



County Economic Summary

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Worcestershire Monthly Economic Summary

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Contents

1. Unemployment Statistics	4
2. National Economic News	5
3. Local Economic News	9
4. Unemployment Summary – December 2011	11
5. Economic Indicators	18
6. Discussion	22
6.1. Economic Context	22
6.2. Unemployment	23
6.2.1. Youth Unemployment	23
6.2.2. Unemployment by Gender	24
6.2.3. Long Term Unemployment	25
6.2.4. Unemployment by Occupation	25
6.3. Job Vacancies	25
6.4. Employment	28
6.4.1. Employment by Local Authority	28
6.4.2. Employment by Industry	28
6.4.3. Employment by Occupation	29
6.4.4. Employment Status – Full time / Part time	29
6.4.5. Employed / Self employed	29
6.4.6. Earnings	30
7. Qualifications and Skills	30
8. Business Confidence	30
9. Debt	31
10. Housing Market	31
10.1. House Prices	31
10.2. Loans for House Purchase	32
10.3. Arrears and Repossessions	32
10.4. House Building	33
11. Appendix	33

Figures

Figure 1: Unadjusted Claimant Count Unemployment Male and Female Split - Local Authority Districts	11
Figure 2: Unadjusted Unemployment Rate: Male and Female Split - Worcestershire, West Midlands and United Kingdom.....	12
Figure 3: Monthly Changes in Unemployment in Worcestershire	15
Figure 4: Adjusted and Unadjusted Employment Totals – Worcestershire	15
Figure 5: Duration of Unemployment.....	16
Figure 6: GDP Growth Quarter on Previous Quarter	22
Figure 7: Percentage of claimants aged 18-24 claiming for over 12 months as a proportion of all claimants aged 18-24 in Worcestershire, January 2008 to present.....	24
Figure 8: Claimant count rate (%) by gender	25
Figure 9: Number of claimants per vacancy	27
Figure 10: Average Personal Debt, UK	31

Tables

Table 1: Unadjusted Claimant Count Unemployment by Local Authority District.....	11
Table 2: Unadjusted Claimant Count Unemployment by County, Region and Nation.....	12
Table 3: Claimant Count Unemployment by Urban Centre	13
Table 4: Claimant Count Unemployment by Travel-To-Work-Area (ONS).....	13
Table 5: Unadjusted Claimant Count Unemployment by Local Authority District (ONS).....	14
Table 6: Unadjusted Claimant Count Unemployment by County, Region and Nation (ONS)...	14
Table 7: Notified Vacancies by Job Centre, Worcestershire	16
Table 8: Destination of claimants leaving the unemployment count in Worcestershire.....	17
Table 9: Worcestershire wards with the ten highest 18-24 claimant rates (%), December 2011	23
Table 10: Vacancies notified by industry, December 2011	26
Table 11: Number of claimants and vacancies by occupation in Worcestershire, December 2011	27
Table 12: Employment aged 16-64 by Local Authority Area in Worcestershire, July 2010 – June 2011	28
Table 13: Employment by Industry (SIC 2007) of those aged 16-64, July 2010 – June 2011..	28
Table 14: Employment by Occupation (SOC 2010) aged 16-64, July 2010 – June 2011	29
Table 15: Percentage of population in employment aged 16-64 - full-time / part time, July 2010 – June 2011	29
Table 16: Percentage of those in employment aged 16-64 - Employed / Self Employed, July 2010 – June 2011.....	29
Table 17: Median Gross Annual Earnings - Residence and Workplace Based	30
Table 18: Qualifications of the working age population - January 2010- December 2010	30
Table 19: Mean house prices by Local Authority and Property Type, Q3 2010 and Q3 2011 ..	32
Table 20: UK Figures	33
Table 21: Worcestershire Figures.....	34
Table 22: Claimant Count Unemployment by Ward * in Worcestershire – Bromsgrove.....	36
Table 23: Claimant Count Unemployment by Ward * in Worcestershire - Malvern Hills	37
Table 24: Claimant Count Unemployment by Ward * in Worcestershire –Redditch.....	38
Table 25: Claimant Count Unemployment by Ward * in Worcestershire - Worcester City	39
Table 26: Claimant Count Unemployment by Ward * in Worcestershire – Wychavon	40
Table 27: Claimant Count Unemployment by Ward * in Worcestershire – Wyre Forest	41

1. Unemployment Statistics

This page presents the Claimant Count data from December 2011, based on 2001 Census wards. The rates are expressed as a percentage of the economically active population.

- The unadjusted unemployment total for Worcestershire was 10,729 in December 2011. This represents an increase of 63 claimants from the previous month.
- The Worcestershire unemployment rate is 3.9%. This represents an increase of 0.1 percentage points compared to the previous month¹.
- The county rate (3.9%) still compares favourably with the unemployment rates for the West Midlands region (6.6%) and England and Wales (5.5%).
- Across the county, the districts with the highest and lowest unemployment rates are Worcester and Redditch (both 4.8%) and Bromsgrove, (2.9%)¹.
- The male unemployment rate in Worcestershire is 4.7%, compared to the female rate of 2.9%. Whilst the female unemployment rate remained the same as last month, the male unemployment rate rose by 0.1 percentage points.
- In terms of urban centres, Kidderminster had the highest unemployment rate at 5.2%. The lowest unemployment rates were in Bewdley and Wythall (both 2.6%).
- The number of vacancies in Worcestershire was 4,981 in December 2011. This is 12.3% higher than in November 2011.

¹ Please note these rates are not comparable with ONS-produced figures.

2. National Economic News

UK UNEMPLOYMENT HITS 17-YEAR HIGH

The number of unemployed people in Britain has climbed by 128,000 to a 17-year high, or 8.3% of the workforce. The jobless figure passed 2.6m from the August-to-October period. The number of people claiming jobless benefits last month rose by 3,000 to 1.6m compared with predictions of about 13,000. The sensitive problem of youth unemployment continued to worsen and now stands at about 22%.

www.ft.com 14 December 2011

UK RETAIL SALES FELL 0.4% IN NOVEMBER

Discounting failed to stop sales falling by 0.4% in November from the month before. Excluding fuel, retail sales fell 0.7% on the month, according to the ONS. Data revealed that consumers had cut back spending on computers, mobile phones, watches and jewellery, but that clothes sales had recovered.

www.bbc.co.uk 15 December 2011

PROPERTY SALES HIT ANNUAL HIGH, SAYS HMRC

Home sales hit their highest level of the year so far in November. There were 85,000 property sales during the month, up from 79,000 in October, it said. However the number of sales in the first 11 months of the year was lower than the same period in 2010.

www.bbc.co.uk 21 December 2011

MANUFACTURING OUTPUT DROPS FOR FIFTH CONSECUTIVE MONTH

The Markit/CIPS index rose slightly to 46.9 in December, up from 46.4 the previous month. The average PMI in the final quarter of 2011 was nevertheless the weakest since the second quarter of 2009. The survey found output and new business fell across the consumer, investment and intermediate goods sectors and all the nations covered by the survey reported lower levels of output.

www.birminghampost.net 2 January 2012

MORTGAGE RATIONING BECOMES WORSE, BANK OF ENGLAND WARNS

Home buyers will find it even harder to obtain a mortgage in the coming months, the Bank of England says. Lenders are expected to tighten the credit scoring criteria for granting new secured loans to households as they are worried about the poor economy and falling house prices.

www.bbc.co.uk 5 January 2012

UK SERVICE SECTOR 'SURPRISINGLY BUOYANT' IN DECEMBER

Activity in the UK service sector grew in December at its fastest rate since July – the PMI for December was 54.0, up from 52.1 in November. However, confidence about the future remains subdued, with expectations matching September's two-and-a-half year low.

www.bbc.co.uk 5 January 2012

UK CAR REGISTRATIONS FALL 4.4% IN 2011

Car registrations fell 4.4% to 1.94 million an industry body says – the lowest in more than a decade. This contrasts with a strong rise in UK car production in the last 6 months. Car registrations remain 25% below their peak of 2.58 million, recorded in 2003.

www.bbc.co.uk 6 January 2012

HOUSE PRICES FELL BY 1.3% IN 2011, HALIFAX SAYS

House prices across the UK fell by an average of 1.3% in 2011, a drop of 0.9% in December took the average house price down to £160,063. They predicted that prices would be stable in 2012 but warned the outlook was "uncertain".

www.bbc.co.uk 6 January 2012

BLACKS LEISURE TO GO INTO ADMINISTRATION

Blacks Leisure has said it is to briefly enter administrative as part of a takeover deal. They have received a number of final offers for the bulk of the business and expect to announce a deal in the next few days. The company owns 98 Blacks outlets, 208 Millets stores and the Peter Storm and Eurohike brands and employs about 3,500 people. As a buyer for the profitable assets has already been arranged it will allow the firm to write off its £36m debts and help it to close down loss-making parts of the business.

www.bbc.co.uk 6 January 2012

ROLLS-ROYCE CAR SALES HIT NEW RECORD

Rolls-Royce Motor Cars has reported record sales for 2011, having sold 3,538 cars. Sales of the BMW-owned marquee grew by 31% from the previous year and Rolls-Royce's Ghost model experienced a 37% rise, returning to pre-recession levels. The two brands went their separate ways a decade ago.

www.bbc.co.uk 9 January 2012

HMV REPORTS CHRISTMAS SALES SLUMP

Troubled retailer HMV has reported a sharp fall in sales for the Christmas period but noted a slowing in the decline of its music and film business. Sales fell 8.1% in the five weeks to the end of December – total sales were down 16.6%. The group reiterated concerns about its ability to continue trading in its current form. However, attempts to refocus on technology products were starting to pay off, with portable digital products up 51%.

www.bbc.co.uk 9 January 2012

ADMINISTRATIONS IN RETAIL RISE 11% COMPARED TO 2010

The total number of retailers in England and Wales falling into administration in 2011 increased by 11% last year, amid a crippling consumer spending squeeze. It was also found that one in five households have seen a reduction in income, as a result of unemployment, loss of bonuses, reductions in overtime and increased part-time working.

www.birminghampost.net 9 January 2012

FERRY COMPANY SEAFRANCE GOES INTO LIQUIDATION

SeaFrance has been officially liquidated by a French court and told to cease activity, with the loss of 130 jobs in Dover. The European Commission ruled that a bailout by the French government was illegal. Eurotunnel has not ruled out a future bid for the cross-channel ferry firm.

www.bbc.co.uk 9 January 2012

EVERY NEW MINISTERIAL CAR SINCE GENERAL ELECTION MADE AT CASTLE BROMWICH

Every new ministerial car bought since the 2010 general election has been a Jaguar manufactured at Castle Bromwich, marking a major change of policy from the old practice of buying cars from overseas.

www.birminghampost.net 9 January 2012

100 NEW BIRMINGHAM FIRMS CREATED THROUGH NEW ENTERPRISE ALLOWANCE

More than 100 new businesses have been created in Birmingham in six months thanks to the New Enterprise Allowance scheme. The New Enterprise Allowance is available to claimants of Jobseekers Allowance aged 18 and over claiming for 26 weeks or more.

www.birminghampost.net 11 January 2012

EDF ENERGY TO CUT GAS PRICE BY 5%

EDF Energy has said it is to cut its gas bills by 5% from 7 February following a sharp fall in the price of wholesale gas over the winter period due to the mild weather. They increased gas bills by 15.4% in November and are the first major supplier to cut bills. They have not announced any cut to the price of electricity.

www.bbc.co.uk 11 January 2012

LITTLE CHEF TO CLOSE 67 OUTLETS COSTING AROUND 500 JOBS

Little Chef has announced it is to close 67 of its 161 outlets and make between 500 and 600 job cuts. It will leave the company with around 1,500 jobs. It will continue to revamp its remaining restaurants.

www.bbc.co.uk 11 January 2012

RBS TO CUT 3,500 JOBS IN INVESTMENT BANK SHAKE-UP

The Royal Bank of Scotland has said it is planning to cut 3,500 jobs, with most of them to happen this year. The losses will be split between its UK and international offices and come on top of 2,000 cuts announced earlier. The bank has already shed some 30,000 employees over the last two years, 22,000 of them in the U.K.

www.bbc.co.uk 12 January 2012

BRITISH GAS ANNOUNCES ELECTRICITY PRICE CUT

British Gas has announced a 5% cut in its electricity prices with immediate effect, a day after EDF Energy announced plans to cut its tariff by the same percentage. British Gas said the average annual domestic bill would fall by £24.

www.bbc.co.uk 12 January 2012

UK INTEREST RATES KEPT ON HOLD AT RECORD LOW OF 0.5%

UK interest rates have been held, since March 2009, at their record low of 0.5%. The bank did not announce any increase in quantitative easing. Data points to a surprisingly sharp downturn in industrial output, including the manufacturing sector, in November last year.

www.bbbc.co.uk 12 January 2012

UK IN RECESSION SAYS ITEM CLUB ECONOMIC FORECASTERS

The think tank said gross domestic product shrank in the final quarter of last year and would contract again in the current three-month period. It also predicted unemployment would rise by a further 300,000 to just below three million people.

