# Monthly Labour Market Report

Llywodraeth Cymru
Welsh Government

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## Welcome

The Monthly Labour Market Report from the Learning and Skills Observatory Wales (LSO) aims to provide the main headlines on the Welsh labour market and is based on the latest data available.

This month's issue puts the spotlight **local area-based trends and challenges**.

This report was produced by the Centre for Economic and Social Inclusion (known as *Inclusion*), commissioned by Welsh Government to blend Wales's available labour market information (LMI) (from the various sources) and produce a monthly analysis. Whilst the report is owned by Welsh Government it is not validated in terms of its specific content or interpretation.

*Inclusion* has an unrivalled understanding of the labour market based on over 28 years of experience of working with the range of stakeholders involved in delivering employment and skills services. We collect and analyse both national and local labour market data through our well developed Local Labour Market Information System, conduct research on employment and skills issues at the local level, run events that bring together policymakers and providers in the skills and employment sector, and produce weekly e-briefings that summarise what is new in employment and skills for our subscribers.

We currently supply monthly employment and skills data to the Greater London Authority, as well as providing labour market tools and analysis for Greater Manchester.

Any enquiries regarding this document/publication should be sent to:
Lovedeep Vaid
*Inclusion*
3rd floor, 89 Albert Embankment, London SE1 7TP
Direct Line: 020 7840 8348
Email: lovedeep.vaid@cesi.org.uk

# Latest labour market trends

## Employment

Employment data from the Labour Force Survey (LFS) – estimates obtained from a large sample quarterly rolling survey of households – show that Wales performed better than any other nation or region of the UK in the rolling quarter August to October 2013. However, the Office for National Statistics' (ONS) quarterly estimate of the number of Workforce Jobs – obtained in part from surveys of employers – shows a net fall in jobs between June and September 2013.

The (seasonally adjusted) Labour Force Survey estimate of the number of people aged 16 and over in employment in Wales increased by 24,000 (+1.8%) compared to the previous quarter (May-July 2013) to a total of 1.389 million. The quarterly increase in employment in Wales is comprised of an increase in male employment of 4,000 (+0.5%) and a very large increase in female employment of 21,000 (+3.2%).

The total quarterly increase in employment in Wales compares to a corresponding increase in total UK employment of 250,000 (+0.8%). In addition to the increase in Wales employment increased by 223,000 (+0.9) in England and by 11,000 (+0.4%) in Scotland but employment fell by 8,000 (-1.0%) in Northern Ireland. The net increase in England comprised an increase in employment in the North East (+7,000), the North West (+19,000), Yorkshire and Humberside (+26,000) the East Midlands (+54,000), the West Midlands (+23,000), the East of England (+46,000), London (+24,000), the South East (+10,000) and the South West (+14,000).

The working age employment rate for Wales (i.e. the proportion of the population aged 16-64 in employment) increased in the quarter by 1.5 percentage points to 70.7%, compared with an increase of 0.4 percentage points in England, an increase of 0.2 percentage points in Scotland and a fall of 0.5 percentage points in Northern Ireland. However, the ONS notes that the underlying increase in the employment rate in Wales is likely to be more gradual than these latest relatively strong quarterly figures suggest.

The employment rate in Wales is 1.3 percentage points lower than the UK average (72.0%) and lower than the employment rate in both England (72.2%) and Scotland (72.6%) but higher than the rate in Northern Ireland (67.0%). Within the UK only Northern Ireland, North East England (67.9%), the North West (69.2%) and the West Midlands (69.2%) have a lower employment rate than Wales. The South East (76.0%) has the highest employment rate in the UK.

Each calendar quarter the ONS also publishes an estimate of jobs in the economy which complements the LFS estimate of the number of people in employment. The (seasonally adjusted) Workforce Jobs estimate is obtained from a combination of employer surveys and administrative data in addition to the LFS. The number of jobs in the economy will not necessarily equal the number of people in employment given that some people will hold more than one job. The LFS and Workforce Jobs estimates can also differ because of differences in the method of obtaining the respective estimates.

The latest Workforce Jobs estimate shows that there were 1.343 million jobs in Wales as of September 2013, 2,000 (-0.2%) fewer jobs than in June 2013. This compares with a quarterly increase of 182,000 (+0.7%) in England, 32,000 (+1.2%) in Scotland and 5,000 (+0.6%) in Northern Ireland. A breakdown of the quarterly percentage change in Workforce Jobs for both Wales and the UK is shown in Table 1.

