

# KNOWSLEY RESILIENCE MONITOR Spring 2014

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**A quarterly analysis of social and economic conditions affecting the resilience and wellbeing of Knowsley residents**

This report is based on data available up to and including June 2014.

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Further information and more in depth analysis on these and other themes is available on our [Facts and Figures](#) page on the Council's website.

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# Key messages

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*Improvements in local economic indicators since winter show promising signs that Knowsley is beginning to reap some of the benefits of national economic recovery. The proportion of people in the Borough claiming Jobseeker's Allowance has fallen to its lowest level since July 2008 and fewer residents are reported as struggling financially. However, evidence suggests that there are some residents affected by welfare reforms who are continuing to struggle with the cost of food and fuel.*

## **National economic overview**

The economy has grown by 0.8% in Quarter 1 (Jan-Mar) of 2014. The Bank of England has continued to hold interest rates at 0.5%. Low levels of unemployment at 6.6% are putting more pressure on the Bank of England to potentially raise them before the end of the year, but lower than predicted inflation of 1.5% is counteracting this pressure. ***More on page 5***

## **Local cost of living indicators**

The last three months have seen local rises in the cost of our sample basket of budget goods and fuel prices, whilst our sample basket of branded goods, and house prices, have fallen. ***More on page 6***

## **Economic growth by sector, employment and under-employment**

The proportion of Knowsley residents in employment is similar to pre-recession levels. However, the proportion of residents employed part-time has grown, mirroring the emerging national issue of 'under-employment'. ***More on pages 7-8***

## **Job seekers**

The JSA rate in Knowsley has fallen to 4.4% and is still at its lowest since 2008. The number of claimants has fallen in the last 12 months from 5,589 in May 2013 to the current level of 4,099. The number of claimants between the ages of 18-24 continues to fall, as does the number of claimants unemployed for twelve months or more. ***More on pages 9-12***

# Key messages

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## **Welfare reform – one year on: impact on residents and services**

Additional financial support in place for the 2013/14 financial year allowed the Council to reduce the impact a little for many residents. During the year, Discretionary Housing Payments totalled just over £1million; almost £130,000 was given in Emergency Support, and over 2,500 residents received vouchers from local food banks.

We can expect pressures to increase further as the amount of support that can be offered to residents, and capacity to help, continues to fall. ***More on page 13-14***

## **ONS National Wellbeing Survey and residents' views**

The latest results from our Tracker Survey show that levels of overall happiness amongst Knowsley residents continue to improve, with latest figures closer to available national wellbeing measures. Fewer residents are struggling financially, falling from 30% in March 2013 to 23% this Spring. However, this figure is still much higher than the latest available national average of 11% (though this was last measured in 2012). ***More on pages 15-17***

## National economic overview

**Gross Domestic Product (GDP)** represents the level of growth in the economy. The economy continues to show signs of recovery with **GDP growth of 0.8%** in the first quarter of 2014, which is up from 0.7% in the fourth quarter of 2013. Across all of 2013 the economy grew by 1.7%. Despite this, the Bank of England says that labour productivity is still 16% below its pre-financial crisis trend and that one reason for this could be that companies kept on workers during the initial phases of the recession, despite a fall in demand. Productivity is an important factor for the Bank of England to consider when it makes interest rate decisions as it helps to forecast inflation.

**Unemployment** represents 'spare capacity' in the economy, and the current level of job creation is reducing unemployment faster than expected. It is now at a **five year low of 6.6%** of the adult working population. As the supply of available labour falls, employers will soon have to pay more to hire people, and pass on these costs in the form of higher prices. If inflation accelerates, it will add pressure to raise interest rates to slow the economy.

**Interest Rates** represent the price of borrowing money. The Bank of England sets the base rate, raising it to stem inflation, and lowering it to stimulate borrowing and spending. It currently **remains at 0.5%**, but falling unemployment has raised expectations of an interest rate increase and some economists expect an increase before the end of this year. However, a larger than predicted fall in inflation in May means an interest rate hike could actually be pushed back again.

**Inflation** represents the price of goods and services. It **fell to 1.5%** over the year to May 2014, but is down from 1.8% in April. Falling food and non-alcoholic drink prices have had a downward effect, offset against upward motor fuel prices. Prices are increasing at a faster rate than earnings, but if earnings fail to keep up with prices, demand in the shops will be dampened, as will growth.

**Earnings** represent the price of labour. Including bonuses, **earnings grew by 0.7%** between Feb 2014 and April 2014, but this was down from 1.9% the previous month, due largely to delayed bonuses. As unemployment falls, earnings should start to grow. If they grow faster than prices, this will also accelerate inflation and could mean earlier interest rate rises.

## Local cost of living indicators

**Analysis of how the ongoing recession is impacting on household finances.** This section includes analysis of the increasing price of household essentials including food prices.



### Food Prices June 2014 (10 basic food items)

Prices show the total cost of a basket of 10 branded and equivalent 'budget' food items price-checked in Knowsley: Potatoes, Bread, Corn Flakes, Skimmed Milk, Fresh Chicken, Tinned Tuna, Apples, Eggs, Tea Bags, Butter.

