

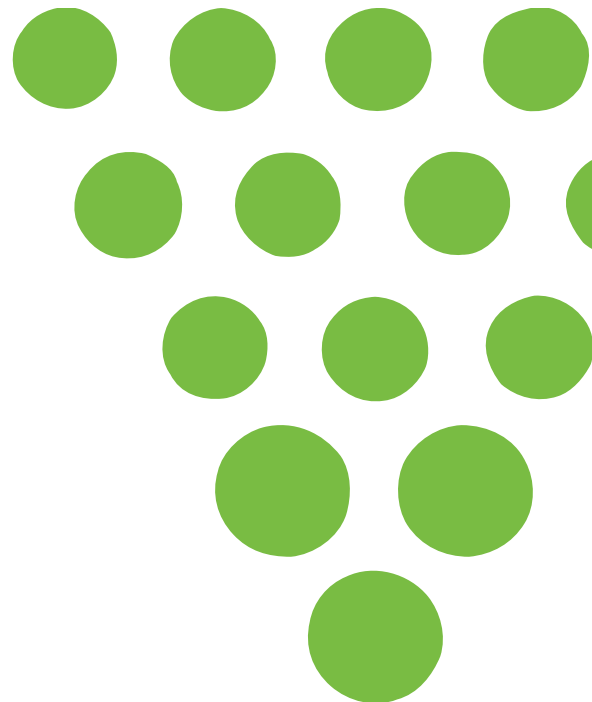


**CORNWALL**  
**COUNCIL**  
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# Labour Market Analysis

May 2019

Economic Growth and Development



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## A. Summary

### 1 Cornwall

#### Alternative Claimant Count

- The latest figure for February 2019 shows there were 9,240 claimants, up by 494 on the January total of 8,746 and up by 840 on the February 2018 total of 8,400.
- Over the year the rate<sup>1</sup> has increased from 2.6% to 2.8%.

#### Claimant Count

- The latest claimant count<sup>2</sup> figures show a total of 7,595 in Cornwall in April, the figure for Cornwall and the Isles of Scilly was 7,605.

#### Universal Credit

- In April<sup>3</sup> there were 16,199 UC claimants<sup>4</sup> in Cornwall. The main group was 'Searching for work', which accounted for 6,624 or 40.9% of the total.
- Of the 16,199, 10,242 (63.2%) were not in employment with 5,959 (36.8%) in employment.
- The breakdown by Parliamentary Constituency shows that St. Austell and Newquay had the largest number with 3,439, with a rate of 5.8%<sup>5</sup>. The lowest rate was in Truro and Falmouth at 4.0%.

#### Jobseekers Allowance

- The total JSA figure in April for Cornwall was 984 and the rate was 0.3%.
- The main group of Jobseekers in April 2019 consisted of those in 'Sales Occupations' at 665, followed by 'Occupation unknown' with 120.

#### Benefit claimants – Working age client group

- The latest release brings the working age data up to November 2018. This gives a total of 23,220 who were claiming a range of out-of-work benefits.

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<sup>1</sup> The rate is derived using the 16-64 economically active figures for residents from the Annual Population Survey.

<sup>2</sup> The Claimant Count measures the number of people claiming benefit principally for the reason of being unemployed: from April 2015, the Claimant Count includes all Universal Credit claimants who are required to seek work and be available for work, as well as all JSA claimants

<sup>3</sup> NB Each month's figures are provisional and revised a month later.

<sup>4</sup> This section presents details of Universal Credit data. The transfer of all claimants to UC is not complete and therefore these figures are for the record rather than presenting a complete picture.

<sup>5</sup> As a % of all those aged 16-64.

- The all working age benefits total fell on a quarterly basis and also on an annual basis.

### Labour market – Resident based

- Labour market figures for Cornwall and the Isles of Scilly from the Annual Population Survey are available up to December 2018<sup>6</sup>. This data set covers those of working age namely the 16-64 age groups who are resident in the area<sup>7</sup>.
- In total there were 327,600 aged 16-64, of whom 252,000 were economically active with 245,300 who were employed. Of those employed; 190,500 were employees with 52,900 self-employed<sup>8</sup>; while 167,600 worked full-time with 77,500 working part-time. There were 6,700 who were unemployed, and 75,600 who were economically inactive.
- The figures show that over the last year the total aged 16-64 has remained stable<sup>9</sup>, the numbers of economically active fell. The numbers of economically inactive have increased. Employment numbers were down, with a large fall in self-employed numbers but a smaller fall in employee numbers. The number of those working full-time fell back considerably while part-time numbers rose. The number of unemployed fell slightly over the year.
- Looking at percentage changes over the year, the 16-64 age group remained stable; economically active numbers fell by 2% while the number who were inactive increased by 9%. The number employed was down by 2%, mainly due to a fall in self-employed numbers which were down by 8% and employees down slightly. Full-time numbers were down by 5% while Part-time were up by 7%.
- Over the year, the employment rate fell from 76.5% to 74.9%, the self-employment share of employment moved back from 23.0% to 21.6%. The share taken by full-time decreased from 70.8% to 68.3% while part-time went up from 29.0% to 31.6%. Unemployment rates fell from 2.9% to 2.7%.<sup>10</sup>

### All employment, flexible and 65+

- The 16 plus age group grew slightly over the year, while numbers in employment fell back and economically inactive numbers rose. Those working on a non-permanent/flexible basis rose over the year by 600 from 10,500 to 11,100.

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<sup>6</sup> Figures cover a year and are produced quarterly; all figures for age group 16-64.

<sup>7</sup> Data has been reweighted in line with the latest ONS estimates.

<sup>8</sup> Numbers may not sum to all those employed.

<sup>9</sup> Due to the volatility of the data changes in figures from one period to another may not reflect underlying trends.

<sup>10</sup> NB totals for sub-categories may not sum to 100, due to rounding.

- The share of those in employment fell slightly over the year as did unemployment while the economically inactive share rose. The rate of those in non-permanent employment rose from 3.9% to 4.2%<sup>11</sup>.
- The latest figures show that there were 20,700 people aged 65 plus in the workforce. This represents 7.8% of the workforce, up from the figure of 7.3% a year earlier.

### Labour market - Workplace data

- Latest data shows all those in employment, including those aged 65 plus, whose workplace is in Cornwall<sup>12</sup>, up to the year ending December 2018. The data shows there were 259,600 working in Cornwall. Of these 63,900 were self-employed, with 185,800 employees, and with another 9,900 employees deemed to be working on a flexible basis. Compared to the previous quarter total employment has remained static. Over the year, numbers in employment, were stable – 259,600 to 259,900. Employee numbers rose slightly while self-employment numbers fell back. The number on flexible contracts increased from 8,900 to 9,900.
- Average employment figures are running at 259,860 over the last five quarters compared to 259,280 for the previous five quarters.
- Over the year as a share of the workforce, the self-employed share was down by 2.0% points, while the employee share rose by 1.6% points and those on flexible contracts moved up by 0.4 points.

### Sixty-five plus

- Overall since 2004 there has been a general upward trend in both the numbers and share of the workforce of those aged 65 plus. In 2004 there were 6,600 followed by an upward trend until the 2011 downturn. This was followed by a recovery in early 2014, with numbers falling back until late 2015, with a rise thereafter to a peak of 20,000 in late 2016 at 20,000. Numbers fell back after that but have now recovered to stand at 20,100.

### Vacancies

- In April 2019, there were 1,748 job postings in Cornwall and the Isles of Scilly. This was down by 260 (13%) from 2,008 in March and down by 36% from 2,737 in April 2018. [NB. The vacancy data used here is from a different source than that used by ONS at a UK level].

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<sup>11</sup> Those working on a non-permanent basis as a % of all employed 16+.

<sup>12</sup> Data has been reweighted in line with the latest ONS estimates.

- The rolling three month figures show an average of 1,855 vacancies per month in the February to April period compared to 2,660 for the same period in 2018. In 2017 the figure was 3,007.
- Vacancy data at Parliamentary Constituency level shows that the highest rates – the vacancy number as a percentage of all employed - occur in Truro & Falmouth at 1.4% with the lowest rates in South East Cornwall at 0.3%.

## 2 United Kingdom

### Main points for the three months to March 2019

- In the first calendar quarter (January to March) of 2019, the number of people in employment in the UK increased by 99,000 on the quarter to 32.70 million.
- The number of UK nationals aged 16 years and over who were in employment increased by 190,000 to 28.9 million.
- The unemployment rate for men decreased by 0.2 percentage points to 3.9% and that for women decreased by 0.1 percentage points to reach a record low of 3.7%.
- The growing number of vacancies, together with the falling number of unemployed people, indicate further tightening of the labour market.
- The number of self-employed workers increased by 90,000 to reach a record high of 4.93 million in the three months to March 2019.

## Introduction

This report sets out the latest data relating to the labour market, based on the data released by the Office for National Statistics (some of which is provided through NOMIS).

As Universal Credit has been rolled out it has impacted on the numbers claiming Jobseekers Allowance making them increasingly unreliable and unrepresentative of those seeking work and claiming benefits. Therefore the briefing has been revised so that the JSA section is now much reduced in scope – basically showing the monthly figures without any comparison over time – and at the end of the monthly reporting section rather than the beginning.

The Alternative Claimant Count, Claimant Count and Universal Credit figures are now at the front of the monthly labour market section. Until Universal Credit has been fully rolled out it will be difficult to determine whether changes in numbers or the rate reflect changes in the labour market or the transition to the new system. However, the Alternative Claimant Count is the best measure of trends over time.

NB JSA figures for Cornwall and other areas in Section 2 are not seasonally adjusted and include those aged 16-64s. Figures provided in Section 3 at a UK level are seasonally adjusted and cover those aged 18-64. These are the figures cited on the BBC and other media outlets. Hence, the difference in format will account for any discrepancy in the figures.



## B. Cornwall

### 1 Alternative Claimant Count

[Released quarterly]

There is currently an issue with the three existing counts related to work related claimants – Claimant Count, Jobseekers Allowance and Universal Credit - in that they do not allow a comparison over time. To overcome this problem the DWP have created an alternative measure – the Alternative Claimant Count - which captures those available and searching for work. This allows for a comparison over time.

