

APPENDIX G: Estimate of the potential client base for Birmingham and Solihull Youth Employment Initiative

Introduction and 'Health Warnings'

The YEI has ambitious targets to engage 16,610 young people aged 16-29 in Birmingham and Solihull, with the bulk of the activity over the period February 2016-July 2018. This short report uses a range of datasets to estimate how many clients are potentially available to engage with the programme.

There is no one source that can provide this information, so the report draws on a range of datasets, that each provides partial information. Due to methodological and timing differences an overall figure can therefore be regarded as indicative only.

Also, the report assumes the continuation of broadly similar economic and labour market conditions. If conditions improve the available cohort is likely to be smaller, but if economic conditions worsen, then the cohort will increase.

This report does not include a detailed analysis of the characteristics of the cohort, but this could be carried out at a later date if required.

Methodology

The report initially estimates the size of the client base as it currently stands. It then estimates what proportion of these potential clients are claiming out of work benefits. Finally it provides an estimate of the additional numbers created by churn.

All numbers have been rounded to the nearest 500. Numbers may not add up due to rounding.

Data is principally drawn from the ONS Annual Population Survey and from DWP out of work claimant datasets.

Current estimated client base – Birmingham and Solihull (see Table 1 for details)

- 20,500 residents aged 16-29 are unemployed (including those ineligible for benefits)
- A further 111,000 are economically inactive
- But of the economically inactive an estimated 94,000 will be in full time education
- **Total available cohort estimated at 37,500** (20,500+111,000-94,000)
- **Of these 22,000 are aged 25-29.**

Note that of these some will not be engaged with any agencies, , and others may have such significant issues that even engagement may not be likely or appropriate during the timescale of the project.

Numbers on benefit (see Table 2 for details)

- **Just over half (21,000) of the total 16-29 client base is currently claiming an out-of work benefit. Of these 9,500 are aged 25-29**
- 7,500 claim Job Seekers Allowance (December 2015). Of these 3,500 are aged 25-29.

- A further 3,500 claim the 'out of work' element of Universal Credit (December 2015). Of these 800 are aged 25-29.
- 10,000 claim Employment Support Allowance (May 2015). Of these 5,000 are aged 25-29.

Estimation of additional client available through churn

The project is programmed to run for two and a half years. During that time new clients will become available for engagement for two main reasons:

- They become eligible through age (those currently age 14 will become eligible by 2018).
- Their labour market or educational status changes and renders them eligible.

Others will become ineligible as they move into work or education without assistance from the programme. Finally, numbers will be affected by those moving in and out of the area.

This is not a straight forward calculation and a large number of assumptions have been made, so conclusions should be treated with caution.

Over the period of the two years of the operation of the project around 70,000 young people will reach their 16th birthday (*ONS 2014 population estimates*). If we assume a NEET average of around 5%, then around 3,500 further potential clients would become available to engage. Although, of course, others would become too old for the project during the same period. This is however less of an issue, as there is a larger cohort of 25-29 year olds compared to the target for engagement.

In addition young people will become available through labour market churn, for instance as they leave education without employment or become unemployed from temporary work. Analysis of JSA data from the year to April 2015 (more recent data cannot be used as the introduction of UC has affected JSA flows) shows that over that period in Birmingham and Solihull there were a total of 37,000 on-flows of clients aged 16-29. This averages at around 3,000 each month, with around one half being in the 18-24 age range. The average monthly number of claimants aged 18-24 in Birmingham and Solihull over that period was around 13,000. Note that unemployment is higher then, than it is now, so current numbers are likely to be lower.

The evidence therefore shows that the unemployment register is very dynamic. However, it is not possible to state how many of these are 'real' opportunities to engage totally new clients, as some will be repeats, as young people move repeatedly in and out of employment and unemployment. Also, there will be a partial overlap with the 3,500 estimated to reach their 16th birthday. But the on-flow data suggests that the potential client base is larger than the absolute numbers of unemployed.

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DATA APPENDIX

Table 1: YEI – estimation of size of current client base

Source: ONS APS Oct 14-Sept 15

Unemployed									
Age	Birmingham			Solihull			Total		
	No.	Total cohort	Proportion	No.	Total cohort	Proportion	No.	Total cohort	Proportion
16-19	5,000	18,100	28%	800	4,200	19%	5,800	22,300	26%
20-24	9,500	52,500	18%	1,300	8,700	14%	10,800	61,200	18%
25-29 estimated*	3,500	64,000	5%	450	8,400	5%	3,950	72,400	5%
Estimate 16-29	18,000	134,600	13%	2,550	21,300	12%	20,550	155,900	13%
Economically inactive									
Age	Birmingham			Solihull			Total		
	No.	Total cohort	Proportion	No.	Total cohort	Proportion	No.	Total cohort	Proportion
16-19	43,300	61,400	71%	7,600	11,800	65%	50,900	73,200	70%
20-24	33,800	86,200	39%	3,500	12,200	29%	37,300	98,400	38%
25-29 estimated*	21,200	85,200	25%	1,600	10,000	16%	22,800	95,200	24%
Estimate 16-29	98,300	232,800	42%	12,700	34,000	37%	111,000	266,800	42%
In full time education (subset of inactive)									
Age	Birmingham			Solihull			Total		
	No.	Total cohort	Proportion	No.	Total cohort	Proportion	No.	Total cohort	Proportion
Estimated 16-17**	27,000	30,000	90%	5,310	5,900	90%	32,310	35,900	90%
18-24	50,400	117,600	42.9	6,500	18,100	35.8	56,900	135,700	42%
Estimated 25-29***	4,260	85,200	5%	500	10,000	5%	4,760	95,200	5%
Estimate 16-29	81,660	232,800	35%	12,310	34,000	36%	93,970	266,800	35%

*Based on 50% of the 25-34 cohort

**Based on 90% of the total 16-17 cohort

*** Based on 5% of the total 25-29 cohort

Table 2: Out of work benefit claimants aged 16-29 Birmingham and Solihull

Source: DWP/ONS/BCC

Job Seekers Allowance Dec 15				Universal Credit 'not in work' Dec 15				Employment Support Allowance May 15			
Age	B'ham	S'hull	Total	Age	B'ham	S'hull	Total	Age	B'ham	S'hull	Total
16-19	675	55	730	16-19	758	107	865	Under 18	90	20	110
20-24	2,770	210	2,980	20-24	1,609	130	1,744	18-24	4,420	570	4,990
25-29	3,415	190	3,605	25-29	781	64	844	25-29	4,520	505	5,025
16-29	6,860	455	7,315	16-29	3,150	307	3,455	16-29	9,030	1,095	10,125