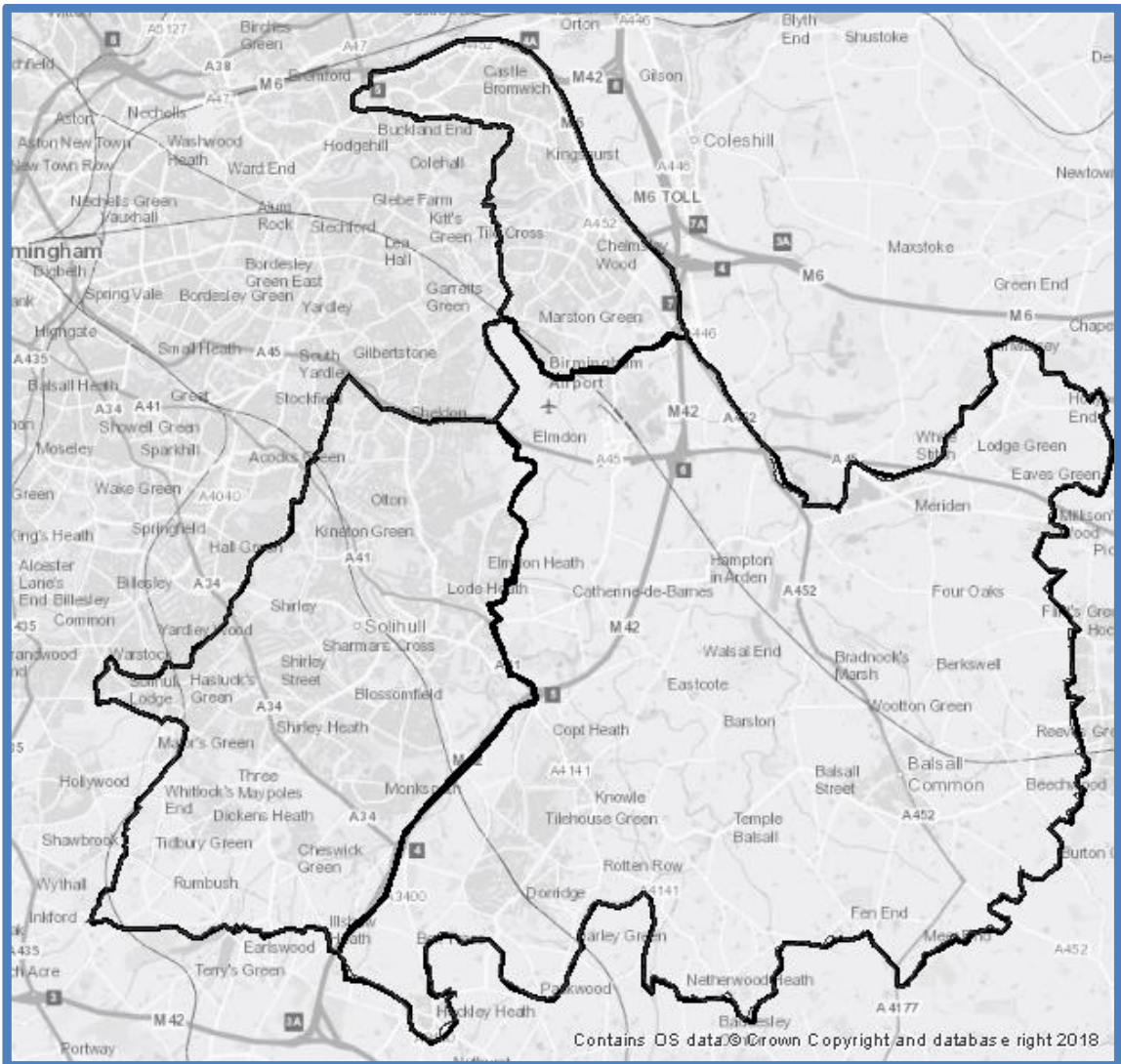


# Solihull Quarterly Labour Market Brief

## December 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 year 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 in the last year.

## National and Regional Labour Market Trends

### National and Regional Headlines

In October to December 2024, the number of UK people aged 16+ in employment was **33.86 million**, and the employment rate for people aged 16-64 was **74.9%**. Employment levels increased by around 479,000 over the last year, and the employment rate increased slightly.

- The employment rate in the West Midlands is 74.3%, with the number of people in employment increasing by +67,000 in the last year.

The UK unemployment rate was **4.4%**, and 1.56 million people aged 16+ were unemployed. Unemployment levels increased by around 210,000 over the last year, and the unemployment rate rose.

- The unemployment rate in the West Midlands is 4.3%, with the number of unemployed people increasing by +13,000 (in the last year).

**9.29** million UK people aged 16-64 were economically inactive, and the inactivity rate was **21.5%**. Both inactivity levels and the inactivity rate fell slightly in the last year.

- In the West Midlands the economic inactivity rate is 22.0%, with the number of people inactive falling by -26,000 in the last year.

### 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 33.86 million people aged 16 and over in employment in the UK, equating to employment rate of 74.9% of 16–64-year-olds. At 74.3% the West Midlands employment rate is ranked 6<sup>th</sup> out of nine regions in England.

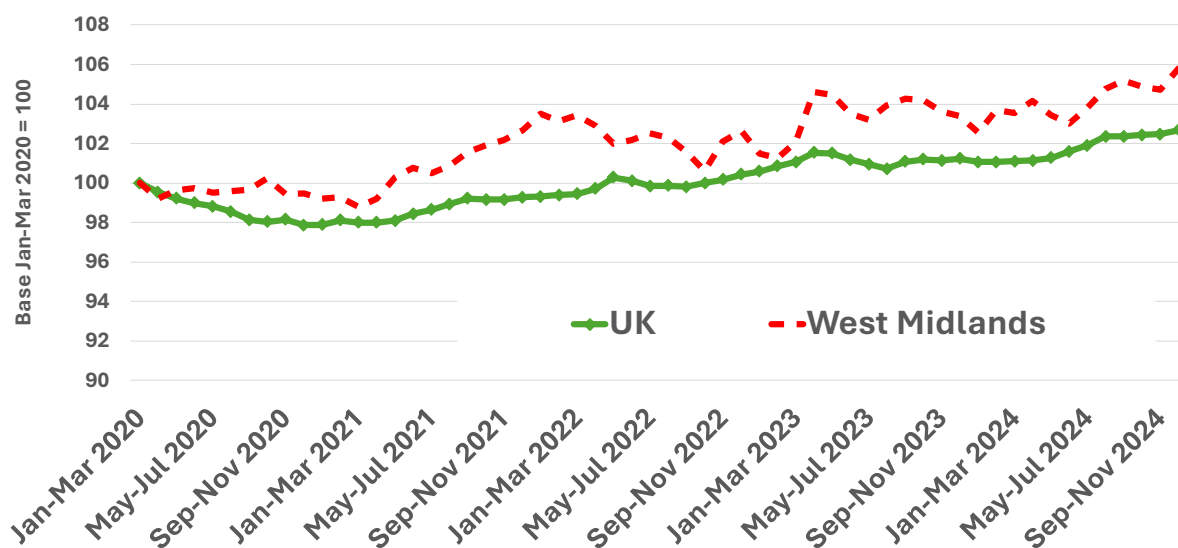
<b>Employment Indicators – October to December 2024</b>			
Metric	UK	England	West Midlands
Current rate (16–64-year-olds)	74.9%	75.4%	74.3%
Rate last year (16–64-year-olds)	74.8%	75.2%	73.8%
Level (millions)	33.86	28.91	2.96
Change on year	+479,000	+475,000	+67,000
<i>Source: ONS Labour Force Survey</i>			

The number of people employed in the UK increased substantially following the outbreak of Covid-19, rising by over 1.2 million between the start of 2021 and spring 2023 (from 74.4% to 75.5%). Following a period of stability the number of UK adults in employment has been rising again. The number increased by 470,000 between mar-May 2024 and Oct-dec 2024 (from 74.4% to 74.9%).

