

# Unemployment Update

December 2005

## Summary

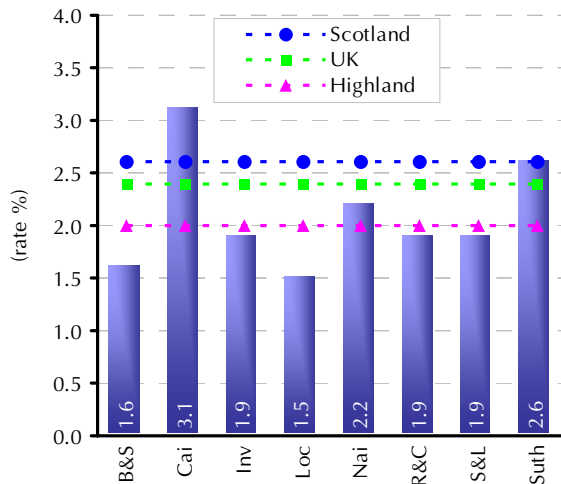
- Unemployment rates for Sept 2005 are:
 

Highland	2.0%
Scotland	2.6%
UK	2.4%
- Over the past 10 years, unemployment rates have fallen more sharply in Highland than in Scotland and the UK.
- Long-term and youth unemployment have decreased.
- Three times as many males as females claim unemployment benefit.
- A large number of people claim sickness related benefits but are not included in the unemployment claimant count.

## Latest rates

Unemployment figures for September 2005 show that in Highland, there were 2,602 claimants of Job Seekers Allowance (JSA), 2.0% of the estimated resident working age population. This was a lower rate than both Scotland (2.6%) and the UK (2.4%). Highland had the 12th lowest unemployment rate of the 32 Scottish Local Authorities.

Fig 1: Unemployment rates, September 2005



Locally, Lochaber (1.5%) and Badenoch & Strathspey (1.6%) had the lowest rates of unemployment, with Sutherland (2.6%) and Caithness (3.1%) having the highest.

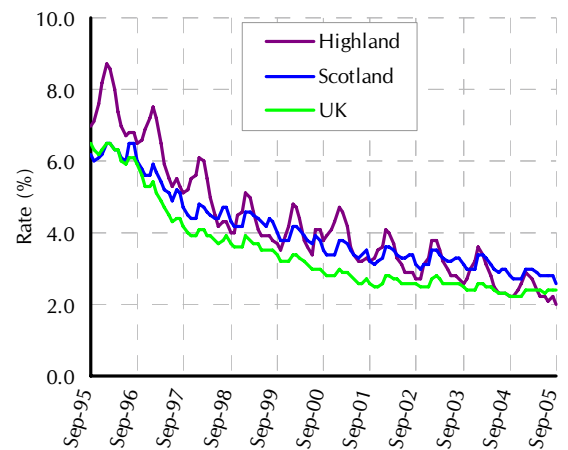
At Ward level, unemployment rates ranged from 6.5% in Merkinch Ward, Inverness, to 0.5% in Knockbain & Killearnan Ward, Ross & Cromarty. A map showing current rates, by Ward, is on the back page of this note. Further analysis at local level is available on the Coun-

cil's unemployment webpages (details are available at the end of this briefing note).

## Ten year trends

During the ten years between September 1995 and 2005, unemployment rates have fallen considerably throughout the UK, with Highland experiencing a steeper decrease than both Scotland and the UK. Figure 2, below, shows

Fig 2: Unemployment rates, September 1995-05



that, over the past decade, unemployment rates in Highland have moved from being higher than, to lower than, both the Scottish and UK averages. The graph also highlights the seasonal peaks and troughs which characterise the annual employment pattern in Highland.

