

## **Regeneration and Leisure Scrutiny Committee**

### **Unemployment in Southwark – Headline Statistics**

#### ***Employment and Out of Work Benefit Claimants***

- Employment rate – 69.6% (Ethnic Minority employment rate – 64.5%) – Dec 2010<sup>1</sup>.
- In February 2011, 29,960 (14.2%) working age residents were claiming DWP out-of work benefits<sup>2</sup>.

#### ***Unemployment (Jobseekers Allowance Claims)***

- In July 2011, 10,957 (5.2%) were claiming JSA – compared to London average of 4.3%.
- 2,495 JSA claims by those aged between 18 – 24
- 7% of all JSA claimants had been claiming over two years compared to an inner London average of 4% and regional average of 3%.

#### ***Health Related Claims (Employment Support Allowance/Incapacity Benefit)***

- 13,480 (6.4%) residents claiming ESA or IB. 590 (4.4%) of these are under 25 – Feb 2011.
- Southwark has the highest IB/ESA rate in London. Almost half of IB/ESA claims are attributed to mental health conditions.

#### ***Families and Children***

- 5,060 (2.4%) out of work claimants are Lone Parents. 1,010 (around 20% of the claimant stock) are under 25 – Feb 2011.
- In 2008, 19,610 (33.8%) of Southwark children were living in a household dependent on out of work benefits or tax credits and where their reported income is less than 60 per cent of the contemporary national median.

#### ***General stats***

#### ***All Out of Work Benefits – February 2011***

- In February 2011, 29,960 (14.2%) were claiming an out-of work benefit. (London – 12.4%, Great Britain 12.3%). 10,450 (4.9%) of working age residents in the borough have been claiming an out of work benefit for over 5 years. 8,280 (3.9%) have been claiming for less than 6 months.
- 4,290 claimants (14.3% of the claimant stock) of out-of-work benefits are under the age of 25<sup>3</sup>. 330 of these have been claiming for over five years. Over a third of young claimants on out of work benefits in Southwark have dependant children.

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<sup>1</sup> ONS Annual Population Survey

<sup>2</sup> All DWP data quoted in this document is for February 2011.

<sup>3</sup> London – 14.2%, Great Britain – 16.4%.

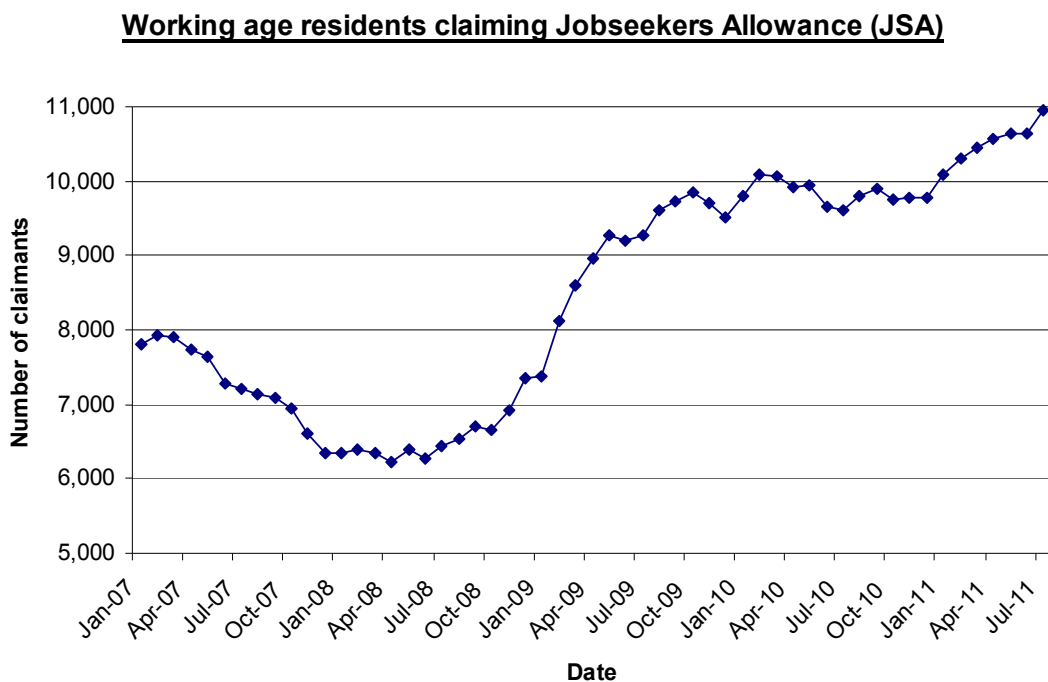
- The distribution of Southwark residents with complex needs claiming an inactive benefit is more concentrated in the 25 and above age band.
- 25,660 (85.6%) out-of work claimants are aged 25 and above, 10,120 (39.4%) have been claiming for over five years. Around two thirds of claimants over the age of 24 have dependant children.
- 13,480 (6.4%) working age residents are claiming ESA or Incapacity Benefits. The majority of these claimants (95.6%) are aged 25 and above.
- 5,060 (2.4%) are Lone Parents. 4,050 (80.0%) are aged 25 and above.

