

September 2020

Unemployment Briefing

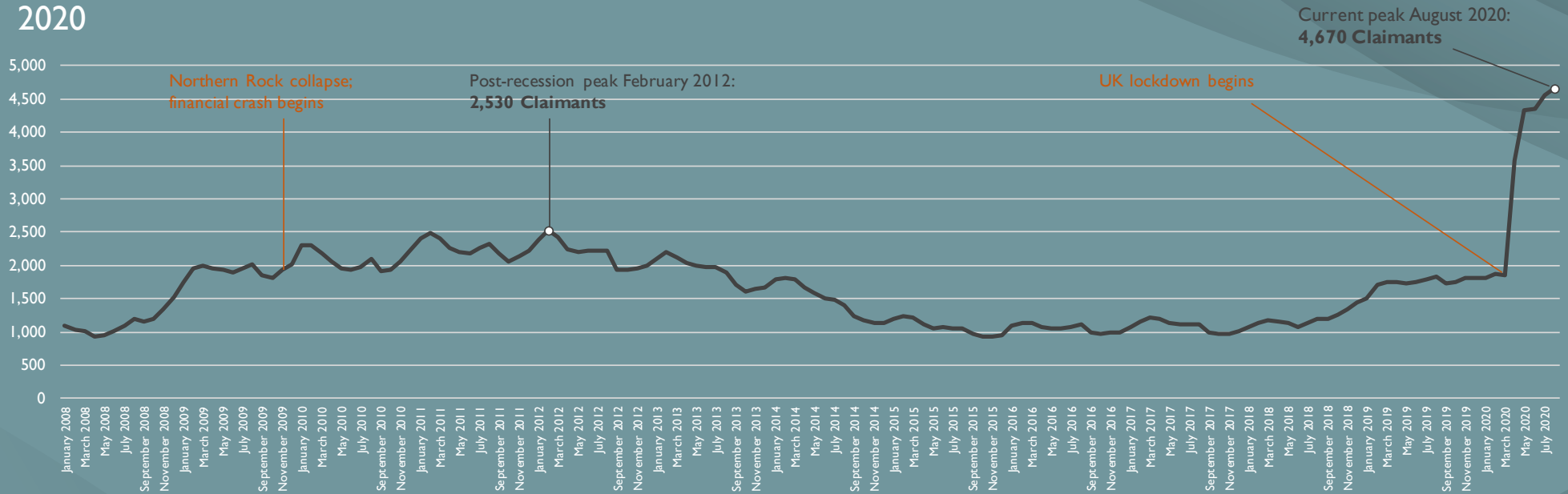
Welcome to September's Economic Journal Unemployment Briefing. The current issue briefly focusses only on how the current crisis may compare so far with the last recession with regards to unemployment.

This publication is prepared by Planning & Development, Perth & Kinross Council.

Contact:
Marek Styczen
Project Officer
Planning & Development
Corporate & Democratic Services
Perth & Kinross Council
MStyczen@pkc.gov.uk
01738 477500

We welcome your comments and feedback.

UNIVERSAL CREDIT CLAIMANT COUNT, January 2008 - August 2020



Source: NOMIS

The number of Universal Credit Claimants in Perth and Kinross has reached unprecedented levels in the last 5 months. The largest singular hike in numbers happened in the month of April as the UK lockdown was imposed: the number of Claimants went from 1,860 to 3,575

between March and April.

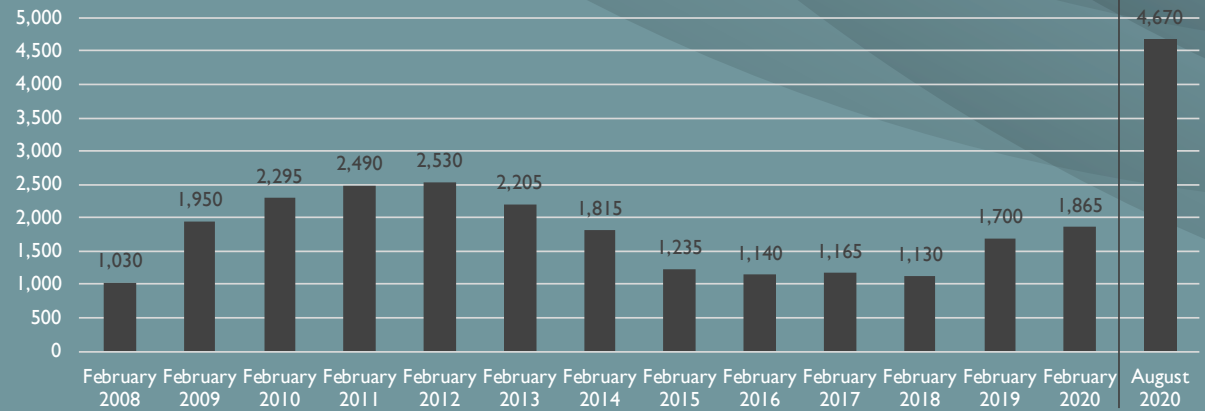
Although not as dramatic, the subsequent increases have consistently pushed the numbers up to the current level of 4,670 Claimants. When compared to the peak of Credit Claim-

ant figures in the wake of the 2009 recession (2,530 Claimants in February 2012), the current peak is 84.6% higher.

