



# **Birmingham Unemployment Briefing**

**August 2017**



**Birmingham**  
City Council

**Economic Research & Policy**  
**Economy Directorate**

## Seasonally Adjusted Unemployment

The latest seasonally adjusted claimant unemployment figures released by the Office for National Statistics (ONS) show that seasonally adjusted claimant unemployment in Birmingham decreased by 436 in July 2017 to 31,513; the rate fell to 6.2%.

**31,513**  
Claimants

▼ -436

**6.2%**  
Rate

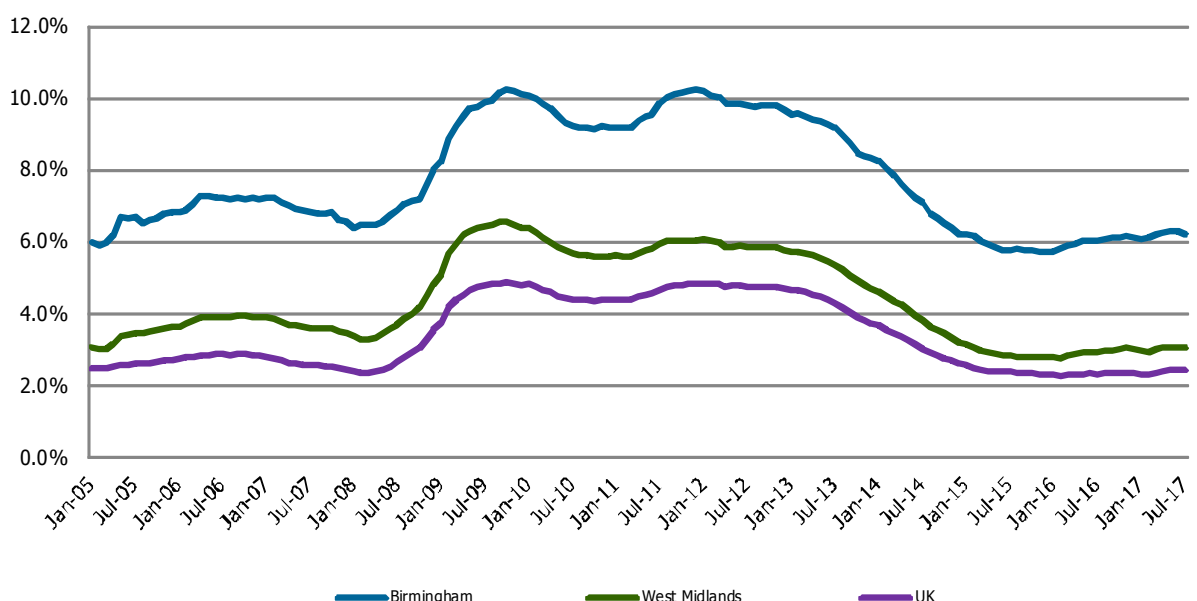
▼ -0.1 % Point

**Table 1 - Seasonally Adjusted Claimant Unemployment - July 2017**

	Total	
	Number	Claimant Rate
United Kingdom	807,768	2.4%
West Midlands Region	85,513	3.1%
<b>Birmingham</b>	<b>31,513</b>	<b>6.2%</b>

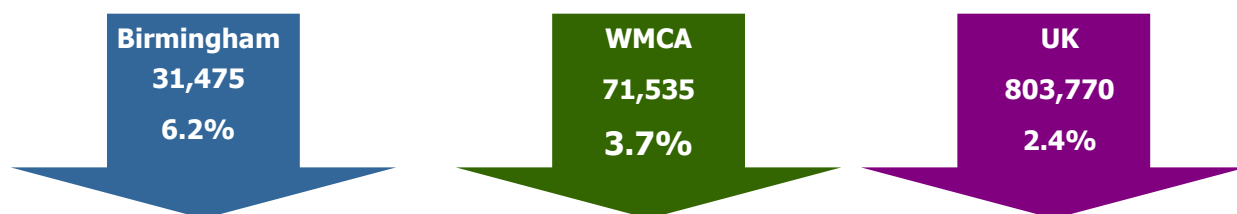
- Seasonally adjusted claimant unemployment in the UK decreased by 4,243 in July. The count now stands at 807,768. The rate fell to 2.4%.
- In the West Midlands seasonally adjusted unemployment fell by 851 to 85,513 in July. The rate remained at 3.1%.
- In Birmingham the seasonally adjusted claimant count decreased by 436 to 31,513 and the rate fell to 6.2%.
- Chart 1 illustrates that after falling sharply to return to pre recession levels unemployment in the city has been trending upwards a little over the last 12 months, following a broadly similar pattern to unemployment at a regional and national level.