### Winter 2013/14

#### Local basket of goods (March 2014)

Branded goods	£16.99
Budget goods	£10.31



### Spring 2014

#### Local basket of goods (June 2014)

Branded goods	£15.71
Budget goods	£10.68



### House Prices April 2014 (based on sales)

Average Knowsley house prices are down by £1,335 (1.1%) in the last six months. This is around £48,000 below the regional average for comparable house prices. According to Nationwide figures, house prices in England rose by 2.8% in the six months to April 2014.

#### Average house price (sales Oct 2013)

Knowsley	£123,044
National	£262,195



#### Average house price (sales April 2014)

Knowsley	£121,709
National	£269,413



### Fuel Prices June 2014 (Avg. within 10 miles of Huyton, per litre)

Prices at the pump increased for unleaded petrol and fell for diesel over the previous reporting quarter.

#### Per litre fuel prices (March 2014)

Unleaded	126.7p
Diesel	136.8p



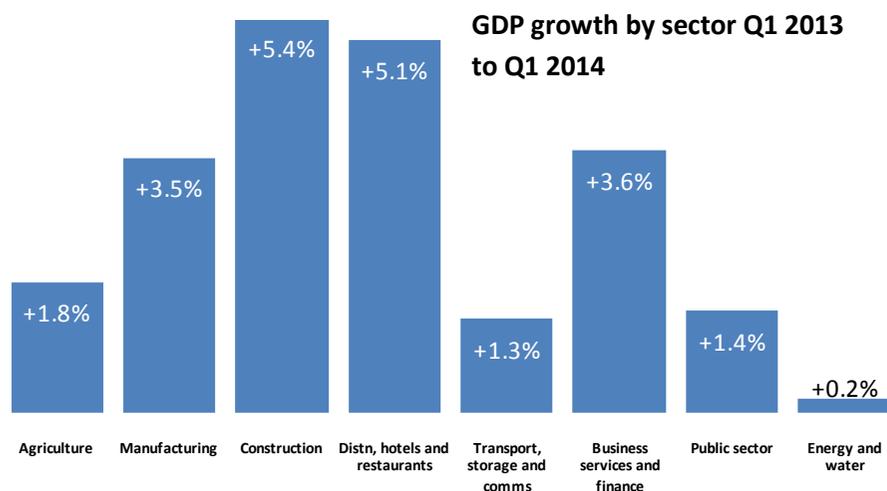
#### Per litre fuel prices (June 2014)

Unleaded	130.2p
Diesel	135.3p

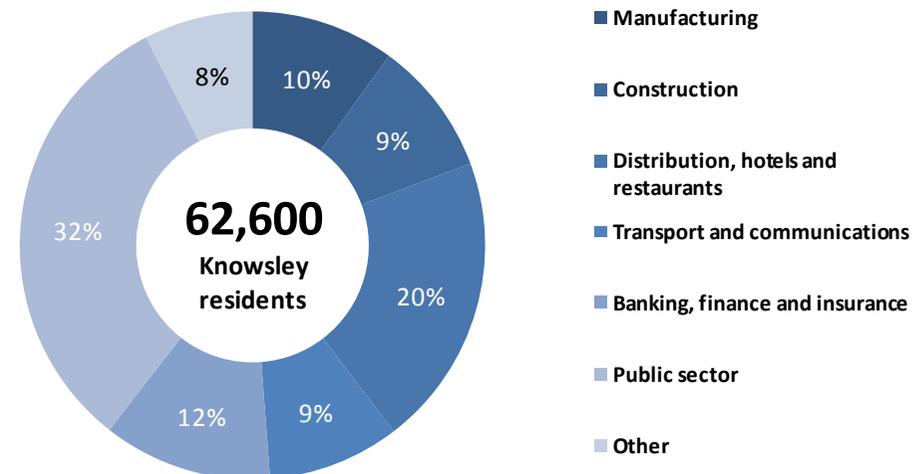
## Economic growth by sector

Looking at the output components of GDP over the last 12 months, the strongest growth sectors have been 'Construction' and 'Distribution, Hotels and Restaurants' with +5.4% and +5.1% annual growth respectively. This is encouraging for Knowsley as 29% of working residents are employed in these sectors.

However Knowsley's largest resident employment sector, the public sector which employs 32% of working residents, has seen only 1.4% growth since the first quarter of 2013.