As can be seen from Figure 3, over the past ten years, the number of claimants of unemployment benefit in Highland fell by 70.6%,

Fig 3: Unemployment change, September 1995-05

	Sept '95	Sept '05	%change '95 to '05
Bad. & S'spey	360	116	-67.8
Caithness	1,146	467	-59.2
Inverness	2,653	803	-69.7
Lochaber	614	170	-72.3
Nairn	506	140	-72.3
Ross & Cromarty	2,497	566	-77.3
Skye & Lochlath	430	139	-67.7
Sutherland	656	201	-69.4
<b>Highland</b>	<b>8,862</b>	<b>2,602</b>	<b>-70.6</b>
Scotland	195,325	83,782	-57.1
UK	2,292,181	871,532	-62.0

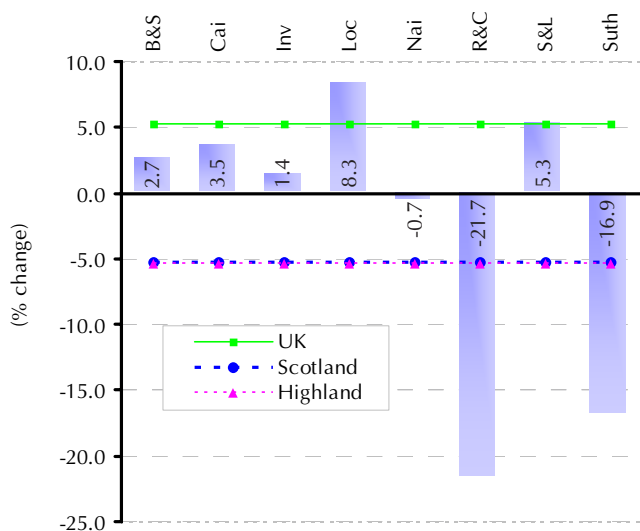
compared with falls of 57.1% in Scotland and 62.0% in the UK.

Locally, all Council Areas experienced sharper decreases in the number of claimants than the Scottish average, with Ross & Cromarty having the greatest fall of 77.3% and Caithness the smallest of 59.2%.

### Annual change

There are signs that the downward trend in unemployment is tapering out, with five of the eight Council Areas experiencing increases in unemployment over the year to September 2005, as is shown in figure 4, below. Lochaber experienced the largest increase (8.3%), although this was an increase of only 13 claimants. Both Ross & Cromarty (-21.7%) and Sutherland (-16.9%) continued to see significant decreases in unemployment, helping the overall figure for Highland to fall by 5.4% over the year, a slightly larger decrease than in Scotland (-5.2%). UK wide, the number of claimants rose by 5.3%.

Fig 4: Unemployment change, September 2004-05



### Long-term unemployment\*

Long-term unemployment is a measure of those who have been unemployed and claiming benefit for six months or more. High levels can represent more deep rooted lack of employment opportunities in the area.

In the decade between September 1995 and 2005, the number of claimants classified as long-term unemployed fell in Highland by 81.7%, from 4,125 to 755. This compares with falls of 73.7% in Scotland, and 77.5% in the UK.

Locally, over the past decade, all Council Areas experienced significant decreases in long-term unemployment, with Inverness (-86.2%) and Ross & Cromarty (-85.2%) seeing the largest falls, the smallest occurring in Skye & Lochalsh (-72.3%) and Caithness (-73.9%).

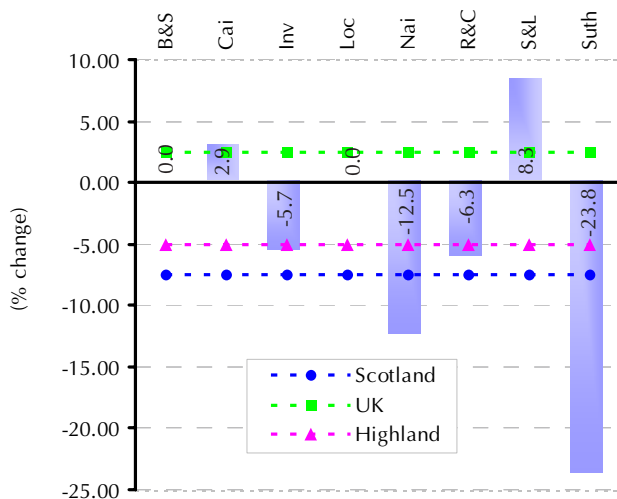
Fig 5: Long-term unemployment, September 1995-05

	LTU Sept '95	LTU Sept '05	%change '95 to '05	Rate(%) Sept '05
B & S	190	40	-78.9	34.5
Caithness	670	175	-73.9	37.5
Inverness	1,195	165	-86.2	20.6
Lochaber	255	45	-82.4	26.5
Nairn	215	35	-83.7	25.0
R & C	1,015	150	-85.2	26.5
S & L	235	65	-72.3	46.8
Sutherland	355	80	-77.5	39.8
<b>Highland</b>	<b>4,125</b>	<b>755</b>	<b>-81.7</b>	<b>29.0</b>
Scotland	99,170	26,100	-73.7	31.2
UK	1,253,570	282,305	-77.5	32.4

In September 2005, 29.0% of claimants in Highland were classified as long-term unemployed, compared with 31.2% in Scotland and 32.4% in the UK. Rates within Highland ranged from 20.6% in Inverness to a high rate of 46.8% in Skye & Lochalsh.

