



Birmingham Labour Market Update

Q2 2020

Economic Research & Policy
Inclusive Growth Directorate

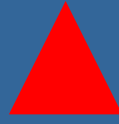


Labour Market Dashboard

Claimant Count Unemployment - June 2020 Seasonally Adjusted



77,380
+494



14.5%
+0.1% points



**Youth
18-24**

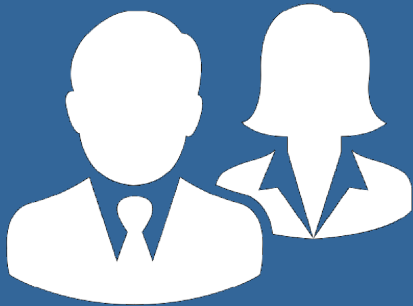
15,344
+304



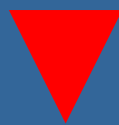
18.3%
+0.4% points



Resident Employment 16-64 - q1 2020



472,900
-3,500



64.6%
-0.6% points



16-64 Economic Inactivity - q1 2020



205,500
-2,700



28.0%
-0.4% points



Important Notice - Universal Credit Roll Out Impact on Claimant Count

The Claimant Count is the number of people claiming Jobseeker's Allowance plus those who claim *Universal Credit and are required to seek work and be available for work*. It is the new headline measure of those claiming benefits principally for the reason of being unemployed.

The full service roll out of Universal Credit in the city between Nov 17 and Feb 18 has led to an increase in the claimant count in the city (as it has done in other full service areas), this is for two main reasons:

- Universal Credit requires a broader span of people to look for work than was the case for existing benefits such as ESA.
- New claimants who are awaiting or appealing Work Capability Assessments are being required to look for work and thus being counted as unemployed rather than economically inactive.

Seasonally Adjusted Unemployment

The latest claimant unemployment figures released by the Office for National Statistics (ONS) show that seasonally adjusted claimant unemployment in Birmingham increased by 494 in June 2020 to stand at 77,380; the rate increased to 14.5%. The rate of growth in the claimant count has however slowed sharply in June as the economy reopened.

77,380
+494

14.5%
+0.1% Point

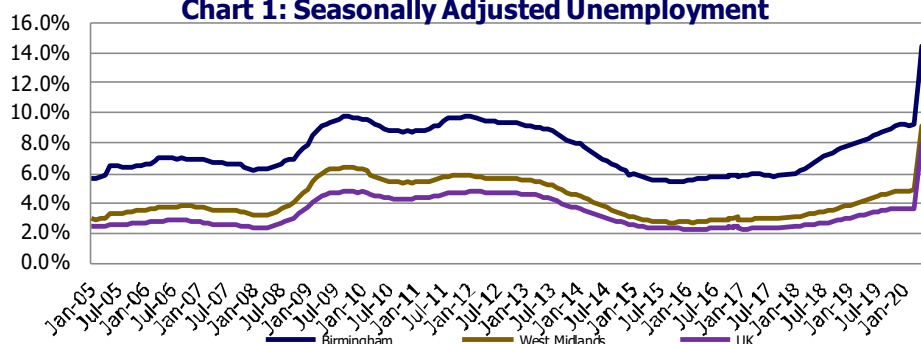


Table 1 - Seasonally Adjusted Claimant Unemployment June 2020

Area	Total	
	Number	Claimant Rate
United Kingdom	2,631,384	7.8%
West Midlands Region	261,658	9.0%
Birmingham	77,380	14.5%

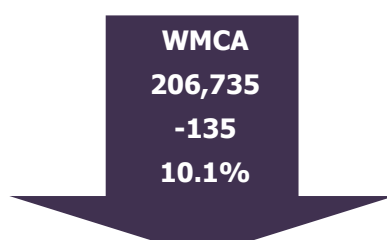
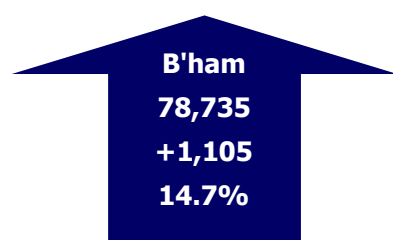
Seasonally adjusted claimant count unemployment decreased in the West Midlands and nationally last month. Chart 1 illustrates that after falling sharply to return to pre recession levels unemployment in the city had been relatively stable but began to increase during 2018 due to the benefit eligibility changes associated with the roll out of Universal Credit. The impact of the Covid-19 outbreak can clearly be seen with the sharp spike in unemployment from March 2020 onwards.