**Knowsley residents in employment by sector (SIC)**

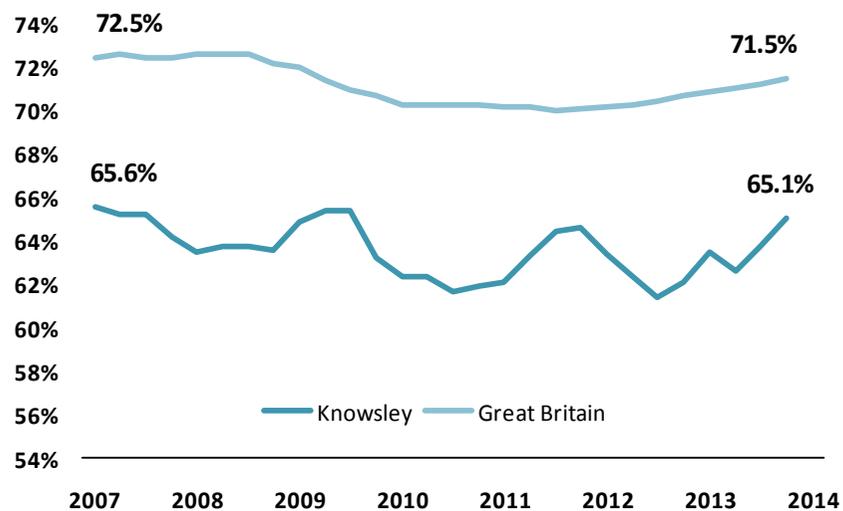


Over the last three months the 'Distribution, Hotels and Restaurants' sector has continued to perform well with growth of 1.7% since the last quarter of 2013.

There has also been strong growth of 1.4% over the last three months in the Manufacturing sector, which represents 10% of Knowsley's working residents.

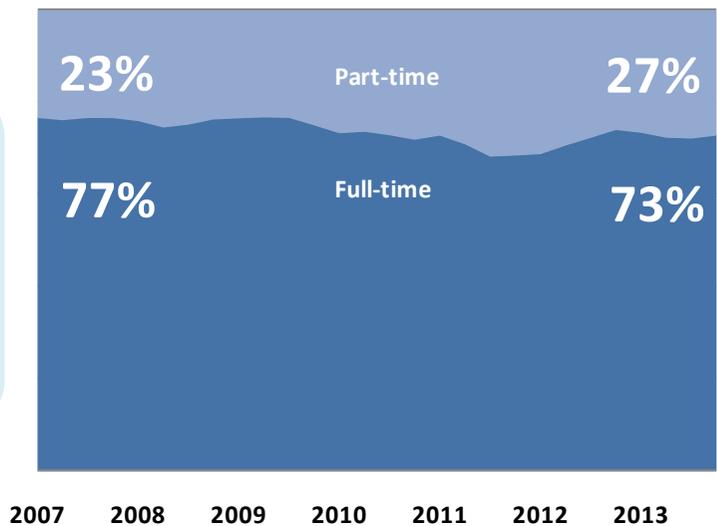
# Employment and under-employment

There are around 62,600 residents in employment in Knowsley, which represents 65% of the working age population. Whilst the employment level is now back to pre-recession levels, it still lags behind the national rate by around 6% points.



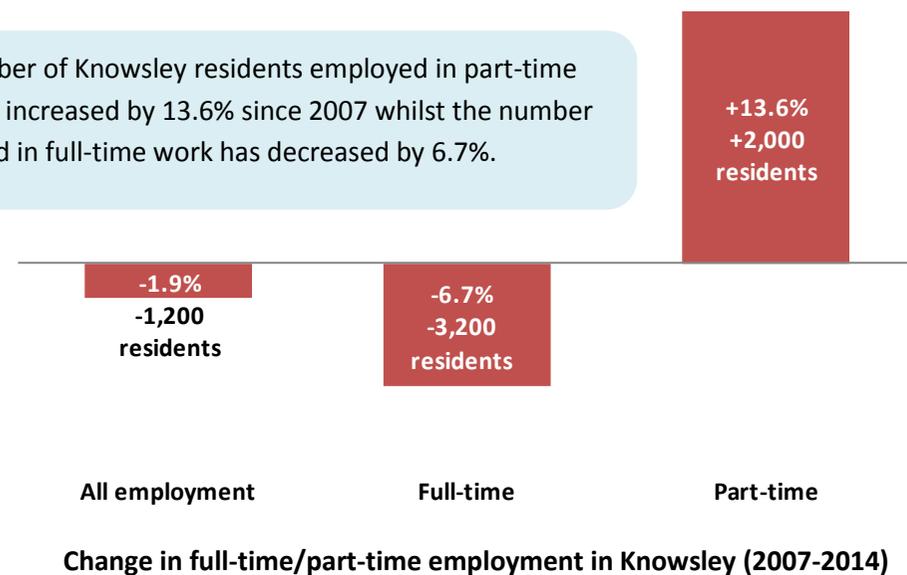
Under-employment has emerged as a key national issue, with evidence suggesting that improving employment figures are masking the fact that people are not able to work as many hours as they want and are restricted to part-time hours. ONS estimate that one in ten workers are underemployed. This means there could be around 6,200 Knowsley residents underemployed. It is estimated that the financial impact could be around £125 a week, or £6,460 a year.

Proportion of employed Knowsley residents working full-time/part-time



There has been a noticeable increase in the proportion of working residents employed in part-time work since 2007.

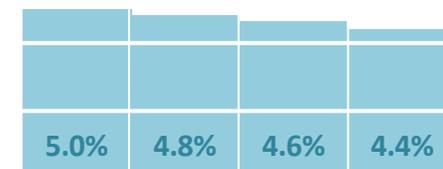
The number of Knowsley residents employed in part-time work has increased by 13.6% since 2007 whilst the number employed in full-time work has decreased by 6.7%.