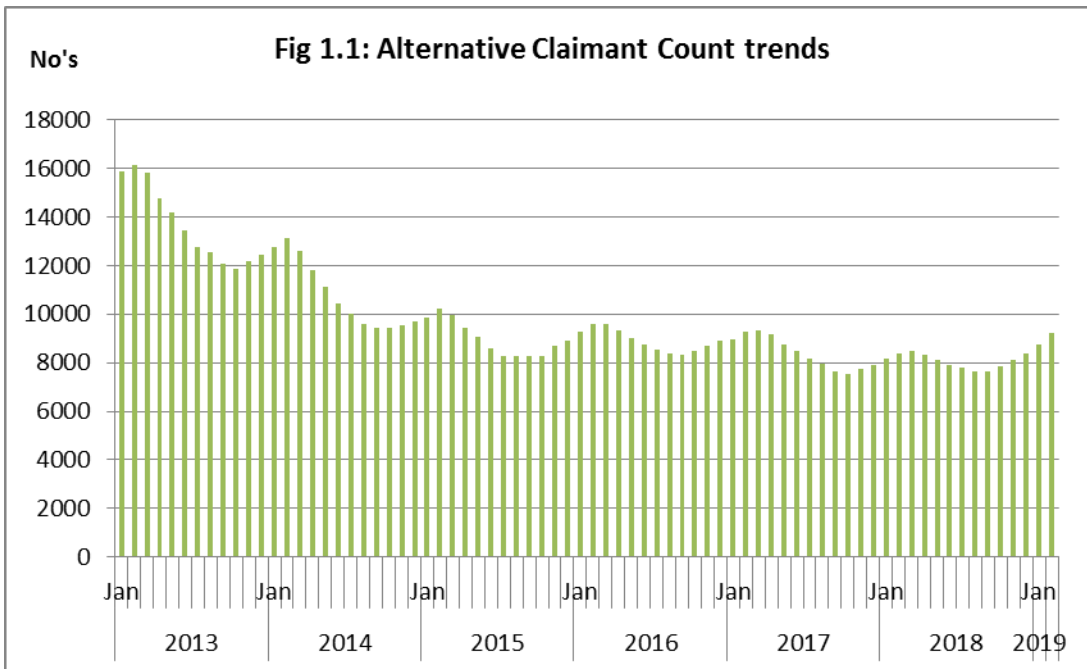
The latest figure for February 2019 shows there were 9,240 claimants, up by 494 on the January total of 8,746 and up by 840 on the February 2018 total of 8,400.

Over the year the rate<sup>13</sup> has increased from 2.6% to 2.8%.

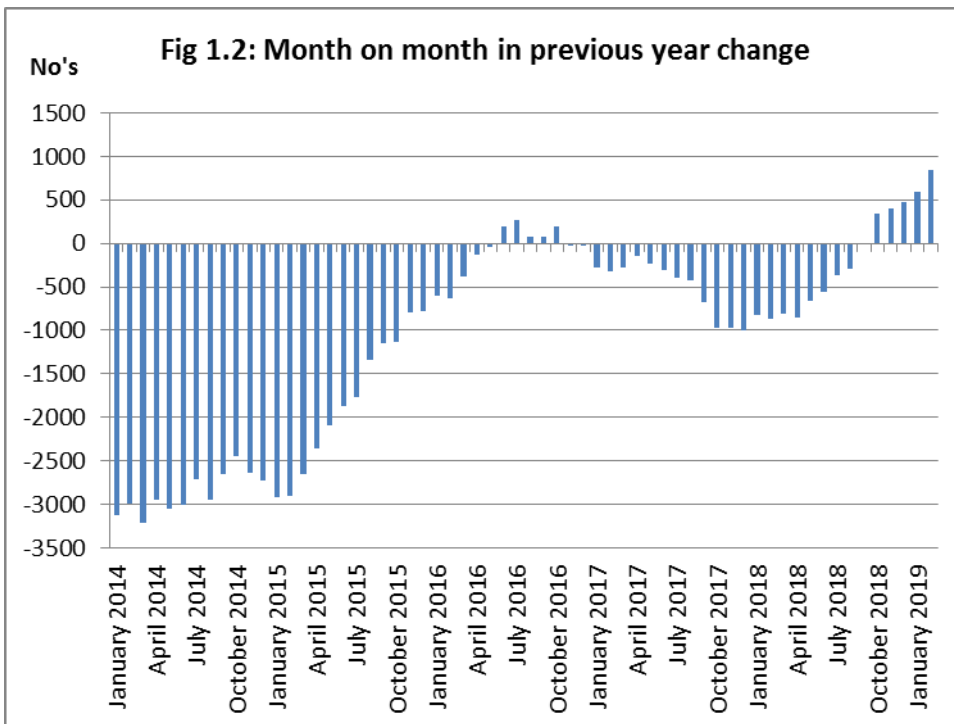
<b>Table 1.1: Alternative Claimant count</b>			
Date		No's	Rate
2018	Feb	8400	2.6
	Mar	8494	2.6
	Apr	8324	2.5
	May	8095	2.5
	Jun	7902	2.4
	Jul	7771	2.4
	Aug	7641	2.3
	Sep	7648	2.3
	Oct	7850	2.4
	Nov	8115	2.5
	Dec	8365	2.6
	Jan	8746	2.7
	Feb	9240	2.8
Monthly change		494	0.2
Annual change		840	0.3
Monthly change		5.6	
Annual change		10.0	

Fig 1.1 illustrates trends in the numbers on the ACC have changed over time. There is a seasonal pattern with peaks in the winter months.

<sup>13</sup> The rate is derived using the 16-64 economically active figures for residents from the Annual Population Survey.



For most of the period covered by the data, numbers decreased each month compared to the same month in the previous year. However, since October 2018, there has been an increase in the number of claimants compared to the same month in the previous year.



*The statistics form a modelled statistical series. The statistics are formed as a count of the number of people claiming a benefit that is – or would be under Universal Credit – related to being actively available and searching for work i.e. the number of people claiming Jobseeker’s Allowance (JSA), or Universal Credit Searching for Work conditionality (excluding those on the health journey pre-Work Capability Assessment),*

*or a legacy benefit or Child tax Credit that would under Universal Credit place the claimant with Searching for Work conditionality. [DWP]*

Source: DWP, 16 April 2019.

## 2 Claimant Count

The latest claimant count <sup>14</sup>figures show a total of 7,595 in Cornwall in April, the figure for Cornwall and the Isles of Scilly was 7,605.

Source: NOMIS/DWP, 14 May 2019.

## 3 Universal Credit

In April<sup>15</sup> there were 16,199 UC claimants<sup>16</sup> in Cornwall. The main group was 'Searching for work', which accounted for 6,624 or 40.9% of the total. [NB. Numbers do not sum to the total]

<b>Table 3.1: UC April 2019 - Cornwall</b>		
Conditionality group	No's	%
Searching for work	6624	40.9
No work requirements	3303	20.4
Working – no requirements	2610	16.1
Working – with requirements	2471	15.3
Preparing for work	734	4.5
Planning for work	454	2.8
<b>Total</b>	<b>16199</b>	<b>100.0</b>

Of the 16,199, 10,242 (63.2%) were not in employment with 5,959 (36.8%) in employment.

Table 3.2 shows the breakdown by Parliamentary Constituency. St. Austell and Newquay had the largest number with 3,439, with a rate of 5.8%<sup>17</sup>. The lowest rate was in Truro and Falmouth at 4.0%.

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<sup>14</sup> The Claimant Count measures the number of people claiming benefit principally for the reason of being unemployed: from April 2015, the Claimant Count includes all Universal Credit claimants who are required to seek work and be available for work, as well as all JSA claimants

<sup>15</sup> NB Each month's figures are provisional and revised a month later.

<sup>16</sup> This section presents details of Universal Credit data. The transfer of all claimants to UC is not complete and therefore these figures are for the record rather than presenting a complete picture.

<sup>17</sup> As a % of all those aged 16-64.

**Table 3.2: UC April 2019 – Cornwall & Isles of Scilly**

Parliamentary Constituency	No's	%
Camborne and Redruth	2937	5.6
North Cornwall	2797	5.3
South East Cornwall	2665	4.7
St Austell and Newquay	3439	5.8
St Ives	2230	4.2
Truro and Falmouth	2148	4.0
<b>Total</b>	<b>16217</b>	<b>5.0</b>

[Rate based on UC claimants as % of those aged 16-64 in the area – APS data].

UC claimants can be grouped into various categories relating to conditionality. These are set out below.

[As the transition from providing a various range of benefits to Universal Credit continues, it will be possible to track the numbers of UC claimants. However, as people are still being transferred it is not possible to draw any conclusions from changes in numbers over time].

**Table 3.3: Universal Credit – conditionality**

Conditionality	Description a) Aged 1 - 2, prior to April 2017. (b) Aged 3 - 4, prior to April 2017.
<b>Searching for work</b>	Not working, or with very low earnings. Claimant is required to take action to secure work - or more / better paid work. The Work Coach supports them to plan their work search and preparation activity.
<b>Working - with requirements</b>	In work but could earn more, or not working but has a partner with low earnings
<b>No work requirements</b>	Not expected to work at present. Health or caring responsibility prevents claimant from working or preparing for work.
<b>Working - no requirements</b>	Individual or household earnings over the level at which conditionality applies. Required to inform DWP of changes of circumstances, particularly if at risk of decreasing earnings or losing job.
<b>Planning for work</b>	Expected to work in the future. Lone parent / lead carer of child aged 1 <sup>(a)</sup> . Claimant required attending periodic interviews to plan for their return to work.
<b>Preparing for work</b>	Expected to start preparing for future even with limited capability for work at the present time or a child aged 2 <sup>(b)</sup> , the claimant is expected to take reasonable steps to prepare for work including Work Focused Interview.

Source: DWP.

## 4 Jobseekers Allowance

### JSA numbers and rate

The total JSA figure in April for Cornwall was 984 and the rate was 0.3%.

### JSA by occupation

Table 4.1 shows that the main group of Jobseekers in April 2019 consisted of those in 'Sales Occupations' at 665, followed by 'Occupation unknown' with 120.