"We are probably in technical recession" the Item Club's chief economic adviser told the BBC.

www.bbc.co.uk 16 January 2012

CURRYS AND PC WORLD OWNER DIXONS SEES SALES FALL 5%

Dixons Retail said like-for-like sales fell 5% in the 12 weeks to 7 January. They operate 640 stores in the UK and will be taking a cautious approach in the year ahead. Online sales are increasingly important and now make up 19% of sales across the group.

www.bbc.co.uk 17 January 2012

PREMIER FOODS TO SHED ABOUT 600 STAFF TO CUT COSTS

Premier Foods has announced plans to sell off non-core businesses and cut about 600 staff in an attempt to double cost savings to £40m a year. The firm behind brands including Paxo and Mr Kipling is to make about 5% of its 12,000 workforce redundant. The new Chief Executive is focusing the group on eight of its biggest brands.

www.bbc.co.uk 17 January 2012

UK INFLATION RATE FALLS TO 4.2% IN DECEMBER

The rate of CPI inflation in the UK fell to 4.2% in December, down from 4.8%, and the RPI fell to 4.8% from 5.2%. It was due to lower fuel prices and cheaper clothing, said the ONS. However, food prices rose by 1.4% despite fierce competition between the supermarket chains.

www.bbc.co.uk 17 January 2012

PEACOCKS CLOTHING FIRM LAUNCHES SEARCH FOR NEW INVESTOR

Peacocks has 10 days protection from its creditors to find a new investor or it will go into administration due to debts of £240m. The retailer employs over 400 at its Cardiff HQ and 10,000 more across the UK. They continue to make operating profits but their overall financial performance has been weighed down by the level of its debts following a management buy out in 2006. Talks with lenders have so far failed to find a solution.

www.bbc.co.uk 17 January 2012

TAYLOR WIMPEY FORECASTS HUGE RISE IN PROFITS

Housebuilder Taylor Wimpey has forecast an 80% jump in operating profits. It has been achieved ahead of plan and will result in more than £88m operating profits for the second half of 2011, compared with £49.1m a year earlier.

www.birminghampost.net 17 January 2012

UK UNEMPLOYMENT INCREASES TO 2.685M

UK unemployment rose by 118,000 in the three months to November to 2.685m. The ONS said the rate rose to 8.4% from 8.3%, the highest since January 1996. The number of people claiming Jobseeker's Allowance in December rose by 1,200 to 1.6m. The number of young people without a job rose to 1.043m in the three months to November, taking the rate in the 16-24 year old age group to 22.3%.

www.bbc.co.uk 18 January 2012

3. Local Economic News

UNEMPLOYMENT FIGURES REACH 17-YEAR HIGH

The number of people claiming benefits in Worcestershire has fallen despite national unemployment figures hitting a 17-year high. In Worcestershire the number of people claiming Jobseeker's Allowance fell by 170 from 11,230 in October to 11,060 last month.

www.bromsgroveadvertiser.co.uk 15 December 2011

GOING PLACES CLOSING IN KIDDERMINSTER

The travel firm Going Places, which is part of the Thomas Cook group, is closing down with the loss of five jobs. The workers are now on a 90-day consultation period.

www.kidderminstershuttle.co.uk 15 December 2011

250 SEASONAL JOBS ON OFFER AT SAFARI PARK

Around 250 seasonal jobs will be available at West Midlands Safari and Leisure Park from early in the New Year. The jobs will be in various departments, including food and beverage, leisure, retail and admissions, reserves, games and park services. Opportunities include supervisory positions and jobs with flexible working hours.

www.kidderminstershuttle.co.uk 15 December 2011

COUNCILLOR SLAMS PLAN TO SPEND £500,000 ON OFFICE FURNITURE

A councillor has criticised plans to spend £500,000 on furniture for Wyre Forest District Council's new headquarters. Council leaders claim it is necessary to bring in new furniture for the short and long-term efficiency of the £10.5m building. Arrangements to recycle as much unwanted furniture as possible will be made by offering it to employees, local charities and community groups.

www.worcesternews.co.uk 8 January 2012

MIDLANDS ROAD SWEEPINGS WILL BE RECYCLED

A new process to recycle sweepings has been started to save seven councils money, including Herefordshire and Worcestershire. A new processing facility in Wolverhampton, will handle up to 30,500 tonnes a year. It means that they will be diverting road sweepings from landfill and avoiding escalating landfill taxes is set to hit £80 a tonne by 2014.

www.bbc.co.uk 8 January 2012

LOCAL BUSINESS ACCELERATORS: THE WINNERS

Judges have finally chosen the three successful companies in the Local Business Accelerator competition launched last autumn. The top three were named as: The Holywell Water Co Ltd, M30H Services Ltd and CM Engineering. Each will receive specialist mentoring from the Chamber of Commerce and will have free advertising space in the Worcester News and an initial free health check from Harrison Clark. One of the three will be chosen to go forward to the Midland regional final.

www.worcesternews.co.uk 10 January 2012

THREAT OF JOB LOSSES AT MAJOR TOWN FIRM

The axe could fall on up to 20 jobs at one of Ledbury's major employers. Universal Beverages Ltd has announced it plans to restructure and could shed a number of roles and a 30-day consultation will now be held before a final decision is made.

www.worcesternews.co.uk 10 January 2012

WEST MIDLANDS COUNCIL FEAR MISSING OUT ON £185M EU DEVELOPMENT CASH

The West Midlands risk losing up to £185m in European funding earmarked to boost the economy and bring jobs to the region. Cash already allocated to the region is going unspent because of the abolition of the regional agencies according to the local authorities. The money is only available on a "matched funding" basis. This was not a problem for the development agencies, who received hundreds of millions from central government, but local enterprise partnerships do not receive government cash, beyond support for administration. It has emerged that 53% of the total allocation has still not been committed to specific projects – the cash must be committed by the end of 2012 and be spent by the end of 2015. They said the Government's plans to match EU money with funding from other sources are unconvincing.

www.birminghampost.net 12 January 2012

TOWN RETAILERS ARE BUCKING THE TREND

Despite the outlook being bleak for many retailers, businesses in Bromyard continue to buck the trend and go from strength to strength. By December 2010 18 businesses had opened in the previous 18 months and more than a year later all remain open. The Chamber of Commerce said it was down to such things as personal service and a festival every month throughout the year.

www.worcesternews.co.uk 15 January 2012

NHS TO SELL OFF PROPERTIES TO SAVE £2 MILLION

NHS chiefs in Worcestershire are poised to sell off assets to save cash and avoid cuts to frontline services. The trust operates from 158 buildings, over more than 120 sites, but has a maintenance backlog of about £14m. At a trust board meeting, health chiefs said they hoped the sell-off would save £2m a year.

www.worcesternews.co.uk 17 January 2012

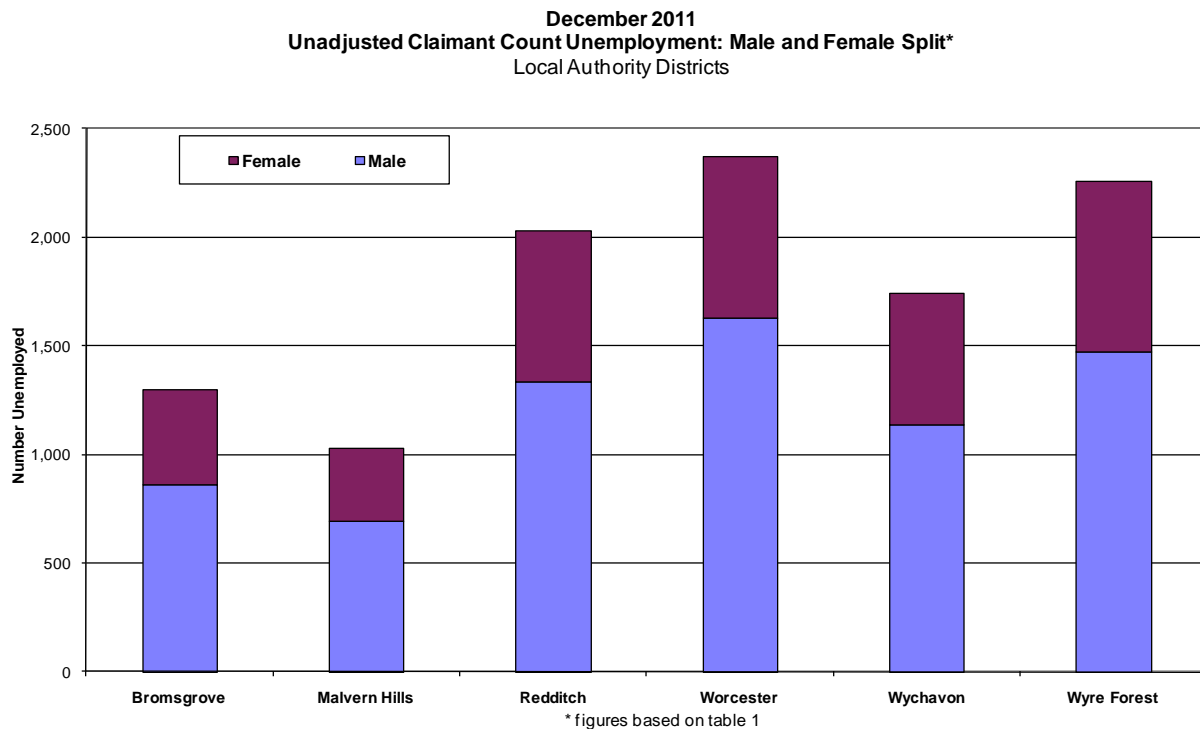
4. Unemployment Summary – December 2011

Table 1: Unadjusted Claimant Count Unemployment by Local Authority District

	Male	Female	Total	Rate*	Change on last month	Change on 12 months ago
Bromsgrove	858	439	1,297	2.9%	-33	8
Malvern Hills	691	336	1,027	3.0%	-8	59
Redditch	1,331	701	2,032	4.8%	11	29
Worcester	1,625	745	2,370	4.8%	-2	246
Wychavon	1,136	607	1,743	3.0%	16	30
Wyre Forest	1,474	786	2,260	4.6%	79	121
WORCESTERSHIRE	7,115	3,614	10,729	3.9%	63	493

* The unemployment rates for Districts listed in the above table are calculated using Census 2001 estimates of the economically active population. These rates are not comparable with ONS-produced County, Regional and National rates which use the mid-2010 resident population aged 16-64.

Figure 1: Unadjusted Claimant Count Unemployment Male and Female Split - Local Authority Districts



Source: Claimant Count downloaded from NOMIS

Table 2: Unadjusted Claimant Count Unemployment by County, Region and Nation.

	Male	Female	Total	Change on last month	Change on 12 months ago
Worcestershire	7,115	3,614	10,729	63	493
rate*	4.7%	2.9%	3.9%	0.1%	0.2%
West Midlands region	111,851	53,399	165,250	726	12,210
rate*	8.1%	4.8%	6.6%	0.0%	0.5%
England & Wales	916,688	453,914	1,370,602	9,247	138,492
rate*	6.7%	4.0%	5.5%	0.1%	0.6%

* The unemployment rates for Districts listed in the above table are calculated using 2001 Census estimates of the economically active population. These rates are not comparable with ONS-produced County, Regional and National rates which use the mid-2010 resident population aged 16-64.

Figure 2: Unadjusted Unemployment Rate: Male and Female Split - Worcestershire, West Midlands and United Kingdom



Source: Claimant Count downloaded from NOMIS

Table 3: Claimant Count Unemployment by Urban Centre

	Male	Female	Total	Rate*	Change on last month	Change on 12 months ago
Bewdley	42	27	70	2.6%	0	-14
Bromsgrove	554	283	837	3.3%	-27	-14
Droitwich	252	143	395	3.4%	0	1
Evesham	330	162	492	4.1%	9	17
Kidderminster	970	500	1,470	5.2%	45	64
Malvern	449	215	664	3.9%	8	23
Pershore	103	50	153	4.2%	10	3
Redditch	1,285	676	1,961	5.0%	17	28
Stourport-on-Severn	307	176	483	4.8%	33	74
Worcester	1,625	745	2,370	4.8%	-2	246
Wythall	102	51	153	2.6%	-14	13
Urban total	6,019	3,028	9,048	4.4%	79	441
As % of County total	84.6%	83.8%	84.3%			

* Unemployment rates are expressed as a percentage of 2001 Census estimates economically active population

Table 4: Claimant Count Unemployment by Travel-To-Work-Area (ONS)

TTWA	Male	Female	Total	Rate*	Change on last month	Change on 12 months ago
Cheltenham & Evesham	2,694	1,298	3,992	2.6	45	387
Birmingham	45,313	21,089	66,402	6.4	201	5,872
Dudley & Sandwell	12,395	5,895	18,290	6.1	89	1,565
Kidderminster	1,548	823	2,371	3.4	74	116
Worcester & Malvern	3,253	1,567	4,820	2.9	-10	288

*Rates for 2001 TTWAs from 2008 onwards are calculated using the mid-2007 resident population aged 16-64.

Note of change to published data

In previous editions of the Monthly Economic Summary, the claimant count figures for Bromsgrove and Malvern Hills have been different in Table 5 when compared to Table 1. This was because the official Office for National Statistics (ONS) claimant count figures published in Table 5 were created by aggregating 1991 frozen census wards, while the figures in Table 1 were created from an aggregation of current wards that reflect the true boundaries. The discrepancy was largest for Bromsgrove, where ONS figures (in Table 5) considered Frankley (which was in Bromsgrove District in 1991, but which transferred to Birmingham in 1995) to be within Bromsgrove, thereby markedly increasing Bromsgrove's claimant figures. This also affected the Worcestershire figures in Table 6.

On 18th January 2012, the method of aggregation used to calculate official ONS Local Authority claimant count figures changed to reflect the current district boundaries in Bromsgrove and Malvern. As a consequence, claimant count figures are now identical in Table 1 and Table 5 and it is no longer possible to compare Table 5 with the same table in previous editions of the Monthly Economic Summary. The same applies to the Worcestershire figures in Table 6.

Further details of the change are available here: <http://www.nomisweb.co.uk/articles/628.aspx>

Table 5: Unadjusted Claimant Count Unemployment by Local Authority District (ONS)

	Male	Female	Total	Rate *	Change on last month	Change on 12 months ago
Bromsgrove	858	439	1,297	2.2	-33	8
Malvern Hills	691	336	1,027	2.3	-8	59
Redditch	1,331	701	2,032	3.9	11	29
Worcester	1,625	745	2,370	3.8	-2	246
Wychavon	1,136	607	1,743	2.4	16	30
Wyre Forest	1,474	786	2,260	3.7	79	121
WORCESTERSHIRE	7,115	3,614	10,729	3.1	63	493

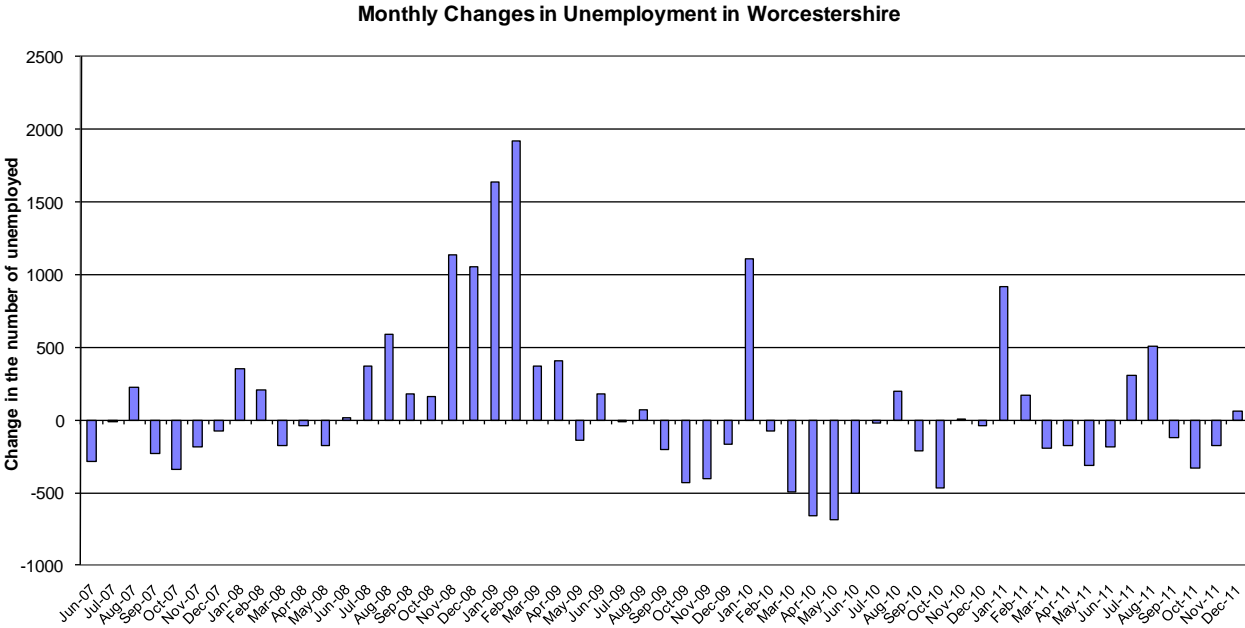
* The unemployment rates for Districts listed in the above table express the number of claimants resident in an area as a percentage of the mid-2010 resident population aged 16-64 in that area. Figures are derived from the mid-2010 resident population aged 16-64.