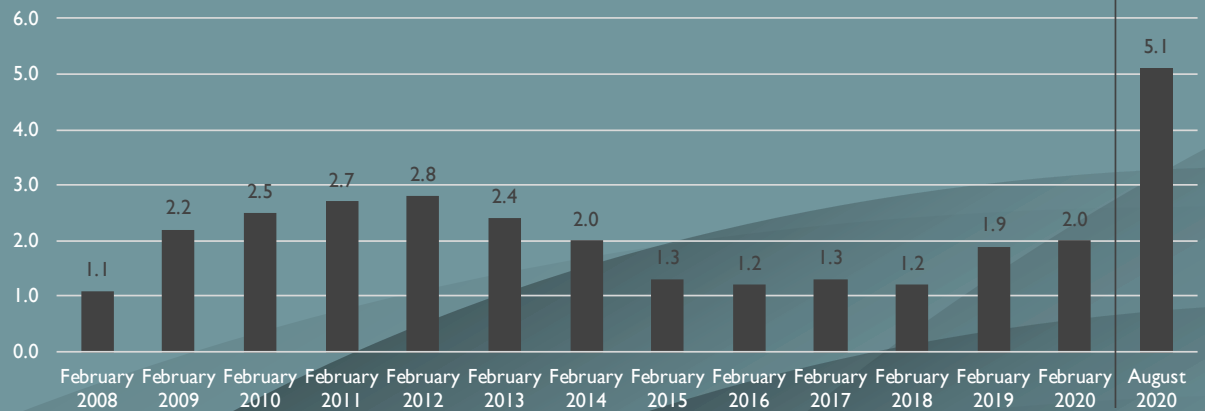
UNIVERSAL CREDIT CLAIMANT COUNT AND RATE

Year-on-year changes based on the month of February (previous peak) further illustrate the change from 2008 to the current year.

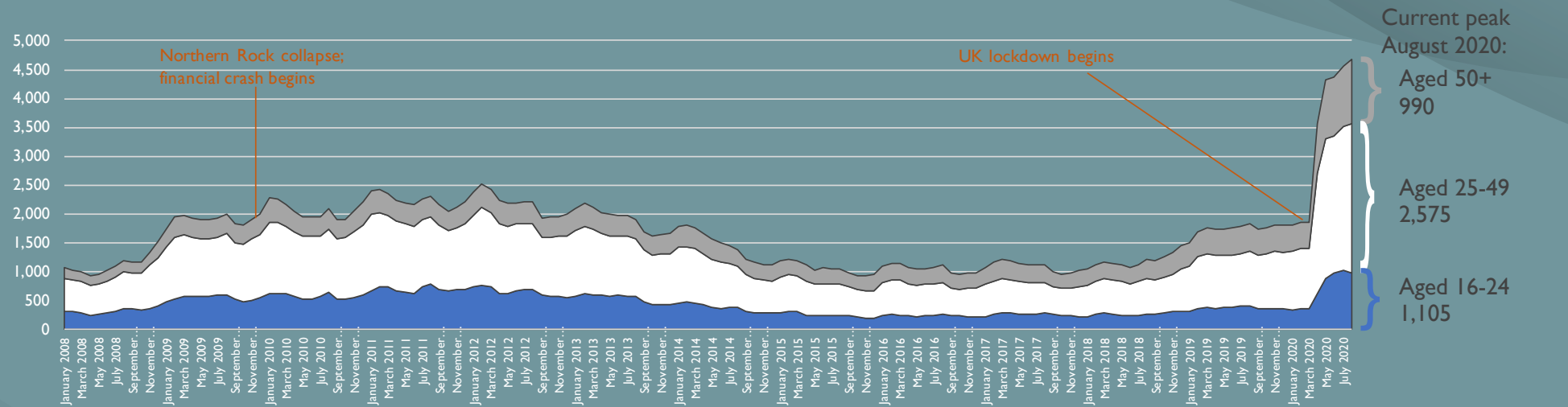
Claimant Count: Number of Claimants



Claimant Count Rate



UNIVERSAL CREDIT CLAIMANT COUNT BY AGE, January 2008 - August 2020



Source: NOMIS, Scottish Government

At the previous peak of the Claimant Count, 30.6% of Claimants were aged 16-24, 52.8% were 25-49 and 16% were aged 50 or over. These proportions changed in the current peak, reflecting the influx of people aged 25 or more into the benefit system as a result of Covid-19. 21.2% of Claimants were aged

16-24, 55.1% were aged 25-49 and 23.7% were aged 50 or more in August.