[The figures show claimants usual occupation; it does not mean that when they get a job it is in that occupation]

<b>Table 4.1: Jobseeker numbers by occupation April 2019</b>	
Usual Occupation	No's
71 : Sales Occupations	665
00 : Occupation unknown	120
11 : Corporate Managers	55
92 : Elementary Administration and Service Occupations	40
91 : Elementary Trades, Plant and Storage Related Occupations	35
41 : Administrative Occupations	25
51 : Skilled Agricultural Trades	10
52 : Skilled Metal and Electronic Trades	5
53 : Skilled Construction and Building Trades	5
54 : Textiles, Printing and Other Skilled Trades	5
61 : Caring Personal Service Occupations	5
72 : Customer Service Occupations	5
81 : Process, Plant and Machine Operatives	5
82 : Transport and Mobile Machine Drivers and Operatives	5
12 : Managers and Proprietors in Agriculture and Services	0
21 : Science and Technology Professionals	0
22 : Health Professionals	0
23 : Teaching and Research Professionals	0
24 : Business and Public Service Professionals	0
31 : Science and Technology Associate Professionals	0
32 : Health and Social Welfare Associate Professionals	0
33 : Protective Service Occupations	0
34 : Culture, Media and Sports Occupations	0
35 : Business and Public Service Associate Professionals	0
42 : Secretarial and Related Occupations	0
62 : Leisure and Other Personal Service Occupations	0
<b>All</b>	<b>985</b>

Source: NOMIS/DWP.

## 5 Benefit claimants – Working age client group

The latest release brings the working age data up to November 2018. This gives a total of 23,220 who were claiming a range of out-of-work benefits.

The all working age benefits total fell on a quarterly basis and also on an annual basis.

<b>Table 5.1: Cornwall - No's</b>							
Group\Period	Nov	Feb	May	Aug	Nov	Change	
	2017	2018	2018	2018	2018	Qtr.	Annual
ESA	21,710	21,720	21,600	20,650	19,740	-910	-1,970
Others on income related benefit	4,450	4,360	4,180	3,860	3,480	-380	-970
<b>Total</b>	<b>26,160</b>	<b>26,080</b>	<b>25,780</b>	<b>24,510</b>	<b>23,220</b>	<b>-1,290</b>	<b>-2,940</b>

[NB. This dataset varies slightly from the previous dataset which has not been updated by DWP. JSA claimants are also excluded].

Source: NOMIS/DWP, Benefit claimants, 14 May 2019.

## 6 Labour market – Resident data

Labour market figures for Cornwall and the Isles of Scilly from the Annual Population Survey are available up to December 2018<sup>18</sup>. This data set covers those of working age namely the 16-64 age groups who are resident in the area<sup>19</sup>.

In total there were 327,600 aged 16-64, of whom 252,000 were economically active with 245,300 who were employed. Of those employed; 190,500 were employees with 52,900 self-employed<sup>20</sup>; while 167,600 worked full-time with 77,500 working part-time. There were 6,700 who were unemployed, and 75,600 who were economically inactive.

The figures show that over the last year the total aged 16-64 has remained stable<sup>21</sup>, the numbers of economically active fell. The numbers of economically inactive have increased. Employment numbers were down, with a large fall in self-employed numbers but a smaller fall in employee numbers. The number of those working full-time fell back considerably while part-time numbers rose. The number of unemployed fell slightly over the year.

All data in Table 6.1.

Table 6.1: Labour market indicators – Cornwall & IoS							
	Period					Change	
Date	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Prev Qtr	Year
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18		
Group	No's	No's	No's	No's	No's	No's	No's
16-64	327,000	327,600	327,700	329,400	327,600	-1,800	600
Econ active	257,800	255,000	251,300	253,300	252,000	-1,300	-5,800
Econ inactive	69,200	72,600	76,400	76,100	75,600	-500	6,400
Employed	250,200	246,600	242,900	246,200	245,300	-900	-4,900
Unemployed	7,500	8,400	8,400	7,100	6,700	-400	-800
Employees	191,200	187,500	188,800	192,400	190,500	-1,900	-700
Self employed	57,600	57,300	52,500	52,700	52,900	200	-4,700
Full-time	177,200	171,600	167,000	166,700	167,600	900	-9,600
Part-time	72,500	74,800	75,400	79,300	77,500	-1,800	5,000

Looking at percentage changes over the year, the 16-64 age group remained stable; economically active numbers fell by 2% while the number who were inactive increased by 9%. The number employed was down by 2%, mainly due to a fall in self-employed

<sup>18</sup> Figures cover a year and are produced quarterly; all figures for age group 16-64.

<sup>19</sup> Data has been reweighted in line with the latest ONS estimates.

<sup>20</sup> Numbers may not sum to all those employed.

<sup>21</sup> Due to the volatility of the data changes in figures from one period to another may not reflect underlying trends.



numbers which were down by 8% and employees down slightly. Full-time numbers were down by 5% while Part-time were up by 7%.

**Table 6.2: Labour market indicators – Cornwall & IoS**

Date	Jan-17	Jan-18	Change year-on-year	
	Dec-17	Dec-18	No's	%
Group	No's	No's	No's	%
16-64	327,000	327,600	600	0
Econ active	257,800	252,000	-5,800	-2
Econ inactive	69,200	75,600	6,400	9
Employed	250,200	245,300	-4,900	-2
Unemployed	7,500	6,700	-800	-11
Employees	191,200	190,500	-700	0
Self employed	57,600	52,900	-4,700	-8
Full-time	177,200	167,600	-9,600	-5
Part-time	72,500	77,500	5,000	7

Over the year, the employment rate fell from 76.5% to 74.9%, the self-employment share of employment moved back from 23.0% to 21.6%. The share taken by full-time decreased from 70.8% to 68.3% while part-time went up from 29.0% to 31.6%. Unemployment rates fell from 2.9% to 2.7%.<sup>22</sup>

**Table 6.3: Labour market indicators – Cornwall & IoS**

Date	Period					Change	
	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Qtr	Qtr-on-qtr in previous year
Group	%	%	%	%	%	%	%
Econ active	78.8	77.8	76.7	76.9	76.9	0.0	-1.9
Econ inactive	21.2	22.2	23.3	23.1	23.1	0.0	1.9
Employed	76.5	75.3	74.1	74.7	74.9	0.2	-1.6
Unemployed	2.9	3.3	3.3	2.8	2.7	-0.1	-0.2
Employees	76.4	76.0	77.7	78.1	77.6	-0.5	1.2
Self employed	23.0	23.2	21.6	21.4	21.6	0.2	-1.4
Full-time	70.8	69.6	68.7	67.7	68.3	0.6	-2.5
Part-time	29.0	30.3	31.0	32.2	31.6	-0.6	2.6

Fig 6.1 shows trends over time. Overall, since 2004:

- The number aged 16-64 rose by 13,900 or 4.4%.

<sup>22</sup> NB totals for sub-categories may not sum to 100, due to rounding.

- Economically active rose by 15,900 from 236,100 to 252,000 or 6.7%.
- Economically inactive fell by 2,000 from 77,600 to 75,600 or 2.6%.
- Employment increased by 20,100 from 225,200 to 245,300 or 8.9%.
- Much of the increase in employment can be related to the overall increase in population with a small transfer from the economically inactive. The increase in employment was largely a result of bigger rises in self-employment.
- Employee numbers went up by 10,100 from 180,400 to 190,500, (an increase of 5.6%);
- The number of self-employed rose from 41,800 to 52,900, an increase of 11,100 or 26.6%.
- The trend towards part-time also continued, with part-time numbers up from 67,800 to 77,500 (+9,700 or 14.3%);
- Full-time numbers rose by 10,400 from 157,200 to 167,600 or 6.6%.
- Unemployment fell by a nearly two-fifths (38.0%), down 4,100 from 10,800 to 6,700.

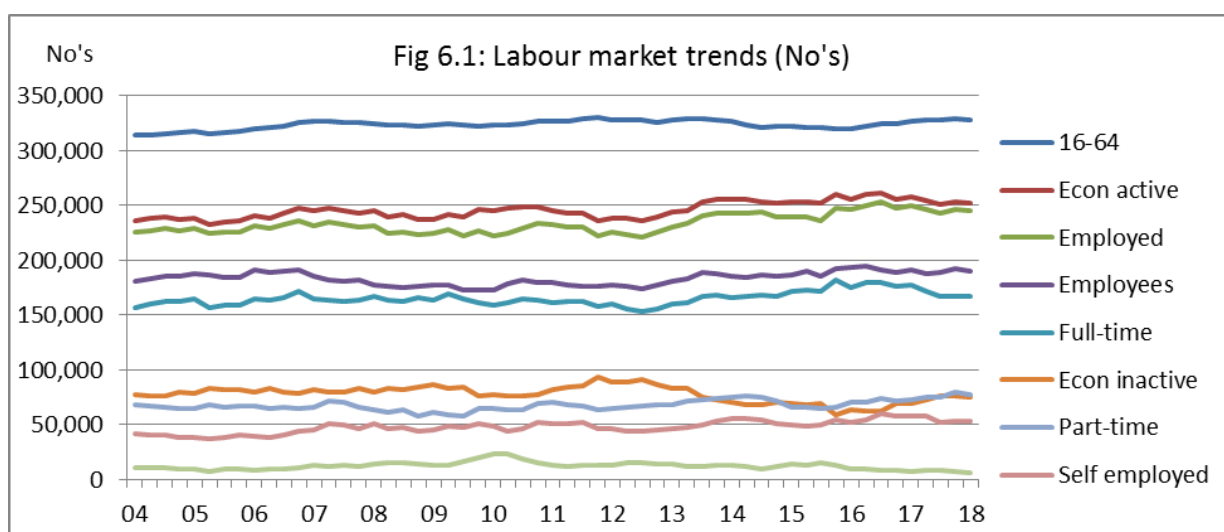
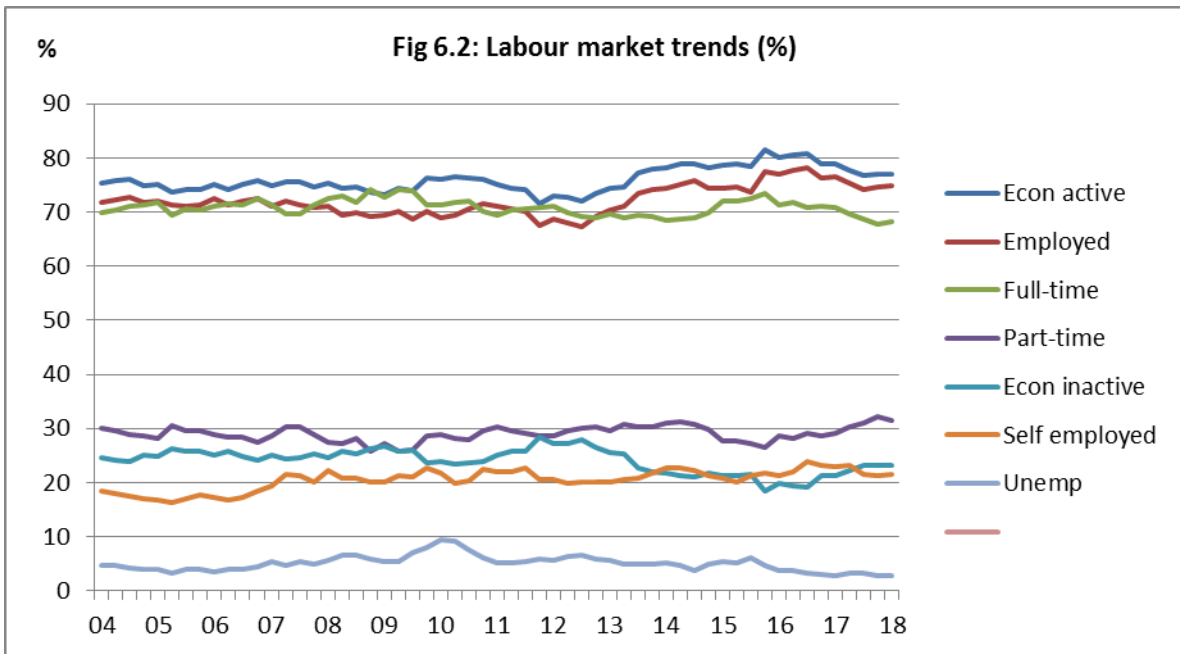


