

Chapter 4: Unemployment

Key facts

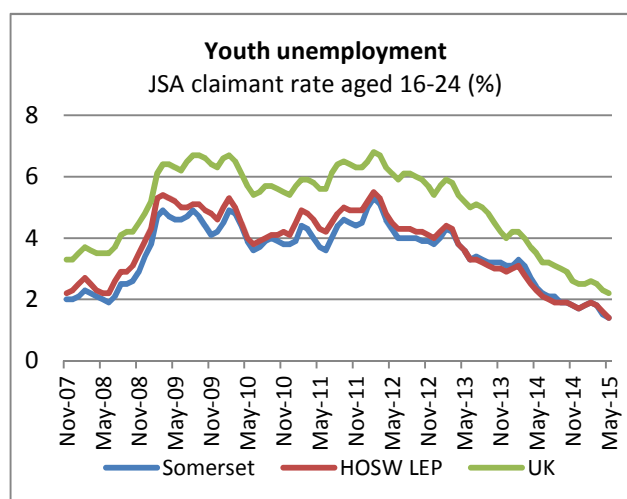
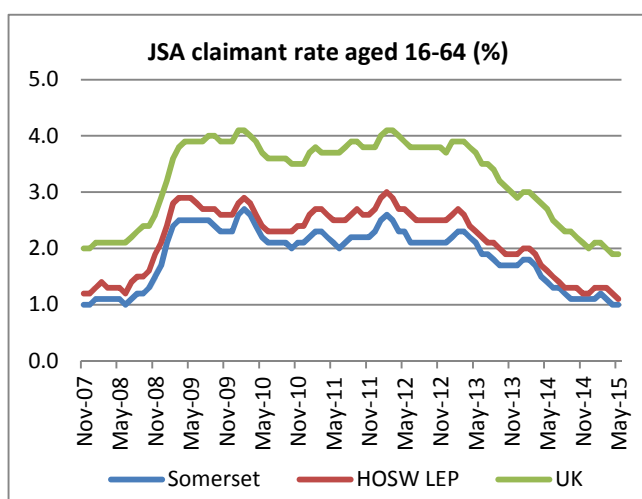
- Somerset's claimant rate has fallen significantly from its recent peak of 2.6% in January to 1% in May 2015. However, rates of long term unemployment increased steadily from May 2009 and remain higher than before the recession. The JSA claimant rate remains slightly higher amongst young people in Somerset (aged 16-24), standing at 1.4% in May 2015.
- In December 2014, 13,500 people in Somerset were unemployed; this equates to a rate of 5.2%.

National context

- According to the Office for National Statistics⁶, there were 1.81 million unemployed people in the UK in April 2015. This was 43,000 fewer than for the 3 months to January 2015 and 349,000 fewer than for a year earlier. Comparing the estimates for February to April 2015 with those for the 3 months to January 2015, employment continued to rise and unemployment continued to fall. These changes maintain the general direction of movement since late 2011 to early 2012. The proportion of the economically active population who were unemployed (the unemployment rate) was 5.5%, lower than for the 3 months to January 2015 (5.7%) and for a year earlier (6.6%).
- There were 9.02 million people aged from 16 to 64 who were out of work and not seeking or available to work (known as economically inactive), 10,000 fewer than for the 3 months to January 2015 but 60,000 more than for a year earlier. The proportion of people aged from 16 to 64 who were economically inactive (the inactivity rate) was 22.2%, little changed compared with the 3 months to January 2015 and with a year earlier.

Somerset Overview

Jobseekers Allowance



Long term unemployment

	% JSA claimants claiming 12 months+ (May 2015)		Quarterly change (Feb-May 2015)		Annual change (May 2014-May 2015)	
	Aged 16-64	Aged 16-24	Aged 16-64	Aged 16-24	Aged 16-64	Aged 16-24
UK	28.0%	13.7%	-0.4	+0.6	-1.3	-3.7
HOSW LEP	19.4%	9.7%	-0.5	+1.3	-0.9	-4.8
Somerset	17.6%	10.1%	-0.5	+0.5	-1.0	-3.7

Source: Claimant count, NOMIS 2015

⁶ UK Labour Market, June 2015, ONS.

