

Coronavirus labour market update No.6

BRIEFING FOR ENTERPRISE M3

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The arrival of the Coronavirus contagion and the lockdown measures implemented in the middle of March represent an economic disruption unprecedented in terms of its speed and severity. Most economic and labour market data, especially at local level, takes months and years to emerge, but some data sources are more readily available. This briefing – the sixth in a monthly series – uses Emsi’s job postings, DWP Claimant Count and HMRC CJRS statistics to gain some indications of what is going on in the Enterprise M3 region.

A series of charts on the following pages show:

1. As the top part of Figure 1 illustrates, unique active job postings have sustained recovery, with an average daily 38,634 postings compared to 29,702 in May, meaning that they are now 5 per cent below pre-lockdown levels, compared to 30 per cent at their trough.
2. Reflecting that recovery, the bottom part of Figure 1 shows that September has seen a sustained if small positive inflow of postings continuing on from July and August, and increasing – each week in September brings an average of 616 new postings compared to 365 in May, but still some way below February’s 893 average 7-day new postings total, suggesting that it remains a lower-churn, less-intense recovery in recruitment activity.
3. Figure 2 compares this net flow over the most recent 3 months in 2020 with the same period in 2019. Whereas in May and early June the overall flow had been similar, September in 2020 saw a prolonged new inflow of postings.
4. Figure 3 shows a reduction in active postings for Enterprise M3 (in dark blue) compared with other LEP regions, since February. The performance in monthly terms is further from recovery than on the daily data (15 per cent versus 5 per cent), as shown in Figures 1 and 2; the reason is that the data are moving up strongly, and so the daily data moves to reflect that more quickly. Enterprise M3 is slightly above the middle of the ranking – and it is notable that some of those at the bottom are now entering positive territory.
5. Figure 4 groups occupations by the industry section in which they tend to most be concentrated – so for example, engineers are found in Manufacturing; programmers in IT; nurses in health and social work. The industry spread retains the pattern seen in July, although with a general positive shift – six industries are now in positive territory, including construction, which was deeply affected early on in the period. Sadly, the recovery in accommodation and food services seems to have essentially stalled – 57 per cent below February’s level in the last update, 55 per cent this month.

6. Figures 5 and 6 look at different metrics for LEP regions: the change in job postings from February to July; the change in overall Claimant Count unemployment from February to July; and the cumulative number of employees furloughed¹; for consistency each are measured against resident economic activity.²
7. Figure 5 looks at the change in job postings against the change in Claimant Count, both expressed relative to the size of the regional workforce and for all LEP regions. Expressed this way, the region's drop in job postings is slightly above average (equivalent to 1.2 per cent of economically active residents, average 0.8 per cent), it has seen a relatively small increase in its claimant count (3.4 per cent, average 4.2 per cent) compared to other LEP regions – remaining the 4th smallest increase in the country, having started from a very low level of unemployment.
8. Figure 6 looks at the change in claimant count alongside the (much larger) number of employees furloughed under the Coronavirus Job Retention Scheme at some point before the end of June. The outlook continues to be that the Enterprise M3 is one of the least affected regions: Enterprise M3 is with Cambridge and Peterborough CA and Oxford LEP in having the lowest combinations of furloughed employees and new claimant counts; Enterprise M3 has 31.3 per cent of its economically active workforce newly arrived on the claimant count or in furlough, compared e.g. to nearby Thames Valley Berkshire 33.2 per cent or Solent 32.7 per cent.

Overall, the sixth snapshot shows recruitment activity nearly back up to levels seen in February, before the lockdown began. Industry differences have reinforced over the past month, with recovery being strongly concentrated outside of those most affected by the crisis, such as accommodation and food services. It continues to be the case that recruitment activity is less intensive than previously, and the new inflow of postings is still much lower than the headline trends suggest – with fewer postings withdrawn balancing this out. As we move into October, all eyes will be on the end of furlough under CJRS (to be replaced by the new, less generous Job Support Scheme) and the consequences of gradually returning restrictions.

Future editions of this briefing will explore the same data as it evolves, as well as different dimensions of the labour market.

1 As the geographical data only shows the cumulative number, the reduction in furlough in anticipation of CJRS's end in October means that the data are no longer changing by month.