**Chart 1: Seasonally Adjusted Unemployment**



## Unadjusted Unemployment

- The UK unadjusted Claimant Unemployment Count for July 2017 stands at 803,770. The unadjusted rate is 2.4%.
- The unadjusted count in the West Midlands Combined Authority (WMCA - 3 LEP Area) in July is 71,535. The unadjusted rate stands at 3.7%.
- In Birmingham, the unadjusted claimant count decreased by 415 to 31,475 in July. The unadjusted rate fell from 6.3% to 6.2%.



## Core Cities

- Table 2 shows that Birmingham has a comparatively high claimant unemployment rate. At 6.2%, Birmingham's claimant unemployment rate is the highest of the core cities - significantly above the core city average of 4.2%.
- Birmingham has the highest claimant proportion amongst the core cities. At 4.4%, Birmingham's claimant proportion is significantly higher than the core city average of 3.1%.
- Unadjusted claimant count unemployment fell in 8 of the 10 core cities last month.

**Table 2 - Unadjusted Claimant Unemployed: Core Cities July 2017**

Area	JSA Claimants	Out of Work UC Claimants	Total Claimant Unemployed		
			Number	Claimant Proportion	Claimant Rate
Birmingham	22,636	8,839	31,475	4.4%	6.2%
Liverpool	5,386	6,384	11,770	3.6%	5.1%
Nottingham	5,419	1,786	7,205	3.2%	4.8%
Glasgow	9,036	5,314	14,350	3.3%	4.8%
Newcastle	2,160	4,565	6,725	3.3%	4.5%
Manchester	5,215	4,695	9,910	2.6%	3.8%
Sheffield	6,957	2,358	9,315	2.5%	3.3%
Cardiff	3,811	1,419	5,230	2.1%	3.0%
Leeds	7,763	3,577	11,340	2.2%	2.8%
Bristol	3,644	1,591	5,235	1.7%	2.1%
<i>Core Cities</i>	<i>72,027</i>	<i>40,528</i>	<i>112,555</i>	<i>3.1%</i>	<i>4.2%</i>
WMCA (3 LEPs)	48,599	22,936	71,535	2.8%	3.7%
GBS LEP Area	26,851	11,614	38,465	3.0%	4.0%
Greater London	70,318	53,297	123,615	2.1%	2.6%
United Kingdom	482,689	321,081	803,770	1.9%	2.4%

Claimant proportion: claimants divided by working age population

Claimant rate: claimants divided by economically active working age residents.