Table 6: Unadjusted Claimant Count Unemployment by County, Region and Nation (ONS)

	Male	Female	Total	Change on last month	Change on 12 months ago
Worcestershire	7,115	3,614	10,729	-331	493
rate*	4.1	2.1	3.1	-0.1	0.1
West Midlands region	111,851	53,399	165,250	726	12,210
rate*	6.5	3.1	4.8	0.0	0.4
United Kingdom	1,056,607	512,242	1,568,849	10,093	143,657
rate*	5.2	2.5	3.9	0.0	0.3

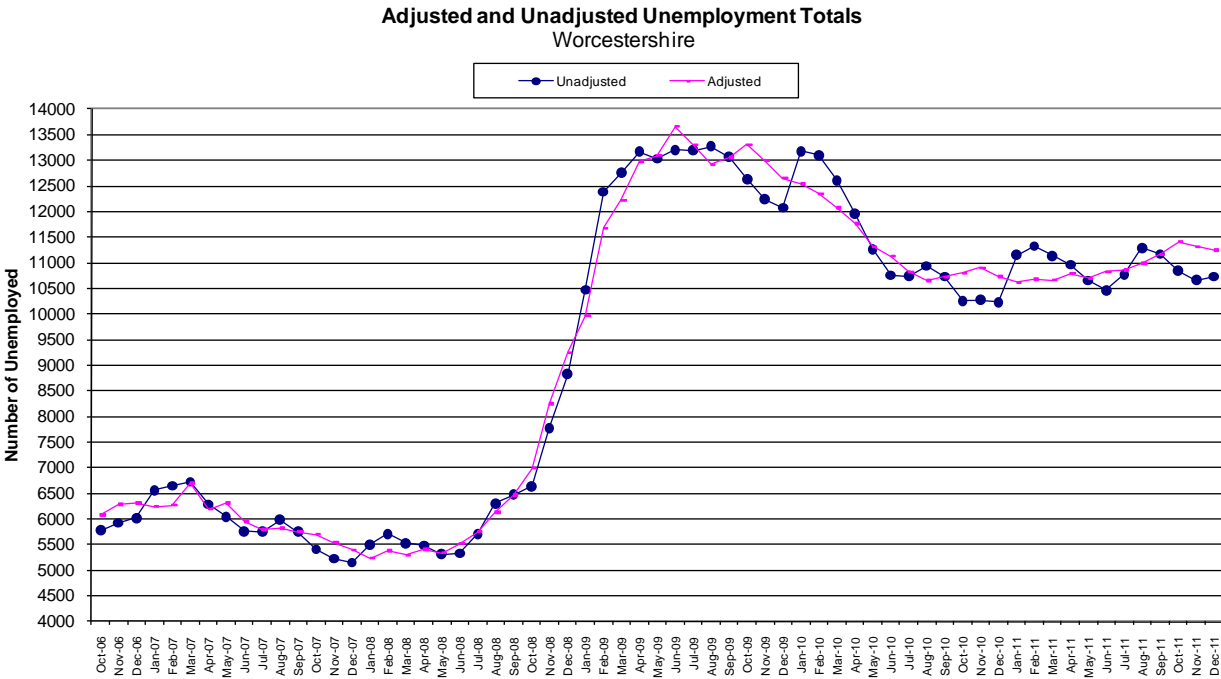
* The unemployment rates listed in the above table express the number of claimants resident in an area as a percentage of the mid-2010 resident population aged 16-64 in that area. Figures are derived from the mid-2010 resident population aged 16-64.

Figure 3: Monthly Changes in Unemployment in Worcestershire



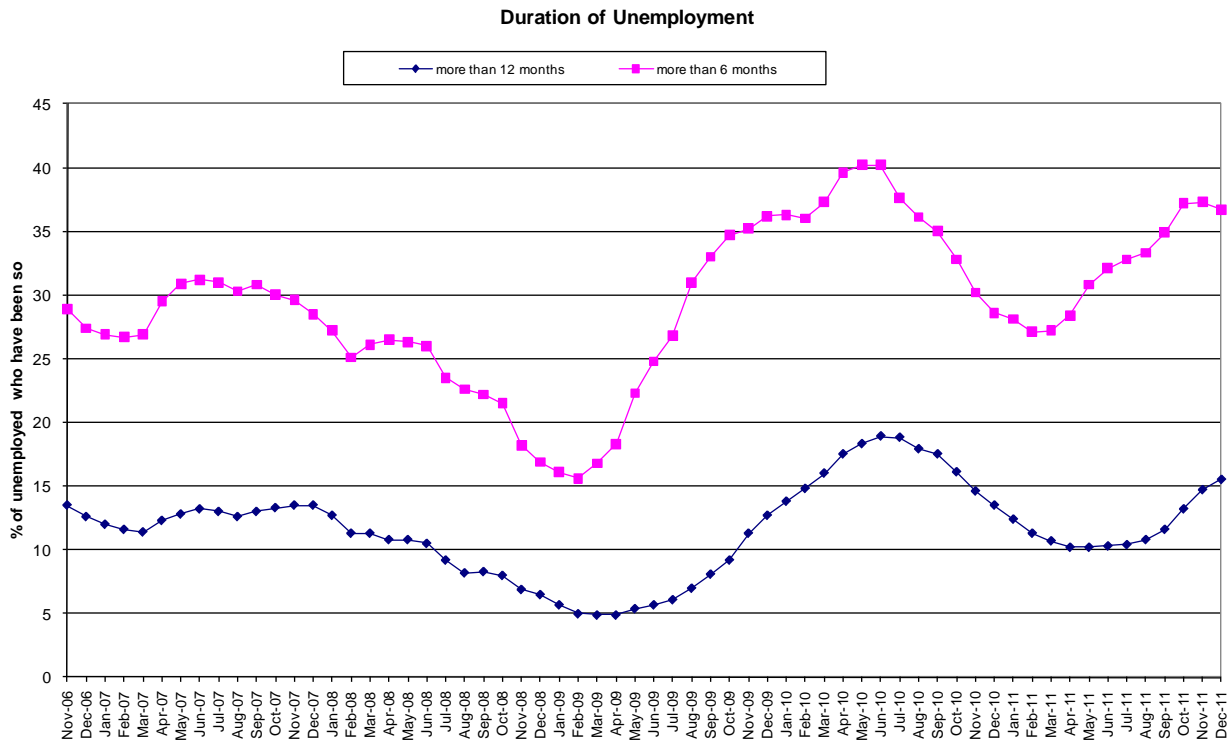
Source: Claimant Count downloaded from NOMIS

Figure 4: Adjusted and Unadjusted Employment Totals – Worcestershire



Source: Claimant Count downloaded from NOMIS

Figure 5: Duration of Unemployment



Source: Claimant Count downloaded from NOMIS

Table 7: Notified Vacancies by Job Centre, Worcestershire

	October 2010	November 2010	December 2010	January 2011	February 2011	March 2011	April 2011	May 2011	June 2011	July 2011	August 2010	September 2011	October 2011	November 2011	December 2011
Bromsgrove	313	390	278	251	263	302	409	192	317	436	250	253	385	323	419
Evesham	708	316	349	267	347	358	404	310	407	439	358	384	477	413	531
Kidderminster	710	434	435	340	406	368	776	394	477	673	622	568	725	725	495
Malvern	422	403	246	133	205	186	307	193	227	278	309	261	232	237	194
Redditch	995	707	616	555	526	669	950	567	615	945	686	731	1,266	1,089	790
Worcester	2,657	1,500	2,025	615	958	1,171	1,790	1,032	1,194	1,299	1,337	1,540	2,203	1,647	2,552
WORCESTERSHIRE*	5,805	3,750	3,949	2,161	2,705	3,054	4,636	2,688	3,237	4,070	3,562	3,737	5,288	4,434	4,981

Source: NOMIS Copyright reserved
 * Aggregate of unfilled vacancies advertised at Job Centres within Worcestershire
 It is estimated that one third of all vacancies are advertised through Job Centres

WARNING: The numbers of notified vacancies since April 2003 appear to have been affected by a drive by Jobcentre Plus to increase notifications from many employers in chosen sectors.

Table 8: Destination of claimants leaving the unemployment count in Worcestershire