Fig 6.2 shows rates and shares over time. Since 2004:

- Economically active rate went up from 75.3% to 76.9%, up 1.6% points
- Economically inactive rate fell back from 24.7% to 23.1%, down 1.6% points
- Employment rate rose from 71.8% to 74.9%, up 3.1% points.
- Of those in employment, employees fell back from 80.1% to 77.6%, down 2.5% points
- Conversely, the self-employed share rose from 18.5% to 21.6%, up 3.1% points

The steady move towards more part-time and less full-time employment continued:

- Part-time up 1.5 points from 30.1% to 31.6%
- Full-time down 1.5 points from 69.8% to 68.3%
- The unemployment rate fell back 1.9 points from 4.6% to 2.7%.



Comparing Cornwall to the UK using the average for four sets of yearly data<sup>23</sup>, removes some of the volatility in the data. Comparing the averages in Table 2.11 below shows that: employment rates are the same as the UK rates. Economically active rates slightly below the UK average while inactive rates are just above. As expected both self-employment and part-time employment are higher in Cornwall and conversely employee levels and full-time employment are lower. Average unemployment runs at 3.0%, below the UK average of 4.3%.

Table 6.4: Labour market indicators - Cornwall and UK			
	Cornwall	UK	Ratio
Status	%	%	%
Econ active	77.1	78.3	0.98
Economically inactive	22.9	21.8	1.05
Employed	74.8	74.9	1.00
Unemployed	3.0	4.3	0.70
Employees	77.4	85.5	0.90
Self employed	22.0	14.1	1.55
Full-time	68.6	74.8	0.92
Part-time	31.3	25.0	1.25

The ratio shows with the figure for Cornwall divided by the UK figure. E.g. 78.3 divided by 77.1 gives a ratio of 0.98. Numbers greater than 1 show Cornwall has a higher percentage than the UK, less than 1 shows that Cornwall has a lower percentage share than the UK.

<sup>23</sup> Each period covers one year, and each year includes 3 of the quarters covered in the previous year.

### All employment, flexible and 65+

The 16 plus age group grew slightly over the year, while numbers in employment fell back and economically inactive numbers rose. Those working on a non-permanent/flexible basis rose over the year by 600 from 10,500 to 11,100.

**Table 6.5: Labour market indicators 16+**

	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Change	
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Qtr	Qtr on qtr a year ago
	No's	No's	No's	No's	No's		
16+	463,900	462,600	460,700	462,100	467,700	5,600	3,800
Employment	269,900	265,200	261,700	265,700	266,000	300	-3,900
Unemployment	7,500	8,400	8,400	7,300	7,000	-300	-500
Economically inactive	186,500	189,000	190,600	189,000	194,800	5,800	8,300
Non-permanent employment <sup>24</sup>	10,500	10,700	9,300	11,500	11,100	-400	600

The share of those in employment fell slightly over the year as did unemployment while the economically inactive share rose. The rate of those in non-permanent employment rose from 3.9% to 4.2%<sup>25</sup>.

**Table 6.6: Labour market indicators 16+**

	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Change	
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Qtr	Qtr on qtr a Year ago
	%	%	%	%	%		
Employment	58.2	57.3	56.8	57.5	56.9	-0.6	-1.3
Unemployment	2.7	3.1	3.1	2.7	2.6	-0.1	-0.1
Economically inactive	40.2	40.9	41.4	40.9	41.6	0.7	1.4
Non-permanent employment	3.9	4.0	3.6	4.3	4.2	-0.1	0.3

The latest figures show that there were 20,700 people aged 65 plus in the workforce. This represents 7.8% of the workforce, up from the figure of 7.3% a year earlier.

All details in Table 6.7.

<sup>24</sup> [The category flexible includes: Flexible working hours, Annualised hours contract, Term time working, Job Share, Nine day fortnight, Four and a half day week, Zero-hours contract, On call working].

<sup>25</sup> Those working on a non-permanent basis as a % of all employed 16+.

**Table 6.7: Labour market indicators 16+**

	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Change	
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Qtr	Qtr on qtr a Year ago
Group	No's	No's	No's	No's	No's	No's	No's
65+	19,700	18,600	18,800	19,500	20,700	1,200	1,000
16-64	250,200	246,600	242,900	246,200	245,300	-900	-4,900
All	269,900	265,200	261,700	265,700	266,000	300	-3,900
Group	%	%	%	%	%	%	%
65+	7.3	7.0	7.2	7.3	7.8	0.4	0.5
16-64	92.7	93.0	92.8	92.7	92.2	-0.4	-0.5
All	100.0	100.0	100.0	100.0	100.0		

Source: NOMIS, Annual Population Survey, 16 April 2019.

## 7 Labour market - Workplace data

Table 7.1 shows all those in employment, including those aged 65 plus, whose workplace is in Cornwall<sup>26</sup>, up to the year ending December 2018. The data shows there were 259,600 working in Cornwall. Of these 63,900 were self-employed, with 185,800 employees, and with another 9,900 employees deemed to be working on a flexible basis. Compared to the previous quarter total employment has remained static. Over the year, numbers in employment, were stable – 259,600 to 259,900. Employee numbers rose slightly while self-employment numbers fell back. The number on flexible contracts increased from 8,900 to 9,900.

Average employment figures are running at 259,860 over the last five quarters compared to 259,280 for the previous five quarters.

Table 7.1: Workplace Employment (No's)							
	Period					Change	
	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Prev Qtr	Year ago
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18		
Group	No's	No's	No's	No's	No's	No's	No's
Employees	181900	184100	186800	184800	185800	1000	3900
Self-employed	69100	69000	64500	64800	63900	-900	-5200
Other flexibility	8900	8500	7900	9400	9900	500	1000
<b>All</b>	<b>259900</b>	<b>261600</b>	<b>259200</b>	<b>259000</b>	<b>259600</b>	<b>600</b>	<b>-300</b>

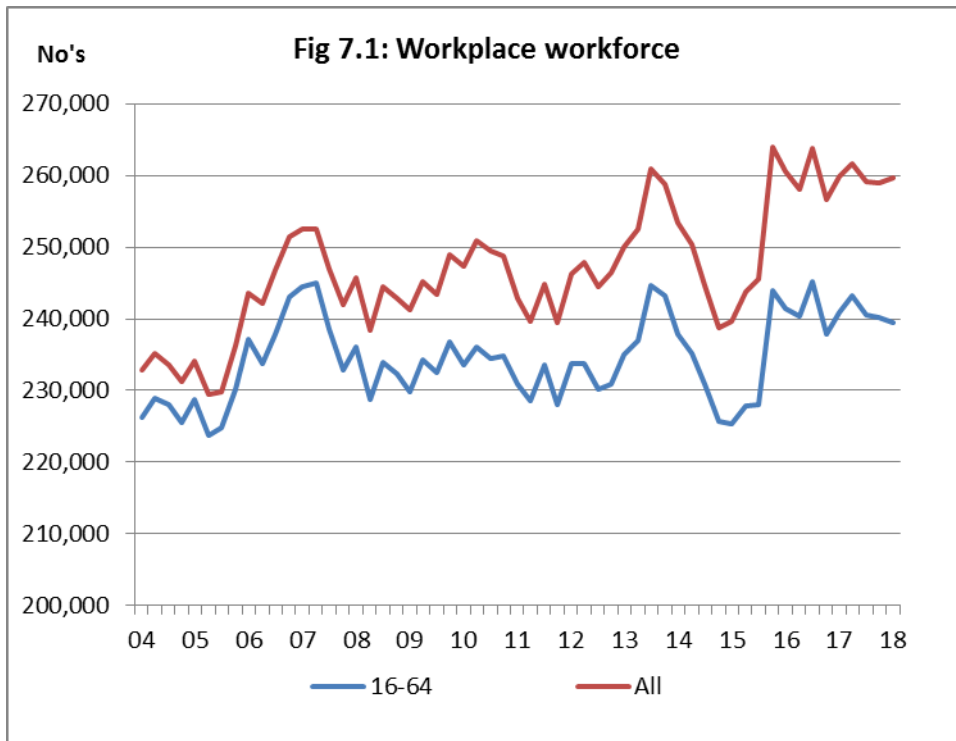
Over the year as a share of the workforce, the self-employed share was down by 2.0% points, while the employee share rose by 1.6% points and those on flexible contracts moved up by 0.4 points. All in Table 7.2.

Table 7.2: Workplace Employment (%)							
	Period					Change	
	Jan-17	Apr-17	Jul-17	Oct-17	Jan-18	Prev Qtr	Year ago
	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18		
Group	%	%	%	%	%	%	%
Employees	70.0	70.4	72.1	71.4	71.6	0.2	1.6
Self-employed	26.6	26.4	24.9	25.0	24.6	-0.4	-2.0
Other flexibility	3.4	3.2	3.0	3.6	3.8	0.2	0.4
<b>All</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>100</b>	<b>0</b>	<b>0</b>

<sup>26</sup> Data has been reweighted in line with the latest ONS estimates.

