



Labour Market Profile

North West Workforce Development Forum

KEY FIGURES

- **Table 1** shows the working age employment rate in the North West WDF was 60.0%, 7.0 percentage points lower than Northern Ireland as a whole.
- The working age economic activity rate (**Table 1**) in the North West WDF was 70.2%, 2.2 percentage points lower than Northern Ireland as a whole.
- **Table 1** also shows the working age economic inactivity rate in the North West WDF was 29.8%, 2.2 percentage points higher than Northern Ireland as a whole.
- **Table 2** shows the claimant count rate for 2014 in the North West WDF was 7.5%, 3 percentage points higher than Northern Ireland as a whole.

Table 1. Economic activity, inactivity and employment of the working age population for the North West WDF, 2012

	North West WDF		Northern Ireland
	Number	%	%
Employment	68,000	60.0	67.0
Economic Activity	79,000	70.2	72.4
Economic Inactivity	34,000	29.8	27.6

Source: Labour Force Survey Local Area Database 2012, DFP

Working Age=16-64

As the LFS is a sample survey, all data is subject to sampling error

Table 2. Claimant count as a proportion of the resident working age population for the North West WDF, 2014

	North West WDF		Northern Ireland
	Number	%	%
Claimant Count	8,852	7.5	4.5

Source: Claimant Count, DFP

OVERVIEW OF THE WORKFORCE IN THE NORTH WEST WDF

This report provides a labour market profile for the North West WDF in Northern Ireland. Similar profiles have been developed for the five remaining WDFs as well as an overall report for Northern Ireland. North West WDF comprises Derry City Council, Limavady Borough Council and Strabane District Council. The content is based on official information sources.

POPULATION

- In 2013, the population of the North West WDF was 182,518, with 49.4% being males (90,119) and 50.6% being females (92,399).
- Between 2000 and 2013 the population of the North West WDF increased by 5,990 (3.3%).
- In 2013, the working age population in the North West WDF was 118,089.
- The working age population increased by 6,422 (5.4%) between 2000 and 2013.
- The number of young people in the North West WDF (aged 16-24) decreased by 1,675 between 2000 and 2013. This is a decrease of 7.3%.
- The number of 25-49 year olds in the North West WDF increased by 807 between 2000 and 2013. This is an increase of 1.3%.
- The number of people aged 50-59/64 increased by 7,290 between 2000 and 2013. This is an increase of 23.1%.

