in Central Hampshire/New Forest* it is 44%).

Table 4-2: Population of working age with NVQ4+, NVQ3+ and NVQ2+ qualifications, *Hampshire Economic Area* 2008, '000

Area	NVQ4+	NVQ4+ % of all	NVQ3+ (all)	NVQ3+ % of all	NVQ2+ (all)	NVQ2+ % of all
England	9,078.7	28.7	14,734.1	46.5	20,459.7	64.6
South East Region	1,590.6	31.5	2,565.0	50.8	3,476.3	68.9
<i>Hampshire Economic Area</i>	310.4	29.6	515.5	49.2	727.1	69.3
<i>North Hampshire</i>	64.9	30.4	104.7	49	146.0	68.3
<i>Districts in Central Hampshire/New Forest</i>	99.7	33.7	157.1	53.2	217.0	73.4
<i>Districts in South Hampshire</i>	145.8	27	253.7	47	364.1	67.5
Hampshire (County Area)	233.9	30.7	377.9	49.7	538.7	70.8

Source: APS from Nomis

- 4.6 Table 4-2 provides more detail on those residents of working age with qualifications of at least NVQ Level 2 and above. Overall 69.3% of this population in the *Hampshire Economic Area* are so qualified, marginally above the South East share of 68.9% and well above the England share of 64.6%. The *Districts in Central Hampshire/New Forest* have the highest share, 73.4%, and the *Districts in South Hampshire* the lowest, 67.5%. At a district level, there is high sampling variability from one year to the next and it is recommended that three years (2006 to 2008) data are averaged when comparing performance. On this basis, the districts with relatively high shares of residents achieving NVQ Level 2+ are Winchester (77%), Test Valley (76%) and East Hampshire (75%). The districts with the lowest shares are Havant (61%), Portsmouth (63%) and Rushmoor (64%).

Table 4-3: Population of working age with NVQ1+, NVQ1 or under, and with no qualifications, *Hampshire Economic Area* 2008, '000

Area	NVQ1+	NVQ1+ % of all	NVQ1 or less	NVQ1 or less % of all	No quals.	No quals. % of all
England	24,944.0	78.8	11,203.3	35.4	3,888. 2	12.3
South East Region	4,209.4	83.4	1,572.8	31.2	450.1	8.9
<i>Hampshire Economic Area</i>	886.7	84.6	321.6	30.7	91.3	8.7
<i>North Hampshire</i>	178.2	83.4	67.6	31.6	17.9	8.4
<i>Districts in Central Hampshire/New Forest</i>	255.7	86.5	78.5	26.6	23.5	8.0
<i>Districts in South Hampshire</i>	452.8	83.9	175.5	32.5	49.9	9.2
Hampshire (County Area)	651.7	85.7	222.2	29.2	60.1	7.9

Source: APS from Nomis

- 4.7 Table 4-3 provides information on the resident population with low or no qualifications, NVQ Level 1 or below. This is a key group and accounts for just under one-third of the working age group in total (30.7% in *Hampshire Economic Area* as a whole in 2008). Both *North*

Hampshire and the Districts in South Hampshire record over 31% of working age residents as in this group. In the Districts in Central Hampshire/New Forest, the share is lower (26.6%).

- 4.8 At a district level, again using data from surveys covering the 3 years 2006 to 2008 to ensure robustness, there are some marked differences. Those districts with relatively large shares of poorly qualified residents include Havant (39.4%), Portsmouth (36.6%), Rushmoor (35.9%) and Southampton, (34.8%). In contrast Test Valley recorded 22.6% and Winchester 23.9%. Other districts with low shares of poorly qualified residents include East Hampshire and Hart.
- 4.9 Comparatively, residents of the Hampshire Economic Area are less well qualified than those in some other parts of the South East region. In Surrey, 40% of residents of working age were qualified to at least NVQ Level 4 in 2008; and in Berkshire the percentage was 35%. The comparable share in West Sussex was closer to the Hampshire Economic Area figure, 29.7%.

Qualifications by age – Hampshire Economic Area

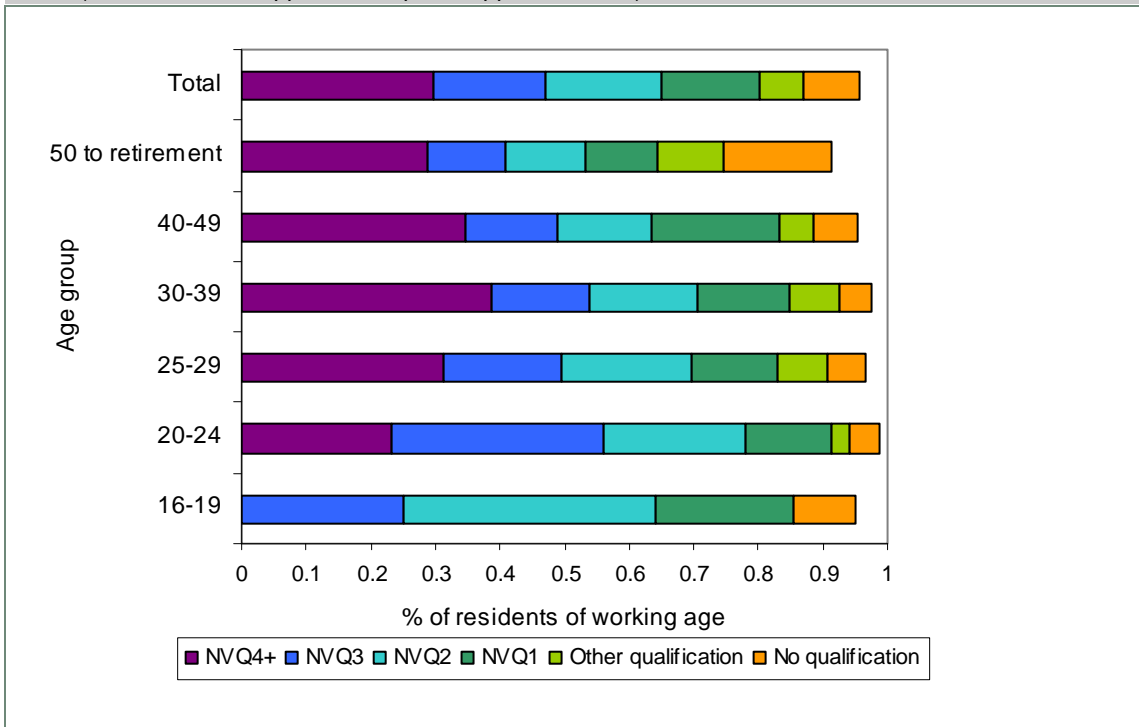
- 4.10 Sampling issues mean that it is not possible to provide a detailed breakdown of the qualifications of the population by age at a sub-area level. However it is valuable to explore qualifications of residents by age in the Hampshire Economic Area as a whole (see Table 4-4 and Figure 4-2). The following table and figure show how these differ across age groups. ‘Trade Apprenticeships’ are omitted due to suppression of data arising from small samples.