Chart 1: Seasonally Adjusted Unemployment



Unadjusted Unemployment

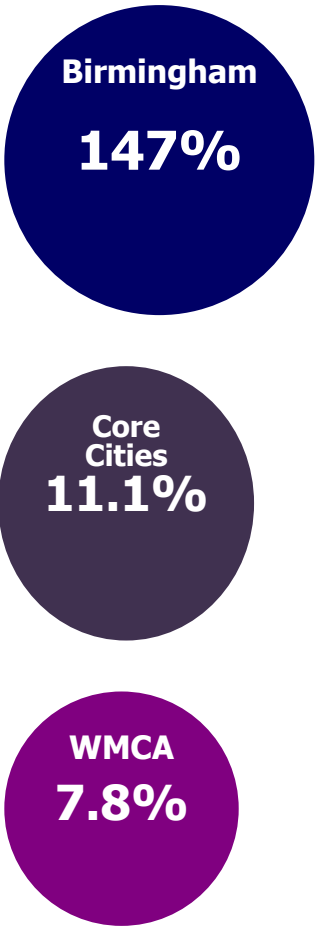
In Birmingham, the unadjusted claimant count increased by 1,105 to 78,735 in June 2020. The unadjusted rate increased to 14.7%. Unadjusted unemployment decreased marginally for the WMCA (3 LEPs) and the UK as a whole last month.



Unadjusted Unemployment - Core Cities

Table 2 shows that Birmingham has a comparatively high claimant unemployment rate. At 14.7%, Birmingham’s claimant unemployment rate is the highest of the core cities - significantly above the core city average of 11.1%. Unadjusted claimant count unemployment increased in 6 of the 10 core cities last month.

Table 2 - Unadjusted Claimant Unemployed: Core Cities June 2020					
Area	JSA Claimants	Out of Work UC Claimants	Total Claimant Unemployed		
			Number	Claimant Proportion	Claimant Rate
Birmingham	8,896	69,839	78,735	10.7%	14.7%
Manchester	2,421	31,719	34,140	8.9%	12.2%
Liverpool	3,209	26,091	29,300	8.7%	12.1%
Glasgow	4,675	31,845	36,520	8.3%	11.7%
Nottingham	2,672	15,153	17,825	7.7%	11.2%
Newcastle	1,227	14,138	15,365	7.5%	10.6%
Leeds	5,072	30,538	35,610	6.9%	8.6%
Cardiff	1,518	14,132	15,650	6.4%	7.8%
Bristol	2,098	17,852	19,950	6.3%	7.6%
Sheffield	3,238	19,527	22,765	5.9%	7.5%
Core Cities	35,026	270,834	305,860	8.1%	11.1%
WMCA (3 LEPs)	25,195	181,540	206,735	7.9%	10.1%
GBS LEP Area	12,711	96,259	108,970	8.5%	11.0%
Greater London	50,299	408,671	458,970	7.6%	9.4%
United Kingdom	311,880	2,313,595	2,625,475	6.3%	7.8%
Claimant proportion: claimants divided by working age population					
Claimant rate: claimants divided by economically active working age residents.					



Birmingham Constituencies

Table 3 shows claimant unemployment data relating to the constituencies. Ward data is shown on page 5.

The constituency of Ladywood has the highest claimant unemployment rate (23.2%). The Sutton Coldfield constituency has the lowest unemployment rate (3.8%).

Table 3—Unadjusted Unemployment by Constituency June 2020					
Constituency	JSA Claimants	Out of Work UC Claimants	Total Claimant Unemployed		
			Number	Claimant Proportion	Claimant Rate
Edgbaston	746	5,254	6,000	8.5%	10.0%
Erdington	990	7,115	8,105	12.3%	15.8%
Hall Green	852	8,038	8,890	11.5%	21.3%
Hodge Hill	1,154	9,466	10,620	13.5%	20.8%
Ladywood	1,555	12,330	13,885	13.2%	23.2%
Northfield	750	5,640	6,390	10.1%	14.5%
Perry Barr	965	8,265	9,230	12.7%	16.6%
Selly Oak	641	4,744	5,385	7.2%	11.4%
Sutton Coldfield	400	2,110	2,510	4.5%	3.8%
Yardley	843	6,882	7,725	11.0%	13.0%
Birmingham	8,896	69,839	78,735	10.7%	14.7%

Table 4 also shows the monthly change in claimant count unemployment at ward level. 49 of the city's 69 wards experienced an increase in claimant count unemployment between May and June 2020.

Map 1 below displays claimant unemployment in Birmingham by Super Output Area (SOA). It shows that the highest levels of unemployment are largely concentrated in the inner city areas of Birmingham with some pockets in outer city areas.