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

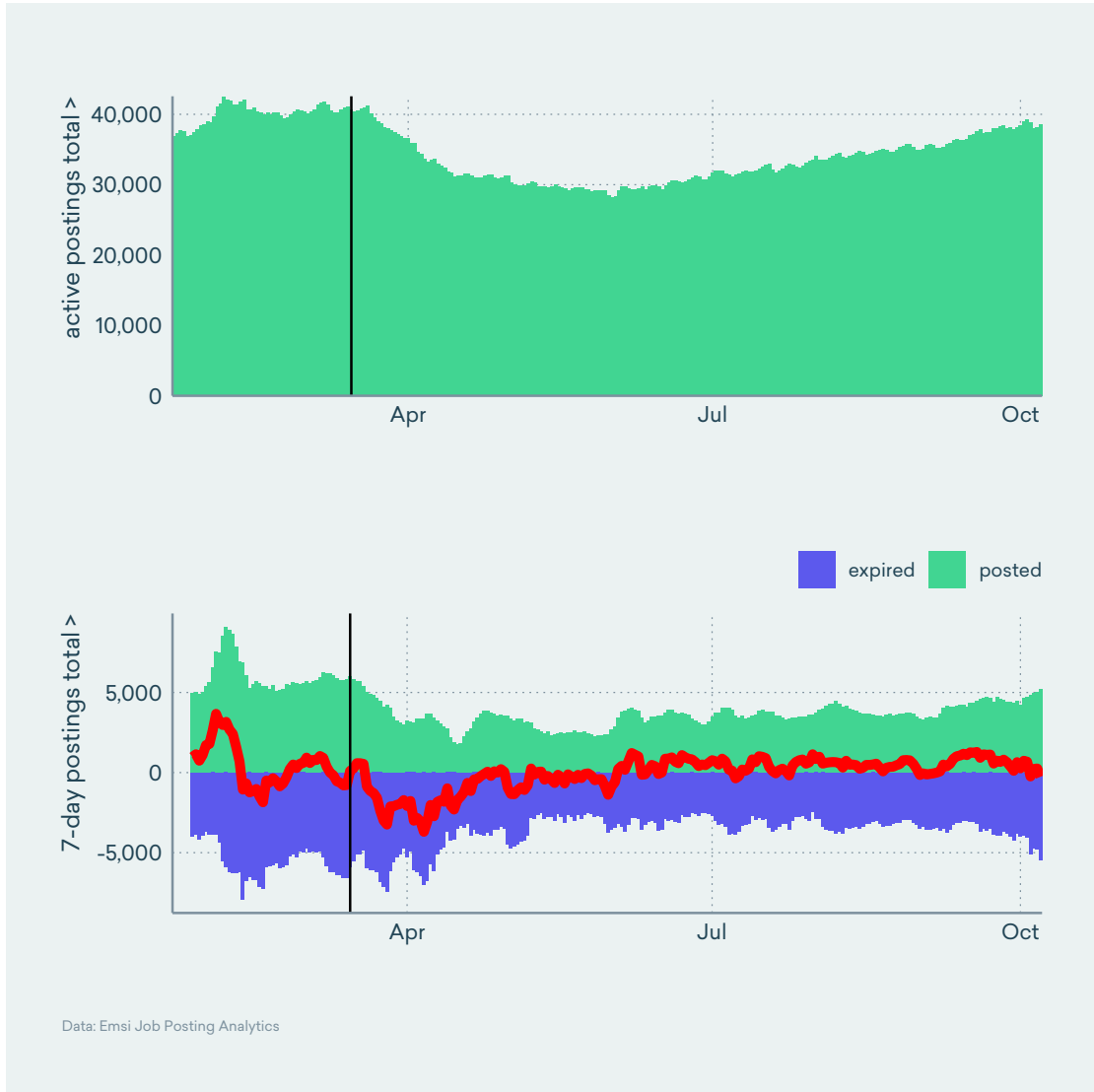


Figure 1: Overall postings trend