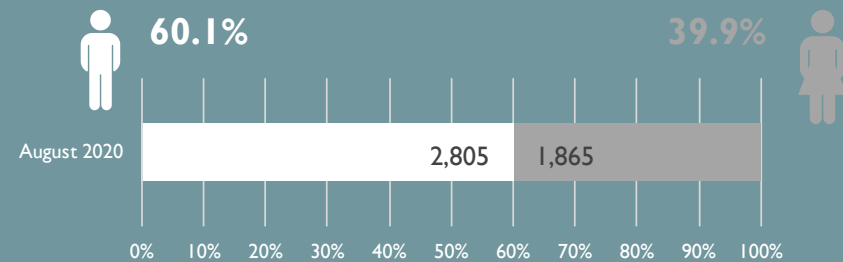
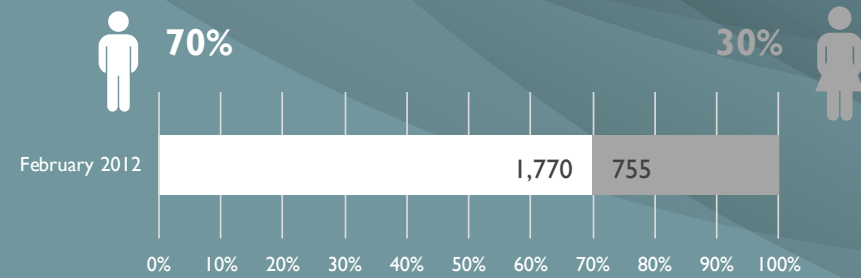
Scottish Government have reported the most recent youth unemployment rate (of people aged 16-24 not in full-time education) in Perth & Kinross was at 8.2%, compared to 8.8% in

Scotland. This rate, however, does not account for the recent changes due to the pandemic. Due to the way youth unemployment is calculated and reported, a more recent figure cannot be provided at this time.

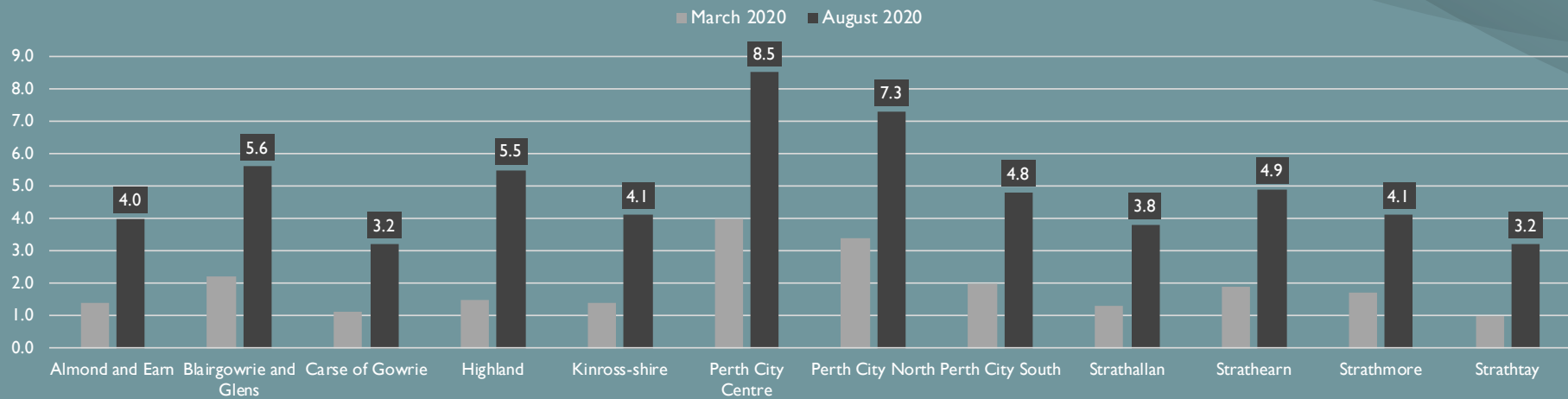
UNIVERSAL CREDIT CLAIMANT COUNT BY GENDER

The last recession had a disproportionately bigger impact on the male workforce. The gender split in February 2012 was 70% male (1,770 Claimants) and 30% female (755 Claimants). That ratio shifted to 60.1% male (2,805 Claimants) and 39.9% (1,865) in August 2020.