### JSA Claimants – July 2011

- 10,957 (5.2%) working age residents claiming JSA – higher than London (4.3%) and Great Britain (3.8%) rates.
- 3% of the working age population have been claiming the benefit for less than 6 months.
- 2250 (1.1%) residents have been claiming for over a year – London’s rate is 0.7% and Great Britain’s in 0.5%.
- 2500 people aged 16-24 (6.9% of residents in this age band) were claiming JSA in July 2011; this is an increase of 180 claimants on the previous month. The claimant rate for young people in London is 6.1%, the rate for Great Britain is 6.0%.
- 2,495 of the young claimants were aged 18-24 (7.9% of Southwark residents in this age band). London’s rate is 7.4%, while Great Britain’s is 7.5%.
- 1,535 18-24 year olds claiming JSA are male; this is 9.2% of the male resident population in this age group. 960 (6.5%) were female.
- 155 young people aged 16-24 have been claiming for over one year. All of these claimants are over the age of 18 and 105 of them are male.

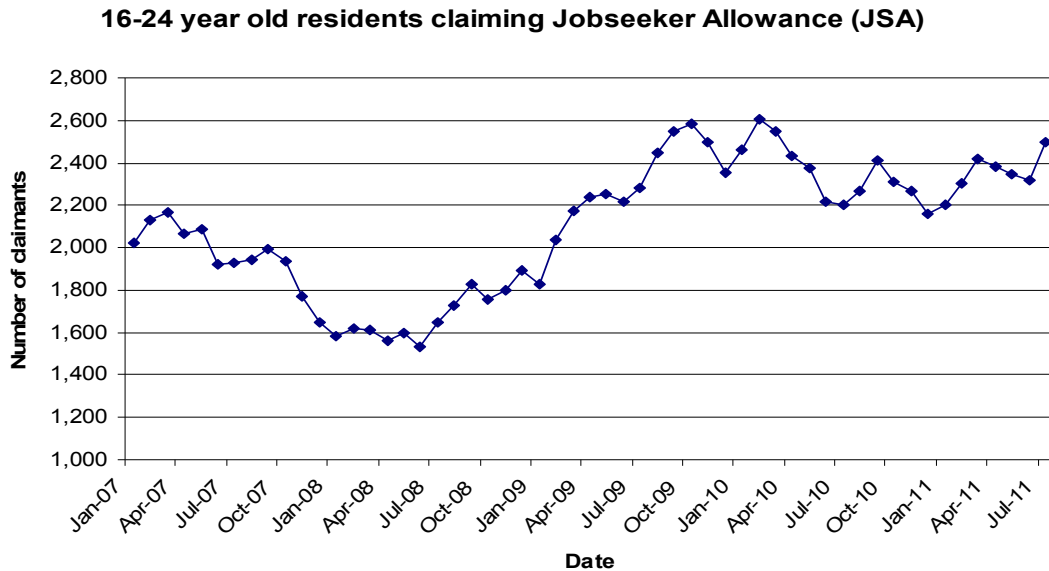
### Unemployment Trends

Chart 1: All working age residents



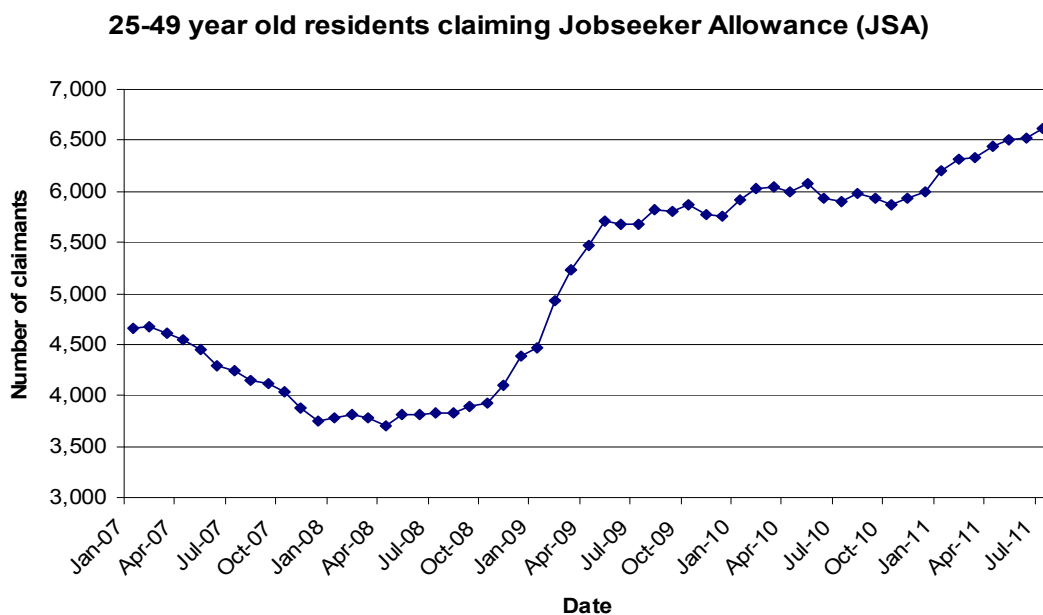
Southwark had been steadily decreasing its claimant stock for Jobseekers Allowance before the recession hit in 2008. Since then<sup>4</sup>, there has been a 74% increase in the claimant stock, giving a total figure of 10,945 (5.2%) in July 2011.

