

# Bournemouth Economic Bulletin

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## Key Facts

- ⇒ Bournemouth has a resident population of 197,700 of which approximately 66% are of working age<sup>1</sup>
- ⇒ 130,400 people or 66% are of working age compared to 60.9% in South West and 63.1% in England & Wales
- ⇒ 79.5% (102,800) of working age population are economically active<sup>2</sup> compared to 78.1% in England & Wales
- ⇒ 20.5% (26,500) of working age population are economically inactive<sup>3</sup> compared to 21.9% in England & Wales
- ⇒ Number of claimants in Bournemouth in September 2017 was 1,920 (1.5%) compared with 1.9% in the UK
- ⇒ 5.9% of the total working age population have no qualifications. (England & Wales =7.9%)<sup>4</sup>
- ⇒ Gross weekly pay (full-time) in 2017 is £512.5 for Bournemouth residents compared with £527 in the South West and £550 in England & Wales (median earnings)

## 1.0 Current National Economic Overview

The latest [growth figures for the economy](#) revealed that in the second quarter of 2017 the economy grew by 0.3% compared with the first quarter of 2017 and by 1.5% compared with the second quarter of 2016. This means the economy has grown since Quarter 4 2012. However, the growth in the first half of 2017 is lower than the preceding two quarters with continued uncertainty due to the ongoing negotiations relating to Brexit. The service sector was the only area to grow in the second quarter. The [British Chamber of Commerce's survey for the third quarter of 2017](#) was released in October 2017. The Chamber surveys its members on how their businesses are performing and how they expect to perform in the next few months. The latest survey was based on 7,100 responses and supports the GDP figures with a moderate growth in the economy. There were some improvements in the manufacturing sector this quarter however service sector growth remained static. Recruitment issues were a common difficulty with almost three-quarters of manufacturing firms reporting problems recruiting. Overall the Director General of the British Chambers of Commerce commented that "the uninspiring results we see in our third quarter findings reflect the fact that political uncertainty, currency fluctuations and the vagaries of the Brexit process are continuing to weigh on business growth prospects". The latest [inflation figures for August 2017](#) reveal that inflation (the CPI) annual increase was 2.9%, up from 2.6% in July; the government's target for the CPI is 2%. The most significant upward pressures were clothing and motor fuels. These upward pressures were partially offset by more moderate rise in air fares compared with the same period a year ago. The continued falls in the value of sterling is likely to continue to contribute to future inflationary pressures due to the increased costs of imported goods. [The Bank of England monetary policy committee](#) has said that higher inflation and an increase in growth could lead to an increase in interest rates in the coming months. Interest rates are currently at the historically low rate of 2.5%. [Independent forecasts received by HM Treasury](#) in September 2017 predict an average CPI of 2.9% in 2017 with average forecasts suggesting it will fall back to 2.4% in 2018.

HM Treasury compares a variety of forecasts from independent and city companies to produce an average GDP figure. Latest forecasts for the UK economy produced in September 2017 predict an average of 1.6% growth in GDP in 2017. The 23 forecasts received in the month to September 13th also predict an average forecast of 1.4% for 2017. The

<sup>1</sup> Working age is 16-64 years old for males and females

<sup>2</sup> People of working age who are either in employment or unemployed (Source: APS Jul-16 to Jun-17)

<sup>3</sup> People of working age who are neither in employment or unemployed e.g. retired or looking after the home

<sup>4</sup> People of working age with no qualifications (NVQ) (Source: APS Jan-16-Dec-16)

Pound has continued to have a turbulent time as a result of the continued uncertainty over the UK leaving the EU and the concerns about the deal on Brexit that will be achieved and is currently worth about €1.12 and \$1.30 although over the last year they have risen as high as €1.20 and \$1.36. The continuing low interest rates mean demand for the Pound in financial markets is likely to be poor and the very low exchange rates are good for exporting but means the costs of goods and services we import such as food and fuel are likely to increase significantly. On a more positive note the weak pound makes the UK a more popular holiday destination both for overseas visitors and those choosing a more affordable staycation.

### 1.1 Current Local Economic Overview

Bournemouth's largest employers are in the financial services, public services and tourism related industries. Financial services within Bournemouth and the wider conurbation include companies such as the Nationwide Building Society, JP Morgan, Unisys, Ageas and Liverpool Victoria. According to the South West Regional Accounts for 2015 Financial and insurance activities contribute around £768 million GVA to the Bournemouth economy (this represents 18% of all GVA generated in Bournemouth). Other significant sectors include distribution, transport accommodation and food which contribute nearly 19% to the economy of Bournemouth and public administration; education and health which contributes nearly 22% to the Bournemouth economy. The real estate sector is also a growing sector contributing nearly 17% to the local economy. Annual house price data compiled by the ONS from Land Registry sold data for the year ending March 2017 for Bournemouth gives an average house price of £259,570, this compares with a figure of £243,187 in the year ending March 2016. The figure for the same period in the South West is £269,675 and the figure for England and Wales is £282,675. Bournemouth's mean figures are lower due to high proportion of flat sales. In the borough around 53% of sales were for flats/maisonettes compared with 19% in England and Wales and 18% across the South West. The statistics on GVA show the impact of the recession when GVA declined in 2010. However, this followed a period of continuous growth. Since 2010, GVA has grown year on year rising to £21,875 per head in 2015. Since the recession, the numbers of claimants has declined, however there was an increase more recently in the number of claimants (this is likely to be in part due to the introduction of universal credit under which a broader span of claimants are required to look for work than under the Jobseeker's allowance). Currently the claimant rate in Bournemouth is 1.5% compared with 1.3% in the South West and 1.9% in England and Wales.