Over the year to September 2005, long term unemployment in Highland fell by 5.0%, compared with a decrease of 7.5% in Scotland and a 2.3% rise in the UK. However, long term unemployment rose in two of the eight Council Areas in Highland, Skye & Lochalsh (8.3%) and Caithness (2.9%). The largest decrease was in Sutherland, where it fell by 23.8%.

Fig 6: Long-term unemployment change, September 04-05



### Youth unemployment\*

Youth unemployment is defined as the number of unemployed people aged under 25, expressed as a percentage of the total number of unemployed.

Between September 1995 and 2005, youth unemployment in Highland decreased by 66.3%, compared with falls of 55.1% in Scotland and 58.5% in the UK. Within Highland, Badenoch & Strathspey (-86.7%) saw the

largest fall, with Caithness (-33.3%) experiencing the smallest.

Fig 7: Youth unemployment, September 1995-05

	Youth Sept '95	Youth Sept '05	%change '95 to '05	Rate(%) Sept '05
B & S	75	10	-86.7	8.6
Caithness	225	150	-33.3	32.1
Inverness	640	215	-66.4	26.8
Lochaber	145	40	-72.4	23.5
Nairn	120	45	-62.5	32.1
R & C	605	150	-75.2	26.5
S & L	75	15	-80.0	10.8
Sutherland	110	35	-68.2	17.4
<b>Highland</b>	<b>1,990</b>	<b>670</b>	<b>-66.3</b>	<b>25.7</b>
Scotland	57,850	25,950	-55.1	31.0
UK	654,475	271,700	-58.5	31.2

In September 2005, the rate of youth unemployment in Highland (25.7%) was lower than in both Scotland (31.0%) and the UK (31.2%). The lowest rate within Highland was in Badenoch & Strathspey (8.6%), with Caithness and Nairn (both 32.1%) having the highest rates.

Fig 8: Youth unemployment change, September 04-05

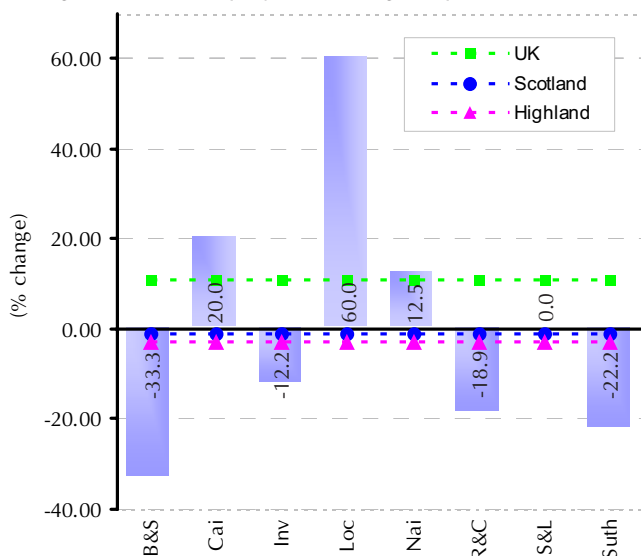


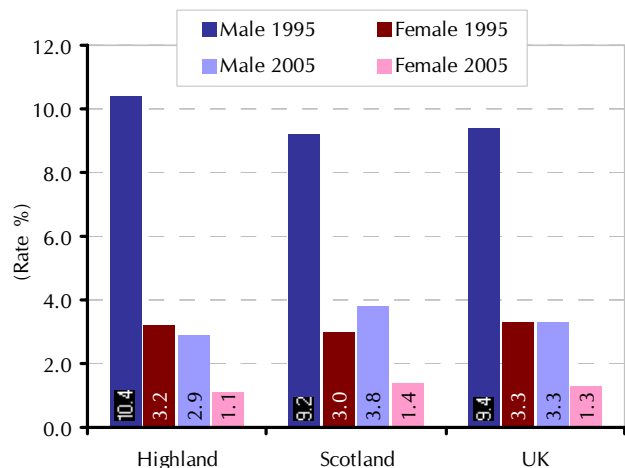
Figure 8, above, shows that over the year to September 2005, youth unemployment fell in Highland by 2.9% and in Scotland by 0.9%, but rose in the UK by 11.0%.

