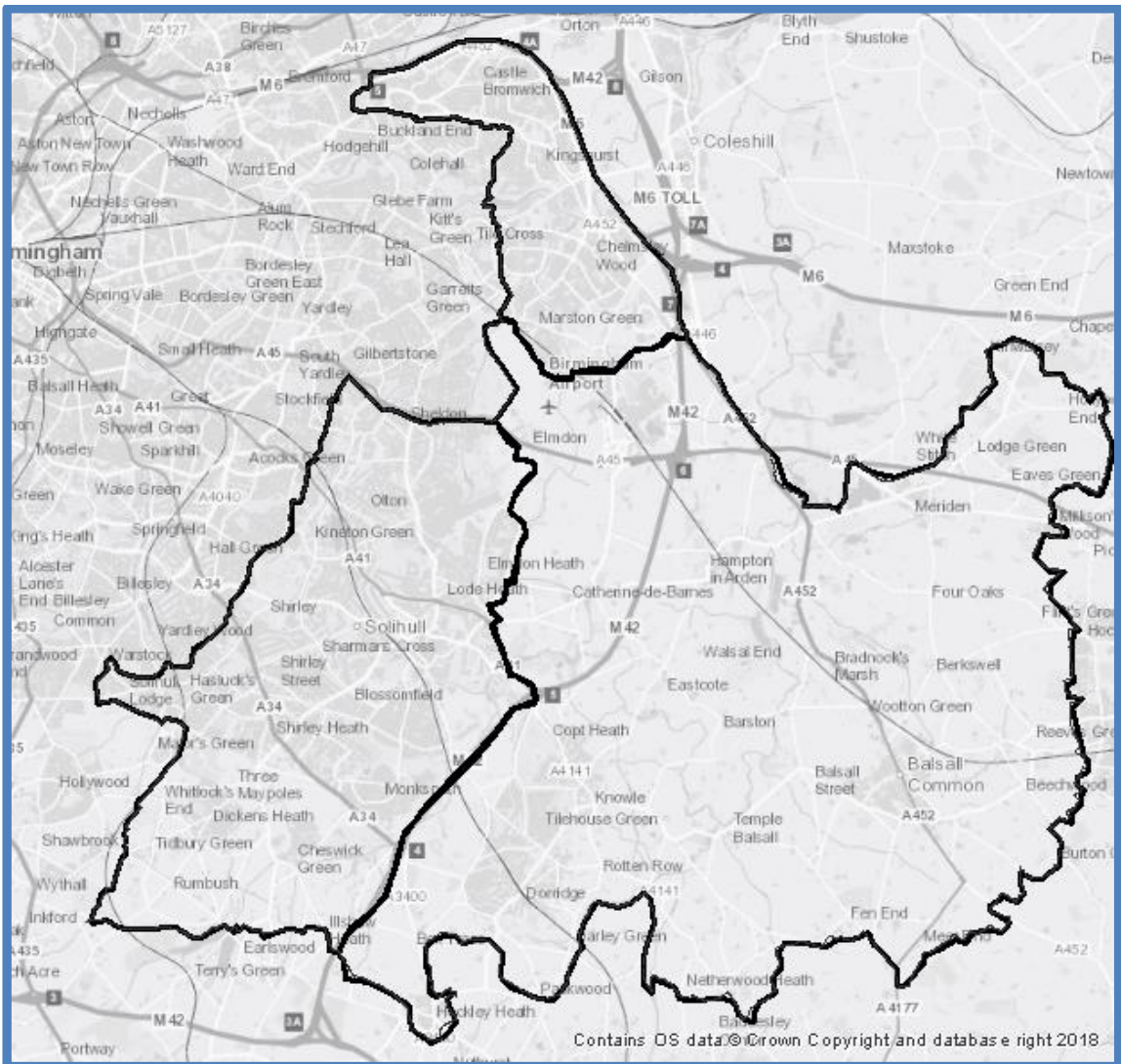


# Solihull Quarterly Labour Market Brief

## July 2024



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## Solihull Labour Market Headlines

This report summarises the latest labour market indicators for Solihull, doing so in the context of national and regional trends. The report draws on a range of indicators to provide the most rounded picture possible.

Nationally, the labour market has cooled over recent months, with the number of vacancies still falling and unemployment, including the claimant count, rising. Economic inactivity continues to exert a significant impact with increasing numbers of people not working due to sickness.

Solihull has a strong labour market characterised by above average employment and low levels of unemployment.

The Solihull claimant count is below national and regional benchmarks but has been rising over the last six months among both men and women and for all age groups. Solihull rates of 18-24 claimant unemployment remain relatively high with this age group subject to above national average increases over recent months.

## National and Regional Labour Market Trends

### National and Regional Headlines

In March to May 2024, the number of UK people aged 16+ in employment was **33.00 million**, and the employment rate for people aged 16-64 was **74.4%**. Employment levels fell by around 312,000 over the last year, and the employment rate fell.

- The employment rate in the West Midlands is 73.2%, with the number of people in employment falling by -52,000 in the last year.

The UK unemployment rate was **4.4%**, and 1.53 million people aged 16+ were unemployed. Unemployment levels increased by around 133,000 over the last year, and the unemployment rate rose.

- The unemployment rate in the West Midlands is 5.2%, with the number of unemployed people falling by nearly -1,000 (one of three English regions to record a downward trend).

**9.38** million UK people aged 16-64 were economically inactive, and the inactivity rate was **22.1%**. Inactivity levels increased by around 390,000 over the last year and the inactivity rate increased.

- In the West Midlands the economic inactivity rate is 22.7%, with the number of people inactive rising by +77,000.

### Labour Force Survey Data

This section of the report summarises figures from the Labour Force Survey (LFS). The LFS is a study of the employment circumstances of the UK population. It is the largest household study in the UK and provides the official measures of employment and unemployment.

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The ONS has expressed some concerns about the quality of LFS data due to falling response rates for household surveys and in response relaunched a reweighted LFS timeseries in February 2024. However, the ONS recognises that reweighting does not address the volatility in the LFS that has been seen in recent periods and which they expect to see to some extent in the future. The ONS has a comprehensive plan to address these concerns but advises caution when interpreting short-term changes in headline rates and emphasises that the LFS should be used in conjunction with other labour market indicators such as the claimant count.

### **National and Regional Employment**

There are 33 million people aged 16 and over in employment in the UK, equating to employment rate of 74.4% of 16-64 year olds. At 73.2% the West Midlands employment rate is ranked 6<sup>th</sup> out of nine regions in England.

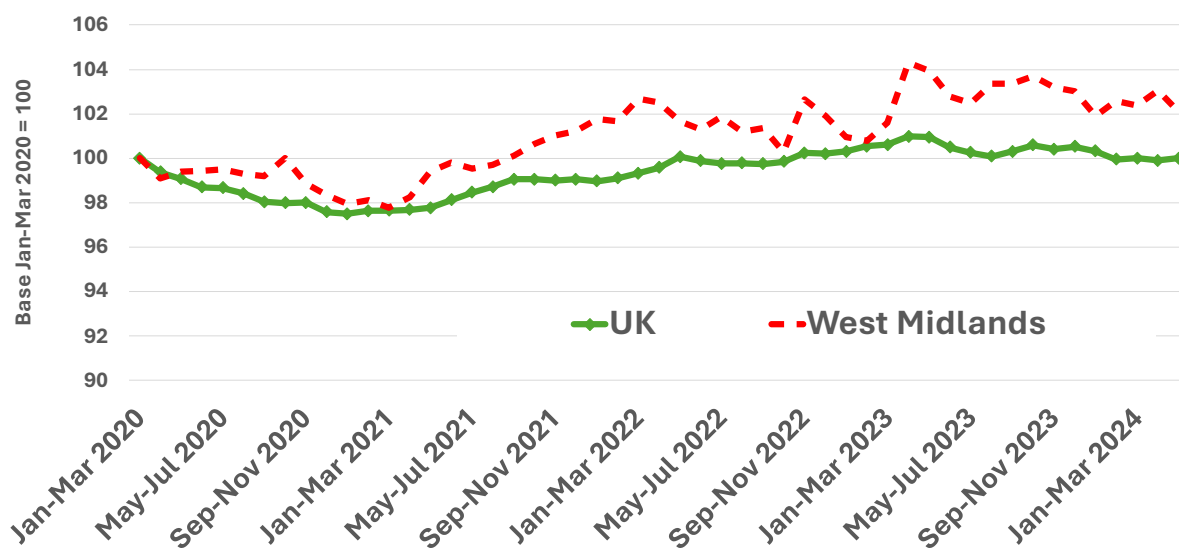
<b>Employment Indicators – March to May 2024</b>			
Metric	UK	England	West Midlands
Current rate (16-64 year olds)	74.4%	74.9%	73.2%
Rate last year (16-64 year olds)	75.5%	76.0%	75.0%
Level (millions)	33.00	28.12	2.86
Change on year	-312,000	-245,000	-52,000
<i>Source: ONS Labour Force Survey</i>			