WORKFORCE EMPLOYMENT

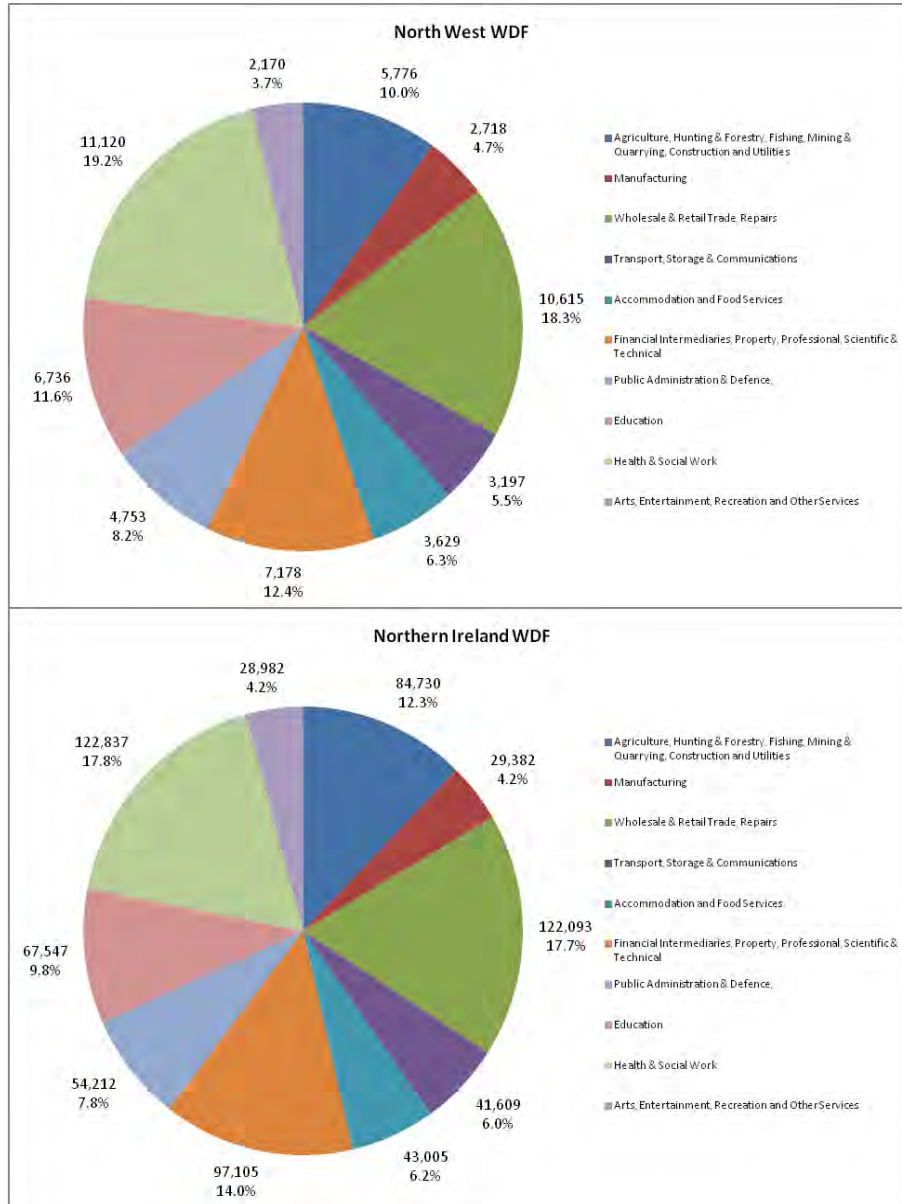
There were 57,892 employee jobs in the North West WDF in 2013. This represented a decrease of 76 (0.1%) since 2011.

- Females made up 54.6% of all employees in the North West WDF in 2013. The number of female jobs decreased by 0.1% between 2011 and 2013. Male employment in the North West WDF decreased by 0.2% in the same period.
- Almost two thirds (63.8%) of jobs were full-time in 2013. Full-time jobs increased by 1.5% between 2011 and 2013 while part-time jobs decreased by 2.8%.

INDUSTRIAL STRUCTURE

- **Figure 1** shows that almost one fifth of jobs were in Health and Social Work (19.2%). This was followed by 18.3% in Wholesale & Retail Trade, Repairs.
- In 2013, there were 2,170 employee jobs in Arts, Entertainment, Recreation and Other Services, which accounted for 3.7% of all jobs in the North West WDF (**Figure 1**).

Figure 1. Employee jobs by industrial sector for the North West WDF and Northern Ireland, 2013



Source: Census of Employment 2013, DFP

Note: Percentages may not sum to 100 due to rounding.

Table 3 shows:

- In the North West WDF there was a decline in Employee Jobs of 0.1% (76), lower than Northern Ireland as a whole.
- That Manufacturing decreased by 12.9% (402 jobs) between 2011 and 2013, followed by Education which decreased by 7.5%.
- Between 2011 and 2013 Financial Intermediaries, Property, Professional, Scientific & Technical increased by 9.2% which equates to a gain of 607 jobs in the North West WDF.
- Accommodation and Food Services increased by 130 jobs (8.7%) between 2011 and 2013.

Table 3. Change in Employee Jobs by industrial sector for the North West WDF, 2011 to 2013

