

Unemployment Claimant Flows as an Indicator of Economic Performance

Introduction

One powerful and easy way of looking at fluctuations within economies at local authority level is to consider the trends around the number of jobs advertised. This information was previously available from the Office of National Statistics. Trends in notified vacancies run around three months in advance of up or down turns in local economies more generally and using this information you can develop inferences about the direction of travel of your economy. As this data is no longer available, analysing the flow of claimants on and off the JSA register does provide a useful alternative.

This analysis is provided as part of the RSN Observatory, which has a wide range of analysis and information for rural areas.

- How does it work?

This spreadsheet includes benchmarked information for our member authorities. There are two spreadsheets attached to this analysis:

- Claimant Flows December 2014
- JSA claimants as % of the working population Sept 2014

You can click your authority on the drop down box on the spreadsheet to see the quartile trend for your authority. You can also compare how it performs against categories of authority by using the box below, for example the district average, or Rural -80 authorities.

We will update this analysis on a quarterly basis.

Claimant Flow Commentary

This graph in the attached analysis shows the claimant flow up to the period December 2014.

Where the flow of claimants is 1, there is no net change in the flow. Figures greater than one mean that there are more people signing on to claim for Job Seekers Allowance than there are leaving the register. A figure less than 1 shows that more people are leaving the register than joining it. You can use these figures to help gauge the relative dynamism of the labour market in each local authority.

Table showing the top 10 worst performing Local Authority areas:

Authority	Categorisation	Flow
East Lindsey	Mainly Rural	1.671686747
Weymouth and Portland	Urban	1.5
Isle of Wight	Mainly Rural	1.483516484
Ryedale	Mainly Rural	1.415384615
Craven	Mainly Rural	1.386666667
Eden	Mainly Rural	1.382978723
Scarborough	Urban with Significant Rural	1.366906475
Rother	Largely Rural	1.34939759
Blackpool	Urban	1.295384615
Purbeck	Mainly Rural	1.291666667

We have used the new Defra Classifications for local authorities throughout this analysis.

7 of these local authority areas are Mainly Rural or Largely Rural and of these, 4 are coastal areas, notable for their reliance on tourism. The other 3 are based in North Yorkshire and Cumbria, tourist areas with seasonal peaks and troughs.

Employment in the tourist industry in English resorts is very seasonal and this explains why for December 2014, the low season for these resorts, they are included on the worst performing list. It is expected that these areas would see the opposite effect occurring during the summer months and our analysis of these time periods will explore this issue.

In East Lindsey for example the worst performing local authority area for claimant flow, home to Skegness and Maplethorpe, seasonal employment makes up a large percentage of the workforce, leading to such a significant proportion of people joining the register rather than leaving to find employment.

Table showing the top 10 best performing Local Authority areas:

Authority	Categorisation	Flow
Stockport	Urban	0.550808314
Halton	Urban	0.613718412
Manchester	Urban	0.629222011
Warrington	Urban	0.641552511
Cheshire East	Urban with Significant Rural	0.650297619
Rushmoor	Urban	0.653679654
Liverpool	Urban	0.65586647
Plymouth	Urban	0.662759243
City of London	Urban	0.666666667
Harborough	Mainly Rural	0.671532847

In contrast, 8 of the best performing local authority areas for unemployment claimant flow are urban, areas which may not be so badly affected by the peaks and troughs of summer holiday tourism. These are also areas likely to have an increase in seasonal employment throughout the Winter over Christmas time with the surge in shopping.

Job Seekers Allowance Commentary

We have also analysed levels of JSA Claimants to give RSN members a simple overview of how their authority can be benchmarked with other authorities. They can also see trends which can help provide a fuller picture of economic performance and the direction of travel. Whilst we have included JSA data at higher authority and LEP levels for comparison purposes, it works best at district level.

Worst Performers

Table showing local authorities with the top 10 highest levels of JSA claimants (Sept 2014) :

Local Authority	Categorisation	LEP	JSA%
Wolverhampton	Urban	Black Country	7.7629%
Birmingham	Urban	Greater Birmingham and Solihull	7.2189%
Middlesbrough	Urban	Tees Valley	6.7158%
Kingston Upon Hull	Urban	Humber	6.5574%
Hartlepool	Urban	Tees Valley	6.5448%
Sandwell	Urban	Black Country	6.5442%
Liverpool	Urban	Liverpool City Region	6.2597%
Newham	Urban	London	6.0693%
South Tyneside	Urban	North Eastern	5.9180%
Blackpool	Urban	Lancashire	5.8209%

All of the top 10 local authorities with the highest levels of people claiming JSA are urban authorities.

Wolverhampton is the worst performing local authority area with 7.76% of the working population claiming Job Seekers Allowance. This figure is relatively low however compared to the worst performing authority in recent years, for example in March 2013 the worst performing authority had JSA claimants at 11.53%.

Table showing local authorities with the top 10 lowest levels of JSA claimants (Sept 2014) :

Local Authority	Categorisation	LEP	JSA%
Harrogate	Urban with Significant Rural	Leeds City Region	0.6629%
Hart	Urban with Significant Rural	Enterprise M3	0.6646%
Stratford on Avon	Mainly Rural	Coventry and Warwickshire	0.6801%
Mid Sussex	Urban	Coast to Capital	0.6860%
Wokingham	Urban	Thames Valley Berkshire	0.6995%
South Northamptonshire	Mainly Rural	South East Midlands	0.7010%
South Oxfordshire	Mainly Rural	Oxfordshire LEP	0.7193%
Mole Valley	Urban with Significant Rural	Coast to Capital	0.7349%
South Cambridgeshire	Largely Rural	Greater Cambridge & Greater Peterborough	0.7352%
Winchester	Largely Rural	Solent	0.7555%

This analysis shows quite a significant rural urban split with the majority of authorities in the top 10 for lowest levels of JSA claimants being rural authorities. Only 2 urban authorities appear in this list.

Harrogate is the best performing area for September 2014. This is an area with high levels of self employment and a higher than national average level of part time employment. Harrogate Council has been working hard on producing its latest economic strategy update for the local area. As resources in economic development reduce across England, it is important that local authorities focus their efforts on prioritising key actions for their local area.

Their strategy states: "For the period 2012-2105 we have chosen to focus on two priorities: 1. Supporting business growth and job creation; and 2. Growing the visitor economy. During 2014-2015 the Council will also focus on realising the business benefits of hosting the Grand Depart Tour de France 2014."

Whilst the overall picture is one of prosperity in rural areas and greater levels of unemployment in urban areas there is a risk that figures may be underreported in some rural areas. Following the closure of a number of job centres in many areas, there are local authority areas without a job centre plus office, forcing residents in rural areas to travel significant distances, often with poor public transport options.

In addition, it should also be considered that a number of residents in rural areas may commute to larger urban centres for employment, slightly affecting the full picture of the local labour market.

It is for Local Authorities to use the information provided to assess their levels of JSA claimants compared to other areas and the trends in levels to help them to determine where targeted support for their local economies may be required.