### 1.2 Sub-Regional GVA

The latest sub-regional statistics on GVA are for 2015 so are not the timeliest of datasets, however provide a useful indicator of how the local area compares nationally. The data is now available for Bournemouth whereas previously only Bournemouth and Poole information was available. The statistics show that Bournemouth is growing at a slower rate than the UK. The indices calculated per head illustrate changes since 2005 suggesting Bournemouth is not performing as well in 2015 compared to the UK as it was in 2005. Percentage growth is also lower than the UK.

|                       | 2005       |                  | 2015       |                  | % Change |
|-----------------------|------------|------------------|------------|------------------|----------|
|                       | £ per head | Per head indices | £ per head | Per head indices |          |
| <b>United Kingdom</b> | 20,157     | 100.0            | 25,343     | 100.0            | 25.7%    |
| <b>South East</b>     | 22,223     | 110.2            | 27,847     | 109.8            | 25.3%    |
| <b>South West</b>     | 18,788     | 93.2             | 23,031     | 90.8             | 22.6%    |
| <b>Bournemouth</b>    | 18,657     | 92.6             | 21,875     | 86.3             | 17.2%    |
| <b>Poole</b>          | 22,152     | 109.9            | 26,259     | 103.6            | 18.5%    |
| <b>Dorset CC</b>      | 16,488     | 81.8             | 20,338     | 80.2             | 23.4%    |

**Source: ONS, Crown Copyright**

### 1.3 Disposable Household Income

Gross Disposable Household Income (GDHI) is the amount of money that all of the individuals in the household sector have available for spending or saving after income distribution measures (for example taxes, social contributions and benefits) have taken effect. The sub-regional statistics on disposable household income give an indication of the amount of spending money people have available on average and therefore living standards relative to other areas and therefore is a useful indicator of economic well-being. Between 2005 and 2015 the amount per head increased by 23% in Bournemouth. The indices per head illustrate that Bournemouth is not performing as well as the UK with the indices declining relative to the UK since 2005.

|                       | 2005       |                  | 2015       |                  | % Change |
|-----------------------|------------|------------------|------------|------------------|----------|
|                       | £ per head | Per head indices | £ per head | Per head indices |          |
| <b>United Kingdom</b> | 14,857     | 100.0            | 19,106     | 100.0            | 28.6%    |
| <b>South East</b>     | 17,103     | 115.1            | 21,808     | 114.1            | 27.5%    |
| <b>South West</b>     | 14,774     | 99.4             | 19,128     | 100.1            | 29.5%    |
| <b>Bournemouth</b>    | 14,348     | 96.6             | 17,600     | 92.1             | 22.7%    |
| <b>Dorset CC</b>      | 15,707     | 105.7            | 20,795     | 108.8            | 32.4%    |
| <b>Poole</b>          | 16,699     | 112.4            | 20,425     | 106.9            | 22.3%    |

**Source: ONS, Crown Copyright**

### 1.4 Business Survival Rates using Business Demography Statistics

| Area                  |       |
|-----------------------|-------|
| <b>United Kingdom</b> | 41.4% |
| <b>South East</b>     | 43.4% |
| <b>South West</b>     | 44.2% |
| <b>Bournemouth UA</b> | 44.0% |
| <b>Poole UA</b>       | 43.1% |
| <b>Dorset County</b>  | 43.2% |

**Source: Business Demography, ONS, Crown Copyright**

Business survival rates allow us to gauge how firms are performing in Bournemouth relative to other areas. The data provides annual information for business start-ups since 2010 for the five-year period to 2015. Table 3 shows the percentage of firms that have survived five years. The figures for Bournemouth are marginally better than Poole and Dorset. Survival rates in Bournemouth are also better than the UK whereas in the past Bournemouth has not performed so

well. The stronger survival rates may reflect business start-ups in different sectors that tend to have better survival rates generally.