The same pattern is evident in the West Midlands, although the data is more volatile. From early 2021 to mid-2023 the number of people in the West Midlands increased by 178,000, followed by a second wave of rising employment from Apr-Jun 2024 to Oct-Dec 2024 (+77,000).

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## People Aged 16+ Employed 2020-2024



Source: Labour Force Survey

### **National and Regional Unemployment**

There are 1.56 million people aged 16 and over unemployed in the UK, equating to unemployment rate of 4.4%. At 4.3% the West Midlands unemployment rate is ranked as the 4<sup>th</sup> highest out of nine regions in England.

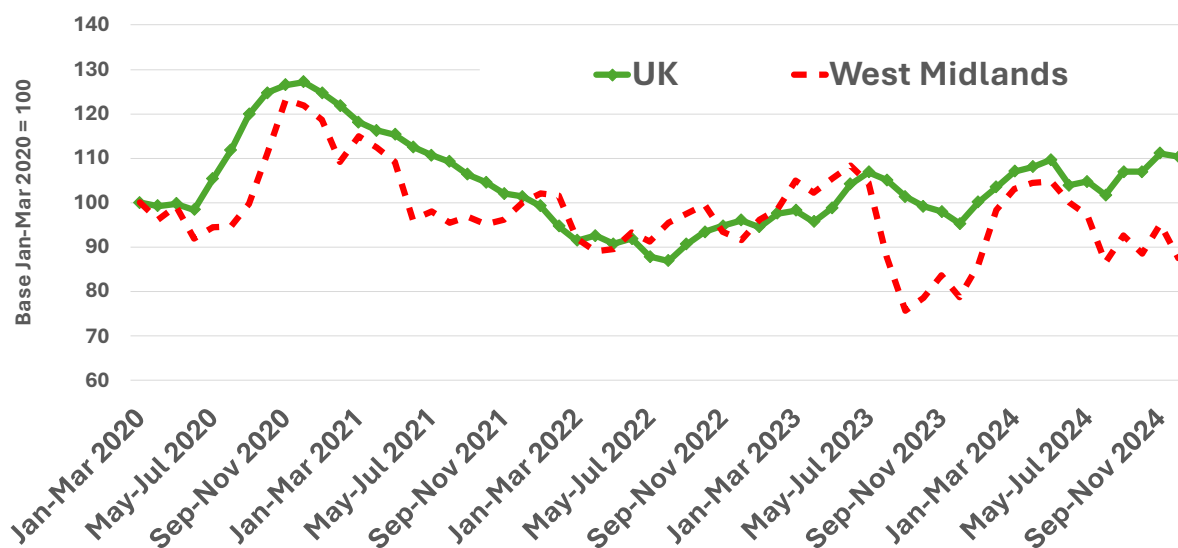
<b>Unemployment Indicators – October to December 2024</b>			
Metric	UK	England	West Midlands
Current rate (16+)	4.4%	4.5%	4.3%
Rate last year (16+)	3.9%	3.9%	3.9%
Level (millions)	1.56	1.36	0.13
Change on year	+213,000	+204,800	+13,400
<i>Source: ONS Labour Force Survey</i>			

The number of people unemployed in the UK has been trending upwards since the summer of 2022, rising by +331,000 between Jun-Aug 2022 and Oct-Dec 2024 (from 3.6% to 4.4%).

The pattern is less discernible in the West Midlands. Between early 2020 and mid-2023 unemployment in the region moved in lockstep with the national trend, but since then the regional data has become much more volatile and should be treated with caution.

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## People Aged 16+ Unemployed 2020-2024



Source: Labour Force Survey

### National and Regional Economic Inactivity

There are 9.29 million people aged 16-64 years economically inactive in the UK, equating to an economic inactivity rate of 21.5%. At 22.0% the West Midlands economic inactivity rate is ranked as the 4<sup>th</sup> highest out of nine regions in England.

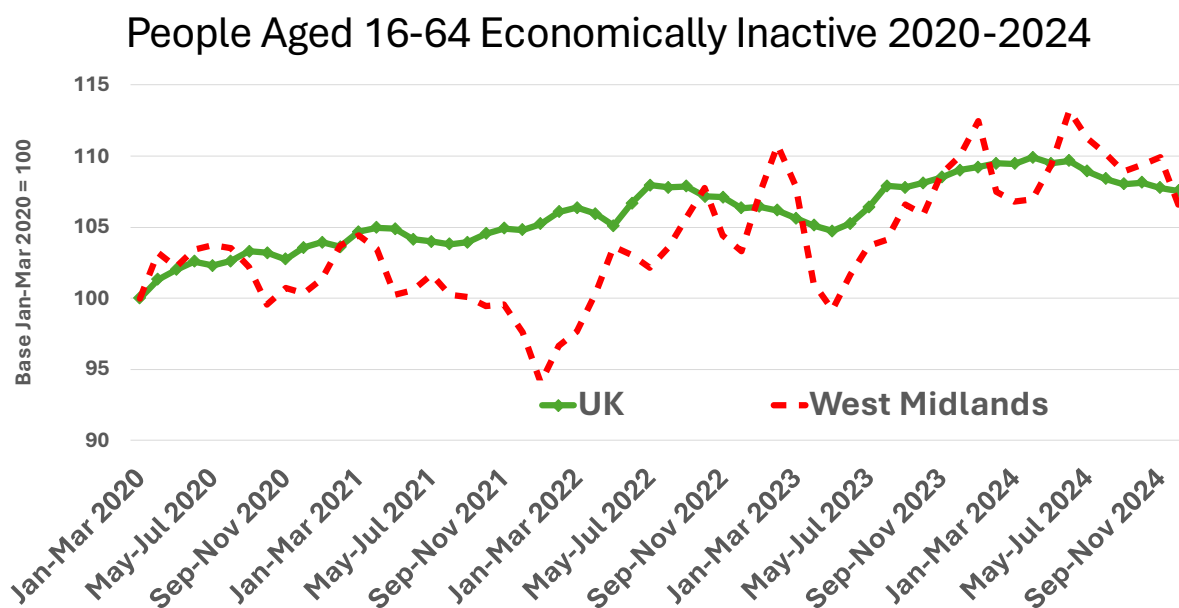
<b>Economic Inactivity Indicators – October to December 2024</b>			
Metric	UK	England	West Midlands
Current rate (16–64-year-olds)	21.5%	21.0%	22.0%
Rate last year (16–64-year-olds)	22.0%	21.6%	23.0%
Level (millions)	9.29	7.69	0.84
Change on year	-126,300	-131,200	-26,300

Source: ONS Labour Force Survey

The rise in economic inactivity has been one of the big stories of the UK labour market in recent years, with the number of working aged people economically inactive increasing steadily since the onset of 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. It has eased back in the second half of 2024, suggesting that economic inactivity has peaked.

The trend in the West Midlands is more volatile. But like the UK economic activity in the West Midlands accelerated from the spring of 2023 to early 2024 (from 20.8% to 22.7%) but now seems to be easing.

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### **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 following an acceleration in economic activity during 2023 and early 2024 it eased back from last summer onwards. Nevertheless, the role of economic inactivity in the UK labour market and its increased importance since 2020 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).