# Job Seekers Allowance (JSA) Trends

21.7% of Knowsley's 18,880 workless residents are currently claiming Job Seekers Allowance. At 4.4% of the working age population this is the lowest JSA claimant rate in the Borough since July 2008. The average length of a JSA claim in Knowsley is typically under 6 months, and 69% of claimants will have moved off JSA before 12 months of claiming.

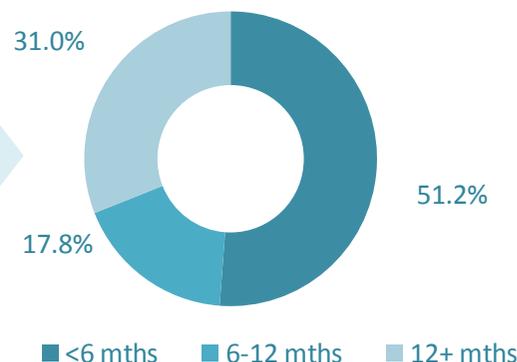
JSA Knowsley



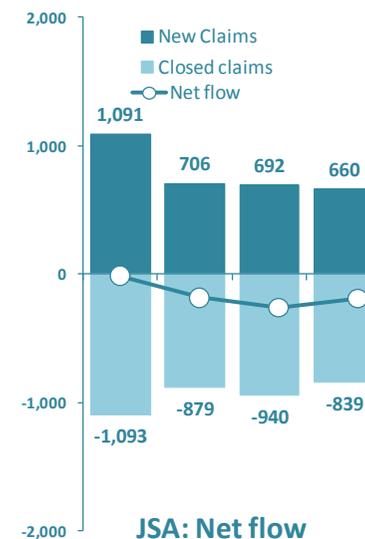
Feb-14 Mar-14 Apr-14 May-14

As of May 2014, 2,829 (69%) of the Borough's 4,099 JSA claimants had been unemployed for less than one year, whilst 31% or 1,270 had been looking for work for over 12 months. This is down from the peak of 33.5% in October 2013, but still far higher than the 17% of January 2012. The proportion of claimants that are claiming JSA for over 12 months has stayed at around 30% over the last year, however, this group has fallen by a quarter to 1,270 claimants.

JSA: Length of claim



JSA: Net flow



Over the course of the last four months, 3,751 residents have stopped claiming JSA, whilst an additional 3,149 new claims have been made, leaving a net decrease of 602 residents on the benefit. Each of the last four months has seen more closed claims than new claims. This mirrors the national trend which has also seen net decreases over the same period in line with falling levels of national unemployment.

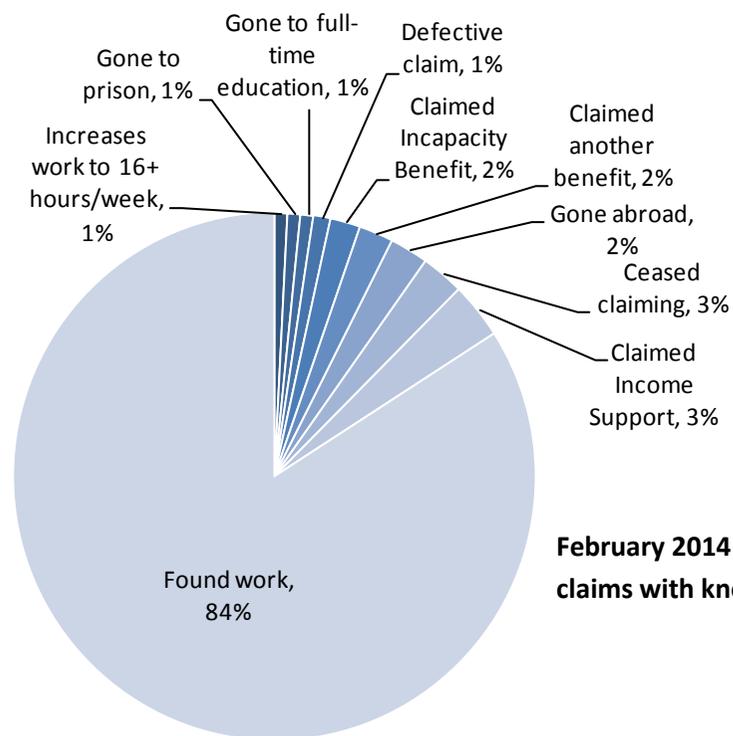
# JSA : Reasons for signing off

During the last four months, half of all JSA claimants signing off failed to give a reason, or simply did not turn up to sign on. However, of the 1,890 claimants who provided a reason, 84% (1,590) found work.

Since 2007, the monthly proportion of claimants providing a reason, and who have found work has increased from 54% to 83% in May 2014.



Proportion of claimants who found work (of those providing a reason for closing their JSA claim)



February 2014 - May 2014 closed claims with known reasons

2007 2008 2009 2010 2011 2012 2013 2014

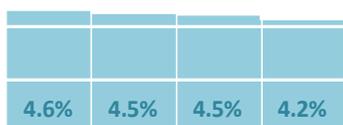
Compared to the previous quarter, there were an additional 105 JSA sign offs over the last four months, with nearly all (95) of these additional sign offs finding work.