The number of people employed in the UK increased substantially following the outbreak of Covid-19, rising by over 1 million between the end of 2021 and the last months of 2023. Since then, it has eased back, falling by around -197,000 from Aug-Oct 2023 to Mar-May 2024 (from 75.1% to 74.4%).

The same pattern is evident over this most recent period in the West Midlands with the employment rate falling from 78.0% in Aug-Oct 2023 to 77.3% in Mar-May 2024 (-44,000 people in employment).

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## People Aged 16+ Employed 2020-2024



Source: Labour Force Survey

### National and Regional Unemployment

There are 1.53 million people aged 16 and over unemployed in the UK, equating to unemployment rate of 4.4%. At 5.2% the West Midlands unemployment rate is ranked as the 2<sup>nd</sup> highest out of nine regions in England.

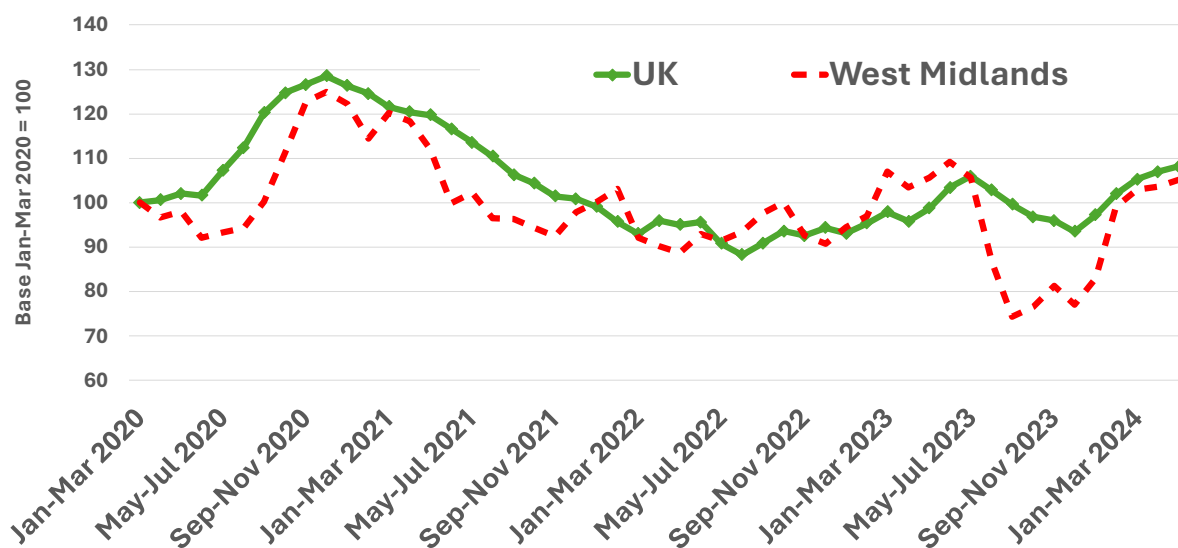
Unemployment Indicators – March to May 2024			
Metric	UK	England	West Midlands
Current rate (16+)	4.4%	4.5%	5.2%
Rate last year (16+)	4.0%	4.1%	5.1%
Level (millions)	1.53	1.33	0.16
Change on year	+133,000	+114,000	-1,000

Source: ONS Labour Force Survey

The number of people unemployed in the UK has been rising since the Autumn of 2023, increasing by +208,000 between Oct-Dec 2023 to Jan-Mar 2024 (from 3.8% to 4.4%). This echoes the West Midlands trend, which has seen unemployment increase by +45,000 people between Oct-Dec 2023 and Mar-May 2024, with the rate going from 3.8% to 5.2% over this period

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## People Aged 16+ Unemployed 2020-2024



Source: Labour Force Survey

### National and Regional Economic Inactivity

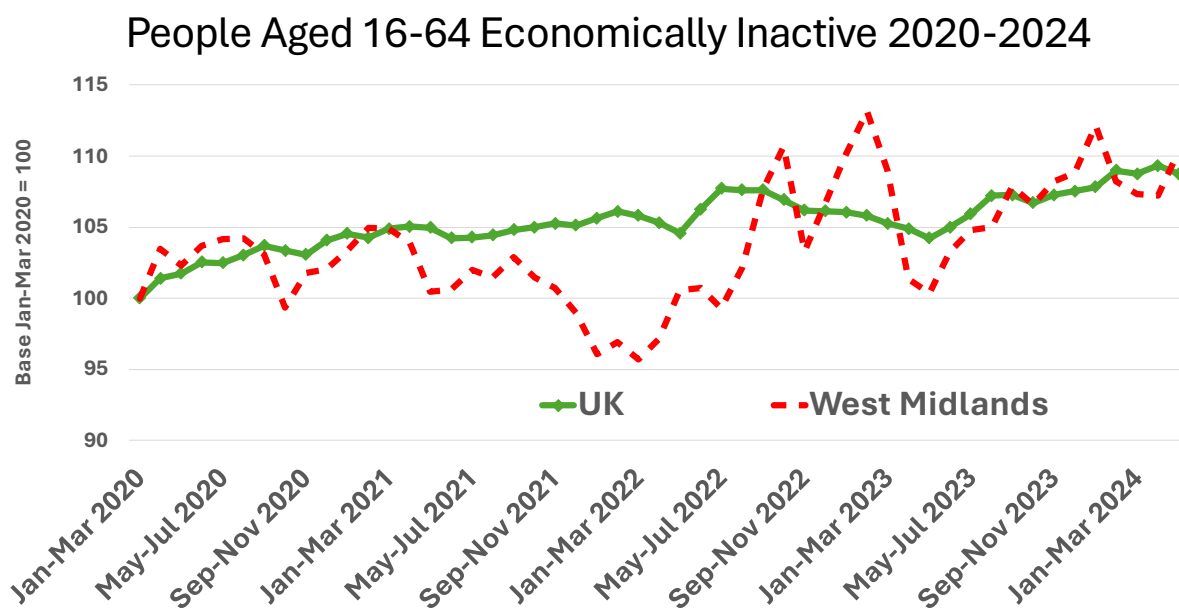
There are 9.38 million people aged 16-64 years economically inactive in the UK, equating to an economic inactivity rate of 22.1%. At 22.7% the West Midlands economic inactivity rate is ranked as the 4<sup>th</sup> highest out of nine regions in England.

Economic Inactivity Indicators – March to May 2024			
Metric	UK	England	West Midlands
Current rate (16-64 year olds)	22.1%	21.5%	22.7%
Rate last year (16-64 year olds)	21.3%	20.7%	20.7%
Level (millions)	9.38	7.71	0.85
Change on year	+390,000	+304,000	+77,000

Source: ONS Labour Force Survey

The number of UK working aged people economically inactive has been increasingly steadily since the onset on the Covid-19 pandemic in early 2020. Economic inactivity has accelerated since the spring of 2023 reaching new heights in early 2024 going from 21.3% in Mar-May 2023 to 22.1% in Mar-May 2024. The trend in the West Midlands is more volatile, but the same increase in economic inactivity from the spring of 2023 is evident (from 20.8% to 22.7%).

