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Data Management and Analysis Group

Claimant Count Model: Technical Note 2006

Guidance note to accompany published data tables

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Lorna Spence and Georgia Hay

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For more information please contact:

Lorna Spence
Data Management and Analysis Group
Greater London Authority
City Hall (5 East)
The Queen's Walk
London SE1 2AA

Tel: 020 7983 4658
Lorna.spence@london.gov.uk

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Table of Contents

Claimant Count Model: Technical Note 2006

Overview

- The claimant count measures the number of people claiming Jobseeker's Allowance (JSA). The data represent a subset of the unemployed (those claiming JSA) and provide a useful - albeit partial - measure of unemployment. Despite their limitations, they have a number of applications and are widely used.

- The GLA maintains a model that generates claimant count rates by age and gender for London boroughs and wards. These data are produced monthly and are designed to complement and add value to statistics already published by the Office for National Statistics (ONS).

- GLA rates are different to ONS rates. GLA rates express the claimant count as a proportion of the resident labour force, whereas ONS rates express the claimant count as a proportion of the population. Additionally, GLA rates are available by age and are derived from a labour force base that is updated annually.

- The model is regularly updated to incorporate the best data available. In 2004, the model was substantially revised to incorporate ONS's change to using current (2002) ward boundaries and to take account of new GLA labour force estimates. In 2005, the model was revised further to deal with ONS rounding of claimant count data by age and duration.

- In 2006 revisions comprise two elements: a) the update of the labour force base to be consistent with 2006 population data and b) the introduction of an adjustment factor to allow for estimated changes in labour force participation rates between 2001-2006.

- The 2006 revision has led to considerable changes in rates for 16-24 year olds, and in some areas claimant count rates for this group have increased considerably, as a result of the change to a new base. This is because the GLA 2005 round population projections are the first to use 2001 Census migration data, which have led to downward revisions in the number of young people relative to the previous set of projections.

- This and previous revisions lead to discontinuities in the data over time which make it difficult to compare rates on a 'like for like' basis. This is the main limitation of the model which is primarily designed to provide snapshot data every month as opposed to long term trend data.

- This guidance note explains the basis of the current 2006 model and accompanies the monthly tables which are made available on the GLA's data website every month. The note also summarises available historical data.

Introduction

The claimant count is based on the number of people claiming Jobseeker's Allowance (JSA)[1] and provides a useful - albeit partial - measure of unemployment. The Office for National Statistics (ONS) publishes a range of data on the number of claimants but data published in the form of percentage rates are more limited. For this reason, the GLA's Data Management and Analysis Group (DMAG) produces its own labour-force based rates for London. These rates are designed to complement the official population-based rates already produced by ONS.

To produce these rates, DMAG maintains a spreadsheet-based model that generates monthly claimant count rates by age and gender for London boroughs and wards. In addition, the model summarises data on duration of claims. These data are made available via the GLA's dedicated data sharing web site (https://extranet.london.gov.uk/).

This note explains the basis of the current 2006 model and is designed to accompany the published tables. Specifically, the note outlines:

- What the claimant count measures
- How GLA and ONS rates are calculated
- Why GLA and ONS published data differ
- Data available on the website every month
- Rounding of claimant count data, categories and precision of estimates
- Revisions to the model & discontinuities over time
- Guide to available data
- Guidance on reproducing this data in reports and on websites: copyright issues

What the claimant count measures

The claimant count measures the number of people claiming Jobseeker's Allowance (JSA). As the claimant count is a by-product of the benefits administration system, it only counts those unemployed people who are claiming Jobseeker's Allowance. Recent analysis by the GLA has highlighted that some unemployed people are more likely to be missed by the claimant count than others; these include women, young people and those living in higher income households. This largely reflects the eligibility criteria for Jobseeker's Allowance. **For this reason, the claimant count is best viewed as an unemployment indicator not a comprehensive unemployment measure.**

The Government's official and preferred measure of unemployment is currently ILO[2] unemployment as measured by the Annual Population Survey (formerly the Labour Force Survey). ILO unemployment measures those people out of work, who are actively looking for work and are available to start work. This measure is more comprehensive than the claimant count as it includes the many unemployed people who are not eligible for or not claiming JSA. Recent data for London suggested that the claimant count, at 165,000 in November 2005, was around 120,000 lower than the ILO unemployment estimate for Autumn 2005 (288,000).

