



Meeting: Enterprise Partnership Board

Date: 11 June 2008

Report Title: Economic Regeneration Performance Indicators

Report of: Martin Tucker – Regeneration Manager (Employment & Skills)

Summary

- The overall employment rate in Haringey continues to rise and is now at 69.0 per cent.
- The ethnic minority employment rate is at its highest recorded level.
- On an annualised basis, Haringey's Job Seekers Allowance claim rate is at its lowest level since March 1992. This is also true for the Job Seekers Allowance claim rate amongst young people aged 16 to 19.
- The Incapacity Benefits claim rate is at its lowest level since May 2001
- The proportion of NEETs in Haringey has been below the LAA stretch target level of 10.4 per cent for two consecutive months.
- The rate of newly registered VAT enterprises in Haringey continues to fall although the Borough's business activity still remains above the national average.

Recommendations

1. That the Board notes this report

Financial/Legal Comments

N/A

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Introduction

This document reports on a number of indicators selected identified by Haringey Enterprise Board as being crucial in monitoring the policy aim of improving the economic well-being of the borough. It includes benchmarking data comparing Haringey with other London boroughs that have similar characteristics. The indicators that this report focuses on are:

- Working age employment rate
- Ethnic minority employment rate
- Working age benefit claim rate
- Overall Job Seekers Allowance claim rate
- 16-19 year old Job Seekers Allowance claim rate
- Incapacity Benefit and Severe Disablement Allowance claim rate
- 16-18 year olds not in education, employment or training (NEET)
- New VAT registered enterprises
- Net VAT registered enterprises

A summary of the definitions used are contained in the appendices at the end of this report.

Summary

Indicator	Latest data	Data from previous period	Trend against previous period	Overall assessment for Haringey
Overall employment rate	69.0% (2006/07) 74.3%	66.2% (2005/06) 74.4%	↑	Green
Ethnic minority employment rate	59.1% (2006/07) 59.7%	52.4% (2005/06) 58.7%	↑	Green
Working age benefit claim rate - 12 Haringey priority wards	23.5% (May 2007) 13.7%	24.7% (May 2006) 14.0%	↓	Green
Working age benefit claim rate - gap between 12 Haringey priority wards and England averages	9.8 pp (May 2007)	10.7 pp (May 2006)	↓	Amber
Job Seekers Allowance (JSA) claim rate	4.1% (March 2008) 2.2%	5.0% (March 2007) 2.5%	↓	Amber
16 to 19 year old JSA claim rate	3.7% (March 2008) 3.1%	4.7% (March 2007) 3.6%	↓	Green
Incapacity Benefit/Severe Disablement Allowance claim rate	7.7% (May 2007) 6.7%	7.9% (May 2006) 6.8%	↓	Amber
NEET	9.1% (March 2008)	13.2% (March 2007)	↓	Green
New VAT registered enterprises (as % of total VAT registered enterprise stock)	11.5% (2006) 9.5%	12.5% (2005) 9.7%	↓	Red
Net VAT registrations (as % of total VAT registered enterprise stock)	1.2% (2006) 2.1%	2.4% (2005) 2.1%	↓	Red

Notes

1. The overall assessment for Haringey is determined using the following methodology: Green - an improvement of more than 1 percentage point against performance in the previous period; Amber - within 1 percentage point (+ or -) of performance in the previous period; and Red - a deterioration of 1 percentage point or more against performance in the previous period.
2. Figures in red represent the England average.

