

Unemployment Claimant Flows as an Indicator of Economic Performance

March 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 (Feb 2014)
- JSA claimants as % of the working population (Sept 2013)

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 February 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
Milton Keynes	Urban	1.442095
Mendip	Rural 80	1.413793
East Staffordshire	Significantly Rural	1.344371
Corby	Urban	1.330969
Rutland	Rural 80	1.272727
Gloucester	Urban	1.260042
South Holland	Rural 80	1.252918
Northampton	Urban	1.248227
Newark and Sherwood	Rural 50	1.230769
Carlisle	Significantly Rural	1.226744

Whereas last quarter the worst performers were almost all rural areas, very reliant on tourism and therefore struggling in the 'off season', this quarter shows a number of other urban areas performing badly.

Milton Keynes takes the top spot with a flow of 1.44 although this is better than the worst performing last quarter which was East Lindsey at 1.7.

Table showing the top 10 best performing Local Authority areas:

Authority	Categorisation	Flow
High Peak	Rural 50	0.770083
Wyre Forest	Significantly Rural	0.771368
Mole Valley	Significantly Rural	0.792593
Forest Heath	Rural 80	0.808081
Craven	Rural 80	0.808824
Isle of Wight	Rural 80	0.81129
Rushcliffe	Rural 50	0.828897
Hartlepool	Urban	0.837956
Richmondshire	Rural 80	0.83871
Wigan	Urban	0.844877

More rural authorities have moved into the top 10 best performing areas for claimant flow with only 2 urban areas featuring compared to 7 last quarter.

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 if

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 2013) :

Local Authority	Categorisation	LEP	JSA%
Wolverhampton	Urban	Black Country	10.18%
Kingston upon Hull	Urban	Humber	9.74%
Middlesbrough	Urban	Tees Valley	9.73%
Hartlepool	Urban	Tees Valley	9.72%
Birmingham	Urban	Greater Birmingham and Solihull	9.41%
Sandwell	Urban	Black Country	8.71%
Newham	Urban	London	8.67%
Liverpool	Urban	Liverpool City Region	8.67%
Nottingham	Urban	D2N2	8.09%
South Tyneside	Urban	North Eastern	8.03%

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 has taken over from Middlesbrough as the worst performing authority area although this figure of 10.18% is lower than the worst performing of 10.82% last quarter.

Table showing local authorities with the top 10 lowest levels of JSA claimants (Sept 2013) :

Local Authority	Categorisation	LEP	JSA%
Hart	Significant Rural	Enterprise M3	1.10%
Mid Sussex	Rural 80	Coast to Capital	1.11%
South Lakeland	Rural 80	Cumbria	1.13%
South Northamptonshire	Rural 80	South East Midlands	1.14%
Stratford-on-avon	Rural 80	Coventry and Warwickshire	1.16%
Wokingham	Urban	Thames Valley Berkshire	1.17%
West Dorset	Rural 80	Dorset	1.18%
Ribble Valley	Rural 80	Lancashire	1.23%
Mole Valley	Significant Rural	Coast to Capital	1.24%
East Dorset	Rural 50	Dorset	1.27%

Hart, the best performing area continues to reduce its levels of JSA claimants from 1.19% to 1.10% for September 2013.

Hart is one of the least deprived areas in the UK and these figures reflect the local economy.

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.