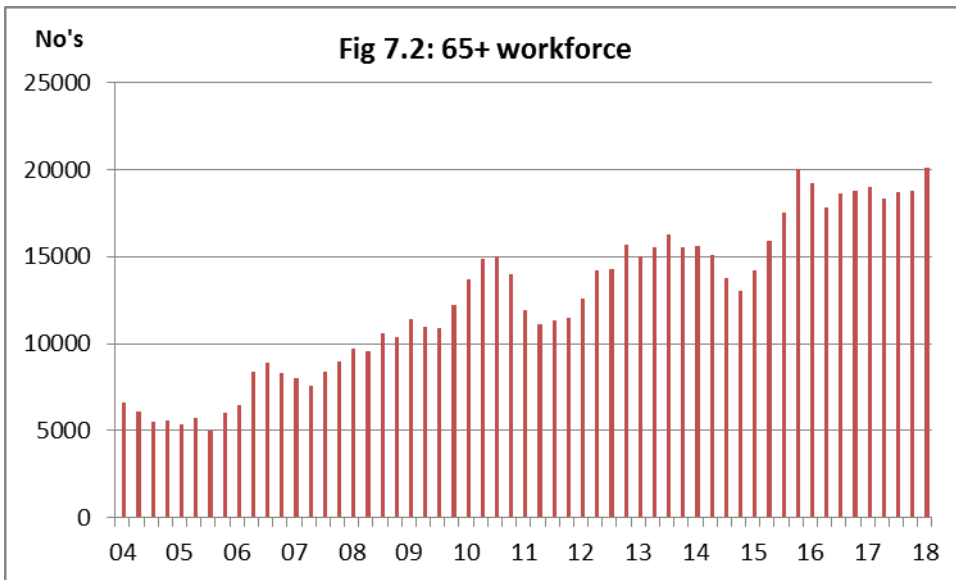
Fig 7.1 shows workplace employment since 2004. Numbers peaked in early 2008 pre-recession, with a decline and lower figures before peaking in mid 2014 and falling back to late 2015. There was then a recovery in numbers up to late 2016, since when numbers have trended down slightly to stabilise at 260,000.

[Some of the movement in the data reflects the sample size; however the dip from mid 2013 to 2015 seems real enough].

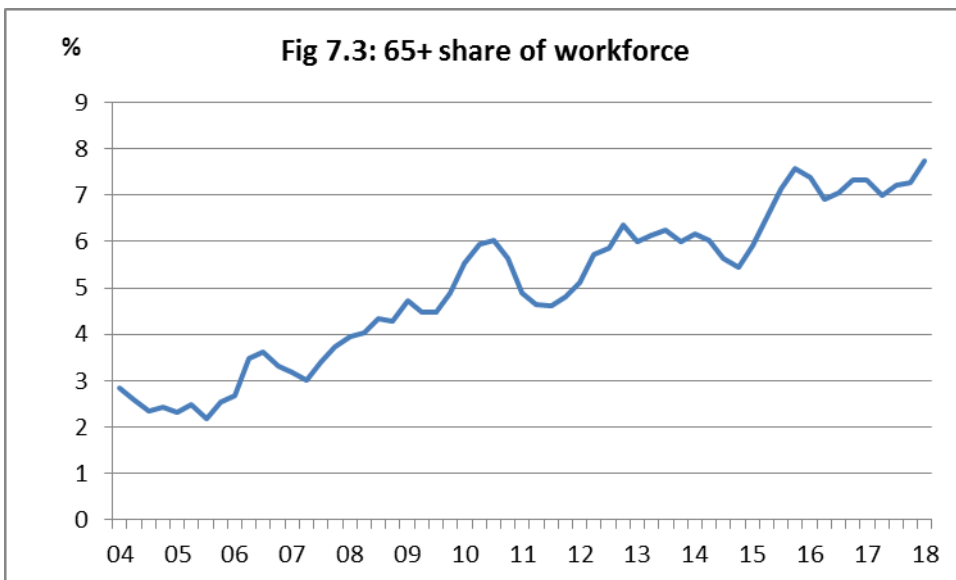


### Sixty-five plus

Figs 7.2 and 7.3 set out what has happened to those aged 65 plus in the workplace workforce. Overall since 2004 there has been a general upward trend in both the numbers and share of the workforce of those aged 65 plus. In 2004 there were 6,600 followed by an upward trend until the 2011 downturn. This was followed by a recovery in early 2014, with numbers falling back until late 2015, with a rise thereafter to a peak of 20,000 in late 2016 at 20,000. Numbers fell back after that but have now recovered to stand at 20,100.



In 2004, the 65 plus age group constituted 2.8% of the workforce, by late 2013 it had reached 6.4% and now stands at 7.7%. Over the last 8 quarters, the average share has been 7.2%.



[NB Workplace data is now provided at both a Cornwall and Cornwall and Isles of Scilly level. However, there are issues about the accuracy of the latter set of data as the discrepancy between the two data sets is substantial. Therefore data for Cornwall is used instead].

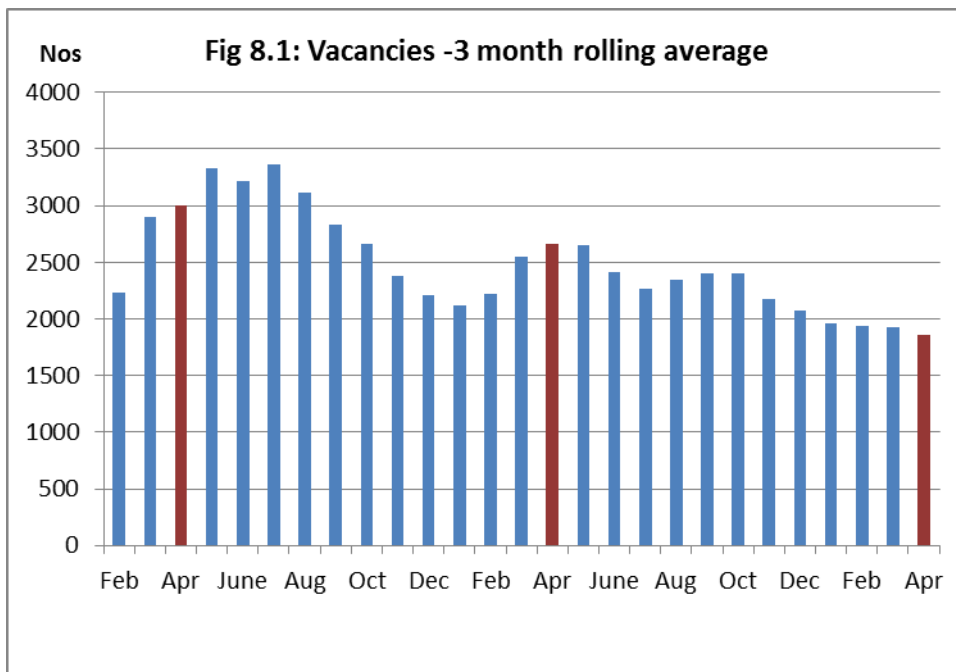
Source: ONS, APS, Workplace analysis, 16 April 2019.



## 8 Vacancies

In April 2019, there were 1,748 job postings in Cornwall and the Isles of Scilly. This was down by 260 (13%) from 2,008 in March and down by 36% from 2,737 in April 2018. [NB. The vacancy data used here is from a different source than that used by ONS at a UK level].

The rolling three month figures show an average of 1,855 vacancies per month in the February to April period compared to 2,660 for the same period in 2018. In 2017 the figure was 3,007.



Vacancy data at Parliamentary Constituency level shows that the highest rates – the vacancy number as a percentage of all employed - occur in Truro & Falmouth at 1.4% with the lowest rates in South East Cornwall at 0.3%.

**Table 8.1: Vacancies by Parliamentary Constituency**

PC	Vacancies	% rate	Employed
Camborne & Redruth	163	0.4	39,600
North Cornwall	336	0.8	41,400
South East Cornwall	124	0.3	42,500
St. Austell & Newquay	202	0.4	48,500
St. Ives	168	0.5	36,100
Truro & Falmouth	532	1.4	37,200
<b>Cornwall</b>	<b>1525</b>	<b>0.6</b>	<b>245,300</b>

[Parliamentary Constituency data based on best-fit towns. Not all vacancies can be allocated to towns or Parliamentary Constituencies. Employed derived from APS resident based]

Truro was the top town accounting for 396 or 22.7% of all vacancies. Altogether the top ten towns accounted for 65.2% of all vacancies.

<b>Table 8.2: Top ten towns</b>					
Town	No's	%	Town	No's	%
Truro	396	22.7	St. Austell	88	5.0
Bodmin	145	8.3	Penzance	64	3.7
Falmouth	105	6.0	Bude	54	3.1
Redruth	104	5.9	Liskeard	49	2.8
Newquay	88	5.0	Launceston	46	2.6
			<b>Sub-total</b>	<b>1139</b>	<b>65.2</b>

[As % of total vacancies]

Table 8.3 shows the top 10 vacancies by job title. Chef was the top job title followed by Auxiliary Nurse.

<b>Table 8.3: Top ten vacancies by job title</b>		
Title	No's	%
Chef	72	4.1
Auxiliary Nurse	36	2.1
Registered Nurse	35	2.0
Staff Nurse	34	1.9
Dentist	22	1.3
General Labourer	20	1.1
Accountant	18	1.0
Personal Care Assistant	18	1.0
Cleaner	17	1.0
Kitchen Porter	16	0.9
<b>Sub-total</b>	<b>288</b>	<b>16.5</b>

[% based on vacancies where the title was given]

Table 8.4 shows vacancies by sector. Not all vacancies can be allocated to a sector so the table below presents only a partial picture. The highest share was in 'Health and social work' at 31.9%, then 'Accommodation and food services' at 13.0% and 'Education' at 11.4%.