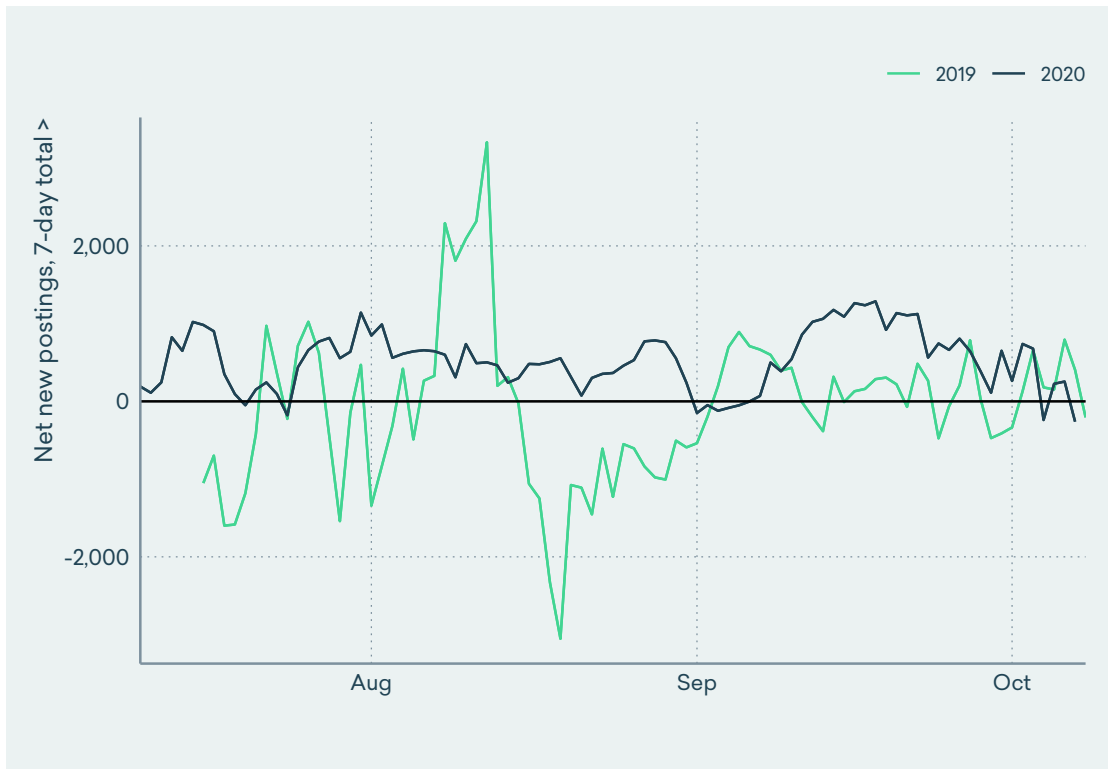


Figure 2: Net additional postings, 7-day total: 2019 and 2020 compared