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Source: Labour Force Survey

### **Focus on National Economic Inactivity**

As the UK has recovered from the economic shock of the Covid-19 pandemic a key feature of the labour market has been the consistent increase in people who are economically inactive, essentially opting out of the labour market. As described above this trend has accelerated in the year to Mar-May 2024 and is worthy of further consideration.

As a proportion of the population economic inactivity is highest among those under 25 years (impact of young people in full-time education) and among people aged 50+ (impact of early retirement).

An increase in economic inactivity in the year to Mar-May 2024 is evident across all age groups, with rising numbers and rates.

<b>Economic Inactivity by Age Group</b>				
Age Group	Inactivity Rate		Change in Inactive Population in Year to Mar-May 2024	
	Mar-May 2023	Mar-May 2024	Number	%
Age 18-24	31.6%	32.5%	64,899	3.7%
Age 25-34	12.2%	13.0%	65,703	6.0%
Age 35-49	12.2%	12.6%	60,943	3.9%
Age 50-64	27.0%	27.6%	75,889	2.1%

Source: ONS Labour Force Survey

Of the nearly 9.4 million economically inactive working age people in the UK the largest groups are those who are long-term sick (30%) and students (27%), with significant increases in the year to Mar-May 2024 among these groups and those who are temporarily sick (+30,431, +16%).

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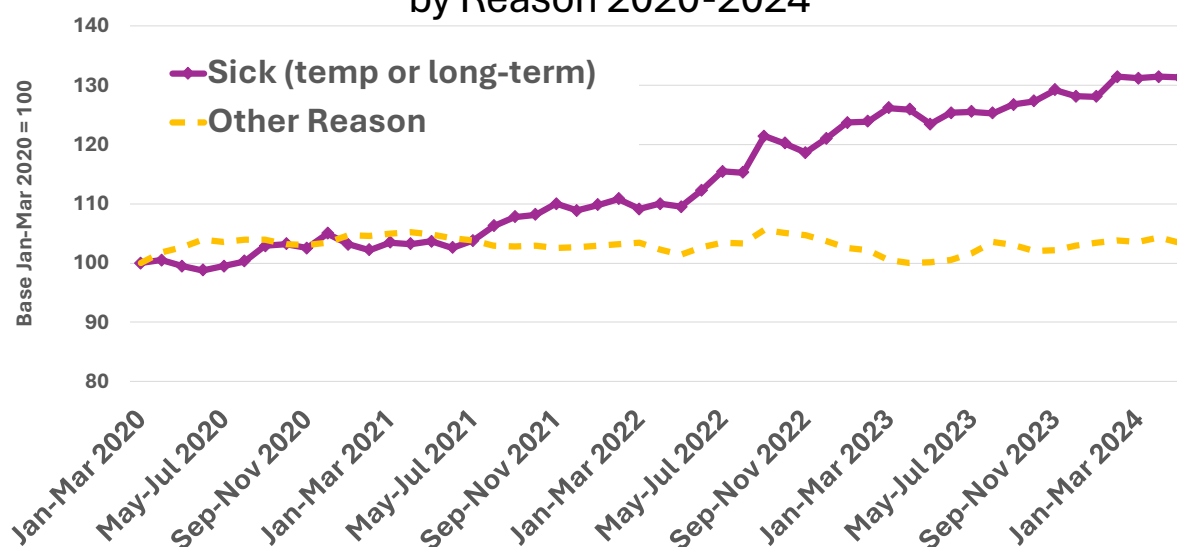
Reasons for Economic Inactivity in UK Mar-May 2024			
Reason	% of Inactive Total	Number	%
		Student	26.8%
Looking after family / home	18.2%	7,693	0.5%
Temp sick	2.3%	30,431	16.0%
Long-term sick	30.0%	151,941	5.7%
Discouraged workers	0.2%	-2,837	-11.9%
Retired	11.5%	10,873	1.0%
Other	11.0%	1,813	0.2%

Source: ONS Labour Force Survey

Sickness has been a particular feature of economic inactivity and the UK labour market in general since the outbreak of Covid-19. Of the 3 million working aged people who are currently either long-term sick (2.8 million) or temporarily sick (220,000) 24% want a job while 76% don't want a job.

At the outbreak of the Covid-19 pandemic 27% of all economically inactive working age people cited either long-term or temporary sickness as the reason, but the proportion has now increased to 32% of the total. This is because the number of people inactive due to sickness increased by 32% (+736,196 people) in the period Mar-May 2020 to Mar-May 2024 compared to an increase of just 1% (+53,032) in all other type of inactivity<sup>i</sup>.

### People Aged 16-64 Economically Inactive in UK by Reason 2020-2024



Source: Labour Force Survey

<sup>i</sup> Other reasons of inactivity (i.e. non-sickness related): student, looking after/family home, discouraged, retired, other

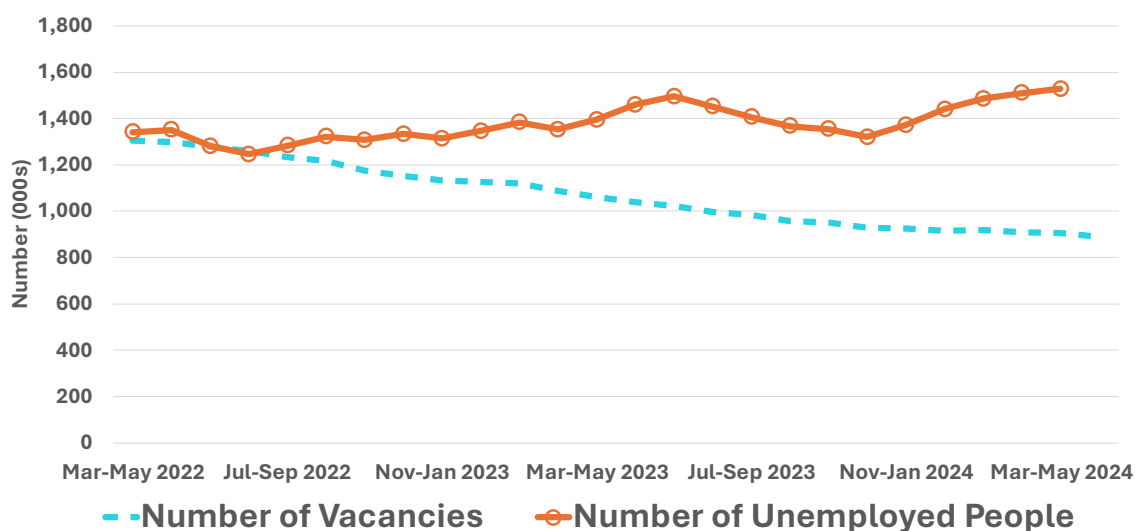


## National Vacancies

There are currently **889,000 vacancies** in the UK, continuing a downward trend evident since the middle of 2022. The number of vacancies fell from 1,304,000 in Mar-May 2022 to 889,000 Apr-Jun 2024 (-415,000, -32%). In mid-2022 for every unemployed person there was a vacancy, but with unemployment increasing and vacancies falling there are now 1.7 unemployed people for every vacancy.

Despite the recent falls there are still considerably more vacancies in the UK labour market than before the outbreak of the Covid-19 pandemic. In Mar-May there were 472,000 vacancies compared to 905,000 in Mar-May 2024 (+433,000, +92%).

## Vacancies and Unemployment in the UK



Source: Labour Force Survey

## Solihull Labour Market Estimates

Solihull has a strong labour market as evidenced by data from the Annual Population Survey (APS) with significantly lower levels of unemployment a notable feature. Labour market data from the APS is consistent with the figures in the Labour Force Survey described above, but the local area sample size is small, and a degree of caution needs to be applied to local authority level data.

### Annual Population Survey Labour Market Data

The Annual Population Survey (APS) is a household survey, covering the UK, with the aim of providing estimates between censuses of the main labour market variables at a local area level. Due to sample size limitations, APS data is not available below local authority level (i.e. data is not available for wards and super output areas). The APS comprises 12 months of survey data and is published at quarterly intervals.