Table 8.4: Vacancies by sector							
Code	Sector	No's	%	Code	Sector	No's	%
A	Agriculture, forestry and fishing	1	0.1	K	Financial and insurance	24	2.0
B	Mining and quarrying	1	0.1	L	Real estate	28	2.4
C	Manufacturing	74	6.2	M	Professional, scientific and technical	66	5.6
D	Energy	3	0.3	N	Administrative and support services	17	1.4
E	Water, sewerage & waste	4	0.3	O	Public admin etc.	108	9.1
F	Construction	26	2.2	P	Education	136	11.4
G	Wholesale, retail & motors	107	9.0	Q	Health and social work	379	31.9
H	Transportation and storage	22	1.9	R	Arts, entertainment and recreation	5	0.4
I	Accommodation and food services	154	13.0	S	Other services	15	1.3
J	Information and communication	14	1.2	T	Households	4	0.3
				<b>All</b>		<b>1188</b>	<b>100</b>

[% based on vacancies where the industry sector was named]

Table 8.5 shows the top ten employers including recruitment agencies, with vacancies. The top employer was the NHS with 261, with Cornwall Council in second place with 173.

Table 8.5: Vacancies by employer - top ten					
Sector	No's	%	Sector	No's	%
National Health Service	261	25.8	Truro and Penwith College	15	1.5
Cornwall Council	173	17.1	GII Limited	13	1.3
St. Austell Brewery Company Limited	33	3.3	Co-operative Group Limited	11	1.1
Superprof	32	3.2	Barchester Healthcare	10	1.0
Rick Stein Group	19	1.9	Cornwall College	10	1.0
<b>Sub-total</b>				<b>577</b>	<b>57</b>

[% share based on those vacancies with named employers].

Of the 1,748 jobs advertised, 1,175 (67.2%) were permanent with 227 (13.0%) temporary. 1,303 (74.5%) were full-time, 98 (5.6%) were part-time. 11 or 0.6% were for jobs where people could work from home.

Compared to England, Cornwall and the Isles of Scilly has a lower share of permanent vacancies – 67.2% to 72.2%, and a lower share of full-time jobs – 74.5% to 77.4%.

Table 8.6: Job type					
Type	No's	%	Type	No's	%
Permanent	1175	67.2	Full-time	1303	74.5
Temporary	227	13.0	Part-time	98	5.6
Internship	1	0.1	Unknown	347	19.9
Apprenticeships	69	3.9	Work from home	11	0.6
Unknown	276	15.8	<b>All</b>	<b>1748</b>	<b>100.0</b>

[% based on total vacancies]

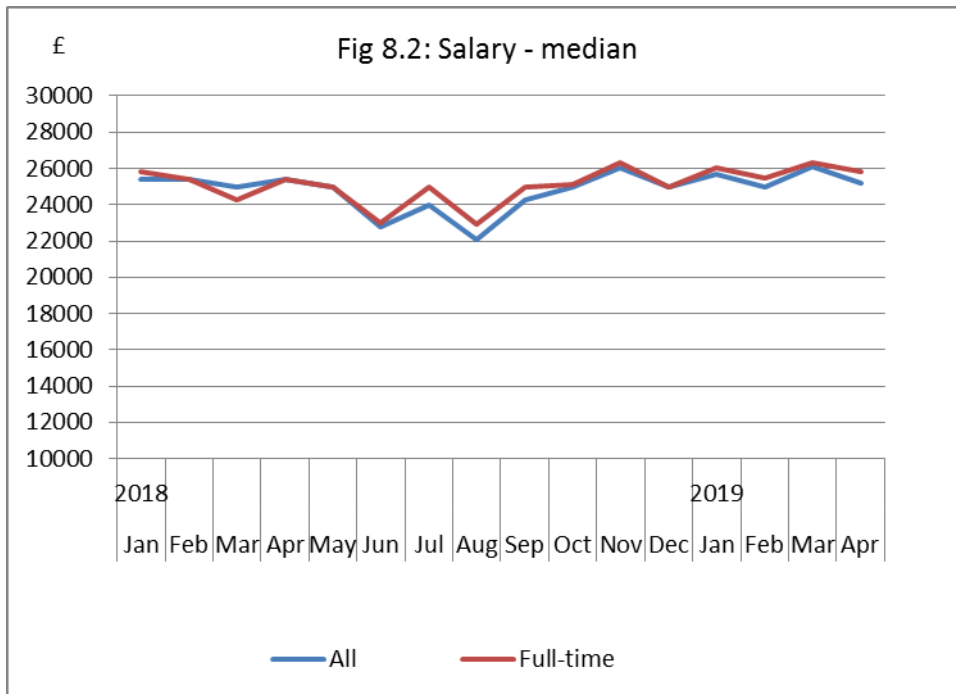
2.7% of vacancies were jobs with salaries below £15,000, with 58.6% between £15,000 and £29,999.

Table 8.7: Salaries					
Range	No's	%	Range	No's	%
£10,000 to £14,999	30	2.7	£50,000 to £59,999	25	2.3
£15,000 to £19,999	306	27.6	£60,000 to £69,999	12	1.1
£20,000 to £29,999	345	31.1	£70,000 to £79,999	16	1.4
£30,000 to £39,999	255	23.0	£80,000 to £89,999	3	0.3
£40,000 to £49,999	96	8.6	More than £90,000	22	2.0
			<b>Total</b>	<b>1110</b>	<b>100.0</b>

[% share based on those vacancies where a salary was included].

Mean real-time salary = £29,500. Median real-time salary = £25,100.

Fig 8.2 shows salaries since January 2018 for all and full-time vacancies. The totals dipped in June and August 2018, then moved up to November 2018, since when they have been essentially static.



[Labour Insight uses data from real-time job postings. Salary figures are pro rata to reflect full-time, annual wage status].

Table 8.8 shows the top ten vacancies by occupational groups (using the two digit code) in April. These accounted for 66.5% of all vacancies. ‘Health professionals’ at 13.2%, ‘Caring personal service occupations’ at 7.4%, and ‘Elementary administration and service occupations’ at 7.3% were the top three groups.

Table 8.8: Top ten occupations (2 digit)		
Occupation	No's	%
Health professionals (22)	231	13.2
Caring personal service occupations (61)	130	7.4
Elementary administration and service occupations (92)	128	7.3
Business, media and public service professionals (24)	112	6.4
Administrative occupations (41)	111	6.4
Corporate managers and directors (11)	96	5.5
Science, research, engineering and technology professionals (21)	95	5.4
Textiles, printing and other skilled trades (54)	95	5.4
Teaching and educational professionals (23)	85	4.9
Business and public service associate professionals (35)	79	4.5
<b>Sub-total</b>	<b>1,162</b>	<b>66.5</b>

[% based on total vacancies]

Table 8.9 shows the top ten vacancies by occupation (4 digit level) in April. These accounted for 31.4% of all vacancies. ‘Nurses’ topped the list followed by ‘Chefs’. It should be noted that vacancy numbers also reflect the amount of ‘churn’, which for some occupations such as ‘Care workers and home carers’, ‘Chefs’ and ‘Kitchen and catering assistants’ is higher than the average.

<b>Table 8.9: Top ten occupations (4 digit)</b>		
Occupation	No's	%
Nurses (2231)	131	7.5
Chefs (5434)	73	4.2
Kitchen and catering assistants (9272)	55	3.1
Other administrative occupations n.e.c. (4159)	55	3.1
Care workers and home carers (6145)	50	2.9
Nursing auxiliaries and assistants (6141)	45	2.6
Sales related occupations n.e.c. (7129)	41	2.3
Customer service occupations n.e.c. (7219)	38	2.2
Managers and proprietors in other services n.e.c. (1259)	33	1.9
Chartered and certified accountants (2421)	28	1.6
<b>Sub-total</b>	<b>549</b>	<b>31.4</b>

[% based on total vacancies]

Table 8.10 shows that the most required education level is ‘GCSEs, Standard Grades, Level 2 S/NVQs’ at 54.9% of the total. However, the figures are only for those vacancies where the education level is specified. Not all vacancies can be allocated to an education level so the table below presents only a partial picture.

<b>Table 8.10: Vacancies by education level</b>		
Level	No's	%
Postgraduate Degrees, Level 5 Certificates/Diplomas, Level 5 S/NVQs	4	1.5
Bachelor's Degrees, Graduate Certificates/Diplomas	72	26.4
Foundation Degrees, HNDs	1	0.4
HNCs, Level 4 Certificates/Diplomas, Level 4 S/NVQs	12	4.4
A-Levels, Highers, Level 3 S/NVQs	34	12.5
GCSEs, Standard Grades, Level 2 S/NVQs	150	54.9
<b>Total</b>	<b>273</b>	<b>100.0</b>

[% share based on those vacancies with a specified education requirement]

Table 8.11 shows the most in demand skills are ‘Basic Customer Service’ at 37%, ‘Teaching’ at 34% and ‘Food and Beverage Service’ at 21%. Not all vacancies have

required skills so the table below presents only a partial picture. Of those vacancies where skills were included, many may have several required skills listed.

<b>Table 8.11: Top ten skill clusters</b>		
Skill cluster	No's	%
CUSTOMER AND CLIENT SUPPORT: Basic Customer Service	200	37
EDUCATION AND TRAINING: Teaching	183	34
PERSONAL CARE AND SERVICES: Food And Beverage Service	112	21
HEALTH CARE: Medical Support	111	21
BUSINESS: People Management	106	20
SALES: General Sales	102	19
FINANCE: Budget Management	79	15
ADMINISTRATION: Administrative Support	74	14
INFORMATION TECHNOLOGY: Microsoft Office And Productivity Tools	73	14
HEALTH CARE: Basic Patient Care	71	13
HUMAN RESOURCES: Employee Training	71	13

[% based on those vacancies where the information was available]

Table 8.12 below shows vacancies by automation risk level. Although the low risk level is the largest category at 53.3% of vacancies, there were 16.2% of vacancies at a high risk of being automated.

<b>Table 8.12: Vacancies by automation risk level</b>		
Automation risk level	No's	%
High	284	16.2
Medium	529	30.3
Low	932	53.3
NA	3	0.2
<b>All</b>	<b>1748</b>	<b>100.0</b>

[% share based on those vacancies where an automation risk level is available]

The table below shows the top five vacancies with the highest risk of automation.

<b>Table 8.13: Vacancies with highest risk of automation</b>	
Occupation	No's
Kitchen and catering assistants	55
Other administrative occupations n.e.c.	55
Chartered and certified accountants	28
Book-keepers, payroll managers and wages clerks	19
Elementary construction occupations	18

Source: Labour Insight/Jobs, Burning Glass.