Table 4-4: Population of working age by highest qualification level achieved, 2008, Hampshire Economic Area

Age group	NVQ4+	NVQ3	NVQ2	NVQ1	Other qualification	No qualification
16-19	n.a.	25%	39.1%	21.3%	n.a.	9.6%
20-24	23.3%	32.6%	22.1%	13.4%	2.8%	4.6%
25-29	31.3%	18.3%	20%	13.4%	7.6%	6.1%
30-39	38.8%	15.1%	16.8%	14.1%	7.9%	4.7%
40-49	34.6%	14.2%	14.6%	19.8%	5.3%	7%
50 to retirement	28.7%	12.3%	12.2%	11.2%	10.3%	16.5%
Total	29.6%	17.4%	18%	15.2%	6.7%	8.7%

Source: APS from Nomis. Note that Trade Apprenticeships accounted for 4.4% of qualifications for the population of working age as a whole; the % was 8.8% for the age group '50 to retirement'. 'n.a.': not available/ applicable

Figure 4-2: Breakdown of highest level qualification achieved by age group, Hampshire Economic Area, 2008 (excludes Trade Apprenticeships & suppressed data)

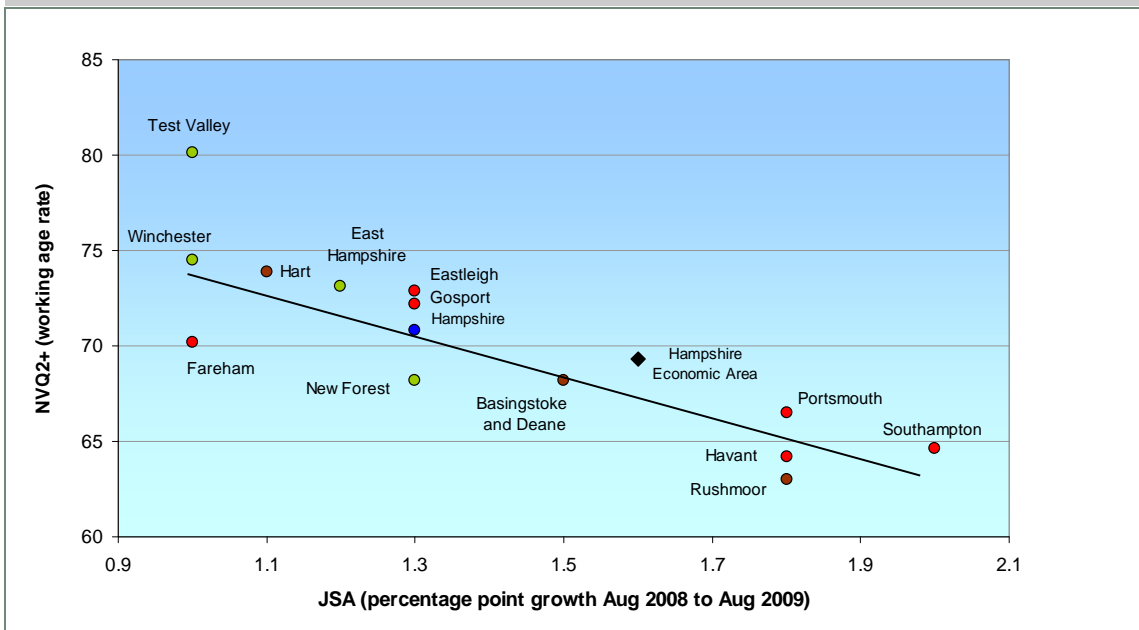


Source: APS

Relationship between qualifications and unemployment

4.11 A useful insight as to the problems faced by people with low level qualifications is provided by plotting percentage point increases in JSA claimant unemployment against estimates of the working age population with NVQ 2+. The following figure (Figure 4-3) was produced using data for 2008/09. It shows a consistent correlation.

Figure 4-3: JSA claimant count increase 2008-09 and NVQ Level 2 qualifications compared, Hampshire Economic Area



Source: Hampshire County Council Note: Green: Central Hampshire/New Forest; Brown: North Hampshire; Red: South Hampshire

GCSEs at end of Key Stage 4

- 4.12 Table 4-5 provides an overview at the Education Authority level for GCSE results in recent school years, 2004/05 to 2008/09, concentrating on the NVQ Level 2 attainment.

Area	2004/05	2005/06	2006/07	2007/08	2008/09	Change 2004 to 2009
England	55.0%	57.5%	60.1%	64.6%	70.0%	+15 p.ps
South East region	57.9%	59.8%	62.0%	66.0%	70.1%	+12.2 p.ps
Hampshire (County Area)	60.9%	61.6%	62.7%	67.2%	70.4%	+9.5 p.ps
Portsmouth	46.1%	47.6%	53.4%	57.2%	58.4%	+12.3 p.ps
Southampton	47.2%	48.4%	50.7%	55.8%	60.5%	+13.3 p.ps

Source: DfE

- 4.13 The table shows that the achievement of pupils at the end of Key Stage 4 in 2008/09 in Hampshire (County Area) was similar to the South East region and England as a whole at just over 70%. The rates for Portsmouth and Southampton were considerably lower, at 58.4% and 60.5% respectively. However, over recent years, the rates have increased by more percentage points in these two cities than in Hampshire as a whole.
- 4.14 Table 4-6 provides an overview of the attainment by Year 11 pupils of 5 or more GCSEs graded A* to C including English and maths. In this case, sub-area estimates have also been produced, aggregating school data by location. The sub-area figures should only be considered as a broad guide to performance below the county level.