# Unadjusted Unemployment

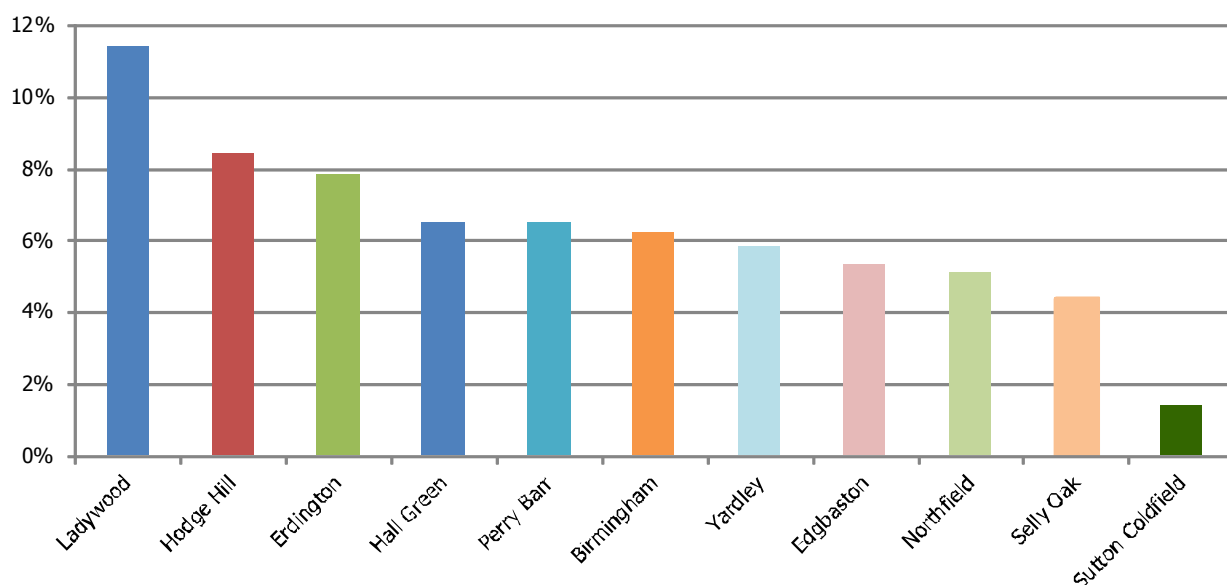
## Birmingham Constituencies

- There are 10 constituencies in Birmingham, each containing 4 wards. Table 3 shows claimant unemployment data relating to the constituencies. Ward data is shown on page 4.
- The constituency of Ladywood has the highest claimant unemployment rate (11.4%). The Sutton Coldfield constituency has the lowest unemployment rate (1.4%).

**Table 3—Unadjusted Unemployment by Constituency - July 2017**

Constituency	JSA Claimants	Out of Work UC Claimants	Total Claimant Unemployed		
			Number	Claimant Proportion	Claimant Rate
Edgbaston	1,844	676	2,520	3.7%	5.3%
Erdington	2,511	919	3,430	5.4%	7.8%
Hall Green	2,093	1,202	3,295	4.4%	6.5%
Hodge Hill	2,853	1,122	3,975	5.2%	8.4%
Ladywood	4,607	1,283	5,890	6.1%	11.4%
Northfield	1,959	776	2,735	4.3%	5.1%
Perry Barr	2,868	882	3,750	5.3%	6.5%
Selly Oak	1,522	713	2,235	3.1%	4.4%
Sutton Coldfield	402	313	715	1.3%	1.4%
Yardley	1,977	948	2,925	4.2%	5.8%
<b>Birmingham</b>	<b>22,636</b>	<b>8,839</b>	<b>31,475</b>	<b>4.4%</b>	<b>6.2%</b>

