

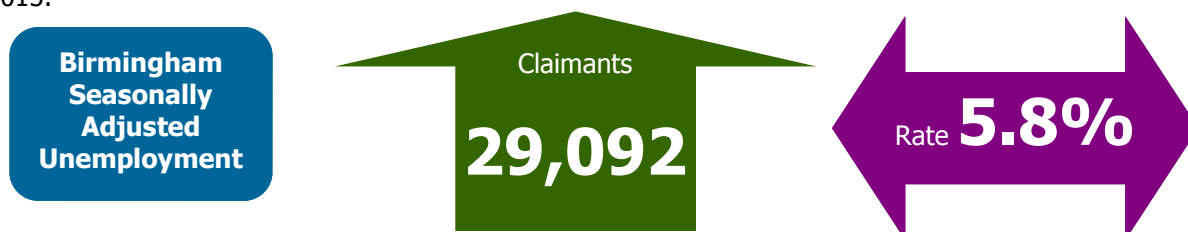
# Unemployment Briefing

## Birmingham

### Seasonally Adjusted Unemployment including Universal Credit claimants

**PLEASE NOTE:** Since May 2015 there has been a phased introduction of Universal Credit (UC) in Birmingham which has replaced a number of existing benefits, including (means tested) Job Seekers Allowance for new claimants. The headline measure of claimant unemployed for the city and at constituency level now includes out of work UC claimants. ***UC statistics are not being released at ward level at this time so it is currently not possible to produce ward claimant unemployment data.***

The latest seasonally adjusted claimant unemployment figures released by the Office for National Statistics (ONS) show that seasonally adjusted claimant unemployment in Birmingham rose in October 2015.

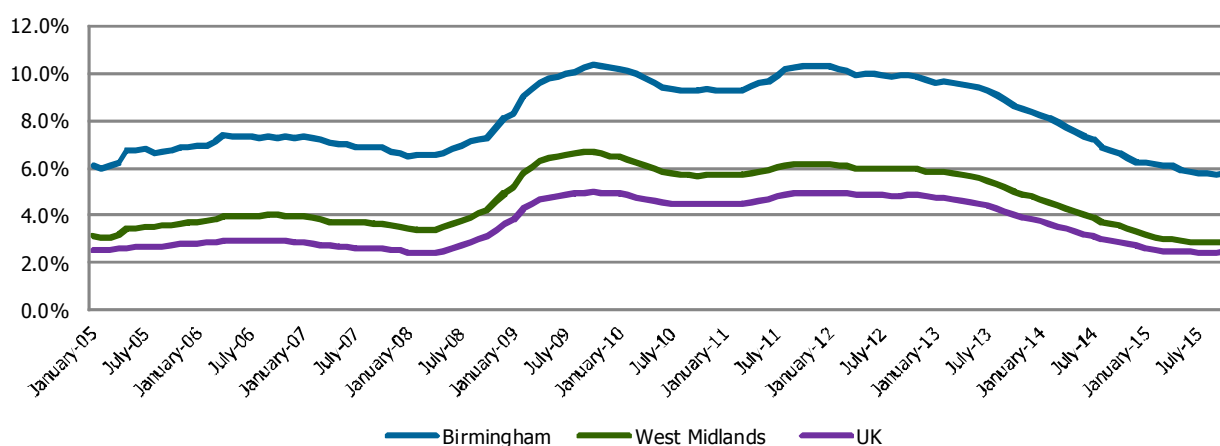


**Table 1 - Seasonally Adjusted Claimant Unemployment - October 2015**

	Total	
	Number	Claimant Rate
United Kingdom	795,528	2.4%
West Midlands Region	79,427	2.9%
<b>Birmingham</b>	<b>29,092</b>	<b>5.8%</b>

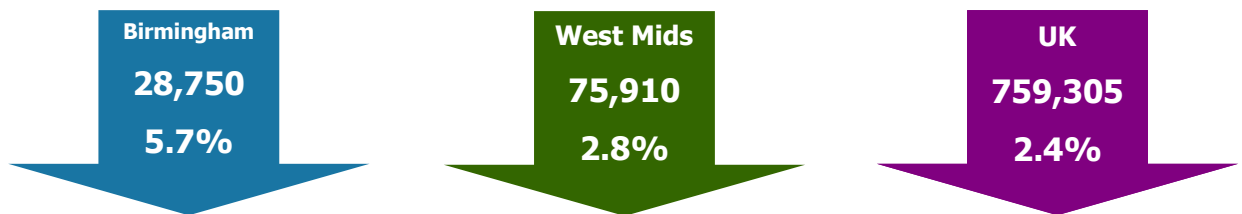
- Seasonally adjusted claimant unemployment in the UK increased by 3,342 in October. The count now stands at 795,528. The rate remained at 2.4%.
- In Birmingham the seasonally adjusted claimant count increased to 29,092 and the rate remained at 5.8%.
- In the West Midlands seasonally adjusted unemployment rose by 625 to 79,427 in October. The rate remained at 2.9%.
- Chart 1 illustrates that unemployment in Birmingham has been declining significantly over the last two years.