**Table 1 Percentage changes in Workforce Jobs by main industrial sector, Wales and UK average, quarter to September 2013 (seasonally adjusted)**

| | Wales – quarterly% change | UK – quarterly % change |
|---|---|---|
| Agriculture, forestry and fishing | +2.6% | -1.9% |
| Mining and quarrying | -2.8% | -0.1% |
| Utilities | +1.4% | +2.9% |
| Manufacturing | +0.3% | +0.7% |
| Construction | +9.4% | +1.6% |
| Total services | -1.1% | +0.6% |
| All jobs | -0.2% | +1.9% |

Source: ONS

## Unemployment and economic inactivity

The number of people in Wales who are unemployed on the International Labour Organisation (ILO) Labour Force Survey definition fell by 7,000 to 112,000 between the quarters May-July 2013 and August-October 2013. Total unemployment fell by 90,000 in England and by 7,000 in Scotland but increased by 5,000 in Northern Ireland.

The quarterly fall in unemployment in Wales was much lower than the corresponding 24,000 increase in the number of people in employment because of an offsetting increase of 18,000 in the number of people active in the labour market. The number of unemployed men decreased by 3,000 (-4.7%), the number of unemployed women decreased by 3,000 (-6.6%).

The ILO unemployment rate in Wales fell by 0.5 percentage points in the quarter to 7.4%. The UK average rate of ILO unemployment fell by 0.3 percentage points, also to 7.4%. The quarterly relative improvement in the ILO unemployment rate in Wales has also closed the unemployment rate between Wales and England (7.4%). The unemployment rate is lower in Scotland (7.1%) but higher in Northern Ireland (7.5%). Within the English regions North East England (10.1%), the West Midlands (8.8%), Yorkshire and Humberside (8.6%) and London (8.5%) had a higher unemployment rate than Wales. The East of England (5.6%) and South East England (5.8%) had the lowest unemployment rates.

The administrative count of people unemployed and claiming Jobseeker's Allowance (JSA) is somewhat lower (66,500 in Wales in November 2013, a JSA claimant count rate of 4.5%) than ILO unemployment because non-JSA claimant jobseekers are excluded. The number of JSA claimants in Wales decreased by 1,300 between October and November. However care should be taken in interpreting change in the claimant count since this can be influenced by changes to the benefit system as well as underlying change in the labour market.

As the LMI scorecard shows the working age rate of economic inactivity in Wales (23.5%) is 1.3 percentage points higher than the UK average (22.1%). Within the UK regions and nations only Northern Ireland (27.4%), the North West (25.0%), the North East (24.3%) and the West Midlands (23.9%) have higher inactivity rates. The lowest inactivity rates are in the South East (19.2%) and the East of England (19.5%).

## LMI scorecard

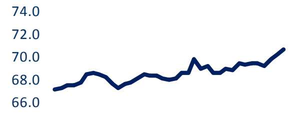
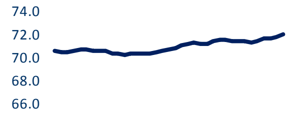
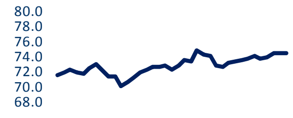
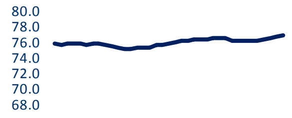
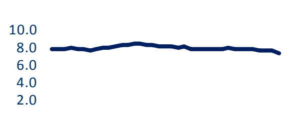
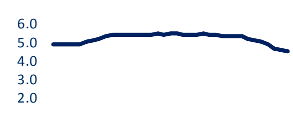
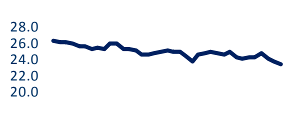
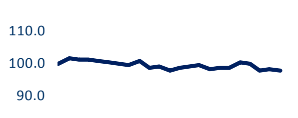
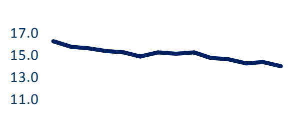
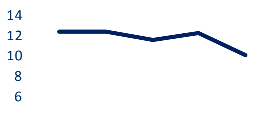
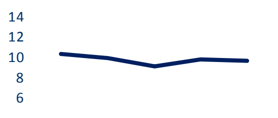
The scorecard presents recent trends and figures for a number of core labour market indicators, using a variety of different sources:

