

LEEDS ECONOMY

Briefing Note

Issue 48

December 2011

Employment Change 2000 - 2010

Overview

The Recession Years

- Over the period 2008-2010, employee levels in Leeds decreased by over 29,000. It decreased by 79,000 in Y&H; 37,000 in West Yorkshire; 45,000 in LCR and over 105,000 in the Core Cities.
- Employee numbers in the other two major employment centres – Birmingham and Glasgow – decreased by almost 37,000.

The last 10 years

- Employees in Leeds stood at 388,300 in 2000 rising to 419,000 in 2006. At the end of the recession in 2010 it had declined back to 388,700.
- Employee levels in Yorkshire & Humber increased by 77,000; in the Leeds City Region by around 25,000; and in the eight Core Cities by over 20,000.

Past, Present and Future

Between March 2008 and 2010, total unemployment in Leeds increased by 17,000, while it increased by 42,000 for West Yorkshire as a whole. Although the official employee figures appear rather higher, the order of magnitude appears plausible considering the level of in-commuting into Leeds.

The Autumn 2011 REIU/Experian forecasting model provides estimates of total employment change for the last and next decade. Briefing Note 49 points to the fact that over the periods 2001-11 and 2011-21:

- Birmingham lost 40,000 jobs over the last decade; Leeds gained 9,000; and Glasgow gained 38,000.
- Over the next decade, Leeds and Birmingham are expected to bounce back with employment increasing by over 50,000

Major Employment Centres

- Leeds with 388,700 employees in 2010 was the second largest centre after Birmingham
- Over the last decade Birmingham and Leicester saw the largest job losses
- The three largest centres – Birmingham, Leeds and Glasgow - saw the largest job losses between 2008-10.

Diversity

- Leeds has consistently been ranked in the top three most diverse locations for the 15 major centres – being the second most diverse in 2010, after Sheffield.

Sectors

- In terms of number of employees, Leeds is the largest centre for Information & communications; Cultural, recreational & other services; and Sport & recreation.
- It was the second largest centre for manufacturing, construction, distribution, knowledge intensive industries, business services and education.
- The third largest for retail, financial services and public services.

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- In 2010, the service sector as a whole accounted for 334,850 jobs - 86% of the total.
- Between 2008 and 2010, employee jobs decreased in most sectors, the exception being public services.

Gender and Hours Worked

- 69% of employees worked full time, 31% part time
- Between 2008 and 2010, full time employees decreased 7% while part time fell 6%.

Details

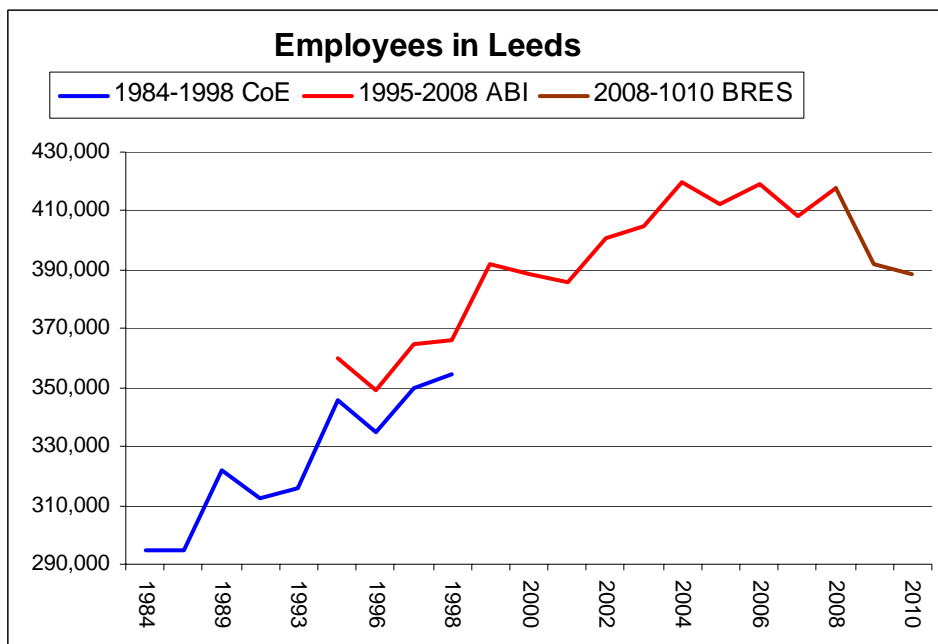
The government's Annual Business Inquiry provided estimates of employees for 2000-2008, whilst the Business Register Employment Survey covers both employees and working proprietors for 2008-2010.