**Chart 1: Seasonally Adjusted Unemployment**



## Unadjusted Unemployment including Universal Credit claimants

- The UK unadjusted Claimant Unemployment Count for October stands at 759,305. The unadjusted rate is 2.4%.
- The unadjusted count in the West Midlands region in October is 75,910. The unadjusted rate stands at 2.8%.
- In Birmingham, the unadjusted count decreased by 185 to 28,750 (5.7%) in October. Significantly lower than in October 2014 (6.8%).



### Core Cities

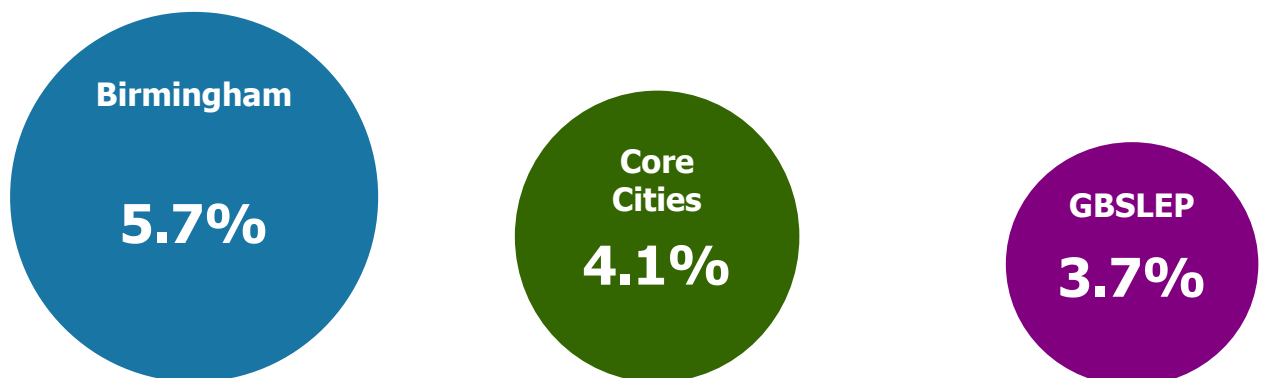
- Table 2 shows that Birmingham has a comparatively high claimant unemployment rate. At 5.7%, Birmingham's claimant unemployment rate is the highest of the core cities - significantly above the core city average of 4.1%.
- Birmingham has the highest claimant proportion amongst the core cities. At 4.1%, Birmingham's claimant proportion is significantly higher than the core city average of 3.0%.

**Table 2—Unadjusted Claimant Unemployed: Core Cities  
October 2015**

Area	JSA Claimants	Out of Work UC Claimants	Total Claimant Unemployed		
			Number	Claimant Proportion	Claimant Rate
Birmingham	24,862	3,888	28,750	4.1%	5.7%
Liverpool	6,903	5,072	11,978	3.7%	5.4%
Glasgow	11,271	2,242	13,510	3.2%	4.8%
Nottingham	7,134	5	7,140	3.3%	4.6%
Manchester	6,664	4,048	10,710	2.9%	4.2%
Newcastle	4,174	797	4,969	2.5%	3.5%
Cardiff	5,776	0	5,776	2.4%	3.4%
Sheffield	9,330	16	9,345	2.5%	3.2%
Leeds	11,805	24	11,828	2.3%	3.0%
Bristol	5,208	15	5,222	1.8%	2.2%
<i>Core Cities</i>	<i>93,127</i>	<i>16,107</i>	<i>109,234</i>	<i>3.0%</i>	<i>4.1%</i>
West Midlands	67,975	7,938	75,910	2.1%	2.8%
GBS LEP Area	30,024	4,774	34,792	2.8%	3.7%
Greater London	104,821	5,307	110,128	1.9%	2.4%
United Kingdom	664,130	95,177	759,305	1.9%	2.3%

