

211119 Salford Furlough Update

- Salford's overall economic picture remains strong, leading GM and central to a reinvigorated Northern economy, but Covid 19 has impacted on Salford significantly, as with the whole of the country. In the new year as further data becomes available and we conduct our economic growth assessment the longer term impacts will be clearer.
- The furlough (Job Retention Scheme) ended on September 30th. The overall economic picture based on ONS labour market data published in November is that the impact on unemployment is small. Payrolled employment increased between September and October and unemployment now stands at 4.3%, with employment at 75.4% and economic inactivity at 21.1%. This is still slightly above the pre pandemic level (4%) but back to pre-pandemic trends.
- Long term economic inactivity (residents out of the labour market) remains a key labour market challenge nationally and for Salford.
- The other major issue is the shortage of labour for a number of occupations which is also tied in with Brexit and lower levels of economic migration from the EU. The issue is greatest in the care, logistics and warehousing sectors.
- There is some economic analysis that those returning to work from furlough may be on fewer hours and/or zero hours contracts. The levels claiming unemployment benefits also still remains higher than pre pandemic - nationally over 2 million, compared to 1.2 million pre pandemic. At the height of the pandemic it reached a peak of 2.7 million. The removal of £20 per week from Universal Credit will also impact Salford significantly.
- The extent to which Salford residents have been on furlough is a key indicator of the overall economic impact of Covid 19 on the local economy.
- Based on claims made by October 14th 2021, there have been 51,000 people on furlough in Salford cumulatively since the start of the scheme. This is the 3rd highest number in GM behind Manchester (98,000) and Wigan (55,000).
- On the latest data, as of the end of September there were 4,810 Salford residents still on furlough. This represents however only 4% of those residents eligible (116,800).
- As of September 30th provisionally there were 2,170 females and 2,640 males on furlough in Salford. The highest numbers were in the younger age groups (under 50), particularly between age 25-44.
- Furlough by sector is spread across the economy. The greatest impact is in retail and hospitality (accommodation and food services) as it has been throughout the period of Covid 19 restrictions.

Table 1: Furlough in Salford by sector (September 30th, 2021)

Manufacturing	Construction	Wholesale and retail	Transportation and storage	Accommodation and food services	Information and communication, Financial and insurance & Real estate	Professional, scientific and technical	Administrative and support services	Health and social work	Arts, entertainment and recreation	Other service activities	Other	Total
330	290	730	390	700	350	420	580	210	260	230	320	4,810

Table 2: Females by age on furlough (September 30th, 2021)

Females Under 25	Females 25 to 29	Females 30 to 34	Females 35 to 39	Females 40 to 44	Females 45 to 49	Females 50 to 54	Females 55 to 59	Females 60 to 64	Females 65 and over	Total
250	230	320	270	270	220	210	190	120	90	2,170

Table 3: Males by age on furlough (September 30th, 2021)

Males Under 25	Males 25 to 29	Males 30 to 34	Males 35 to 39	Males 40 to 44	Males 45 to 49	Males 50 to 54	Males 55 to 59	Males 60 to 64	Males 65 and over	Total
220	320	350	360	330	260	280	230	180	110	2,640

Table 4: Salford residents on furlough by age (September 30th, 2021)¹

Total Under 25	Total 25 to 29	Total 30 to 34	Total 35 to 39	Total 40 to 44	Total 45 to 49	Total 50 to 54	Total 55 to 59	Total 60 to 64	Total 65 and over	Total
470	550	670	630	600	490	490	420	310	200	4,830

¹ There is a small discrepancy in the government data between sector and gender totals (4810 and 4830 respectively) due to reporting errors.

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