[1] JSA claimants include those who sign on for National Insurance credits but receive no benefit.
[2] ILO stands for International Labour Organisation.

Despite its limitations, the claimant count is widely used because it is timely (data are available monthly around 4/5 weeks after the date of the count) and because it is available at ward level. ILO unemployment estimates are poor at borough level and cannot be generated at all for wards.

Provided users are clear about what the count does and doesn't measure, it can be a very useful tool for local area profiling and has a range of applications. Recent research[3] by ONS suggested that the claimant count was a leading indicator of labour market turning points in the economy. More detail on the basis of the claimant count can be found in a recent DMAG Briefing: *Measuring Unemployment: A guide to different sources of data on unemployment (DMAG Briefing 2004/9)*.

Official ONS claimant data and rates

Claimant count data are made available every month by ONS via NOMIS, a website for official labour market statistics (www.nomisweb.co.uk). Data on the number of claimants are available by age, duration of claim and gender, down to ward and super output area level. All data by age and duration are rounded to the nearest five.

In addition to counts, ONS publish percentage rates. **ONS rates, also referred to as 'proportions', express the claimant count as a proportion of the working age population** (based on mid-year estimates). From May 2004, ONS rates have been available down to ward level. While population-based rates can be useful, there is also demand for labour force-based rates. Though ultimately which type of rate is most appropriate really depends on the aim of the exercise in question (ie why the data are being compared). Rates that express claimants as a percentage of the labour force are often preferred as they provide more sophisticated controls for differences in the composition of local populations. This is an important issue in London as economic activity rates differ significantly between areas and groups within the population.

ONS claimant rates have two other limitations: they are not published by age and in the case of ward rates, the ONS population base is currently static (2001) so local population changes will not be reflected in the rates. The design of GLA rates overcomes both these limitations.

Figure 1 Derivation of GLA and ONS claimant count rates

$$\textbf{ONS claimant count rate (\%)} = \frac{\textbf{Claimant count}}{\textbf{Population}} \times 100$$

$$\textbf{GLA claimant count rate (\%)} = \frac{\textbf{Claimant count}}{\textbf{Persons economically active (excluding full-time students)}} \times 100$$

[3] *Labour Market Turning Points, Craig Lindsay,* Labour Market Trends, November 2003

Table 1. ONS and GLA claimant count rates for boroughs, November 2005

	Claimant rates (%)	
	ONS (% population)	GLA (% labour force)
City of London	1.1	2.6
Barking & Dagenham	3.9	5.9
Barnet	2.6	3.5
Bexley	2.1	2.7
Brent	4.2	5.8
Bromley	2.1	2.7
Camden	3.5	5.3
Croydon	2.9	3.8
Ealing	2.9	3.9
Enfield	3.5	4.9
Greenwich	3.9	5.5
Hackney	5.6	8.5
Hammersmith & Fulham	3.0	4.2
Haringey	5.4	7.9
Harrow	2.4	3.2
Havering	1.8	2.4
Hillingdon	2.4	3.1
Hounslow	2.4	3.2
Islington	4.7	6.8
Kensington & Chelsea	2.1	3.2
Kingston upon Thames	1.5	2.0
Lambeth	5.0	6.5
Lewisham	4.6	6.2
Merton	2.4	3.1
Newham	4.7	7.5
Redbridge	2.8	3.6
Richmond upon Thames	1.4	1.8
Southwark	5.0	7.2
Sutton	2.0	2.4
Tower Hamlets	5.7	8.9
Waltham Forest	4.2	5.9
Wandsworth	2.5	3.3
Westminster	2.4	3.5
Greater London	**3.3**	**4.6**