OVERALL EMPLOYMENT RATE

ER PERFORMANCE INDICATOR ASSESSMENT

Overall assessment for Haringey

Green

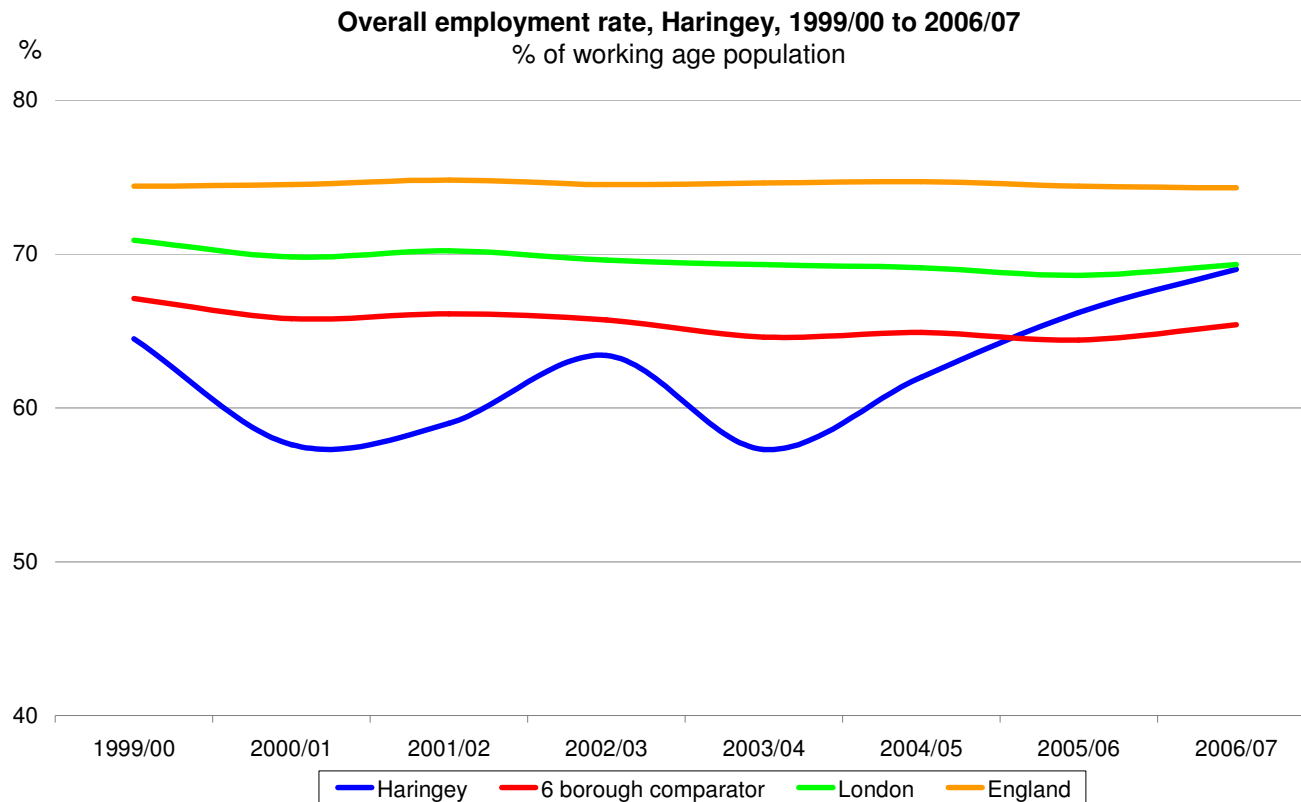
Trend against previous period



% point change against previous period

2.8

- The employment rate in Haringey was 69.0 per cent in 2006/07 up from 66.2 per cent in 2005/06. This is the third successive year of employment growth in Haringey and since 2003/04 the employment rate in Haringey has increased by 11.7 percentage points.
- Haringey's employment rate is now only marginally below the London average of 69.3 per cent but remains significantly below the England average of 74.3 per cent.
- The employment rate in Haringey has been above the 6 borough comparator rate for the past 2 years. The current 6 borough comparator rate, at 65.4 per cent, is 3.9 percentage points lower than the Haringey average.



Source: Local Area Labour Force Survey and Annual Population Survey

ETHNIC MINORITY EMPLOYMENT RATE

ER PERFORMANCE INDICATOR ASSESSMENT

Overall assessment for Haringey

Green

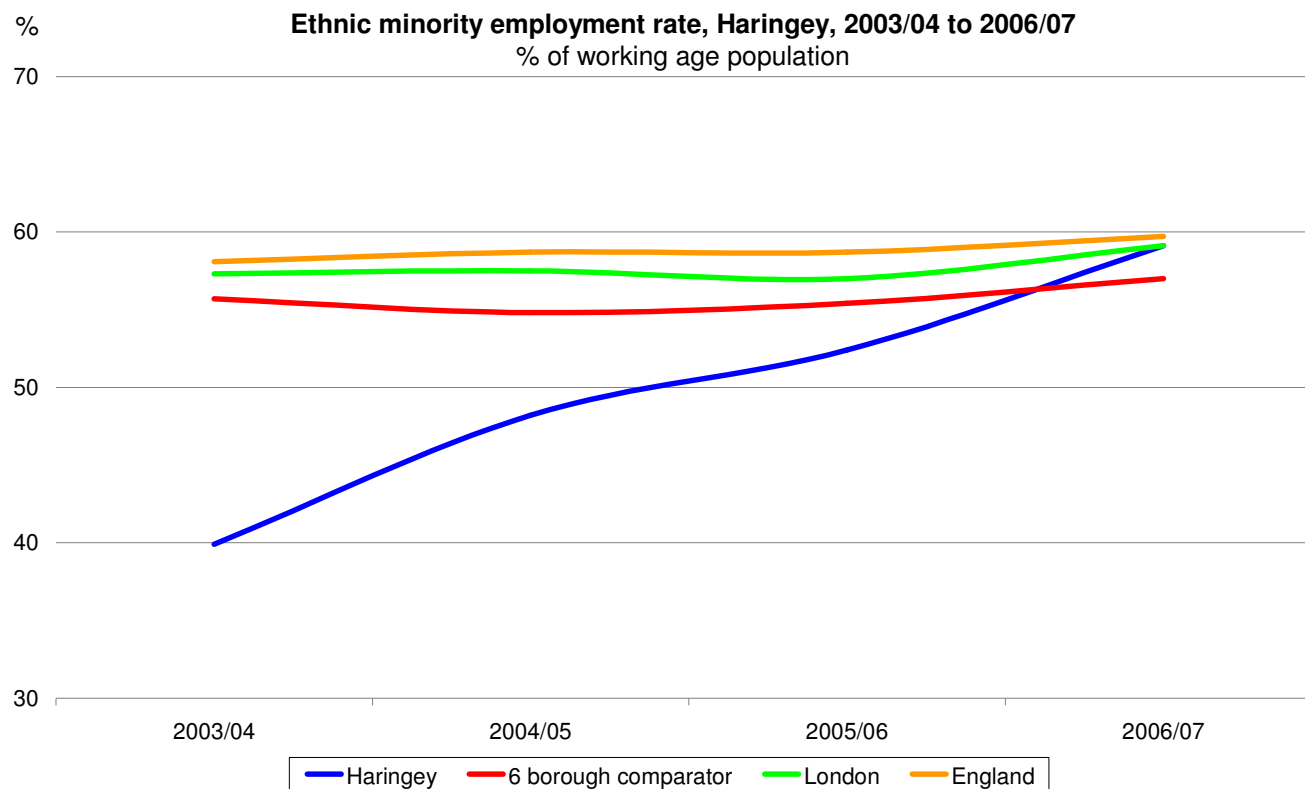
Trend against previous period



% point change against previous period

6.7

- Employment levels amongst Haringey's ethnic minorities are at their highest recorded level. At 2006/07, the ethnic minority employment rate in the borough was 59.1 per cent, a 19.2 percentage point increase from 2003/04.
- The ethnic minority employment in Haringey is now the same as the London equivalent and only marginally below the England average of 59.7 per cent.
- Haringey's ethnic minority employment rate was higher than the 6 borough comparator (57.0 per cent) for the first time in 2006/07.



