

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 JSA claimants and flows on and off the JSA register. This information is available from the Office of National Statistics.

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 March 2016
- JSA claimants as % of the working population December 2015

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 Mainly Rural 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 March 2016.

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 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 10 worst performing Local Authority areas:

| Authority | Categorisation | Flow |
|---------------------|---|-------------|
| Richmondshire | Mainly Rural (rural including hub towns $\geq 80\%$) | 1.5 |
| Tamworth | Urban with City and Town | 1.284210526 |
| Mendip | Mainly Rural (rural including hub towns $\geq 80\%$) | 1.208333333 |
| Salford | Urban with Major Conurbation | 1.207815275 |
| Basildon | Urban with City and Town | 1.183673469 |
| Crawley | Urban with City and Town | 1.180412371 |
| Newcastle upon Tyne | Urban with Major Conurbation | 1.158490566 |
| Milton Keynes | Urban with City and Town | 1.15 |
| Craven | Mainly Rural (rural including hub towns $\geq 80\%$) | 1.142857143 |
| Breckland | Mainly Rural (rural including hub towns $\geq 80\%$) | 1.141242938 |

4 of these local authority areas are classed as Predominantly Rural (down from 6 as of January 2016, in addition to 2 classed as Urban with Significant Rural), the remaining authorities being classed as Predominantly Urban. There are no authorities within this current list that appeared in the January 2016 list.

Table showing the 10 best performing Local Authority areas:

| Authority | Categorisation | Flow |
|---------------|--|-------------|
| Hounslow | Urban with Major Conurbation | 0.29774127 |
| Sutton | Urban with Major Conurbation | 0.427083333 |
| West Somerset | Mainly Rural (rural including hub towns >=80%) | 0.523076923 |
| Ryedale | Mainly Rural (rural including hub towns >=80%) | 0.532110092 |
| Isle of Wight | Mainly Rural (rural including hub towns >=80%) | 0.556109726 |
| East Lindsey | Mainly Rural (rural including hub towns >=80%) | 0.55890411 |
| Rushcliffe | Largely Rural (rural including hub towns 50-79%) | 0.56462585 |
| Rochford | Urban with City and Town | 0.590551181 |
| Melton | Mainly Rural (rural including hub towns >=80%) | 0.609756098 |
| Forest Heath | Mainly Rural (rural including hub towns >=80%) | 0.615384615 |

The 10 best performing authorities when looking at claimant flow ratio, are split between 7 Predominantly Rural authorities, the remaining 3 being Predominantly Urban. Only Sutton remains in the list of 10 best performing local authorities from the previous quarters analysis, which indicates a period of sustained improvement.

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 10 highest levels of JSA claimants (December 2015) :

| Local Authority | Categorisation | LEP | JSA% |
|-----------------------------|---|---|-------|
| Middlesbrough | Urban with City and Town | Tees Valley | 6.29% |
| Redcar and Cleveland | Urban with Significant Rural (rural including hub towns 26-49%) | Tees Valley | 5.66% |
| Kingston upon Hull, City of | Urban with City and Town | Humber | 5.54% |
| South Tyneside | Urban with Major Conurbation | North Eastern | 5.42% |
| Wolverhampton | Urban with Major Conurbation | Black Country | 5.09% |
| Birmingham | Urban with Major Conurbation | Greater Birmingham and Solihull | 4.94% |
| Hartlepool | Urban with City and Town | Tees Valley | 4.89% |
| Nottingham | Urban with Minor Conurbation | Derby, Derbyshire, Nottingham and Nottinghamshire | 4.50% |
| Sandwell | Urban with Major Conurbation | Black Country | 4.32% |
| Great Yarmouth | Urban with Significant Rural (rural including hub towns 26-49%) | New Anglia | 4.30% |

For the ten authorities with highest levels of JSA claimant as at December 2015 listed above, only one new addition has been made from the September 2015 position. Great Yarmouth has entered at position 10, replacing Sunderland that also held the tenth spot in September 2015. 8 of the authorities are classed as Predominantly Urban (the remaining 2 authorities being Urban with Significant Rural).

Table showing local authorities with the 10 lowest levels of JSA claimants (December 2015) :

| Local Authority | Categorisation | LEP | JSA% |
|-------------------|---|---------------------------------|-------|
| Stratford-on-Avon | Mainly Rural (rural including hub towns $\geq 80\%$) | Coventry and Warwickshire | 0.34% |
| Harrogate | Urban with Significant Rural (rural including hub towns 26-49%) | Leeds City Region | 0.36% |
| South Oxfordshire | Mainly Rural (rural including hub towns $\geq 80\%$) | Oxfordshire LEP | 0.39% |
| Eden | Mainly Rural (rural including hub towns $\geq 80\%$) | Cumbria | 0.44% |
| Cherwell | Urban with Significant Rural (rural including hub towns 26-49%) | Oxfordshire LEP | 0.46% |
| Mid Sussex | Urban with City and Town | Coast to Capital | 0.46% |
| West Oxfordshire | Mainly Rural (rural including hub towns $\geq 80\%$) | Oxfordshire LEP | 0.47% |
| South Lakeland | Mainly Rural (rural including hub towns $\geq 80\%$) | Cumbria | 0.48% |
| Lichfield | Urban with Significant Rural (rural including hub towns 26-49%) | Greater Birmingham and Solihull | 0.48% |
| West Berkshire | Urban with Significant Rural (rural including hub towns 26-49%) | Thames Valley Berkshire | 0.48% |

For the ten authorities with lowest levels of JSA claimant as at December 2015 listed above, 5 are classed as Predominantly Rural, 4 are Urban with Significant Rural, and 1 is Predominantly Urban.

Overall, for those authorities with the lowest percentage of JSA claimants, the proportion of JSA claimants have fallen between September 2015 and December 2015 (shown above), indicating an overall improved position for the authorities within the top ten.

Five authorities have not moved out of the top ten since September 2015, with Stratford-on-Avon, South Oxfordshire, South Lakeland, Harrogate and Eden remaining in the list of authorities with the lowest levels of JSA claimant in December 2015.

It should be noted in considering these results that the continuing closure of job centres in rural areas, (there are local authority areas without a job centre plus office), forces residents in rural areas to travel significant distances, often with poor public transport options. This in turn can result in unemployment figures being underreported for rural locations.

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.