

UNEMPLOYMENT

This article shows levels and trends of unemployment in Herefordshire. The Office for National Statistics (ONS) supplies data on numbers and rates of unemployment, the age of those who are unemployed and duration of their unemployment¹. The following is a summary of the key information for the period **July to October 2008**. All figures are unadjusted for seasonal variation unless otherwise stated.

Key findings

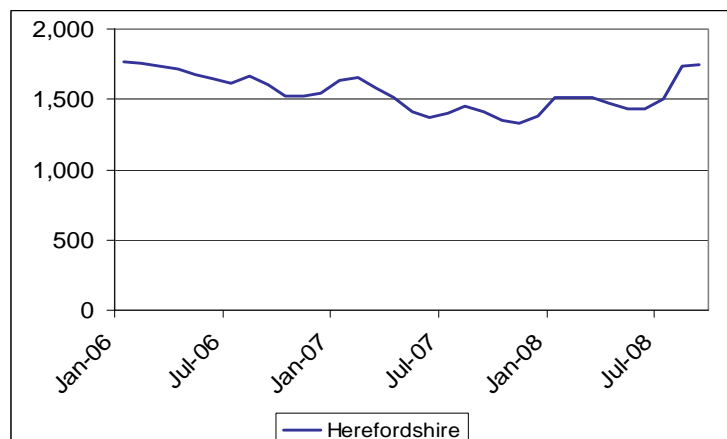
- The claimant count saw a large increase of 226 between July and August this year.
- As a result the number of claimants was high from July onwards compared to the same period in 2007.
- The unemployment rate (1.7%) remains low compared to the West Midlands region (3.4%) and England as a whole (2.5%)
- Claimants under 25 and over 50 years of age showed the greatest increases in percentage terms, 20% and 30% respectively.
- Although there have been large increases in the claimant count over the last four months it is probably too soon to conclude that these changes are as a result of a slowdown in the local economy or that they will be long lasting.
- Below county level the wards with a consistently high unemployment rate are mostly in Hereford (Belmont, Central, St. Martins and Hinton, St. Nicholas) but also all four wards in Leominster and Ross-on-Wye.

Claimant Count

The total number of claimants in Herefordshire was 1,763 in October 2008, which represented a large increase on previous months (+258 since July) and was the highest since January 2006 (1,768) (see chart 1).

When looking at the month on month change for this year compared to previous years (chart 2) it shows a large increase between July and October compared to changes seen in 2006 and 2007 over the same period. Most noticeably there was a very large increase between July and August this year, an increase of 226, (15%). This resulted in the claimant count in October 2008 being 416 claimants up on the same point last year. The same was also true for August 2008, which was 275 up on the previous year.

Chart 1. Claimant count for Herefordshire, 2006-2008

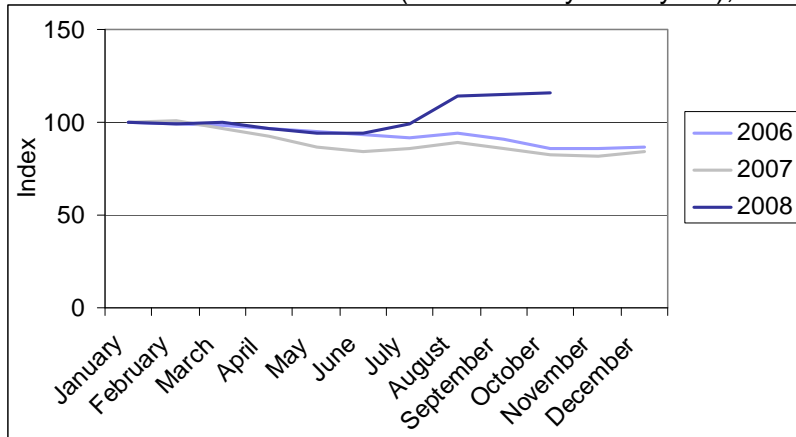


Source – ONS crown copyright

¹ Unemployment as measured by Claimant Count i.e. those claiming unemployment-related benefits at Employment Service local offices. Rates are the number of claimants resident as a % of the working age population resident in that area (16-64 yr M/16-59 yr F).

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Chart 2. Indexed claimant count (from January each year), 2006-2008



Source – ONS crown copyright

Unemployment rate

When looking at the claimant count as a proportion of the working age population (the unemployment rate) we see an increase from 1.5% in July 2008 to 1.7% in October 2008. In the West Midlands region it increased from 3.1% to 3.4% and from 2.3% to 2.5% in England as a whole, suggesting that most areas have seen an increase in unemployment.

However, in the context of unemployment rates over the last ten years, the rate in Herefordshire is still low. The unemployment rate is also low when compared to the rate regionally and nationally. In 1998 the unemployment rate for Herefordshire was around 3%. Over the following years the rate gradually decreased to its currently low level. In fact the trend of decrease in the claimant count and unemployment rate goes back much further. The increase over the last four months may indicate a departure from this trend but it is probably too soon to conclude that these changes are as a result of a slowdown in the local economy or that they will be long lasting.

Age and duration

When looking at the duration of claims, it is claims of less than six months that account for the greatest proportion within Herefordshire, 83% in October 2008 (1,445 claimants). This was an increase of 245 on the number in July (1,200) and accounted for most of the increase experienced in this period (91%). Claims of 6-12 months (195) and claims over 12 months (110) both increased (by 10 claimants). This pattern is to be expected, given the recent increase in the number of claimants and it remains to be seen whether the proportion of long term unemployment will increase or not.

In October 2008 the proportion of claims, of 12 months or more (6%), was lower than in the same period of 2007 (12%). This was also the case for those claiming between 6 and 12 months, 11% in 2008 compared to 13% in 2007. Conversely claims of less than 6 months accounted for more in October 2008 (83%) than at the same point in 2007 (75%).

The greatest proportion of claimants by age were those between 25 and 49 who account for 51% of all claimants in October 2008. Claimants under 25 and over 50 years of age accounted for 30% and 19% respectively. It is these two groups however that showed the greatest rate of increase over the four-month period ending

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October 2008, increasing by 20% and 30% respectively. In terms of claimant numbers this was an increase of 85 for those under 25 and 70 for those over 50 compared to 110 in the 25-49 age group.

Sub county

When looking at unemployment below county level some wards have had consistently high unemployment rates mostly in Hereford (Belmont, Central, St. Martins and Hinton, St. Nicholas) but also all four wards in Leominster and Ross-on-Wye. All of these wards were ranked in the top ten, in terms of unemployment, on more than 45 of the last 52 months.

The relatively high rate for the Central ward, however, involves high numbers of unemployed (72 claimants) in relation to the low numbers of people living within this ward, as a result of a higher concentration of businesses compared to housing.

Between July and October 2008 it was Kerne Bridge ward in the South of the County that saw the greatest increase in employment rate (from 0.8% to 1.8%). Central, Pontrilas and Ross-on-Wye West also saw large increases over the same period (0.9, 0.9 and 0.8 percentage points respectively), whilst a smaller number of wards actually saw a decrease although of smaller magnitude (up to 0.5 percentage points).

Over the same period the greatest increases in the number of claimants were in Belmont ward (35), Ross-on-Wye West (26), St Nicholas (22), Three Elms (22) and Ledbury (17).