Source: Local Area Labour Force Survey and Annual Population Survey

WORKING AGE BENEFIT CLAIM RATE – 12 HARINGEY PRIORITY WARDS

ER PERFORMANCE INDICATOR ASSESSMENT

Overall assessment for Haringey

Green

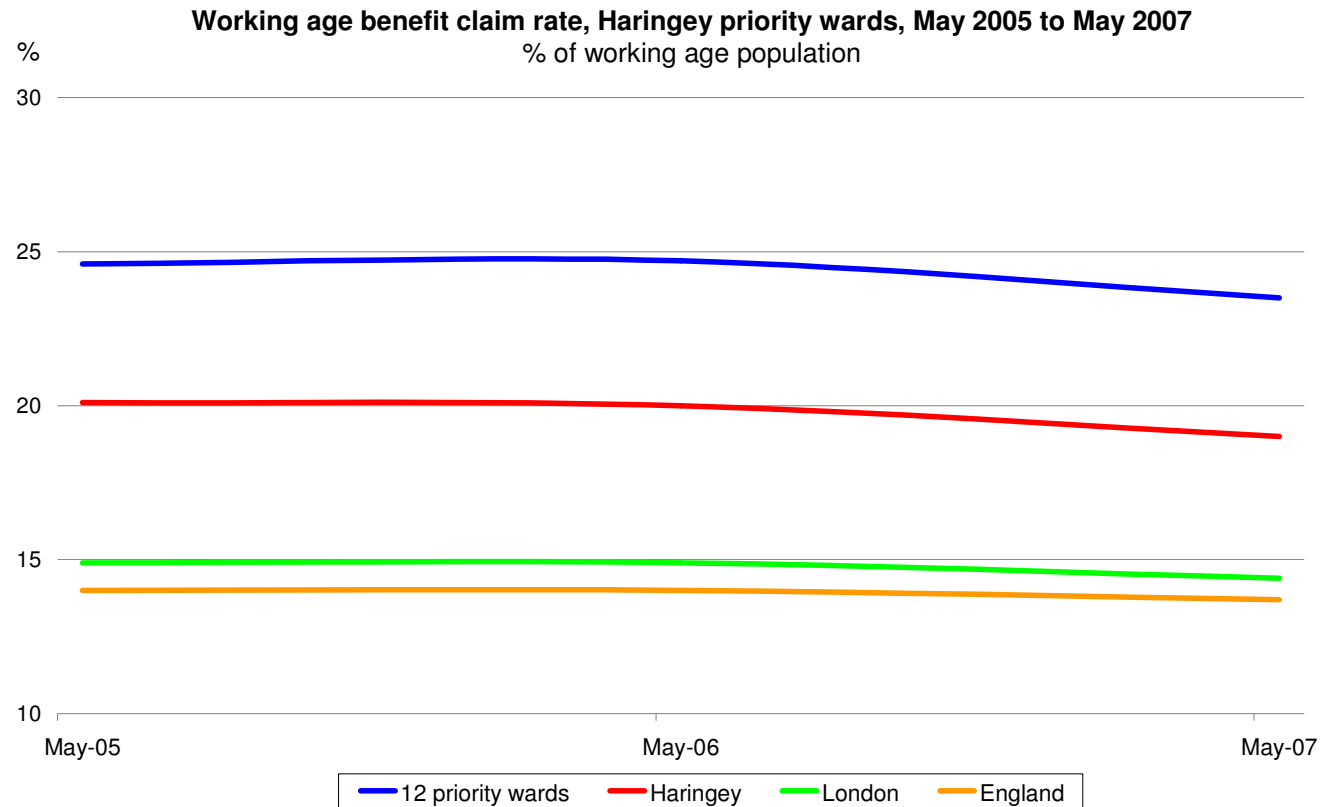
Trend against previous period



% point change against previous period

-1.2

- At May 2007, the working age benefit claim rate amongst Haringey's 12 priority wards was 23.5 per cent (23,785 claimants), down 1.2 percentage points from the rate of 24.7 per cent (25,010 claimants) a year ago.
- However, the priority wards benefit claim rate remains significantly above the Haringey (19.0 per cent), London (14.4 per cent) and England (13.7 per cent) averages.