Economic inactivity decreased among all age groups in the year to October-December 2024, and excepting those aged 18-24 years this this fall occurred in the last six months of 2024.

<b>Economic Inactivity by Age Group</b>				
Age Group	Inactivity Rate		Change in Inactive Population in Year to Oct-Dec 2024	
	Oct-Dec 2023	Oct-Dec 2024	Number	%
Age 18-24	34.0%	32.9%	-34,900	-1.1%
Age 25-34	12.9%	12.6%	-16,600	-0.3%
Age 35-49	12.6%	12.0%	-47,400	-0.5%
Age 50-64	27.1%	26.4%	-90,200	-0.7%

Source: ONS Labour Force Survey

Of the 9.3 million economically inactive working age people in the UK the largest groups are those who are long-term sick (30%) and students (27%). Economic inactivity fell among all groups in the year to October-December 2024 except those who are temporarily sick (+55,600, +35%).

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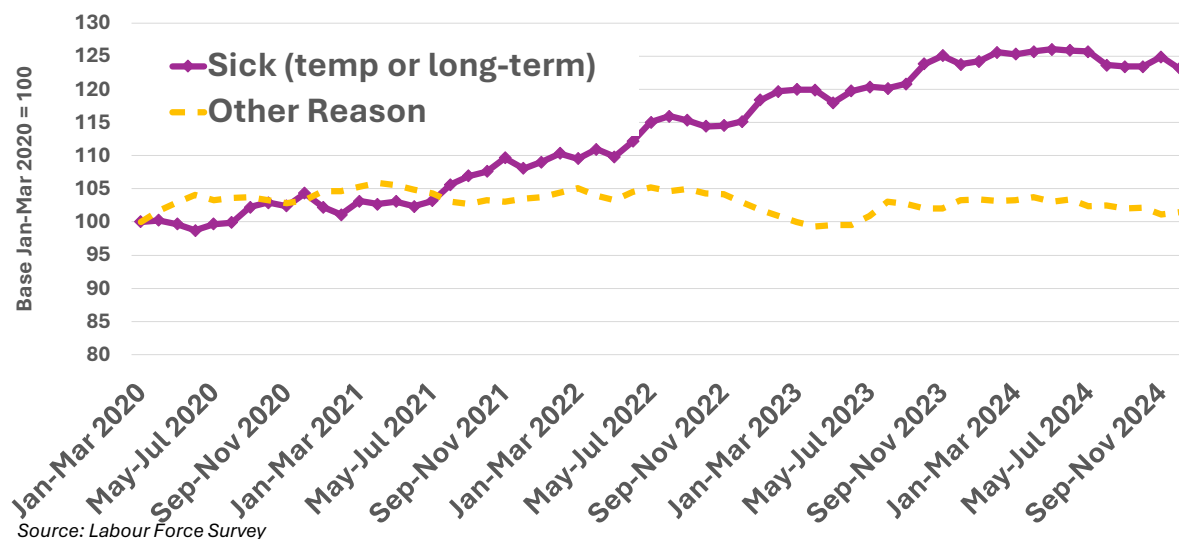
Reasons for Economic Inactivity in UK Oct-Dec 2024			
Reason	% of Inactive Total	Change Oct-Dec 2023 to Oct-Dec 2024	
		Number	%
Student	26.6%	-62,250	-2.5%
Looking after family / home	17.9%	-25,330	-1.5%
Temp sick	2.3%	+55,600	+34.8%
Long-term sick	29.8%	-71,600	-2.5%
Discouraged workers	0.3%	-140	-0.5%
Retired	11.6%	-20,900	-1.9%
Other	11.5%	-1,700	-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 nearly 3 million working aged people who are currently either long-term sick (2.77 million) or temporarily sick (215,000) 27% want a job while 73% don't want a job.

At the outbreak of the Covid-19 pandemic 28% 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 reflects an increase in inactivity due to sickness of +23% (+560,000 people) in the period Jan-Mar 2020 to Oct-Dec 2024 compared to an increase of just +1% (+91,000) in the number of people inactive for any other reason over this same period<sup>i</sup>.

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



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

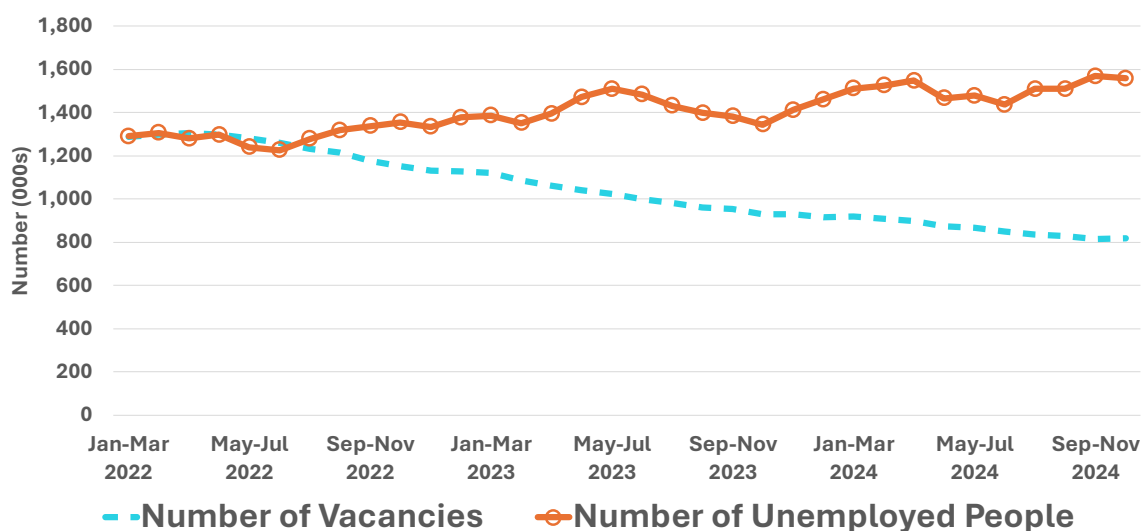


## National Vacancies

There are currently **818,000 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 818,000 Oct-Dec 2024 (-486,000, -37%). In mid-2022 for every unemployed person there was a vacancy, but with unemployment increasing and vacancies falling there are now 1.9 unemployed people for every vacancy.

Despite the recent falls there are still slightly more vacancies in the UK labour market than before the outbreak of the Covid-19 pandemic. In Jan-Mar 2020 there were 796,000 vacancies compared to 818,000 currently (+22,000, +3%).

## 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.

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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.