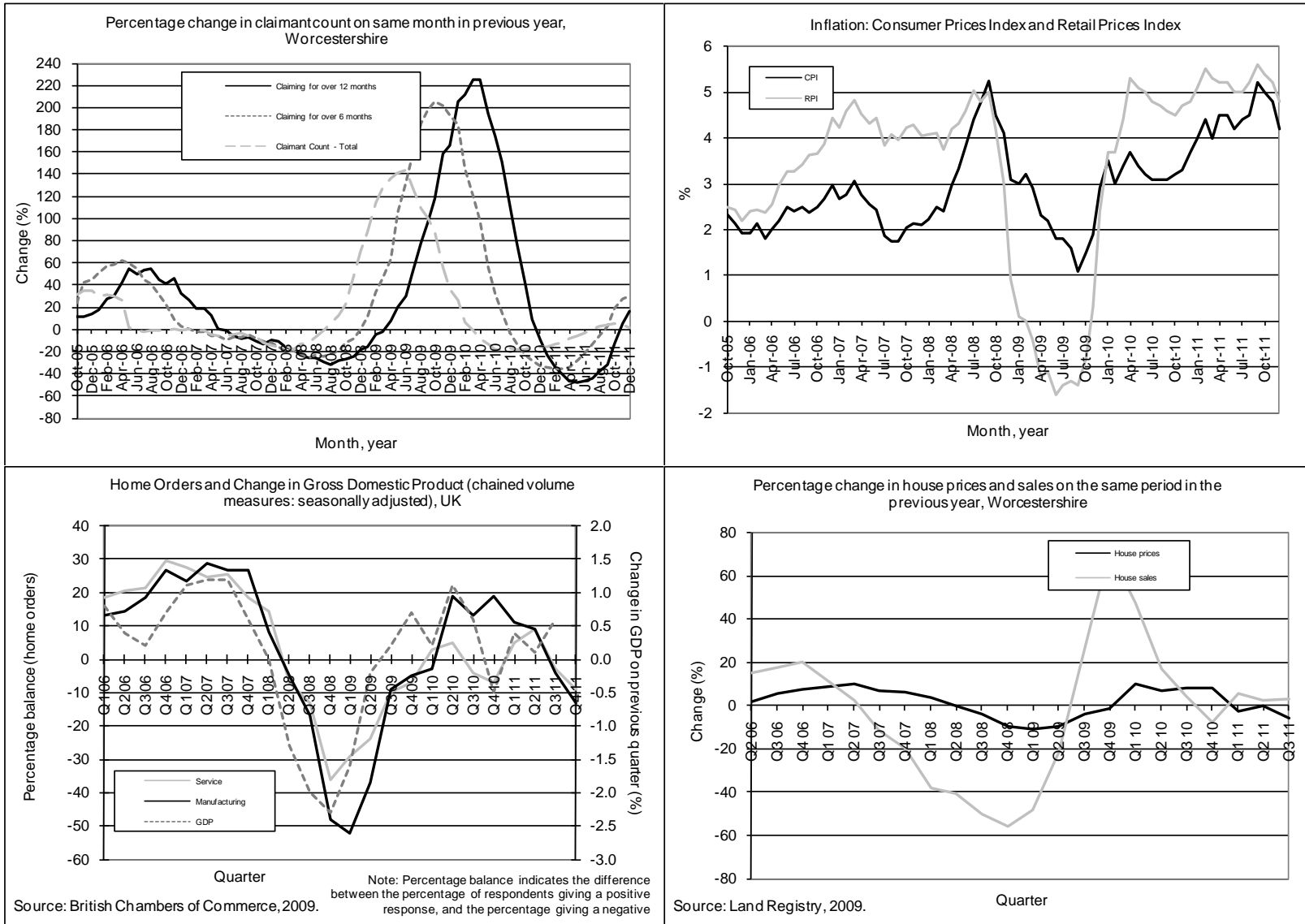
December 2011

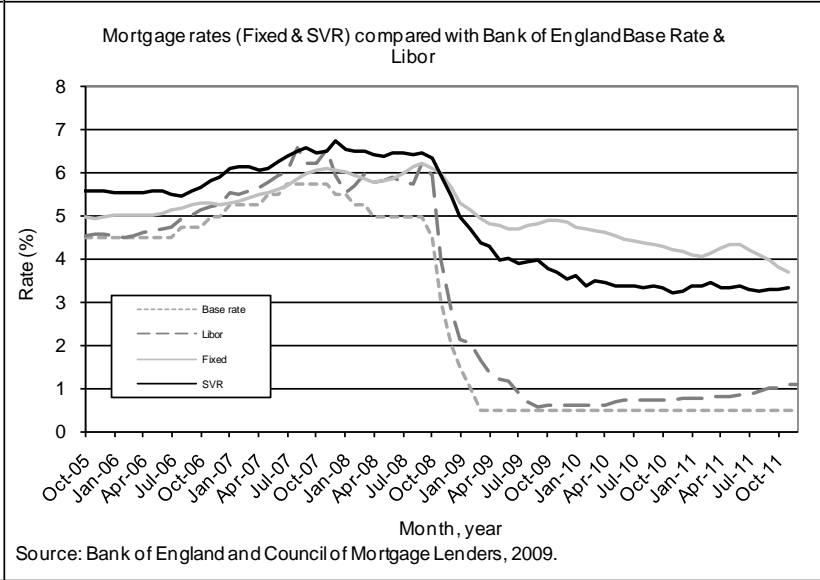
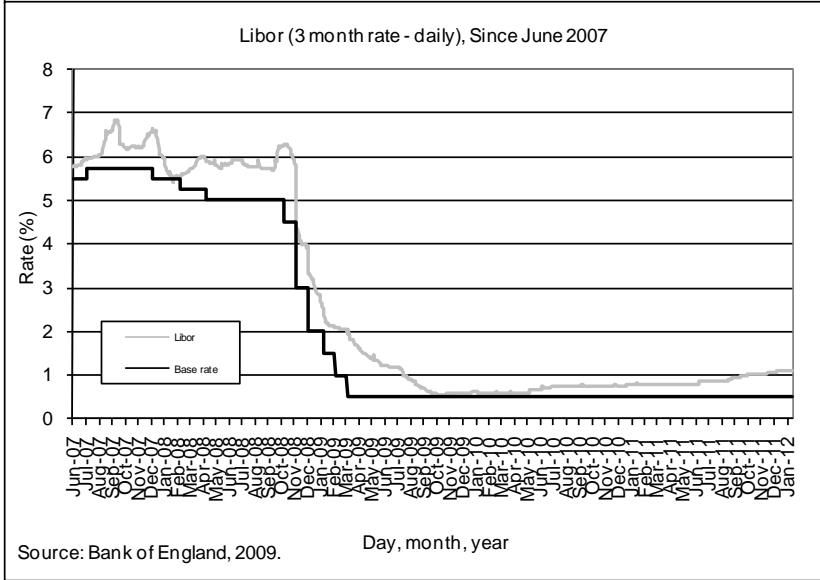
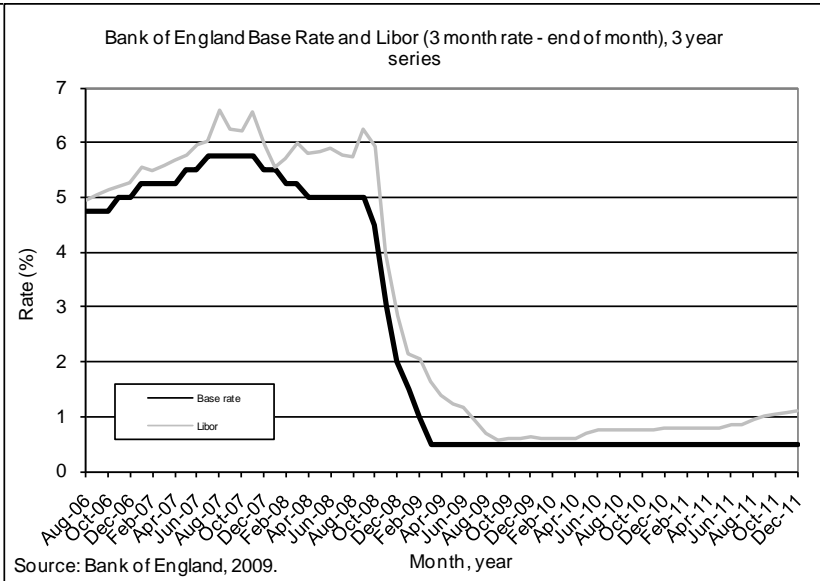
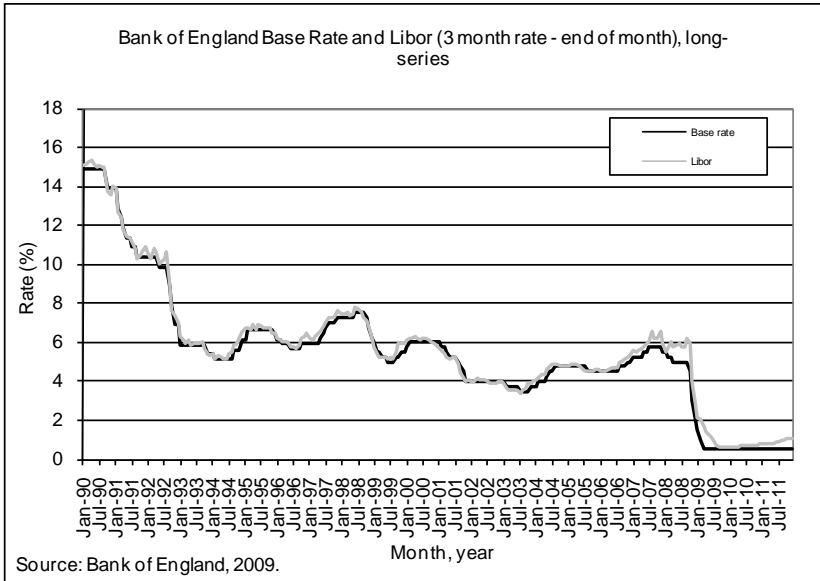
Destination	Number of people
Found work	990
Increases work to 16+ hours/week	15
Gone abroad	40
Claimed Income Support	30
Claimed Sickness Benefit	-
Claimed Incapacity Benefit	*
Claimed another benefit	35
Gone to full-time education	*
Gone onto approved training	*
Transfer to Govt-supported training	*
Retirement age reached	*
Automatic credits payable	*
Claims back-to-work bonus	*
Gone to prison	10
Attending court	*
New claim review	*
Defective claim	10
Ceased claiming	70
Deceased	*
Not known	235
Failed to sign	605
Total	2,065

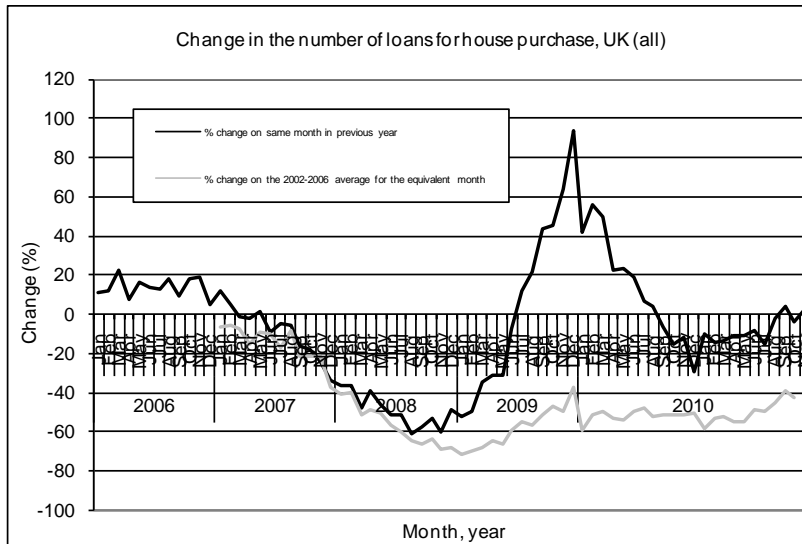
Source: NOMIS

- * Data unavailable due to disclosure
- These figures are missing.

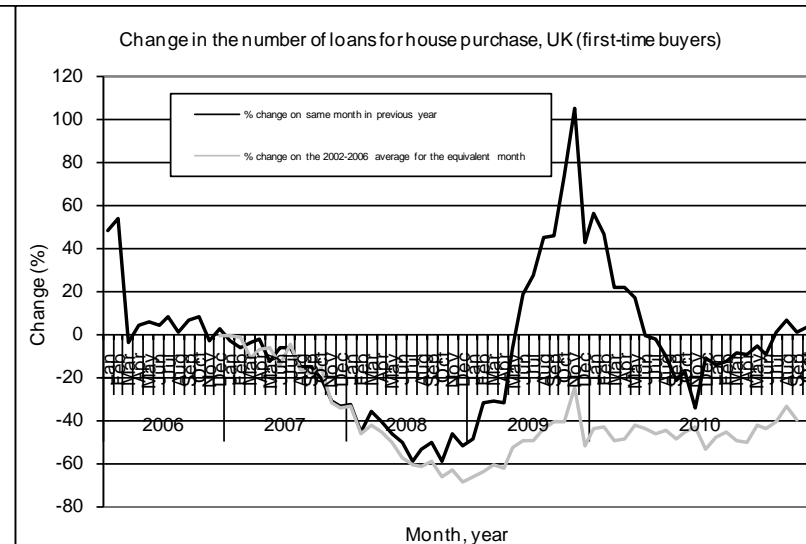
5. Economic Indicators



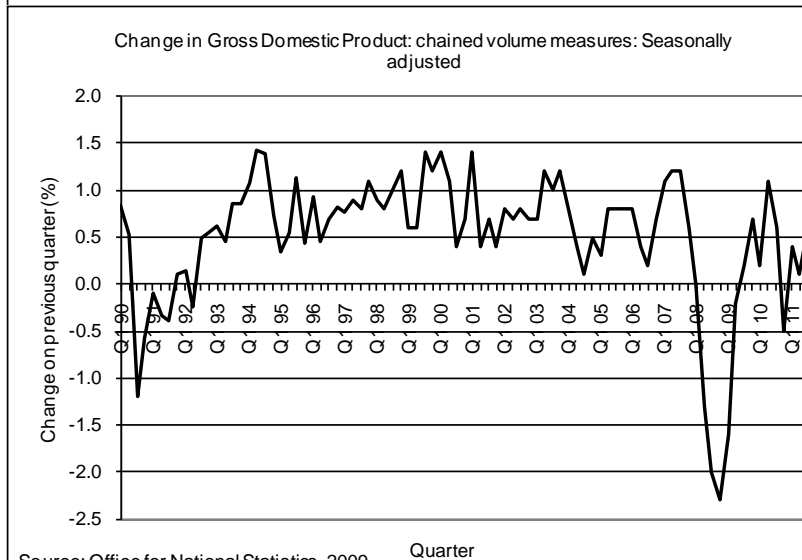




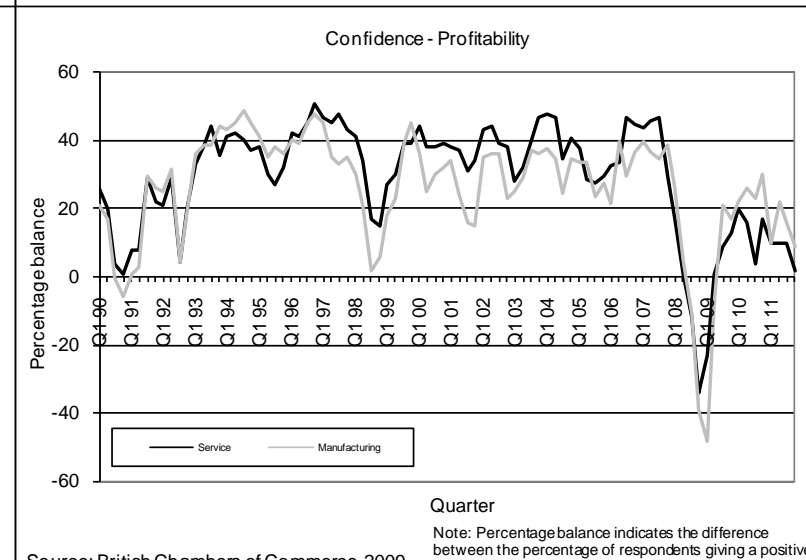
Source: Council of Mortgage Lenders, 2009.



Source: Council of Mortgage Lenders, 2009.

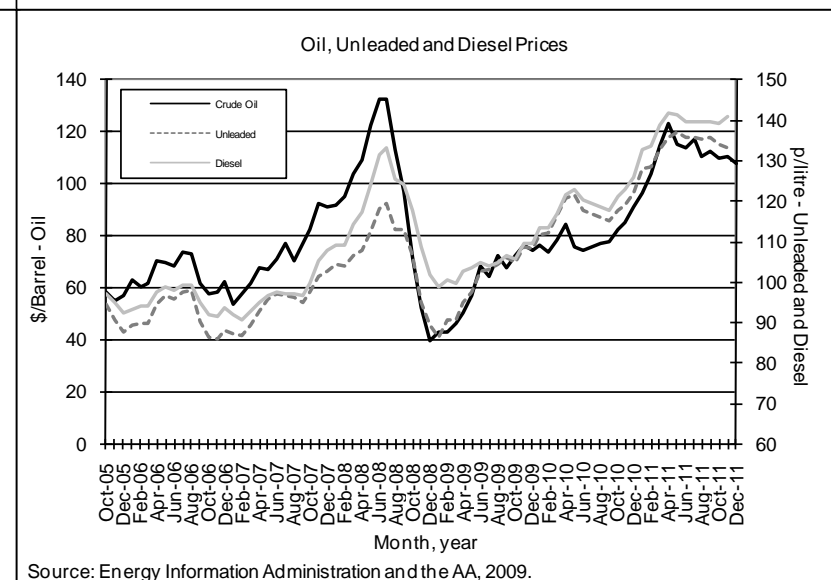
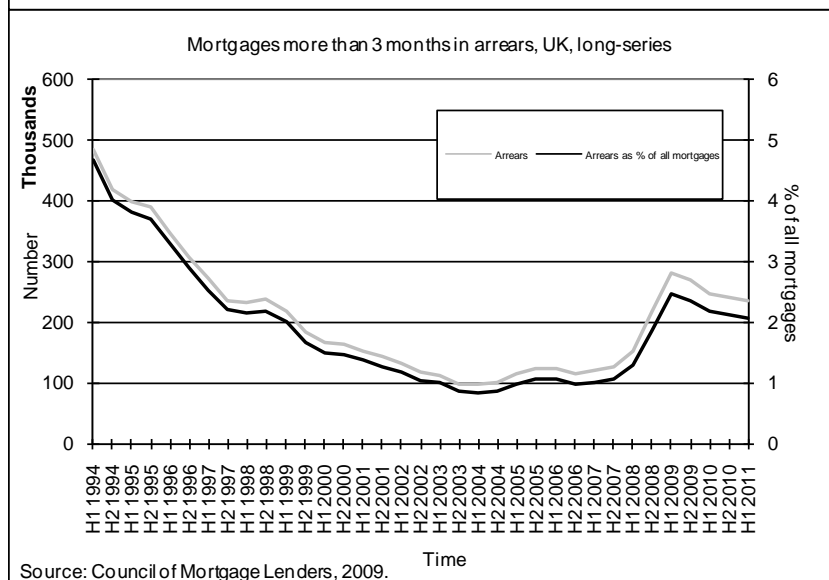
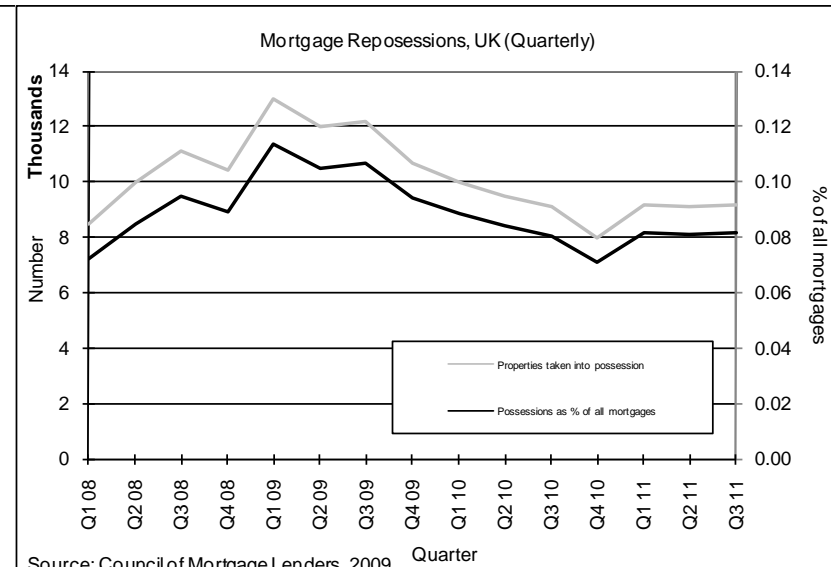
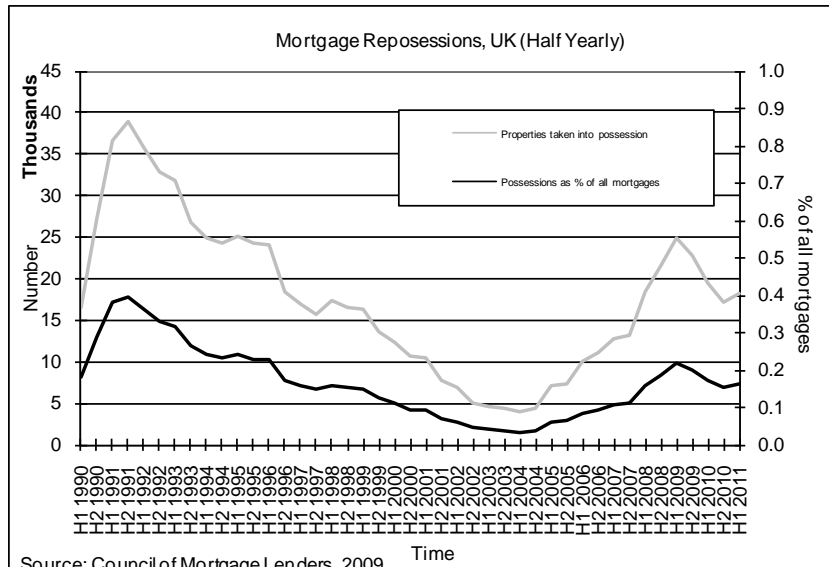