Like all survey data results from the APS are subject to a margin of error and results should be treated with caution and used in combination with other labour market indicators, particularly at Local Authority level.

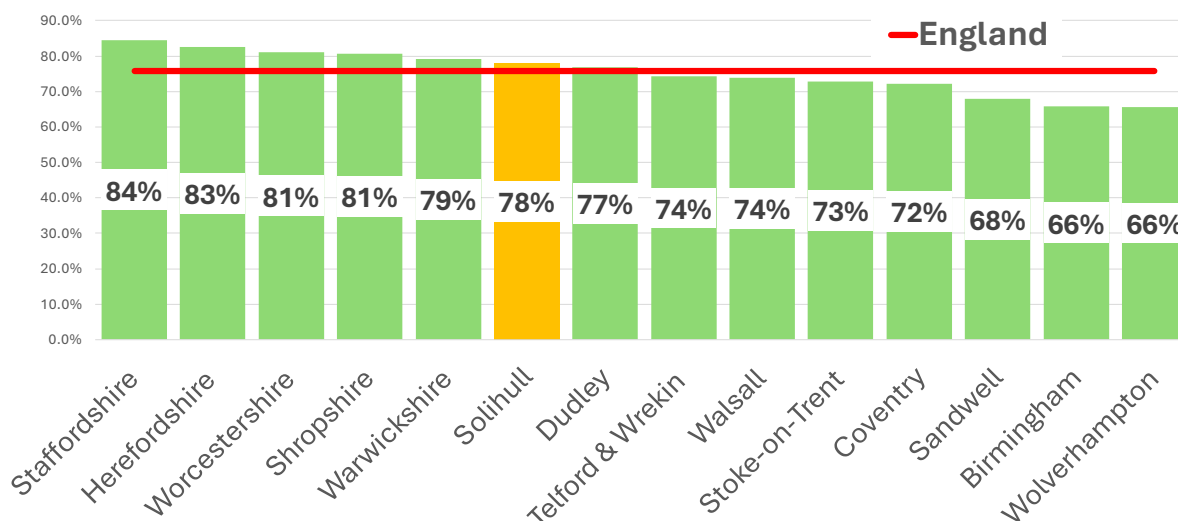
### Solihull Employment

According to the Annual Population Survey the employment rate in Solihull over 12 months to March 2024 was 78.1%, higher than the England (75%) or regional benchmarks.

Employment Rate (16-64 Year Olds) March 2024		
Area	Rate (%)	Confidence Interval +/- %
Solihull	78.1%	3.8%
England	75.7%	0.4%
West Midlands Combined Authority	69.6%	1.7%
West Midlands region	75.0%	1.1%
<i>Source: Annual Population Survey</i>		

In the West Midlands the employment rate ranges from 84% (Staffordshire) to 66% (Wolverhampton). At 78% Solihull has the highest employment rate of the upper-tier metropolitan areas in the region.

### Working Age Employment Rate March 2024



Source: Annual Population Survey

### Solihull Unemployment

The unemployment rate for all people aged over 16 years in Solihull over the 12 months to March 2024 was 2.7%, much lower than the England (3.9%) or regional benchmarks. However, given the small sample size this should be treated with some caution. For instance, at the time of the 2021 Census the 16+ unemployment rate in Solihull was much more closely aligned with that of England (5.3% vs 5.7%).

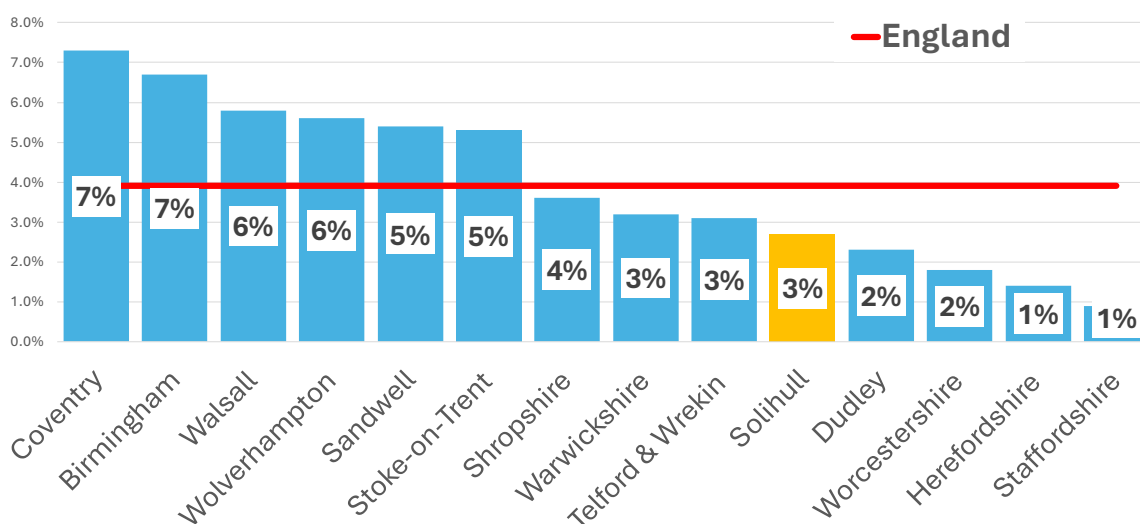
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Unemployment Rate (people aged 16+) March 2024		
Area	Rate (%)	Confidence Interval +/- %
Solihull	2.7%	1.6%
England	3.9%	0.2%
West Midlands Combined Authority	5.7%	1.0%
West Midlands region	3.9%	0.6%

Source: Annual Population Survey

In the West Midlands the 16+ unemployment rate ranges from 7.3% (Coventry) to 0.9% (Staffordshire). Like Solihull, sample sizes are small and so the local authority should be considered unreliable and treated with caution.

## 16+ Unemployment Rate March 2024



Source: Annual Population Survey

## Solihull Economic Inactivity

The economic activity rate for Solihull 16-64 year olds is at 19.8% lower than the England (21.2%) or regional benchmark averages. Of the approximately 25,000 working age people in Solihull who were economically inactive in the year to March 2024 19% want a job and 81% don't want a job. The split in England is 18% want a job, 82% don't want a job.

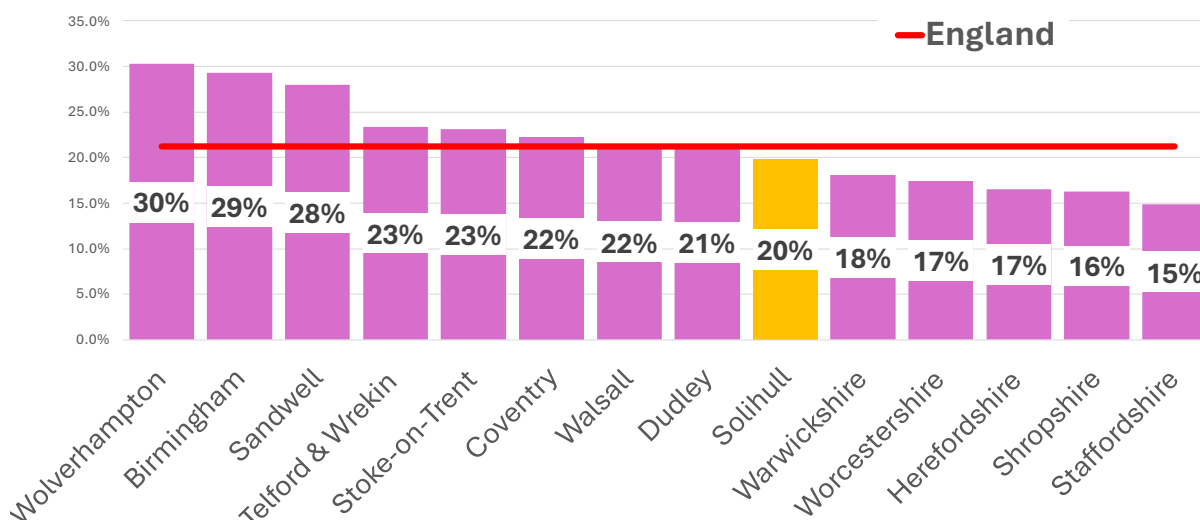
Economic Inactivity Rate (16-64 Year Olds) March 2024		
Area	Rate (%)	Confidence Interval +/- %
Solihull	19.8%	3.6%
England	21.2%	0.3%
West Midlands Combined Authority	26.1%	1.6%
West Midlands region	21.9%	1.1%

Source: Annual Population Survey

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Among the West Midlands upper tier local authorities the economic activity rate ranges from 30% (Wolverhampton) to 15% (Staffordshire).