**Chart 2: Constituency Claimant Unemployment Rate**



**Table 4— Ward Claimant Unemployment – July 2017**

Ward	JSA Claimants	Out of Work UC Claimants	Total Claimant Unemployed		Annual Change		18-24 Claimants
			Number	Claimant Proportion	Number	Claimant Proportion	
Acocks Green	486	254	740	4.0	110	0.6	145
Aston	1,463	397	1,860	8.6	10	0	370
Bartley Green	601	229	830	5.2	45	0.3	165
Billesley	406	219	625	3.7	55	0.3	125
Bordesley Green	681	324	1,005	4.8	0	0	240
Bournville	376	174	550	3.3	50	0.3	105
Brandwood	453	207	660	4.1	-5	-0.1	150
Edgbaston	468	132	600	2.9	70	0.3	100
Erdington	498	172	670	4.4	-45	-0.4	125
Hall Green	211	129	340	2.0	40	0.2	80
Handsworth Wood	644	181	825	4.3	20	0	130
Harborne	361	119	480	2.9	5	0	65
Hodge Hill	547	203	750	4.3	-55	-0.3	135
King's Norton	440	150	590	4.0	20	0.1	115
Kingstanding	575	280	855	5.3	0	-0.1	180
Ladywood	924	261	1,185	4.1	15	0	135
Longbridge	473	167	640	3.9	-5	0	140
Lozells & East Handsworth	1,579	426	2,005	9.8	35	0.2	355
Moseley & Kings Heath	452	253	705	4.0	65	0.3	100
Nechells	1,214	326	1,540	5.9	-35	-0.2	285
Northfield	475	195	670	4.1	60	0.4	140
Oscott	267	128	395	2.5	-15	-0.1	100
Perry Barr	378	152	530	3.5	15	0.1	110
Quinton	414	196	610	4.1	5	0.1	120
Selly Oak	287	113	400	1.8	25	0.1	90
Shard End	653	252	905	5.4	45	0.3	170
Sheldon	328	152	480	3.4	30	0.2	110
Soho	1,006	299	1,305	6.2	10	0	240
South Yardley	631	284	915	4.6	25	0.2	205
Sparkbrook	915	495	1,410	6.8	30	0.2	330
Springfield	515	325	840	4.1	5	0	225
Stechford & Yardley North	532	258	790	4.8	40	0.2	165
Stockland Green	802	253	1,055	6.1	50	0.3	200
Sutton Four Oaks	73	72	145	1.0	20	0.1	30
Sutton New Hall	85	60	145	1.1	5	0.1	25
Sutton Trinity	144	96	240	1.6	0	0	55
Sutton Vesey	100	85	185	1.3	20	0.1	40
Tyburn	636	219	855	5.4	30	0.2	145
Washwood Heath	972	343	1,315	6.2	-15	-0.1	320
Weoley	571	259	830	5.2	75	0.5	195
<b>Birmingham</b>	<b>22,636</b>	<b>8,839</b>	<b>31,475</b>	<b>4.4</b>	<b>850</b>	<b>0.2</b>	<b>6,255</b>