Source: Nomis

WORKING AGE BENEFIT CLAIM RATE – GAP BETWEEN 12 HARINGEY PRIORITY WARDS AND ENGLAND AVERAGES

ER PERFORMANCE INDICATOR ASSESSMENT

Overall assessment for Haringey

Amber

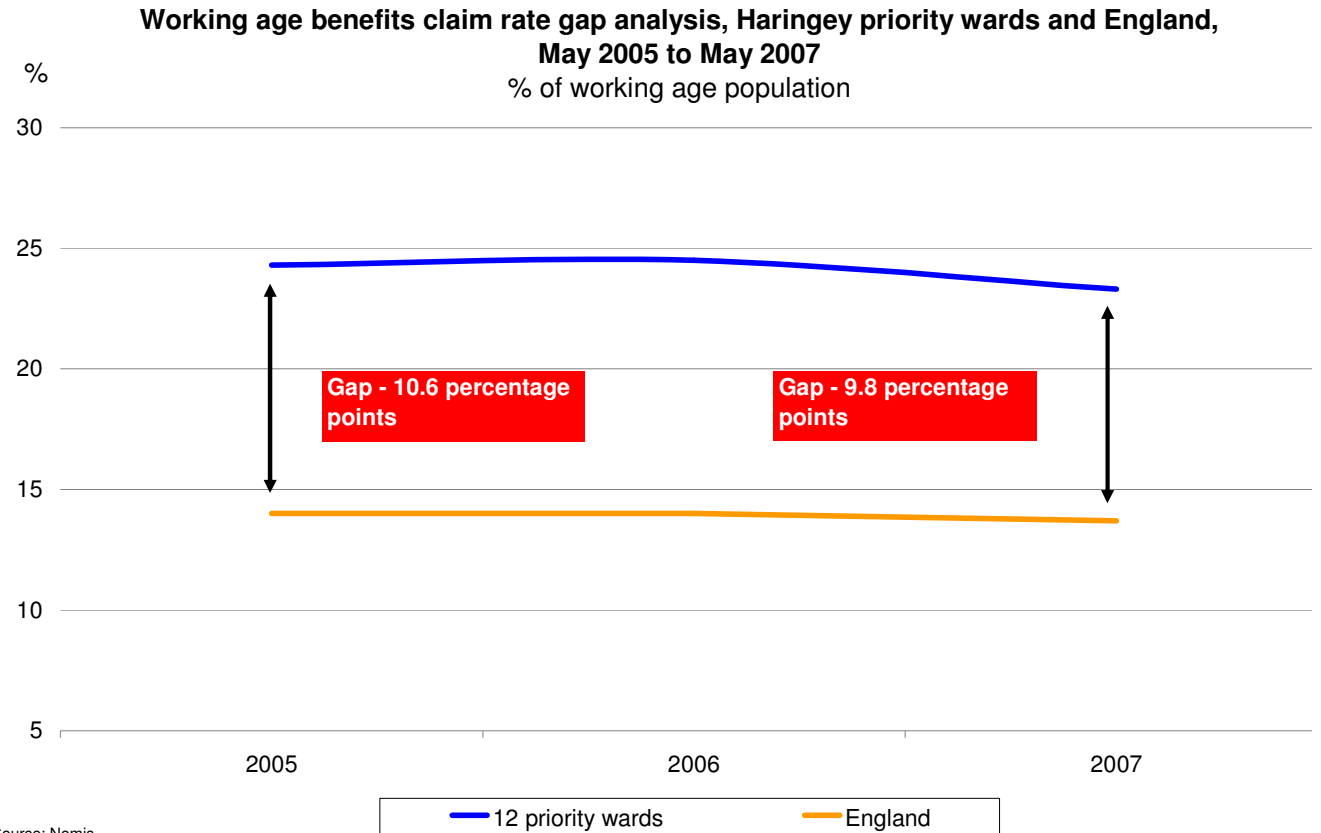
Trend against previous period



% point change against previous period

-0.8

- At May 2007, the gap between the working age benefit claim rates for the 12 Haringey priority wards and England was 9.8 percentage points. This is 0.8 percentage points down from the gap of 10.6 percentage points at May 2005.



JOB SEEKERS ALLOWANCE CLAIM RATE

ER PERFORMANCE INDICATOR ASSESSMENT

Overall assessment for Haringey

Amber

Trend against previous period

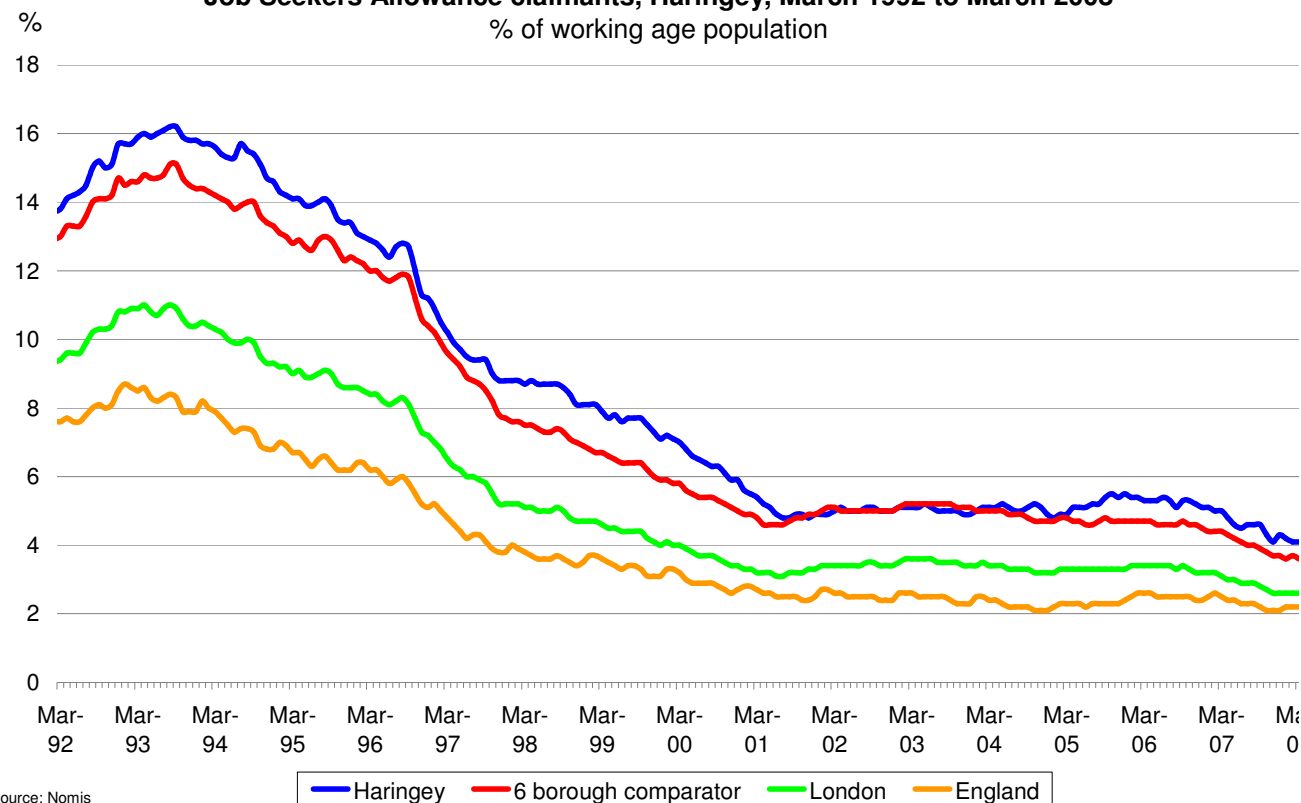


% point change against previous period

-0.9

- At March 2008, the Job Seekers Allowance (JSA) claim rate in Haringey was 4.1 per cent (6,365 claimants), down from a rate of 5.0 per cent (7,814 claimants) a year ago.
- On an annualised basis, Haringey's JSA claim rate is at its lowest level since March 1992.
- Haringey's JSA claim rate remains above the 6 borough comparator (3.6 per cent), London (2.6 per cent) and England (2.2 per cent) averages.