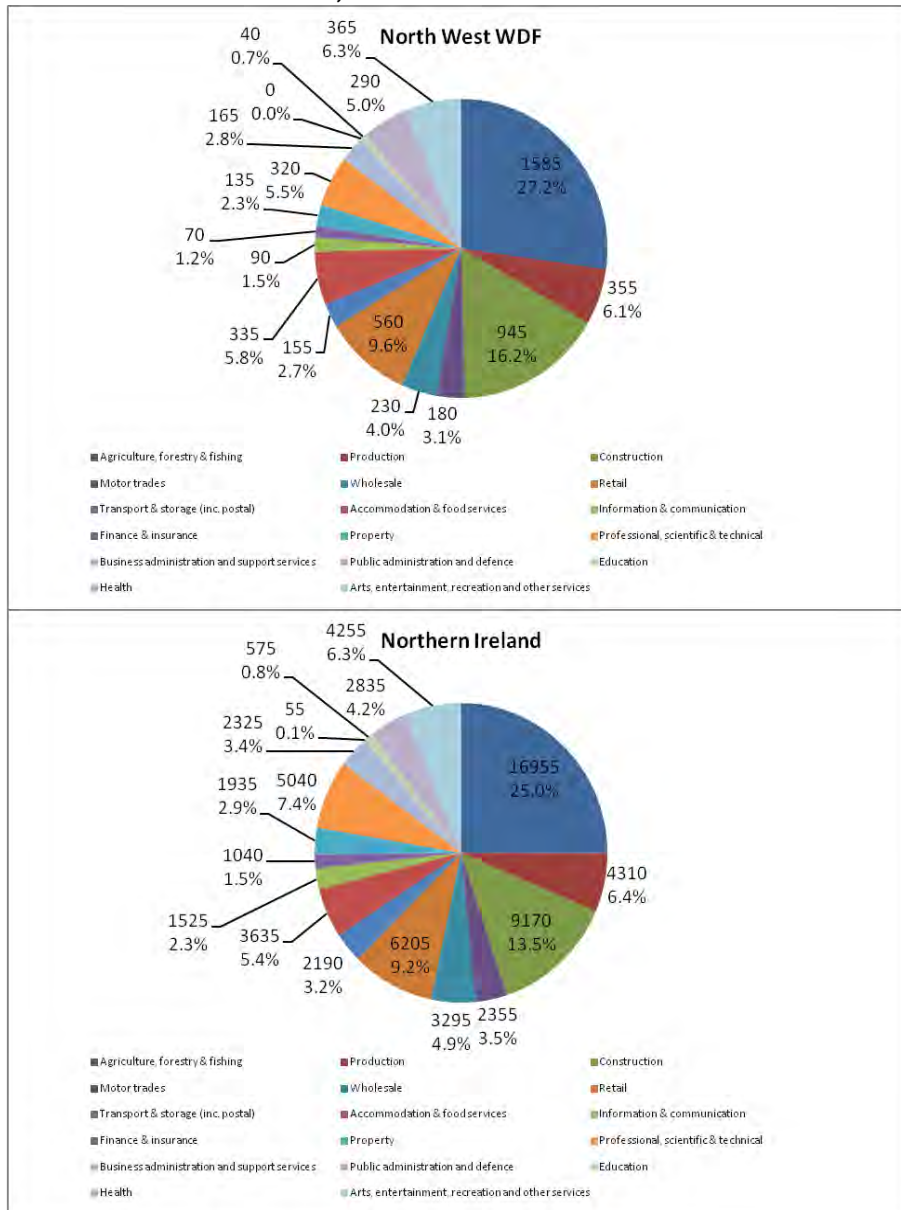
	Absolute change in the North West WDF	% Change in the North West WDF	% Change in Northern Ireland
Agriculture, Hunting & Forestry, Fishing, Mining & Quarrying, Construction and Utilities	+26	+0.4	2.6
Manufacturing	-402	-12.9	-10.8
Wholesale & Retail Trade, Repairs	-358	-3.3	-0.8
Transport, Storage & Communications	+247	+8.4	+1.5
Accommodation and Food Services	+130	+8.7	+3.7
Financial Intermediaries, Property, Professional, Scientific & Technical	+607	+9.2	+6.6
Public Administration & Defence	-67	-1.4	-3.8
Education	-550	-7.5	-0.8
Health & Social Work	+167	+1.5	+4.8
Arts, Entertainment, Recreation and Other Services	+124	+6.1	+4.1
TOTAL	-76	-0.1	+1.4

Source: Census of Employment 2013, DFP

VAT REGISTERED ENTERPRISES

- **Figure 2** shows that in 2014 there were a total of 5830 VAT registered businesses in the North West WDF. Of these over a quarter were in Agriculture (27.2%) while just under a fifth were in Construction (16.2%).
- Between 2013 and 2014 the number of VAT registered businesses increased by 1% in the North West WDF. This was higher than for Northern Ireland as a whole (-0.1%).