| | Source |
|---|---|
| Working age employment rate | 1 |
| Working age male employment rate | 1 |
| Working age female employment rate | 1 |
| ILO unemployment rate 16+ | 1 |
| Claimant count as a proportion of the working age population | 2 |
| Working age economic inactivity | 1 |
| Index of workforce jobs | 3 |
| Proportion of the working age population with no qualifications | 4 |
| Proportion of the working age population qualified to NQF4+ | 4 |
| Proportion of the working age population who claim out of work benefits | 5 |
| Children living in workless households | 6 |
| Proportion of 16–18 year olds who are not in employment, education or training | 7 |

| | |
|---|---|
| 1 | LFS, ONS: subject to sampling variability and should be used with caution |
| 2 | Claimant count seasonally adjusted, NOMIS: trends can be affected by changes to benefit rules |
| 3 | Employer surveys, household surveys and administrative sources, ONS |
| 4 | Annual Population Survey/Annual Local LFS, ONS. Data is subject to sampling variability and should be used with caution. |
| 5 | Department for Work and Pensions, NOMIS |
| 6 | Household LFS, ONS: subject to sampling variability and should be used with caution |
| 7 | Source: ONS, Higher Education Statistics Agency, Welsh Government Lifelong Learning Wales Record, Pupil Level Annual School Census, Annual Population Survey. |

# LMI Scorecard

December 2013

| | | Wales | | Difference between Wales and National (latest figures): Better Worse | NATIONAL (UK or GB depending on indicator) | |
|---|---|---|---|---|---|---|
| | | Trend (Three to four years) | Latest result & trend | | Latest result & trend | Trend (Three to four years) |
| Supply of Labour | Working age employment rate (%) |  | 70.7% ↑ | -1.3<br>Charts cover: Aug-Oct 10 to Aug-Oct 13 | 72.0% ↑ |  |
| | Working age male employment rate (%) |  | 74.4% ↑ | -2.6<br>Charts cover: Aug-Oct 10 to Aug-Oct 13 | 77.0% ↑ |  |
| | Working age female employment rate (%) |  | 67.1% ↑ | 0.0<br>Charts cover: Aug-Oct 10 to Aug-Oct 13 | 67.1% ↑ |  |
| | ILO Unemployment rate 16+ (%) |  | 7.4% ↓ | 0.1<br>Charts cover: Aug-Oct 10 to Aug-Oct 13 | 7.4% ↓ |  |
| | Claimant Count as a proportion of the working age population, seasonally adjusted (%) |  | 4.5% ↓ | 0.7<br>Charts cover: Nov 10 to Nov 13 | 3.8% ↓ |  |
| | Working age economic inactivity (%) |  | 23.5% ↓ | 1.3<br>Charts cover: Aug-Oct 10 to Aug-Oct 13 | 22.1% ↓ |  |
| Demand | Index of workforce jobs. 2008 Q1=100 |  | 97.7% → | -3.1<br>Charts cover: 2008 Q1 to 2013 Q3 | 100.8% → |  |
| Skill gaps | Proportion of the working age population with no qualifications (%) |  | 10.6% ↓ | 1.6<br>Charts cover: Year to Dec 09 to year to Dec 12 | 9.0% ↓ |  |
| | Proportion of the working age population qualified to NQF4+ (%) |  | 32.6% ↑ | -4.1<br>Charts cover: Year to Dec 09 to year to Dec 12 | 36.7% ↑ |  |
| Worklessness & NEETS | Proportion of the working age population who claim out of work benefits |  | 14.0% ↓ | 2.8<br>Charts cover: Feb 10 to May 13 | 11.2% ↓ |  |
| | Children living in workless households (%) |  | 19.1% ↑ | 4.1<br>Charts cover: Apr-Jun 2008 to 2012 | 15.0% ↓ |  |
| | Proportion of 16-18 year olds who are NEET (%) |  | 10% ↓ | 1<br>Charts cover: 2008 to 2012 | 10% England → |  |

# Local area-based trends and challenges

## Introduction

Disparities in economic wealth and labour market opportunity between different localities are a common feature of all regions of the UK. Massive amounts of public spending have been used across the UK for decades to try and address these inequalities between different areas, and close the gaps between the most and least deprived areas, from local initiatives to EU Structural Funds. Much of Wales qualifies for Convergence funding from the European Union[1], which has attracted almost £2 billion of investment between 2007 and 2013 to:

- promote a high value-added economy, by improving knowledge and innovation for growth;
- encourage business start-up and growth and adequate access to finance;
- equip the region with a modern infrastructure, necessary for a modern competitive economy;
- promote business opportunities in relation to future environmental challenges and opportunities; and
- support integrated approaches to long term regeneration and the development of vibrant local economies.