Area	2004/05	2005/06	2006/07	2007/08	2008/09	Change 2006 to 2009
England	42.6%	44.1%	45.9%	48.4%	50.9%	+8.3 p.ps
South East region	46.5%	47.9%	49.4%	51.7%	53.7%	+7.2 p.ps
<i>Hampshire Economic Area</i>	n.a.	48.1%	47.4%	51.2%	51.7%	+3.8 p.ps
<i>North Hampshire</i>	n.a.	50.4%	51.5%	55.1%	57.1%	+6.7 p.ps
<i>Districts in Central Hampshire/New Forest</i>	n.a.	64.3%	60.2%	68.1%	67.9%	+3.6 p.ps
<i>Districts in South Hampshire</i>	n.a.	40.2%	40.3%	42.6%	43.1%	+2.9 p.ps
Hampshire (County Area)	49.3%	50.2%	51.3%	53.8%	55.4%	+ 5.2 p.ps
Portsmouth	27.7%	29.2%	33.1%	38.5%	39.5%	+10.3 p.ps
Southampton	34.6%	36.2%	38.8%	42.3%	43.1%	+6.9 p.ps

Source: DfE; Hampshire CC.

- 4.15 The table suggests that *Hampshire (County Area)* performed relatively well in 2008/09 as compared with both the South East and England, with 55.4% of pupils at the end of Key Stage 4 achieving ‘enhanced’ GCSE passes. Southampton and particularly Portsmouth had lower shares of pupils reaching this standard. However, the table indicates that performance has improved significantly in the two cities since 2005/06 with the Portsmouth rate rising by over 10 percentage points in four years.
- 4.16 When schools are broken down by location there are some significant differences in sub-area performance. The *Districts in Central Hampshire/New Forest* sub-area records high rates of achievement; by 2008/09 over two-thirds of eligible pupils gained 5 or more GCSEs including English and maths. The *North Hampshire* sub-area had results just above the *Hampshire (County Area)* average. In contrast the *Districts in South Hampshire* sub-area performed below the county, regional and England averages.

Advanced Level

- 4.17 Table 4-7 looks at Advanced Level achievement as measured by ‘average point score per pupil’. This measure attributes points according to achievement in not only final Advanced Level examinations but also in AS levels. It should be noted that many FE and sixth form colleges have large and overlapping catchment areas and the sub-area analysis can only be considered as a guide to relative performance.

Table 4-7: Average point score per pupil at Advanced Level, 2005/06 to 2008/09; (EA= Education Authority)

Area	2005/06	2006/07	2007/08	2008/09	Change 2006 to 2009
England	721.5	731.2	740	739.3	+ 17.8
<i>Hampshire Economic Area</i>	753.5	765.5	771.2	780.1	+ 26.6
<i>North Hampshire</i>	750.7	786.1	816.7	789.3	+ 38.6
<i>Districts in Central Hampshire/New Forest</i>	817.5	822.4	832.8	847.7	+ 30.2
<i>Districts in South Hampshire</i>	698.7	706.3	698.1	722.7	+ 24
Hampshire (County Area)	766.3	783.0	796.4	786.1	+ 19.8
Portsmouth	642.2	598	596.2	697.2	+ 55
Southampton	618.7	621.8	637.9	657.9	+ 39.2

Source: DfE; Hampshire CC.

- 4.18 There does not appear to be such a consistent picture of year-on-year improvement with respect to the Advanced level point score per pupil. In particular, 2008/09 scores are in some areas lower than in 2007/08, although the difference is very small for England as a whole. Overall, at a sub-area level, performance appears to be significantly higher in the *Districts in Central Hampshire/New Forest* than in *North Hampshire* or the *Districts in South Hampshire*. The latter area average is below the England average. There is also some concern that over the four year period 2005/06 to 2008/09, the average point score in the *Districts in South Hampshire* has increased less than in the other two sub-areas.

NVQ Level 2 & NVQ Level 3 achievement by age 19

- 4.19 Data have been published recently which incorporate pupil census data and individual learner records. They aim to provide an estimate of the percentage of young people at different ages achieving either NVQ Level 2 or NVQ Level 3. Headline results for Level 2 are given in Table 4-8 and for Level 3 in Table 4-9.

Table 4-8: Percentage of cohort aged 19 achieving NVQ Level 2, Hampshire Economic Area

Category		Hampshire (County Area)	Portsmouth	Southampton
Aged 19 by end of 2008/09	By age 16	62.5%	53.8%	51.8%
	By age 17	71.1%	62.9%	60.6%
	By age 18	77.2%	70.9%	66.1%
	By age 19	79.7%	74.6%	69.5%
Aged 19 by end of 2009/10	By age 16	62.7%	57.7%	53.3%
	By age 17	71.5%	65.9%	62.5%
	By age 18	78.5%	73.8%	69.4%
Aged 19 by end of 2010/11	By age 16	65.4%	59.2%	56.6%
	By age 17	74%	69%	65.5%
Aged 19 by end of 2011/12	By age 16	66.1%	58.2%	57.1%

Source: DfE

- 4.20 Table 4-8 shows a steady increase in the percentage of young people achieving Level 2 year-on-year in all three Education Authorities. For example, looking at the cohort of *Hampshire (County Area)* young people aged 19 at the end of 2008/09, 77.2% had achieved NVQ Level 2 by the time they were aged 18 and 71.1% by the time they were aged 17. Looking forward to the cohort aged 19 at the end of 2009/10, a higher 78.5% had already achieved this level by the time they were aged 18 and 71.5% by the age of 17.
- 4.21 In line with the analysis of GCSE data, the table shows that a higher percentage of young people in *Hampshire (County Area)* schools have met the NVQ Level 2 standard in every age group as compared with the two cities. Overall the rate of achievement is higher in Portsmouth than in Southampton. Almost 80% of *Hampshire (County Area)* residents aged 19 in 2008/09 had reached NVQ Level 2 as compared with 74.6% in Portsmouth and 69.5% in Southampton.