Map 1 Birmingham Claimant Count Unemployment Proportions May 2020

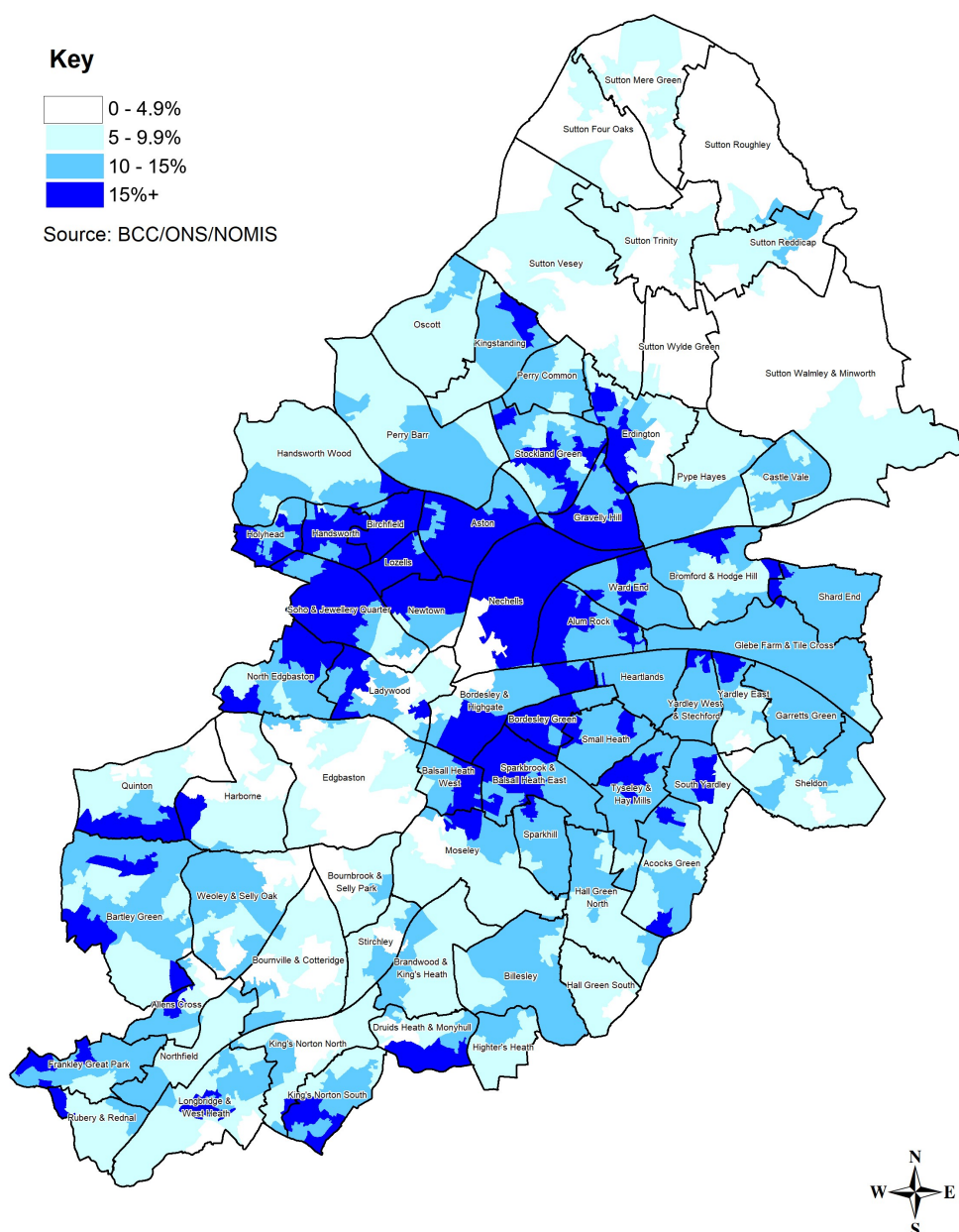


Table 4— Ward Claimant Unemployment – June 2020

Ward	Total Claimant Unemployed		Monthly Changer	Annual Change	18-24 Claimants
	Number	Claimant Proportion			
Acocks Green	1,700	11.0%	25	785	345
Allens Cross	695	10.5%	5	280	140
Alum Rock	2,655	15.8%	135	1,065	550
Aston	2,830	18.4%	105	1,155	600
Balsall Heath West	1,080	13.3%	55	455	225
Bartley Green	1,680	12.0%	-30	585	365
Billesley	1,285	10.6%	-25	555	270
Birchfield	1,660	20.1%	60	615	305
Bordesley & Highgate	1,470	13.6%	5	555	275
Bordesley Green	1,315	17.0%	60	560	265
Bournbrook & Selly Park	670	3.1%	5	205	160
Bournville & Cotteridge	710	6.5%	-15	240	175
Brandwood & King's Heath	1,005	8.2%	-25	415	215
Bromford & Hodge Hill	1,465	11.2%	25	670	315
Castle Vale	685	11.3%	-10	260	155
Druids Heath & Monyhull	820	11.2%	-30	260	150
Edgbaston	755	4.5%	30	295	130
Erdington	1,350	10.5%	25	580	205
Frankley Great Park	875	12.0%	-20	365	185
Garretts Green	820	12.6%	-25	315	200
Glebe Farm & Tile Cross	1,855	12.8%	35	725	355
Gravelly Hill	1,085	14.8%	10	355	210
Hall Green North	1,250	8.8%	25	650	255
Hall Green South	340	5.4%	-	205	80
Handsworth	1,560	18.9%	35	530	265
Handsworth Wood	1,370	9.9%	30	655	250
Harborne	1,105	7.0%	10	440	150
Heartlands	1,070	13.5%	80	480	215
Highter's Heath	615	8.7%	-30	310	130
Holyhead	1,190	14.8%	60	595	240
King's Norton North	590	8.4%	5	250	120
King's Norton South	845	12.7%	5	310	180
Kingstanding	1,535	11.8%	15	640	360