**Chart 2: 16-24 year old claimants**



16-24 year olds have the highest rate of unemployment in comparison to the other two age bands examined in this document, the rate stood at 6.9% (or 7.9% for 18-24 year olds) giving a total of 2,500 claimants. There has been a rise of 63% in the claimant stock for this age band since June 2008.

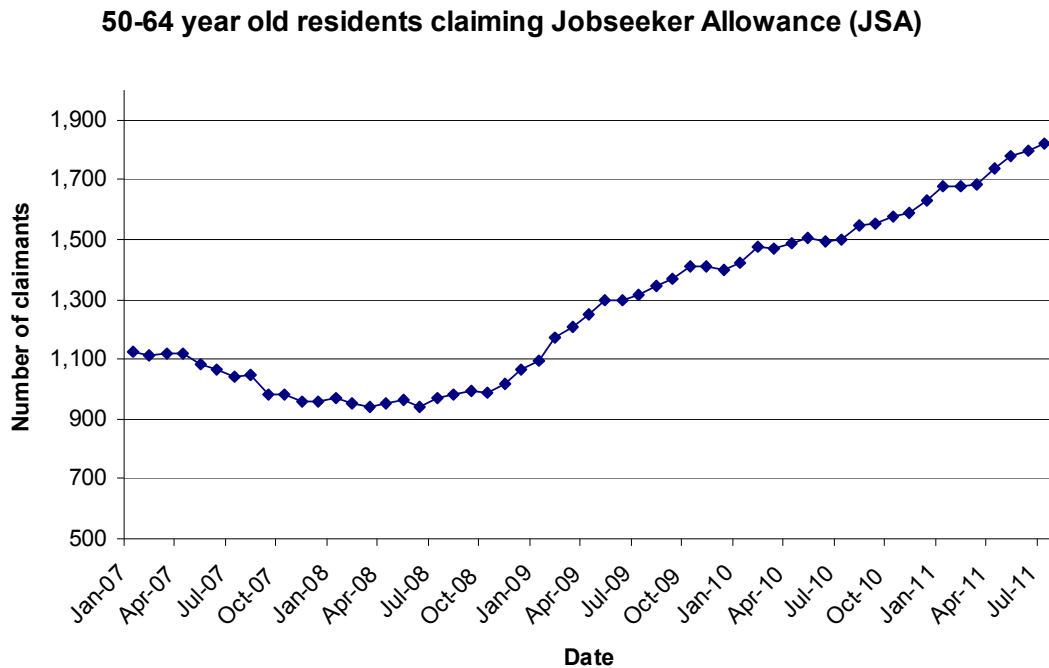
**Chart 3: 25-49 year old claimants**



<sup>4</sup> Reference point for the recession was June 2008.

The rate of unemployment for 25-49 year olds is currently 4.7%. Whilst this age band has the lowest claimant rate in comparison to the other two bands, it is also the widest band and claimants in this age band make up 60% of the borough's total claimant stock at 6,620 claimants. Since 2008, the number of residents within this age band has increased by 74% in the borough's claimant stock.

**Chart 4:** JSA claimants over the age of 50.



The current claimant rate for Southwark residents over the age of 50 is 5.2%, giving a claimant stock of 1,820 claimants – the lowest stock of the three age bands. However, since June 2008, we have seen a 94% increase in stock of claimants.

The above charts show that all of the age bands have seen significant rises in unemployment over the past few years, as with many London boroughs as well as regional and national trends. Figures are expected to rise further with economic forecasts for the UK being revised down and forecasts for claimant unemployment, current account, and public sector net borrowing being revised up in the past few months.