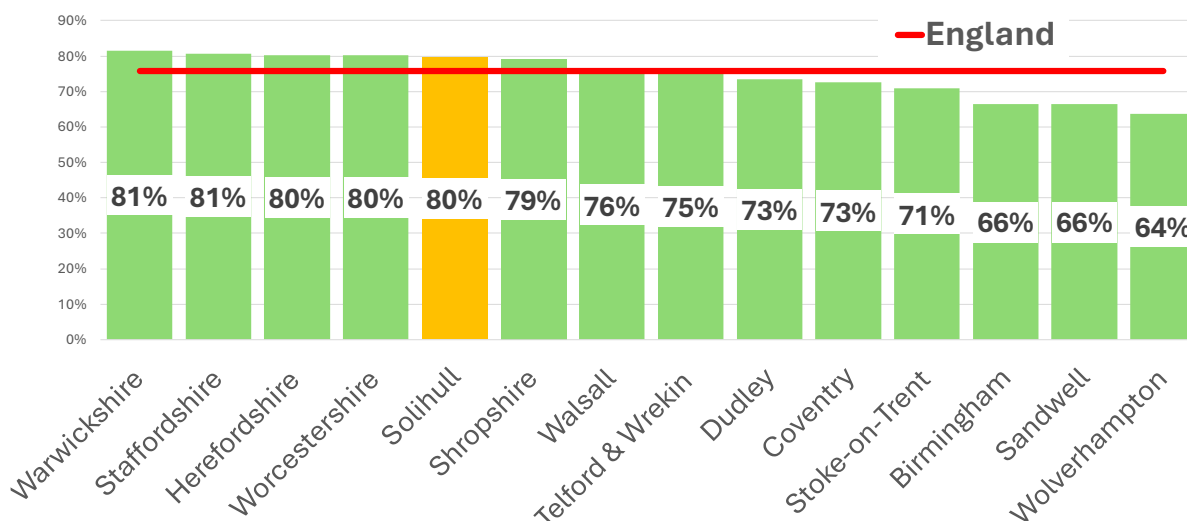
### Solihull Employment

According to the Annual Population Survey the employment rate in Solihull over 12 months to September 2024 was 79.6%, higher than the England (75.7%) or regional benchmarks.

Employment Rate (16-64 Year Olds) September 2024		
Area	Rate (%)	Confidence Interval +/- %
Solihull	79.6%	3.7%
England	75.7%	0.3%
West Midlands Combined Authority	69.5%	1.7%
West Midlands region	74.3%	1.1%
<i>Source: Annual Population Survey</i>		

In the West Midlands the employment rate ranges from 81% (Warwickshire & Staffordshire) to 64% (Wolverhampton). At 80% Solihull has the highest employment rate of the upper-tier metropolitan areas in the region.

### Working Age Employment Rate September 2024



*Source: Annual Population Survey*

### Solihull Unemployment

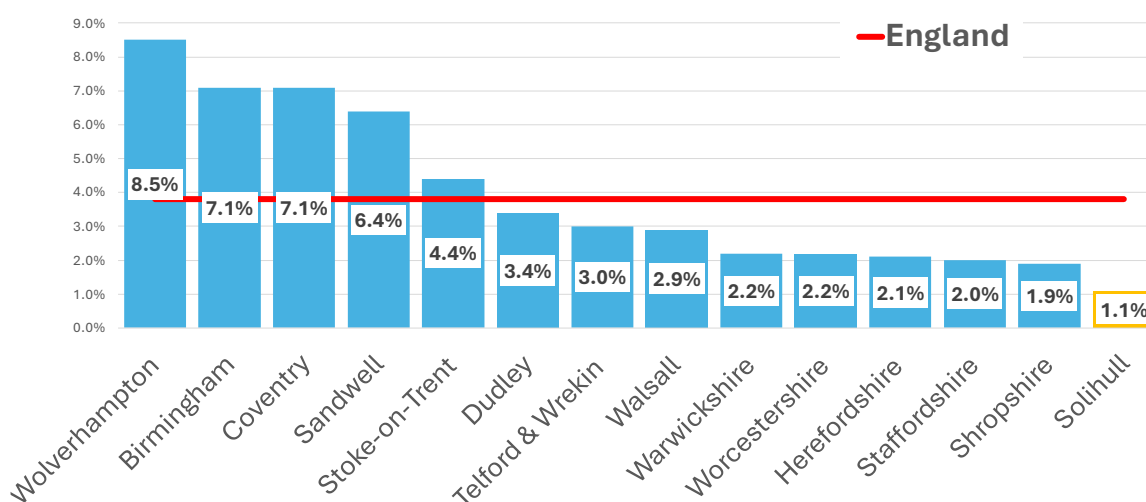
The unemployment rate for all people aged over 16 years in Solihull over the 12 months to September 2024 was 1.1%, much lower than the England (3.8%) or regional benchmarks. However, the fact that the APS does not calculate a confidence interval for this estimate means that it should be treated with a great deal of caution. By way of context, 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%).

Unemployment Rate (people aged 16+) September 2024		
Area	Rate (%)	Confidence Interval +/- %
Solihull	1.1%	N/A
England	3.8%	0.2%
West Midlands Combined Authority	5.9%	0.9%
West Midlands region	4.1%	0.5%
Source: Annual Population Survey		

In the West Midlands the 16+ unemployment rate ranges from 8.5% (Wolverhampton) to 1.1% (Solihull). Like Solihull, sample sizes are small and so the local authority data should be treated with a great deal of caution.

### 16+ Unemployment Rate September 2024



Source: Annual Population Survey

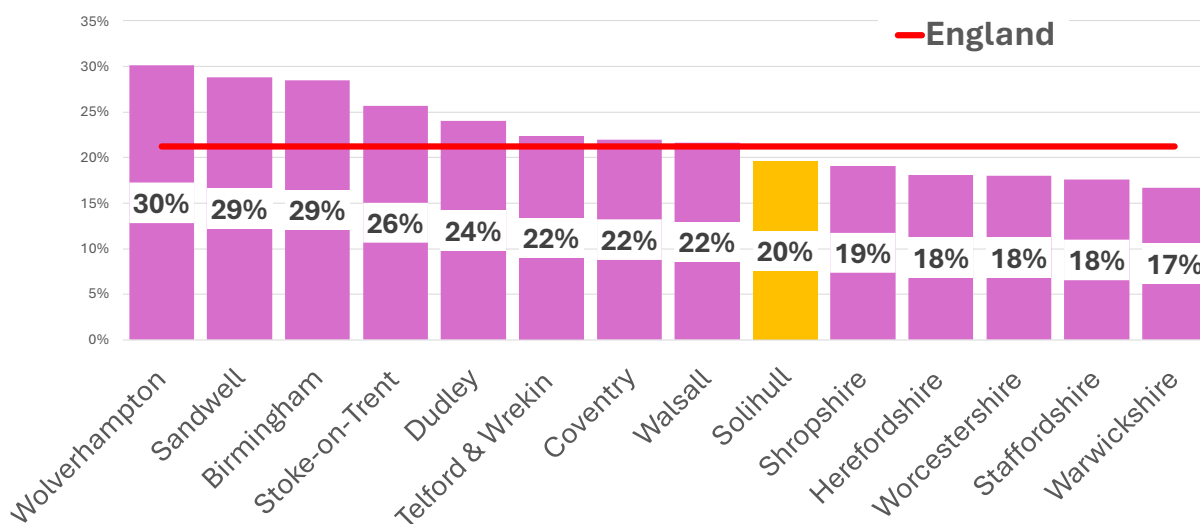
### Solihull Economic Inactivity

The economic activity rate for Solihull 16–64-year-olds is at 19.6% 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 September 2024 26% want a job and 74% 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) September 2024		
Area	Rate (%)	Confidence Interval +/- %
Solihull	19.6%	3.6%
England	21.2%	0.3%
West Midlands Combined Authority	26.1%	1.6%
West Midlands region	22.5%	1.1%
Source: Annual Population Survey		

Among the West Midlands upper tier local authorities the economic activity rate ranges from 30% (Wolverhampton) to 17% (Warwickshire).