Figure 2. Number of VAT registered businesses by industrial sector for the North West WDF and Northern Ireland, 2014



Source: UK Business: Activity, Size & Location 2014

Notes:

1. Figures may not sum to total and percentages may not sum to 100 due to rounding.

2. Analysis now includes VAT and/or PAYE registered businesses instead of just VAT registered businesses as in the past.

3. On the Inter-departmental Business Register (IDBR), the enterprise is the statistical unit that most closely relates to a business.

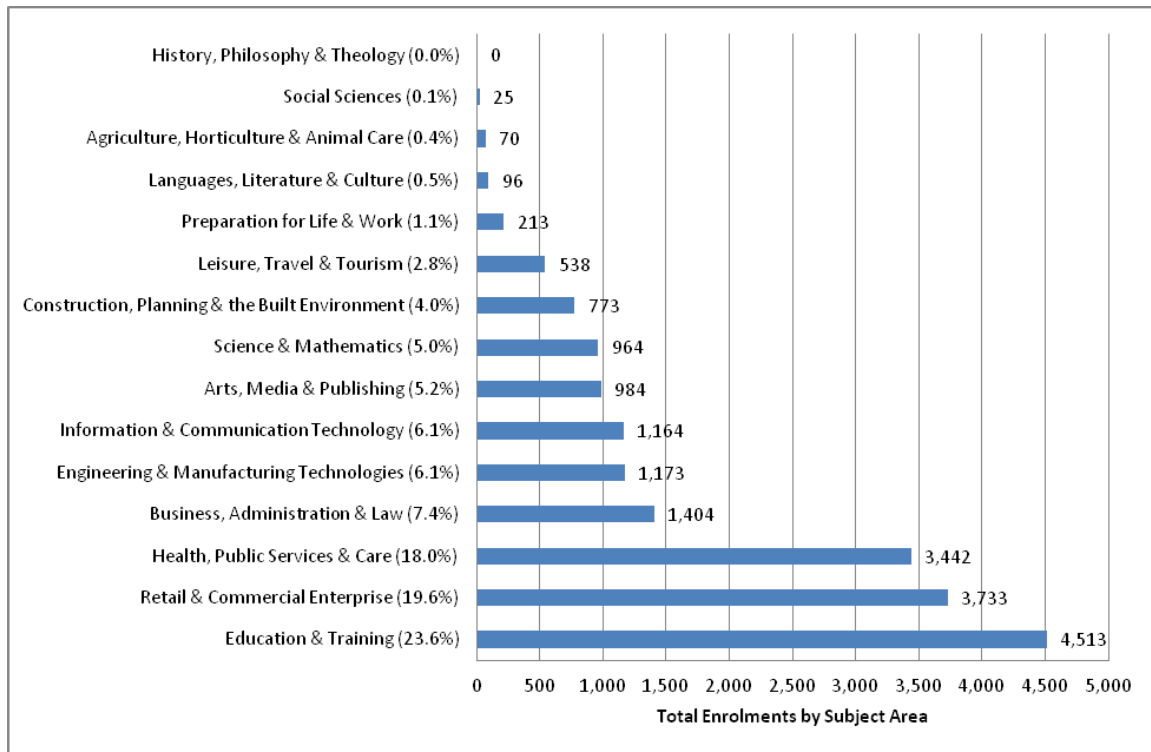
4. For further information please visit: <http://www.ons.gov.uk/ons/rel/bus-register/uk-business/2012/index.html>

Definition: "The enterprise is the smallest combination of legal units that has an organisational unit producing goods or services, which benefits from a certain degree of autonomy in decision-making, especially for the allocation of its current resources. An enterprise carries out one or more activities at one or more locations. An enterprise may be a sole legal unit."