## Working Age Economic Inactivity Rate March 2024



Source: Annual Population Survey

## Claimant Count Unemployment

### Claimant Unemployment Data

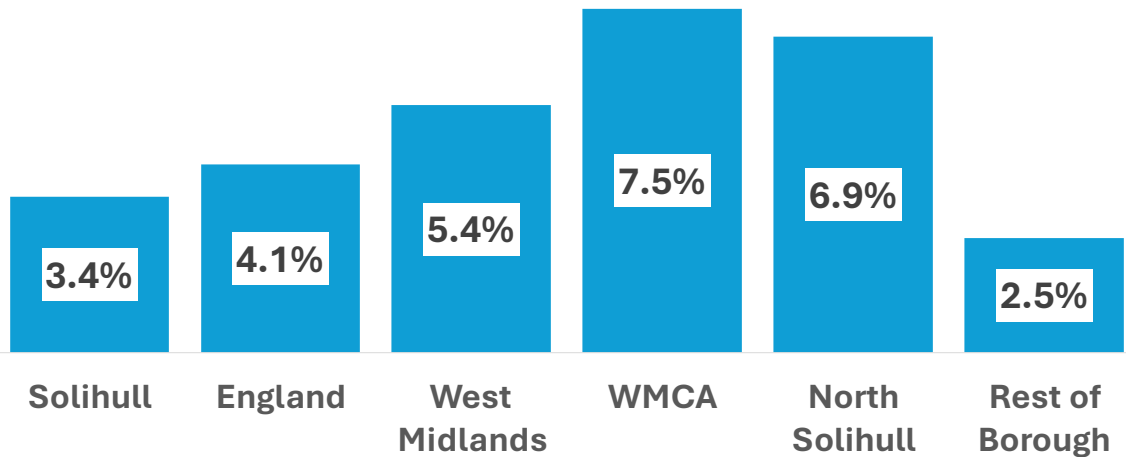
The claimant count is the number of people claiming Jobseeker's Allowance plus people claiming Universal Credit who are required to seek work. This series provides reliable figures for local area claimant unemployment, but is affected by changes to benefit rules, like the introduction of Universal Credit. It represents most, but not all, people who are unemployed.

The current working age (16-64 years) and youth (18-24 years) claimant unemployment rates for Solihull have been benchmarked against the England, West Midlands region and West Midlands Combined Authority (WMCA) averages. At a sub-borough level, the claimant unemployment rates for the 17 Solihull wards demonstrate the diversity of unemployment in the borough.

Changes in the number of working age and young people claiming unemployment benefit in Solihull over these periods are benchmarked with a particular focus on more recent trends. The outbreak of Covid-19 and the subsequent shutdown of much of the UK economy and labour market acted as a seismic shock to the system and it remains an important comparison point. However, since early 2023 its direct influence on the claimant unemployment rate has been muted with, for instance, the number of people in Solihull claiming unemployment benefit falling by 46% (-3,400 people) in the two years January 2021-23.

**16–64-Year-Old Working Age Claimant Unemployment**

**Working Age (16-64 Years) Claimant Unemployment**  
*June 2024*



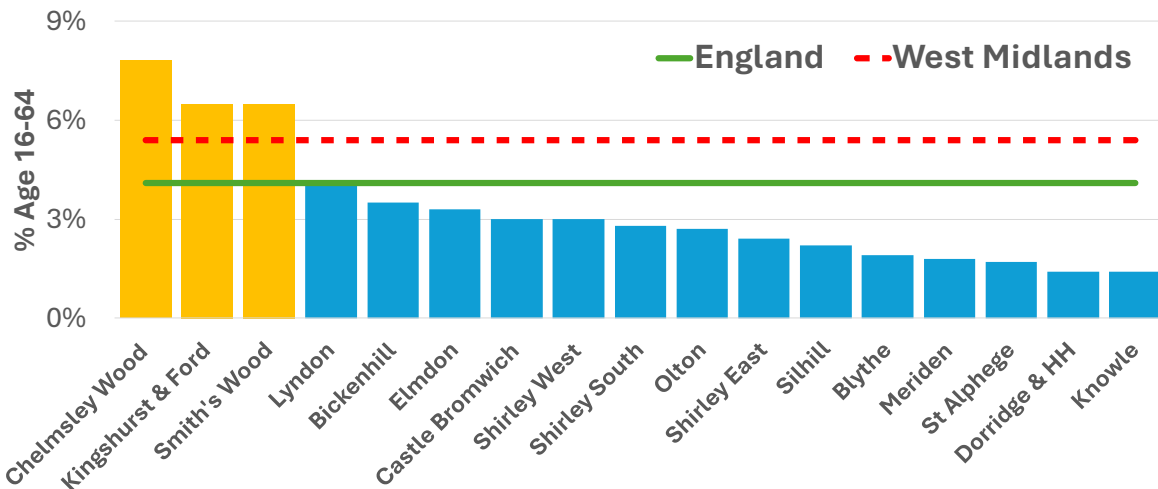
Source: ONS/Nomis

In June 2024 4,340 people in Solihull were unemployed and claiming benefits. The claimant unemployment rate in Solihull is 3.4%, lower than both the England (4.1%) and West Midlands (5.4%) averages.

The average rate in the three north Solihull regeneration wards (Chelmsley Wood, Kingshurst & Fordbridge and Smith’s Wood) is 6.9% (1,665 individuals) compared with 2.5% across the rest of the Borough (2,675 individuals).

Only three out of Solihull’s 17 wards have a claimant unemployment rate higher than the West Midlands average Chelmsley Wood (7.8%), Kingshurst & Fordbridge (6.5%) and Smith’s Wood (6.5%).

## Working Age (16-64 Years) Claimant Unemployment June 2024

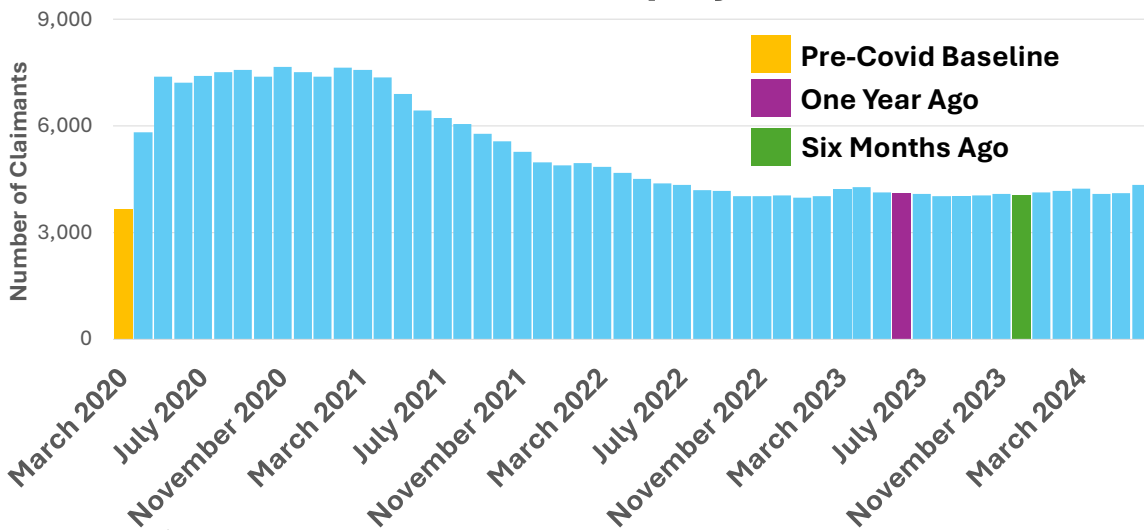


Source: ONS/Nomis

The number of Solihull working age unemployment benefit claimants increased very sharply between March 2020 and March 2021 followed by an extended downward trend. There has been a slight uptick in the number of Solihull claimants since the summer of 2023, albeit with some short-term fluctuations.