## Working Age Economic Inactivity Rate September 2024



Source: Annual Population Survey

## Claimant Count Unemployment

### Claimant Unemployment Data

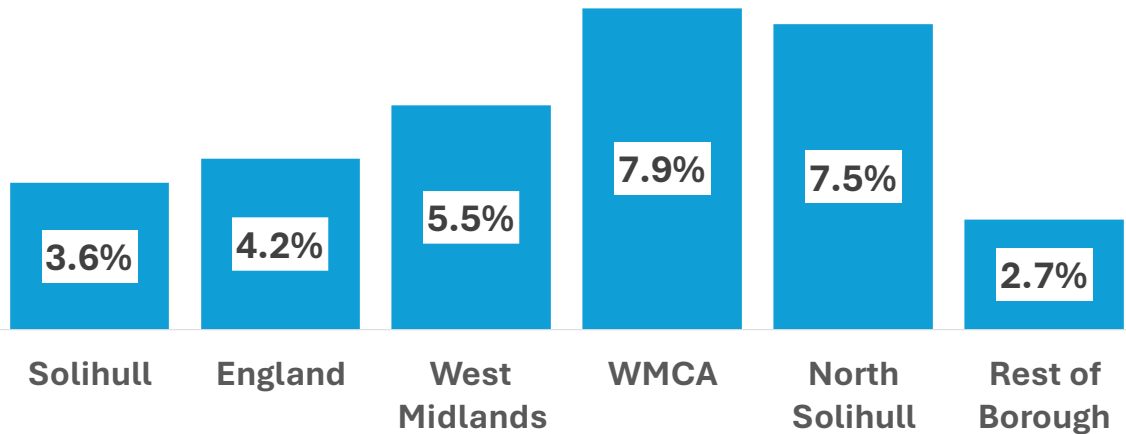
The claimant count is the number of people claiming Jobseeker's Allowance plus people claiming Universal Credit who are required to seek work. This series provides reliable figures for local area claimant unemployment, but is affected by changes to benefit rules, like the introduction of Universal Credit. 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**  
*December 2024*



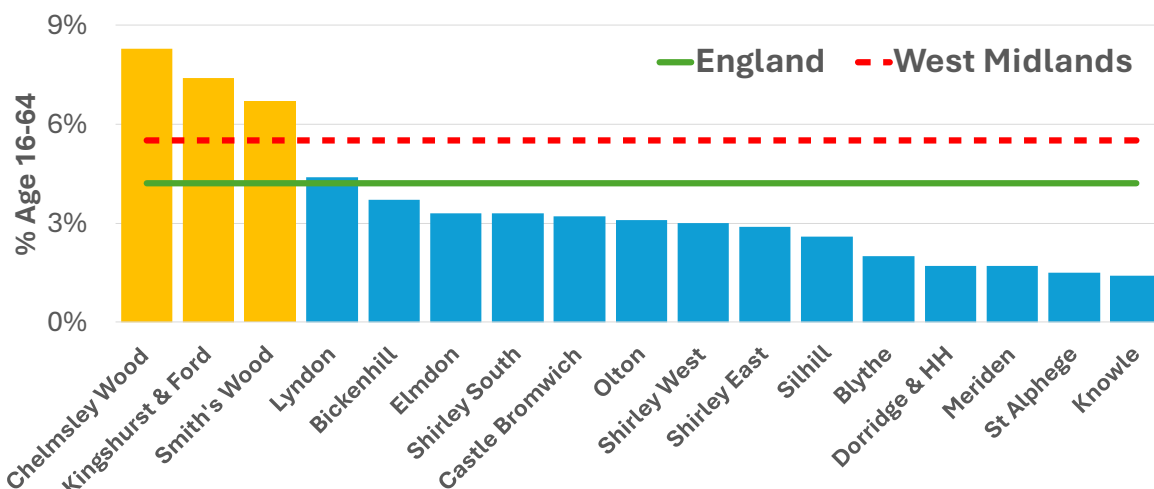
Source: ONS/Nomis

In December 2024 4,655 people in Solihull were unemployed and claiming benefits. The claimant unemployment rate in Solihull is 3.6%, lower than both the England (4.2%) and West Midlands (5.5%) averages.

The average rate in the three north Solihull regeneration wards (Chelmsley Wood, Kingshurst & Fordbridge and Smith’s Wood) is 7.5% (1,785 individuals) compared with 2.7% across the rest of the Borough (2,865 individuals).

Only three out of Solihull’s 17 wards have a claimant unemployment rate higher than the West Midlands average Chelmsley Wood (8.3%), Kingshurst & Fordbridge (7.4%) and Smith’s Wood (6.7%).

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

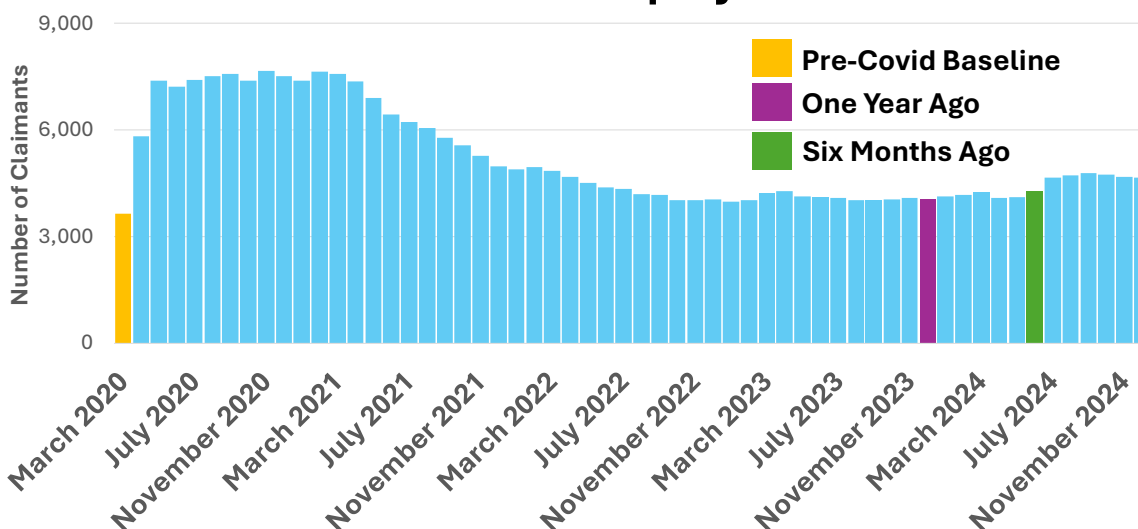


Source: ONS/Nomis

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 upturn in working age claimant unemployment in Solihull is shown by the fact that in the nine months June 2023 to March 2024 the count increased by just fell by +120 (+3%), whereas over the following nine months March 2024 to December 2024 the number of claimants increased by +420 (+10%).

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

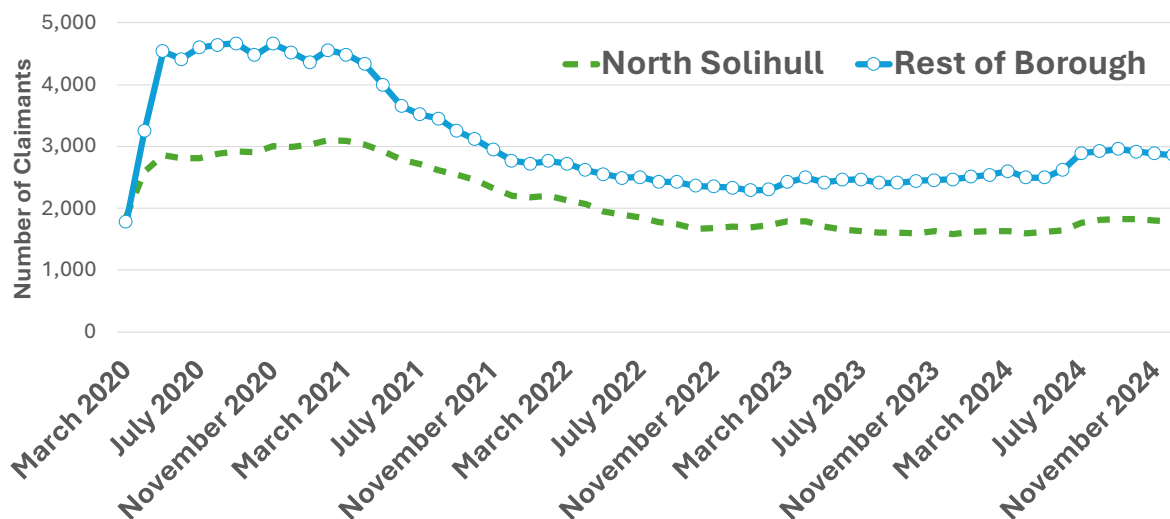


Source: ONS/Nomis

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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 nine months.