- There is a break in the series, so the ABI 2000 data has been adjusted. This allows a comparison of total employees over the decade.
- The ABI uses SIC2003, whilst BRES uses SIC2007. At this stage conversion factors for Leeds are not available to convert the SIC2003 data into the SIC2007 classification. Because of this the analysis for specific industries is only available for 2008-2010.
- Both series are subject to sampling errors and so care should be taken in interpreting the data. A case in point in Liverpool, where the 2000 data appears to be an underestimate.

How reliable is the data?

The survey results can fluctuate significantly from one year to the next so care should be taken in interpreting the results. This is because the surveys are based on a sample, so the results contain sampling errors. The results are also affected by two unmeasurables: the quality of the sampling frame and reporting errors by survey respondents.

The graph below shows the annual estimates for Leeds. Unexpected peaks and troughs are clearly evident.



Three discrete series are available: 1984-1998, 1998-2008 and 2008 onwards. ONS has re-worked the original 1995-1997 data make it comparable with the 1998-2008 series: this is shown where the lines overlap.

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Leeds' Share of Employment Growth

The Leeds City Region comprises the five districts in West Yorkshire together with Barnsley, Craven, Harrogate, Selby and York. The eight Core Cities are Birmingham, Bristol, Leeds, Liverpool, Manchester, Newcastle, Nottingham and Sheffield.

The last 10 years

For the period 2000 to 2010:

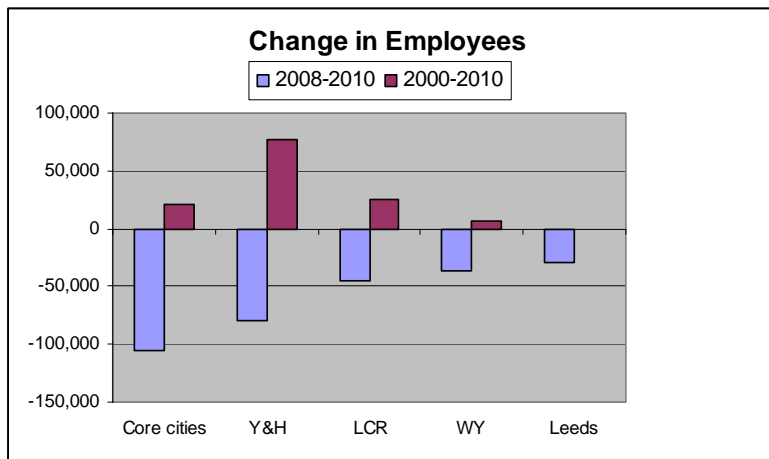
- Jobs in Leeds remained static at 388,700. In comparison, the growth in West Yorkshire was 0.8%, in the City Region 2.0%, in Yorkshire and the Humber 3.7%, in GB 2.2% and in the Core Cities as a whole 0.9%.
- The eight Core Cities, which include Leeds, created 20,500 jobs. Leeds created less than 100 jobs, better than Birmingham with a 29,100 loss and Bristol 4,600. All the other areas shown jobs growth with 11500 in Manchester, 10600 in Sheffield, a suspect 22500 in Liverpool, 4500 in Nottingham and 4700 in Newcastle.