Claimant rate

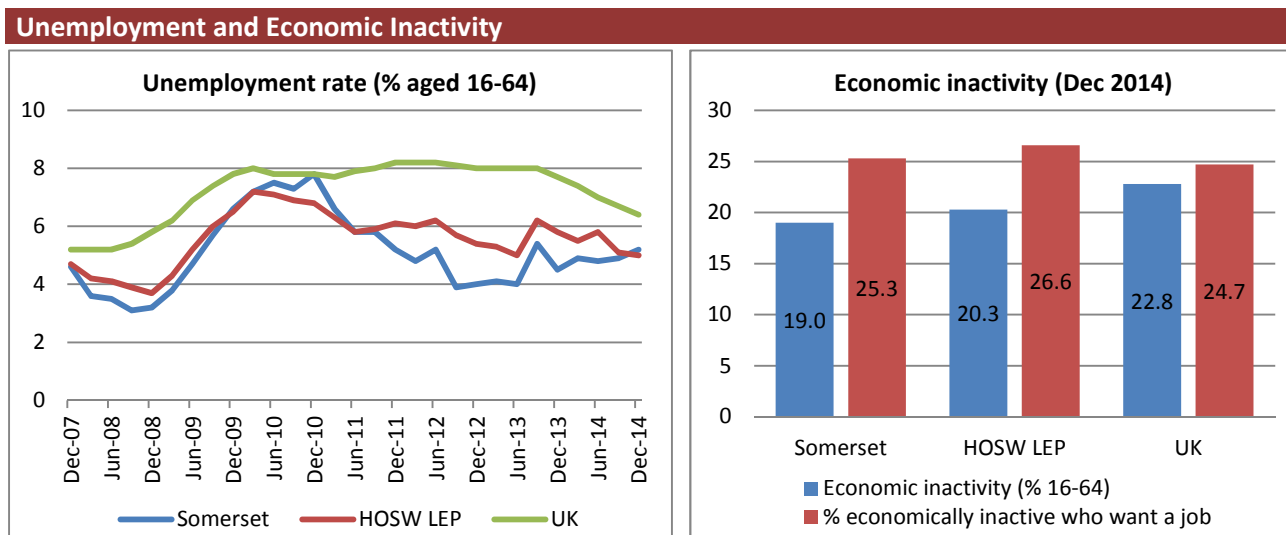
- In May 2015, 3,075 Somerset residents aged 16-64 were claiming Jobseekers Allowance; a claimant rate of 1%. This represents a significant decline from its recent peak of 2.6% in January 2010 and a return to the pre-recession levels of low unemployment which are typical of the Somerset economy. Claimant rates across the UK and LEP have followed a similar pattern to Somerset since 2007 although they remain consistently higher. In May 2015, 1.9% of residents nationally were claiming JSA.

Long-term unemployment

- Rates of long term unemployment increased steadily from May 2009 and remain higher than before the recession. In May 2015, 17.6% of Somerset residents claiming JSA had been doing so for more than 12 months, compared to the recent low of just 2.8% in May 2009. This is a substantially lower rate than national, with 27.8% at present. The rising incidence of long term unemployment is often a feature of recessions, as job-finding rates tend to remain persistently low, even after the first signs of a recovery have appeared. This 'hardening' of unemployment impacts on the individuals concerned and distances them further from the labour market.

Young people

- At 1.4% in May 2015, the claimant rate amongst young people in Somerset (aged 16-24) is slightly higher than the overall rate but has fallen substantially from its peak of 5.3% in February 2012.



Source: Annual Population Survey, NOMIS 2015 (NB. Economic inactivity a broader measure of people who are economically inactive for a range of reasons, including students, people who are unable to work due to illness, retired people and those looking after family/ home).