Closed claims February 2014 – May 2014	Number
Found work	1,590
Failed to sign	1,235
Not known	625
Claimed Income Support	65
Ceased claiming	50
Gone abroad	45
Claimed another benefit	40
Claimed Incapacity Benefit	35
Defective claim	20
Gone to full-time education	15
Increased work to 16+ hours/week	15
Gone to prison	15

# JSA : How local areas compare

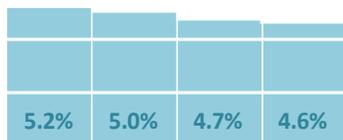
JSA Rates have fallen in all areas of the Borough since February and have seen more people sign off JSA than on in each of the last four months, except for Huyton and PWCKV in February. The Kirkby area has seen the biggest drop in JSA rate from 5.6% in February to 4.6% in May.

JSA Halewood



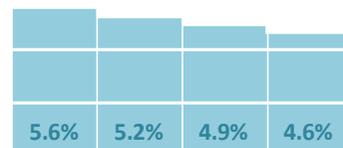
Feb-14 Mar-14 Apr-14 May-14

JSA Huyton



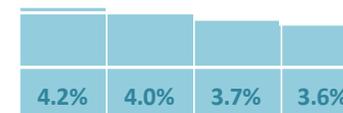
Feb-14 Mar-14 Apr-14 May-14

JSA Kirkby

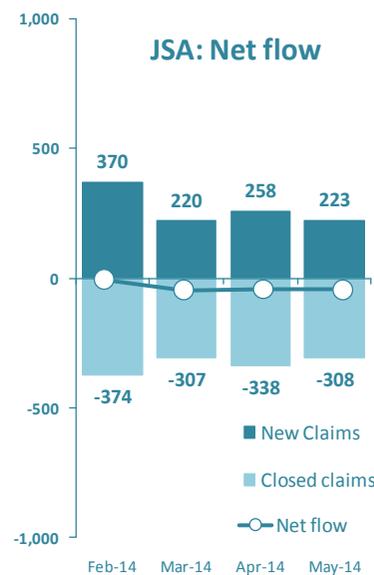
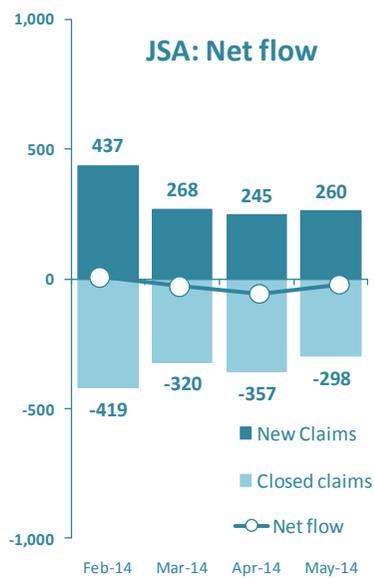


Feb-14 Mar-14 Apr-14 May-14

JSA PWCKV



Feb-14 Mar-14 Apr-14 May-14



## Out of Work Benefits: change on previous quarter and year

Source: NOMIS	Knowsley (May 2014)	Previous Quarter (February 2014)	Previous Year (May 2013)	Comments
<b>JSA Claimants</b> (% of working age pop.)	4,099 (4.4%)	4,710 (5.0%)	5,589 (6.0%)	<i>JSA claimant count remains at lowest rate since July 2008. More males claiming JSA than females. Gap to North West (2.9%) and GB (2.6%) continues to narrow.</i>
Male	2,584 (5.8%)	2,975 (6.7%)	3,584 (8.0%)	
Female	1,515 (3.1%)	1,735 (3.5%)	2,005 (4.1%)	
<b>JSA Claimants aged 18-24</b> (% of all 18-24 yr olds)	1,115 (8.1%)	1,370 (9.9%)	1,640 (11.9%)	<i>8.1% of current 18-24 population claiming JSA. Rate has dropped by 3.8% points since last year. Almost twice as many young males claiming JSA than females.</i>
Male	725 (10.7%)	870 (12.9%)	1,055 (15.6%)	
Female	395 (5.6%)	500 (7.1%)	580 (8.3%)	
<b>JSA - more than 1 year</b> (% of all JSA claimants)	1,270 (31.0%)	1,435 (30.4%)	1,700 (30.4%)	<i>Rate of long-term JSA claimants has increased compared to last year, and increased since the last quarter. 31.0% have received the benefit for over 1 year, up from 30.4% in 2013.</i>
Male	780 (30.2%)	890 (29.9%)	1,145 (31.9%)	
Female	490 (32.3%)	545 (31.4%)	555 (27.7%)	
	<b>November 2013</b>	<b>August 2013</b>	<b>November 2012</b>	
<b>Worklessness (inc. JSA, ESA, Carers, etc.)</b>	18,880 (20.1%)	19,280 (20.6%)	20,290 (21.6%)	<i>20.1% of the working age population of the Borough are currently claiming a key DWP out of work benefit. No significant difference between male and female claimants.</i>
Male	9,220 (20.7%)	9,380 (21.1%)	10,230 (23.0%)	
Female	9,660 (19.6%)	9,900 (20.1%)	10,070 (20.4%)	
<b>IB/ESA Claimants</b>	11,520 (12.3%)	11,500 (12.3%)	11,540 (12.3%)	<i>The last year has seen no significant change in claimants for this benefit: 12.3% of the working age population of the Borough claim one of these benefits.</i>
Male	5,980 (13.4%)	6,010 (13.5%)	6,070 (13.6%)	
Female	5,530 (11.2%)	5,490 (11.1%)	5,460 (11.1%)	
<b>Lone Parent Claimants</b>	2,340 (2.5%)	2,390 (2.6%)	2,360 (2.5%)	<i>The last year has seen no significant change in the lone parent claimant rate and it currently stands at 2.5% of the Borough's working age population.</i>