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



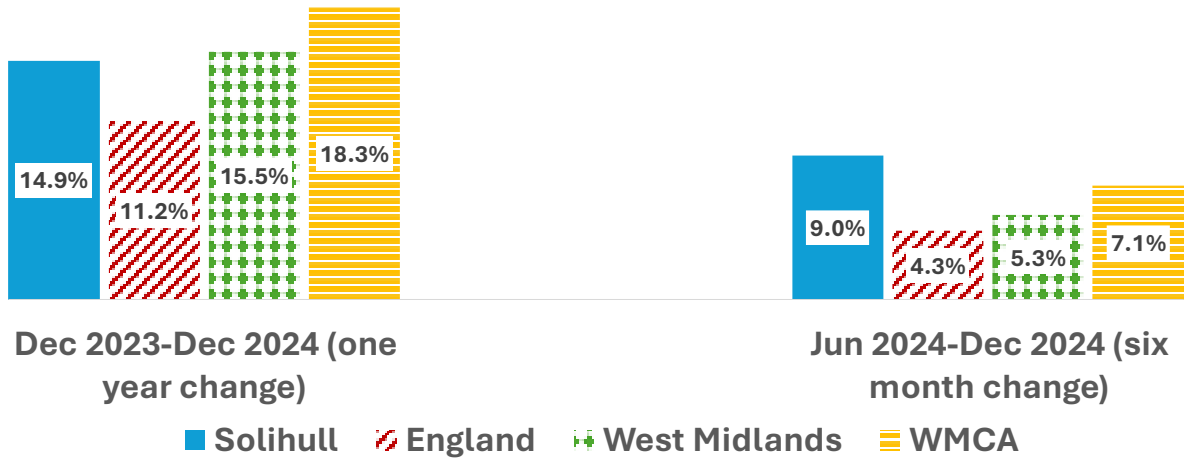
Source: ONS/Nomis

In the year to December 2024 the 15% increase in the number of working age unemployment claimants in Solihull is larger than the increase across England (11%) but smaller than that for the West Midlands (16%) or the WMCA (18%). Over the longer-term trends in unemployment in Solihull have tended to be more positive than national or regional benchmarks since the onset of Covid-19 in March 2020.

% Change in Working Age Claimant Unemployment			
	Since Covid-19 (Mar 2020-Dec 2024)	1 Year (Dec 2023-Dec 2024)	6 Months (Jun 2024-Dec 2024)
Solihull	28%	15%	9%
North Solihull	-5%	13%	9%
Rest of Borough	61%	16%	9%
England	40%	11%	4%
West Midlands	42%	16%	5%
WMCA	46%	18%	7%

Source: ONS/Nomis

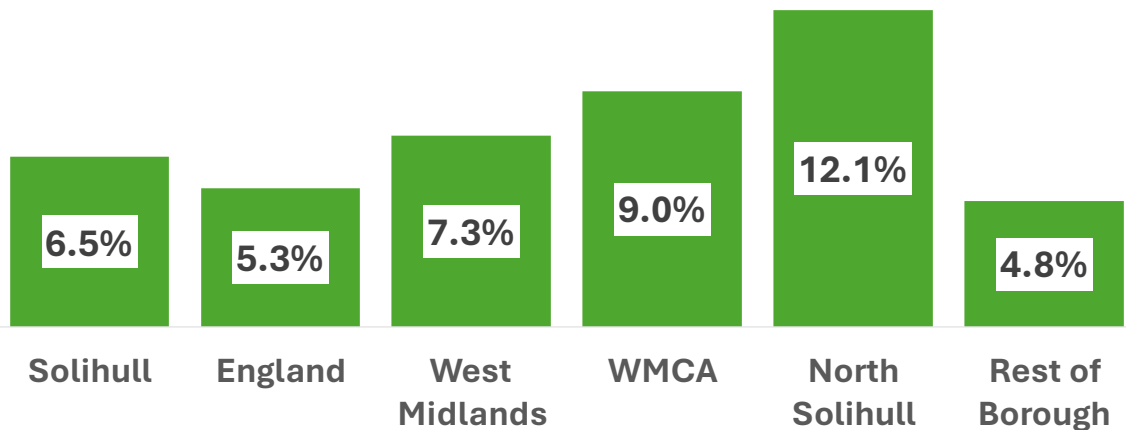
## Change in the Number of Working Age Unemployment Claimants



Source: ONS/Nomis

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

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



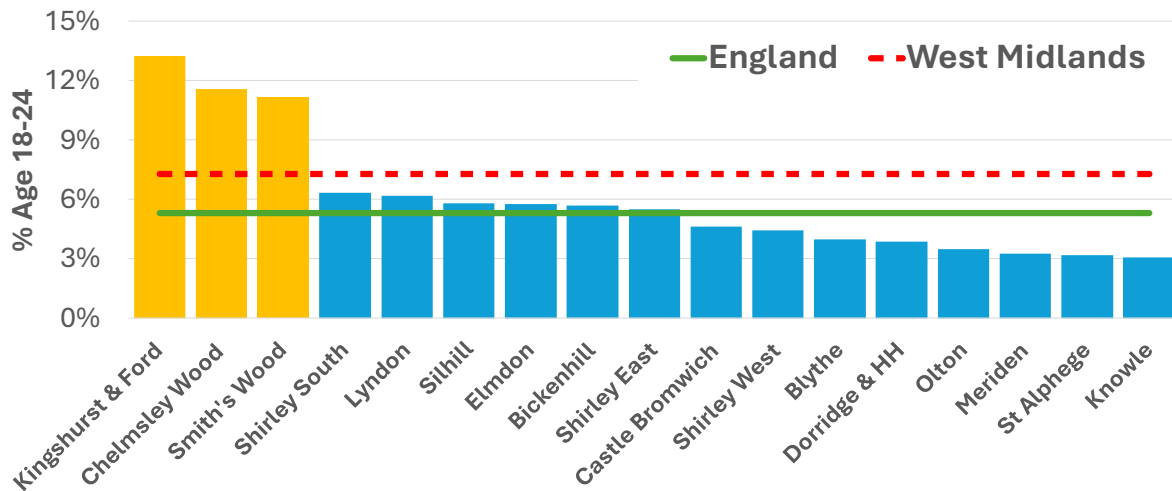
Source: ONS/Nomis

In December 2024 935 18-24-year-olds in Solihull were unemployed and claiming benefits. The 18-24-year-old claimant unemployment rate in Solihull is 6.5%, compared to 5.3% for England and 7.3% for the West Midlands.

The average 18-24-year-old rate in North Solihull is 12.1% (395 individuals) compared with 4.8% (540 individuals) across the rest of the Borough. Three Solihull wards have an 18-24 claimant unemployment rate higher than the West Midlands average: Kingshurst & Fordbridge (13.2%), Chelmsley Wood (11.6%) and Smith's Wood (11.2%).