Source: GLA & Office for National Statistics

GLA claimant rates

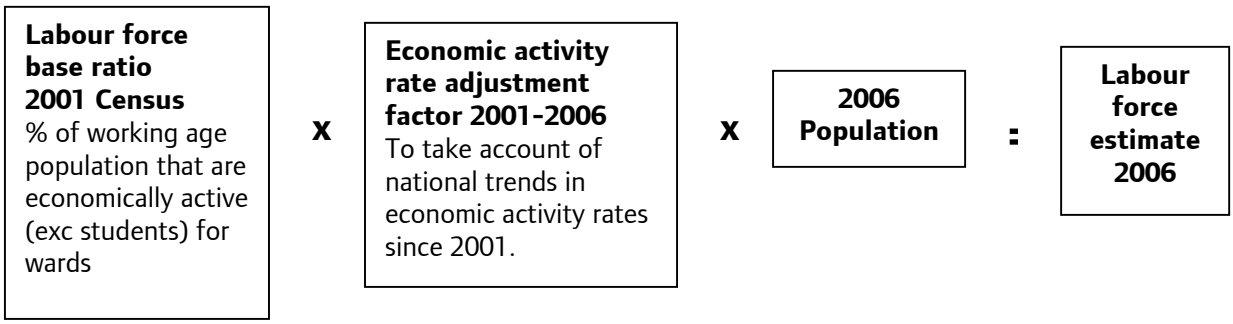
The GLA rates are designed primarily for monitoring labour market exclusion and this is the main rationale for using a labour force-based rate. The rates are intended to provide an indication of how the resident workforce is faring in the labour market and to provide like for like area comparisons. **The GLA percentage rates express the claimant count in a borough or ward as a percentage of economically active residents in that area, excluding economically active full-time students.**

Economically active people are those who are either in work or who are unemployed and looking for work (ie the labour force). Full-time students who are economically active are excluded from the base as they are largely ineligible for unemployment-related benefits and also because their exclusion provides a more meaningful comparison between areas as the student population is not uniform across London or within boroughs. As the GLA base is the labour force, which is a subset of the population, GLA claimant rates are higher than ONS rates (See Table 1).

How the GLA calculates local labour force estimates

The labour force data used in the model are estimates produced by the GLA's Demography Team. The 2006 estimates are generated by applying 2001 Census data on economic activity, adjusted for changes in national economic activity rates between 2001 and 2006[4], to the 2006 GLA ward population projections.

Figure 2 Derivation of 2006 labour force base for local areas



Note: All calculations age and gender specific

The **population adjustments** are age and gender specific and are updated annually (usually in January) to come into line with the latest population projections for that year. Currently, 2006 labour force estimates are consistent with GLA 2005 Round Interim Population Projections, Scenario 8.07[5]. Additional revisions to the base can take place mid-year should improved labour force data become available.

The **economic activity rate adjustment** was introduced in 2006. The adjustment takes account of changes in economic activity rates between 2001 and 2006 and is based on recently released ONS national labour force projections. Using these, the change in economic activity

[4] *Projections of the UK Labour Force Trends 2006-2020,* Labour Market Trends, January 2006
[5] DMAG Briefing 2005/40

(EA) rates by age and gender between 2001 and 2006 was used to update the 2001 Census ratios. These take on board factors such as the increasing participation rates of women aged over 50.

Appendix 1 provides more technical detail on the modelling process.

Differences between GLA claimant count totals and ONS published statistics
As well as differences in rates, claimant count totals can also differ. Borough and ward totals generated by the model will differ slightly from headline claimant count data published by ONS. This is due to (i) the issue of computerised claims and (ii) ONS use of out of date borough boundaries:

- **Computerised and clerical claims**
  All claimant count data used in the GLA model are based on computerised claims, these exclude manually processed claims that are not in the system at the time of the count. Computerised claims represent around 99 per cent of all claims, so count totals presented in the GLA model are sometimes slightly lower than ONS headline totals (See Table 2). Age and duration data is only available for computerised claims, which is why the model uses this as its base.