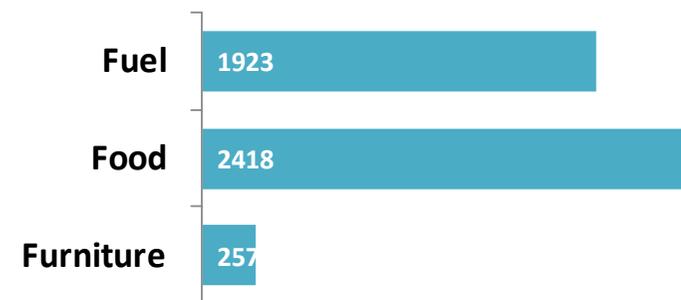
## Welfare Reform : one year on

Last year we looked at the possible impact of national reform of the welfare state on local residents. An estimated 4,000 households were expected to face a reduction in housing benefit support; as many as 25,000 households were expected to experience a significant reduction in family income from changes to payments including Job Seekers Allowance, Employment Support Allowance, Tax Credits and the introduction of Personal Independence Payments. In total, an estimated £10 million was expected to be lost to the local economy.

The government's welfare reforms affected residents dependent upon a large number of benefits and tax credit support from April 2013. Knowsley allocated funding for additional support to lessen the impact on the most vulnerable for the first financial year.

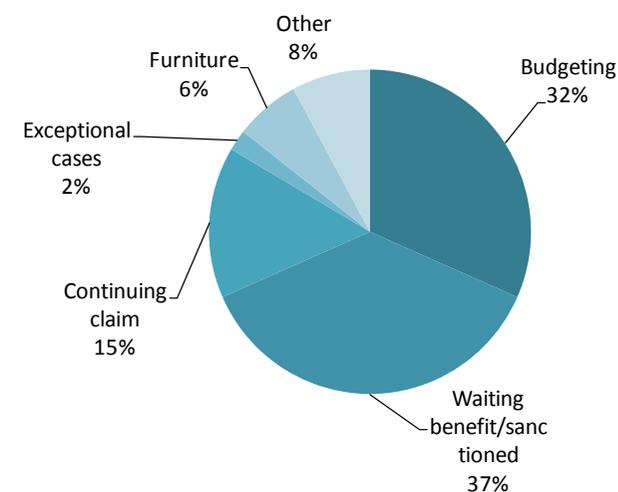
Support for residents included the Emergency Support Scheme (ESS) which paid out £129,272 to residents in 2013/14, discretionary housing payments totalling £1,015,756 and the Tenants Extra Support Scheme (TESS) for those struggling with issues including rent arrears, debt or ill-health, 625 cases were referred to the service during the financial year.

### Number of ESS awards made: 2013-2014



### Reasons for Emergency Support applications:

A new system for recording reasons for making ESS claims started in November 2013. This shows the most common reasons to be: 'awaiting benefits' and 'family budget pressures'.



## Welfare Reform : one year on

The withdrawal of support to a large proportion of Knowsley residents resulted in increased pressures on local services already diminished by measures to meet significantly reduced funding from Government.

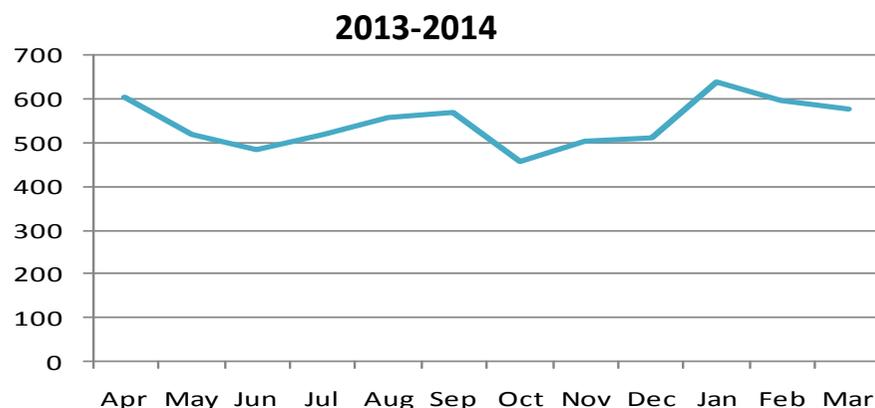
The Knowsley contact centre received over 6,500 calls requesting help from the Emergency Support Scheme. The highest numbers of calls were made in Summer 2013 and at the start of 2014. ESS calls made up 4% of all calls to the contact centre – Council tax and Housing Benefit calls made up the highest number of queries.