Ladywood	2,075	8.9%	25	815	295
Longbridge & West Heath	1,200	9.5%	-20	480	235
Lozells	1,160	18.8%	15	435	210
Moseley	1,420	9.7%	5	530	210
Nechells	1,250	10.2%	15	370	240
Newtown	1,665	17.0%	35	580	330
North Edgbaston	2,275	13.2%	55	960	425

Table 4— Ward Claimant Unemployment – June 2020 Continued

Ward	Total Claimant Unemployed		Monthly Changer	Annual Change	18-24 Claimants
	Number	Claimant Proportion			
Northfield	480	7.5%	- 5	205	105
Oscott	960	7.6%	- 35	455	190
Perry Barr	1,155	8.7%	30	575	255
Perry Common	790	11.0%	5	325	155
Pype Hayes	650	9.6%	30	245	105
Quinton	1,120	8.9%	20	455	195
Rubery & Rednal	650	9.8%	5	205	135
Shard End	945	12.7%	5	395	170
Sheldon	960	7.9%	- 20	465	190
Small Heath	1,780	13.7%	75	910	410
Soho & Jewellery Quarter	2,505	12.7%	85	1,030	425
South Yardley	585	8.6%	5	275	105
Sparkbrook & Balsall Heath East	2,715	16.3%	60	1,035	560
Sparkhill	1,885	13.7%	35	895	415
Stirchley	535	7.9%	- 25	200	100
Stockland Green	2,235	14.0%	30	845	455
Sutton Four Oaks	190	3.7%	-	125	35
Sutton Mere Green	225	4.1%	5	120	70
Sutton Reddicap	465	7.6%	- 10	240	95
Sutton Roughley	250	3.7%	- 25	180	55
Sutton Trinity	215	4.0%	15	110	45
Sutton Vesey	560	4.6%	- 50	305	110
Sutton Walmley & Minworth	430	4.5%	15	235	80
Sutton Wylde Green	170	3.3%	5	85	55
Tyseley & Hay Mills	1,050	13.9%	30	530	195
Ward End	1,165	14.0%	40	515	235
Weoley & Selly Oak	1,515	10.2%	5	530	325
Yardley East	535	8.5%	10	205	100
Yardley West & Stechford	1,020	13.3%	- 25	420	210
Birmingham	78,735	10.7%	1,105	32,655	15,550