FURTHER EDUCATION

- **Figure 3** shows that in 2012/13 the highest number of enrolments at North West Regional College was in Education & Training courses (23.6%). This was followed by Retail & Commercial Enterprise courses, accounting for 19.6% of enrolments.
- Only 0.1% of enrolments were in Social Sciences courses (**Figure 3**). There were no enrolments on History, Philosophy & Theology courses.

Figure 3. Enrolments in North West Regional College by subject area, 2012/13



(%) = % enrolments by subject area

Source: FESR

Note: Percentages may not sum to 100 due to rounding.

QUALIFICATIONS

- **Table 4** shows that in 2011 34.7% of the North West WDF working age population had no qualifications. This compares to 29.1% of the Northern Ireland working age population who also had no qualifications.
- In 2011, 38.3% of the North West WDF working age population had qualification Levels 1, 2 or 3 (A-level or less). This compares to 38.7% of the Northern Ireland working age population who had the same level of qualifications (**Table 4**).
- **Table 4** also shows that in 2011, 23.5% of the North West WDF working age population had qualification Levels 4 and 5 (First degree and higher). This compares to 27.8% of the Northern Ireland working age population who had the same level of qualifications.

Table 4. Qualification levels of the working age population in the North West WDF

		All persons	No qualifications	Level 1	Level 2	Level 3	Level 4	Level 5	Other
North West WDF	No.	140,976	48,922	16,462	20,585	16,929	28,016	5,047	5,015
	%	100.0	34.7	11.7	14.6	12.0	19.9	3.6	3.6
Northern Ireland	%	100.0	29.1	11.5	14.9	12.3	23.6	4.2	4.3

Source: Census 2011

Notes:

1. Percentages may not sum to 100 due to rounding.

2. Qualification NVQ Levels

No qualifications: No qualifications

Level 1: GCSE (grades D-G), CSE (grades 2-5), 1-4 CSEs (grade 1), 1-4 GCSEs (grades A-C), 1-4 'O' level passes, NVQ Level 1, GNVQ Foundation or equivalents

Level 2: 5+ CSEs (grade 1), 5+ GCSEs (grades A-C), 5+ 'O' level passes, Senior Certificate, 1 'A' level, 1-3 AS levels, Advanced Senior Certificate, NVQ Level 2, GNVQ Intermediate or equivalents