### 1.5 Business Births and Deaths

Business demography statistics also provide information on births of firms, deaths of firms and active firms. The latest figures cover the period for 2015. This dataset includes the births and deaths of non-VAT registered employing businesses, providing a comprehensive view of business start-up activity. This dataset provides a useful indicator of how a local economy is faring in terms of entrepreneurship and the health of the business population. In Bournemouth, in 2015, there were 6,960 active enterprises compared with 6,740 active enterprises in 2014. There were 1,005 births and 690 deaths. Comparison data for other areas is set out below in Table 4.

|                                | <b>Active Enterprises</b> | <b>Births</b> | <b>Deaths</b> |
|--------------------------------|---------------------------|---------------|---------------|
| <b>United Kingdom</b>          | 2,672,025                 | 383,075       | 252,040       |
| <b>South East Region</b>       | 420,275                   | 55,590        | 37,895        |
| <b>South West Region</b>       | 222,015                   | 26,155        | 19,415        |
| <b>Bournemouth UA</b>          | 6,960                     | 1,005         | 690           |
| <b>Poole UA</b>                | 6,695                     | 880           | 650           |
| <b>Dorset County</b>           | 18,355                    | 1,925         | 1,450         |
| <b>Christchurch</b>            | 2,135                     | 255           | 190           |
| <b>East Dorset</b>             | 4,465                     | 465           | 340           |
| <b>North Dorset</b>            | 3,055                     | 290           | 235           |
| <b>Purbeck</b>                 | 2,020                     | 205           | 145           |
| <b>West Dorset</b>             | 4,760                     | 490           | 345           |
| <b>Weymouth &amp; Portland</b> | 1,920                     | 220           | 195           |

Source: Business Demography, 2015, ONS

## 1.6 Sectoral composition

|   | Bournemouth |        | Poole |        | Dorset CC |        | South West |        | England & Wales |        |
|---|-------------|--------|-------|--------|-----------|--------|------------|--------|-----------------|--------|
|   | No.         | %      | No.   | %      | No.       | %      | No.        | %      | No.             | %      |
| <b>Agriculture, forestry &amp; fishing</b>                  | 20          | 0.3%   | 25    | 0.4%   | 2,195     | 11.4%  | 24,060     | 10.3%  | 112,765         | 4.7%   |
| <b>Production</b>   | 270         | 4.2%   | 460   | 7.4%   | 1,305     | 6.8%   | 13,390     | 5.7%   | 133,745         | 5.5%   |
| <b>Construction</b>   | 985         | 15.2%  | 1060  | 17.1%  | 2,750     | 14.3%  | 30,100     | 12.8%  | 290,385         | 12.0%  |
| <b>Motor trades</b>   | 175         | 2.7%   | 220   | 3.6%   | 640       | 3.3%   | 7,390      | 3.2%   | 67,990          | 2.8%   |
| <b>Wholesale</b>  | 225         | 3.5%   | 275   | 4.4%   | 715       | 3.7%   | 7,645      | 3.3%   | 94,920          | 3.9%   |
| <b>Retail</b>   | 600         | 9.3%   | 450   | 7.3%   | 1,470     | 7.6%   | 16,260     | 6.9%   | 177,500         | 7.3%   |
| <b>Transport &amp; storage (inc. postal)</b>                | 150         | 2.3%   | 155   | 2.5%   | 440       | 2.3%   | 7,465      | 3.2%   | 101,390         | 4.2%   |
| <b>Accommodation &amp; food services</b>                    | 530         | 8.2%   | 300   | 4.8%   | 1,285     | 6.7%   | 14,970     | 6.4%   | 132,860         | 5.5%   |
| <b>Information &amp; communication</b>                      | 560         | 8.6%   | 550   | 8.9%   | 1095      | 5.7%   | 15,995     | 6.8%   | 204,970         | 8.5%   |
| <b>Finance &amp; insurance</b>                              | 135         | 2.1%   | 135   | 2.2%   | 310       | 1.6%   | 4,255      | 1.8%   | 51,590          | 2.1%   |
| <b>Property</b>   | 305         | 4.7%   | 320   | 5.2%   | 665       | 3.5%   | 7,910      | 3.4%   | 85,710          | 3.5%   |
| <b>Professional, scientific &amp; technical</b>             | 1,040       | 16.0%  | 965   | 15.6%  | 2,655     | 13.8%  | 36,450     | 15.6%  | 440,810         | 18.2%  |
| <b>Business administration &amp; support services</b>       | 535         | 8.2%   | 515   | 8.3%   | 1,325     | 6.9%   | 17,785     | 7.6%   | 213,360         | 8.8%   |
| <b>Public administration &amp; defence</b>                  | 0           | 0.0%   | 5     | 0.1%   | 115       | 0.6%   | 1180       | 0.5%   | 7,060           | 0.3%   |
| <b>Education</b>  | 150         | 2.3%   | 100   | 1.6%   | 295       | 1.5%   | 5,700      | 2.4%   | 45,705          | 1.9%   |
| <b>Health</b>   | 370         | 5.7%   | 265   | 4.3%   | 685       | 3.6%   | 9,615      | 4.1%   | 110,545         | 4.6%   |
| <b>Arts, entertainment, recreation &amp; other services</b> | 440         | 6.8%   | 380   | 6.1%   | 1,285     | 6.7%   | 14,175     | 6.0%   | 152,160         | 6.3%   |
| <b>TOTAL</b>  | 6,485       | 100.0% | 6,190 | 100.0% | 19,230    | 100.0% | 234,345    | 100.0% | 2,423,465       | 100.0% |