In the last financial year, local food banks issued 2,585 vouchers helping families totalling 6,244 individuals (adults and children).

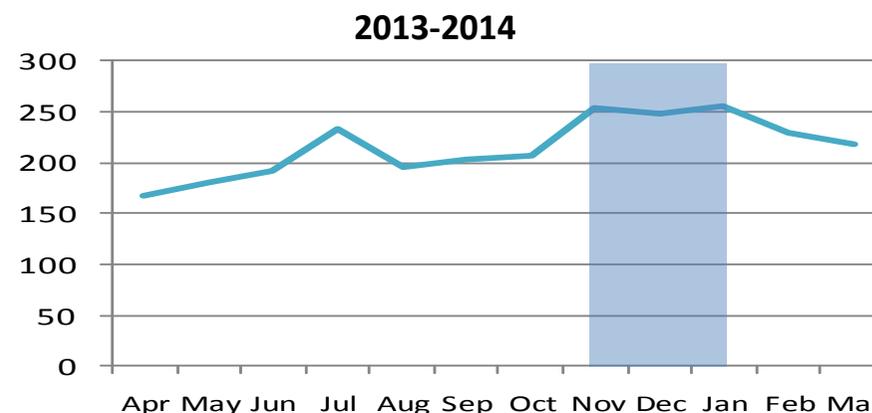
Need was at its highest during the winter months as people struggled with increasing energy costs in the home.

Seasonal energy bills may be especially high in Knowsley as households in the region are between 33% and 53% more likely to have pre-payment energy meters – where higher winter costs are not spread out over the year.

### Emergency Support Scheme calls



### Monthly food bank vouchers issued



# Wellbeing : ONS National Wellbeing Survey

In Spring the Office of National Statistics published National Wellbeing measures collated from surveys across the UK up to March 2013. We have been tracking similar themes on a quarterly basis in Knowsley for several years, and although the questions are slightly different we can still make a broad comparison of how local residents wellbeing measures against national trends.\*

## Personal Wellbeing

The national wellbeing survey found that 77% of people in the UK (adults aged 16+) were satisfied with their lives in 2012/13, an increase of 1.1% points on the previous year.

In the same survey 71.6% rated their happiness as medium to high, improving 0.5% points.

When asked in the latest Knowsley Tracker Survey 68% of respondents claimed to be “Happy” or “Very Happy” in Spring 2014.

## Personal Finance

The national wellbeing survey found that 10.9% of people in the UK (adults aged 16+) found it quite difficult, or very difficult to get by financially in 2011/12, a decrease of 0.7% points on the previous year.

When asked in the latest Knowsley Tracker Survey 23% of respondents were struggling financially in Spring 2014, an improvement on 29.6% in Spring 2013.

	2011	2012	2013	2014
<b>UK:</b> Proportion of adults who rated their Happiness as “Medium” or “High”	-	71%	72%	-
<b>Knowsley:</b> Proportion of adults “Happy” or “Very Happy”	-	61%	60%	68%
<b>UK:</b> Proportion of adults finding it “quite/very difficult” to get by financially	12%	11%	-	-
<b>Knowsley:</b> Proportion of adults who are “Struggling” financially	-	24%	30%	23%

\*Details of personal finance, happiness and community cohesion based on our local Tracker Survey follow on pages 16 and 17.

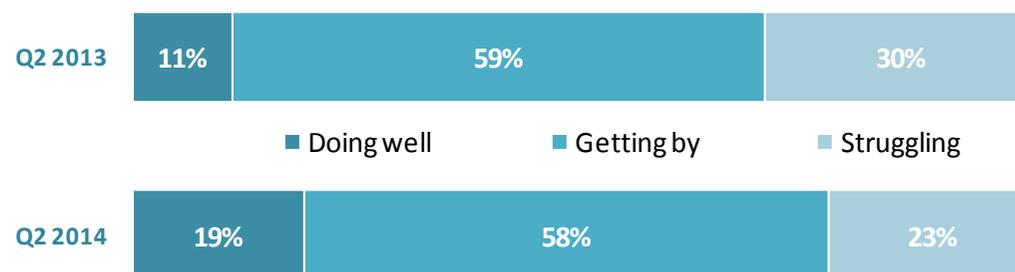
## Residents' views : family finances

The charts below summarise some of the key trends for questions we have tracked on a regular basis. New results from the Spring 2014 tracker survey give an indication of how well people are coping with day to day management of household finances.

There were fewer residents who said that they are struggling financially than at this point last year. 23% of respondents stated that they are struggling, a 7% decrease when compared to the same quarter of 2013.

