

Unemployment Claimant Flows as an Indicator of Economic Performance October 2014

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?

The spreadsheets include benchmarked information for member authorities of SPARSE. There are two spreadsheets attached to this analysis using the latest data available at this time:

- Claimant Flows (August 2014)
- JSA claimants as % of the working population (March 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 August 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
Mid Suffolk	R80	1.278912
Blaby	Urban	1.251397
City of London	Urban	1.230769
Hambleton	R80	1.183673
Eastleigh	Significantly Rural	1.130435
Malvern Hills	R50	1.108108
Chiltern	Significantly Rural	1.097744
Boston	Significantly Rural	1.078652
Waverley	R 50	1.078571
Mendip	R80	1.064935

The majority of areas in the worst performing list are rural authorities.

Mid Suffolk takes the top spot with a flow of 1.28 although this is better than the worst performer last quarter which was Milton Keynes at 1.44.

Table showing the top 10 best performing Local Authority areas:

Authority	Categorisation	Flow
Wirral	Urban	0.566773
Preston	Urban	0.588665
Knowsley	Urban	0.635795
Sefton	Urban	0.642378
St Helens	Urban	0.653171
Tameside	Urban	0.654587
East Lindsey	R80	0.674134
Bolton	Urban	0.686441
Kings Lynn and West Norfolk	R50	0.694761
South Ribble	Urban	0.698582

This quarter, 8 out of the top 10 best performing areas for claimant flow are urban with only two rural areas featuring.

Wirral was the best performing with a claimant flow rate of 0.566773. This means that there were significantly more people leaving the register of JSA claimants than there were applying for JSA. In August, the employment figures for the Wirral, showed the biggest annual fall in unemployment in 25 years. Unemployment in the area has been falling for a number of months.

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.

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

Local Authority	Categorisation	LEP	JSA%
Wolverhampton	Urban	Black Country	9.53%
Kingston Upon Hull	Urban	Humber	8.85%
Birmingham	Urban	Greater Birmingham and Solihull	8.50%
Middlesbrough	Urban	Tees Valley	8.38%
Hartlepool	Urban	Tees Valley	8.37%
Sandwell	Urban	Black Country	7.86%
Blackpool	Urban	Lancashire	7.83%
Liverpool	Urban	Liverpool City Region	7.8%
Nottingham	Urban	D2N2	7.5%
Newham	Urban	London	7.36%

All of the top 10 local authorities with the highest levels of people claiming JSA are urban authorities, 9 of these authorities also appeared in the top 10 list of authorities with the highest levels, last quarter. Wolverhampton is still the worst performing authority in this area although the figure of 9.53% is lower than previously. To combat it, in September there were calls for greater numbers of apprenticeships in the area.

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

Local Authority	Classification	LEP	JSA %
Mid Sussex	R80	Coast to Capital	0.87%
South Northamptonshire	R80	South East Midlands	0.96%
Wokingham	Urban	Thames Valley Berkshire	0.98%
Hart	Significant Rural	Enterprise M3	0.98%
Mole Valley	Significant Rural	Coast to Capital	1.00%
Stratford on Avon	R 80	Coventry and Warwickshire	1.01%
South Cambridgeshire	R80	Greater Cambridge and Greater Peterborough	1.02%
Runnymede	Urban	Enterprise M3	1.06%

Winchester	R50	Solent	1.07%
Waverley	R50	Enterprise M3	1.07%

Mid Sussex is the best performing area this quarter with only 0.87% of JSA Claimants as a percentage of the working population. This is an affluent area with large numbers of new enterprises and existing businesses to keep JSA claimants low. Along with excellent transport links and commuting routes to London this helps to keep unemployment figures low.

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.