Source: IDBR, ONS

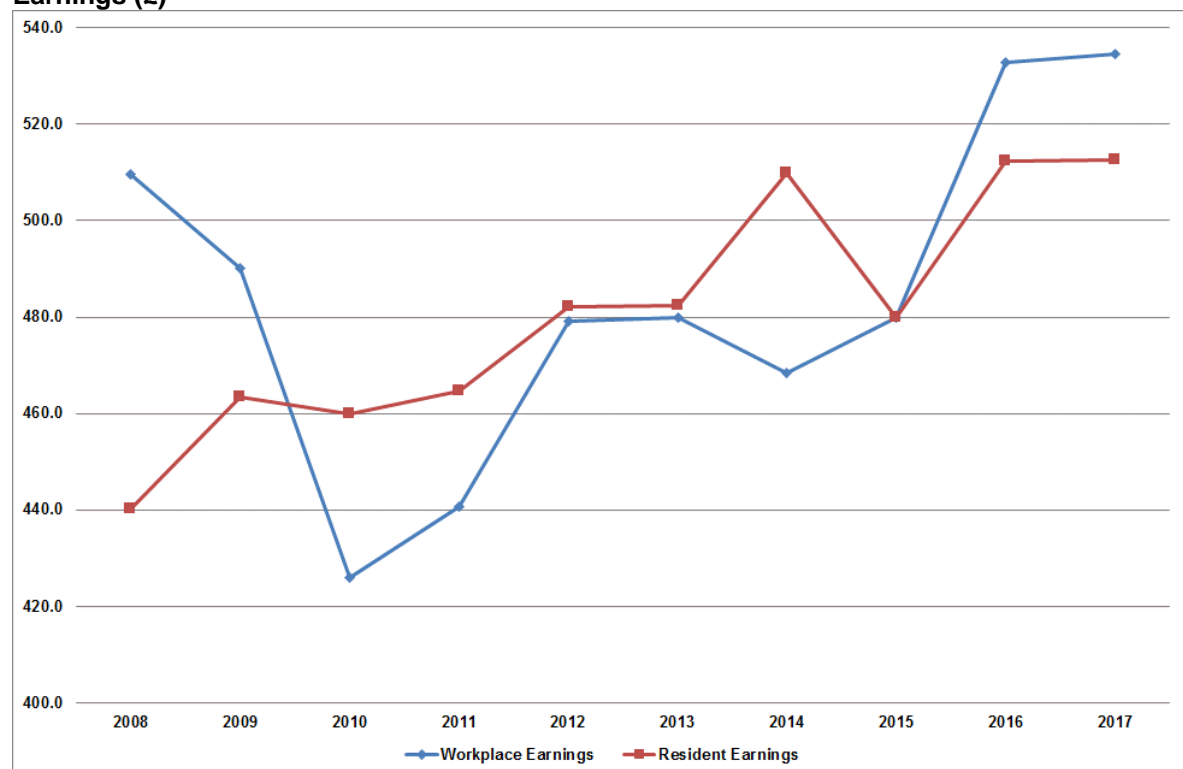
Table 5 shows the number of enterprises in each sector (an enterprise roughly equates to the business). Some sectors may have a large number of enterprises but they may only employ a small number of staff. The same dataset shows that nearly 89% of enterprises are micro enterprises (employing 0-9 staff). Only 0.4% of enterprises are considered large i.e. employing 250 or more staff. In addition, around 85% of these enterprises in Bournemouth have a turnover of under £0.5million per annum, this is very similar to the percentage regionally and nationally.

## 1.7 Earnings

According to the provisional ASHE 2017 (Annual Survey of Hours and Earnings 2017 - National Statistics), the gross median weekly pay for all full-time employee jobs for those working in Bournemouth is £534.60. This represents an increase in gross weekly earnings since 2010 of over 12% (however allowing for the coefficient of variation it is not possible to say it's a real increase). The median gross weekly pay for Bournemouth residents is lower at £512.50. In the past resident earnings in Bournemouth as well as in Dorset have been higher than the workplace earnings suggesting residents worked in the South East and London where salaries tend to be higher. Since 2016 the data suggests this has changed however the reliability of the data means it's not possible

to say this is definitely the case. The chart below illustrates the median workplace-based earnings in Bournemouth as well as the resident-based earnings.

**Chart 1 – Comparison of Workplace-based & Resident-based Median Full-time Weekly Earnings (£)**



### 1.8 House Price and Income Ratios

The report from the National Housing Federation, Home Truths 2016/17, contains information on house prices and incomes for each of the local authority areas in the South West region. The measure uses mean house prices, from the Land Registry, and median incomes from the Annual Survey of Hours and Earnings (ASHE). Bournemouth’s house price ratio is 10.2 which is identical to the figure for England.