Table 4-9: Percentage of cohort aged 19 achieving NVQ Level 3, Hampshire Economic Area

Category		Hampshire (County Area)	Portsmouth	Southampton
Aged 19 by end of 2008/09	By age 17	24.4%	11.1%	19.6%
	By age 18	48.1%	37.9%	37.6%
	By age 19	54.9%	45.7%	43.1%
Aged 19 by end of 2009/10	By age 17	24.8%	13.9%	19.4%
	By age 18	49.3%	39.5%	38.2%
Aged 19 by end of 2010/11	By age 17	26%	13.1%	21.7%

Source: DfE

- 4.22 The analysis of Level 3 attainment by young people living in the *Hampshire Economic Area* follows a similar pattern to Level 2 qualifications. Year-on-year there has been a general increase in the percentage of young people reaching this standard in all three Education Authority areas. Almost 55% of 19 year olds attending schools and colleges in *Hampshire (County Area)* in 2008/09 had met the standard as compared with 45.7% in Portsmouth and 43.1% in Southampton.

Adult Learners

- 4.23 The Learning & Skills Council has provided information on the numbers of funded adult learners achieving either a Level 2 and Level 3 qualification in recent years. The learning streams followed include Further Education, apprenticeships and 'Train to Gain'. Table 4-10 and Table 4-11 provide a summary at the Education Authority level.

Table 4-10: Adult residents achieving NVQ Level 2 qualifications with LSC funding, 2006/07 to 2008/09

Programme	Area	2006/07	2007/08	2008/09
Further education (adult learner responsive)	<i>Hampshire Economic Area</i>	2,990	2,853	1,826
	Hampshire (County Area)	2,242	2,068	1,296
	Portsmouth	363	371	257
	Southampton	385	414	273
Apprenticeships	<i>Hampshire Economic Area</i>	1,660	2,222	2,865
	Hampshire (County Area)	1,348	1,943	2,403
	Portsmouth	135	114	197
	Southampton	177	165	265
Train to gain	<i>Hampshire Economic Area</i>	572	3,241	10,278
	Hampshire (County Area)	380	2,261	7,435
	Portsmouth	62	454	1,373
	Southampton	130	526	1,470
All streams	<i>Hampshire Economic Area</i>	5,222	8,316	14,969
	Hampshire (County Area)	3,970	6,272	11,134
	Portsmouth	560	939	1,827
	Southampton	692	1,105	2,008

Source: LSC ILR

- 4.24 Table 4-10 shows a significant year-on-year increase in numbers of adult residents achieving NVQ Level 2 qualifications, rising from around 5,200 in 2006/07 to almost 15,000 in 2008/09 in the *Hampshire Economic Area* as a whole. Expressed as a percentage of the working age population, this is equivalent to an increase from 0.5% to 1.4%. The incidence of Level 2 adult 'achievers' in 2008/09 was highest in *Hampshire (County Area)* at 1.5%.

4.25 The table shows that in recent years ‘train to gain’, which involves employers supporting skills’ development of their workforce, has become particularly popular as the main stream of LSC-funded adult education. Numbers achieving Level 2 qualifications through this stream increased from under 600 in 2006/07 to almost 10,300 in 2008/09, rising from 11% to 69% of the total. The number of apprenticeships also increased steadily, rising in the *Hampshire Economic Area* from 1,660 in 2006/07 to 2,865 in 2008/09. In contrast, the numbers of residents achieving Level 2 qualifications through the Further Education ‘adult learner responsive’ route declined from around 2,800 to just over 1,800.

Table 4-11: Adult residents achieving NVQ Level 3 qualifications with LSC funding, 2006/07 to 2008/09

Stream	Area	2006/07	2007/08	2008/09
Further education (adult learner responsive)	<i>Hampshire Economic Area</i>	2,770	2,616	1,837
	Hampshire (County Area)	1,975	1,904	1,362
	Portsmouth	480	408	246
	Southampton	315	304	229
Apprenticeships	<i>Hampshire Economic Area</i>	815	986	1,232
	Hampshire (County Area)	626	776	997
	Portsmouth	90	81	112
	Southampton	99	129	123
Train to gain	<i>Hampshire Economic Area</i>	12	209	2,342
	Hampshire (County Area)	10	147	1,721
	Portsmouth	1	19	315
	Southampton	1	43	306
All streams	<i>Hampshire Economic Area</i>	3,597	3,811	5,411
	Hampshire (County Area)	2,611	2,827	4,080
	Portsmouth	571	508	673
	Southampton	415	476	658

Source: LSC ILR

4.26 The numbers of adult residents achieving Level 3 qualifications with LSC funding also increased over the period 2006/07 to 2008/09, rising from around 3,600 to just over 5,400, equivalent to a 50% growth. By 2008/09 this was equivalent to 0.5% of the working age population of the *Hampshire Economic Area*. The rates for both *Hampshire (County Area)* and Portsmouth were 0.5%; in Southampton the rate was 0.4%.

4.27 As with Level 2 adult achievers, there has been a rapid increase in the number of people qualifying through the ‘train to gain’ stream, with numbers increasing from 12 in 2006/07 to over 2,340 in 2008/09. Numbers of Level 3 qualifiers training through apprenticeships also

increased, rising from 815 to over 1,230. Further Education courses, mainly ‘adult learner responsive’, accounted for 2,770 achievers in 2006/07, falling to around 1,840 by 2008/09.

- 4.28 The Conservative/Liberal Democrat government announced on 23rd May 2010 plans to terminate ‘train to gain’ schemes with priority placed instead on 50,000 new adult apprenticeships in England. However this may have implications for the number of adults becoming qualified in future years.