Job Seekers Allowance claimants, Haringey, March 1992 to March 2008
% of working age population



Source: Nomis

16 TO 19 YEAR OLD JOB SEEKERS ALLOWANCE CLAIM RATE

ER PERFORMANCE INDICATOR ASSESSMENT

Overall assessment for Haringey

Green

Trend against previous period



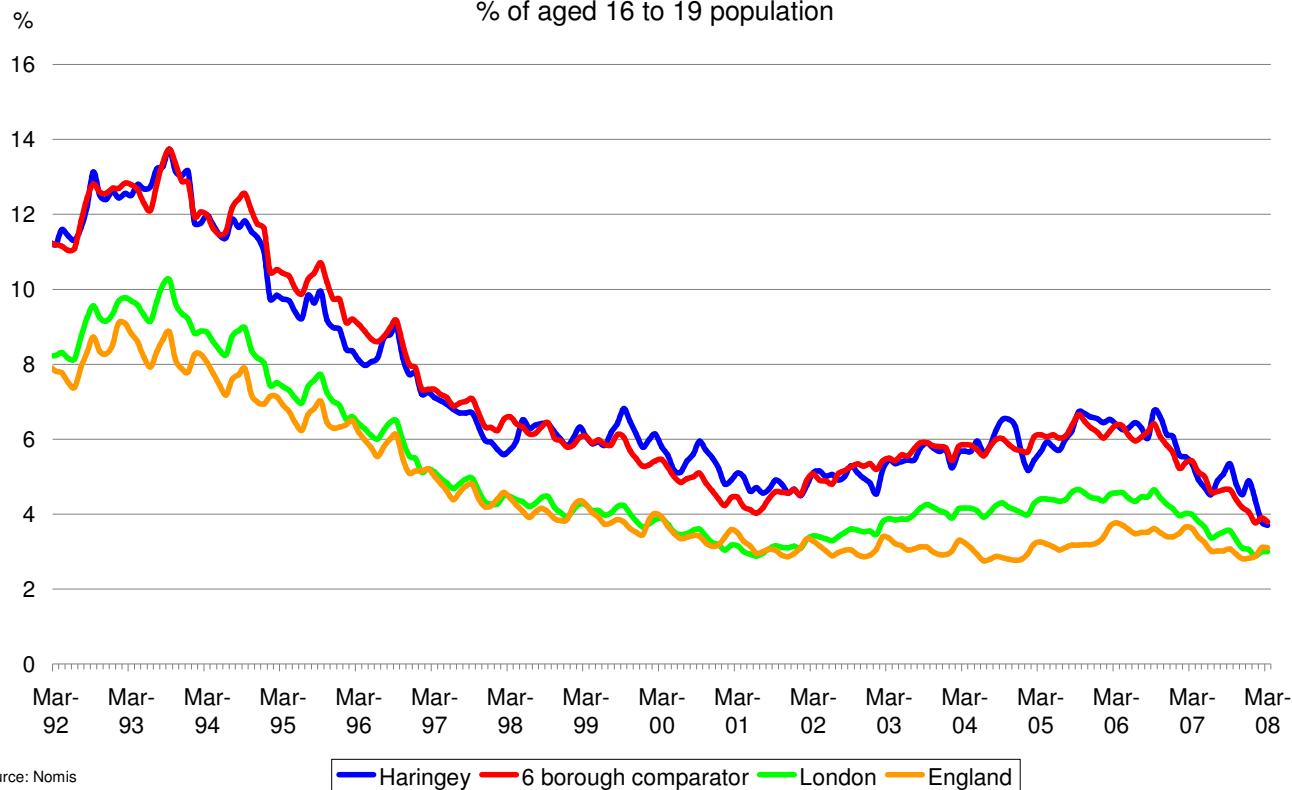
% point change against previous period

-1.0

- At March 2008, the JSA claim rate amongst young people aged 16 to 19 in Haringey was 3.7 per cent (410 claimants), down 1 percentage point from a rate of 4.7 per cent (585 claimants) a year ago.
- On an annualised basis, Haringey's JSA claim rate amongst 16 to 19 year olds is at its lowest level since March 1992.
- Haringey's JSA claim rate amongst 16 to 18 year olds is currently lower than the 6 borough comparator (3.8 per cent) but higher than the London (3.0 per cent) and England (3.1 per cent) averages.