## C. United Kingdom

### 1 Main points for the three months to March 2019

- “In the first calendar quarter (January to March) of 2019, the number of people in employment in the UK increased by 99,000 on the quarter to 32.70 million.
- The number of UK nationals aged 16 years and over who were in employment increased by 190,000 to 28.9 million.
- The unemployment rate for men decreased by 0.2 percentage points to 3.9% and that for women decreased by 0.1 percentage points to reach a record low of 3.7%.
- The growing number of vacancies, together with the falling number of unemployed people, indicate further tightening of the labour market.
- The number of self-employed workers increased by 90,000 to reach a record high of 4.93 million in the three months to March 2019”.

### 2 Employment

“The latest Labour Force Survey (LFS) estimates show that in the first calendar quarter (January to March) of 2019, the seasonally-adjusted number of people in employment in the UK increased by 99,000 on the quarter to 32.7 million. Over the same period, the employment rate increased by 0.2 percentage points to 76.1%.

The increase in employment was driven more by the increase in the number of women (114,000) to 15.42 million. The number of employed men decreased by 15,000 on the quarter to 17.28 million. This was the first such decrease since the period August to October 2017.

The employment rate for women increased by 0.4 percentage points to a joint record high of 71.8% in the first calendar quarter of 2019. That for men was largely unchanged, at 80.3%.

People in employment can be classified as employees or as self-employed. This classification excludes people classified as unpaid family workers and those in government-sponsored training programmes. The number of employees increased by 3,000 on the quarter to 27.59 million. In the year to March 2019, the number of employees increased by 168,000.

The number of women who were employees increased by 96,000 on the quarter to reach 13.71 million. The number of men who were employees reduced by 93,000 on the quarter to 13.88 million.

The number of self-employed workers increased by 90,000 on the quarter to reach a record high of 4.93 million. This was the largest quarterly increase since the period March to May 2016. The increase in the number of self-employed workers was driven by men who increased by 78,000 on the quarter to reach a record high of 3.31 million. The number of self-employed women increased by 12,000 on the quarter to reach 1.62 million.

The number of self-employed people has been growing over time. Fig 2.1 shows the percentage of self-employed workers in total employment. It shows that the proportion of the workforce who are self-employed has trended upward since 2000.

Fig 2.1: Percentage of self-employment in total employment, UK, seasonally adjusted, March to May 1992 to January to March 2019



Fig 2.1 shows that the percentage of self-employment in total employment increased steadily between 2000 and 2014, from an annual average of 11.9% to 14.8%. Between 2015 and the first calendar quarter of 2019, it averaged 14.8%. In the three months to March 2019, the percentage of self-employed workers in total employment was 15.1%.

### 3 Unemployment

Unemployment in the UK has been declining steadily since 2011. In the three months to March 2019, the number of people who were unemployed decreased by 65,000 to 1.3 million. This was the largest quarterly decrease since September to November 2016.

The unemployment rate decreased by 0.2 percentage points to reach 3.8%. This represents continuing firming of the labour market. The unemployment rate for men decreased by 0.2 percentage points to 3.9% and that for women decreased by 0.1 percentage points to reach a record low of 3.7%.

As with employment, we can disaggregate unemployment by nationality. The latest Labour Force Survey data show that the number of UK nationals who were

unemployed in the year to March 2019 decreased by 124,000 to 1.1 million. The number of unemployed non-UK nationals increased by 1,000 to 185,000 over the same period.

Categorising non-UK nationals as EU nationals and non-EU nationals shows that the number of unemployed EU nationals fell by 3,000 to 86,000 and that of non-EU nationals increased by 4,000 to 99,000. EU workers had a lower unemployment rate (3.5%) than UK nationals (3.7%) and non-EU nationals had the highest unemployment rate (7.0%).

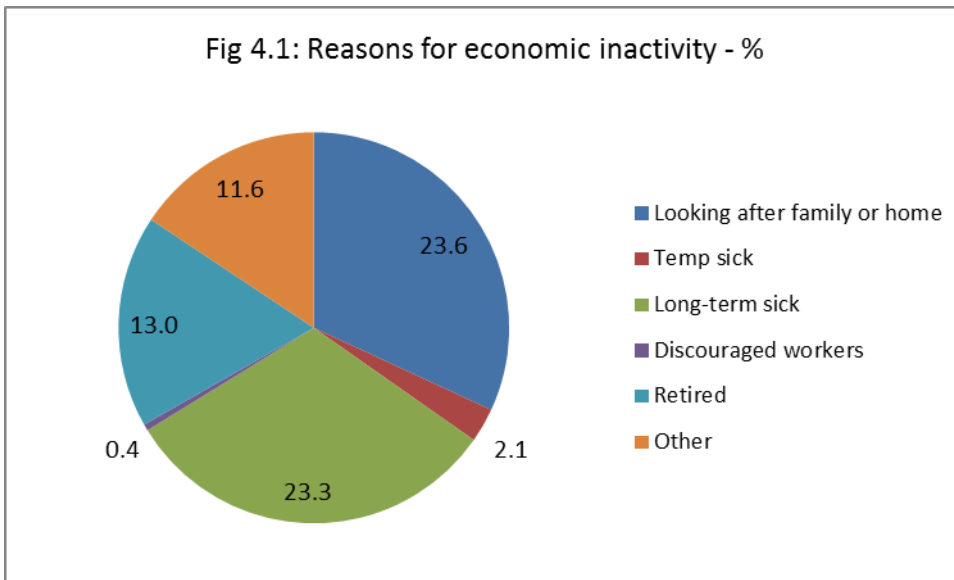
#### 4 Economic inactivity

Economic inactivity is one of the three labour market statuses. People who are economically inactive are outside the labour force (that is, they are neither employed nor unemployed). The latest Labour Force Survey data show that in the three months to March 2019, the number of people in the UK who were economically inactive decreased by 23,000 to 8.61 million. Over the same period, the inactivity rate fell by 0.1 percentage points to 20.8%.

The inactivity rate can be disaggregated by sex to show that men's economic inactivity rate increased (by 0.2 percentage points to 16.3%) and women's inactivity rate decreased (by 0.3 percentage points to a joint record low of 25.3%) in the first calendar quarter of 2019. The last time that the inactivity rate for men increased was in the three months to August 2018.

The people who were economically inactive can be categorised by reason for inactivity. There are seven categories: students, the long-term sick, the temporarily sick, discouraged workers, those looking after family or home, the retired, and those who were inactive for "other" reasons. In the three months to March 2019, the numbers of students, the long-term sick and the temporarily sick decreased. Over the same period, the numbers of those who retired, those looking after family or home, the discouraged, and those that were inactive for "other" reasons all increased.

The structure of economic inactivity in the three months to March 2019 is illustrated in Fig 4.1.



## 5 Vacancies and redundancies

The UK economy has been characterised by a growing trend of vacancies and a declining trend of redundancies.

The Labour Force Survey data show that in the first calendar quarter (January to March) of 2019, there were 850,000 vacancies in the economy. Most of the vacancies were in the services sector (752,000).

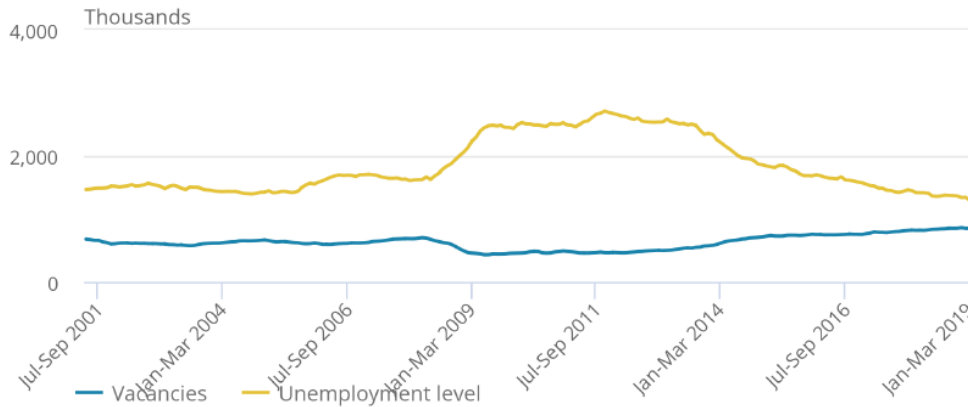
The sectors that had vacancies greater than 60,000 were:

- wholesale and retail trade, repair of motor vehicles and motor cycles, with 139,000 vacancies
- human health and social work activities, with 134,000 vacancies
- accommodation and food, with 92,000 vacancies
- professional, scientific and technical activities, with 80,000 vacancies
- manufacturing, with 61,000 vacancies

The lowest numbers of vacancies were in water supply, sewerage, waste and remediation activities (4,000), electricity, gas, steam and air conditioning supply (3,000) and mining and quarrying (1,000).

Fig 5.1 plots the trends of unemployment and vacancies. The growing number of vacancies, together with falling unemployment, may be an indication that firms are increasingly facing challenges in recruiting suitable workers.

Fig 5.1: Vacancies and unemployment levels, UK, seasonally adjusted, April to June 2001 to January to March 2019



Source: Office for National Statistics – Labour Force Survey

If we take the number of unemployed people to indicate the supply of labour and the number of vacancies to indicate the demand for labour, Fig 4 shows that there has been a narrowing of the gap between labour demand and labour supply.

Even if vacancies and unemployment numbers equal each other, there will always be a certain level of friction and mismatch in the labour market. For example, the gap between the demand and supply of labour (that is, there will always be a certain number of unemployed people) is a result of labour market friction associated with job changes. People in long-term unemployment lose part of their human capital and networks, and some unemployed people lack the skills required in existing jobs.

Despite the growing number of vacancies, some employers are making their workers redundant. For instance, latest data show that 1,000 workers were made redundant to bring the total number of redundancies to 92,000 in the three months to March 2019.

Disaggregating redundancies by sex shows that the number of men who were made redundant increased by 9,000 to 57,000 and that of women fell by 8,000 to 36,000.

There are many reasons why firms make workers redundant. For example, the closure of retail outlets on the high street, uncertainty of the business operating environment and the winding-up of business operations all contribute to redundancies.

## 6 Average weekly earnings

The latest data on average weekly earnings for Great Britain indicate that nominal total average weekly pay (which includes bonus payments) increased by 3.2% on the year to

reach £528 in March 2019. Over the same period, nominal regular average weekly pay (which excludes bonus payments) increased by 3.3% on the year to reach £498.