Destinations of Year 11 School Leavers

Hampshire County area

- 4.29 Hampshire County Council maintains records on the ‘destinations’ of Year 11 pupils attending State schools and the following tables show the overall picture for the county as a whole as well as a breakdown by sub-area for the year 2008 (Table 4-12).

Table 4-12: Destinations of year 11 school leavers, Hampshire County Council maintained schools						
Destination	2004	2005	2006	2007	2008	2009
Full time education	11,560 (78%)	11,940 (79%)	12,290 (80%)	12,550 (82%)	12,740 (84%)	12,930 (88%)
Full time training (non employed)	170 (1%)	200 (1%)	140 (1%)	150 (1%)	180 (1%)	190 (1%)
Full time employment	1,680 (11%)	1,330 (9%)	1,240 (8%)	1,280 (8%)	940 (6%)	600 (4%)
Part time activities	160 (1%)	240 (2%)	300 (2%)	200 (1%)	150 (1%)	120 (1%)
NEET	680 (5%)	860 (6%)	910 (6%)	690 (4%)	650 (4%)	540 (4%)
Unknown	280 (2%)	200 (1%)	70 (0.5%)	100 (1%)	210 (1%)	130 (1%)
Other	380 (3%)	290 (1%)	320 (2%)	360 (2%)	220 (1%)	120 (1%)
Total = 100%	14,890	15,060	15,280	15,340	15,090	14,630

Source: Hampshire County Council Note: excludes Portsmouth & Southampton

- 4.30 The table shows that the majority of year 11 school pupils in *Hampshire (County Area)* continue in full-time education, with the percentage increasing steadily from 78% in 2004 to 88% in 2009. The shares entering full-time employment have fallen from 11% in 2004 to 4% in 2008. Other ‘destinations’ have not changed significantly. As is discussed in more detail in the following section, the number of Year 11 leavers who become ‘NEET’ – not in education, employment or training - fluctuated year on year, but the number in 2004 was similar to that in 2008.

Table 4-13: Destinations of Year 11 school leavers, Hampshire County maintained schools, 2008

Destination	North Hampshire	Districts in Central Hampshire/New Forest	Districts in South Hampshire (part only)	Hampshire (County Area)
Full time education	84%	84.8%	84.5%	84.4%
Full time training (non employed)	0.5%	1.1%	1.9%	1.2%
Full time employment	6%	6.7%	4.5%	6.2%
Part time activities	1.1%	0.7%	1.3%	1%
NEET	5.2%	3.9%	4.3%	4.3%
Unknown	1.4%	1.4%	1.1%	1.4%
Other	2.2%	1.5%	0.7%	1.5%
Total numbers	3,780	5,680	5,230	14,690

Source: Hampshire County Council Note: excludes Portsmouth & Southampton

- 4.31 Table 4-13 indicates a very consistent pattern across *Hampshire (County Area)* in 2008, with 84% or more of year 11 leavers continuing in full-time education in all sub-areas. The percentage going into full-time employment was lowest in the *Districts in South Hampshire (part only, excluding Portsmouth and Southampton)* at 4.5%, although young people in this part of Hampshire were more likely than those elsewhere to embark on full time training. The proportion of leavers designated as NEET varied from a low of 3.9% in the *Districts in Central Hampshire/New Forest* to a high of 5.2% in *North Hampshire*. Again, the differences across the county were relatively small.
- 4.32 The more detailed district level analysis for 2008 shows that the area with the highest share of pupils continuing in full-time education was Hart, with 89.4%, closely followed by Fareham with 89.1%. The lowest share was recorded in Rushmoor at 73.8%. This district recorded the highest share of leavers going into full-time employment, just over 9%. Districts with very low shares of Year 11 pupils going into FT employment included Winchester (3.9%). The districts with the highest percentage of leavers recorded as NEET were Rushmoor, with 8.3%, and Havant, with 6.5%. The lowest percentage NEET scores were recorded in Hart (1.8%) and in Winchester (2.1%).

Hampshire Economic Area

- 4.33 ‘Activity’ data relating to Year 11 school leavers is published by the Department for Education at an education authority level and the following table (Table 4-14) provides an overview for 2009. It should be noted that the categories of destinations differ slightly from those recorded above.

Table 4-14: Destinations of Year 11 school leavers, Hampshire county, Portsmouth & Southampton, 2009

Destination	England	South East	Hampshire county	Portsmouth	Southampton	Hampshire Economic Area
Total numbers	608,480	93,580	14,630	2,030	2,400	19,060
Full time education	86.5%	88.1%	88.4%	86.1%	85.8%	87.8%
Full time training (non employed)	3.1%	1.4%	1.3%	1.7%	2.1%	1.4%
Full-time employment	4.1%	4%	4.1%	4.2%	4.1%	4.1%
Not settled - NEET	4.7%	4.7%	4.5%	5.8%	6.9%	4.9%
Out of contact/no response	1.7%	1.6%	1.7%	1.4%	1.1%	1.6%

Source: DfE

- 4.34 The table shows that in the *Hampshire Economic Area* as a whole, 87.8% of Year 11 leavers in 2009 continued in full time education, above the England but below the South East average. The percentage staying on in full-time education was lower in both Portsmouth and Southampton than in *Hampshire (County Area)*. Portsmouth and Southampton both had slightly higher percentages of Year 11 leavers going into full-time training (non-employed) than *Hampshire (County Area)*. However, there was little difference in the percentages of leavers going into full-time employment – all areas recorded around 4.1%. Both Portsmouth and Southampton recorded higher shares of leavers as ‘not settled’ or ‘NEET’: 5.8% in Portsmouth and 6.9% in Southampton as compared with 4.5% in *Hampshire (County Area)*.

‘Not in Education, Employment or Training’: NEETs

- 4.35 A key issue in relation to worklessness is the number of young people who are defined at ‘NEETs’ – not in education, employment or training – and the information on Year 11 leavers in 2008 shows that there is some variation around the county average of 4.3%. Information on the larger group of 16 to 18 year olds is maintained by the government at a ‘local education authority’ level, which covers *Hampshire (County Area)*, Portsmouth and Southampton and enables comparison with the region and England as a whole.
- 4.36 The following table (Table 4-15) compares the ‘NEET’ rates for individual year groups for two periods: November 2008 to January 2009 and the comparable period November 2009 to January 2010.