The Office for National Statistics produce house price figures on a quarterly basis for the preceding year. These statistics are based on Land Registry sold prices. The impact of the recession mean’t house prices peaked the year ending March 2008 at £224,526 with average prices dropped until the year ending December 2009. Since then prices slipped back after the year ending December 2010 but since the year ending March 2014 average house prices have been climbing. At the year ending March 2017 mean house prices for Bournemouth were £259,570.

| Area                  | Mean Earnings (£) 2015 | Mean House Prices (£) 2016 | House Price to Income Ratio | Average (mean) monthly private sector rent 2015/16 (£) |
|-----------------------|------------------------|----------------------------|-----------------------------|--|
| England               | 27,680                 | 288,011                    | 10.2                        | £820   |
| South East            | 30,113                 | 338,444                    | 11.2                        | £959   |
| South West            | 24,934                 | 256,054                    | 10.3                        | £731   |
| <b>Bournemouth UA</b> | <b>24,045</b>          | <b>245,247</b>             | <b>10.2</b>                 | <b>£750</b>  |
| Christchurch          | 25,958                 | 337,368                    | 13.0                        | £902   |
| East Dorset           | 25,574                 | 342,648                    | 13.4                        | £905   |
| North Dorset          | 24,508                 | 261,532                    | 10.7                        | £705   |
| Poole UA              | 24,846                 | 339,201                    | 13.7                        | £813   |
| Purbeck               | 21,819                 | 317,133                    | 14.5                        | £788   |
| West Dorset           | 24,357                 | 289,026                    | 11.9                        | £752   |
| Weymouth & Portland   | 22,682                 | 221,443                    | 9.8                         | £642   |

**Source: Home Truths 2017, National Housing Federation, 2017**

The numbers of new homes being built fell across the country during the recession but has been better more recently. Statistics, based on Building Control returns for the quarter ending June 2017, suggest that housing starts and housing completions have increased year on year over the longer term but at quite a slow rate. However, although a timely data set these statistics only provide part of the picture as not all housing starts/completions are included in the statistics. Annual monitoring based on planning permissions is more comprehensive. Based on this count the number of dwellings completed in Bournemouth was 581 in 2016/17 which is lower than the previous year. However, there is also a substantial number of dwellings under construction but the slower building out rate suggests the market is not as buoyant as it has been recently. Net completions since 2006/07 are illustrated in Table 7.

|           | Bournemouth | Poole | Dorset | Total |
|-----------|-------------|-------|--------|-------|
| 2006/2007 | 1,089       | 666   | 1,419  | 3,174 |
| 2007/2008 | 1,534       | 685   | 1,380  | 3,599 |
| 2008/2009 | 1,218       | 854   | 1,411  | 3,483 |
| 2009/2010 | 622         | 420   | 881    | 1,923 |
| 2010/2011 | 492         | 376   | 1,069  | 1,937 |
| 2011/2012 | 555         | 169   | 1,203  | 1,927 |
| 2012/2013 | 639         | 260   | 925    | 1,824 |
| 2013/2014 | 394         | 177   | 974    | 1,545 |
| 2014/2015 | 964         | 298   | 978    | 2,240 |
| 2015/2016 | 730         | 335   | 1,472  | 2,537 |
| 2016/2017 | 581         | 570   | 1,424  | 2,575 |

**Source: Annual housing monitoring survey**

## 1.9 Qualifications

An economy is more likely to be successful if it has a well-qualified labour supply. Latest statistics from the Annual Population Survey suggest that the majority of the population, whether in Bournemouth or throughout England, has achieved NVQ Level 1 or above. In Bournemouth, only 5.9% of the working age population have no formal qualifications.

|                              | Bournemouth | Bournemouth (%) | South East (%) | South West (%) | England (%) |
|------------------------------|-------------|-----------------|----------------|----------------|-------------|
| <b>No Qualifications*</b>    | 7,500       | 5.9             | 5.5            | 5.5            | 7.8         |
| <b>Other Qualifications*</b> | 8,000       | 6.3             | 5.8            | 5.1            | 6.7         |
| <b>Trade Apprenticeships</b> | 3,100       | 2.1             | 2.9            | 3.3            | 3.0         |
| <b>NVQ1 only*</b>            | 13,500      | 10.6            | 11.3           | 11.7           | 11.3        |
| <b>NVQ2 only*</b>            | 17,500      | 13.7            | 15.8           | 17.1           | 16.00       |
| <b>NVQ3 only*</b>            | 28,100      | 22.0            | 17.4           | 19.9           | 17.4        |
| <b>NVQ4 &amp; above*</b>     | 50,100      | 39.2            | 41.4           | 37.8           | 37.9        |

**Source: Annual Population Survey, NOMIS 2017**

\*Please see the "Glossary" to view the full definitions of the qualification levels stated in Table 8.

### 1.10 Employment

|   | Bournemouth | Dorset | Poole | South East | South West | England & Wales |
|---|-------------|--------|-------|------------|------------|-----------------|
| <b>Economic activity rate (working age)</b>           | 79.5        | 78.6   | 76.3  | 81.00      | 81.0       | 78.1            |
| <b>Employment rate (working age)</b>                  | 77.2        | 76.3   | 73.3  | 78.1       | 77.9       | 74.4            |
| <b>% of working age who are employees</b>             | 62.2        | 63.4   | 64.2  | 65.5       | 65.5       | 63.3            |
| <b>% of working age who are self employed</b>         | 14.7        | 12.4   | 8.8   | 12.3       | 12.1       | 10.8            |
| <b>% of working age who are economically inactive</b> | 20.5        | 21.4   | 23.7  | 19.00      | 19.0       | 21.9            |

**Source: Annual Population Survey, ONS, Crown Copyright**

The latest Annual Population Survey (APS) reveals that activity rates for Bournemouth are slightly higher than England and Wales. The South West activity rate is higher than Bournemouth. Rates for Bournemouth are likely to be lower in part due to the university population.