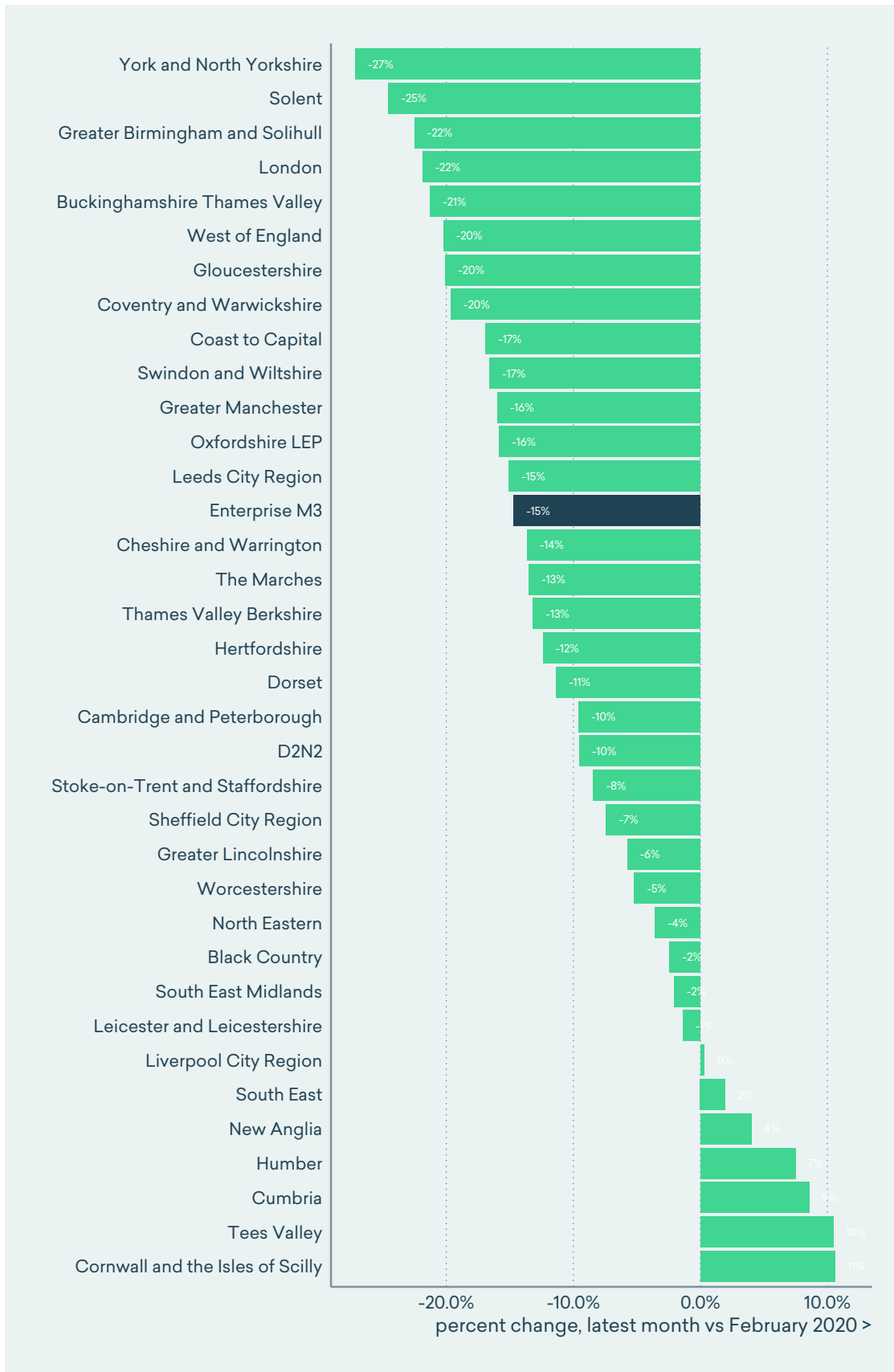


Figure 3: EM3 compared to other LEP regions

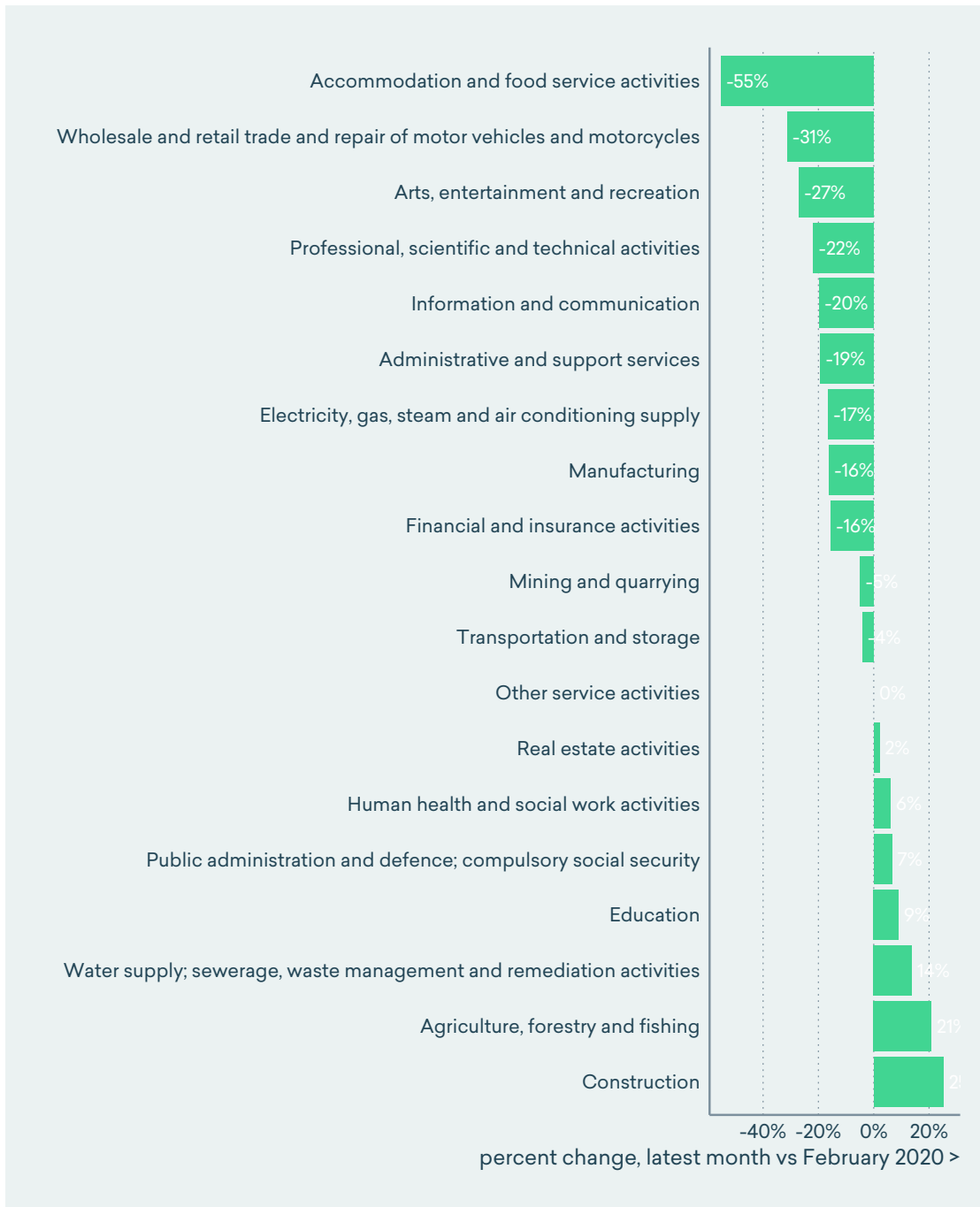