Claimant proportion: claimants divided by working age population

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



## Unadjusted Unemployment including Universal Credit claimants

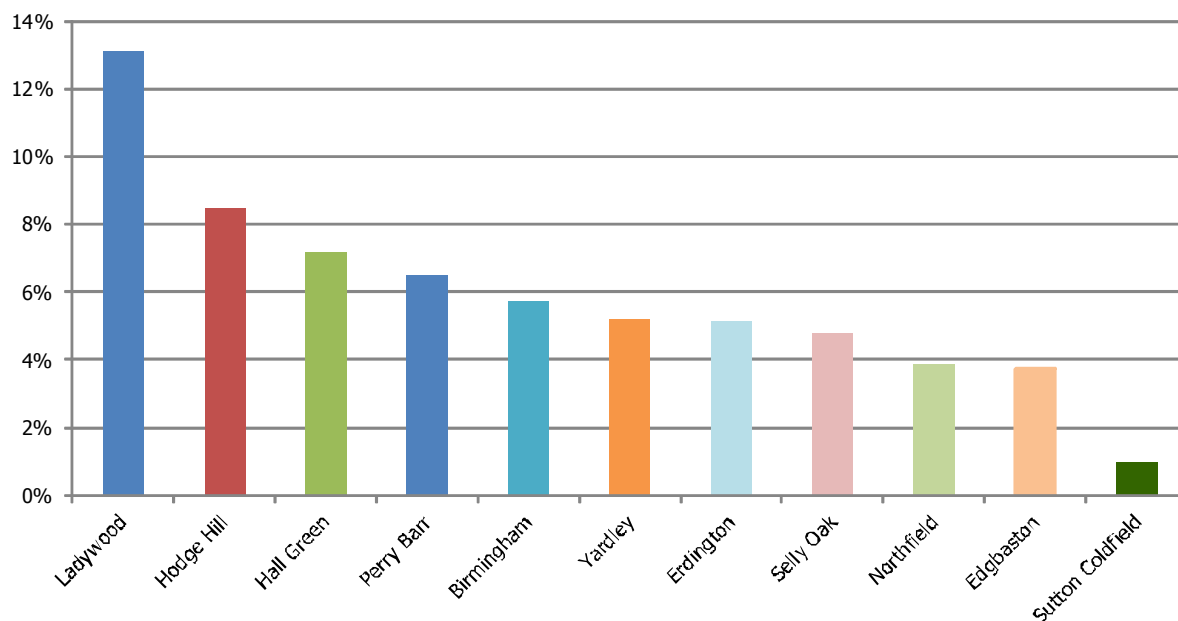
### Birmingham Constituencies

- There are 10 constituencies in Birmingham - each containing 4 wards. Table 3 shows claimant unemployment data relating to the constituencies.
- The inner-city constituency of Ladywood has the highest claimant unemployment rate (13.1%). The Sutton Coldfield constituency has the lowest unemployment rate (1.0%).

**Table 3—Unadjusted Unemployment by Constituency - October 2015**

Constituency	JSA Claimants	Out of Work UC Claimants	Total Claimant Unemployed		
			Number	Claimant Proportion	Claimant Rate
Edgbaston	1,930	240	2,170	3.3%	3.7%
Erdington	2,692	385	3,077	4.9%	5.1%
Hall Green	2,516	502	3,018	4.0%	7.2%
Hodge Hill	3,274	570	3,844	5.2%	8.5%
Ladywood	5,073	422	5,495	6.0%	13.1%
Northfield	2,101	138	2,239	3.5%	3.9%
Perry Barr	3,018	319	3,337	4.8%	6.5%
Selly Oak	1,663	265	1,928	3.4%	4.7%
Sutton Coldfield	461	76	537	0.8%	1.0%
Yardley	2,134	380	2,514	3.7%	5.2%
<b>Birmingham</b>	<b>24,862</b>	<b>3,888</b>	<b>28,750</b>	<b>4.1%</b>	<b>5.7%</b>

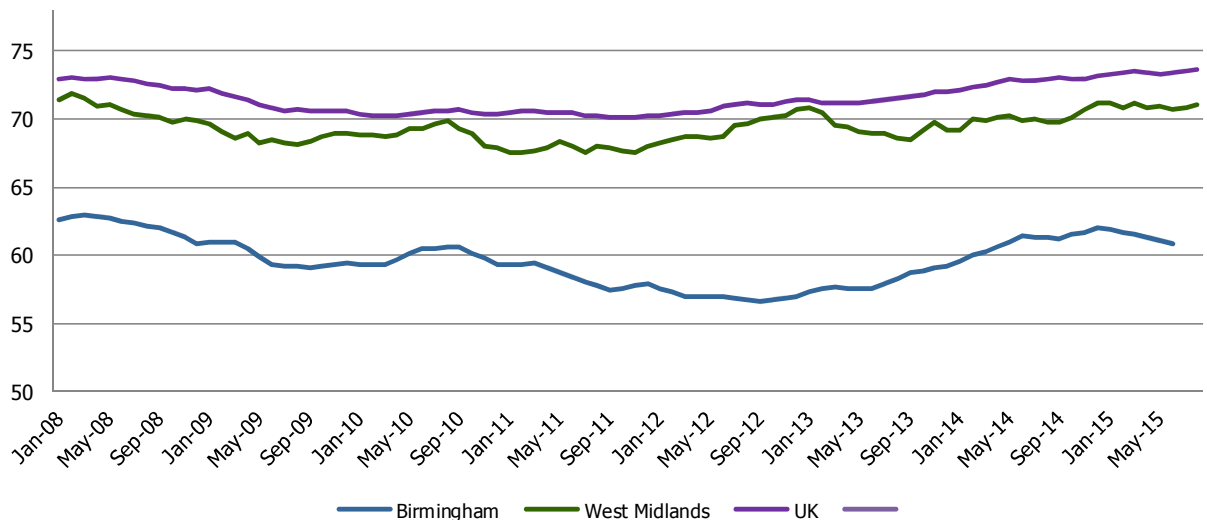
**Chart 2: Constituency Claimant Unemployment Rate**