Source: Office for National Statistics, 2009.



Source: British Chambers of Commerce, 2009.

Note: Percentage balance indicates the difference between the percentage of respondents giving a positive response, and the percentage giving a negative response.



6. Discussion

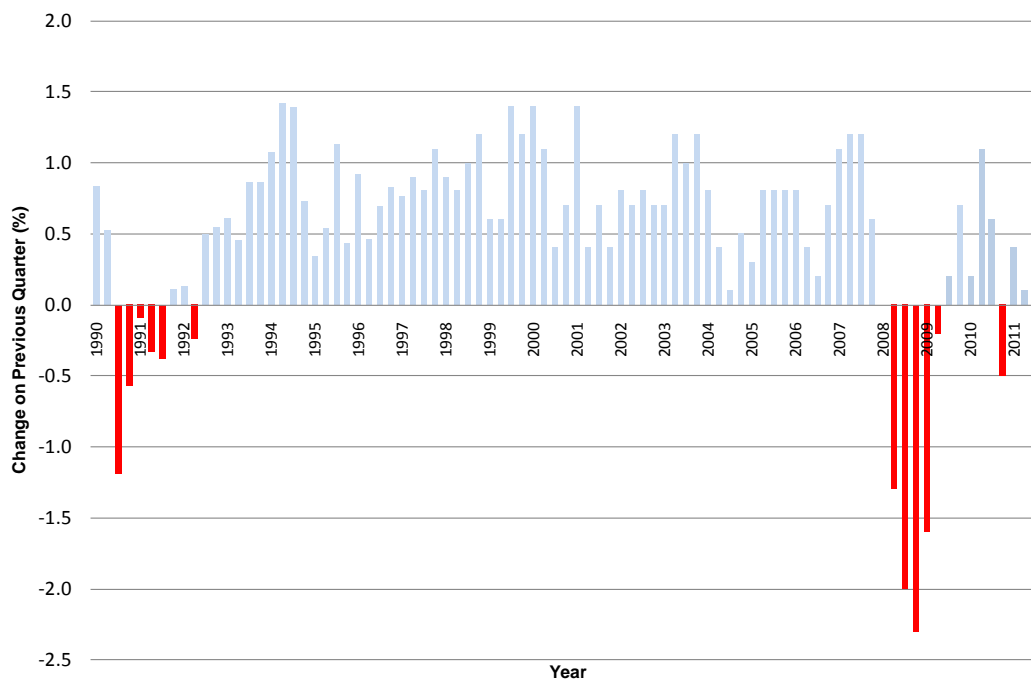
6.1. Economic Context

The credit ratings agency Standard and Poor have downgraded the EU bailout fund to AA+ from AAA following a cut in ratings for nine countries including France and Austria, therefore taking away two of its six AAA rated guarantors. This downgrade could affect the European Financial Stability Facility's (EFSF's) ability to raise money cheaply. There is a degree of uncertainty however, as another ratings agency, Moody's, stated that it would allow France to keep its AAA rating for now.

The High Street has been affected by the consumer downturn with an increasing number of companies going into administration including Past Times, Blacks (bought by JD Sports), Hawkin's Bazaar, Barratts and La Senza (Arabian retail group Alshaya have bought 60 stores). Other companies have reported losses and poor Christmas sales including HMV, JJB Sports, Comet, Currys and most recently Peacocks. The economic forecasters 'the Item Club' have warned that the UK may have already slipped back into recession. They have stated that GDP has contracted in quarter four of 2011 and would do so again in the first quarter of 2012; they have also predicted that unemployment would rise further to just below three million. With consumption affected badly by rising inflation, business spending and recruitment also on hold as a result of the eurozone crisis, the Item Club claim that the economy would not return to normal levels of growth until 2014.

In the UK in the third quarter of 2011 Gross Domestic Product (GDP) grew by 0.6%, following an increase of just 0.1% in Q2. The ONS have stated that this increase should not be interpreted as a 'big economic rebound', as second quarter growth was hindered by unusual factors such as the royal wedding, the additional bank holiday and the Japanese earthquake and tsunami.²

Figure 6: GDP Growth Quarter on Previous Quarter



Source: Office for National Statistics 2012

On the 12th January 2012, the Bank of England maintained interest rates at their record low of 0.5% for what has now been 2 years and 10 months. They also voted to maintain measures to stimulate the economy; with a total of £275bn injected into the economy since March 2009 as part of a programme of quantitative easing.³

² Office for National Statistics November 2011: <http://www.ons.gov.uk/ons/rel/elmr/gdp-and-the-labour-market/2011-q2---september-gdp-update/sum-gdp-and-the-labour-market.html>

³ Bank of England, 12th January 2012: <http://www.bankofengland.co.uk/publications/news/2012/001.htm>

In December the CPI annual inflation rate fell to 4.2%, compared to 4.8 in November, the biggest drop since April 2009, due to lower fuel prices and cheaper clothing. The RPI annual inflation rate decreased to 4.8% from 5.2%⁴.

6.2. Unemployment

In England and Wales the numbers claiming Jobseekers Allowance increased by 9,247 in December 2011, making the total 1,370,602 claimants. The unemployment rate increased 0.1 percentage points 5.5%. In the UK the number of people claiming increased by 10,093 to 1,568,849 compared to November 2011.

The claimant count unemployment rate in Worcestershire in December 2011 remained below the national figure, at 3.9%, the claimant count increased by 63 to 10,729. It should be noted that it peaked at 23,000 in February 1993 during the last recession.

Since its low point in May 2008, the number of Jobseekers Allowance claimants has more than doubled across the county, however, has then stabilised. The greatest increase in absolute terms (between December 2010 and December 2011) took place in Worcester with a rise of 246 claimants⁵.

6.2.1. Youth Unemployment

In December 2011 3,245 people aged 18-24 were claiming JSA benefit, this compares to 3,215 in November 2011 and 2,840 in December last year. Analysis of claimant count data by Ward shows that in December 2011 there were 2,995 people aged 18-24 had been claiming for up to one year. This represents 7.2% of the 18-24 population, representing no change when compared to November 2011, and remains marginally higher than the England average. Nevertheless, there is considerable variation across the county - the ten wards with the highest rates are shown in Table 9.

Table 9: Worcestershire wards with the ten highest 18-24 claimant rates (%), December 2011

Area	District	Number of claimants aged 18-24 years, claiming for up to 52 weeks (December 2011)	Population aged 18-24 (mid 2010)	% December 2011	% November 2011	% December 2010
Oldington & Foley Park	Wyre Forest	95	516	18.4	18.4	17.4
Gorse Hill	Worcester	70	475	14.7	14.7	9.5
Church Hill	Redditch	85	649	13.1	13.9	10.0
Pickersleigh	Malvern Hills	65	497	13.1	12.1	13.1
Great Hampton	Wychavon	20	160	12.5	12.5	3.1
Abbey	Redditch	55	444	12.4	13.5	11.3
Areley Kings	Wyre Forest	50	405	12.3	12.3	12.3
Offmore & Comberton	Wyre Forest	50	426	11.7	12.9	9.4
Greenlands	Redditch	75	649	11.6	13.9	9.2
Greenhill	Wyre Forest	75	667	11.2	10.5	8.2
Worcestershire		2,995	41,412	7.2	7.2	6.6
West Midlands		45,995	524,293	8.8	8.9	7.9
England		352,445	4,977,815	7.1	7.2	6.1

* Figure is based on small values and should be treated with caution.

Source: Office for National Statistics, 2012. Claimant count, downloaded from NOMIS.

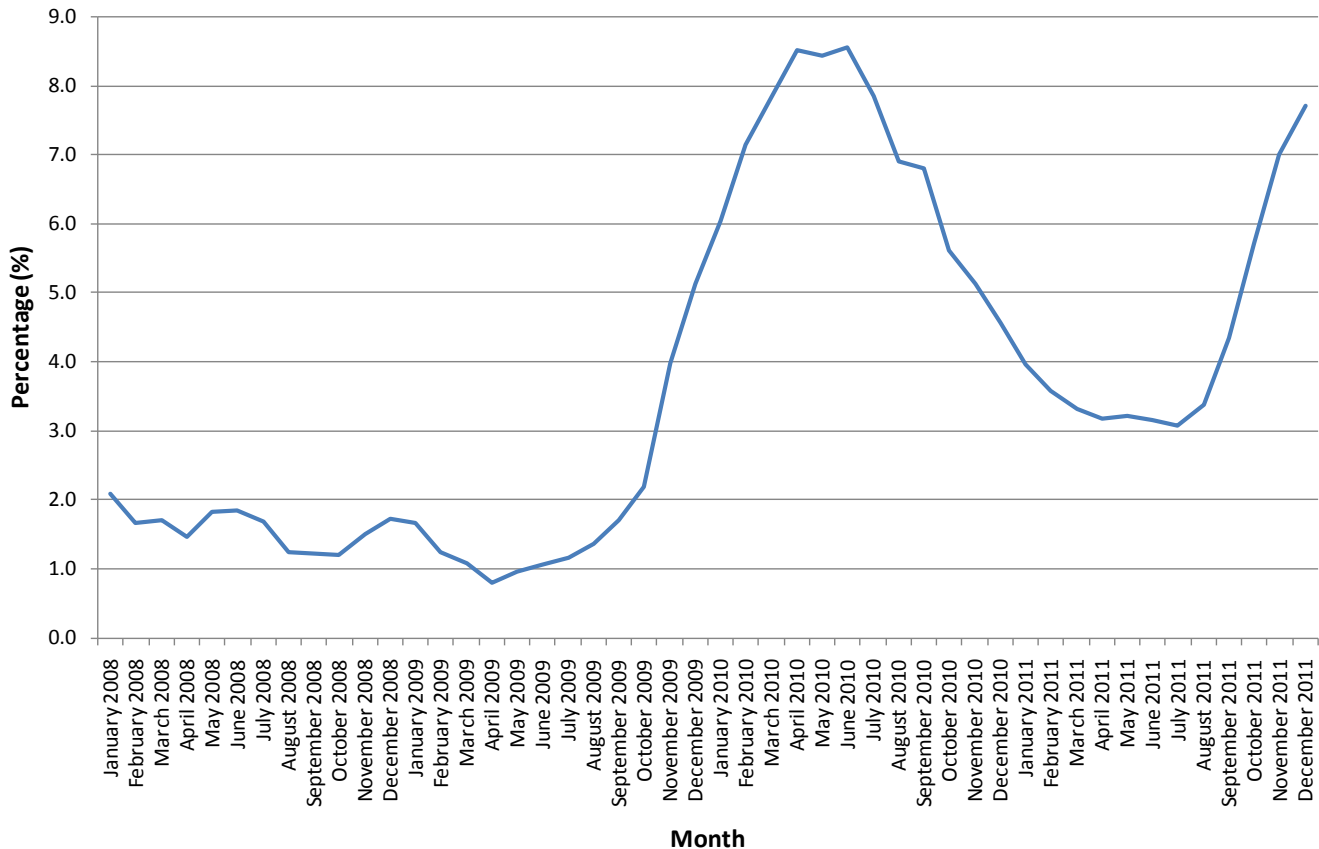
⁴ BBC, 13th December 2011: <http://www.bbc.co.uk/news/business-16154965>

⁵ NOMIS, 2012: <https://www.nomisweb.co.uk>

The ward with the highest claimant count unemployment rate is Oldington & Foley Park (18.4%), the rate has remained unchanged when compared to last month, and has increased by 1.0 percentage point when it is compared to December 2010.

The chart below illustrates that the percentage of claimants aged 18-24 claiming for over 12 months started to increase more rapidly, from around 2% of all claimants aged 18-24 in October 2009 to 8.6% in June 2010, from which point it started to fall. However more recently the figures are starting to rise again and the current figure in December 2011 stands at 7.7%.