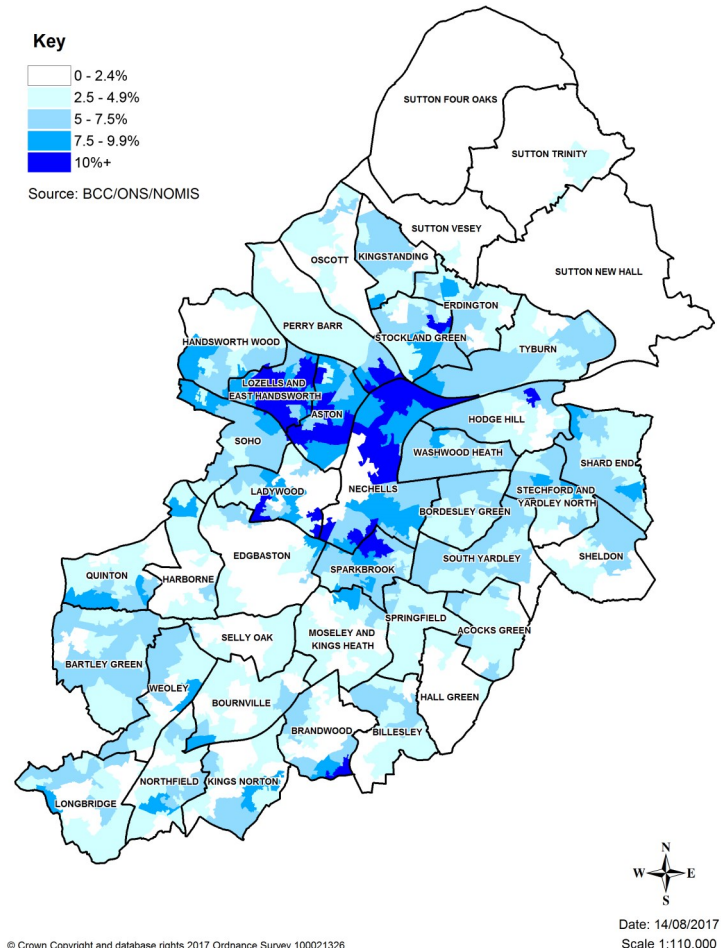
# Unadjusted Unemployment

## Birmingham Wards

### Wards

- Table 4, on page 4, shows claimant unemployment data for the Birmingham wards. The ward unemployment proportions vary widely with the 4 Sutton wards having the lowest proportions and Lozells & East Handsworth (9.8%) and Aston (8.6%) the highest.
- Table 4 also shows the annual change in claimant count unemployment at ward level. 30 of the city's 40 wards have more claimant unemployed compared with the same point last year.
- The number of youth (18-24) claimants in each ward is also contained in Table 4. Aston (370) and Lozells & East Handsworth ward (355) have the highest number of youth claimants in Birmingham. Sutton New Hall (25) and Sutton Four Oaks (30) have the fewest.
- Map 1 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.

Map 1 Birmingham Claimant Count Unemployment Proportions June 2017



## ILO Unemployment

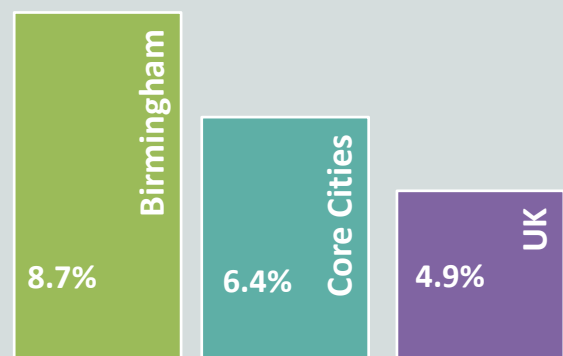
• UK

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 7 for further details)

The latest available local data from the APS shows that in Q1 2017 there were 44,200 working age Birmingham residents who declared themselves as unemployed an unemployment rate of 8.7%.

Unemployment in the city was above the national and core city average but fell by 800 on the previous quarter with the rate down by 0.3 percentage points.