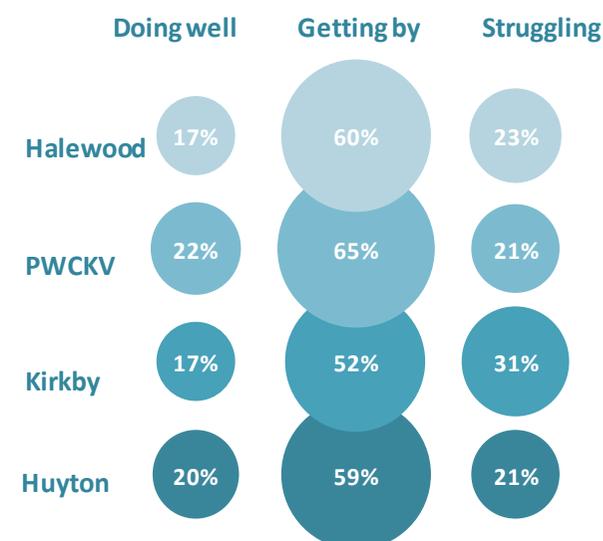
At the same time, the number of people who are doing well has increased. 19% of residents reported they are doing well financially, compared to 11% in 2013.

### How well are you managing financially these days?



There are still significant variations between responses from the four Partnership areas of Huyton, Kirkby, PWCKV\* and Halewood. For example in Kirkby only 17% of those surveyed stated that they were doing well, compared to 22% of residents in PWCKV.

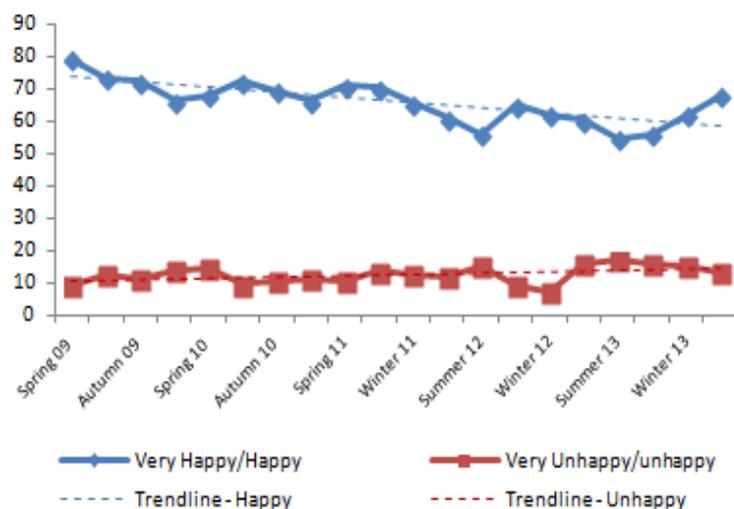
Kirkby has the highest level of residents who have stated that they are struggling financially with 31%, whilst 21-23% of respondents in the other three areas stated they were struggling. The majority of respondents across all Partnership Areas stated that they are "getting by" financially with a slightly higher proportion in PWCKV at 65%.



## Residents' views: happiness and community cohesion

This final section summarises some of the key trends from our Tracker Survey. The following charts relate to how happy people feel and perceived levels of tension within communities.

**How happy are you with your life at the moment?**



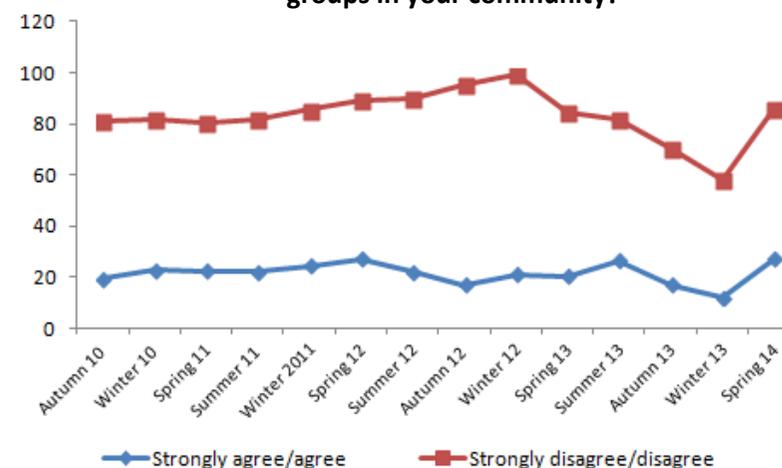
### Personal happiness

Personal happiness is a good reflection of the measurement of general well being. The majority of residents surveyed feel that they are generally happy with key reasons being family, career and their communities.

Whilst there is an overall downward trend, recent data suggests that happiness levels may in fact be on the increase whilst those stating they were unhappy has remained at around 15% of those surveyed.

Data from the most recent 12 month period shows that 60% surveyed felt happy or very happy with their lives currently.

**Do you agree or disagree that there is any tension between different groups in your community?**



### Community cohesion

Belonging to a neighbourhood is important for developing community spirit and getting on well with our neighbours. It is also very important to monitor tension levels in our communities to highlight areas that may become susceptible to other influences.

The chart represents the responses from residents who have been asked how much they agree or disagree that there is any tension between different groups in your community

On average around 1 in 5 people perceive tension in their local area and data from latest surveys also supports this finding.