

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 October 2015
- JSA claimants as % of the working population June 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 October 2015.

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
Redcar and Cleveland	Urban with Significant Rural	1.810
East Lindsey	Mainly Rural	1.510
Scarborough	Urban with Significant Rural	1.482
Ribble Valley	Mainly Rural	1.429
Shepway	Urban with Significant Rural	1.351
Isle of Wight	Mainly Rural	1.318
South Bucks	Urban with Significant Rural	1.294
North Devon	Largely Rural	1.273
Stockton-on-Tees	Urban with City and Town	1.244
Eden	Mainly Rural	1.226

5 of these local authority areas are classed as Predominantly Rural, 4 are classed as Urban with Significant Rural, which leaves only 1 that is classed as Predominantly Urban.

6 are in coastal areas.

Both rural and coastal areas are notable for their reliance on both tourism and agriculture, which are seasonal employment sectors. This might go some way to explaining the claimant flows as at October 2015 seen here.

It is interesting to note that the claimant flow data for September 2015 shows Eden authority in the ten authorities with the best claimant flows. We see here however that Eden in October 2015 is one of ten authorities with the greatest ratio of claimant on flow to off flow. This might be the result of several employment factors contributing to a sudden shift in claimant flow, or the result of the loss of a single large employer.

Table showing the 10 best performing Local Authority areas:

Authority	Categorisation	Flow
Halton	Urban with City and Town	0.608
Knowsley	Urban with Major Conurbation	0.613
North West Leicestershire	Largely Rural	0.625
Uttlesford	Mainly Rural	0.625
St. Helens	Urban with Major Conurbation	0.646
Blackburn with Darwen	Urban with City and Town	0.667
Melton	Mainly Rural	0.671
East Staffordshire	Urban with Significant Rural	0.674
Preston	Urban with City and Town	0.676
Hyndburn	Urban with City and Town	0.678

The 10 best performing authorities when looking at claimant flow ratio, are split between 6 Predominantly Urban authorities, 1 Urban with Significant Rural, and 3 Predominantly Rural.

In comparing the list of best performing authorities as at October 2015 as shown above, with those from September 2015, the only authority to appear in both months is East Staffordshire. So it might be inferred that East Staffordshire at this time was showing a period of consistent job availability. Obviously, other factors might also have contributed to the positive movement of people off the claimant register for East Staffordshire.

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 (June 2015) :

Local Authority	Categorisation	LEP	JSA%
Kingston upon Hull, City of	Urban with City and Town	Humber	6.136%
Birmingham	Urban with Major Conurbation	Greater Birmingham and Solihull	5.889%
Middlesbrough	Urban with City and Town	Tees Valley	5.800%
Wolverhampton	Urban with Major Conurbation	Black Country	5.685%
South Tyneside	Urban with Major Conurbation	North Eastern	5.143%
Nottingham	Urban with Minor Conurbation	Derby, Derbyshire, Nottingham and Nottinghamshire	5.081%
Sandwell	Urban with Major Conurbation	Black Country	4.941%
North East Lincolnshire	Urban with City and Town	Greater Lincolnshire & Humber	4.808%
Hartlepool	Urban with City and Town	Tees Valley	4.657%
Redcar and Cleveland	Urban with Significant Rural	Tees Valley	4.574%

For the ten authorities with highest levels of JSA claimant as at June 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 March 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 March 2015 and June 2015 (shown above), with only one change with North East Lincolnshire moving in, and Blackpool moving out of the top ten.

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

Local Authority	Categorisation	LEP	JSA%
Stratford-on-Avon	Mainly Rural	Coventry and Warwickshire	0.408%
Hart	Urban with Significant Rural	Enterprise M3	0.445%
Harrogate	Urban with Significant Rural	Leeds City Region & York and North Yorkshire	0.445%
South Oxfordshire	Mainly Rural	Oxfordshire LEP	0.482%
Mid Sussex	Urban with City and Town	Coast to Capital	0.497%
Eden	Mainly Rural	Cumbria	0.513%
South Lakeland	Mainly Rural	Cumbria	0.519%
Winchester	Largely Rural	Solent & Enterprise M3	0.530%
Lichfield	Urban with Significant Rural	Greater Birmingham and Solihull & Stoke-on-Trent and Staffordshire	0.562%
Surrey Heath	Urban with City and Town	Enterprise M3	0.566%

For the ten authorities with lowest levels of JSA claimant as at June 2015 listed above, 5 are classed as Predominantly Rural, 3 are Urban with Significant Rural, and 2 are Predominantly Urban.

Overall, for those authorities with the lowest percentage of JSA claimants, the proportion of JSA claimants have fallen between March 2015 and June 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 March 2015 and June 2015, with Lichfield and South Lakeland entering the list at the expense of Wokingham and Elmbridge.

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.