## Employment

- The latest Labour Force Survey figures for the West Midlands region for the three month period Jul to Sep 2015 show that the number of working age people employed has increased by 28,000 compared with the previous quarter.
- The latest employment data for Birmingham (June 2015) shows working age employment levels decreasing by 4,200 in the last quarter to stand at 427,100.
- Chart 3 shows the proportion of the working age population in employment since 2008. The employment rate rose slightly regionally and at a national level last quarter. Locally the employment rate decreased slightly in the 12 months to June 2015. The overall trend has been upwards for all three areas since mid 2013.

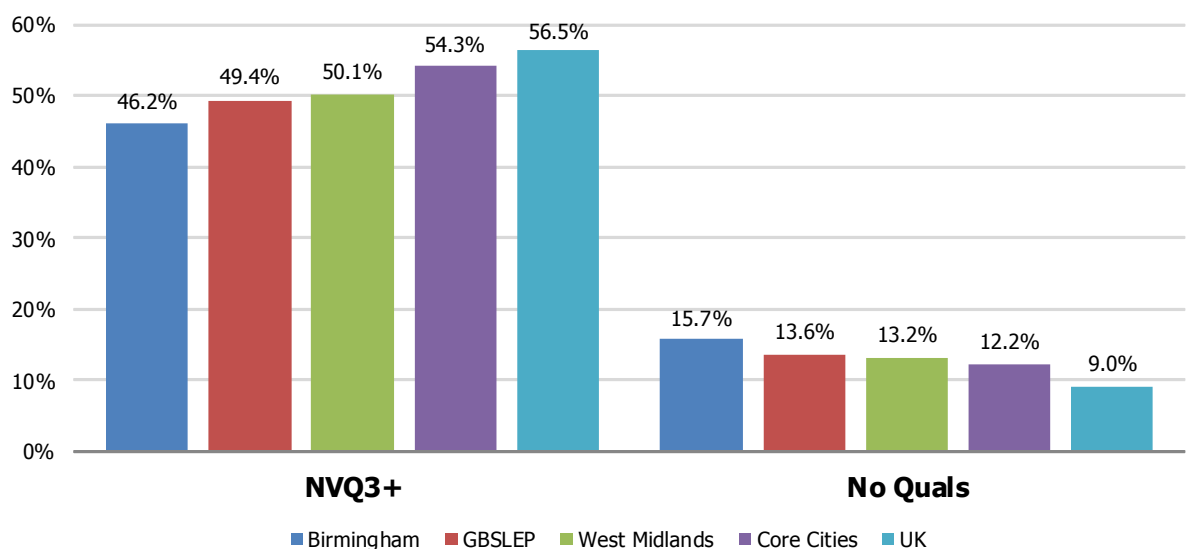
Chart 3: Employment Rates



## 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 skill and qualification levels than the national average.
- The chart below highlights this showing how Birmingham (15.7%) has a greater proportion of working age residents with no qualifications compared to the UK (9.0%) and the Core city average (12.2%).
- The city (46.2%) also has a correspondingly lower proportion of residents with NVQ3+ qualifications than the UK (56.5%).

Chart 4: Qualification Levels - 2014



## 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.

PLEASE NOTE: The experimental measure is still being developed by DWP and it currently includes all out of work UC claimants including those who are not required to look for work (who should ideally be excluded from the Claimant Count).

DWP and ONS are working to improve the availability and suitability of the new measure of Claimant Count unemployed but during the transition period there are some issues to consider:

- I. The new measure will include some inactive UC claimant who should not really be classified as unemployed thus artificially boosting the Claimant Count numbers.
- II. Some areas with which we compare the city are not yet taking part in the roll out so comparisons need to be considered in light of this.
- III. UC data is not available below constituency level so it is currently **not possible** to calculate ward and SOA claimant count unemployment data.

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

**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.

**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.

**Note: 2014 APS data was released In April 2015 - the change over to new denominators will effect unemployment rates meaning rates calculated previously with 2013 APS data will not be comparable.**

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