- **Inconsistent borough geographies**
  The way in which ONS and the GLA deal with borough level geography is different and this is another reason why ONS and GLA borough totals are slightly different. The GLA model is entirely based on current ward and borough boundaries (in the case of London: boundaries in place at December 2002 consistent with 2001 Census geographies). However, ONS are still publishing borough and regional claimant count totals on the basis of 1991 boundaries. This is because ONS wanted to maintain consistent time-series data at borough and regional level. For the most part, borough level differences in ONS and GLA counts are trivial with the exceptions of the City, Redbridge and Barking & Dagenham. Table 2 illustrates these issues by comparing GLA and ONS borough counts on various bases.

Monthly data tables currently available via the website
The final output of the model is a large Excel spreadsheet of data tables. Eight data tables are made available every month for the 32 London boroughs. In each case data is presented for wards with borough totals. In addition, a summary table is published for the London boroughs, that also has comparator data for Greater London, Inner London, Outer London, England, England & Wales and Great Britain. Summary data for the City of London is also available on this table. No ward tables are produced for the City of London due to the small size of its resident population. Data are also available for GLA constituency areas on request.

Age and duration categories
The model generates data by ward by gender, age and duration of claim. Data by age is presented for three age groups within the main claimant age group (16 to pensionable age) as shown in Table 3. Very few unemployed 16 and 17 year olds are eligible for Jobseeker's Allowance (unless special circumstances apply) so this group tends to be significantly under represented in the claimant count. Each month, a table on young claimants by age is published

to illustrate this point. In December 2004, of all London claimants aged 16 to 24, only 3 per cent were aged 16 or 17. If users require more detailed count data by age and duration, this is available direct via NOMIS (more detailed data is only available via NOMIS for counts only).

Table 3. Monthly tables and age and duration categories used (2005 model)

Tables	**Age groups**	**Duration of claim**
Table 1 Claimant count and rates by gender Table 2 Claimant count and rates by age, persons Table 3 Claimant count and rates by age, males Table 4 Claimant count and rates by age, females Table 5 Claimant count, young claimants by age Table 6 Claimant count by duration, persons Table 7 Claimant count by duration, males Table 8 Claimant count by duration, females	16-24 25-44 45-59/64 (59 women & 64 for men)	Up to 13 weeks 14-26 weeks 27-52 weeks 53-104 weeks Over 104 weeks
Table 9 Summary ward rankings	Gender split only	
Table 10 Labour force ward denominators	Reference table by age & gender	

Claimant count data for Super Output Areas

The GLA model uses ward geography. However since October 2004, ONS has published claimant count data by age and duration down to lower level Super Output Area (SOA). While these data are useful, their application is limited (when analysed by age and duration) as the numbers are very small and are rounded to the nearest five. The GLA has no plans to incorporate data by SOA into the model as it would be very difficult to produce meaningful or reliable rates by age at this level. However, data are available freely on NOMIS, where data for larger areas of interested can be constructed.

Rounding of claimant count data, categories and precision of estimates

In June 2004, ONS started rounding claimant count data by age and duration to the nearest five. As counts were no longer precise, rates based on very low counts were less reliable. This and other technical issues associated with rounding led to a review of the GLA model design and a consequent reduction of the number of categories used.

The intention of the redesign was to limit the publication of poor quality data. Despite the redesign, in the case of some wards and age groups (especially for females), claimant numbers are still very low (eg under 20). In these cases, rate estimates are likely to be less reliable, in general, the smaller the count, the less accurate the derived rate.

Even when considering data for larger groups, users need to bear in mind that GLA rates are estimates NOT precise measures. The count is rounded and the labour force base is an estimate, so all rates have a degree of error attached to them.

Table 2 Comparison of GLA and ONS claimant count data for boroughs, November 2005