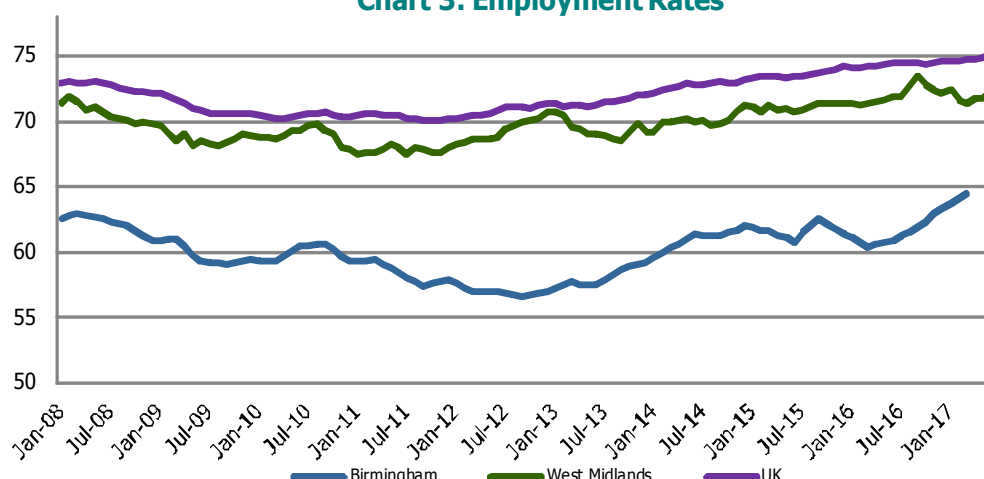
### ILO Unemployment - Q1 2017



## Employment

- The latest Labour Force Survey figures for the West Midlands region for the three month period April to June 2017 show that the number of working age people employed has increased by 33,000 compared with the previous quarter (January to March 2017).
- The latest employment data for Birmingham (Q1 2017) shows working age employment levels increasing by 8,700 in the last quarter to stand at 461,900.
- Chart 3 shows the proportion of the working age population in employment since 2008. The employment rate locally rose last quarter, with the employment rate up from 63.4% in Q4 to 64.5% in Q1 2017, the highest rate for over a decade.
- Employment rates regionally rose by 0.5 % points compared to the preceding quarter (Feb-Apr 2017). Nationally the employment rate rose to a record high of 75.1%.

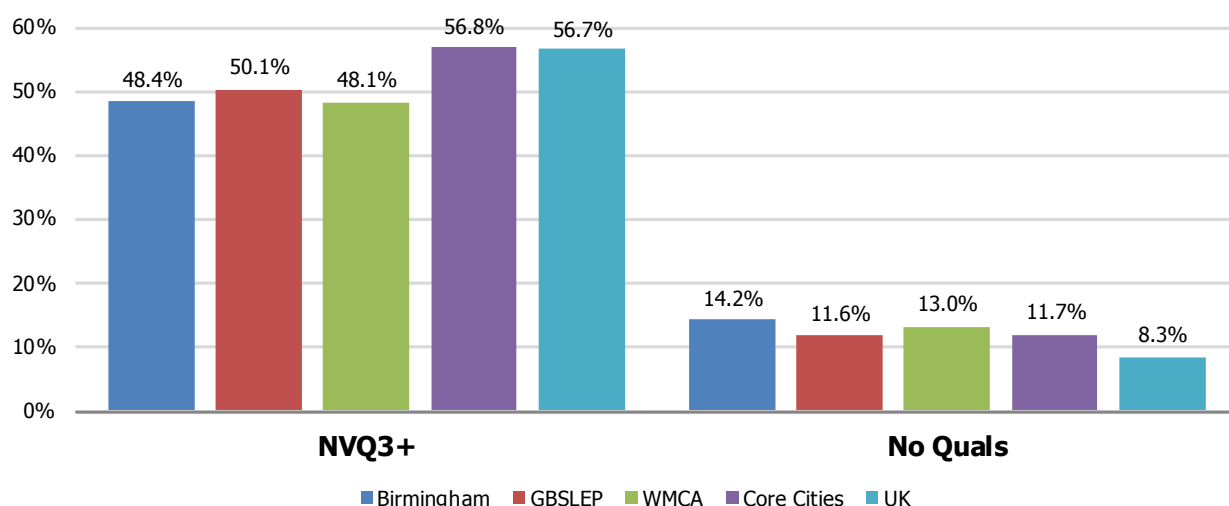
**Chart 3: Employment Rates**



## 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 (14.2%) has a greater proportion of working age residents with no qualifications compared to the UK (8.3%) and the core city average (11.7%).
- The city (48.4%) also has a correspondingly lower proportion of residents with NVQ3+ qualifications than the UK (56.7%).

**Chart 4: Qualification Levels - 2016**





## Methodology Notes

### Universal Credit

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

The Pathfinder for UC started on 29 April 2013 and the programme is being gradually rolled out across the country. In response to the growing number of areas introducing UC the ONS have announced a change to the definition of the measurement of the Claimant Count. From May 2015 the ONS headline measure of the Claimant Count will be changed to **include** out of work claimants of Universal Credit.

Frequent revisions to past data mean that historic figures quoted in this report may not match those reported earlier.

**PLEASE NOTE:** The new measure currently include some inactive UC claimants who should not really be classified as unemployed thus artificially boosting the Claimant Count numbers.

More details can be found at: <https://www.nomisweb.co.uk/articles/889.aspx>

**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.

#### 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). Only calendar year APS periods (Jan-Dec) are used. For the *claimant proportion* the total 16-64 year old population is used, derived from the latest ONS Mid Year Population Estimates.

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