The East Wales region has also attracted EU funding worth around £141 million to 'make East Wales a vibrant, entrepreneurial region at the cutting edge of sustainable development.' The key drivers to achieving this objective are:

- helping businesses to move continually up the value chain and increase the value added per job, thereby raising productivity and earnings;
- creating an attractive environment for people to live and work in, including through the regeneration of the region's poorest communities.

This month's report focuses on recent trends in key economic and labour market indicators to examine how the fortunes of the most deprived areas have compared to Wales as a whole in recent years, and assess whether the result of billions of pounds of investment has had any real impact on the challenges those areas have faced.

## Where are the most deprived areas in Wales?

The Welsh Index of Multiple Deprivation was produced by the Welsh Government as a tool to identify and understand deprivation in Wales, so that funding, policy, and programmes can be effectively focused on the most disadvantaged communities. The last index was produced in 2011, and was based on establishing deprivation across the topics of income, employment, health, education, housing, environment, access to services and community safety.

At a local authority level, the index suggests that Merthyr Tydfil and Blaenau Gwent had the highest concentrations of multiple deprivation, with 44% and 40% of their Lower Super Output Areas (LSOAs) among the most deprived 20% in Wales. Using the same measure of concentrations of deprivation, the local authority rankings for 2008, show very little difference to 2011, with the 5 most deprived areas all

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[1] The 'West Wales and the Valleys' NUTS2 region - see http://ec.europa.eu/regional_policy/atlas2007/uk/ukl1_en.htm?10

appearing in the same positions in both years, suggesting that, relative to other parts of Wales, little has changed in that time.

**Table 2: Most deprived local authorities, WIMD, 2011**

| Local Authority | Number of LSOAs in the local authority area | % of LSOAs in most deprived 20% * |
|---|---|---|
| Merthyr Tydfil | 36 | 44 |
| Blaenau Gwent | 47 | 40 |
| Rhondda Cynon Taf | 152 | 35 |
| Neath Port Talbot | 91 | 31 |
| Newport | 94 | 30 |
| Bridgend | 85 | 28 |
| Cardiff | 203 | 27 |
| Caerphilly | 110 | 26 |
| Swansea | 147 | 25 |
| Torfaen | 60 | 17 |
| Isle of Anglesey | 44 | 16 |
| Denbighshire | 58 | 16 |
| Conwy | 71 | 14 |
| Wrexham | 85 | 14 |
| The Vale of Glamorgan | 78 | 13 |
| Flintshire | 92 | 11 |
| Carmarthenshire | 112 | 11 |
| Pembrokeshire | 71 | 9 |
| Gwynedd | 75 | 4 |
| Ceredigion | 47 | 4 |
| Monmouthshire | 58 | 2 |
| Powys | 80 | 1 |

Source: WIMD 2011 (via statswales). * The percentage of the local authority's LSOAs in the most deprived 20% of all Welsh LSOAs.

## Economic indicators

The next phase of our analysis looks at recent trends in economic indicators, again with a view to looking at whether there has been any change in the fortunes of the more deprived areas of Wales.

## Gross Value Added (GVA)

In terms of GVA per head, there have been some relative improvements in the most deprived areas. While GVA per head in Wales as a whole has increased by 5.2% between 2008 and 2012, it rose by 9.3% in the Central Valleys area (Merthyr Tydfil and Rhondda, Cynon, Taff), and by 11.8% in the Gwent Valleys (Blaenau Gwent, Caerphilly and Torfaen). Much of the West Wales and the Valleys region have seen a lower than average increase in GVA per head, and the issue of relatively low levels compared to the UK average persist, with the Isle of Anglesey performing particularly poorly on this measure, with a 2012 figure (£10,364) just 48.7% of the UK average.