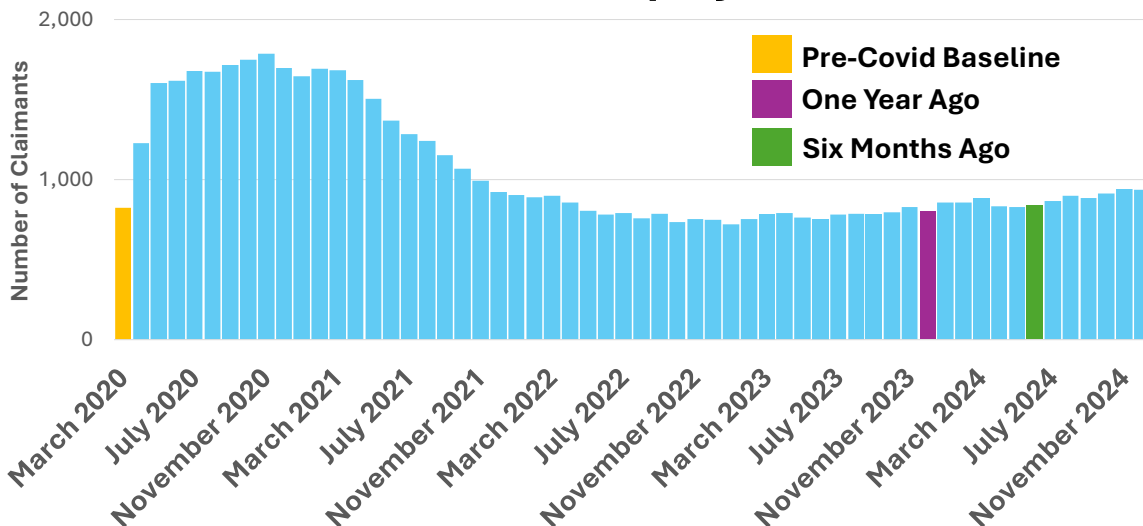
## Youth (18-24 Years) Claimant Unemployment December 2024



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

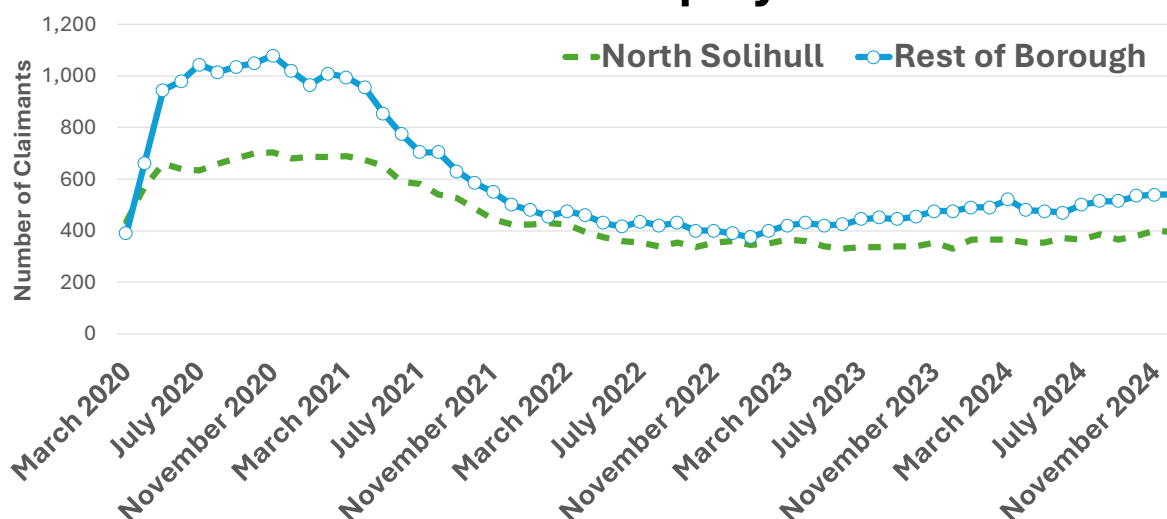


Source: ONS/Nomis

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



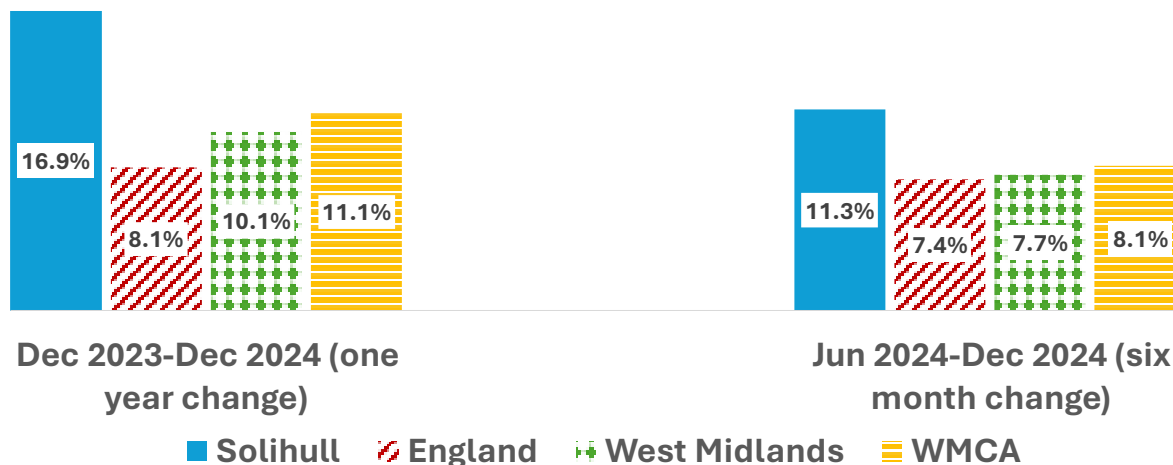
Source: ONS/Nomis

In the year to December 2024 the 17% increase in the number of 18-24-year-old unemployment claimants in Solihull is higher than that for England (8.0%), the West Midlands (10%) and the WMCA (11%). Over the longer-term trends in youth unemployment in Solihull have tended to be more positive than national or regional benchmarks since the onset of Covid-19 in March 2020.

% Change in 18-24-Year-Old Claimant Unemployment			
	Since Covid-19 (Mar 2020-Dec 2024)	1 Year (Dec 2023-Dec 2024)	6 Months (Sep 2024-Dec 2024)
Solihull	13%	17%	11%
North Solihull	-9%	20%	7%
Rest of Borough	38%	14%	15%
England	30%	8%	7%
West Midlands	35%	10%	8%
WMCA	39%	11%	8%