The private sector, which employed 82% of the workforce, experienced accelerating total average weekly pay growth (of 0.2 percentage points) in the year to March 2019. Pay growth is described as accelerating (decelerating) if the growth rate in the year to March 2019 was higher (lower) than the growth rate in the year to March 2018.

The services sector, as a whole, experienced accelerating total average weekly pay growth as, in particular, did the finance and business services sector. However, average weekly pay growth decelerated in manufacturing, construction, and the wholesale, retailing, hotels and restaurants sectors.

Average weekly pay growth accelerated in the public sector including financial services but once financial services are excluded, the public sector saw a reduction in pay growth. The variation in total average weekly pay growth was driven by the differences and changes in bonus payments across sectors of the economy. We can exclude the impact of bonuses on pay by focusing our analysis on regular average weekly pay. In the year to March 2019, regular average weekly pay growth accelerated in the private sector, driven by accelerated growth in total services, finance and business services, and wholesale, retailing, hotels and restaurants sectors. Regular average weekly pay growth decelerated in the public sector (both including and excluding financial services) and in the manufacturing and construction sectors. Public sector bonus payments are driven by the financial services component of the sector.

Comparative analysis of sectoral regular average weekly pay shows that the wholesale, retailing, hotels and restaurants sector was paying below the economy's average (that is, £334 compared with £498). Low pay in the sector has adverse impact on the living standards of the workers in that sector.

Four sectors paid above the economy's regular average weekly pay. These were:

- public sector excluding finance (£527)
- manufacturing (£585)
- finance and business services (£601)
- construction (£603)

## 7 Self-employment in the UK

The people in employment can be categorised as employees (if they receive wages or salaries from employers) or as self-employed (if they work for themselves). This categorisation excludes unpaid family workers and people on government-supported training and employment programmes. In this section, we focus on self-employed workers.

In general, self-employed workers face higher risks and uncertainty about the stability and flow of their incomes than employees. Self-employed workers tend to earn less than employees doing similar work, and they also tend to work longer hours. However, self-employed workers have greater control over their work-life balance and have greater work flexibility. They can choose to work on a part-time or full-time basis. People who have other responsibilities beyond work (for example, childcare or pursuing a passion) may choose to become self-employed because self-employment allows them to allocate their time as they desire.

Self-employment increased significantly between 1980 and 1995, and again from 2000 onwards. Our analysis of long-term trends in UK employment in the April 2019 Economic review examined the changes to the self-employment rate since 1861. The analysis indicated that self-employment decreased during the inter-war period and reached the lowest rate of 7% in 1945. The percentage of self-employment in total employment first exceeded 14% in 2012 and in 2018, it averaged 15%.

The analysis pointed out that the growth in self-employment is partly explained by changes in technology. For instance, the rise of the “gig economy” in recent times has been driven by new technology platforms that make it easier for people to become self-employed. The technology has decoupled jobs from location and people can now work from anywhere, any time.

The structure of self-employment is broad. It includes the conventional situation of people who work for themselves or independent contractors (for example, builders and plumbers) and people who work through online platforms (classified as the “gig” economy). The last group of workers constitutes the supply of labour to what is known as task-based demand for labour.

Self-employment can also be disaggregated into non-dependent and dependent self-employment. Dependent self-employment is when own-account workers generally have one dominant client. Non-dependent self-employment is when own-account workers do not have a dominant client. The UK-published statistics do not make this distinction, but the Organisation for Economic Co-operation and Development (OECD) does.

The latest data show that the number of people who were self-employed in the first calendar quarter of 2019 (January to March) increased by 90,000 on the quarter to reach a record high of 4.93 million. Between March 2018 and March 2019, the number of self-employed people increased by 180,000.

A larger proportion of self-employed people worked on a full-time basis (71%) than on a part-time basis (29%). Of the self-employed that worked on a full-time basis, 78% were men and 22% were women. Of those that worked on a part-time basis, 60% were women and 40% were men.

If we analyse each sex category separately, we observe that more men worked on a full-time basis (83%) than on a part-time basis (17%). For women, part-time working (53%) dominated full-time working (47%). These statistics show that women who were self-employed tended to work on a part-time basis, while men tended to work on a full-time basis. This may not be surprising as women are more involved in providing childcare, which requires flexibility, than men. In general, fewer men than women engage in caring activities in the home.

There are different concentrations of self-employment in different industries in the economy. If we classify industries into primary (consisting of agriculture, forestry and fishing), secondary (consisting of manufacturing, construction, electricity, gas and air-conditioning supply, and water supply, sewerage and waste), tertiary (consisting of all the services sectors) industries, we can show which industries have higher concentrations of self-employment.

The latest data show that in the first calendar quarter of 2019, the majority of self-employment, 71%, was in the tertiary industry. Self-employment in the primary industry constituted 3.8% of all self-employment, and 25.2% was in the secondary industry.

We can further disaggregate the secondary industry category into its component sectors. The largest sub-sector of the secondary industry category in terms of self-employment was construction, followed by manufacturing.

Looking at the economy as whole, we observe that self-employment in the construction sector dominated that in all other sectors. In the three months to March 2019, construction was the largest employer of self-employed workers (20.3%), followed by the professional, scientific and technical activities sector (12.8%), distribution (7.9%), administration and support services (7.3%) and transport and storage and health and social work (6.5% apiece).

The construction sector is very important to the UK economy because of its contribution to output and to employment. A report by the former Department for Business, Innovation and Skills in 2013 examined the structure and contribution of the sector to the UK economy.

The report identified construction activities as consisting of contracting and service activities. The contracting activities include the construction of buildings, civil engineering and specialised activities like plumbing and electrical installations. The service activities include architectural and quantity surveying, wholesale of wood, construction materials, plumbing and heating equipment. The skills requirements, which vary from elementary to advanced, determine the structure and level of self-employment in the sector. Based on the published data, it is not possible to tell which of the different activities drive(s) the growth of self-employment in the sector.

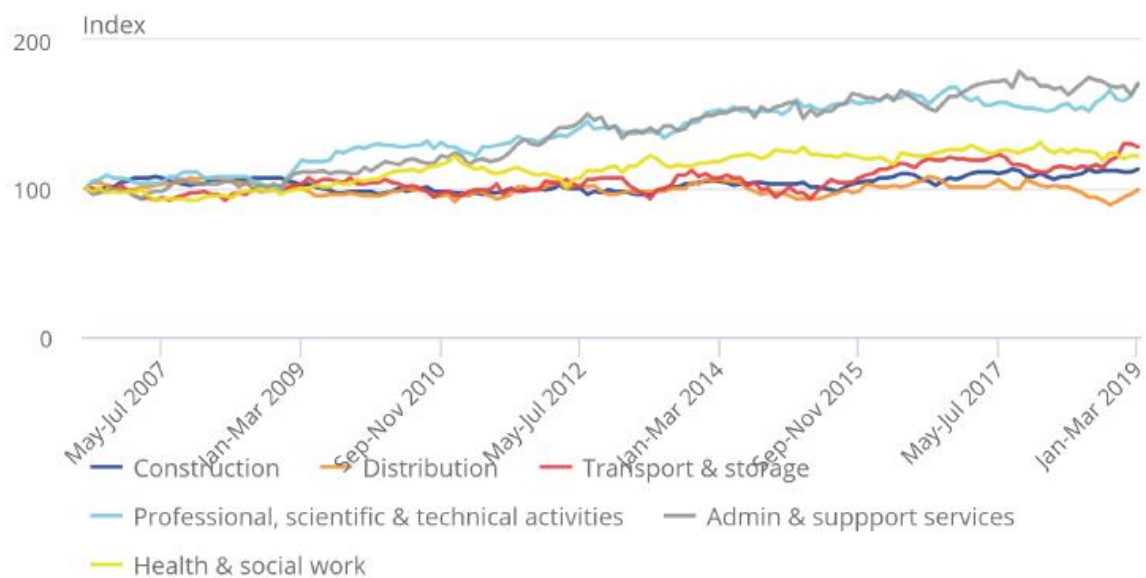


Although the construction sector had the most self-employed workers, the growth of self-employment was higher in other sectors. Fig 7 plots indices of employment in the six largest sectors by self-employment since 2006.

The figure shows that self-employment in the administration and support services, and the professional, scientific and technical services sectors grew the most between 2006 and 2019. Self-employment in the distribution sector declined between November 2017 and November 2018 but increased thereafter to slightly below its June to August 2006 level. In the first calendar quarter of 2019, the following happened to self-employment:

- construction sector self-employment increased by 9,000 to 999,000
- distribution sector self-employment increased by 30,000 to 389,000
- transport and storage self-employment increased by 18,000 to 323,000
- professional, scientific and technical services self-employment increased by 43,000 to 633,000
- administration and support services self-employment increased by 3,000 to 362,000
- health and social work activities self-employment decreased by 2,000 to 318,000

Fig 7.1: Self-employment indices in the top six sectors by self-employment, UK, seasonally adjusted, June to August 2006 to January to March 2019



Source: Office for National Statistics – Labour Force Survey

## **Glossary**

### **Employment**

Employment measures the number of people in paid work and differs from the number of jobs because some people have more than one job. The employment rate is the proportion of people aged from 16 to 64 years who are in paid work.

### **Unemployment**

Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed.

### **Economic inactivity**

People not in the labour force (also known as economically inactive) are not in employment but do not meet the internationally accepted definition of unemployment because they have not been seeking work within the last four weeks and/or they are unable to start work in the next two weeks. The economic inactivity rate is the proportion of people aged from 16 to 64 years who are not in the labour force.

### **Average weekly earnings**

Average weekly earnings measures money paid by employers to employees in Great Britain before tax and other deductions from pay. The estimates are not just a measure of pay rises as they also reflect, for example, changes in the overall structure of the workforce. More high-paid jobs in the economy would have an upward effect on the earnings growth rate”.

Prepared by:

**Peter Wills**

Economic Analyst

Economic Growth Service

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If you would like this information  
in another format please contact:

**Cornwall Council, County Hall**

**Treyew Road, Truro TR1 3AY**

Email: [comments@cornwall.gov.uk](mailto:comments@cornwall.gov.uk)

Telephone: **0300 1234 100**

[\*\*www.cornwall.gov.uk\*\*](http://www.cornwall.gov.uk)