Seasonally Adjusted Youth (18-24) Unemployment

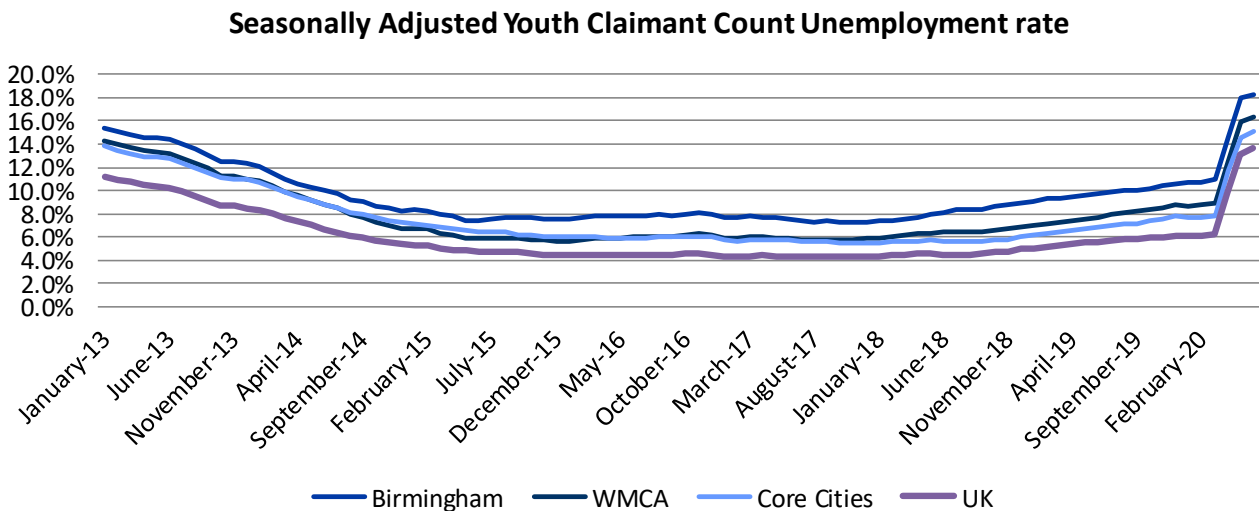
The latest seasonally adjusted youth (18-24) claimant unemployment figures released by the Office for National Statistics (ONS) show that seasonally adjusted youth claimant unemployment in Birmingham increased by 304 in June 2020 to stand at 15,344; the rate rose to 18.3%.

15,344
+304

18.3%
+0.4% points

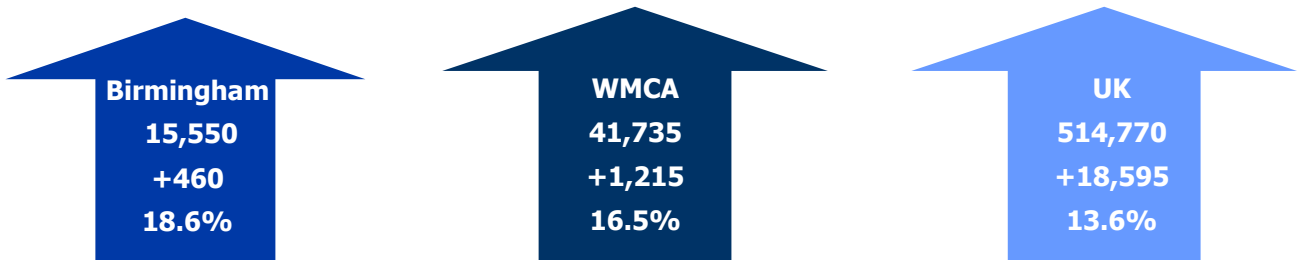
Table 5 - Seasonally Adjusted Youth Claimant Unemployment - June 2020			
	Number	Claimant Rate	Claimant Proportion
Birmingham	15,344	18.3%	10.9%
WMCA (3 LEP Area)	41,474	16.4%	10.4%
Core City Average	59,430	15.1%	7.6%
United Kingdom	515,262	13.6%	9.0%

Seasonally adjusted claimant count unemployment for young people increased in the WMCA and the UK last month. Chart 1 illustrates that after falling sharply to return to pre recession levels youth unemployment in the city had been relatively stable but has been increasing since early 2018, again in part driven by changes in benefit eligibility associated with the roll out of Universal Credit. Youth unemployment has risen sharply since March as a result of the pandemic but the rate of increase did slow in June compared to the previous two months.



Unadjusted Youth Unemployment

In Birmingham, the unadjusted youth claimant count increased by 460 to 15,550 in June. The unadjusted rate increased to 18.6%. The unadjusted 18-24 count also increased for the WMCA (3 LEPs) and at a UK level last month.