The recession years

For the period 2008 to 2010:

- Jobs in Leeds fell by 29,300 – a 7% decrease. In comparison, the decline in West Yorkshire was 3.8%, in the City Region 3.5%, in Yorkshire and the Humber 3.5%, in GB 3.4% and in the Core Cities as a whole 4.6%.
- Leeds accounted for 37% of the 79,900 net jobs lost in Yorkshire and the Humber.
- Within West Yorkshire, it accounted for 80% of the 37,000 jobs lost; and for the wider City Region 66% of the 44,600 jobs.
- The eight Core Cities, which include Leeds, lost 105,500 jobs. Leeds lost 29,300 jobs, Birmingham 36,800, Sheffield 12,900, Newcastle 10,500, Liverpool 8,000, Manchester 9,000, and Nottingham 700 jobs, while Bristol gained 1,900 jobs

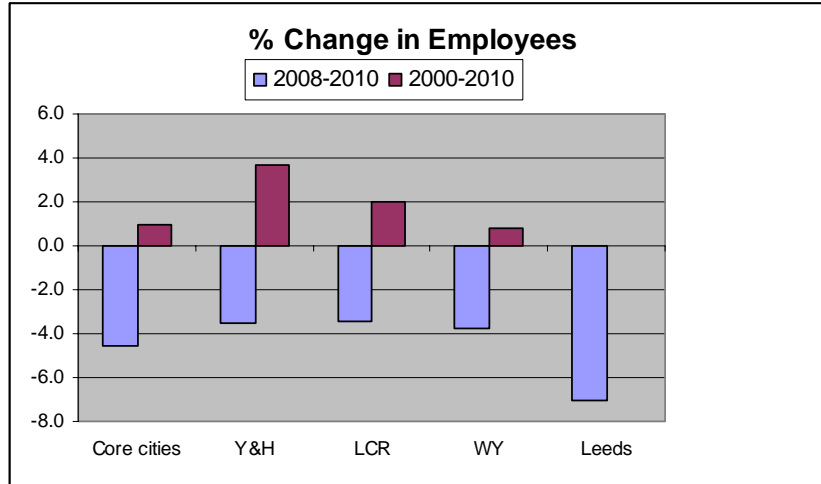
The table below shows the increase in net jobs for each of the areas.



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The table below shows that how Leeds has been hit by the recession: 7% job loss in the last 3 years and no growth over the decade.