### Table 3: GVA per head by NUTS3 area, 2008-2012

| NUTS3 area | 2008 | 2012 | % change 2008-12 | Index 2012 (UK=100) |
|---|---|---|---|---|
| **Wales** | £14,640 | £15,401 | 5.20% | 72.3 |
| **West Wales and the Valleys** | £12,648 | £13,349 | 5.50% | 62.7 |
| Isle of Anglesey | £10,324 | £10,364 | 0.40% | 48.7 |
| Gwynedd | £14,976 | £15,360 | 2.60% | 72.1 |
| Conwy and Denbighshire | £12,813 | £13,555 | 5.80% | 63.7 |
| South West Wales | £11,595 | £11,948 | 3.00% | 56.1 |
| Swansea | £15,129 | £15,467 | 2.20% | 72.6 |
| Bridgend and Neath Port Talbot | £14,376 | £14,964 | 4.10% | 70.3 |
| Central Valleys | £11,884 | £12,989 | 9.30% | 61.0 |
| Gwent Valleys | £10,904 | £12,188 | 11.80% | 57.2 |
| **East Wales** | £18,088 | £18,907 | 4.50% | 88.8 |
| Flintshire and Wrexham | £15,525 | £17,878 | 15.20% | 84.0 |
| Powys | £12,674 | £12,999 | 2.60% | 61.0 |
| Cardiff and the Vale of Glamorgan | £20,841 | £21,239 | 1.90% | 99.7 |
| Monmouthshire and Newport | £18,883 | £18,800 | -0.40% | 88.3 |

Source: StatsWales

## Disposable Household Income and Earnings

A similar picture emerges when considering Gross Disposable Household Income (GDHI) per head. While Wales as a whole (and most local areas in Wales) have shown some relative improvement against the UK average, the Valleys areas remain persistently low , at around 82% of the UK average in 2011. With regard to average weekly earnings, a similar trend is evident for the Valleys areas, although data suggests a relative decline in average earnings from 2010 onwards.

## Jobs

In terms of jobs, some of the most deprived areas of Wales have also been hard hit since the recession. Wales as a whole has seen a net loss of 32,300 jobs between 2008 and 2012, compared to a slight increase across the UK, while some local authorities have seen a decline of 13% or more in this time. Table 4 shows that the worst affected areas were:

- Flintshire loss of 13,300 jobs (19.3%)
- Blaenau Gwent 3,800 jobs (17.0%)
- Vale of Glamorgan 5,900 jobs (13.4%)
- Ceredigion 4,700 jobs (11.9%)
- Carmarthenshire 5,300 jobs (7.0%)
- Merthyr Tydfil 1,300 jobs (5.3%)

### Table 4: Total workplace employment by local authority, 2008-2012

| Area | No. of Jobs 2012 | Change 2008-2012 | % change 2008-2012 |
|---|---|---|---|
| UK | 30,208,300 | 54,800 | 0.2% |
| **Wales** | **1,319,300** | **-32,300** | **-2.4%** |
| West Wales and the Valleys | 773,100 | -13,800 | -1.8% |
| Isle of Anglesey | 26,100 | 900 | 3.6% |
| Gwynedd | 62,300 | 3,100 | 5.3% |
| Conwy | 45,100 | 400 | 1.0% |
| Denbighshire | 42,600 | 200 | 0.5% |
| Ceredigion | 34,900 | -4,700 | -11.9% |
| Pembrokeshire | 55,500 | -900 | -1.6% |
| Carmarthenshire | 71,100 | -5,300 | -7.0% |
| Swansea | 113,700 | -3,000 | -2.6% |
| Neath Port Talbot | 49,100 | -600 | -1.3% |
| Bridgend | 58,700 | 1,800 | 3.1% |
| Rhondda, Cynon, Taff | 78,800 | -400 | -0.5% |
| Merthyr Tydfil | 23,000 | -1,300 | -5.3% |
| Caerphilly | 58,900 | -900 | -1.5% |
| Blaenau Gwent | 18,600 | -3,800 | -17.0% |
| Torfaen | 34,700 | 700 | 2.1% |
| East Wales | 546,200 | -18,500 | -3.3% |
| Flintshire | 55,700 | -13,300 | -19.3% |
| Wrexham | 62,800 | -2,800 | -4.3% |
| Powys | 59,100 | -1,500 | -2.5% |
| The Vale of Glamorgan | 38,300 | -5,900 | -13.4% |
| Cardiff | 210,900 | 2,700 | 1.3% |
| Monmouthshire | 43,500 | 1,300 | 3.0% |
| Newport | 75,900 | 1,100 | 1.5% |

Source: statswales (Workplace employment by Welsh local areas and year series)