Level 3: 2+ 'A' levels, 4+ AS levels, NVQ Level 3, GNVQ Advanced or equivalents

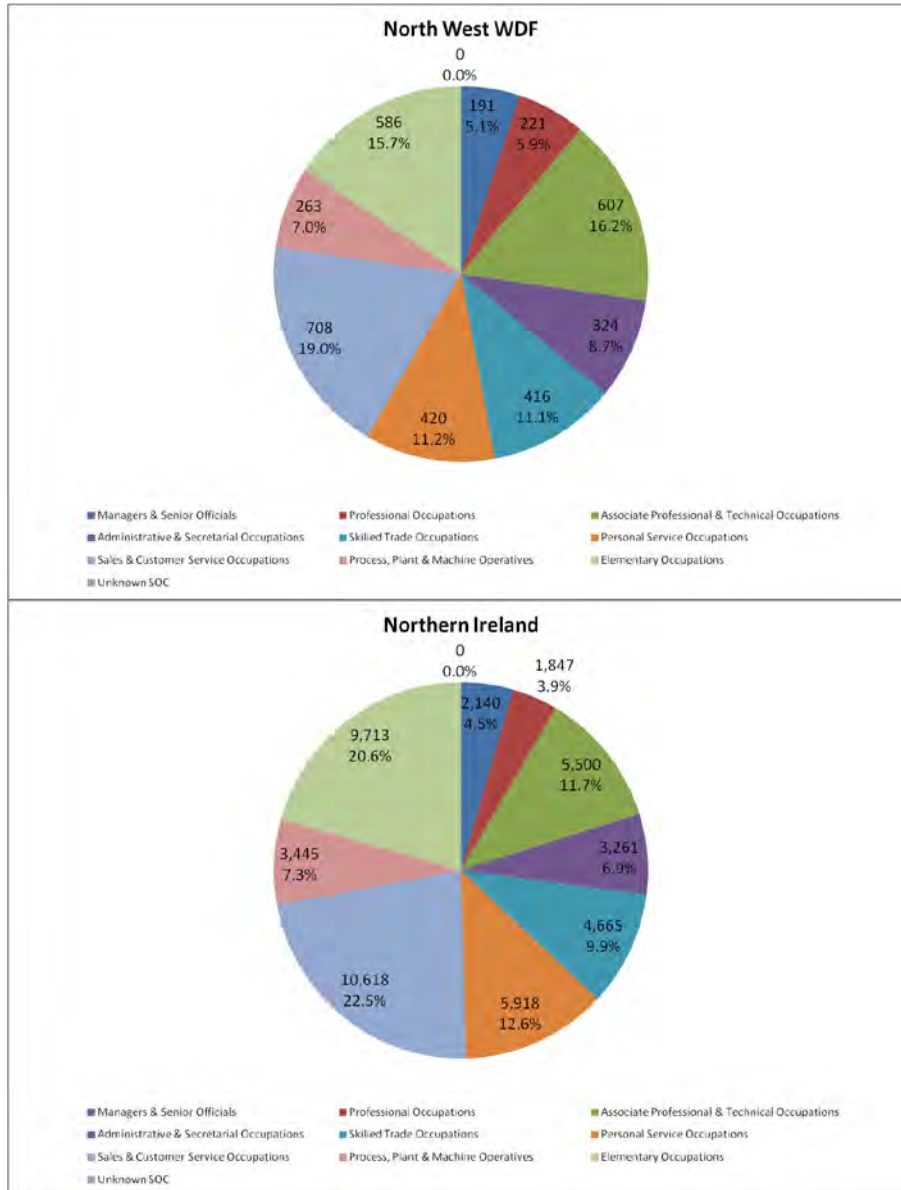
Level 4: First Degree, NVQ Level 4, HNC, HND or equivalents

Level 5: Higher Degree, NVQ Level 5 or equivalents

VACANCIES

- **Figure 4** shows that just under a fifth of all notified vacancies in 2011 in the North West WDF were in Sales & Customer Service Occupations (19.0%). This was followed by 16.2% in Associate Professional & Technical Occupations.
- In 2011, the smallest number of vacancies were for Managers & Senior Officials accounting for 5.1% of all vacancies (**Figure 4**).

Figure 4. Notified vacancies for the North West WDF and Northern Ireland, 2011



Source: Client Management System, DEL

Notes:

(1) All statistics are derived from data extracted from the Department for Employment and Learning Client Management System (CMS) on 8th June 2012

- (2) Vacancies notified are all vacancy positions notified and added to JobCentres / Jobs and Benefits Offices of the Department for Employment and Learning.
- (3) Workforce Development Forum (WDF) areas are assigned to vacancies based on the postcode of the employers account. When a valid employer's account postcode is not available, the postcode of the vacancy is used. When both employer and vacancy postcode are incorrect/incomplete/outside of Northern Ireland, the WDF of the vacancy is recorded as unknown.
- (4) Percentages may not sum to 100 due to rounding.
- (5) Occupations are taken from the Standard Occupational Classification 2000.

REDUNDANCIES

- **Table 5** shows that in 2013 there were 328 confirmed redundancies in the North West WDF. This equates to 15.4% of the total number of redundancies in Northern Ireland in 2013.
- Over the period 2012 to 2013, the number of confirmed redundancies in the North West WDF increased by 277% (**Table 5**).

Table 5. Confirmed Redundancies for the North West WDF, 2008 to 2013

	2008	2009	2010	2011	2012	2013
North West WDF	1090	746	202	180	87	328
Northern Ireland	2782	4596	2096	1808	3353	2129
Redundancies in the North West WDF as a % of Northern Ireland total	39.2	16.2	9.6	10.0	2.6	15.4

