

Coronavirus labour market update No.8

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 eighth in a monthly series – uses Emsi’s job postings, DWP Claimant Count and HMRC CJRS statistics to gain some indications of what is going on in the Enterprise M3 region, to supplement the national statistics which are available, which show the 16-64 rate having risen significantly (from 2.6 per cent in Q2 2019 to 3.2 per cent in Q2 2020), but not as much as might have been feared.¹ These data refer to the period to the end of November, after a month of national lockdown, concluding with a return to a – more robust – local lockdown system announced for December.

A series of charts on the following pages show:

1. As the top part of Figure 1 illustrates, unique active job postings – the number available online at any one time – have remained stable at the level achieved in October and November, and have not fallen significantly. Given the national lockdown, this is clearly positive news.
2. Most recently, as indicated in the last report, the most recent period has seen some reductions as postings have expired while new ones arriving, although this has varied for a limited overall effect (bottom part of Figure 1). The overall impression is that recruitment activity has continued at the level seen before the national lockdown and has not been particularly effected by it.
3. Figure 2 compares this net flow over the most recent 3 months in 2020 with the same period in 2019. This shows a more variable net flow during November to the same time last year, lower at the start but higher at the end of the month.
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 (6 per cent down, while daily data suggests recovery in

¹ That said, the economic activity rate is also estimated to have fallen, from 84.3 per cent to 83.1 per cent, which suggests some withdrawal from the labour market as well as the increase in unemployment. All data from Annual Population Survey accessed via Nomis.

active volumes), as shown in Figures 1 and 2; the reason is that the daily data moves to reflect that more quickly, and so the monthly total is closing on its past level. Enterprise M3 remains slightly above the middle of the ranking – and it is notable that some of those at the bottom are now entering positive territory, although how long this will last in the midst of the new conditions nationally remains to be seen.

5. Figure 4 groups occupations by the industry section in which they tend to most be concentrated – so for example, engineers are found in Manufacturing; programmers in IT; nurses in health and social work. The industry spread retains the pattern seen in July, although with a continued general positive shift – ten industries are now in positive territory, including construction, which was deeply affected early on in the period but is now 30 per cent above its previous lows. Perhaps unsurprisingly, the lockdown seems to have exacerbated the pattern seen before: where accommodation and food services were down 59 per cent in October, they have fallen further, to 67 per cent down in November.
6. Figures 5 and 6 look at different metrics for LEP regions: the change in job postings from February to November; the change in overall Claimant Count unemployment from February to October; and the cumulative number of employees furloughed²; for consistency each are measured against resident economic activity.³
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 0.5 per cent of economically active residents, average 0.3 per cent), it has seen a relatively small increase in its claimant count (3.2 per cent, average 3.8 per cent) compared to other LEP regions – remaining the 7th smallest increase in the country, having started from a very low level on this measure
8. Figure 6 looks at the change in claimant count alongside the (much larger) number of employees furloughed under the Coronavirus Job Retention Scheme at some point before the end of June. The outlook continues to be that the Enterprise M3 is one of the least affected regions: Enterprise M3 is with New Anglia, Greater Lincolnshire and Oxfordshire LEPs in having the lowest combinations of furloughed employees and new claimant counts.

Overall, the eighth snapshot is highly reassuring that the national lockdown has not caused a sudden further disruption to recruitment activity during November. The different approach to workplaces mean that consumer-facing services – most notably, accommodation and food services – have seen a further reduction from their already low level, but other sectors seem to have found a new equilibrium. Industry differences are now well established, and it remains to be seen whether the loosening in December makes any difference to a return to recruitment in the most affected consumer-facing services, or whether this will delay until progress on vaccinations leads to a general opening up in the early months of 2021.

² As the geographical data only shows the cumulative number, the reduction in furlough in anticipation of CJRS's end in October means that the data were no longer changing by month – and will take some steps to surge above past levels even with the new extensions announced in November.