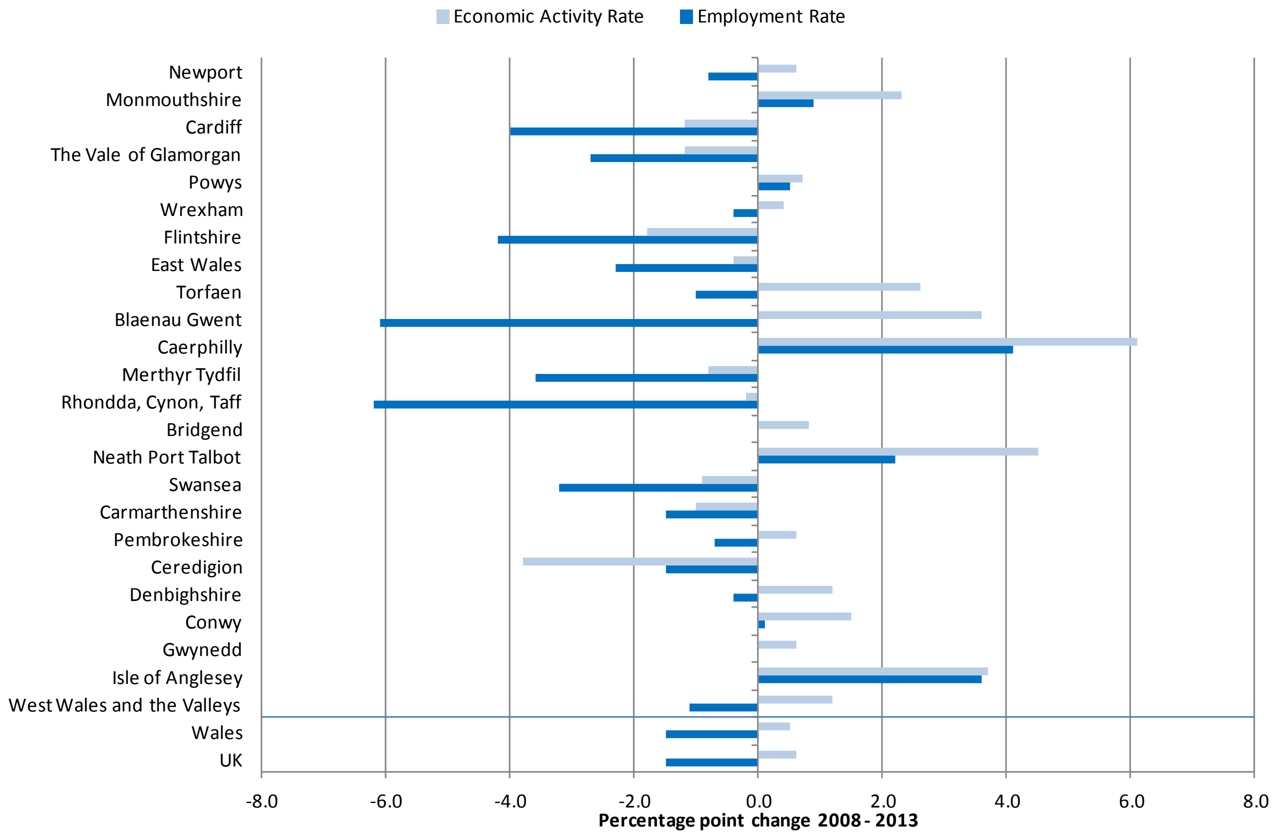
## Labour Market Indicators

The latest local area data for economic indicators suggests that there has been improvements in some of the most deprived areas in terms of levels of GVA per head and disposable income, although less so in terms of average weekly earnings. However, in terms of their position relative to the UK average, the gaps show limited signs of closing. In terms of employment, the most deprived areas of Merthyr Tydfil and Blaenau Gwent have both suffered above average declines in employment. The following sections looks at how these economic changes have impacted on the labour market in these areas (more up to date data is available for the measures covered here).

## Employment and Economic Activity Rates

Figure 1 shows a largely positive recent trend in economic activity rates which, for Wales as a whole have risen in line with the UK average. While some local authorities have seen an increase in both activity and employment rates, many have experienced the opposite, including the relatively deprived areas of Merthyr Tydfil and Rhondda, Cynon, Taff, along with Flintshire, Cardiff, the Vale of Glamorgan, Carmarthenshire, Swansea and Ceredigion(although the latter has a high student population, which affects its labour market position).