Job Seekers Allowance claimants aged 16 to 19, March 1992 to March 2008

% of aged 16 to 19 population



Source: Nomis

INCAPACITY BENEFIT AND SEVERE DISABLEMENT ALLOWANCE CLAIM RATE

ER PERFORMANCE INDICATOR ASSESSMENT

Overall assessment for Haringey

Amber

Trend against previous period

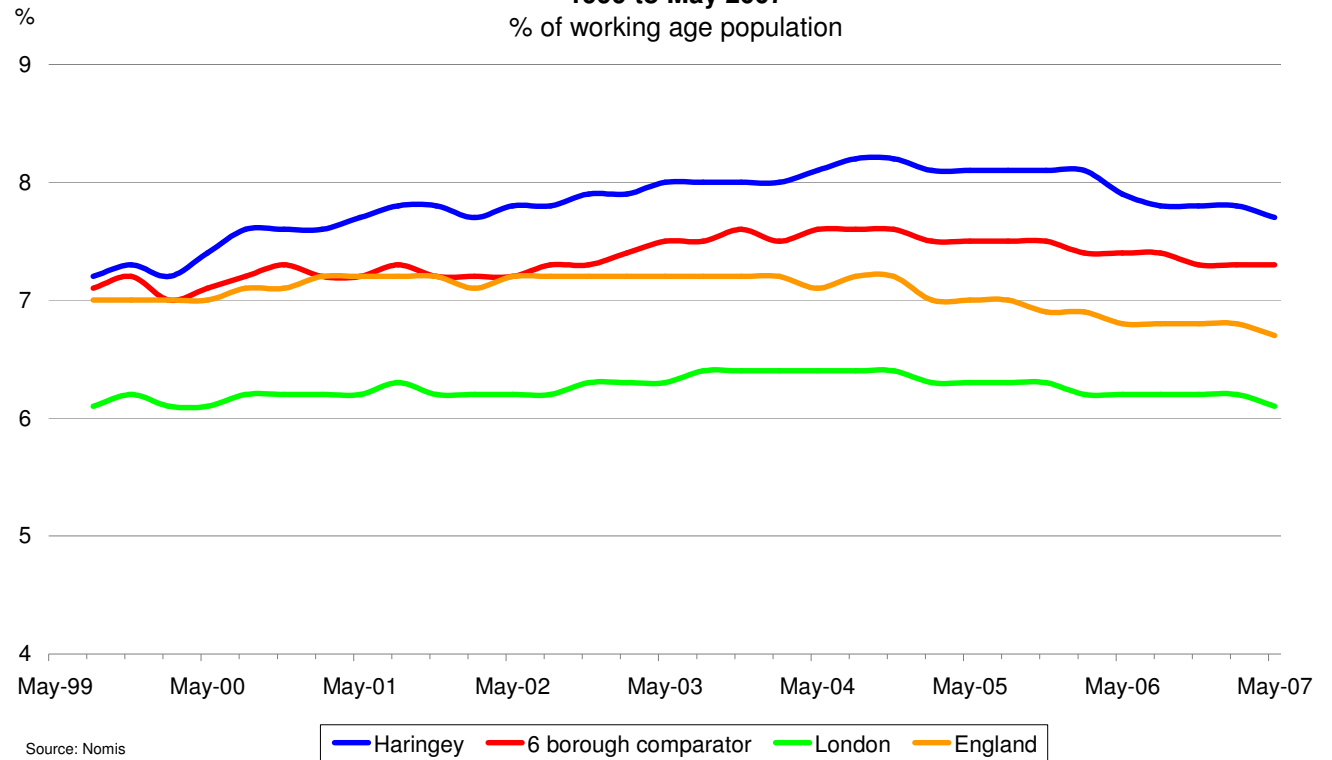


% point change against previous period

-0.2

- At May 2007, the Incapacity Benefit/Severe Disablement Allowance (IB/SDA) was 7.7 per cent (12,150 claimants), down 0.2 percentage points from the rate of 7.9 per cent (12,440 claimants) a year ago. The IB/SDA claim has fallen for 2 successive years and is now at its lowest level since May 2001.
- The IB/SDA claim rate in Haringey remains above the 6 borough comparator (7.3 per cent), London (6.1 per cent) and England (6.7 per cent) averages.

Incapacity Benefit & Severe Disablement Allowance (IB/SDA) claim rate, Haringey, May 1999 to May 2007



16 TO 18 YEAR OLDS NOT IN EDUCATION, EMPLOYMENT OR TRAINING

ER PERFORMANCE INDICATOR ASSESSMENT

Overall assessment for Haringey

Green

Trend against previous period

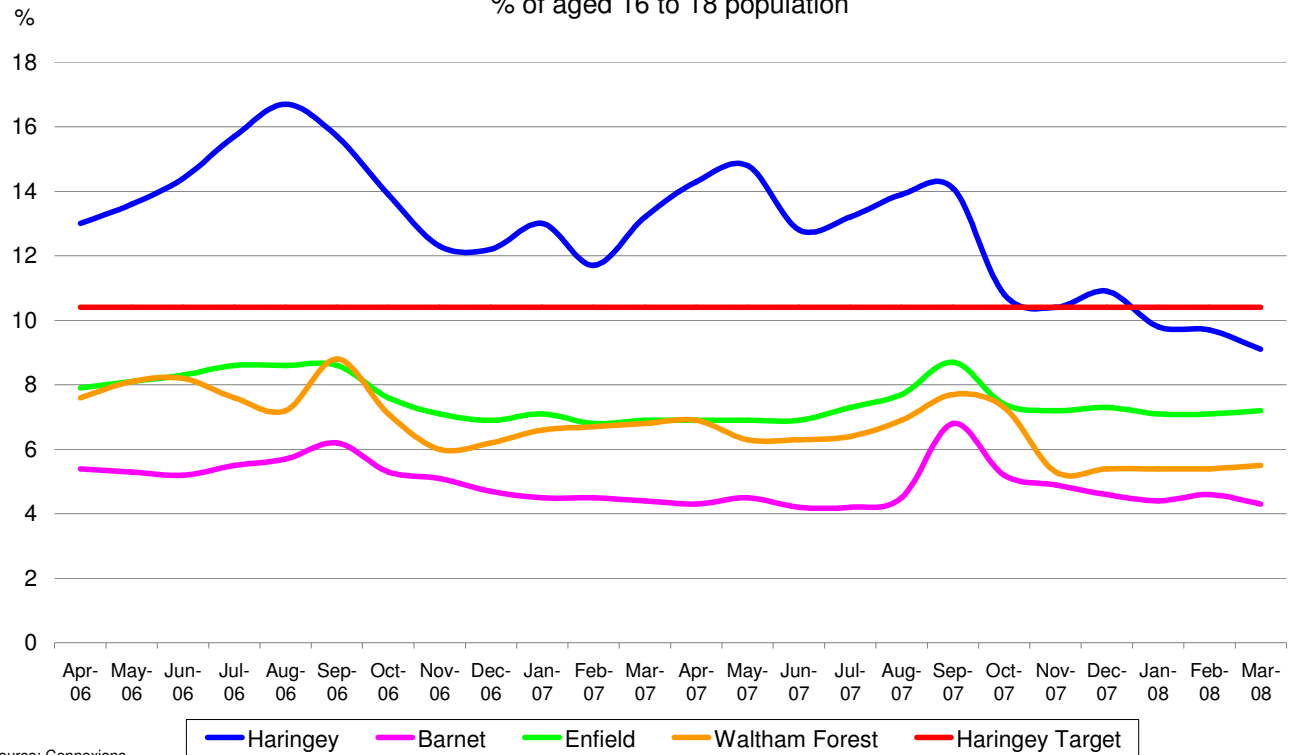


% point change against previous period

-4.1

- At March 2008, the proportion of 16 to 18 year olds not in education, employment or training (NEET) was 9.1 per cent (397 people), which is down 4.1 percentage points from the rate of 13.2 per cent a year ago.
- The proportion of NEETs in Haringey has been below the LAA stretch target level of 10.4 per cent for two consecutive months.
- The NEET rate for Haringey remains above those for Barnet (4.3 per cent), Enfield (7.2 per cent) and Waltham Forest (5.5 per cent).