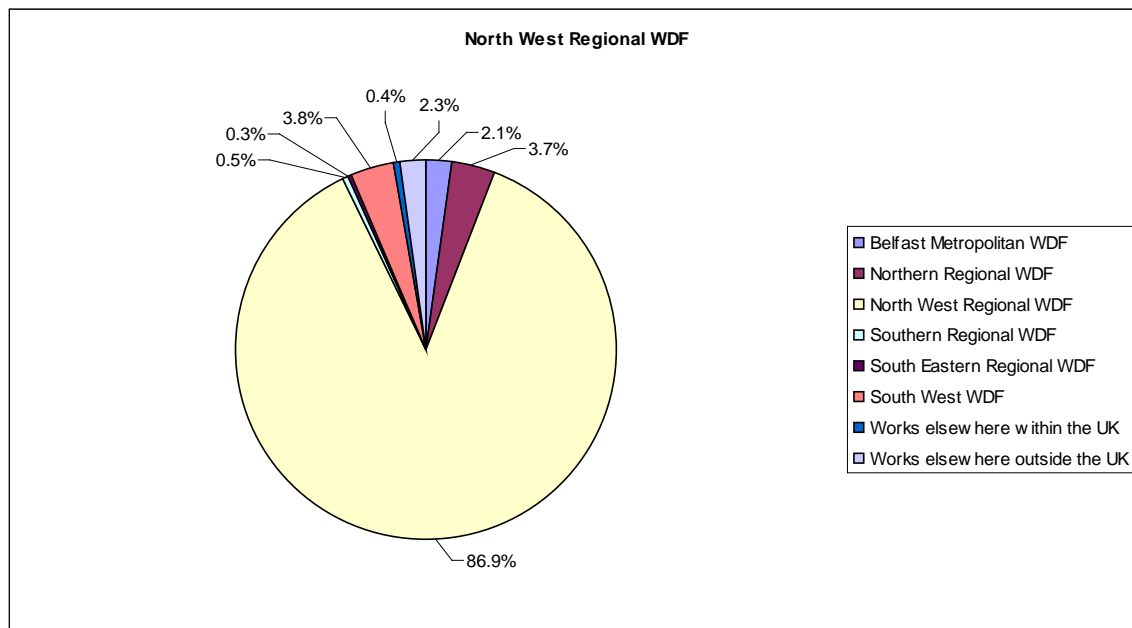
Source: Redundancies, DFP

Note: Under the Employment Rights (Northern Ireland) Order 1996 (Amended 8 October 2006) companies are only legally required to notify the Department of impending redundancies of 20 or more employees, hence these figures underestimate the total number of losses. The above figures represent the number of people confirmed to the Department as subsequently being made redundant.

TRAVEL TO WORK

- **Figure 5** shows that in 2001, 97.3% of the persons living in the North West WDF who were in employment worked in Northern Ireland. 0.4% worked elsewhere within the UK and 2.3% worked elsewhere outside the UK, (2.1% in Republic of Ireland, 0.2% Other).
- In 2001, 57.9% of persons living in the North West WDF who were in employment worked in Derry, whilst the figures for Strabane and Limavady were 14.9% and 14.1% respectively.
- **Figure 5** shows that 86.9% of persons living in the North West WDF work within this WDF, whilst 10.4% of persons living in the North West WDF work in other WDFs, 0.4% worked elsewhere within the UK and 2.3% worked elsewhere outside the UK (2.1% in Republic of Ireland, 0.2% Other).

Figure 5. Travel to work patterns of residents from the North West WDF



Source: Census 2001

Note: Percentages may not sum to 100 due to rounding.

Tomorrow's Economy and Labour Market

In 2010 DEL published reports for all of the Workforce Development Forum areas on future skill needs based on work carried out by Oxford Economics¹. The forecasts are based on two scenarios about the NI (and hence WDF) economy: a **baseline scenario**, which details the central estimates assuming no step change to the economy; and an **aspirational scenario**, based on NI achieving the productivity targets laid out in the Executive's Programme for Government².

Like all forecasts, the data shown below represent the central estimates at the time the analysis was carried out (Summer 2009) and will be subject to a margin of uncertainty.

The results for the North West WDF area are contained in **Table 6**.