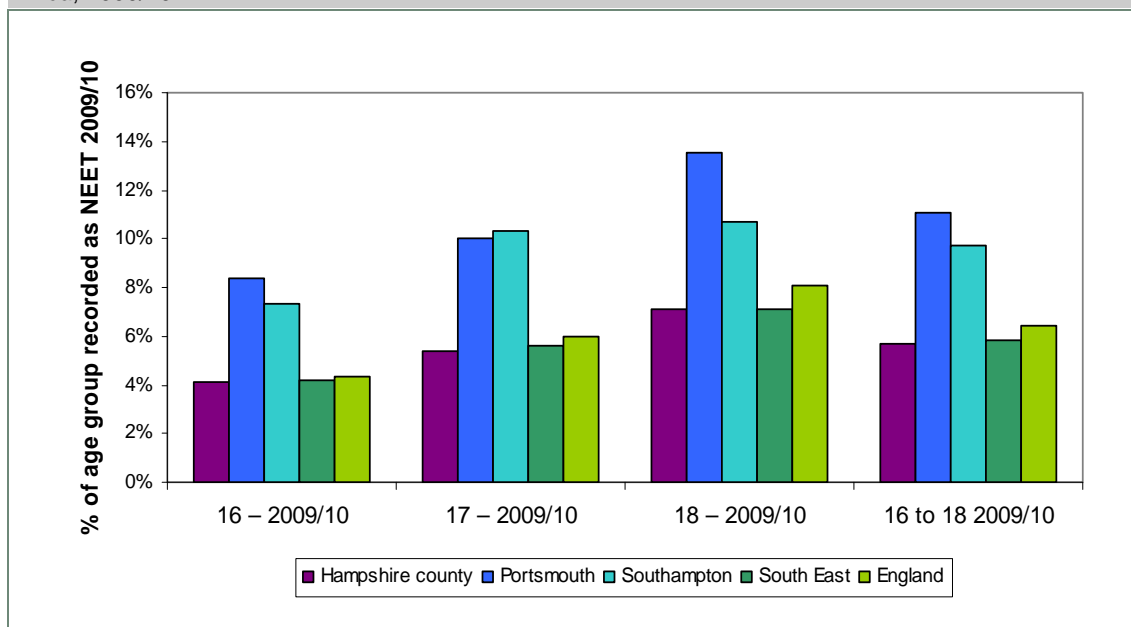
Table 4-15: 'Not in Employment, Education or Training' rates for 16 to 18 year old maintained school leavers, Hampshire (County Area), Portsmouth and Southampton 2008/09 and 2009/10

Age /year	Hampshire (County Area)	Portsmouth	Southampton	South East	England
16 – 2008/09	4.7%	7.8%	9.3%	4.8%	5.2%
16 – 2009/10	4.1%	8.4%	7.3%	4.2%	4.3%
17 – 2008/09	5.8%	9.5%	10%	5.7%	6.7%
17 – 2009/10	5.4%	10%	10.3%	5.6%	6%
18 – 2008/09	7.7%	11.8%	9%	6.4%	7.6%
18 – 2009/10	7.1%	13.5%	10.7%	7.1%	8.1%
16 to 18 2008/09	6.3%	9.9%	9.4%	5.7%	6.7%
16 to 18 2009/10	5.7%	11.1%	9.7%	5.8%	6.4%

Source: Hampshire County Council; DfE

4.37 The table and Figure 4-4 indicate that the percentage of young people classified as 'NEET' increases with age, locally and nationally. The *Hampshire (County Area)* percentages are generally close to the South East average and below the England shares. However, the situation is not as good in Portsmouth and Southampton where NEET rates exceed the regional and national averages for all year groups. In addition, and in contrast to the *Hampshire (County Area)* picture, the NEET percentage has increased for 16 to 18 year olds as a whole in both cities between 2008/09 and 2009/10.

Figure 4-4: Percentage of Age Group recorded as 'NEET', 16, 17 & 18 year olds, *Hampshire Economic Area*, 2009/10



Source: Hampshire County Council; DfE

4.38 Key messages arising from this analysis are the generally high shares of NEETs in Portsmouth and Southampton across all 16 to 18 year olds and the higher NEET percentages measured for 18 year olds, (relative to the percentages recorded for 16 and 17 year olds), across the entire *Hampshire Economic Area*. In both Portsmouth and Southampton, at least

10% of 18 year olds are recorded as NEET in 2009/10 and the rate exceeds 7% in Hampshire (*County Area*). The NEET rate for 18 year olds in *Hampshire (County Area)* is itself higher than for 17 year olds (5.4%) and for 16 year olds (4.1%).

Key messages

- 4.39 The *Hampshire Economic Area* as a whole has a qualifications' profile which is similar to the South East region. The main differences relates to the *Hampshire Economic Area's* lower share of residents with NVQ4+ qualifications (29.6% as compared with 31.5%) and *Hampshire Economic Area's* relatively higher shares of NVQ2s (18% as compared with 16.1%) and NVQ1s (15.2% as compared with 14.5%). At the sub-area level, variations are again apparent with the *Districts in Central Hampshire/New Forest* having the largest share of highly qualified residents and the *Districts in South Hampshire* the lowest. This sub-area also has relatively more residents with both no qualifications and low qualifications (NVQ1).
- 4.40 Achievement of pupils at both Key Stage 4 (GCSE) and A-Level shows that in general, *Hampshire's (County Area)* performance was similar to the South East region but that the position in Portsmouth and Southampton was less good. This pattern is also reflected by the incidence of NEET young people.

5: Employment opportunities

5.1 This chapter explores the employment opportunities that exist within the *Hampshire Economic Area*. However, due to the availability of data the analysis is largely reliant on proxy indicators – employee numbers, job density, and vacancies – which provide insight into, rather than detailed analysis of, the situation.