### 1.11 Unemployment

The general trend in the claimant count has been downwards since the recession, however over the last three years the number of claimants and the rate in Bournemouth has remained around the same level.

Chart 2 shows the Jobseekers Allowance (JSA) rate for Bournemouth since 2004. The chart illustrates how the claimant rate jumped up and remained higher during the recession. The rate also grew slightly faster in Bournemouth compared to the other local areas increasing the gap in the claimant rate. With the improvements in the economy the rate declined however the rate is still higher than in Dorset and Poole and the other comparison areas (with the exception of England and Wales) shown in Chart 2.



The number of Jobseekers Allowance claimants in Bournemouth is marginally lower when comparing September 2016 with September 2017. In the last few years the number of claimants in Bournemouth was at its lowest between September and December 2007 and stood at 1,474 with a rate of just 1.3% in December 2007. However, although the JSA count and rate of those claiming the JSA is useful in providing a historical perspective it should be used with caution. This is due to the introduction of Universal Credit which also includes some unemployed claimants; as a result, the JSA excludes some claiming unemployment relate benefits. Table 10 includes those claiming JSA and those claiming Universal benefit who are seeking work.

Chart 2-Jobseekers Allowance Rate (October 2004- September 2017)

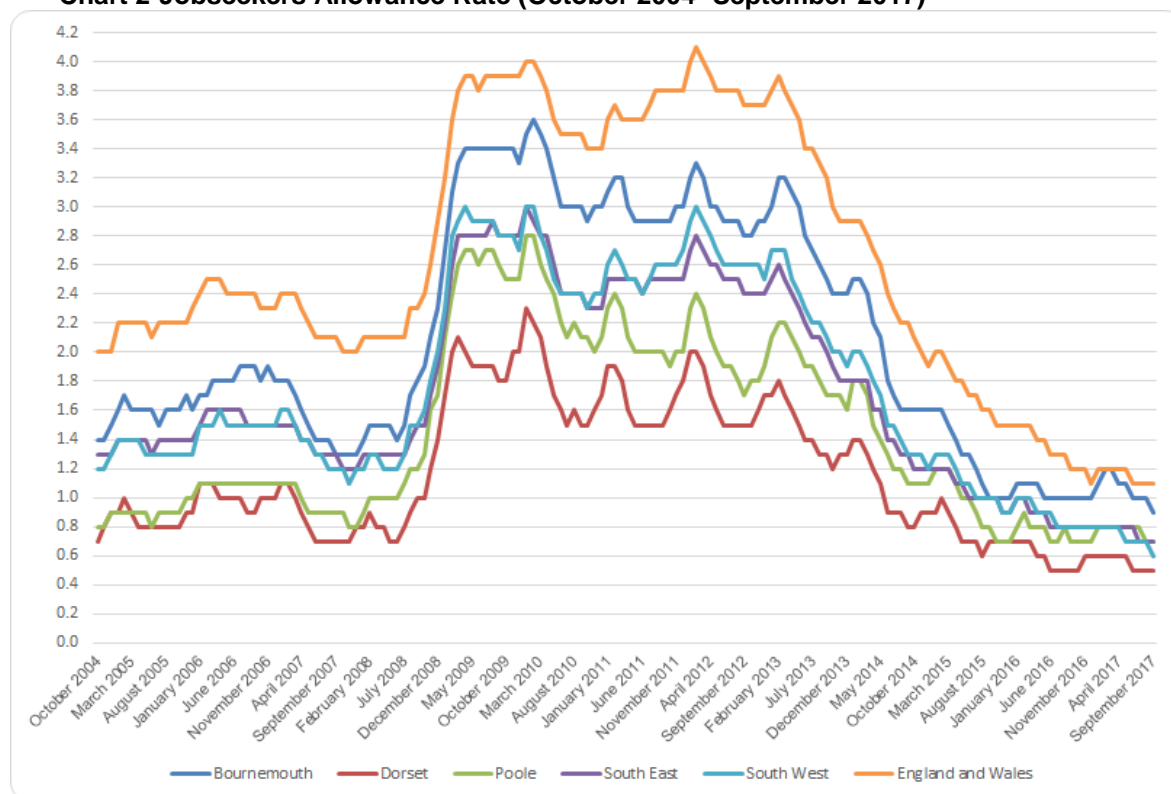


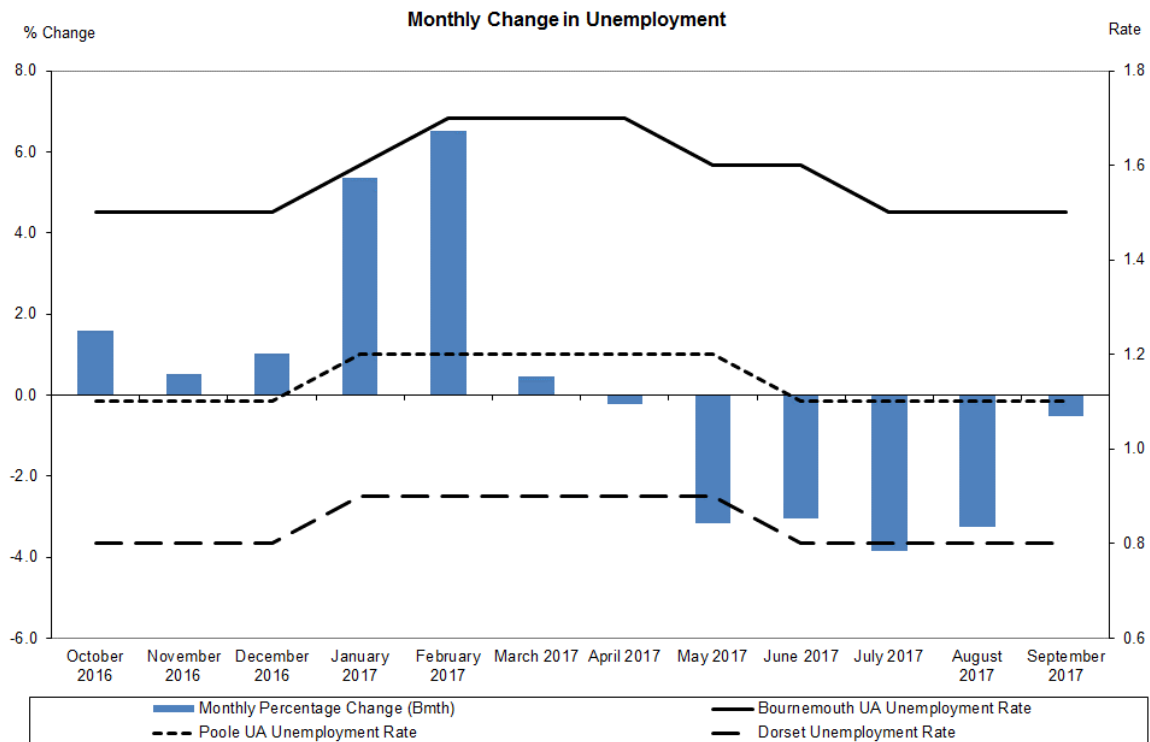
Table 10: Claimant Statistics, September 2016 and September 2017

| Area           | September 2016 |      | August 2017 |      | September 2017 |      | Monthly Change |      | Annual Change |      |
|----------------|----------------|------|-------------|------|----------------|------|----------------|------|---------------|------|
|                | number         | rate | number      | rate | number         | rate | Number         | %    | Number        | %    |
| Bournemouth    | 1,905          | 1.5  | 1,930       | 1.5  | 1,920          | 1.5  | -10            | -0.5 | 15            | 0.8  |