NEETs, Haringey, April 2006 to March 2008
% of aged 16 to 18 population



Source: Connexions

NEWLY REGISTERED VAT ENTERPRISES

ER PERFORMANCE INDICATOR ASSESSMENT

Overall assessment for Haringey

Red

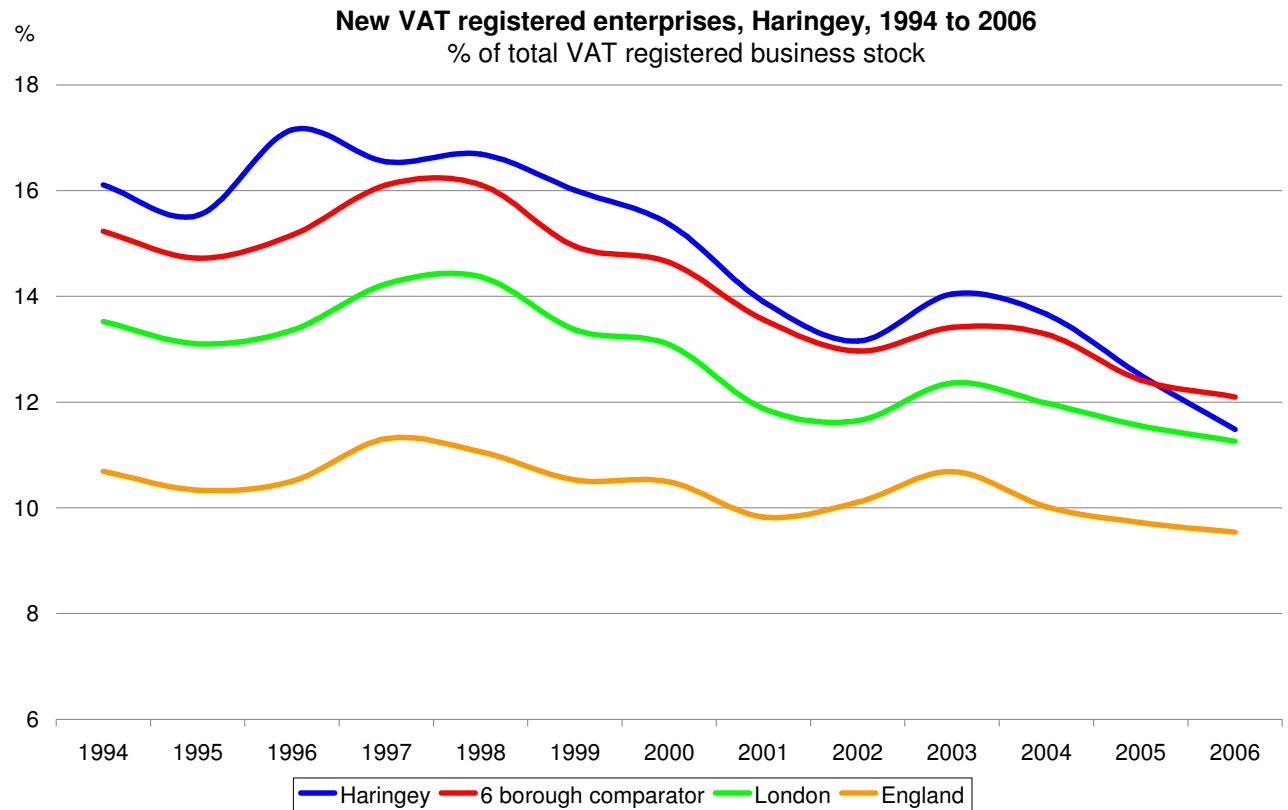
Trend against previous period



% point change against previous period

-1.0

- In 2006, the rate of newly registered VAT enterprises was 11.5 per cent (790 enterprises), down 1.0 percentage from the rate of 12.5 per cent (850 enterprises a year ago).
- The new VAT registration rate in Haringey remains above the London (11.3 per cent) and England (9.5 per cent) averages.
- The 6 borough comparator rate for new VAT registrations (12.1 per cent) was above the Haringey average for the first time in 2006.