Employment opportunities

5.2 One indicator of the number of employment opportunities in the *Hampshire Economic Area* and its sub-areas is available through the Annual Business Inquiry for 2008. This data are presented in Table 5-1 along with details of the key sectors in which this employment is based.

5.3 Table 5-1 shows that in the Hampshire Economic Area there were an estimated 776,300 employee jobs in 2008, half of which (49%) were in *Districts in South Hampshire*; 21% were in North Hampshire and 30% were in *Districts in Central Hampshire/New Forest*.

Table 5-1: Employee numbers by Broad Industrial Sector 2008

Broad Industry (whole economy by employees)	England	South East	Hampshire Economic Area	North Hampshire	Districts in Central Hampshire New Forest	Districts in South Hampshire	Hampshire (County Area)
Primary ¹²	326,000	61,300	10,900	2,400	5,500	3,000	10,300
Engineering	1,065,800	158,600	46,000	8,000	10,900	27,100	35,100
Other manufacturing	1,271,200	147,300	27,900	6,300	10,900	10,700	22,400
Construction	1,063,800	169,600	34,700	6,800	12,500	15,400	28,300
Finance and business services	5,241,600	903,100	188,400	48,800	53,300	86,300	141,500
Public administration, education and health	6,091,800	960,600	196,500	29,500	58,700	108,300	126,900
Retail, wholesale, motor trade, hotels and catering	5,419,200	924,100	187,500	40,600	55,800	91,000	141,100
Transport and communications	1,373,800	221,100	43,200	11,400	8,800	23,000	30,100
Community and personal services	1,220,400	212,000	41,200	11,000	12,900	17,300	31,200
Total	23,073,700	3,757,700	776,300	164,900	229,300	382,100	567,100

Source: Annual Business Inquiry (employee analysis) 2008.

¹² Primary industries include agriculture, forestry and fishing and energy and water (e.g. mining/quarrying)

5.4 In terms of the key employment sectors, Table 5-1 also shows that – based purely on employee numbers – Hampshire’s key employment sectors are finance and business services (24% of all employees in the *Hampshire Economic Area*), public administration, education and health (25%) and retailing, wholesaling, hotels and catering (24%). This picture is broadly reflected across the region, country and the three-sub areas within the *Hampshire Economic Area*.

5.5 The extent to which these sectors appear to have been growing or shrinking over the last three years is presented in Table 5-2 below. The time-series data is however limited and only goes back as far as 2006 because changes in the ABI methodology mean that comparisons should not be made with earlier data. Sampling variation should also be taken into account.

Table 5-2: Changes in broad Industrial Sector Employment - average annualised percentage change in employee numbers, 2006-2008.

	England	South East	Hampshire Economic Area	North Hampshire	Districts in Central Hampshire /New Forest	Districts in South Hampshire	Hampshire (County Area)
Primary	1.7	-1.5	-1.3	-0.6	-0.5	-3.3	2.6
Community and personal services	0.9	5.2	6.2	20.7	2.3	1.9	7.8
Construction	0.3	1.8	-3.3	-0.6	2.7	-8.5	-0.3
Engineering	-0.2	1.4	2.8	1.3	2.6	3.3	2.4
Finance and business services	2.6	1.7	2.9	-2.2	3.9	5.6	3.7
Other manufacturing	-5.2	-6.5	-5.6	-6.5	-1.3	-9.0	-4.7
Public administration, education and health	0.8	1.3	0.3	2.8	0.2	-0.2	0.5
Distribution, hotels and catering	0.5	1.2	1.4	3.1	2.6	0.0	1.8
Transport and communications	-0.5	0.0	1.7	8.1	-6.1	2.2	2.2

Source: Annual Business Inquiry (employee analysis) 2006-2008.

5.6 Table 5-2 shows that the changes in broad sectoral employment in the *Hampshire Economic Area* appear to have varied slightly from the regional and national picture. For example, there have been declines in construction employment compared to growth regionally; whilst declines in manufacturing have been less than across the South East region as a whole. Where there have been increases, these have generally exceeded national, and sometimes regional, trends. For example, there have been increases in employment recorded in: transport and communications; distribution, hotels and catering, finance & business services, engineering and in community and personal services.

5.7 Within the *Hampshire Economic Area*, there are some noteworthy variations. In *Districts in South Hampshire*, employment in primary, construction and other manufacturing jobs has declined at a greater rate than in the *Hampshire Economic Area* as a whole and in the South East and England. In *North Hampshire* there has been significant growth recorded in

community and personal services and in transport and communications – notably more than the national and regional averages.

Job density

- 5.8 An important – but simplistic – measure in terms of worklessness is job density (the number of jobs per resident of working age) as this provides in headline terms a sense of whether there are enough employment opportunities in an area for residents of that area, (although it takes no account of skills and other important factors in securing employment).
- 5.9 Table 5-3 presents the job density rates for the last five years (2004-2008) for the Hampshire Economic Area, its sub-areas and the national and regional comparators. The total jobs figure is a workplace-based measure and includes employees from the ABI (see above), self employment from the APS, government supported trainees from DfE and DWP and HM Forces from the MOD. In the table below a job density of 1.0 would mean that there is one job for every resident of working age.

	2004	2005	2006	2007	2008
England	0.80	0.81	0.80	0.80	0.79
South East	0.83	0.84	0.82	0.82	0.82
<i>Hampshire Economic Area</i>	0.83	0.85	0.81	0.82	0.81
<i>North Hampshire</i>	0.85	0.87	0.82	0.84	0.84
<i>Districts in Central Hampshire/New Forest</i>	0.85	0.90	0.87	0.87	0.85
<i>Districts in South Hampshire</i>	0.80	0.82	0.77	0.78	0.77
Hampshire (County Area)	0.81	0.85	0.80	0.81	0.81

Source: National Statistics from Nomis

- 5.10 Table 5-3 shows that in 2008 the job density rate in the Hampshire Economic Area (0.81) was marginally higher than the national (0.79) rate but slightly below the regional (0.82) rate. This headline rate does however hide quite significant variance across the sub-areas with a rate of 0.85 and 0.84 in the *Districts in Central Hampshire/New Forest* and *North Hampshire* respectively, compared to a rate of 0.77 in the *Districts in South Hampshire*.