| Dorset         | 1,835          | 0.8  | 1,880       | 0.8  | 1,870          | 0.8  | -10            | -0.5 | 35            | 1.9  |
| Poole          | 1,025          | 1.1  | 995         | 1.1  | 985            | 1.1  | -10            | -1.0 | -40           | -3.9 |
| South East     | 59,340         | 1.1  | 64,285      | 1.1  | 64,340         | 1.2  | 55             | 0.1  | 5,000         | 8.4  |
| South West     | 38,960         | 1.2  | 42,875      | 1.3  | 43,000         | 1.3  | 125            | 0.3  | 4,040         | 10.4 |
| United Kingdom | 768,305        | 1.9  | 802,350     | 1.9  | 795,470        | 1.9  | -6,880         | -0.9 | 27,165        | 3.5  |

Source: ONS Crown Copyright Reserved

Over the last 12 months the claimant rate in Bournemouth has fluctuated month on month. Although the numbers of claimants is slightly higher in September 2017 than a year previously, this is in part due to changes relating to the introduction of Universal credit. Table 10 illustrates how the number of claimants in Bournemouth has changed between October 2016 and September 2017.

Chart 3: Monthly Percentage Change in Unemployment



The government prefers to use the ILO measure of unemployment, this includes all those actively seeking work not just those eligible for benefit. The ONS modelled unemployment rate covering the period from July 2016 to June 2017 estimates that Bournemouth had a rate of 3.8%; across Dorset the area with the lowest rate was North Dorset with a rate of 2.5%. The unemployment rate is higher than the claimant rate and indicates the actual numbers looking for work in Bournemouth could be around 2,000 higher than the claimant number. It's important to remember that Bournemouth's claimant numbers vary over the year due to the seasonal nature of some jobs in the town.

Currently national reports suggest the economy is growing albeit slowly possibly in part due to the uncertainty regarding the Brexit negotiations. Both locally and nationally the uncertainty may in addition cause recruitment difficulties which may be exacerbated by statistics that suggest that pay is failing to keep pace with inflation.