The recent uptick in working age claimant unemployment in Solihull is shown by the fact that in the six months June 2023 to December 2023 the count fell by -65 (-2%), whereas over the following six months December 2023 to June 2024 the number of claimants increased by +290 (+7%).

## Change in Solihull Working Age (16-64 Years) Claimant Unemployment

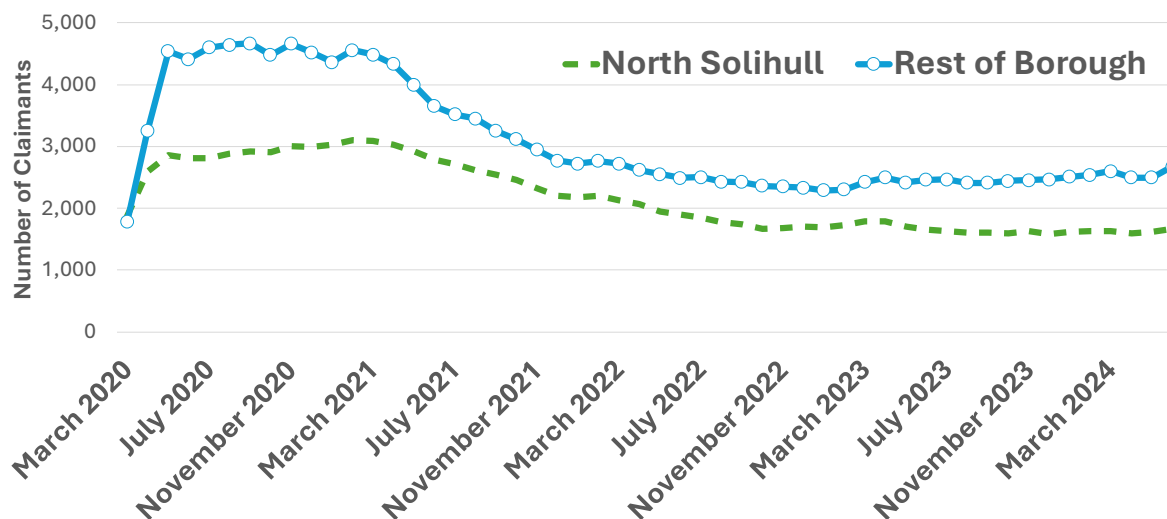


Source: ONS/Nomis

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The same pattern is evident in both north Solihull and in the rest of the borough, although the increase in claimants in 2020 was more severe in the rest of the borough as has been the uptick over the last six months.

## Change in Solihull Working Age (16-64 Years) Claimant Unemployment



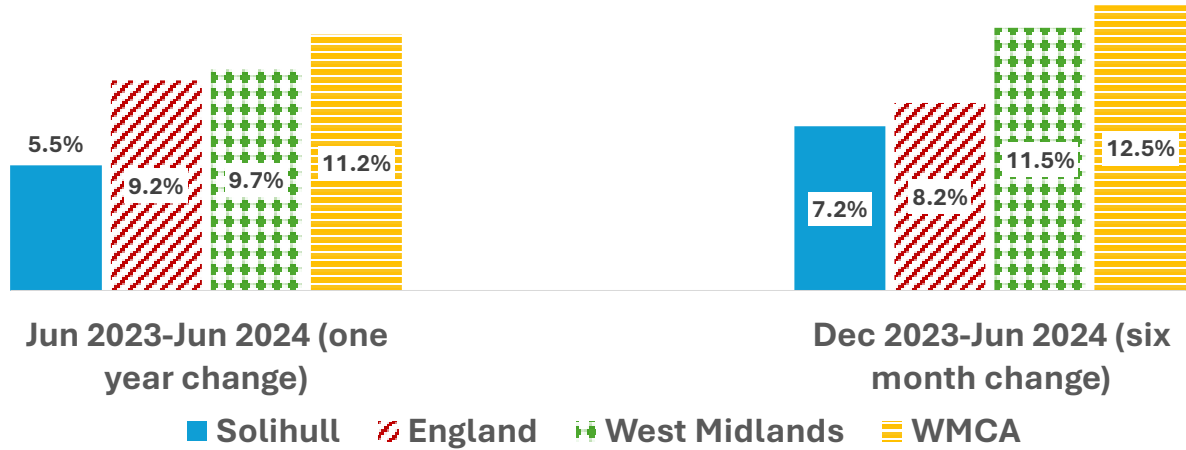
Source: ONS/Nomis

In the year to June 2024 the 5.5% increase in the number of working age unemployment claimants in Solihull is lower than the increase across England (9.2%), the West Midlands (9.7%) or the WMCA (11.2%). This is consistent with Solihull's relatively better unemployment performance since March 2020 and the outbreak of Covid-19.

% Change in Working Age Claimant Unemployment			
	Since Covid-19 (March 2020-June 2024)	1 Year (June 2023-June 2024)	6 Months (Dec 2023-June 2024)
Solihull	18.9%	5.5%	7.2%
North Solihull	-11.0%	0.6%	5.0%
Rest of Borough	50.3%	8.7%	8.5%
England	36.4%	9.2%	8.2%
West Midlands	36.7%	9.7%	11.5%
WMCA	39.1%	11.2%	12.5%

Source: ONS/Nomis

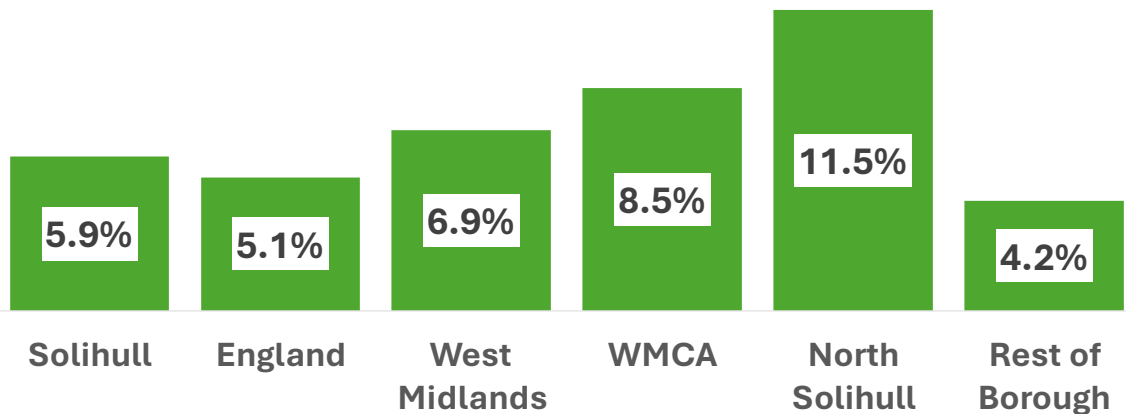
## Change in the Number of Working Age Unemployment Claimants