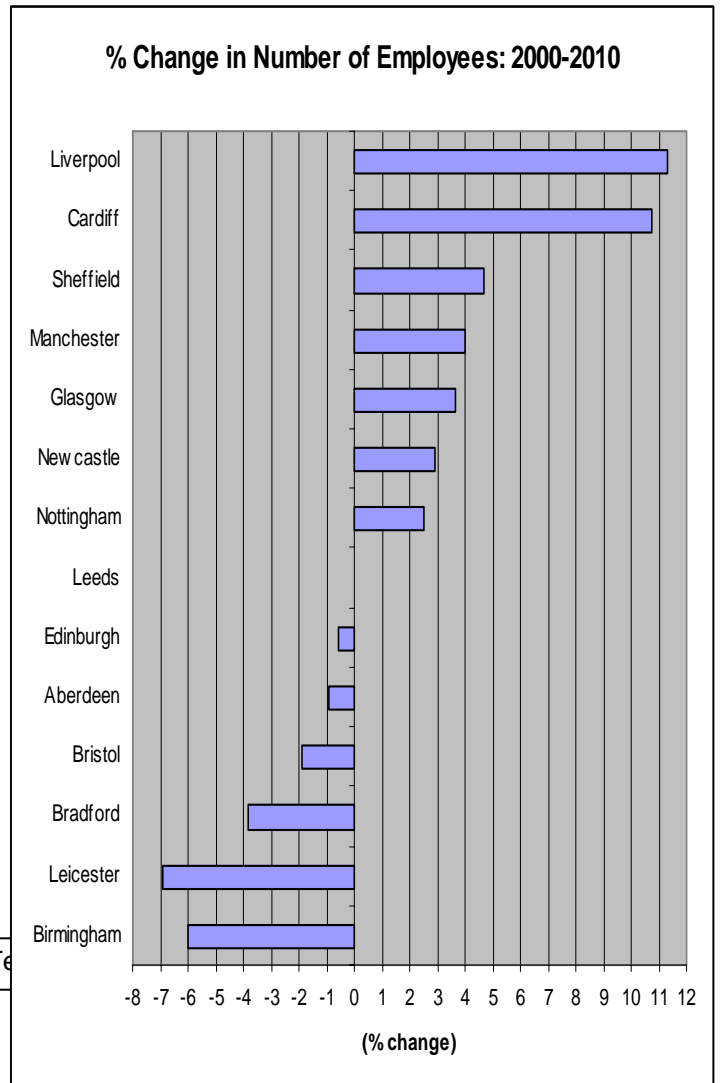
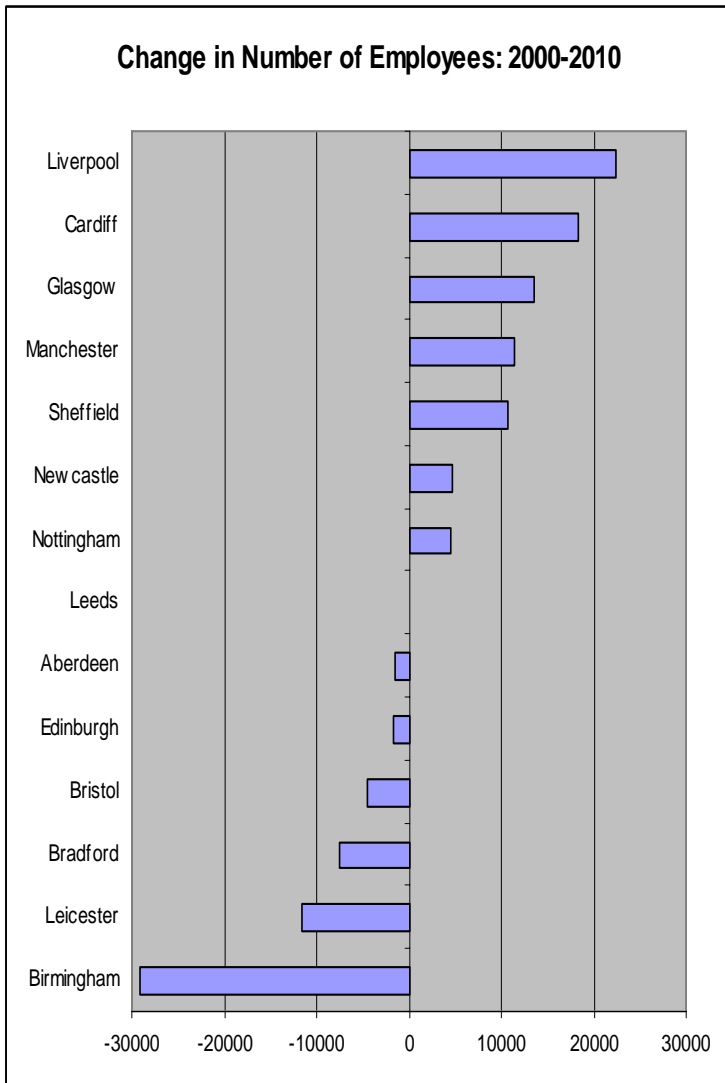


The Major Employment Centres

- Outside London, 14 centres in Great Britain had more than 150,000 employees in 2010.
- Leeds with 388,700 employees was the second largest after Birmingham (with 455,400).
- The other key centres are Glasgow (384,000), Manchester (298,800) and Edinburgh (296,300).

The last 10 years

The charts below show the change and % change in employee numbers between 2000 and 2010.