Figure 7: Percentage of claimants aged 18-24 claiming for over 12 months as a proportion of all claimants aged 18-24 in Worcestershire, January 2008 to present

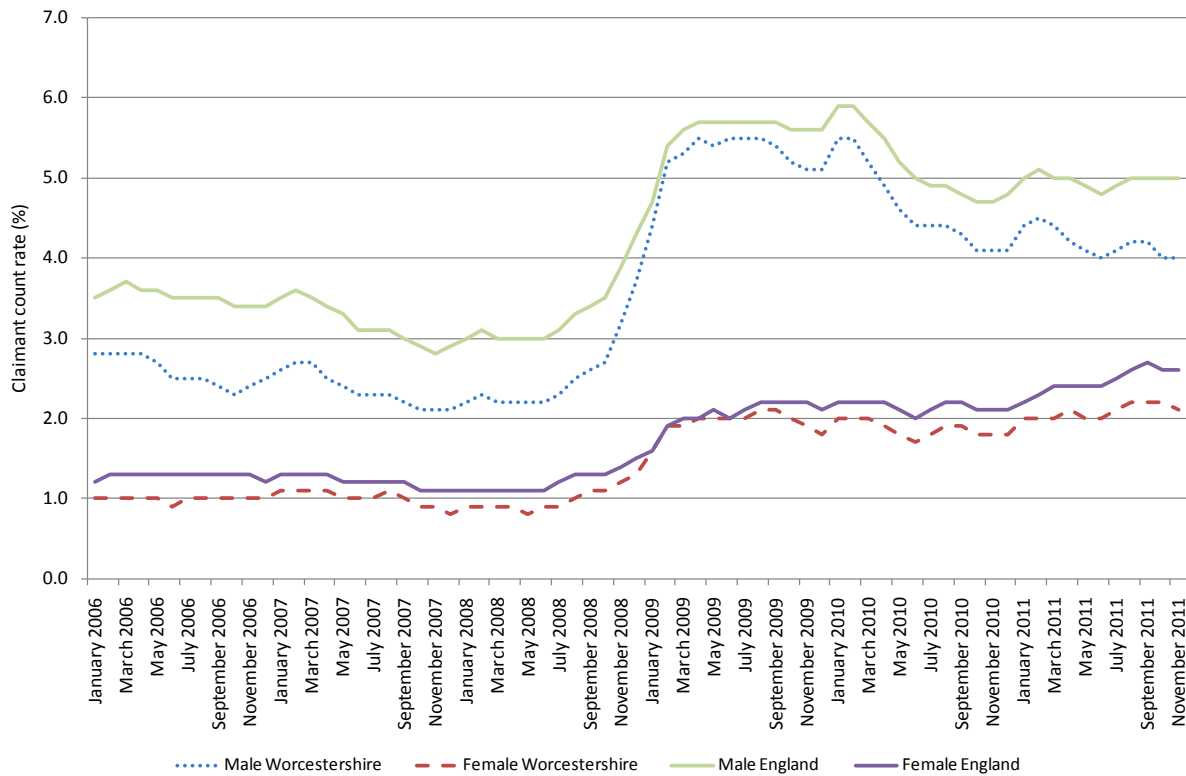


Source: Office for National Statistics, 2012. Claimant count, downloaded from NOMIS.

6.2.2. Unemployment by Gender

When the claimant count is broken down by gender it can be seen that during the recession the male claimant count rate increased at a faster pace than the female rate. After the recession the male rate began to fall again, although not back to pre-recession levels, whilst the female rate has remained at the higher level.

Figure 8: Claimant count rate (%) by gender



Source: Office for National Statistics, 2012. Claimant count, downloaded from NOMIS.

6.2.3. Long Term Unemployment

The proportion of claimants in the county who have been in receipt of benefit for more than six months has decreased by 0.6 percentage points to 36.7% between November and December 2011. The proportion in receipt of benefit for more than 12 months has increased by 0.8 percentage points between November and December 2011 to 15.5%.

6.2.4. Unemployment by Occupation

The claimant count is not broken down by industry, but using data by occupation does give us an indirect indication of the industries involved. In terms of overall numbers the greatest increase in claimants since December 2010 has been in Sales and Customer Service occupations (670). The largest decrease has been in Process, plant and machine operatives (185). In percentage terms, the largest increase was in Sales and Customer Service occupations (41.6%) and the largest decrease was for Managers and senior officials with a decrease of 16.8%⁶.

6.3. Job Vacancies

In December 2011 70.2% of notified vacancies in Worcestershire were in the Real estate, renting and business activities sector; a similar trend can also be seen throughout the West Midlands (65.6%) and England (59.0%).

⁶ NOMIS, 2012: <https://www.nomisweb.co.uk>

Table 10: Vacancies notified by industry, December 2011

Industry	Worcestershire		West Midlands		England	
	number	%	number	%	number	%
A : Agriculture, hunting and forestry	12	0.2	45	0.1	1,346	0.5
B : Fishing	0	0.0	0	0.0	8	0.0
C : Mining and quarrying	7	0.1	17	0.0	81	0.0
D : Manufacturing	56	1.1	605	1.5	5,517	2.0
E : Electricity, gas and water supply	33	0.7	170	0.4	1,283	0.5
F : Construction	91	1.8	674	1.7	7,237	2.6
G : Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	286	5.7	2,106	5.2	20,245	7.3
H : Hotels and restaurants	81	1.6	1,025	2.5	10,892	3.9
I : Transport, storage and communication	40	0.8	1,047	2.6	7,551	2.7
J : Financial intermediation	103	2.0	1,709	4.2	8,422	3.0
K : Real estate, renting and business activities	3,538	70.2	26,697	65.6	163,833	59.0
L : Public administration and defence; compulsory social security	120	2.4	482	1.2	3,933	1.4
M : Education	32	0.6	462	1.1	6,292	2.3
N : Health and social work	550	10.9	4,016	9.9	23,614	8.5
O : Other community, social and personal service activities	87	1.7	1,633	4.0	16,520	6.0
P : Private households with employed persons	2	0.0	23	0.1	572	0.2
Q : Extra-territorial organisation and bodies	0	0.0	2	0.0	162	0.1

Source: Office for National Statistics, 2012 downloaded from NOMIS

The number of vacancies available through Jobcentre Plus changes noticeably month on month, and there are seasonal effects related to Christmas and summer employment.

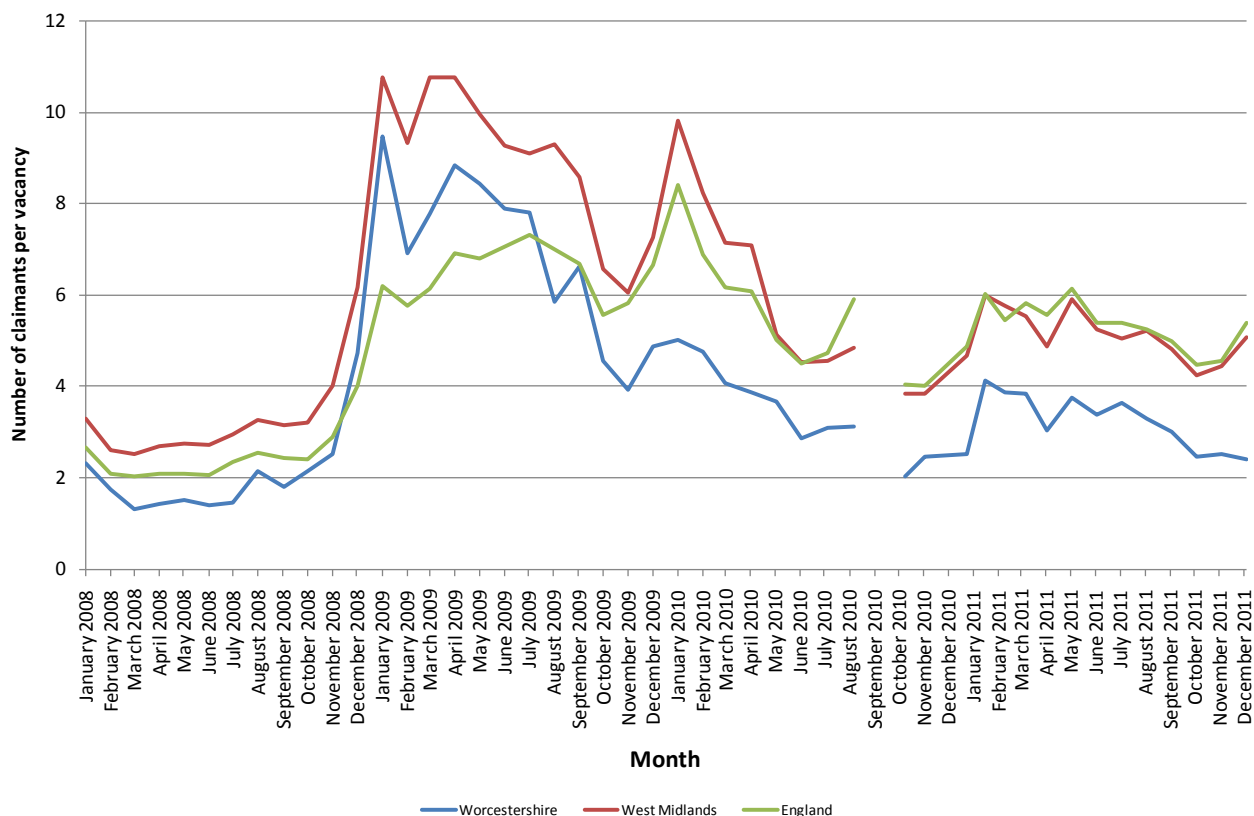
Since February 2009 the number of notified vacancies⁷ has fluctuated between approximately 2,200 and 4,300, except in October 2010 when it reached 6,300 representing pre-Christmas vacancies. In December 2011 the number of notified vacancies were 5,038, which is around 11% higher than in November 2011. There were 4,459 live unfilled vacancies⁸ in December 2011.

From November 2008 there was a sharp rise in the number of JSA claimants, whilst the number of live unfilled vacancies saw a fall. Therefore the average number of claimants per vacancy more than tripled, reaching a peak in April 2009 of 8.8 claimants for every vacancy in Worcestershire and 10.8 in the West Midlands. The latest data for December 2011 shows that the number of claimants per vacancy in Worcestershire has decreased 0.1 percentage points to 2.4 when compared to last month; it also remains lower than the West Midlands region (5.1) and England (5.4). They also remain above pre-recession levels.

⁷ Notified vacancies: Monthly data on the inflow of newly notified vacancies to Job Centre Plus

⁸ Live unfilled vacancies: A monthly snapshot of the number of unfilled vacancies held by Jobcentre Plus, for which a Jobseeker can actively apply.

Figure 9: Number of claimants per vacancy



Please note this chart was not updated in September due to unforeseen circumstances at source, not all data to update the chart has been released
Source: Claimant Count and Jobcentre Plus Vacancies, downloaded from NOMIS 2012

When the number of vacancies is broken down by occupation it highlights that in December 2011 there is greatest competition for jobs in Sales and customer service occupations (8.2 claimants per vacancy). The vacancies for those occupations make up 5.5% of all vacancies indicating that there is competition for a relatively small proportion of jobs. In contrast, 34.2% of vacancies are for Process, Plant and Machine Operatives, but competition is lower with just 0.6 claimants per vacancy. As a consequence, some jobs in these occupations remain unfilled for several weeks.

Table 11: Number of claimants and vacancies by occupation in Worcestershire, December 2011

Occupation	Vacancies		Claimants	Claimants per vacancy
	number	%		
1 : Managers and Senior Officials	105	2.1	470	4.5
2 : Professional Occupations	161	3.2	335	2.1
3 : Associate Professional and Technical Occupations	367	7.3	670	1.8
4 : Administrative and Secretarial Occupations	301	6.0	965	3.2
5 : Skilled Trades Occupations	291	5.8	1,130	3.9
6 : Personal Service Occupations	865	17.2	670	0.8
7 : Sales and Customer Service occupations	278	5.5	2,280	8.2
8 : Process, Plant and Machine Operatives	1,724	34.2	1,065	0.6
9 : Elementary Occupations	946	18.8	3,025	3.2
Total	5,038	100.0	10,615	2.1

Source: Jobcentre Plus, downloaded from NOMIS 2012

6.4. Employment

6.4.1. Employment by Local Authority

Table 12: Employment aged 16-64 by Local Authority Area in Worcestershire, July 2010 – June 2011

Authority	Number employed	Employment rate ¹	95% Confidence Interval of rate (percentage points) ²	Lower confidence limit (rate minus confidence interval)	Upper confidence limit (rate plus confidence interval)
Bromsgrove	41,000	70.6	7.3	63.3	77.9
Malvern Hills	31,400	69.9	8.5	61.4	78.4
Redditch	36,600	69.1	7.7	61.4	76.8
Worcester	42,000	65.4	7.9	57.5	73.3
Wychavon	59,300	82.7	5.1	77.6	87.8
Wyre Forest	44,300	72.5	6.9	65.6	79.4
Worcestershire	254,500	72.1	2.9	69.2	75.0
West Midlands	2,313,600	67.3	0.7	66.6	68.0
England	23,657,300	70.3	0.2	70.1	70.5

¹ Rate is calculated as a proportion of all people aged 16-64.

² The confidence interval is the range of values, above or below the employment rate, within which we can be 95% sure that the true value for the whole population lies.

Source: NOMIS, 2012. Annual Population Survey.

The employment rate in Worcestershire is greater than both the West Midlands region and England as a whole. Within Worcestershire the district with the highest employment rate is Wychavon, with Worcester having the lowest rate. All districts except Worcester are higher than the West Midlands rate.

6.4.2. Employment by Industry

The industries highlighted in italics are the four sectors which employ the largest proportions of working age residents in Worcestershire, as well as the West Midlands and England. The proportion employed in public admin, education and health is around the same as in the West Midlands Region and England, while the proportion employed in manufacturing in the county is notably larger than for England.

Table 13: Employment by Industry (SIC 2007) of those aged 16-64, July 2010 – June 2011

Industry	Worcestershire		West Midlands		England	
	Number	%	Number	%	Number	%
<i>Public admin. education and health</i>	76,600	30.1	713,800	30.9	7,113,900	30.1
<i>Distribution, hotels and restaurants</i>	42,300	16.6	427,700	18.5	4,420,000	18.7
<i>Manufacturing</i>	36,900	14.5	300,400	13.0	2,350,100	9.9
<i>Banking, finance and insurance</i>	35,700	14.0	316,500	13.7	3,879,400	16.4
Transport and communications	21,100	8.3	195,000	8.4	2,120,900	9.0
Construction	16,500	6.5	169,400	7.3	1,771,200	7.5
Other services	13,600	5.3	109,500	4.7	1,290,500	5.5
Energy and water	4,900	1.9	37,000	1.6	362,800	1.5
Agriculture and fishing	3,800	*	27,000	1.2	207,400	0.9

Worcestershire data from the Annual Population Survey have confidence intervals of between approximately +/-1.1-3.5 percentage points. West Midlands CI's +/- 0.2-0.9 percentage points. England CI's +/- 0.1-0.3 percentage points. Care should be taken when drawing comparisons between areas as differences may not be statistically significant.

* Estimate and confidence interval unreliable since the group sample size is small (3-9).

Source: Office for National Statistics, 2012. Annual Population Survey, downloaded from NOMIS

6.4.3. Employment by Occupation

Within Worcestershire 21.8% of residents are employed in professional occupations, this is the occupation that is held by the majority of residents within the West Midlands and England.