Source: ONS/Nomis

### 18-24-Year-Old Youth Claimant Unemployment

## Youth (18-24 Years) Claimant Unemployment *June 2024*



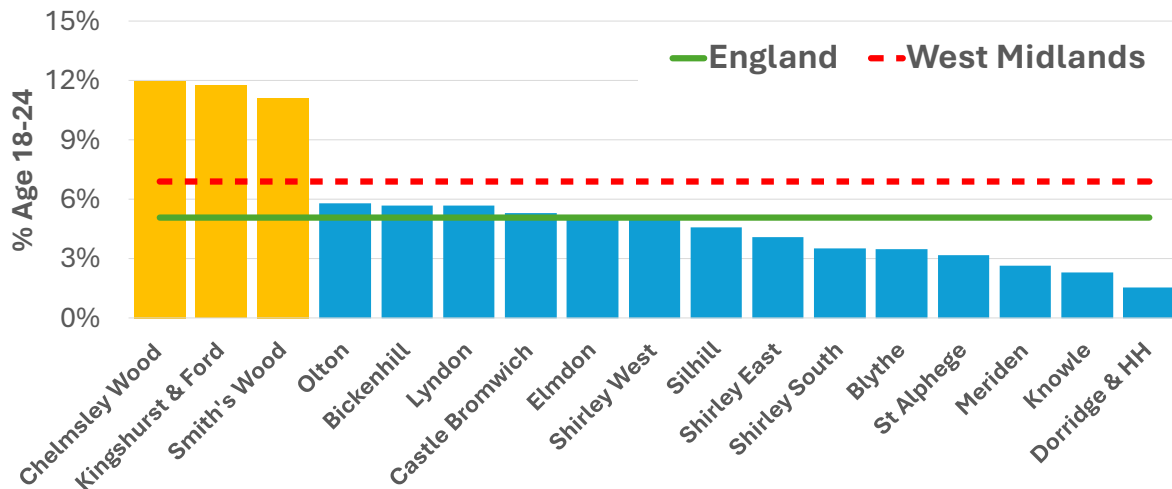
Source: ONS/Nomis

In June 2024 855 18–24-year-olds in Solihull were unemployed and claiming benefits. The 18–24-year-old claimant unemployment rate in Solihull is 5.9%, compared to 5.1% for England and 6.9% for the West Midlands.

The average 18–24-year-old rate in North Solihull is 11.5% (375 individuals) compared with 4.2% (480 individuals) across the rest of the Borough. Three Solihull wards have an 18-24 claimant unemployment rate higher than the West Midlands average: Chelmsley Wood (12.0%), Kingshurst & Fordbridge (11.8%) and Smith’s Wood (11.1%).



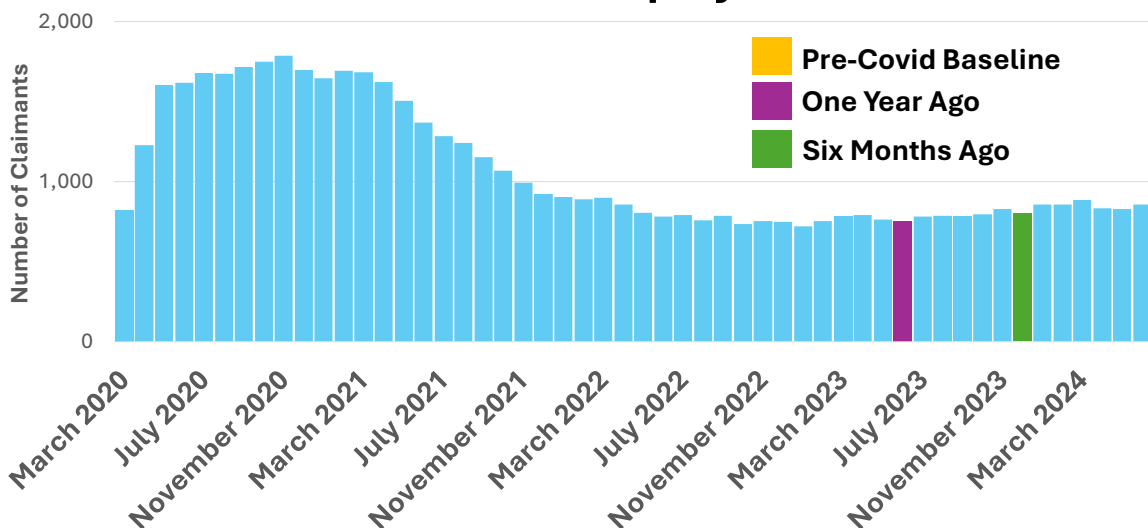
## Youth (18-24 Years) Claimant Unemployment June 2024



Source: ONS/Nomis

The number of Solihull youth unemployment benefit claimants aged 18-24-years increased very sharply between March 2020 and March 2021 and has been falling since then, albeit with a small increase since the summer of 2023.

## Change in Solihull Youth (18-24 Years) Claimant Unemployment

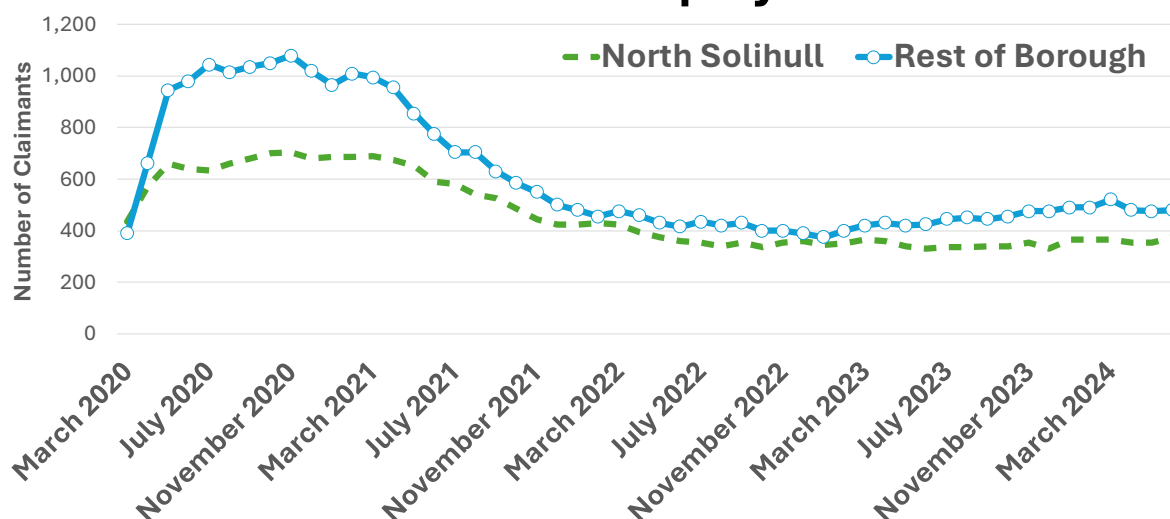


Source: ONS/Nomis

The same increase in the number of claimants in 2020 is common to both north Solihull and the rest of the borough, although it was far sharper in the rest of the borough than in the north. A downward trend in claimants from spring 2021 is then evident in both areas.

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## Change in Solihull Youth (18-24 Years) Claimant Unemployment



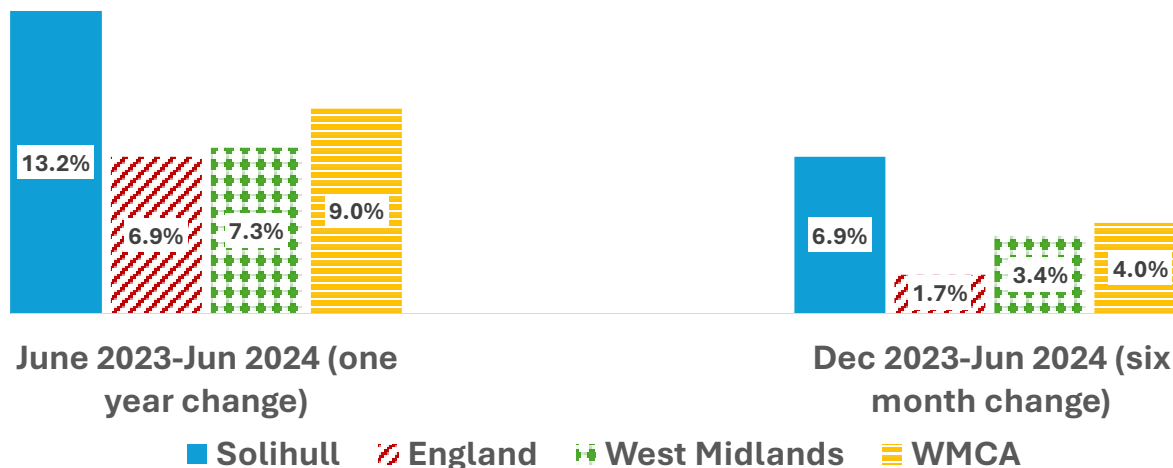
Source: ONS/Nomis

In the year to June 2024 the 13.2% increase in the number of 18-24-year-old unemployment claimants in Solihull is much higher than that for England (6.9%), the West Midlands (7.3%) or the WMCA (9.0%). This is consistent with the above average rises in Solihull over the most recent six month period.