Within Highland, youth unemployment fell in four of the Council Areas, with Badenoch and Strathspey seeing the largest decrease of 33.3%. However, it rose in three Areas, Lochaber experiencing the largest increase of 60.0%, although this was around only 15 claimants.

### Unemployment by gender

The majority of claimants of unemployment benefit are male, out-numbering females by about 3 to 1. Figure 9 shows that in September 1995, male unemploy-

Fig 9: Unemployment by gender, September 1995-05



ment was higher in Highland (10.4%) than in Scotland (9.2%) and the UK (9.4%), whereas female unemployment was lower in Highland (3.2%) than in Scotland (3.8%) and the UK (3.3%).

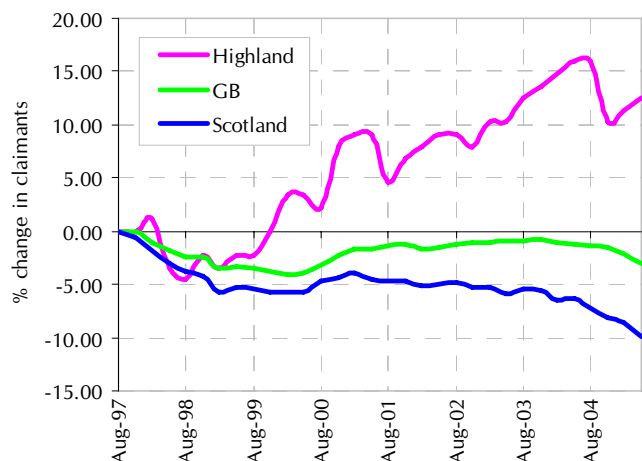
Over the 10 years to September 2005, male unemployment fell more sharply than unemployment amongst females, with Highland seeing a larger decrease (-71.9%) than both Scotland (-58.0%) and the UK (-63.1%). Female unemployment in Highland also fell more steeply (-66.2%) than in Scotland (-54.1%) and the UK (-58.6%).

### Sickness related benefits #

The claimant count measure of unemployment in the UK does not take account of the large numbers of people claiming sickness related benefits, mainly Incapacity Benefit (IB) and Severe Disability Allowance (SDA). Figures for May 2005 show that there were around 2,648,700 claimants of IB and SDA in the UK, 310,700 in Scotland and 9,900 in Highland, in the region of 3 to 3½ times as many as claimants of JSA in May 2005.

Figure 10, below, shows the percentage change in the number of IB and SDA claimants since 1997. Numbers have fallen in both Great Britain (-3.0%) and Scot-

Fig 10: Change in number of IB & SDA claimants, Aug 1997 to May 2005



land (-9.9%) but there has been a rise of 12.5% in Highland. The graph also highlights a seasonal pattern in Highland, not dissimilar to that apparent in the JSA figures, with peaks of claimant numbers occurring during the winter months.

Since May 1998, the year May 2004 to 2005 has been the first in which there has been a decline in IB and SDA claimant numbers in Highland.

Locally within Highland, there is a wide range in IB and SDA claimant rates, from 2.9% in Balloch Ward to 23.2% in Merkinch Ward, both in Inverness.

A more detailed analysis of sickness related benefits will be the subject of a future briefing note.

### Further information

The Council's unemployment webpages are updated quarterly and provide detailed tables of unemployment figures: [www.highland.gov.uk/plintra/iandr/unemp/unemp.htm](http://www.highland.gov.uk/plintra/iandr/unemp/unemp.htm).

Claimant rates of JSA and IB & SDA are expressed as a percentage of the resident working age population estimates.

The source of all unemployment data in this briefing note is Nomis.