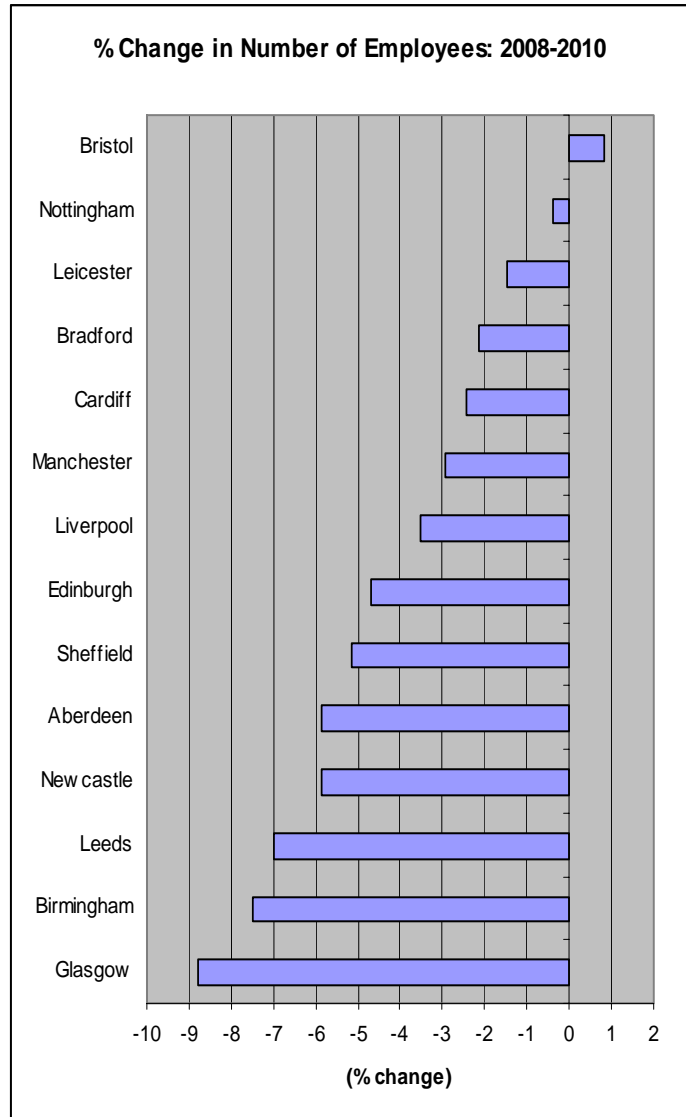
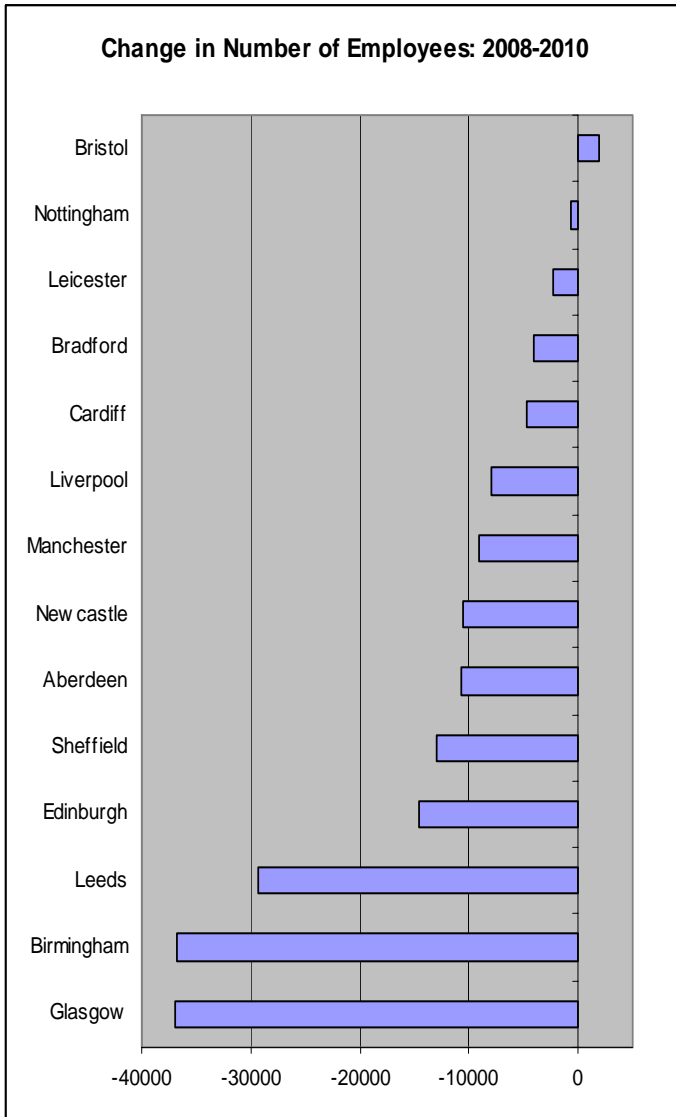


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Between 2008 and 2010

- The three largest employment centres – Leeds, Birmingham and Glasgow – showed substantial employment decline during the recession.