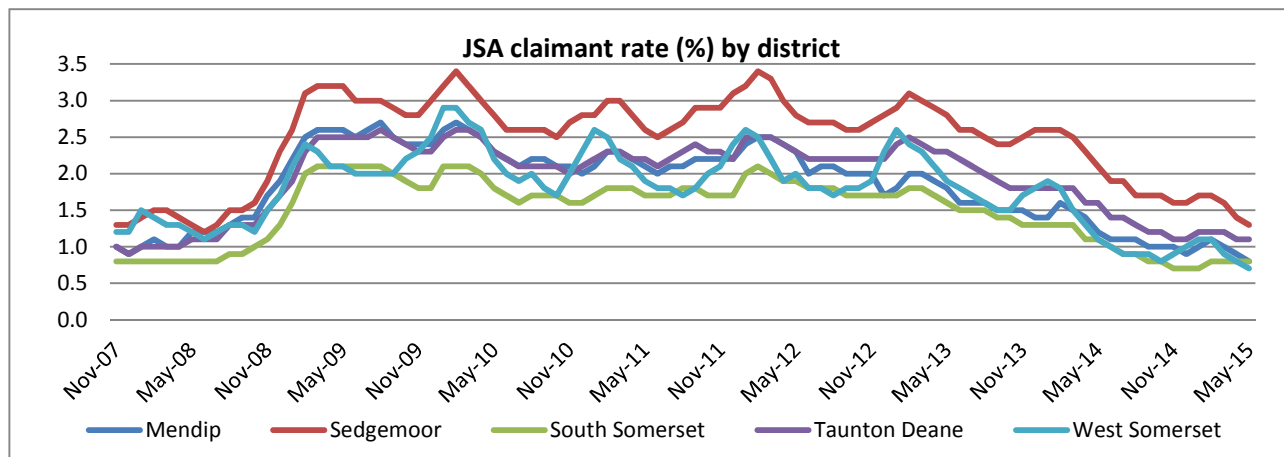
Unemployment rate

- Often called the ILO unemployment rate, this measure assesses the number of jobless people who want to work, are available to work and are actively seeking employment. This measure is usually higher than the claimant rate as not all people looking for work are either eligible or choose to claim JSA.
- In December 2014, 13,500 people in Somerset were unemployed; this equates to a rate of 5.2%. Unemployment in the County is lower than its peak of 7.8 in December 2010 but has shown fluctuations and signs of a rising trend over the past year. Despite being consistently lower than the national rate, unemployment in Somerset has now overtaken the LEP level, which is declining.

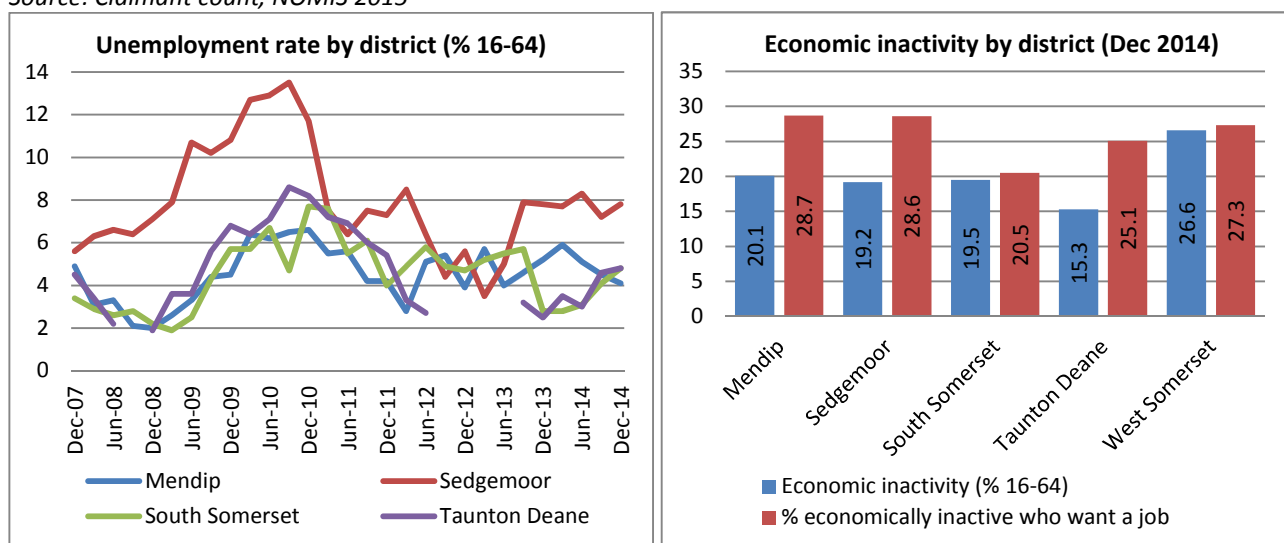
Economic inactivity

- Somerset has a low level of economic inactivity compared to the national level (19% vs.22.8%). More than a quarter (25.3%) of the County's economically inactive residents want to be working.

Local trends (Districts)



Source: Claimant count, NOMIS 2015



Source: Annual Population Survey, NOMIS 2015 (NB. Unemployment data not available for West Somerset).