% Change in 18-24-Year-Old Claimant Unemployment			
	Since Covid-19 (March 2020-June 2024)	1 Year (June 2023-June 2024)	6 Months (Dec 2023-June 2024)
Solihull	3.6%	13.2%	6.9%
North Solihull	-13.8%	13.6%	13.6%
Rest of Borough	23.1%	12.9%	1.1%
England	22.1%	6.9%	1.7%
West Midlands	26.6%	7.3%	3.4%
WMCA	30.0%	9.0%	4.0%

Source: ONS/Nomis

## Change in the Number of Youth Unemployment Claimants



Source: ONS/Nomis

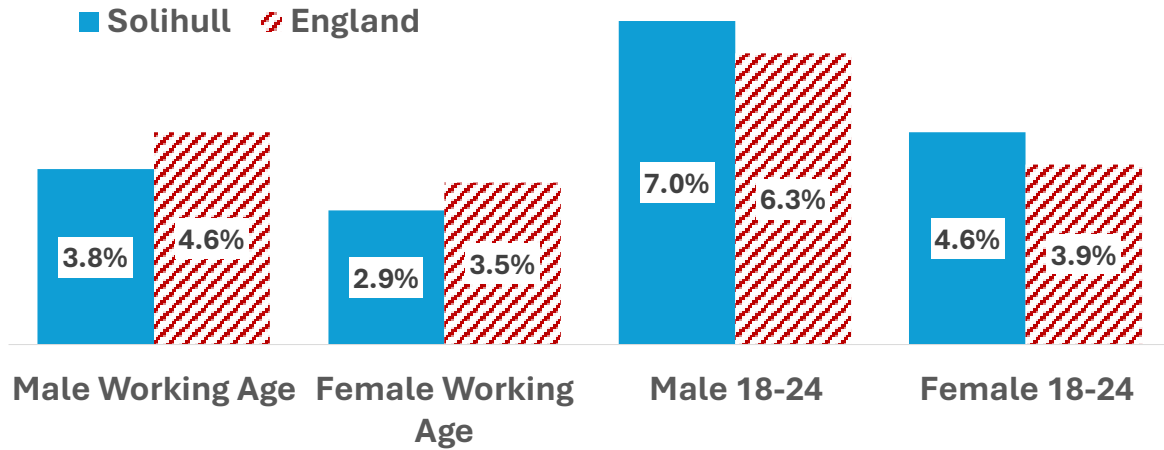
### Gender Claimant Unemployment Differences

Males account for 56% of Solihull working age unemployment claimants and 63% of all claimants aged 18-24-years, in-line with the split nationally. The claimant unemployment rates among the working age population in Solihull are lower than the England average for both males and females. However, the rates among young people aged 18-24 years in Solihull are above average for both males and females.

Claimant Unemployment Rates by Gender June 2024			
Gender	Solihull Count	Rate (% Age and Gender Population)	
		Solihull	England
Male all age	2,415	3.8%	4.6%
Female all age	1,925	2.9%	3.5%
Male 18-24	540	7.0%	6.3%
Female 18-24	315	4.6%	3.9%

Source: ONS/Nomis

## Claimant Unemployment Rates by Gender *June 2024*



Source: ONS/Nomis

Since the outbreak of Covid-19 in March 2020 the increases in working age claimant unemployment in Solihull have been broadly the same for males and females.

Among Solihull young people aged 18-24 years the increase among men in the year to March 2024 has been much higher than that of women (16% males vs 9% females), although in both cases the increases are substantially higher than their working age equivalents.

% Change in Claimant Unemployment in Solihull by Gender			
Gender	Since Covid-19 (March 2020-June 2024)	1 Year (June 2023-June 2024)	6 Months (Dec 2023-June 2024)
Male working age	17.2%	6.2%	7.3%
Female working age	21.1%	4.6%	6.9%
Male 18-24	2.9%	16.1%	9.1%
Female 18-24	5.0%	8.6%	3.3%

Source: ONS/Nomis

There has been a much smaller increase in the number of both male and female working age unemployment claimants in Solihull than across England in the year to March 2024. The reverse is true for young people aged 18-24 years, with the growth among Solihull males (+16% Solihull vs 9% England) and females (+9% Solihull vs +4% England) above the national average.

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## Change in Claimant Unemployment Count by Gender

### One year June 2023 - June 2024



Source: ONS/Nomis

### Age Group Claimant Unemployment Differences

A third of Solihull claimants are under 30 years old (1,395 people, 33% total), including the largest single age group, those aged 18-24 years who comprise 20% (855 people) of the total.

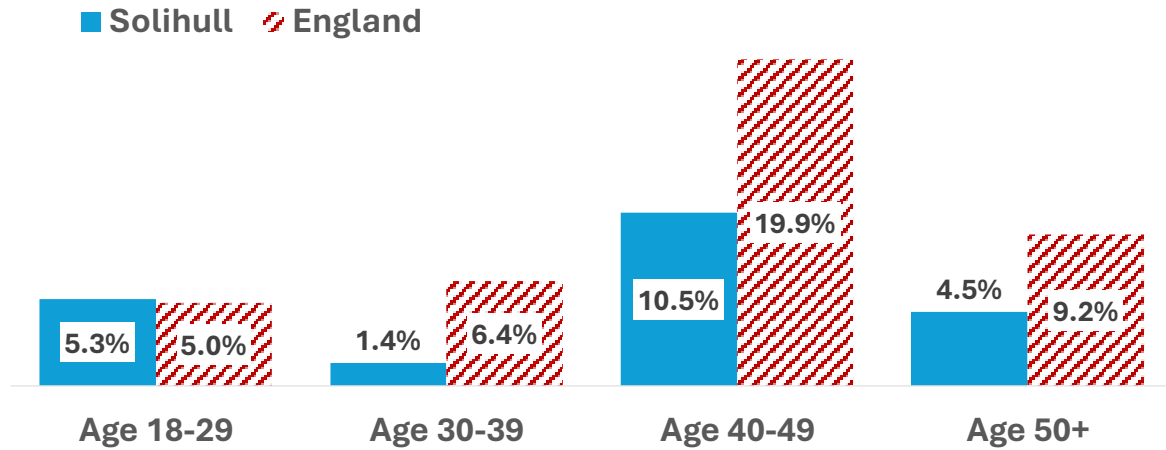
Except for 18-24 year-olds the rates in Solihull are all lower than the England average, with that positive differential increasing among those aged 40 and over.

Claimant Unemployment by Age June 2024				
Age Band	Solihull Count	% Solihull Total	Rate (% Age Band Population)	
			Solihull	England
Aged 18-24	855	20%	5.9%	5.1%
Aged 25-29	540	13%	4.5%	4.7%
Aged 30-34	570	13%	4.3%	4.7%
Aged 35-39	535	13%	4.0%	5.0%
Aged 40-44	500	12%	3.7%	4.8%
Aged 45-49	340	8%	2.6%	4.1%
Aged 50-54	340	8%	2.2%	3.1%
Aged 55-59	355	8%	2.3%	2.7%
Aged 60-64	235	6%	1.7%	2.6%
Total	4,340		3.4%	4.1%

Source: ONS/Nomis

The most significant difference between age group trends in Solihull and those for England over the last year has been the much higher increases experienced by those aged 30 years and over nationally than locally.

## Change in Claimant Unemployment Count by Age *One year June 2023 - June 2024*



Source: ONS/Nomis