Table 14: Employment by Occupation (SOC 2010) aged 16-64, July 2010 – June 2011

Occupation	Worcestershire		West Midlands		England	
	Number	%	Number	%	Number	%
Professional occupations	57,300	21.8	414,500	17.4	4,737,800	19.4
Managers, directors and senior officials	35,200	13.4	228,400	9.6	2,465,700	10.1
Skilled trades occupations	31,900	12.1	277,400	11.6	2,581,600	10.6
Associate prof & tech occupations	31,600	12.0	290,500	12.2	3,408,000	14.0
Administrative and secretarial occupations	27,300	10.4	264,800	11.1	2,719,900	11.2
Elementary occupations	25,100	9.5	292,800	12.3	2,665,600	10.9
Caring, leisure and other service occupations	21,400	8.1	225,400	9.5	2,171,800	8.9
Process, plant and machine operatives	17,000	6.5	181,400	7.6	1,554,900	6.4
Sales and customer service occupations	15,300	5.8	193,300	8.1	1,965,400	8.1

Worcestershire data from the Annual Population Survey have confidence intervals of between approximately +/-1.8-3.1 percentage points. West Midlands CI's +/- 0.5-0.7 percentage points. England CI's +/- 0.2 percentage points. Care should be taken when drawing comparisons between areas as differences may not be statistically significant.

Source: Office for National Statistics, 2012. Annual Population Survey, downloaded from NOMIS

6.4.4. Employment Status – Full time / Part time

Table 15: Percentage of population in employment aged 16-64 - full-time / part time, July 2010 – June 2011

	Worcestershire		West Midlands		England	
	Number	%	Number	%	Number	%
Full Time	184,700	72.5	1,712,000	74.0	17,554,600	74.2
Part Time	69,500	27.3	598,700	25.9	6,068,700	25.7

Worcestershire data from the Annual Population Survey have confidence intervals of approximately +/- 3.4 percentage points. West Midlands CI's +/- 0.9 percentage points. England CI's +/-0.3 percentage points. Care should be taken when drawing comparisons between areas as differences may not be statistically significant.

Source: Office for National Statistics, 2012. Annual Population Survey, downloaded from NOMIS

Approximately three quarters of the working age population who are employed across Worcestershire, West Midlands and England as a whole are employed in full time jobs.

6.4.5. Employed / Self employed

Table 16: Percentage of those in employment aged 16-64 - Employed / Self Employed, July 2010 – June 2011

	Worcestershire		West Midlands		England	
	Number	%	Number	%	Number	%
Employed	216,400	85.0	2,020,300	87.3	20,398,000	86.2
Self Employed	254,500	14.3	2,313,600	12.1	23,657,300	13.2

Worcestershire data from the Annual Population Survey have confidence intervals of approximately +/-2.7 percentage points. West Midlands CI's +/-0.6 percentage points. England CI's +/-0.2 percentage points. Care should be taken when drawing comparisons between areas as differences may not be statistically significant.

Source: Office for National Statistics, 2012. Annual Population Survey, downloaded from NOMIS

Of those in employment aged 16-64 in Worcestershire, 85.0% are employed. 14.3% are self employed, higher than the national average and the West Midlands.

6.4.6. Earnings

Table 17: Median Gross Annual Earnings - Residence and Workplace Based

Area	Median gross annual earnings – residence based			Median gross annual earnings – workplace based		
	2010	2011	% change	2010	2011	% change
Worcestershire	£24,733	£25,330	2.4	£22,864	£22,685	-0.8
West Midlands	£23,901	£24,568	2.8	£23,831	£24,550	3.0
England	£26,276	£26,615	1.3	£26,265	£26,601	1.3

Source: Annual Survey of Hours and Earnings, 2011

The median earnings of people living in Worcestershire have decreased by 1.3% compared to 2009. They remain above the West Midlands average, however are still lower than those living in England. The average earnings of those employed within Worcestershire are less than the West Midlands and England, and they have decreased by 1.4% compared to 2009. People who live in Worcestershire earn on average 8.5% more than those who work in Worcestershire.

7. Qualifications and Skills

Qualifications of working age residents in Worcestershire are broadly in line with the figures nationally.

Table 18: Qualifications of the working age population - January 2010- December 2010

Qualification	Worcestershire		West Midlands		England	
	Number	%	Number	%	Number	%
% with NVQ4+	103,800	29.4	893,700	26.0	10,440,600	31.1
% with NVQ3 only	51,900	14.7	541,500	15.8	5,294,100	15.8
% with NVQ2 only	58,400	16.6	585,900	17.1	5,478,200	16.3
% with NVQ1 only	53,900	15.3	503,400	14.6	4,448,900	13.3
% with Trade Apprenticeships	16,200	4.6	125,500	3.7	1,263,000	3.8
% with degree or equivalent and above	65,400	18.9	595,300	17.6	7,609,200	22.9
% with higher education below degree	38,400	11.1	298,400	8.8	2,831,400	8.5
% with GCE A level or equivalent	77,600	22.4	738,100	21.8	7,327,200	22.1
% with GCSE grades A-C or equivalent	82,700	23.9	824,000	24.4	7,511,100	22.6
% with other qualifications	24,100	6.9	267,000	7.8	2,897,400	8.6
% with no qualifications	44,000	12.5	519,200	15.1	3,722,800	11.1

Worcestershire data from the Annual Population Survey have confidence intervals of between approximately +/-1.3-2.8 percentage points. West Midlands CI's +/- 0.3-0.7 percentage points England CI's +/- 0.1-0.2 percentage points. Care should be taken when drawing comparisons between areas as differences may not be statistically significant.

Source: Office for National Statistics, 2009. Annual Population Survey, downloaded from NOMIS.

The National Employer Skills Survey for West Midlands 2009 (NESS) found that the proportion of employers recruiting those aged 16-24 was lower in 2009 (22%) than in 2007 (25%). In 2009 3% of employers had hard-to-fill vacancies and 2% had skills-shortage vacancies (SSVs), both reducing by half in comparison to 2007 figures. As a percentage of all vacancies 15% were SSVs.

In the West Midlands 20% of establishments are experiencing skills gaps, despite falls in 2003-2007, with more organisations potentially becoming skills aware and looking for ways to improve during the recession. The proportion of the workforce receiving training has reduced to 53% in 2009 from 64% in 2007; however there has been an increase of 3 percentage points in the proportion of establishments offering training to 68%. Of the 9% of employers offering Apprenticeships only 5% have any staff undertaking one. Around 12 % of employers had been involved with Train to Gain, slightly above the England average of 11%⁹.

8. Business Confidence

⁹ National Employer Skills Survey 2009: <http://readingroom.lsc.gov.uk/lsc/WestMidlands/wmr-NESS2009KeyFindingsReportFinal-mar10.pdf>

The results of the Q4 2011 British Chamber of Commerce Economic Survey claim to be 'once again disappointing and give cause for concern'. Although the results are stronger than they were during the worst of the recession confidence is considered to be inadequate.

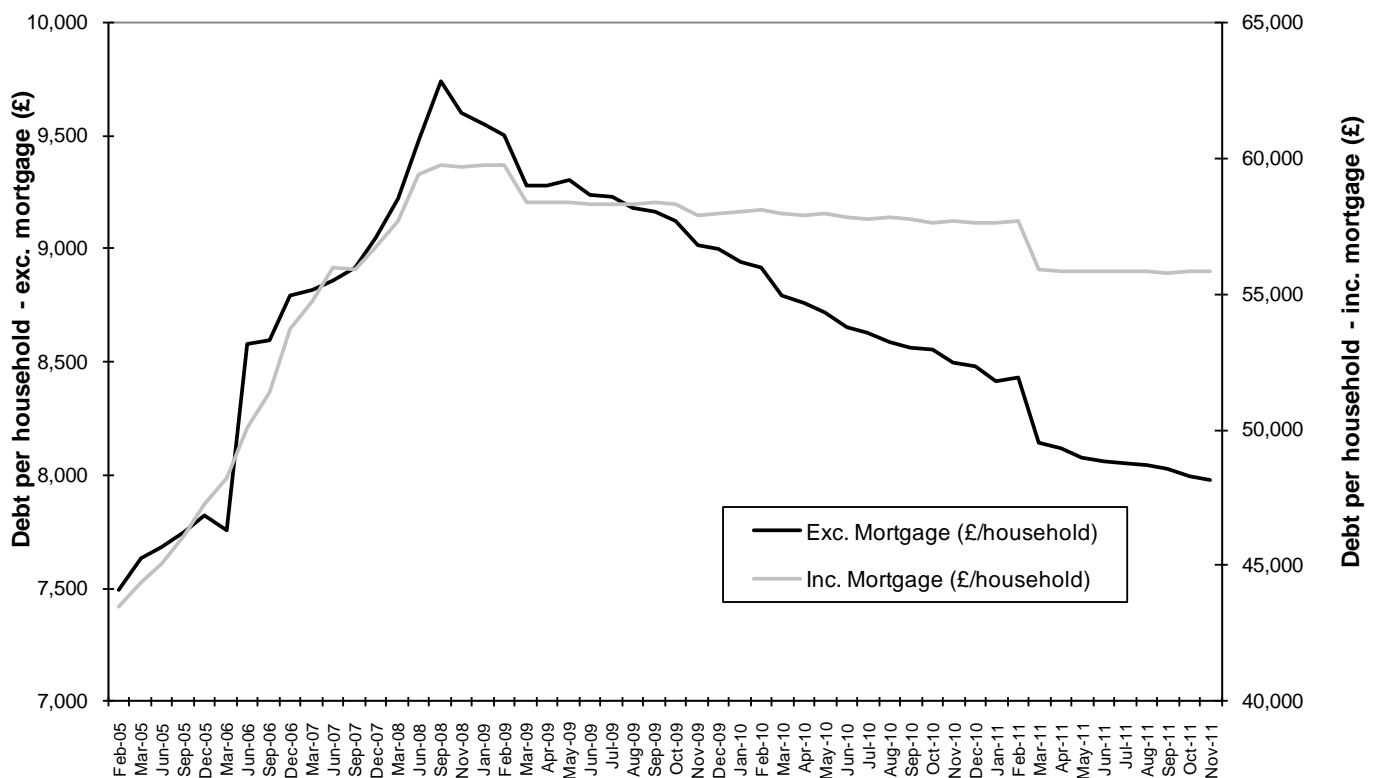
Manufacturers' profitability confidence fell 7 points to 9% and manufacturers' turnover confidence fell 19 points to 14%. The service sector turnover confidence fell 5 points to 19%, and profitability confidence dropped 8 points to 2%¹⁰.

9. Debt

In November 2011 total personal debt in the UK was £1,451 billion; with individuals owing nearly as much as the entire country produced between Q4 2010 and Q3 2011. If Worcestershire were in line with the national average, this would be equivalent to around £7,982 debt per household excluding mortgages and £55,816 if mortgages are included¹¹.

In Q3 2011 UK banks and building societies wrote off £1.43bn of loans of which £716m was credit card debt. This amounts to a total write off of £15.68m per day.

Figure 10: Average Personal Debt, UK



Source: Credit Action, 2012

10. Housing Market

10.1. House Prices

¹⁰ British Chamber Of Commerce, January 2012: <http://www.britishchambers.org.uk/zones/policy/reports/quarterly-economic-survey.html>

¹¹ Credit Action, November 2012; <http://www.creditaction.org.uk/helpful-resources/debt-statistics.html>

Halifax have suggested that there has been a 0.9% decrease in house prices in December compared to the previous month, however they also indicated that prices are 1.3% lower than a year ago¹². The Nationwide have also reported a decrease in house prices of 0.2% in December 2011, with a 1.0% increase compared to last year¹³.

However, according to the Land Registry House Price Index, there was a 2.6% decrease in the average house price between November 2010 and November 2011 in Worcestershire, compared with a decrease of 1.8% for the West Midlands region and a 1.9% fall in England and Wales¹⁴.

In Q3 2011, the mean house price in the county was £209,849, 6.0% lower than the £223,164 seen in Q3 2010. Between Q3 2010 and Q3 2011, the greatest decrease in house prices was in Wyre Forest, which saw a fall of 10.9%. The only increase was in Worcester with 4.7%. In terms of property type, all types saw a decrease in average price, the greatest fall was for detached houses (8.2%).

Table 19: Mean house prices by Local Authority and Property Type, Q3 2010 and Q3 2011

Authority	Detached	Semi Detached	Terraced	Flat/Maiso nette	Total Averages		
	Q3 10/11 % change				Q3 2010	Q3 2011	Q3 10/11 % change
Bromsgrove	-6.5	-2.9	17.0	<u>-24.6</u>	£255,462	£250,402	-2.0
Malvern Hills	-2.9	-1.4	-5.7	-7.0	£263,616	£252,843	-4.1
Redditch	-10.8	-5.6	-0.8	<u>5.5</u>	£169,489	£153,069	-9.7
Worcester City	-4.4	-4.3	-4.2	44.4	£175,881	£184,179	4.7
Wychavon	-11.5	5.4	-11.5	-4.3	£263,648	£237,700	-9.8
Wyre Forest	-9.4	4.0	-0.9	-12.0	£190,853	£169,959	-10.9
Worcestershire	-8.2	-0.4	-3.4	-1.5	£223,164	£209,849	-0.3

Note: figures in italics and underlined are based on fewer than 20 sales and should be treated with caution.
Source: Land Registry, 2011.

The number of property sales in Q3 2011 was 3.0% higher than in Q3 2010. This increase in activity was greatest in Redditch, which saw a 27.1% increase in sales; however Worcester saw a fall of 11.4%. Flats/maisonettes saw the greatest decrease in the number of sales in Q3 2011 compared to Q3 2010 with a fall of 14.5%, however semi detached properties saw the greatest increase of 15.1%.

10.2. Loans for House Purchase

The latest lending survey from the Council of Mortgage Lenders (CML) shows that numbers of loans made to home buyers from October to November 2011 has increased by 4.0% to £47,000, it has also increased by 2.6% when compared with November 2010. There was a 16.4% increase in the number of loans for house purchase in Q3 2011 compared to Q2 2011; this is 6.1% lower than in the same quarter in 2010¹⁵.

The number of loans for first-time buyers in November 2011 was 3.6% higher than in October 2011; it has increased by 3.6% when compared with November 2010. When comparing Q3 2011 with Q2 2011, the number of loans rose by 12.6%¹⁶.

10.3. Arrears and Repossessions

¹² Halifax, December 2011: http://www.loydsbankinggroup.com/media1/economic_insight/halifax_house_price_index_page.asp

¹³ Nationwide, December 2011: <http://www.nationwide.co.uk/hpi/review.htm>

¹⁴ Land Registry, October 2011: <http://www.landregistry.gov.uk/>

¹⁵ In January 2011 the CML introduced a new system for the collection and processing of lenders' product sales data. This has resulted in minor revisions to reported data from April 2005 onwards.