³ 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

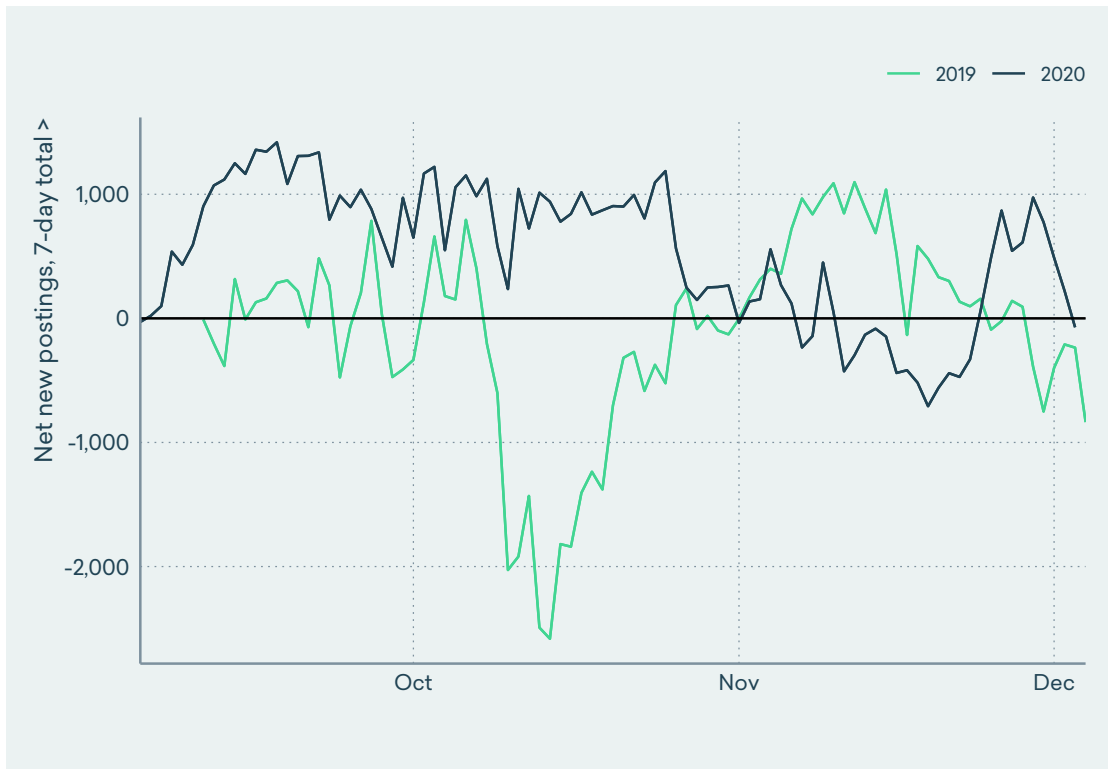


Figure 2: Net additional postings, 