Vacancies

- 5.11 Job vacancies notified to Job Centres provide a useful insight to the buoyancy of the local labour market although care is required in their interpretation. Employers are not required by law to notify all vacancies and it is possible that notifications may increase if employers consider that they are likely to fill vacant posts through this source¹³. The big increase in unemployment between 2008 and 2009 may have encouraged an increase in notifications as employers re-appraised the chances of finding suitable candidates through this route. This has to be set against a slow-down in the economy overall.

¹³ In recent years professional, technical and managerial jobs have rarely been notified to Job Centres

- 5.12 The following table shows vacancy notifications in March each year from 2007 to 2010. The same month has been selected each year to avoid seasonal variations in notifications.

Table 5-4: Vacancies notified to Job Centres, March 2007 to 2010, *Hampshire Economic Area*

Area	March 2007	March 2008	March 2009	March 2010
England	252,110	309,510	202,100	262,840
South East region	31,680	42,370	28,870	37,020
<i>Hampshire Economic Area</i>	8,070	10,260	5,930	7,600
<i>North Hampshire</i>	1,490	2,260	1,530	1,290
<i>Districts in Central Hampshire/New Forest</i>	1,580	2040	1,030	1,280
<i>Districts in South Hampshire</i>	5,000	5,960	3,370	5,030
Hampshire (County Area)	5,130	6,870	4,130	4,790

Source: Job Centre Plus from Nomis. Data handling procedures change over time creating discontinuities in time series. Figures rounded to nearest 10.

- 5.13 The table shows a steep fall off in the numbers of vacancies notified to Job Centres between March 2008 and March 2009 in the *Hampshire Economic Area* as a whole, in line with the increase in unemployment. By March 2010 there had been a small recovery. However, this pattern was not replicated in all sub-areas. In *North Hampshire* numbers of notified vacancies were lower in March 2010 than in March 2009.
- 5.14 It is difficult to interpret the data although there are some signs of improvement in the economy between March 2009 and March 2010 judged on this indicator.

Key messages

- 5.15 In the *Hampshire Economic Area* there were three quarter of a million employee jobs in 2008, half of which (49%) were in *Districts in South Hampshire*; 21% were in North Hampshire and 30% were in *Districts in Central Hampshire/New Forest*. These jobs were primarily in the finance and business services, public administration, education and health and distribution, hotels and catering sectors. However, despite the higher proportion of jobs in the *Districts in South Hampshire*, the job density rate was lower (with three jobs for every four residents of working age) than for the other sub-areas (with four jobs for every five residents). There was also a steep fall off in the numbers of vacancies notified in Job Centres between March 2008 and March 2009 across the *Hampshire Economic Area* as a whole – largely in line with the increases in unemployment noted earlier.

6: Key messages

6.1 The preceding chapters have analysed and discussed a range of different indicators relating to worklessness. In order to help cut through this information and guide wider thinking around the development of a Work and Skills Plan in the *Hampshire Economic Area*, this section summarises the key messages. These are as follows:

- on most indicators, the *Hampshire Economic Area* performs better than the national average with performance generally similar to the regional average. This generalisation does however hide two important facets of worklessness in the *Hampshire Economic Area*:
 - that there is variation across the sub-areas (see below)
 - that over the last two to three years – primarily the result of the recession – performance has generally worsened (often to a greater extent than the national and regional averages), including reductions in economic activity, employment and increases in unemployment and benefit claimants
- the sub-area variation is significant with the *Districts in South Hampshire* performing consistently worse than the other two sub-areas on the majority of indicators. Performance is often worse in the two cities of Portsmouth and Southampton which had higher rates of unemployment, lower qualification attainment, relatively more NEET young people and higher levels of benefit claimants. Unfortunately district-level data from the Annual Population Survey are insufficiently robust to drill down further and identify any robust year-on-year trends and inter-district differences reliably.
- data relating to total benefit claimants of working age show that JSA claimants account for a relatively small proportion of the total. In November 2009 JSA claimant unemployment in the *Hampshire Economic Area* was 3%; the comparable ILO unemployment rate was 4.3% and the ‘all benefits’ claimant rate was significantly higher at 11.4%.
- there are a number of problematic hotspots – primarily in the *Districts in South Hampshire* – where performance is particularly poor. These hotspots are predominantly in Portsmouth, Southampton, Gosport and Havant
- the impact of worklessness appears to be most profound on young people particularly those aged 16-18, especially in Portsmouth and Southampton where an estimated 10% of this age group are recorded as NEET; in the *Hampshire Economic Area* as a whole, 18-24 year olds represent 28% of all working age JSA claimants
- although the percentage of pupils completing Key Stage 4 with 5+ GCSEs grade A* to C including English and maths has increased in *Districts in South Hampshire* in recent years the rate of improvement is below that achieved in either England or the

South East region. With the future job profile likely to be increasingly reliant on knowledge-based occupations this is a major issue.

- the *Hampshire Economic Area* has a slightly lower share of residents with higher qualifications and a higher share with low or no qualifications compared to the South East – this appears to have direct ramifications on employability with a direct correlation between the proportion of residents of working age with lower level skills and the proportion of residents claiming JSA and other income-related benefits.
- due to widespread public sector cuts and the significant proportion of employees in public sector employment (25% in public administration, education and health), it is probable that worklessness issues will increase within the *Hampshire Economic Area* as the full impact of public sector spending cuts starts to bite.

6.2 Hence across the *Hampshire Economic Area*, issues relating to worklessness are important and there is no room for complacency. Particularly in relation to the area's young people, there is an immediate challenge, and across the area, there are pockets of long term and persistent worklessness. In the medium term – as the main Hampshire Economic Assessment observed – it is possible that parts of the area could experience labour shortages. Looking ahead, it will therefore be important that workless people are (re-)engaged in the labour force, both for their own (and their family's and their local community's) well-being and to provide the workers that businesses may need.