Birmingham Wards

Table 6—Unadjusted 18-24 Claimant Count Unemployment by Ward – June 2020

Constituency	Total Claimant Unemployed		Annual Change
	Number	Claimant Proportion	
Acocks Green	345	14.3%	20
Allens Cross	140	13.7%	10
Alum Rock	550	16.0%	40
Aston	600	21.0%	40
Balsall Heath West	225	11.5%	20
Bartley Green	365	16.5%	15
Billesley	270	16.4%	5
Birchfield	305	20.2%	15
Bordesley & Highgate	275	11.1%	-5
Bordesley Green	265	18.5%	15
Bournbrook & Selly Park	160	1.1%	25
Bournville & Cotteridge	175	10.0%	15
Brandwood & King's Heath	215	14.5%	15
Bromford & Hodge Hill	315	13.7%	5
Castle Vale	155	16.0%	-20
Druids Heath & Monyhull	150	14.6%	-5
Edgbaston	130	1.7%	10
Erdington	205	11.8%	0
Frankley Great Park	185	17.9%	-5
Garretts Green	200	18.8%	-15
Glebe Farm & Tile Cross	355	16.0%	10
Gravelly Hill	210	16.7%	5
Hall Green North	255	11.1%	10
Hall Green South	80	9.8%	0
Handsworth	265	20.2%	-10
Handsworth Wood	250	11.2%	-5
Harborne	150	5.9%	5
Heartlands	215	13.9%	20
Highter's Heath	130	13.9%	10
Holyhead	240	18.6%	0
King's Norton North	120	12.9%	0
King's Norton South	180	17.8%	10
Kingstanding	360	17.9%	0
Ladywood	295	4.8%	-10
Longbridge & West Heath	235	13.2%	5
Lozells	210	17.5%	10
Moseley	210	10.5%	5
Nechells	240	4.2%	10
Newtown	330	10.5%	15
North Edgbaston	425	13.1%	5

Birmingham Wards

Table 6—Unadjusted 18-24 Claimant Count Unemployment by Ward – June 2020 Continued

Constituency	Total Claimant Unemployed		Annual Change
	Number	Claimant Proportion	
Northfield	105	12.2%	5
Oscott	190	11.3%	0
Perry Barr	255	10.8%	20
Perry Common	155	15.2%	-15
Pype Hayes	105	12.0%	0
Quinton	195	11.9%	15
Rubery & Rednal	135	14.3%	5
Shard End	170	16.7%	0
Sheldon	190	11.2%	5
Small Heath	410	15.5%	35
Soho & Jewellery Quarter	425	12.0%	10
South Yardley	105	12.3%	0
Sparkbrook & Balsall Heath East	560	18.0%	15
Sparkhill	415	15.4%	25
Stirchley	100	11.3%	5
Stockland Green	455	19.0%	0
Sutton Four Oaks	35	6.1%	-5
Sutton Mere Green	70	11.7%	10
Sutton Reddicap	95	11.6%	5
Sutton Roughley	55	7.5%	5
Sutton Trinity	45	8.0%	10
Sutton Vesey	110	6.5%	-5
Sutton Walmley & Minworth	80	7.6%	10
Sutton Wylde Green	55	9.1%	10
Tyseley & Hay Mills	195	17.2%	10
Ward End	235	15.0%	-5
Weoley & Selly Oak	325	11.5%	15
Yardley East	100	10.8%	5
Yardley West & Stechford	210	17.0%	-5
Birmingham	15,550	11.0%	460

Latest Resident Employment



Birmingham Q1 2020

16-64 Employed
472,900
-3,500

Employment Rate
64.6%
-0.6pp

West Midlands Mar 2020 to May 2020

16-64 Employed
2.71m
-11,600

Employment Rate
74.9%
-0.4pp

UK

16-64 Employed
31.6m
-49,300

Employment Rate
76.4%
-0.2pp

The latest Annual Population Survey employment data for Birmingham (Q1 2020) shows working age employment levels decreasing by 3,500 in the last quarter to stand at 472,900. The employment rate also decreased, down from 65.2% in Q4 2019 to 64.6% in Q1 2020.

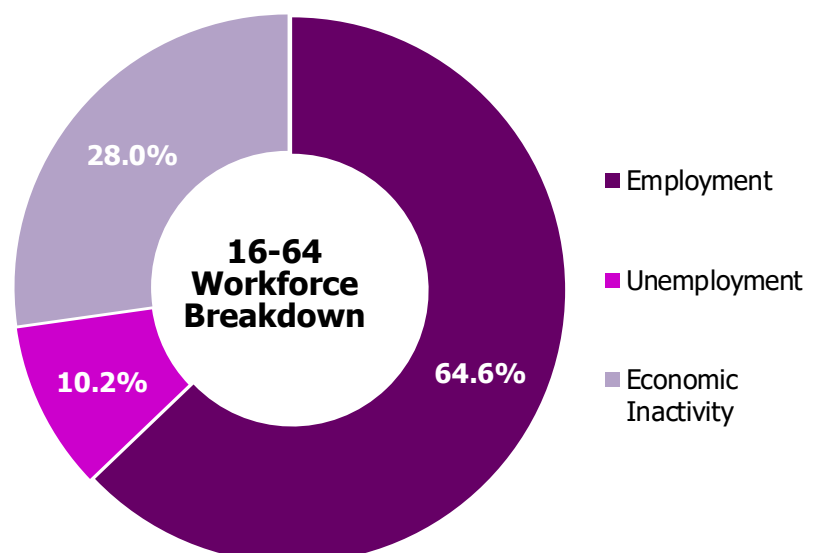
The latest Labour Force Survey figures for the West Midlands region for the three month period March to May 2020 show that the number of working age people employed has decreased by 11,600 compared with the previous quarter (December to February 2020). Employment rates regionally fell by 0.4% points compared to the previous quarter. Nationally the employment rate fell to 76.4%.