7-day total: 2019 and 2020 compared

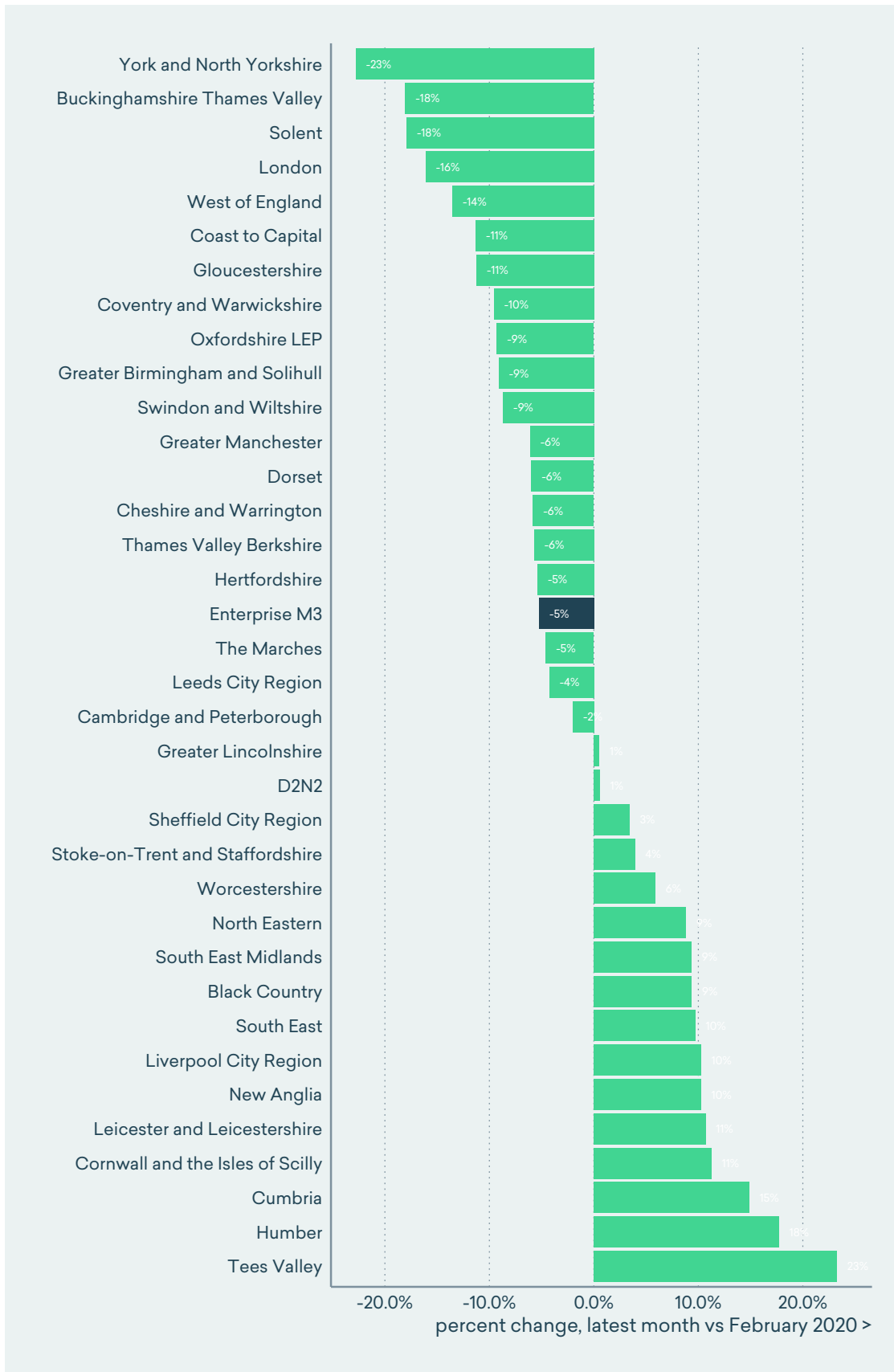


Figure 3: EM3 compared to other LEP regions