	Claimant count						
	ONS published statistics (1991 boundaries)		GLA derived totals (current boundaries)		Difference due to boundaries (GLA-ONS all claims)		Computerised as % of all claims (current boundaries)
	All claims	Computerised	All claims	Computerised*	No.	% change	
City of London	75	75	125	125	50	67	100
Barking & Dagenham	3,968	3,960	4,215	4,205	247	6	100
Barnet	5,425	5,280	5,423	5,280	-2	0	97
Bexley	2,851	2,835	2,848	2,830	-3	0	99
Brent	7,605	7,375	7,474	7,245	-131	-2	97
Bromley	3,883	3,840	3,880	3,840	-3	0	99
Camden	5,441	5,425	5,441	5,425	0	0	100
Croydon	6,317	6,195	6,321	6,200	4	0	98
Ealing	5,863	5,830	5,885	5,855	22	0	99
Enfield	6,309	6,155	6,377	6,220	68	1	98
Greenwich	5,807	5,750	5,760	5,705	-47	-1	99
Hackney	7,741	7,630	7,728	7,620	-13	0	99
Hammersmith & Fulham	3,862	3,820	3,858	3,820	-4	0	99
Haringey	8,439	8,355	8,449	8,365	10	0	99
Harrow	3,180	3,135	3,218	3,170	38	1	99
Havering	2,488	2,480	2,482	2,475	-6	0	100
Hillingdon	3,766	3,725	3,782	3,740	16	0	99
Hounslow	3,414	3,400	3,387	3,370	-27	-1	99
Islington	6,064	6,055	6,044	6,035	-20	0	100
Kensington & Chelsea	2,736	2,720	2,776	2,760	40	1	99
Kingston upon Thames	1,514	1,500	1,518	1,505	4	0	99
Lambeth	9,594	9,525	9,531	9,465	-63	-1	99
Lewisham	7,630	7,570	7,701	7,640	71	1	99
Merton	3,121	3,080	3,121	3,080	0	0	99
Newham	7,617	7,570	7,591	7,545	-26	0	99
Redbridge	4,316	4,300	4,100	4,085	-216	-5	100
Richmond upon Thames	1,669	1,650	1,690	1,670	21	1	99
Southwark	8,750	8,690	8,800	8,740	50	1	99
Sutton	2,215	2,195	2,208	2,185	-7	0	99
Tower Hamlets	8,271	8,210	8,248	8,185	-23	0	99
Waltham Forest	6,166	6,130	6,171	6,135	5	0	99
Wandsworth	5,134	5,070	5,144	5,080	10	0	99
City of Westminster	4,069	4,060	4,078	4,070	9	0	100
Greater London	**165,300**	**163,595**	**165,374**	**163,670**	**74**	**0**	**99**

Source: Office for National Statistics & GLA calculations (*The GLA model uses this measure)

Notes: Data on computerised claims is only available rounded (to the nearest five).

Historical changes to the model and discontinuities over time

Claimant count rate data on the GLA website are available from January 2002 onwards. However, the basis of the model has been revised several times since then:

- **February 2004: Change to new ward boundaries and radical overhaul of the model**
  In 2004, ONS started to publish ward claimant count data on the basis of current ward boundaries (previously data had been based on 1991 boundaries). At this time, the GLA decided to substantially revise its model to reflect both the new geographies and to take account of more up to date resident labour force data (used to derive the rates). The new model improved on its predecessor, as the labour force base was dynamic and designed to be updated annually (unlike the old model which had a static base).

- **January 2005: Change of design of model to accommodate rounding and 2005 labour force base**
  In 2005, the model has been further revised to incorporate the rounding of claimant count data, as already mentioned. The result of this has been the reduction of the number of age and duration categories that took affect from June 2004. Additionally, count data for January 2005 onwards now incorporates the new 2005 labour force base. *Age and duration tables were suspended for some time whilst re-modelling took place but these were later re-instated*.

- **January 2006: Revision of model to accommodate new 2006 labour force base plus introduction of economic activity rate adjustment**
  Most recently the model has undergone its annual revision of labour force base. The base has been updated to be consistent with 2006 population data. However in addition to this, a new adjustment factor has been introduced which takes account of changes in economic activity rates since 2001, based on recently released ONS national labour force projections.

  Of the two revisions, it is the first (the move to 2006 population data), which has been the more significant, in terms of affecting the rates. Specifically, these revisions have led to large discontinuities in the data for young people aged 16-24. This is because latest GLA population projections of the number of young people in London have fallen significantly relative to the previous years projections.[6] This has led to claimant count rates for this age group increasing considerably for many areas. The GLA has run data for January 2006 on the new and old labour force, so users can see the impact of the revision of the base distinct to the monthly change in claimant rates.