Employment, Unemployment & Economic Inactivity

The working age population of the city can be broken down into 3 component labour market cohorts those who are:

- i. Employed
 - ii. Unemployed but actively seeking work
 - iii. **Economically inactive** - This includes those who are full time students, looking after family and those who are unable to work for health reasons.
- } **Economically Active**

The latest APS data for Q1 2020 shows that there are 731,600 16-64 year old residents in Birmingham. Of these 72% are economically active (in work or seeking work) and 28% are economically inactive. This compares to a corresponding figure of 79% and 21% for the UK and 74% and 26% across the core cities as a whole.



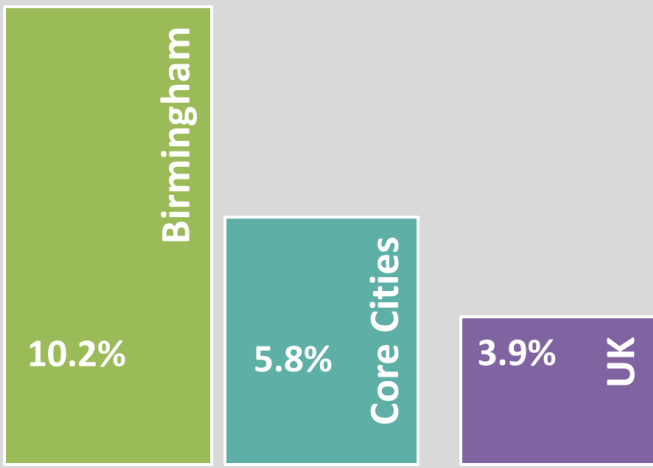
ILO Unemployment

An alternative and widely used measure which defines unemployment as those who are not in employment but actively seeking work, regardless of benefit eligibility (see page 11 for further details)

The latest available local data from the APS shows that in Q1 2020 there were 53,700 working age Birmingham residents who declared themselves as unemployed an unemployment rate of 10.2%.

Unemployment in the city was above the national and core city average and also increased by 7,700 on the previous quarter with the rate up by 1.4 percentage points.