Table 6. Sectoral Employment Forecasts to 2020

	WDF Change (000s)			
	1998-2008	2008-2010	2010-2020 baseline	2010-2020 aspirational
Agriculture, forestry & fishing	-1.8	-0.1	0.0	0.2
Mining & quarrying	0.0	0.0	0.0	0.0
Manufacturing	-7.2	-1.1	-1.0	-0.8
Utilities	0.0	0.0	0.0	0.0
Construction	3.0	-1.3	1.0	1.3
Retail & distribution	4.3	-0.1	0.3	0.6
Hotels & restaurants	1.0	-0.2	0.7	1.1
Transport & communications	0.2	-0.2	0.3	0.4
Financial services	0.2	-0.1	0.1	0.2
Business services	5.1	-0.6	3.5	4.8
Public administration & defence	0.3	-0.1	0.0	0.0
Land forces	-1.0	0.0	0.0	0.0
Education	0.5	0.0	0.4	0.4
Health & social work	2.3	0.2	1.2	1.2
Other personal services	0.8	-0.1	0.3	0.5
Total employment (job-based)	6.6	-3.7	6.9	9.9
Total employment (jobs pa)	0.7	-1.8	0.7	1.0
Total employment (people-based)	5.5	-3.5	5.6	8.3

Source: Oxford Economics

Note: People-based excludes Government training schemes

¹ Oxford Economics (2010) Workforce Future Skill Needs Analysis: North West Workforce Development Forum Report www.delni.gov.uk/north_west_workforce_analysis_final_report_feb_2010.pdf. These reports are based in Oxford Economics's NI Policy Simulation model and forecasts were produced in the summer of 2009. It should be noted that all forecasts are workplace-based, not residence based – it thus takes no account of commuting patterns

² Available at www.pfgbudgetni.gov.uk/finalpfg.pdf

Key Points:

- **The Downturn:** The North West economy's recent period of growth (albeit slower than other WDF regions) is forecast to have come to an abrupt end during the recession. Oxford Economics's central outlook for the North West economy is for **3,500 net job losses between 2008 and 2010** (mid-year figures), equivalent to 5% of total jobs. Losses are forecast across a number of sectors, although the majority are in construction, manufacturing and business services.
- **Baseline Scenario:** Looking beyond the recession, the central prediction is for **net job growth of 700 per annum** (pa), the same level of net expansion of the past decade (most other WDF economies are predicted to grow much slower in the next decade compared to the past decade, partly as growth in the previous decade in other WDF economies was much stronger than in the North West). This similar level of growth to the past is explained by an initial period of 'bounce back' (when growth is above its long-term sustainable rate) and the fact that previous levels of growth were by no means spectacular relative to other WDF economies.
- **Future sectoral growth is predicted to be driven by exporting service sectors** – particularly business services which is forecast to create 3,500 net jobs between 2010 and 2020. The health & social work sector is forecast to create 1,200 jobs over the same period, although this is dependent upon health spending being 'ring-fenced' from the pending squeeze in public finances.
- **Aspirational Scenario** – This suggests that employment in the North West WDF area could grow by around 1,000 jobs per year (about 8,300 over the period to 2020). Given the nature of the scenario and the sectoral pattern of employment uplift, a high proportion of the additional scenario jobs (hi-tech manufacturing and 'potential' service exporting sectors) will be 'urban-friendly'.

USEFUL SOURCES OF LABOUR MARKET INFORMATION

Expert Group on Future Skills Needs – Republic of Ireland
www.skillsireland.ie

DETI – Northern Ireland District Council Briefing, Redundancies, Census of Employment, Labour Force Survey, Annual Survey of Hours and Earnings
www.detini.gov.uk/cgi-bin/gethome

UK Labour Market Trends
www.statistics.gov.uk/statbase/Product.asp?vlnk=550&More=N

Office for National Statistics
www.statistics.gov.uk/default.asp

Careers Service Northern Ireland
www.nidirect.gov.uk/careers

EXPLANATORY NOTES

- Some of the information in the labour market profile is taken from sample surveys and so results are subject to sampling error. The nature of sampling variability is that the smaller the group whose size is being estimated the (proportionately) less precise that estimate is.
- Figures for people in employment include those aged 16 and over, who have completed at least one hours paid work in the reference week (either employed or self-employed).
- Figures for employee jobs do not include those who are self-employed.