

Alternative Claimant Count 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 people claiming unemployment related benefits and flows on and off the register. This information is available from the Department for Work and Pensions.

This analysis is provided as part of the RSN Economic Profiling service. The RSN also offers a wide range of analysis and information for rural areas.

- How does it work?

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

- Claimant Flows February 2021
- Claimants as % of the working population December 2020

You can click your authority on the drop down box on the spreadsheet to see the 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 Mainly Rural authorities.

Alternative Claimant Count Flow Commentary

The graph in the attached analysis shows the claimant flow up to the period February 2021.

Where the flow of claimants is 1, there is no net change in the total number of claimants. Figures greater than one mean that there are more people signing on to claim for an unemployment related benefit 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 10 worst performing Local Authority areas:

Authority	Categorisation	Flow
Rochford	Urban with City and Town	1.97
East Hampshire	Mainly Rural (rural including hub towns >=80%)	1.95
Epsom & Ewell	Urban with Major Conurbation	1.94
Redditch	Urban with City and Town	1.90
Arun	Urban with City and Town	1.90
Cotswold	Mainly Rural (rural including hub towns >=80%)	1.89
Chiltern	Urban with Significant Rural (rural including hub towns 26-49%)	1.89
Corby	Urban with City and Town	1.88
Rutland	Mainly Rural (rural including hub towns >=80%)	1.88
Redbridge	Urban with Major Conurbation	1.87

3 of these local authority areas are classed as Predominantly Rural, 1 is classed as Urban with Significant Rural, and 6 are classed as Predominantly Urban. The flow ratios have decreased significantly from the May 2020 analysis where the effect on employment of the Covid-19 pandemic was in its early stages. Epsom & Ewell is the only authority that remains in the ten worst performing areas from the previous analysis.

Table showing the 10 best performing Local Authority areas:

Authority	Categorisation	Flow
City of London	Urban with Major Conurbation	0.73
Gloucester	Urban with City and Town	1.12
Sunderland	Urban with Major Conurbation	1.13
North East Lincolnshire	Urban with City and Town	1.17
Wirral	Urban with Major Conurbation	1.19
Blackpool	Urban with City and Town	1.19
Northumberland	Largely Rural (rural including hub towns 50-79%)	1.22
South Tyneside	Urban with Major Conurbation	1.23
County Durham	Largely Rural (rural including hub towns 50-79%)	1.23
Thanet	Urban with City and Town	1.23

2 of the best performing authorities when looking at claimant flow ratio are classed as being Predominantly Rural, 0 are classed as Urban with Significant Rural and the remaining 8 are classed as Predominantly Urban. All authorities bar the City of London saw an increase in their claimant count, but at reduced rates of flow compared to the May 2020 analysis. South Tyneside and North East Lincolnshire are the only authorities that remain in the best performing authorities from the previous analysis.

Alternative Claimant Count Commentary

We have also analysed Alternative Claimant Count 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.

Table showing local authorities with the 10 highest levels of claimants (December 2020) :

Local Authority	Categorisation	LEP	Alternative claimant count as proportion of working population%
Blackpool	Urban with City and Town	Lancashire	16.0%
Birmingham	Urban with Major Conurbation	Greater Birmingham and Solihull	15.7%
Brent	Urban with Major Conurbation	London	14.7%
Middlesbrough	Urban with City and Town	Tees Valley	14.6%
Barking and Dagenham	Urban with Major Conurbation	London	14.3%
Newham	Urban with Major Conurbation	London	13.9%
Wolverhampton	Urban with Major Conurbation	Black Country LEP	13.7%
Thanet	Urban with City and Town	South East LEP	13.5%
Haringey	Urban with Major Conurbation	London	13.5%
Waltham Forest	Urban with Major Conurbation	London	12.9%

Claimants as a percentage of working population for authorities with the highest levels are significantly greater than the previous analysis that looked at claimants in March 2020. This is not unexpected given the economic effect of the Covid-19 pandemic. Brent, Barking & Dagenham, Newham, Haringey and Waltham Forest have all entered the top ten since the March 2020 analysis.

Table showing local authorities with the 10 lowest levels of claimants (December 2020) :

Local Authority	Categorisation	LEP	Alternative claimant count as proportion of working population%
City of London	Urban with Major Conurbation	London	2.8%
Vale of White Horse	Largely Rural (rural including hub towns 50-79%)	Oxfordshire	3.8%
Hambleton	Mainly Rural (rural including hub towns >=80%)	York and North Yorkshire	3.8%
Eden	Mainly Rural (rural including hub towns >=80%)	Cumbria	3.9%
Guildford	Urban with City and Town	Enterprise M3	3.9%
South Lakeland	Mainly Rural (rural including hub towns >=80%)	Cumbria	3.9%
Ribble Valley	Mainly Rural (rural including hub towns >=80%)	Lancashire	3.9%
Craven	Mainly Rural (rural including hub towns >=80%)	Leeds City Region	4.0%
South Northamptonshire	Mainly Rural (rural including hub towns >=80%)	South East Midlands LEP	4.0%
Test Valley	Urban with Significant Rural (rural including hub towns 26-49%)	Solent	4.0%

Claimant levels for authorities with the lowest proportion as a percentage of working population have changed significantly due to the economic effect of the pandemic since March 2020. At every position in the top ten the proportion is more than double that found in the previous analysis. 7 authorities in the top ten are classed as Predominantly Rural, 1 is classed as

Urban with Significant Rural, and 2 are classed as Predominantly Urban. City of London, Guildford, Ribble Valley and South Northamptonshire continue to be authorities with low levels of claimant relative to other authorities.

Future analyses will demonstrate both the effect the pandemic has had and which local authority areas have shown most resilience in the face of this global challenge.