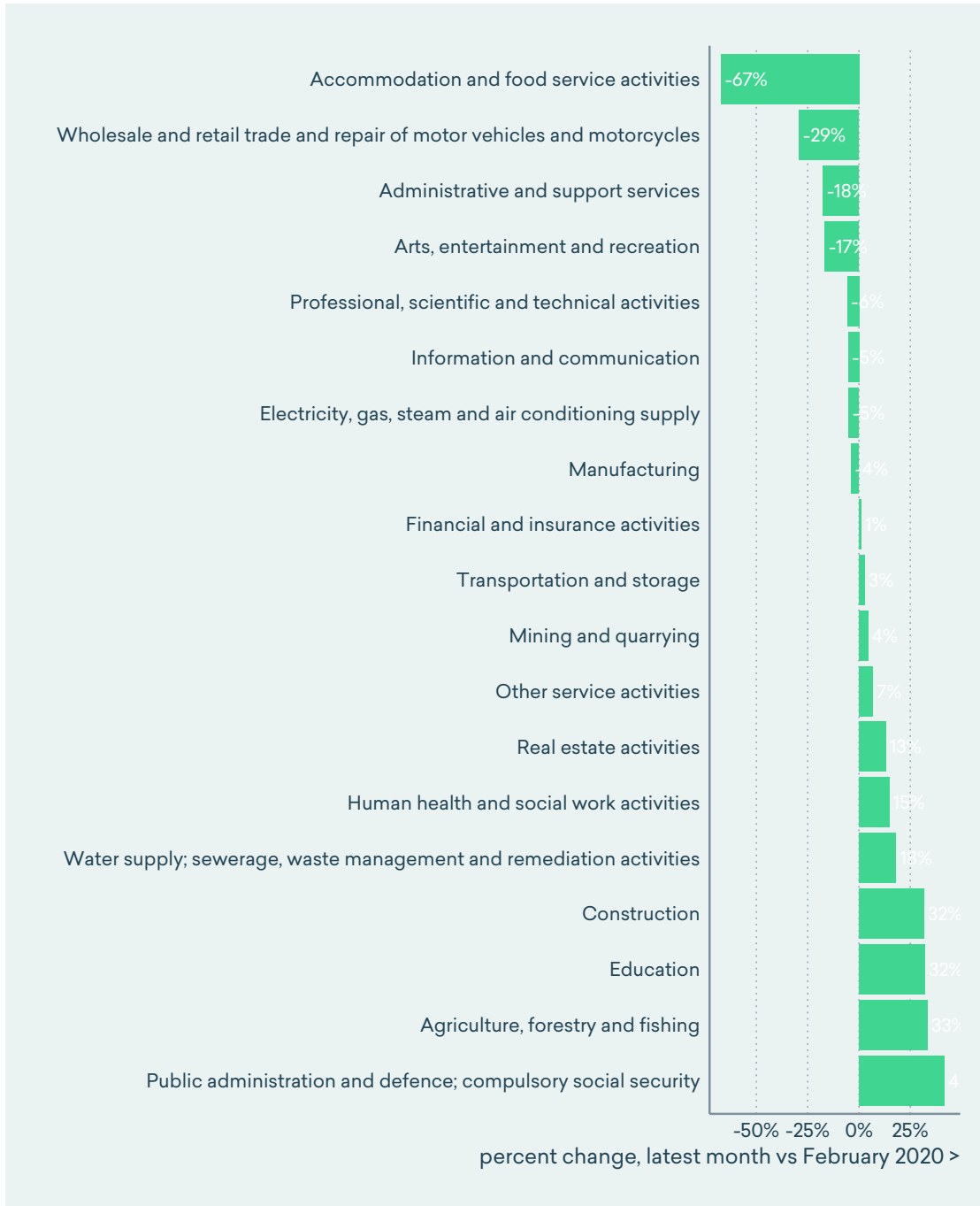


Figure 4: EM3 industry groups

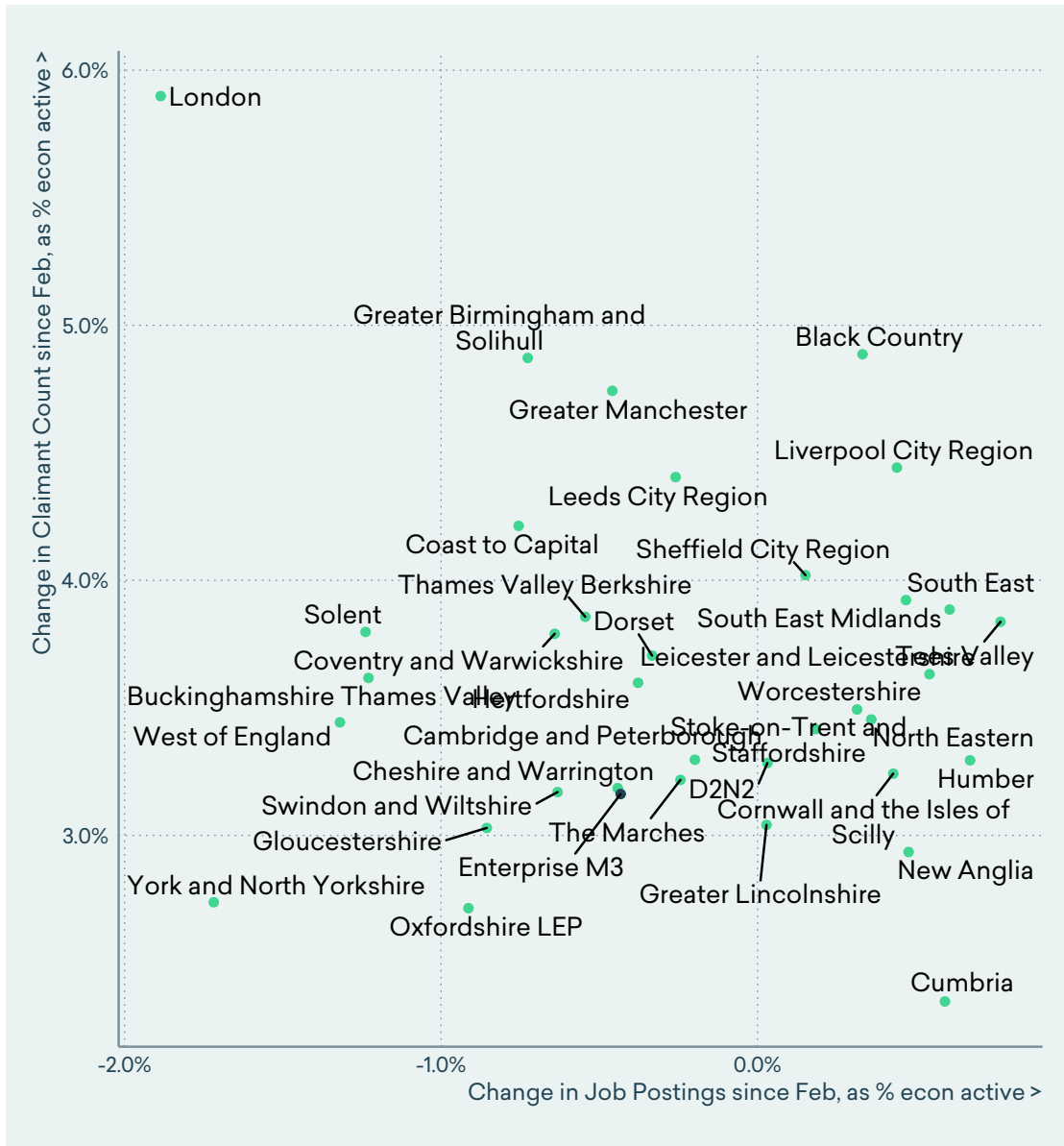