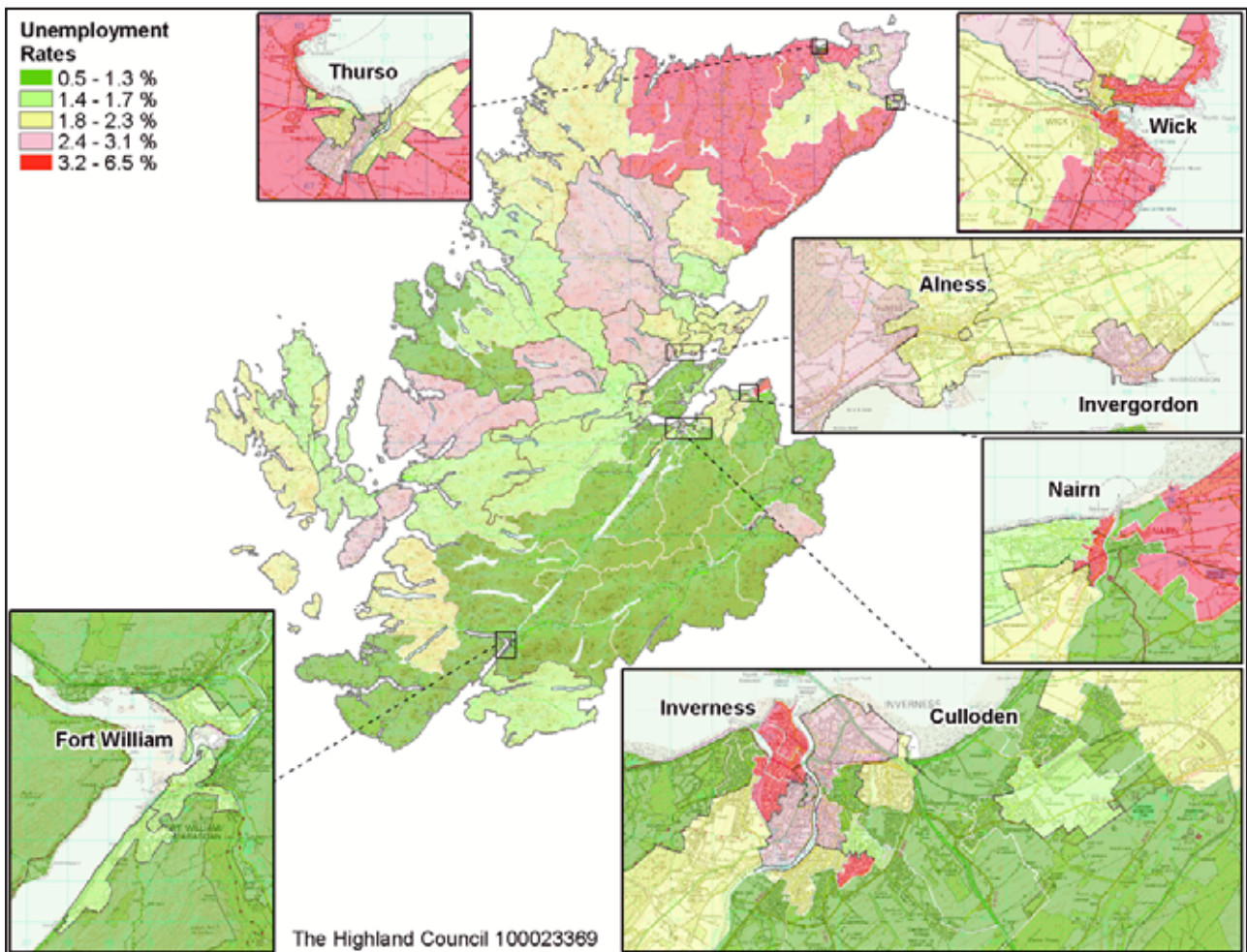
\* Long-term and youth unemployment figures are rounded to the nearest 5 which can, particularly at local level, skew percentage figures.

Figures for 1995 are based on 1981 frozen Ward boundaries.

Unemployment data disaggregated by age and duration of time for which claimants have been unemployed is based on computerised claims only.

# IB and SDA claimant figures are based upon 5% sample data and rounded to the nearest 100.

Figure 11: Map showing unemployment rates by CAS Ward, September 2005



Produced by the Development and Strategy Section, Planning and Development Service  
 For further information, or more in-depth analysis, please contact Alastair Clinkscale,  
 email [alastair.clinkscale@highland.gov.uk](mailto:alastair.clinkscale@highland.gov.uk)