In Bournemouth, long-term JSA claimants, i.e. those claiming JSA for a year or more; currently make up 25% of all claimants. This compares with 34% of claimants in England and Wales. There are various factors which contribute to the length of time an individual is claiming for. Generally older workers, people with a disability, lone parents with dependents and those with low or no qualifications are unemployed for longer periods of time.

|                    | Bournemouth |      | Dorset |      | Poole  |      | South West |      | England and Wales |      |
|--------------------|-------------|------|--------|------|--------|------|------------|------|-------------------|------|
|                    | number      | %    | number | %    | number | %    | number     | %    | number            | %    |
| Age 19 and under   | 25          | 2.2  | 35     | 3.2  | 20     | 2.9  | 565        | 2.7  | 8,730             | 2.3  |
| Age 20-24          | 70          | 5.5  | 90     | 7.9  | 50     | 7.8  | 1,765      | 8.4  | 31,940            | 8.3  |
| Age 25-34          | 260         | 21.3 | 230    | 20.3 | 135    | 20.7 | 4,635      | 22.1 | 88,690            | 22.9 |
| Age 35-49          | 465         | 37.8 | 360    | 31.8 | 195    | 30.1 | 6,895      | 32.9 | 130,725           | 33.8 |
| Age 50 and over    | 410         | 33.2 | 415    | 36.8 | 250    | 38.4 | 7,110      | 33.9 | 126,560           | 32.7 |
| <b>Duration</b>    |             |      |        |      |        |      |            |      |                   |      |
| Less than 3 months | 425         | 34.4 | 455    | 40.5 | 240    | 36.6 | 7,315      | 34.9 | 122,135           | 31.6 |
| 4-6 months         | 225         | 18.2 | 195    | 17.3 | 135    | 20.6 | 3,445      | 16.4 | 61,840            | 16.0 |
| 7-12 months        | 275         | 22.2 | 210    | 18.5 | 135    | 20.4 | 3,950      | 18.8 | 70,620            | 18.3 |
| 13-24 months       | 145         | 11.9 | 160    | 14.2 | 70     | 10.4 | 3,155      | 15.0 | 55,225            | 14.3 |
| over 24 months     | 160         | 13.2 | 110    | 9.6  | 80     | 12.0 | 3,110      | 14.8 | 76,825            | 19.9 |

**Source: NOMIS, ONS, Crown Copyright**

Note: The figures in Table 11 are subject to a Disclosure Control Procedure. In order to preserve the confidentiality of information about the claimants, the numbers have been rounded to the nearest 5. Please note this table differs from the Claimant statistics as it only includes those claiming Jobseekers allowance so doesn't include those seeking work who are claiming Universal credit.

## Glossary of terms

*Jobseekers Allowance* – this differs from the claimant count as it only includes those claiming this benefit; it's useful to provide a historical picture but as it excludes Universal Credit it no longer provides a reliable picture of those claiming unemployment related benefits.

*Claimant Count* - the number of persons claiming Jobseeker's Allowance and those on Universal Credit. This provides the best count of unemployment related claimants.

*ILO measure of unemployment* - the government's preferred measure of unemployment includes groups ineligible for benefit.

*Economically active* - A person is economically active if they are either employed or unemployed in a particular period (if they are unemployed they should be deemed to be actively seeking work).

*Gross Value Added (GVA)* - Gross Value Added (GVA) measures the contribution to the economy of each individual producer, industry or sector in the United Kingdom.

*Gross Disposable Household Income (GDHI)* - GDHI is the amount of money that individuals – the household sector – have available for spending or saving. This is money left after expenditure associated with income, for example, taxes and social contributions, property ownership and provision for future pension income. It is calculated gross of any deductions for capital consumption (ONS definition).

*Net dwelling completions* – completions after any losses are taken in to account.

*Qualifications* – No Qualifications: No formal qualifications held;  
 Other Qualifications: Includes foreign qualifications and some professional qualifications; NVQ1 equivalent: e.g. fewer than 5 GCSEs at grades A-C, foundation GNVQ, NVQ 1, intermediate 1 national qualification (Scotland) or equivalent;  
 NVQ2 equivalent: e.g. 5 or more GCSEs at grades A-C, intermediate GNVQ, NVQ2, intermediate 2 national qualification (Scotland) or equivalent;  
 NVQ3 equivalent: e.g. 2 or more A levels, advanced GNVQ, NVQ 3, 2 or more higher or advanced higher national qualifications (Scotland) or equivalent;  
 NVQ 4 equivalent and above: e.g. HND, Degree and Higher Degree level qualifications or equivalent.

*Residence-based rates* - this unemployment rate is calculated using the number of claimants as a proportion of the working age resident population of an area

*Seasonally adjusted unemployment* - many labour market statistics display fluctuations due to regular influences such as the weather, for example a fall in unemployment in the spring may be due to increased activity in the construction industry due to the improved weather rather than general improvements in labour demand. Mathematical techniques are used to smooth out seasonal patterns to better show the underlying trends. Only regions or larger areas are seasonally adjusted.

*TTWA (Travel-to-work-area)* - an approximation to self-contained labour markets; that is; an area within which most commuting to and from work occurs within the boundary of that area.