Figure 4: EM3 industry groups

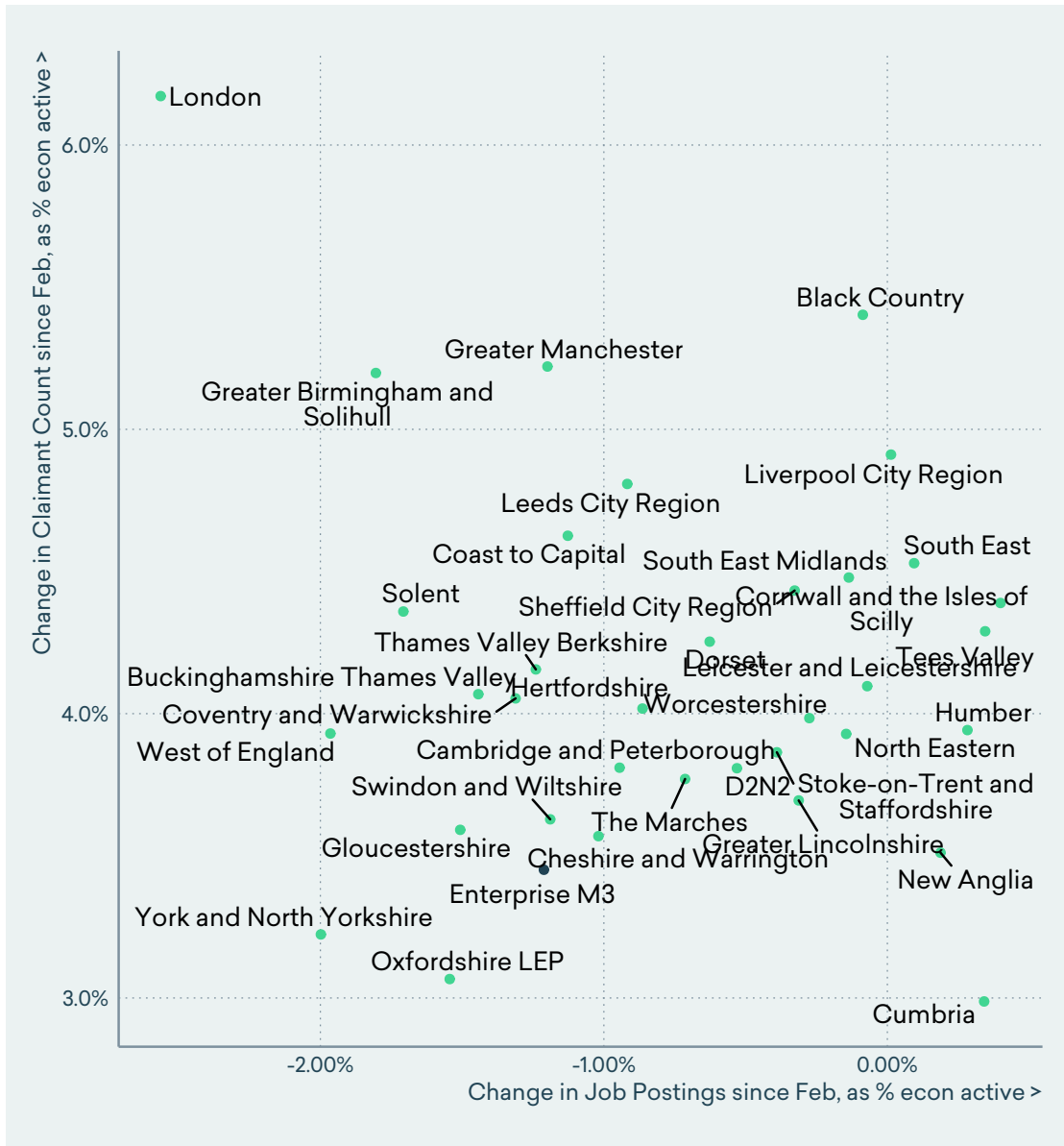


Figure 5: Job posting and