



BRIEFING PAPER

Number 7869, 18 January 2017

Unemployment by Constituency: changes in methodology, 2017

By Feargal McGuinness

1. Introduction

The House of Commons Library publishes data on the number of people claiming unemployment benefits and associated 'claimant rates' for parliamentary constituencies in its monthly *Unemployment by Constituency* briefing paper.

From January 2017, we have changed the source we use to extract claimant data. This improves the accuracy of the figures reported but means all figures are rounded to the nearest five.

We have also updated the denominators used to calculate constituency claimant rates to take account of the latest constituency population estimates for mid-2015 and to reflect recent trends in economic activity at the national and regional level.

2. What is the claimant count?

2.1 The claimant count and unemployment

The claimant count is the number of people claiming unemployment benefits. Currently, this includes (i) all people claiming Jobseeker's Allowance (JSA) as well as (ii) people claiming Universal Credit who are required to seek work.

The headline measure of unemployment is wider than the claimant count. It counts all people not in employment who are looking for and available for work, regardless of whether or not they are claiming benefits. The total number of people unemployed at August-October 2016 was 1.62 million, while the claimant count stood at around half this level at 793,000 in September 2016.

Estimates for constituency unemployment levels and rates are available from the Office for National Statistics' (ONS) *Annual Population Survey*, but small numbers of survey respondents mean constituency figures are much less reliable than estimates at the regional and national level. These unemployment estimates are generally not sufficiently robust to allow for analysis of changes over time or comparisons with other areas.

Claimant count statistics on the other hand are based on administrative records so are not affected by survey error. However, the number of people claiming may be affected by changes in benefit rules and conditions.

2.2 Claimant rates

The Library calculates a claimant rate for constituencies which shows the number of claimants as a proportion of the estimated economically active population aged 16-64. Someone is economically active if he or she is either in work or is looking for and available to start work.

The Library claimant rate differs from that calculated for constituencies by the Office for National Statistics (ONS) and used in Written Answers. The ONS rate shows claimants as a proportion of the **total** population aged 16-64, rather than the economically active population. Consequently the Library rate is higher than the ONS rate, since the Library rate uses a smaller denominator.

As noted above, many more people are unemployed than are claiming unemployment benefits so the claimant rate should not be confused with the unemployment rate. The unemployment rate for a constituency will generally be higher than the claimant rate.

3. What changes have we made?

3.1 Change in source

From January 2017, we are sourcing claimant count figures from the "claimant count" dataset on the ONS Nomis website. All figures from this dataset are rounded to the nearest five.

Previously, we obtained the total claimant count by constituency by adding together:

- the number of people claiming JSA, sourced from the "Jobseeker's Allowance" dataset on the ONS Nomis website
- the number of people claiming Universal Credit who are required to seek work, sourced from DWP's Stat-Xplore website

We have updated the figures for previous months back to January 2013 to reflect the change in source. Prior to 2013, Universal Credit had not been introduced so we continue to use the number of people claiming JSA, sourced from the "Jobseeker's Allowance" dataset on the ONS Nomis website.

Why are we making this change?

By extracting the data from one source rather than two different sources, we will be able to send Members the latest figures for their constituency more quickly after new data are released.

The change in source is also intended improve the accuracy of the figures. Data on Universal Credit claimants as published on the DWP Stat-Xplore website have been randomly adjusted to avoid releasing data that might allow individuals to be identified within the statistics. This means the number of people claiming Universal Credit by constituency as published on Stat-Xplore may be very slightly different to the actual number of claimants. And consequently, the total claimant count for a constituency as previously calculated by the Library may be very slightly different to the actual claimant count.

The claimant count dataset on ONS Nomis, on the other hand, uses the correct number of Universal Credit claimants rather than the randomly adjusted values. However, rounding the figures to the nearest five still ensures data confidentiality is preserved.

The fact that data are rounded to the nearest five does mean there is a risk of small rounding errors when calculating changes over time or differences in the claimant count between constituencies. The actual (unrounded) change in the claimant count will be at most four claimants higher or lower than the change in the rounded value. For example, if the unrounded claimant count in a constituency was to rise from 498 to 502 (or fall from 502 to 498) the rounded value would be unchanged at 500 people.

3.2 Change in denominators

From January 2017, we have revised the methodology used to calculate the claimant rates to take account of the latest constituency population estimates for mid-2015 and to reflect recent trends in economic activity at the national and regional level.

Population growth

The denominator for the Library claimant rate is the economically active population aged 16-64. Before January 2017, the economically active population was estimated using 2011 Census data for parliamentary constituencies, scaled to reflect population growth in each constituency up to mid-2014.

From January 2017, we have revised the denominators to reflect population growth in each constituency up to mid-2015, following the publication of new population estimates by the ONS, National Records of Scotland and the Northern Ireland Statistics and Research Agency.

Changes in economic activity

The total UK population aged 16-64 increased between 2014 and 2015 but the *proportion* of the population who were economically active also increased. Therefore we have revised the denominators to reflect more recent changes in economic activity at the regional level.

We make the assumption that any change in economic activity at the regional level is uniformly spread across all constituencies in that region (although clearly the picture is likely to be more varied in reality). Data on trends in economic activity at the country and regional level are available from the ONS Annual Population Survey. We have scaled our constituency denominators for May 2010 to July 2015 so they sum to the national and regional figures from the Annual Population Survey.¹

The attached table shows how revisions to the denominators affect constituency claimant rates and ranks in November 2016.

¹ Quarterly data on economic activity is also available from the ONS Labour Force Survey. We have used the Annual Population Survey in preference to the Labour Force Survey because it has a larger survey sample and so gives estimates that are more robust. ONS does publish constituency figures for economic activity based on the annual population survey, but small numbers of survey respondents mean constituency figures are much less reliable than estimates at the national or regional level.

About the Library

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email papers@parliament.uk. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer

This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the [conditions of the Open Parliament Licence](#).