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Diversity 2010

The diversity rankings below are a measure of how the industrial structure of a particular location mirrors the structure of Great Britain as a whole.

- Leeds has consistently ranked in the three most diverse locations for the 15 major centres
- It emphasizes the fact that Leeds has retained its manufacturing strength as well as consolidating its position a major centre for finance and business services.

City	Rank	City	Rank
Sheffield	1	Bradford	9
Leeds	2	Newcastle	10
Birmingham	3	Liverpool	11
Glasgow	4	Edinburgh	12
Aberdeen*	5	Leicester	13
Cardiff	6	Manchester	14
Nottingham	7	Inner London	15
Bristol	8		

* The energy sector was excluded from the analysis, hence the reason for this ranking

Sector Rankings 2010

From the sheer size of the employment markets in Birmingham and Leeds, one would expect them to dominate any sector rankings based purely on size. The table below that Leeds is consistently in the top three centres outside London for the major industrial sectors.

	Ranked 1 st	Ranked 2 nd	Ranked 3 rd
Manufacturing	Birmingham	Leeds	Kirklees
Printing	Bradford	Leeds	Harrogate
Environmental	Bradford	Leeds	Glasgow
Construction	Birmingham	Leeds	Glasgow
Total Services	Birmingham	Glasgow	Leeds
Distribution	Birmingham	Leeds	Glasgow
Wholesale	Birmingham	Leeds	Bristol
Retail	Birmingham	Glasgow	Leeds
Accommodation/food	Birmingham	Glasgow	Leeds (5th)
Transport & Storage	Manchester	Birmingham	Leeds (4th)
Info & communications	Leeds	Edinburgh	Glasgow
Knowledge intensive	Birmingham	Leeds	Glasgow
All business services	Glasgow	Leeds	Birmingham
Financial services	Edinburgh	Birmingham	Leeds
Other Business servs	Glasgow	Leeds	Birmingham
Legal	Manchester	Birmingham	Leeds (5th)
Creative (all)	Birmingham	Leeds	Glasgow
Creative media	Glasgow	Southampton	Leeds (5th)
Public services	Birmingham	Glasgow	Leeds
Education	Birmingham	Leeds	Oxford
Health	Birmingham	Glasgow	Leeds
Cultural, personal etc	Leeds	Glasgow	Birmingham
Sport/recreation	Leeds	Birmingham	Glasgow
Tourism	Glasgow	Manchester	Leeds (5th)

Although employment growth in some of these sectors may not be as high as some of the lower ranked cities, it does show that Leeds has retained the critical mass needed to prosper.

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Sectoral Employment

The table below shows the distribution of employee jobs in 2010. The service sector as a whole accounts for 334,850 jobs – 86% of total jobs.

- Leeds has a higher proportion of financial and business services, and a lower public sector.

Sector	Employees in Leeds 2010	% distribution					
		Leeds	WY	City Region	Y&H	GB	Core Cities
Agriculture, mining, quarrying	400	-	-	-	-	-	-
Energy/water	4,650	2	1	-	1	1	1
Manufacturing	30,800	8	11	11	11	9	7
Construction	16,500	4	4	4	5	4	3
Wholesale & retail	56,850	15	16	16	16	16	14
Transport & storage	13,850	4	4	5	5	5	4
Accomm & food services	21,850	6	5	6	6	7	6
Info & communications	14,400	4	3	3	3	4	3
Finance & Business Services	100,900	26	20	19	17	20	24
Public services	109,000	28	30	30	31	29	34
Other services	18,100	5	4	4	4	5	4
Total	388,710	100	100	100	100	100	100

As shown in the table below:

- For the six locations covered, Leeds has shown the highest total employee decline over the period 2008 to 2010.
- It also had the highest decline for construction and financial & business services.