Figure 5: Job posting and claimant count change by LEP

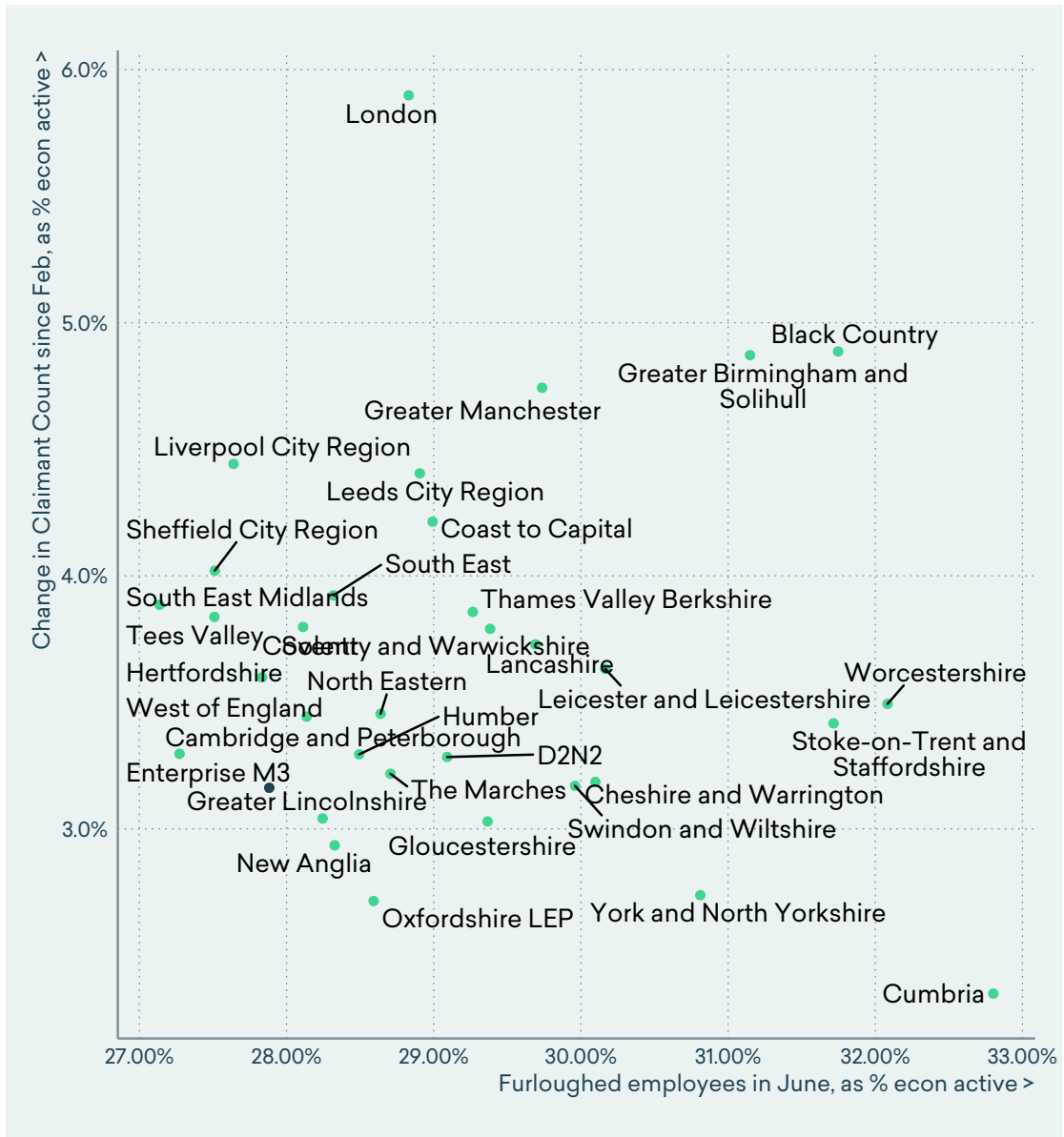


Figure 6: Furlough and claimant count change by LEP