Source: ONS/Nomis

## Change in the Number of Youth Unemployment Claimants Aged 18-24 Years



Source: ONS/Nomis

### Gender Claimant Unemployment Differences

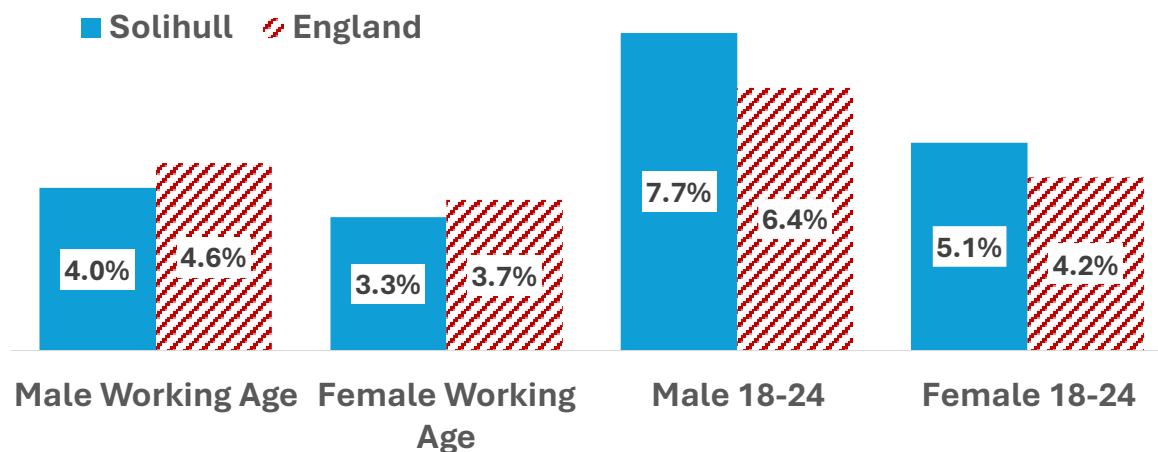
Males account for 54% of Solihull working age unemployment claimants and 63% of all claimants aged 18-24-years, in-line with the split nationally. The claimant unemployment rates among the working age population in Solihull are lower than the England average for both males and females. However, the rates among young people aged 18-24 years in Solihull are above average for both males and females.

Claimant Unemployment Rates by Gender December 2024			
Gender	Solihull Count	Rate (% Age and Gender Population)	
		Solihull	England
Male all age	2,505	4.0%	4.6%
Female all age	2,145	3.3%	3.7%
Male 18-24	590	7.7%	6.4%
Female 18-24	345	5.1%	4.2%

Source: ONS/Nomis

## Claimant Unemployment Rates by Gender

### December 2024



Source: ONS/Nomis

In the year to December 2024 the increase in working age claimant unemployment in Solihull has been higher among women than men, but lower among those aged 18-24 years.

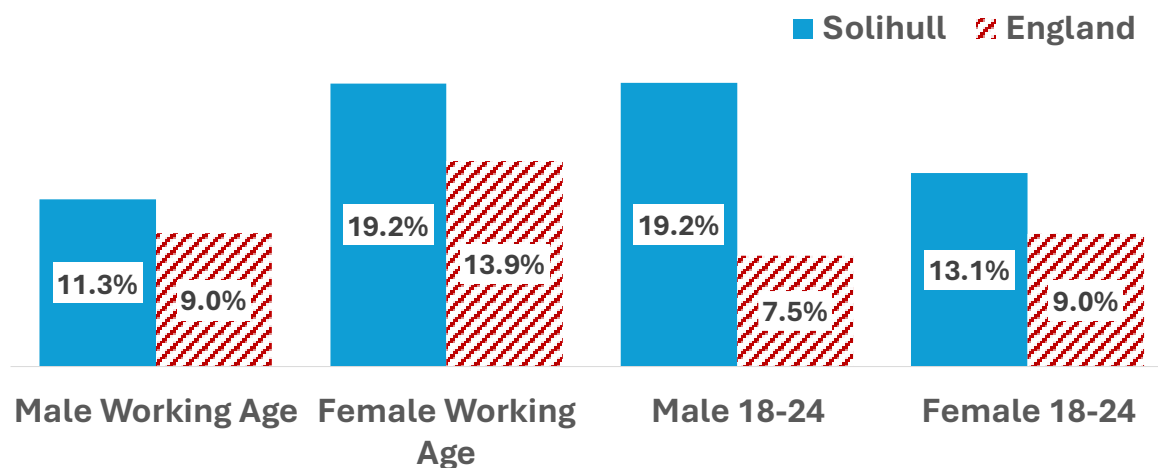
% Change in Claimant Unemployment in Solihull by Gender			
Gender	Since Covid-19 (Mar 2020-Sep 2024)	1 Year (Dec 2023-Dec 2024)	6 Months (Jun 2024-Dec 2024)
Male working age	22%	11%	6%
Female working age	35%	19%	12%
Male 18-24	12%	19%	11%
Female 18-24	15%	13%	11%

Source: ONS/Nomis

In the year to December 2024 the increase claimant unemployment has been higher in Solihull than England for men and women of working age and those aged 18-24 years. This is most notable among men aged 18-24 years where the 19% increase in Solihull is more than double that for England (+8%).

## Change in Claimant Unemployment Count by Gender

### One year December 2023 - December 2024



Source: ONS/Nomis

### Age Group Claimant Unemployment Differences

Nearly a third of Solihull claimants are under 30 years old (1,475 people, 32% total), including the largest single age group, those aged 18-24 years who comprise 20% (935 people) of the total.

Except for those under 30 years old 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 December 2024				
Age Band	Solihull Count	% Solihull Total	Rate (% Age Band Population)	
			Solihull	England
Aged 18-24	935	20%	6.5%	5.3%
Aged 25-29	540	12%	4.5%	4.5%
Aged 30-34	545	12%	4.2%	4.4%
Aged 35-39	575	12%	4.2%	4.9%
Aged 40-44	535	11%	3.9%	4.9%
Aged 45-49	385	8%	3.0%	4.4%
Aged 50-54	405	9%	2.7%	3.4%
Aged 55-59	365	8%	2.4%	2.8%
Aged 60-64	290	6%	2.1%	2.6%
Total	4,655		3.6%	4.2%

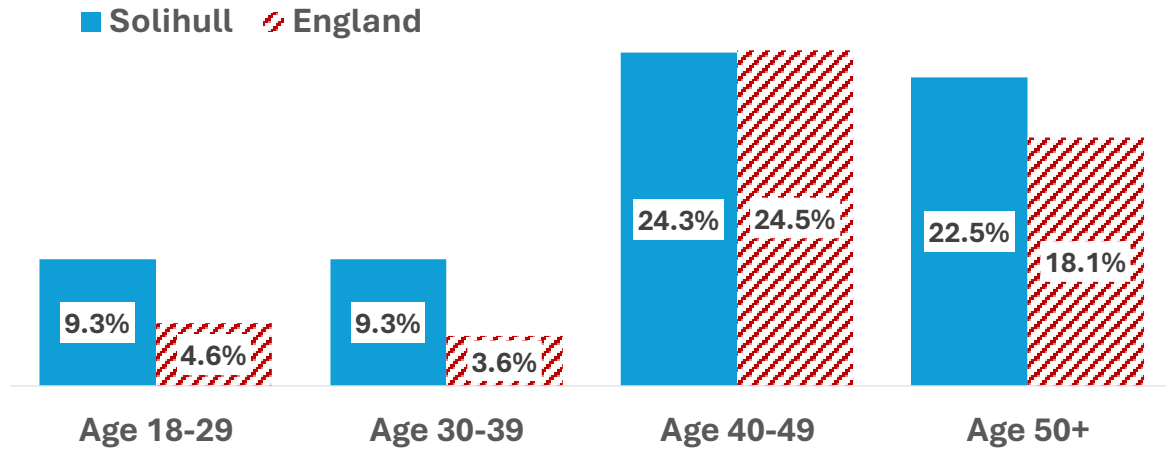
Source: ONS/Nomis

In both Solihull and England, the upward trend in claimant unemployment in the year to December 2024 has been more pronounced among older age groups.

The most significant difference in age group trends locally over the last year has been the higher increases experienced by those under 40 years old in Solihull than in England.

## Change in Claimant Unemployment Count by Age

*One year December 2023 - December 2024*



Source: ONS/Nomis