ILO Unemployment - Q4 2019



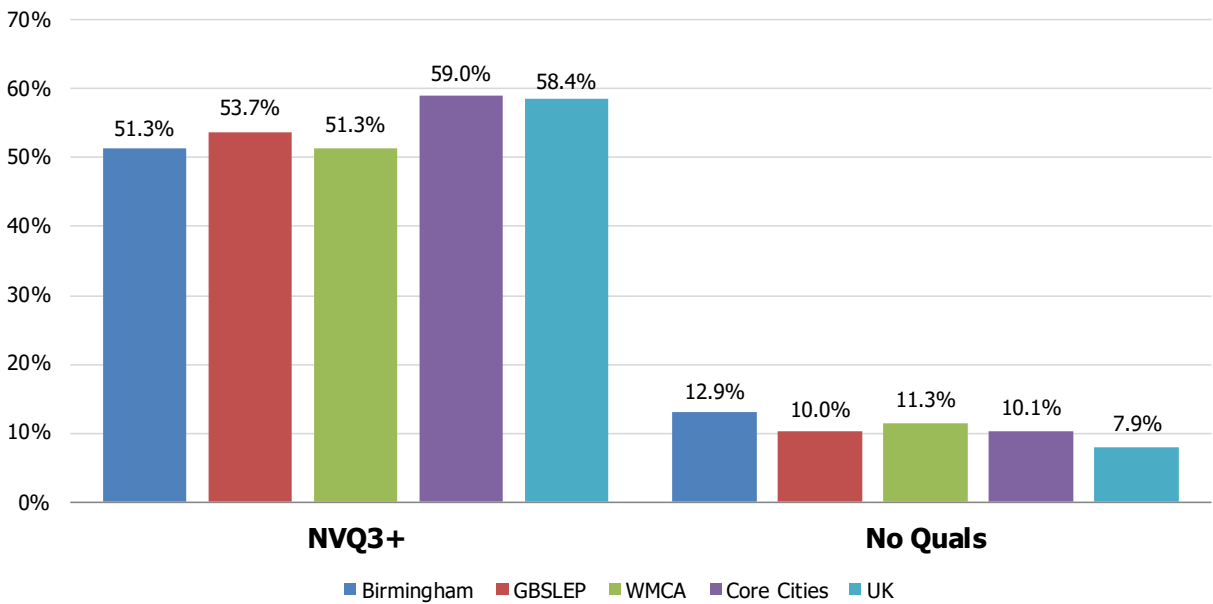
Skill Levels

On the supply side comparatively high unemployment and low employment rates in the city are linked to the skills gap that exists locally with residents having lower skills and qualification levels than the national average.

The chart below highlights this showing how Birmingham (12.9%) has a greater proportion of working age residents with no qualifications compared to the UK (7.9%) and the core city average (10.1%).

The city (51.3%) also has a correspondingly lower proportion of residents with NVQ3+ qualifications than the UK (58.4%) and core city average (59.0%).

Chart 4: Qualification Levels - 2019



Methodology Notes

Universal Credit—Impact on Claimant Count

From May 2015 onwards there has been a phased introduction of Universal Credit (UC) in Birmingham which will replace a number of existing benefits including (means tested) Job Seekers Allowance for new claimants.

The Claimant Count is therefore the number of people claiming Jobseeker's Allowance plus those who claim Universal Credit and are required to seek work and be available for work. It is the new headline measure of those claiming benefits principally for the reason of being unemployed.

The full service roll out of Universal Credit in the city between Nov 17 and Feb 18 has led to an increase in the claimant count in the city (as it has done in other full service areas), this is for two main reasons:

- Universal Credit requires a broader span of people to look for work than was the case for existing benefits such as ESA.
- New claimants who are awaiting or appealing Work Capability Assessments are being required to look for work and thus being counted as unemployed rather than economically inactive.

From March 2017 the ONS are no longer reporting claimant count data as part of the UK and Regional Labour Market Statistical Bulletins, due to concerns regarding the impact of the introduction of UC on the accuracy of the claimant count data.

Seasonally Adjusted Unemployment

The seasonally adjusted unemployment count and rate is our headline measure of unemployment. Seasonally adjusted data removes the changes in the series that are merely due to seasonal factors, such as the dip in unemployment caused by seasonal employment over the Christmas period. It therefore gives a more accurate picture of real trends and movements in unemployment.

Unemployment Rates and Proportions

Claimant count unemployment can be expressed as a rate or a proportion.

Unemployment Rate

The claimant unemployment *rate* is the number of claimant count unemployed as a percentage of the economically active 16+ population. The unemployment *rate* is the most robust measure of unemployment – and allows Birmingham to be compared with national claimant rates published by the ONS.

Claimant Proportion

The *claimant proportion* is simply the proportion of the 16-64 year old population who are claimant unemployed. This includes those who are economically active and those who are economically inactive and who are not engaged in the labour market. The claimant proportion is therefore always smaller than the claimant unemployment rate due to having a larger denominator.

Youth (18-24) Claimant Count Unemployment

Youth claimant unemployment refers to those aged 18 to 24 who are in receipt of JSA or out of work UC.

Youth Unemployment Rate

The youth claimant unemployment *rate* is the number of 18-24 claimant count unemployed as a percentage of the economically active 18-24 population. This is only available at a city level and not for wards.

Youth Claimant Proportion

The *claimant proportion* is the proportion of the total 18-24 year old population who are claimant unemployed. This includes those who are economically active and those who are economically inactive and who are not engaged in the labour market i.e. full time students. The claimant proportion is therefore always smaller than the claimant unemployment rate due to having a larger denominator.

ILO Unemployment

An alternative and widely used measure of unemployment which is consistent with International Labour Organisation (ILO) guidelines. This way of defining unemployment is not limited to benefit eligibility as in the claimant count measure but is survey based and defines unemployment as all those who are not in employment but who are actively seeking work and is calculated in the same way as the headline Labour Force Survey unemployment measure used at a national level. The data is taken from the ONS Annual Population Survey which is released quarterly.

Denominators

The denominators are based on the latest available data. *Unemployment rates* in tables 1, 2 and 3 are derived using the economically active 16+ population from the Annual Population Survey (APS). For the *claimant proportion* the total 16-64 year old population (18-24 for youth) is used, derived from the latest ONS Mid Year Population Estimates.

Development Policy
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