The change cannot be attributed solely to the Covid-19 effects; in fact, it was a gradual progression over the years since 2012.



UNIVERSAL CREDIT CLAIMANT COUNT RATE BY ELECTORAL WARD



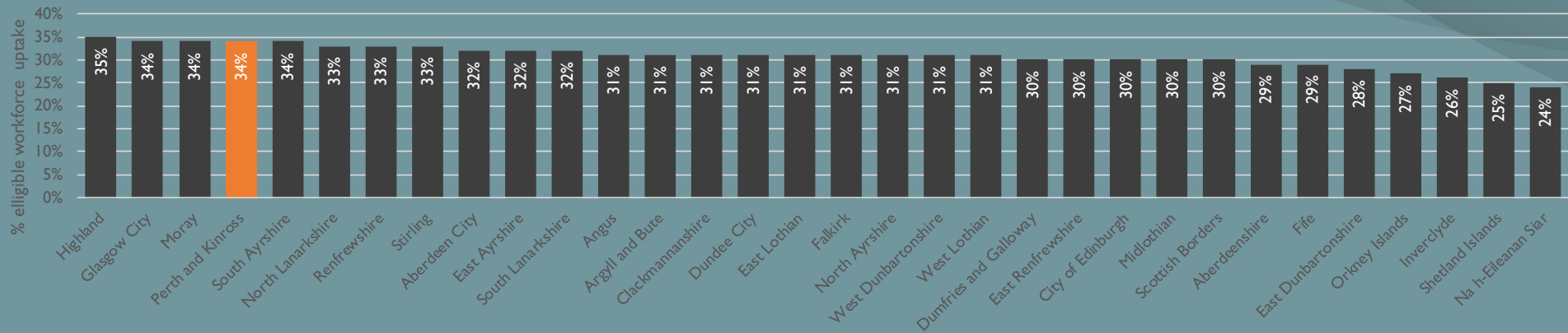
For technical reasons, we are unable to include February 2012 Ward figures; pre-lockdown rates have been illustrated instead.

(pre-lockdown) and August 2020 was in Perth City Centre Ward where the rate increased by 4.5 percentage points. This was also the Ward with the highest rate in August: 8.5%.

The largest increase in percentage points in the Claimant Count rate between March 2020

CORONAVIRUS JOB RETENTION
SCHEME up to 31 July 2020

34%
ELIGIBLE PERTH & KINROSS
WORKFORCE FURLOUGHED



The uptake of the furlough scheme in Perth & Kinross has been at a very high level - 34% of eligible employments were furloughed in the period up to 31 July 2020. **This was the second highest proportion in Scotland.**

The only local authority to have had a higher proportion of claims made was Highland at 35%.

23,100 employments were furloughed out

of 67,300 eligible in Perth & Kinross in August. The number rose from **22,200 employments in July** and **19,700 in June**. In Scotland, a total of 779,500 employments out of eligible 2,471,300 were furloughed in August

The local authorities with the same level of uptake in the Coronavirus Job Retention Scheme as Perth & Kinross were Glasgow City, Moray and South Ayrshire. It is believed the

high level of furloughed employments in our area is predominantly down to the main sectors of the economy including tourism, hospitality and leisure, retail (to some extent) and construction.

REDUNDANCIES

Institute for Employment Studies (IES) have published their estimated impact on redundancies of the Covid-19 crisis using newly released data* from employers in England, Scotland and Wales planning 20 or more redundancies alongside historic estimates of actual redundancies, in order to estimate the potential path of job losses this year.

IES analysis finds that redundancy notifications by employers are running at more than double the levels seen in the 2008/9 recession. Part of this rise may be explained by increased compliance with HRI reporting requirements, but the vast majority is a consequence of the Covid-19 pandemic and its economic impacts. The central estimate is that this may lead to **around 450 thousand redundancies in the third quarter of 2020 in Great Britain** – significantly higher than the quarterly peak in the last recession (of just over 300 thousand) –

and a further 200 thousand redundancies in the final quarter of the year.

A number of firms in Perth and Kinross area have been forced to make employees redundant, including Crieff Hydro (241 staff), Fischers Laundry (84 staff), Horsecross Arts (120 staff), OVO Energy/SSE (144 staff as of July, with further redundancies planned in phases) and many others. There is also concern with regards to the local impact of the risk of large scale redundancies in national firms such as Boots, Pizza Express, Burger King, Costa or DW Sports .

**The figures on planned redundancies are from official returns provided by firms to the Insolvency Service via 'HRI forms', and were released to IES on Monday 7 September 2020 following a Freedom of Information request. Estimates of the actual historic level of redundancies were taken from the Labour Force Survey.*