Employment Growth Analysis

Addendum to

Report

August 2019



Acknowledgements

Demographic statistics used in this report have been derived from data from the Office for National Statistics licensed under the Open Government Licence v.3.0.



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Introduction

- This document is an addendum to the main report, produced in draft form for Blaenau Gwent, Monmouthshire and Torfaen.
- Following receipt of an Oxford Economics employment forecast for Blaenau Gwent, this addendum examines the relationship between population, housing and employment growth under different assumptions.
- The content of the addendum will be integrated within the main due course.

report in

Linking Population and Employment

The demographic scenarios have presented a range of population growth outcomes, from population decline under the WG 2014 (Principal) cenario, to positive growth under dwelling-led and higher migration scenarios. Underpinning all scenarios are significant changes in the age-profile of Blaenau -range is inevitable, under all scenarios. Maintaining

the size of the labour 595.32 842.04 reWhBTF1 11.04 Tf1 0 0 1 291.55 464.59 Tm0 g0 Q(-)3 72.024 449.23 Tm0 g0 Q(



Secondly, OBR adjustments to economic activity rates are combined with a reducing unemployment rate (4.6% by 2033), with the commuting ratio remaining unchanged. Average annual employment growth rises as a result (Figure 2).



Figure 2: Blaenau Gwent ² population and employment growth scenarios (UR reducing)

Thirdly, economic activity rates are allowed to achieve the Welsh average by 2033 (including OBR adjustments), with a reducing unemployment rate and an unchanged commuting balance. Average annual employment growth rises further as a result (Figure 3).

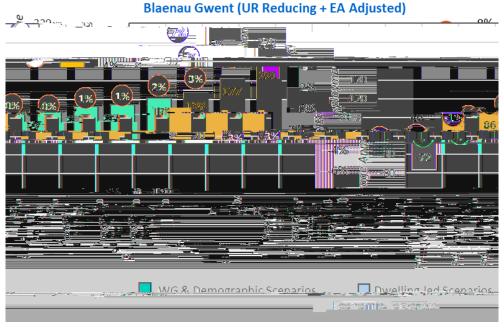


Figure 3: Blaenau Gwent ² population and employment growth scenarios (UR reducing + EA Adjusted)



Finally, all the above adjustments are made (reducing unemployment, adjusted economic activity rates returning to the Welsh average) plus the commuting ratio is allowed to reduce from its 2011 Census level (1.28) to the 2001 Census value of 1.20 by the end of the forecast period. This results in a further increase in the average annual employment growth (Figure 4).

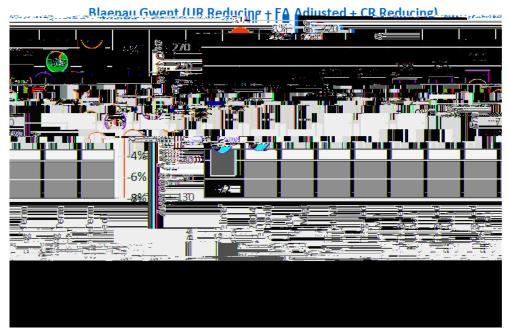


Figure 4: Blaenau Gwent ² population and employment growth scenarios (UR reducing + EA adjusted + CR reducing)

Conclusion

These four sets of scenario outcomes indicate how the latest Oxford Economics forecast (OE Z • o)]compares to growth scenarios which consider higher population growth (driven by higher net in-migration), higher of employment (higher economic activity rates and lower unemployment) and a lower commuting ratio, which reduces the balance of out-commuting. The

demographic trends and emerging economic opportunities.

- Modelling the relationship between population, housing and economic change is complex and challenging. The employment growth outcomes illustrated alongside the Oxford Economics statistic above, are not economic forecasts; they are an indication of how population growth might translate to a larger labour force and higher employment growth under different forecasting model assumptions.
- Achievement of the higher employment growth outcomes are dependent upon the delivery of economic growth to Blaenau Gwent, supported by housing growth, enabling the maintenance of the younger, labour-force population age-groups.