¹⁶ CML, November 2011 Tables ML4, ML2: <http://www.cml.org.uk/cml/statistics>

The Council of Mortgage Lenders has suggested that the number of house repossessions will rise again from 40,000 this year to 45,000 in 2012. The CML describes the UK as going through "a weak and patchy recovery"; however this latest forecast is considerably lower than the actual number of repossessions recorded in the early 1990's, which peaked at 75,500 in 1991¹⁷.

There were 9,200 repossessions in Q3 2011 compared with 9,100 in Q2 2011¹⁸. The number of mortgages more than 3 months in arrears at the end of the third quarter of 2011 (230,600) showed a decrease of 5.3% compared to the same quarter in 2010 (243,500), it also fell by 1.8% when compared to the second quarter of 2011. When these figures are considered as percentages of all loans, the decrease is from 2.1% (Q3 2010) to 2.05% (Q3 2011)¹⁹.

10.4. House Building

The most recent house-building figures from Communities and Local Government show that there were 2,100 house starts in the West Midlands in the third quarter of 2011, mostly by Private Enterprise (1,620), 7.7% higher than Q3 2010.

Housing completions in the third quarter of 2011 however, were 5.4% lower than they were in the same period last year²⁰. However, figures from the National Housing-Building Council indicate in the three months from July 2011 to September 2011, they received 30,038 new home registrations in the UK, compared to the same period last year (29,625). Throughout the West Midlands region from July 2011 to September 2011 the number of new homes registered were 33.0% higher compared to the same time last year²¹:

11. Appendix

Table 20: UK Figures

¹⁷ BBC, 1st June 2011: <http://www.bbc.co.uk/news/business-13620099>

¹⁸ CML, September 2011 Table AP4: <http://www.cml.org.uk/cml/statistics>

¹⁹ CML, September 2011 Table AP1: <http://www.cml.org.uk/cml/statistics>

²⁰ CLG, December 2011 Table 217 :

<http://www.communities.gov.uk/housing/housingresearch/housingstatistics/housingstatisticsby/housebuilding/livetables>

²¹ NHBC, 2011: <http://www.nhbc.co.uk/NewsandComment/UKnewhouse-buildingstatistics/Year2011/Name,44948,en.html>

UK			
	Q2 2011		Q3 2011
GDP		0.1%	0.6%
	November 2011		December 2011
CPI		4.8%	4.2%
RPI		5.2%	4.8%
	December 2011		January 2012
Interest Rate		0.5%	0.5%
Source: Bank of England: (http://www.bankofengland.co.uk/)			
Business Confidence			
	Q3 2011		Q4 2011
Manufacturers profitability		16%	9%
Manufacturers turnover		33%	14%
Service profitability		10%	2%
Service turnover		24%	19%
Source: British Chamber of Commerce: (http://www.britishchambers.org.uk/zones/policy/reports/quarterly-economic-survey.html)			
Personal Debt			
	October 2011		November 2011
Debt per household (ex mortgages)		£7,984	£7,982
Debt per household (inc mortgages)		£55,808	£55,816
Declared insolvent or bankrupt per day		331	331
Source: CreditAction2011. http://www.creditaction.org.uk/august-2009.html			
House Prices – England & Wales			
	November 2010	October 2011	November 2011
Index	262.8	257.0	257.9
Av House Price	£163,850	£160,258	£160,780
Detached	£258,720	£254,636	£254,770
Semi-detached	£155,260	£152,193	£153,265
Terraced	£124,868	£121,235	£121,065
Maisonette/Flat	£152,251	£148,625	£149,661
Source: Land Registry(http://www.landregistry.gov.uk/)			
Repossessions and Arrears			
	Q2 2010	Q2 2011	Q3 2011
No of repossessions	9,100	9,100	9,200
% of all loans	0.08	0.08	0.08
>3 months in arrears	243,500	234,900	230,600
% of all loans	2.15	2.09	2.05
Source: Council of Mortgage Lenders (http://www.cml.org.uk/cml/statistics)			

Table 21: Worcestershire Figures

Worcestershire			
Claimant Count			
	December 2010	November 2011	December 2011
Total working age claimants	10,236	10,666	10,729
Rate	3.7	3.8	3.9
Claimants 18-24 up to 52 weeks	2,720	2,995	2,995
Rate	6.6	7.2	7.2
Source: Office for National Statistics, 2011. Claimant count, downloaded from NOMIS.			
Job Vacancies			
	December 2010	November 2011	December 2011
Number of Vacancies	3,949	4,434	4,981
Source: Office for National Statistics, 2011. Job centre plus vacancies, downloaded from NOMIS.			
Economic Activity – aged 16-64			
	Jul 09-Jun 10	Apr 10-Mar 11	Jul 10-Jun 11
Economic activity rate	80.0	77.5	76.3
Employment rate	76.4	72.9	72.1
% 16-64 employees	65.0	62.3	61.3
% 16-64 self employed	10.8	10.2	10.3
% 16-64 economically inactive	20.0	22.5	23.7
% Ec inactive want a job	23.7	20.9	19.4
% Ec inactive don't want job	76.3	79.1	80.6
Source: Office for National Statistics, 2011. Annual Population survey, downloaded from NOMIS.			
Skills – Aged 16-64 %			
January 2010 – December 2010			
	Number	Percent	
NVQ4+	103,800	29.4	
NVQ3 only	51,900	14.7	
NVQ2 only	58,400	16.6	
NVQ1 only	53,900	15.3	
Trade Apprenticeships	16,200	4.6	
degree or equivalent and above	65,400	18.9	
higher education below degree	38,400	11.1	
GCE A level or equivalent	77,600	22.4	
GCSE grades A-C or equivalent	82,700	23.9	
other qualifications	38,700	11.2	
no qualifications	44,000	12.7	
Source: Office for National Statistics, 2011. Annual Population Survey, downloaded from NOMIS.			
House Prices			
	November 2010	October 2011	November 2011
Index	249.8	242.3	243.4
Average House Price	£168,735	£163,676	£164,403
Detached	£268,849	£260,787	£261,947
Semi-detached	£147,147	£142,735	£143,369
Terraced	£120,149	£116,546	£117,064
Maisonette/Flat	£93,343	£90,544	£90,946
Source: Land Registry(http://www.landregistry.gov.uk/)			

Table 22: Claimant Count Unemployment by Ward * in Worcestershire – Bromsgrove

December 2011

Bromsgrove District	Male	Female	Total	Rate**
ALVECHURCH	59	28	87	2.7%
BEACON	16	7	23	2.1%
CATSHILL	60	28	88	3.7%
CHARFORD	122	59	181	7.2%
DRAKES CROSS & WALKERS HEATH	54	26	80	3.1%
FURLONGS	29	10	39	2.0%
HAGLEY	28	22	50	2.4%
HILLSIDE	30	12	42	1.8%
HOLLYWOOD & MAJORS GREEN	34	14	48	2.2%
LINTHURST	8	12	20	1.7%
MARLBROOK	33	21	54	2.5%
NORTON	29	22	51	2.0%
ST JOHNS	53	28	81	4.2%
SIDEMOOR	79	30	109	4.4%
SLIDESLOW	30	19	49	2.5%
STOKE HEATH	14	9	23	1.5%
STOKE PRIOR	21	10	31	2.9%
TARDEBIGGE	13	8	21	1.5%
UFFDOWN	24	11	35	3.2%
WASELEY	48	21	69	3.1%
WHITFORD	46	24	70	2.5%
WOODVALE	14	7	21	1.9%
WYTHALL SOUTH	14	11	25	2.3%
District Total	858	439	1297	2.9%
County Total	7115	3614	10729	3.9%

* 2001 Census Wards are used

** Rates are expressed as a percentages of the 2001 Census economically active population. They are not comparable with the rates published by ONS for Counties and Regions

Figure is suppressed as the value is small. To prevent disclosure the total figure has also been suppressed.

Table 23: Claimant Count Unemployment by Ward * in Worcestershire - Malvern Hills

December 2011

Malvern Hills District	Male	Female	Total	Rate**
ALFRICK & LEIGH	22	10	32	1.9%
BALDWIN	10	4	14	1.5%
BROADHEATH	22	9	31	1.9%
CHASE	61	30	91	3.5%
DYSON PERRINS	41	21	62	3.7%
HALLOW	10	5	15	1.7%
KEMPSEY	28	8	36	1.9%
LINDRIDGE	13	8	21	2.0%
LINK	66	39	105	3.8%
LONGDON	7	4	11	1.1%
MARTLEY	17	8	25	3.0%
MORTON	11	#	#	1.4%
PICKERSLEIGH	160	54	214	8.0%
POWICK	27	13	40	2.1%
PRIORY	39	23	62	3.9%
RIPPLE	8	14	22	2.7%
TEME VALLEY	18	12	30	3.2%
TENBURY	27	10	37	2.1%
UPTON & HANLEY	41	21	62	3.1%
WELLS	12	8	20	1.2%
WEST M	43	27	70	3.1%
WOODBURY	8	6	14	1.4%
District Total	691	336	1027	3.0%
County Total	7115	3614	10729	3.9%

* 2001 Census Wards are used

** Rates are expressed as a percentages of the 2001 Census economically active population. They are not comparable with the rates published by ONS for Counties and Regions

Figure is suppressed as the value is small. To prevent disclosure the total figure has also been suppressed.

Table 24: Claimant Count Unemployment by Ward * in Worcestershire –Redditch

December 2011

Redditch Borough	Male	Female	Total	Rate**
ABBEY	111	53	164	6.0%
ASTWOOD BANK & FECKENHAM	46	25	71	2.5%
BATCHLEY & BROCKHILL	154	97	251	8.1%
CENTRAL	147	55	202	7.2%
CHURCH HILL	177	83	260	5.5%
CRABBS CROSS	47	31	78	2.4%
GREENLANDS	169	111	280	6.6%
HEADLESS CROSS & OAKENSHAW	101	50	151	3.3%
LODGE PARK	108	48	156	5.9%
MATCHBOROUGH	79	58	137	4.0%
WEST	40	14	54	1.8%
WINYATES	152	76	228	4.5%
District Total	1331	701	2032	4.8%
County Total	7115	3614	10729	3.9%

* 2001 Census Wards are used

** Rates are expressed as a percentages of the 2001 Census economically active population. They are not comparable with the rates published by ONS for Counties and Regions

Table 25: Claimant Count Unemployment by Ward * in Worcestershire - Worcester City

December 2011

Worcester City	Male	Female	Total	Rate**
ARBORETUM	116	50	166	5.2%
BATTENHALL	64	26	90	3.4%
BEDWARDINE	82	43	125	3.1%
CATHEDRAL	300	103	403	9.8%
CLAINES	66	34	100	2.5%
GORSE HILL	152	74	226	8.8%
NUNNERY	128	56	184	4.6%
RAINBOW HILL	161	70	231	8.2%
ST CLEMENT	83	24	107	4.0%
ST JOHN	137	81	218	5.6%
ST PETERS PARISH	29	13	42	1.3%
ST STEPHEN	57	27	84	3.2%
WARNDON	152	96	248	9.6%
WARNDON PARISH NORTH	49	27	76	2.3%
WARNDON PARISH SOUTH	49	21	70	2.2%
District Total	1625	745	2370	4.8%
County Total	7115	3614	10729	3.9%

* 2001 Census Wards are used

** Rates are expressed as a percentages of the 2001 Census economically active population. They are not comparable with the rates published by ONS for Counties and Regions

Table 26: Claimant Count Unemployment by Ward * in Worcestershire – Wychavon
December 2011

Wychavon District	Male	Female	Total	Rate**
BADSEY	29	17	46	3.4%
BENGEWORTH	91	43	134	5.3%
BOWBROOK	14	11	25	2.0%
BREDON	11	5	16	1.3%
BRETFORTON & OFFENHAM	20	14	34	2.5%
BROADWAY & WICKHAMFORD	35	17	52	2.5%
DODDERHILL	24	18	42	3.8%
DRAKES BROUGHTON	14	5	19	1.5%
DROITWICH CENTRAL	44	21	65	4.8%
DROITWICH EAST	41	29	70	2.7%
DROITWICH SOUTH EAST	28	17	45	1.6%
DROITWICH SOUTH WEST	47	25	72	3.0%
DROITWICH WEST	92	51	143	5.6%
ECKINGTON	16	8	24	1.9%
ELMLEY CASTLE & SOMERVILLE	15	4	19	1.5%
EVESHAM NORTH	88	42	130	5.2%
EVESHAM SOUTH	66	26	92	3.4%
FLADBURY	19	5	24	1.8%
GREAT HAMPTON	30	20	50	4.1%
HARTLEBURY	27	12	39	2.9%
HARVINGTON & NORTON	32	21	53	3.9%
HONEYBOURNE & PEBworth	14	13	27	2.2%
INKBERROW	29	14	43	1.5%
LITTLE HAMPTON	55	31	86	2.9%
LOVETT & NORTH CLAINES	34	27	61	2.3%
NORTON & WHITTINGTON	19	8	27	1.6%
OMBERSLEY	23	10	33	2.9%
PERSHORE	103	50	153	4.2%
PINVIN	25	16	41	2.9%
SOUTH BREDON HILL	11	10	21	1.9%
THE LITTLETONS	23	11	34	2.2%
UPTON SNODSBURY	17	6	23	1.8%
District Total	1136	607	1743	3.0%
County Total	7115	3614	10729	3.9%

* 2001 Census Wards are used

** Rates are expressed as a percentages of the 2001 Census economically active population. They are not comparable with the rates published by ONS for Counties and Regions

Table 27: Claimant Count Unemployment by Ward * in Worcestershire – Wyre Forest

December 2011

Wyre Forest District	Male	Female	Total	Rate**
AGGBOROUGH & SPENNELLS	76	38	114	2.8%
ARELEY KINGS	104	63	167	5.8%
BEWDLEY & ARLEY	53	34	87	2.6%
BLAKEDOWN & CHADDESLEY	36	22	58	2.8%
BROADWATERS	178	97	275	6.9%
COOKLEY	25	14	39	3.4%
FRANCHE	64	39	103	2.7%
GREENHILL	156	69	225	5.8%
HABBERLEY & BLAKEBROOK	77	40	117	3.8%
LICKHILL	80	49	129	3.6%
MITTON	123	64	187	5.3%
OFFMORE & COMBERTON	112	55	167	4.9%
OLDINGTON & FOLEY PARK	171	89	260	11.8%
ROCK	15	12	27	2.2%
SUTTON PARK	136	73	209	5.5%
WOLVERLEY	18	8	26	2.5%
WRIBBENHALL	50	20	70	3.0%
District Total	1474	786	2260	4.6%
County Total	7115	3614	10729	3.9%

* 2001 Census Wards are used

** Rates are expressed as a percentages of the 2001 Census economically active population. They are not comparable with the rates published by ONS for Counties and Regions