NET VAT REGISTERED ENTERPRISES

ER PERFORMANCE INDICATOR ASSESSMENT

Overall assessment for Haringey

Red

Trend against previous period

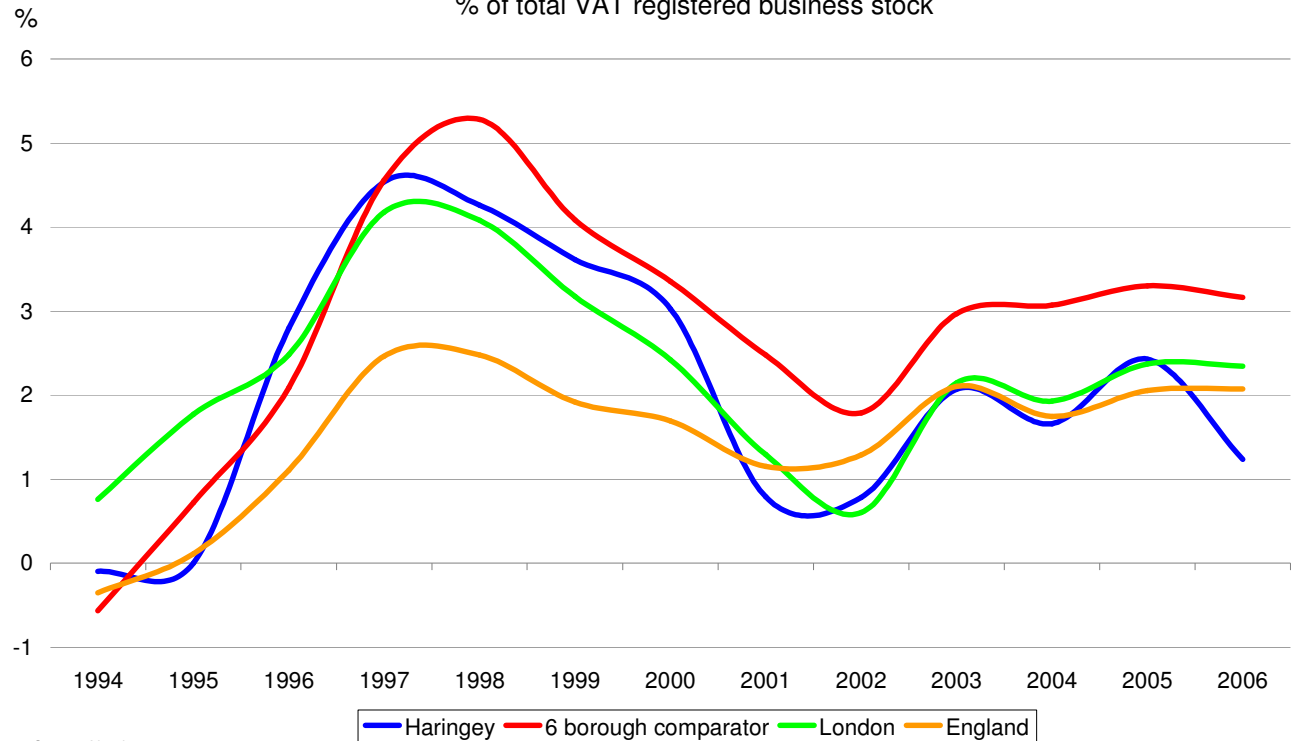


% point change against previous period

-1.2

- In 2006, the net rate of VAT registered enterprises was 1.2 per cent (85 enterprises), down from a rate of 2.4 per cent (165 enterprises) a year ago. The net VAT registration rate in Haringey is at its lowest level in 3 years.
- Haringey's net VAT registration rate is currently below the 6 borough comparator (3.2 per cent), London (2.3 per cent) and England (2.1 per cent) averages.

Net VAT registered enterprises, Haringey 1994 to 2006
% of total VAT registered business stock



Source: Nomis

Appendix 1: Summary of definitions

Performance assessment

The overall performance assessment for Haringey is determined using the following methodology: Green - an improvement of more than 1 percentage point against performance in the previous period; Amber - within 1 percentage point (+ or -) of performance in the previous period; and Red - a deterioration of 1 percentage point or more against performance in the previous period.

6 borough comparator

The 6 borough comparator used in this report is comprised of the following boroughs: Brent, Hackney, Lambeth, Lewisham, Southwark and Waltham Forest. These are boroughs with similar characteristics to Haringey, as defined by the Neighbourhood Renewal Unit.

Employment rates

The overall and ethnic minority employment rates are measured using the Annual Population Survey (APS). The relatively small APS sample sizes at local authority level means that small differences between Haringey's employment rate and that of the other comparators used in this report should be treated with caution as the differences may only be due to sampling variability.

Ethnic minority employment rate

The ethnic minority groups included in the employment rate figures contained in this report are: Mixed White and Black Caribbean, Mixed White and Black African, Mixed White and Asian, Other Mixed, Pakistani, Indian, Bangladeshi, Other Asian, Black Caribbean, Black African, Other Black, Chinese and Other.

Job Seekers Allowance

Job Seekers Allowance (or the claimant count) records the number of people claiming Job Seekers Allowance and National Insurance credits.

Incapacity Benefits

Incapacity Benefits count the number of people claiming Incapacity Benefit and Severe Disablement Allowance.

Working age benefits

The working age benefits measure records the number of people claiming the following benefits: Job Seekers Allowance, Incapacity Benefit, Severe Disablement, Income Support, Disability Living Allowance, Carers Allowance, Pension Credit (where the claimant is under State Pension age), Widows Benefit, Bereavement Benefit and Industrial Death Benefit.

Working age population

The working age population is a count of all males aged 16 to 64 and females aged 16 to 59.

12 priority wards

The 12 priority Haringey wards are those identified by the Department and Work and Pensions as having unacceptably high working age benefit claim rates. These 12 wards are: Bounds Green, Bruce Grove, Hornsey, Noel Park, Northumberland Park, St Ann's, Seven Sisters, Tottenham Green, Tottenham Hale, West Green, White Hart Lane and Woodside.

NEETs

The NEET figures contained in this report are based on adjustments made for young people whose currency has expired and therefore their status is unknown. These adjustments assume that 8 per cent of the expired EETs (in education, employment or training) are NEET and 58 per cent of the expired NEETs are still NEET.

VAT

These figures are based on the numbers of business registered for VAT. This does not provide a complete picture of enterprise activity as there are some VAT exempt sectors and some business that operate below the annual turnover threshold, which is currently £60,000. It is estimated that 1.9 million of the 4.5 million enterprises in the UK are VAT registered.

The newly registered VAT enterprise rates are calculated as a percentage of the total VAT registered enterprise stock. The new VAT registration rates are based on registrations less de-registrations as a percentage of the total VAT registered enterprise stock.

Appendix 2: Summary of relevant changes to benefit rules

October 1996 – Job Seekers Allowance replaces Unemployment Benefit and Income Support.

April 1999 – Minimum Income Guarantee, payable to people aged 60 and over, is introduced.

October 1999 – Working Families Credit and Disabled Person's Tax Credit replaces the Family Credit and Disability Working Allowance respectively.

April 2001 – It is no longer possible to make a new Severe Disablement Allowance claim.

April 2003 – Introduction of Child Tax Credit and Working Tax Credit to replace Working Families Tax Credit, including Disabled Person's Tax Credit.

October 2003 – Pension Credit replaces the Minimum Income Guarantee.

October 2008 – Employment and Support Allowance to replace Incapacity Benefit for new claimants.