claimant count change by LEP

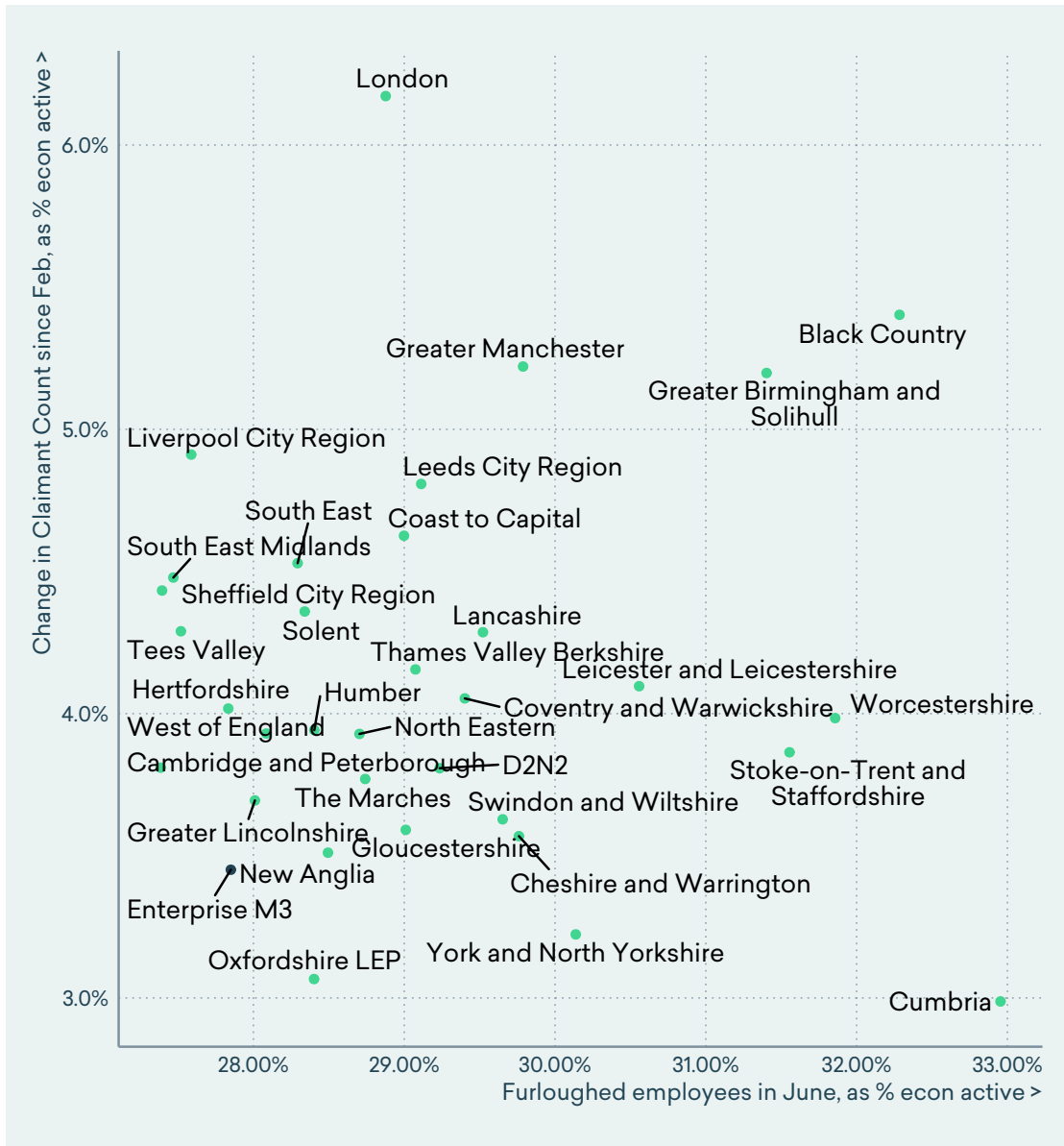


Figure 6: Furlough and claimant count change by LEP