Claimant rate⁷

- Sedgemoor has the highest claimant rate of all the 5 Somerset districts (1.3%) and is also higher than the Somerset County level overall. West Somerset has the lowest claimant rate (0.7%). Rates in all districts have fallen steadily since February 2014.
- Despite falling over the last year, the claimant rate for young people remains higher than the overall rate in all of the Somerset districts (see data tables section below).

Unemployment rate

- Sedgemoor has the highest unemployment rate of all the districts (7.8% in December 2014). The rate had declined in 2012/13 but rose again in September 2013 and has remained at a similar level ever since. Mendip currently has the lowest unemployment rate (4.1%) by a small margin.

Economic inactivity

- West Somerset has the highest proportion of economically inactive residents (26.6%) whilst Taunton Deane has the lowest (15.3%). Mendip and Sedgemoor have the highest proportions of economically inactive residents who would like to work (28.7% and 28.6% respectively).

⁷ For JSA claimant data below district level see: <http://informsomerset.org.uk/byTheme?themeld=28>

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Claimant rate

	All (aged 16-64)								Young people (aged 16-24)							
	UK	HOSW LEP	Somerset	Mendip	Sedgemoor	South Somerset	Taunton Deane	West Somerset	UK	HOSW LEP	Somerset	Mendip	Sedgemoor	South Somerset	Taunton Deane	West Somerset
May-09	3.9	2.9	2.5	2.6	3.2	2.1	2.5	2.1	6.3	5.2	4.6	4.6	6.1	3.7	4.7	3.5
May-10	3.7	2.4	2.2	2.3	2.8	1.8	2.3	2.2	5.7	4.0	3.9	4.1	5.1	3.2	3.8	3.0
May-11	3.7	2.5	2.1	2.1	2.6	1.7	2.2	1.9	5.6	4.3	3.7	3.6	4.7	3.3	3.8	3.0
May-12	3.9	2.7	2.3	2.3	2.8	1.9	2.3	2.0	6.1	4.5	4.3	4.3	5.4	3.8	4.2	3.1
May-13	3.7	2.3	2.1	1.8	2.8	1.6	2.3	1.9	5.2	3.6	3.6	3.4	4.4	3.0	4.0	3.2
May-14	2.7	1.6	1.4	1.2	2.1	1.1	1.6	1.1	3.5	2.3	2.4	1.9	3.7	1.9	2.5	1.7
May-15	1.9	1.1	1.0	0.8	1.3	0.8	1.1	0.7	2.2	1.4	1.4	1.2	1.8	1.2	1.4	1.0
Change 2009-15	-2.0	-1.8	-1.5	-1.8	-1.9	-1.3	-1.4	-1.4	-4.1	-3.8	-3.2	-3.4	-4.3	-2.5	-3.3	-2.5

Source: NOMIS 2015

Unemployment and economic inactivity

	Unemployment rate (aged 16-64)								Economic inactivity rate (aged 16-64)							
	UK	HOSW LEP	Somerset	Mendip	Sedgemoor	South Somerset	Taunton Deane	UK	HOSW LEP	Somerset	Mendip	Sedgemoor	South Somerset	Taunton Deane	West Somerset	
Dec-09	7.8	6.5	6.6	4.5	10.8	5.7	6.8	23.5	20.9	21.0	22.9	21.1	19.6	21.3	20.6	
Dec-10	7.8	6.8	7.8	6.6	11.7	7.7	8.2	24.0	22.6	20.2	15.3	27.8	16.8	23.7	13.1	
Dec-11	8.2	6.1	5.2	4.2	7.3	4.0	5.4	24.0	22.5	21.2	21.0	24.9	22.1	17.5	16.7	
Dec-12	8.0	5.4	4.0	3.9	5.6	4.7		23.4	21.8	22.4	20.2	27.0	23.1	16.3	30.0	
Dec-13	7.7	5.8	4.5	5.2	7.8	2.8	2.5	22.9	20.6	19.7	24.5	14.8	18.7	18.4	31.0	
Dec-14	6.4	5.0	5.2	4.1	7.8	4.8	4.8	22.8	20.3	19.0	20.1	19.2	19.5	15.3	26.6	
Change 2009-14	-1.4	-1.5	-1.4	-0.4	-3.0	-0.9	-2.0	23.5	20.9	21.0	22.9	21.1	19.6	21.3	20.6	

Source: Annual Population Survey, NOMIS 2015 (NB. Unemployment rate data not available for West Somerset).