Sector	Change in employees in Leeds	% change 2008-2010					
		Leeds	WY	City Region	Y&H	GB	Core Cities
Agriculture, mining, quarrying	-	-	-	-	-	-	-
Energy/water	3,600	+39	+16	-1
Manufacturing	-1,700	-5	-5	-6	-7	-9	-11
Construction	-6,700	-29	-22	-21	-20	-16	-19
Wholesale & retail	-5,300	-8	-10	-9	-7	-4	-5
Transport & storage	-1,350	-9	+1	0	-1	-5	-4
Accomm & food services	-4,950	-18	-14	-11	-10	-5	-11
Info & communications	-900	-6	+1	+6	+3	-4	-5
Finance & Business Services	-15,050	-13	-9	-9	-9	-6	-8
Public services	4,100	+4	+7	+6	+5	+4	+2
Other services	-1,050	-5	0	+2	+8	-3	-1
Total	-29,250	-7	-4	-3	-3	-3	-5

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Key Subsectors

The table below gives details for the key subsectors of the Leeds economy for 2010.

- The growing subsectors in the last 3 years were Printing & publishing; Public admin, Health..
- Accommodation & food services; Financial services; and Tourism were badly hit.

Sector	Employees in Leeds 2010	% change 2008-2010					
		Leeds	WY	City Region	Y&H	GB	Core Cities
Engineering	9,500	-13	-22	-22	-25	-12	-22
Printing & publishing	6,050	+16	+12	+18	+20	-8	-9
Motor vehicles	4,800	-18	-22	-22	-21	-4	-7
Other wholesale	16,900	-13	-8	-8	-6	-4	-8
Other retail	35,100	-4	-8	-7	-5	-4	-3
Accomm & food services	21,850	-18	-14	-11	-10	-5	-11
Financial services	24,500	-20	-10	-10	-10	-9	-10
Other business services	76,350	-10	8	-8	-8	-5	-7
Public admin	21,250	+9	+4	+5	+10	+5	+5
Education	37,400	-11	-5	-6	-8	0	-4
Health	50,300	+17	+20	+18	+13	+6	+5
Creative (all)	31,900	-7	-4	-2	-2	-6	-4
Creative media	4,350	-9	-6	+9	+4	-7	-9
Environmental technology	12,500	-29	-20	-21	-17	-7	-19
Knowledge intensive	181,550	-6	-2	-1	-2	-1	-2
Legal	5,900	-31	-37	-37	-37	-6	-7
Sporting & recreational	5,400	+2	+12	+18	+33	+5	+6
Tourism	34,550	-25	-18	-13	-10	-5	-10

Finance & Business Services

- Within the finance & business services sector there were nine subsectors employing more than 5,000 people
- In only 3 subsectors did employment increase: Services to buildings; Head Office activities; and Security.
- Between 2008 and 2011, Leeds did better than the City Region in half the subsectors.

NB. Year on year figures for some of the subsectors appear to be highly volatile due to sector reclassification and possibly the allocation to national/regional paypoints.

Major subsectors	Employees in Leeds 2010	% change 2008-2010					
		Leeds	WY	City Region	Y&H	GB	Core Cities
Employment activities	16,050	-5	+15	+16	+17	+12	-4
Financial services	15,200	-14	-3	-7	-7	-17	-10
Legal & accounting	10,600	-24	-29	-25	-28	0	-6
Services to buildings	9,113	+3	-6	-7	-8	+4	-7
Auxiliary to fin & ins.	8,500	-27	-24	-5	-10	+4	-8
Architectural & engineering	7,750	-7	-11	-14	-13	-5	-10
Office admin	7,450	-15	-14	-12	-2	+13	+4
Head offices	6,700	+6	-5	-9	-16	+5	0
Security & investigation	6,600	+80	+45	+39	+25	0	+13

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Unit Size Distribution 2010

Data currently not available.

Gender and Hours Worked

Data by gender is not available from BRES because it is deemed unreliable.

- 69% of employees worked full time, 31% part time
- Full time employees decreased 7% while part time fell 6%.

	Employees 2010	% of employees	Change 2008-10
Full time	269,800	69%	-7%
Part time	118,900	31%	-6%
Total employees	388,700	100%	-7%
Employees + working proprietors	406,250		-7%