

Economy and Enterprise Overview and Scrutiny Committee

27 February 2020

Employment Statistics



Joint report of John Hewitt, Corporate Director of Resources and Geoff Paul, Interim Corporate Director of Regeneration and Local Services

Electoral division(s) affected:

Countywide

Purpose of the Report

- 1 The report provides members with an overview of issues to be covered by a presentation from John Mitchell, Research and Consultation Officer, Resources regarding employment information/statistics. This will also be supplemented by input from colleagues in Economic Development and Business Durham in respect of Council activity to drive economic growth.

Executive summary

- 2 The committee will be aware that when considering the quarterly performance reports questions have been raised in relation to detail of full-time (FT) and part-time (PT) employment and the quality of employment in the county. Members commented that whilst the number in employment in the county has increased the Gross Disposable Household Income has decreased. This caused members to question the quality of jobs available, whether these jobs are FT or PT and whether there is evidence to suggest that residents in County Durham have multiple PT jobs in order to have a reasonable income.
- 3 This resulted in the Economy and Enterprise Overview and Scrutiny Committee including in its work programme for 2019/2020 a special meeting which will include detail of: change in employment rate; employment by gender; full-time and part-time employment; wages; employment by sectors; business types, growth and survival; Gross Value Added (GVA) and Gross Disposable Household Income.

- 4 Arrangements have been made for John Mitchell, Research and Consultation Officer to attend on the 27 February to deliver a presentation focusing on:
 - The current economic context based on the latest available data
 - An understanding of the conclusions which can be drawn from this data and its limitations
 - An overview of Council activity in response to the current economic context.

A copy of the presentation slides are attached as Appendix 3 and a summary of the latest economic data is attached as Appendix 2.

Recommendations

- 5 Members of the Economy and Enterprise Overview and Scrutiny Committee are asked to note and comment upon the information provided in the report and during the presentation.

Background

- 6 As part of the Council's corporate performance management framework the committee receives performance reports on a quarterly basis in relation to the 'More and Better Jobs' theme. These performance reports include a range of economy and employment statistics including the employment rate, GVA, Gross Disposable Household Income (GDHI) and business survival rates.
- 7 In response to these performance reports, Members have raised a number of questions focused on the relationship between the economy and employment statistics and the interpretation which can be made in terms of the quality of jobs and income levels within the County. Specifically, whether the decline in Gross Disposable Household Income is an indication of a lack of available good quality job and whether the rise in the employment rate is linked to the need for residents to have multiple part-time jobs to maintain a reasonable income.
- 8 As part of the Economy and Enterprise Overview and Scrutiny Committee's work programme for 2019/20, it was agreed that a special meeting would be held which would explore the issues raised by Members through a more detailed presentation of the economy and employment statistics.

Reporting of economy and employment statistics

- 9 The County Durham Economic Partnership (CDEP) receives on an annual basis, an update in relation to the current economic context

based on the most recent economy and employment statistics. This is in the form of the 'State of the County' Report and highlights the current position of County Durham in relation to the CDEP's 'Key Measures of Success', which are:

- (a) The County Durham employment rate to converge to and be maintained at pre-recession levels (73% of the working age population) within the period 2010-2030 leading to 30,000 additional people in employment for County Durham residents
 - (b) The number of businesses in the County to increase by 4,300 by 2030 contributing towards the rise in the employment rate
 - (c) Gross household disposable income to rise within the next 20 years to 103% of the regional values (or 87.4% of the national figure)
 - (d) The County's per capita GVA figure to rise to 87% of the regional value (or 68% of the UK figures) by 2030
 - (e) The number of Lower Super Output Areas in the County which are ranked nationally in the top 20% of the Index of Deprivation's employment domain to reduce from the current number of 150 to 65
- 10 The State of the County Report provides a detailed analysis and insight in relation to the latest position of the following:
- (a) Employment, unemployment and job levels
 - (b) GVA
 - (c) Gross Domestic Household Income (GDHI)
 - (d) Business Enterprises
 - (e) Employment Domain of the Index of Deprivation
 - (f) Population estimates
- 11 As part of the Economy and Enterprise Overview and Scrutiny Committee Special on employment statistics Members will be given a presentation of the State of the County Report which will provide detail on recent trends in the employment rate including the subcategories of employment sectors, gender, age profiles, disability, full time and part-time employment; GVA including GVA per capital, GVA per filled job and GVA per hour worked; business enterprises including net business growth, survival rates and sector profiles and Gross Domestic Household Income.

- 12 The presentation will also inform Members of the conclusions and comparisons which can be drawn from these statistics, specifically focusing on the interpretations which can be made around the quality of jobs and income levels within the County; whilst acknowledging the limitations due to the basis on which the data is collected, calculated and extrapolated.
- 13 Finally, the presentation will give Members an overview of the work of the Regeneration and Local Services Service Grouping in response to the current economic context to drive economic growth, job opportunity and employment creation.

Conclusions

- 14 Following the session Members will be fully briefed on the latest position regarding the current economic statistics and have gained a fuller understanding of the restrictions of the data.

Background papers

- EEOSC Quarter Two 2019/20 Performance Management Report

Other useful documents

- County Durham Economic Partnership State of the County Report
<https://www.durhaminsight.info/soc>

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Appendix 1: Implications

Legal Implications

Not applicable

Finance

Not applicable

Consultation

Not applicable

Equality and Diversity / Public Sector Equality Duty

Not applicable

Human Rights

Not applicable

Climate Change

Not applicable

Crime and Disorder

Not applicable

Staffing

Not applicable

Accommodation

Not applicable

Risk

Not applicable

Procurement

Not applicable