**Figure 1: Change in Employment and Economic Activity Rates (aged 16-64) by local authority, 2008 - 2013**

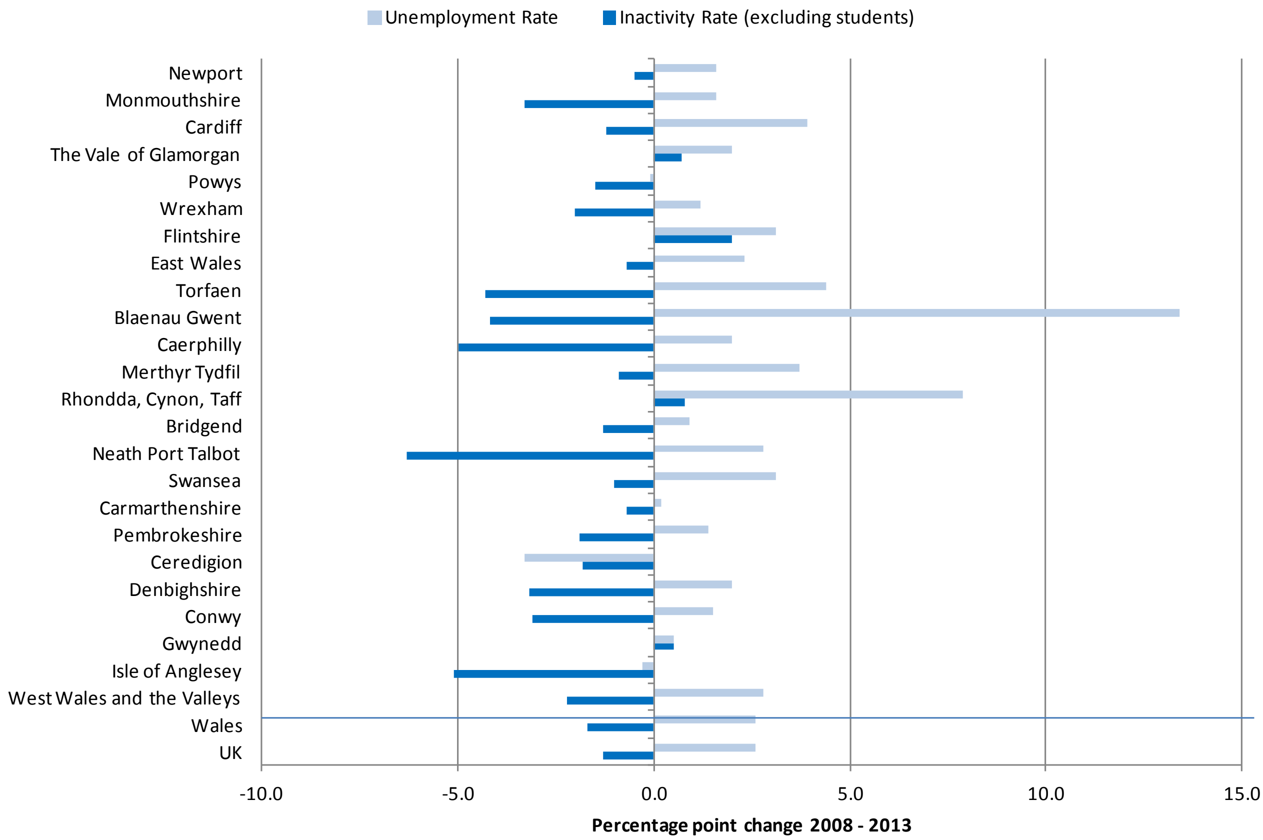



Source: Annual Population Survey (via statswales Annual Labour Market Summary 16-64 series). Data relates to year ending 30 Jun each year.

## Unemployment and Inactivity Rates

A similar picture is evident when considering recent change in unemployment and inactivity rates. Although most areas have seen both inactivity and unemployment fall since 2008, there have been some notable exceptions, with significant increases in unemployment in some of the most deprived areas. Rhondda, Cynon, Taff experienced a rise of 7.9 percentage points in this time, Torfaen by 4.4 percentage points and Blaenau Gwent by 13.4 (although the latter's 2008 unemployment data is of limited quality, due to a small sample size locallly within the Annual Population Survey).

### Figure 2: Change in Unemployment and Inactivity Rates (aged 16-64) by local authority, 2008 - 2013




Source: Annual Population Survey (via statswales Annual Labour Market Summary 16-64 and ILO unemployment rates by Welsh local areas / year series). Data relates to year ending 30 Jun each year.

## Summary - Significant labour market challenges remain

The above analysis has shown that most local authority areas have experienced some relative improvement in economic and labour market conditions in recent years, compared to the average for Wales as a whole, albeit with notable exceptions, often in those areas already identified as the most deprived in Wales. In particular, there have been significant employment losses in several areas.

