

# 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 January 2016
- JSA claimants as % of the working population September 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 January 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
Eden	Mainly Rural	2.750
West Somerset	Mainly Rural	2.194
East Cambridgeshire	Mainly Rural	1.867
Daventry	Mainly Rural	1.855
Winchester	Largely Rural	1.779
Harrogate	Urban with Sig. Rural	1.759
Melton	Mainly Rural	1.750
Stoke-on-Trent	Urban with City & Town	1.715
City of London	Urban with Major Conurbation	1.714
East Staffordshire	Urban with Sig. Rural	1.705

6 of these local authority areas are classed as Predominantly Rural, 2 are classed as Urban with Significant Rural, with 2 classed as Predominantly Urban.

1 authority is in coastal area, in contrast to the October 2015 analysis, where there were 6. This could be indicative of the seasonal trends of employment based around coastal tourism.

Rural authorities consistently appear in the top ten worst performing local authorities under this measure, which might indicate rural susceptibility to local economic factors (such as seasonal employment or reliance on a few large employers)

Table showing the 10 best performing Local Authority areas:

Authority	Categorisation	Flow
Derbyshire Dales	Mainly Rural	0.700
Sutton	Urban with Major Conurbation	0.786
St Helens	Urban with Major Conurbation	0.813
Harrow	Urban with Major Conurbation	0.847
Brent	Urban with Major Conurbation	0.877
Brighton & Hove	Urban with City & Town	0.882
Barrow-in-Furness	Urban with Sig. Rural	0.883
Mid Suffolk	Mainly Rural	0.893
Kensington & Chelsea	Urban with Major Conurbation	0.898
Ealing	Urban with Major Conurbation	0.909

The 10 best performing authorities when looking at claimant flow ratio, are split between 7 Predominantly Urban authorities, 1 Urban with Significant Rural, and 2 Predominantly Rural.

### **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 (September 2015) :

Local Authority	Categorisation	LEP	JSA%
Middlesbrough	Urban with City & Town	Tees Valley	5.698
Kingston upon Hull	Urban with City & Town	Humber	5.573
Wolverhampton	Urban with Major Conurbation	Black Country	5.544
Birmingham	Urban with Major Conurbation	Greater Birmingham and Solihull	5.348
South Tyneside	Urban with Major Conurbation	North Eastern	5.228
Nottingham	Urban with Minor Conurbation	Derby, Derbyshire, Nottingham and Nottinghamshire	5.009
Sandwell	Urban with Major Conurbation	Black Country	4.722
Hartlepool	Urban with City & Town	Tees Valley	4.449
Redcar and Cleveland	Urban with Sig. Rural	Tees Valley	4.294
Sunderland	Urban with Major Conurbation	North Eastern	4.215

For the ten authorities with highest levels of JSA claimant as at September 2015 listed above, 9 are classed as Predominantly Urban (the remaining authority being Urban with Significant Rural). In comparison to the same list as at June 2015, the overall percentages for each authority have dropped, indicating an improving position within the top ten. The authorities comprising the top ten are consistent between the months of June 2015 and September 2015 (shown above), with only one change with North East Lincolnshire being replaced by Sunderland.

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

Local Authority	Categorisation	LEP	JSA%
Stratford-on-Avon	Mainly Rural	Coventry and Warwickshire	0.357
South Oxfordshire	Mainly Rural	Oxfordshire LEP	0.390
South Lakeland	Mainly Rural	Cumbria	0.403
Harrogate	Urban with Sig. Rural	Leeds City Region	0.435
Eden	Mainly Rural	Cumbria	0.435
Surrey Heath	Urban with City & Town	Enterprise M3	0.484
Ribble Valley	Mainly Rural	Lancashire	0.516
Hart	Urban with Sig. Rural	Enterprise M3	0.524
Harborough	Mainly Rural	Leicester and Leicestershire	0.529
Winchester	Largely Rural	Solent	0.530

For the ten authorities with lowest levels of JSA claimant as at September 2015 listed above, 7 are classed as Predominantly Rural, 2 are Urban with Significant Rural, and 1 are Predominantly Urban.

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

The ten authorities with the lowest levels of JSA claimant has remained fairly static between June 2015 and September 2015, with Harborough and Ribble Valley entering the list at the expense of Lichfield and Mid Sussex.

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.