Clearly, significant challenges remain in many parts of Wales, despite the massive amount of public spending aimed at reducing economic disparities. Table 5 shows the current extent to which local areas diverge from the Wales average for the key labour indicators we have used in our analysis. It shows that the areas facing the greatest labour market challenges are still those that were identified as being the most deprived in the Index of Multiple Deprivation in 2008 i.e. the Central and Gwent Valleys areas of Merthyr Tydfil, Rhondda, Cynon, Taff, Blaenau Gwent and Torfaen, who are generally well short of the Welsh average on all measures.

**Table 5: Key labour market indicators, variation from the average for Wales, 2013**

| | Gap with Wales Average 2013 | | | |
|---|---|---|---|---|
| | **Employment Rate** | **Economic Activity Rate** | **Inactivity Rate (excluding students)** | **Unemployment Rate** |
| UK | 3.3 | 3.2 | -2.8 | -0.4 |
| Wales | - | - | - | - |
| West Wales and the Valleys | -1.2 | -0.9 | 1.5 | 0.4 |
| Isle of Anglesey | 3.5 | 2.5 | -1.6 | -1.6 |
| Gwynedd | 1.7 | 0 | 0.5 | -2.3 |
| Conwy | 3.5 | 2 | -1.6 | -2.3 |
| Denbighshire | 1.5 | 0.6 | 0.3 | -1.1 |
| Ceredigion | -5.4 | -9.6 | 3.1 | -5.2 |
| Pembrokeshire | 0.4 | -1 | 1.8 | -1.9 |
| Carmarthenshire | -0.4 | -1.6 | 2.7 | -1.8 |
| Swansea | -2.6 | -2.9 | 1.5 | -0.1 |
| Neath Port Talbot | -1.6 | -2.2 | 3 | -0.6 |
| Bridgend | 2.3 | 1.9 | 0.5 | -0.7 |
| Rhondda, Cynon, Taff | -5.3 | -0.9 | 2.4 | 6.1 |
| Merthyr Tydfil | -3.9 | -2.2 | 3.7 | 2.6 |
| Caerphilly | 0.7 | 0.9 | 1.4 | 0.1 |
| Blaenau Gwent | -8.6 | -2.2 | 3.5 | 9.4 |
| Torfaen | -3.2 | 0.5 | 0.2 | 4.9 |
| East Wales | 1.9 | 1.6 | -2.4 | -0.6 |
| Flintshire | 4.1 | 2.4 | -1 | -2.4 |
| Wrexham | 6.5 | 5 | -4.7 | -2.1 |
| Powys | 6.5 | 3.6 | -1.8 | -4.2 |
| The Vale of Glamorgan | 2.4 | 2.2 | -1.4 | -0.3 |
| Cardiff | -2.9 | -1.5 | -3.3 | 2.2 |
| Monmouthshire | 7.6 | 5.5 | -5.1 | -3.1 |
| Newport | 0.3 | 0.9 | 0.6 | 0.7 |

Source: Annual Population Survey (via statswales Annual Labour Market Summary 16-64 and ILO unemployment rates by Welsh local areas / year series). Data relates to year ending 30 Jun 2013.

Despite the clear challenges that remain for the most economically disadvantaged areas, data and research maintains that area-based interventions do have clear beneficial impacts. The Welsh European Funding Office (WEFO) has published data on EU projects, that have 'assisted some 478,400 participants, of which some 157,800 have been supported to gain qualifications and some 53,660 helped into work. In addition, over 23,550 (gross) jobs and some 7,600 enterprises have been created'[2].

In addition, research published by the Joseph Rowntree Foundation on area-based initiatives (covering the Communities First programme in Wales), found that 'area-based regeneration has benefited the communities where it has been implemented'. While acknowledging that the programme had not been

[2] Source: WEFO http://wefo.wales.gov.uk/?lang=en

successful in every area where funding had been allocated, it highlighted some benefits in terms of community atmosphere (clear impact on self-perception within communities), landscape (improvements in communities' physical environment) but less so in terms of changing communities' social and cultural horizons, where there was 'considerable cultural resistance to travel to work'.  In answer to the question of what would the conditions in a community be if the area-based programmes had not been delivered, the research stated:

*'where Communities First has largely failed to establish itself none of the positive change identified above was evident. The community was locked in a pattern of social exclusion comparable to its condition in the late 1980s'.*

The research concluded that:

*'Without the preparatory groundwork provided by area-based approaches, the changes in local culture, aspiration and engagement that are essential for the success of other initiatives will not be evident.'*

## References

Joseph Rowntree Foundation (2010) **The impact of devolution - Area-based regeneration policies in the UK**, Dave Adamson, January 2010
http://www.jrf.org.uk/sites/files/jrf/impact-of-devolution-area-regeneration.pdf

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