[6] The GLA 2005 Round Interim projections differ from their predecessor in that a number of new data sets became available. In July 2005, the new London Housing Capacity Study became available, allowing the inclusion of more up-to-date housing data. ONS mid-year estimates were also available up to 2004, including the revisions made to 2001 and 2002 in September 2003, as well as additional years of births, deaths and net migration. The fertility and survival assumptions in the projections were based on the Government Actuary's mid-2003 based national projections. However, the greatest difference between the 2003 Round Scenario 8.1 and 2005 Round Scenario 8.07 comes from the change to the migration age structure used. These projections are the first to incorporate the migration age and gender structure from the 2001 Census – previously this was taken from the 1991 Census – and this has lead to significant differences in certain age groups in the projections.

The first of these revisions, which changed the ward boundary basis, means that data from February 2004 onwards are not comparable **in any way** with data from the old GLA model. This is because the two models use different geographies, have entirely different labour force bases and additionally use slightly different age categories and table layouts. The January 2004 count was the last to be released on the basis of 1991 ward geography and ONS has decided not to make retrospective data available due to concerns about disclosure control.

Later revisions, while less radical, still lead to considerable discontinuities in the data over time which can make it difficult to compare rates on a 'like for like' basis. This is the main limitation of the model which is designed primarily to provide snapshot data every month as opposed to long term trend data. Discontinuities are most likely to occur when the January data is released each year, which is the first to incorporate the new labour force data for that year.

Historical data availability

Table 4 summarises exactly what monthly data are available and on what basis. Data from 2002 are available on the GLA extranet, though rates derived from the old model (pre February 2004) carry significant health warnings. This is due to the fact that the labour force based in the old model was static and related to the size of the labour force as at 1991. Consequently, reliability of rates can be poor, especially for wards that experienced high population change between 1991 and 2001. Users wishing to use this data are encouraged to contact the GLA for further advice on this issue. All data prior to 2002 are available on request.

Table 4: GLA claimant count modelled estimates: a guide to available data

	Claimant count data for months:				
Date:	August 1999 to January 2004	February to December 2004		Jan –Dec 2005 onwards	Jan 2006 onwards
Model	Old 1991 based model*	Current model (2004 base)		Current model (2005 base)	Current model (2006 base)
Ward boundaries	1991	2002		2002	2002
Labour force	1991	Mid-2004		Mid-2005	Mid-2006
Age categories	16-19 20-24 25-34 35-44 45-54 55-59 60+	*Feb-May:* 16-24 25-34 35-44 45-54 55-PA** Due to rounding, the number of groups was reduced.	*Jun–Dec:* 16-24 25-44 45-PA	Working age 16-24 25-44 45-PA	Working age 16-24 25-44 45-PA
Duration categories	Up to 6 weeks 7-13 weeks 14-26 weeks 27-52 weeks 53-104 weeks 105-156 weeks Over 156 weeks	Up to 6 weeks 7-13 weeks 14-26 weeks 27-52 weeks 53-104 weeks 105-156 weeks Over 156 weeks	< 14 weeks 14-26 weeks 27-52 weeks 53-104 weeks 105 weeks+	< 14 weeks 14-26 weeks 27-52 weeks 53-104 weeks 105 weeks+	< 14 weeks 14-26 weeks 27-52 weeks 53-104 weeks 105 weeks+
Where is the data?	Data from January 2002 are available on the GLA data extranet. Older data are available on request.				

Notes:

* Rates based on the old GLA model (data for months prior to February 2004) were derived using a 1991 labour force base. Consequently, rates have poor reliability, especially for wards where population change between 1991 and 2001 was high. Further advice on the use of this data is available on request.

** PA=up to pensionable age (59 for women and 64 for men)

How to access data via the GLA's website

Data tables from the model are made available every month via the GLA's dedicated data sharing website: https://extranet.london.gov.uk/ under the topic area 'Social Exclusion'. To get access to the site, you must first register your details then you will receive a password and username that will enable you to download data each month. The site is intended for regular users. For one-off enquiries, the GLA will email data direct.

Additionally, official claimant count data direct from the Office for National Statistics is available via NOMIS (www.nomisweb.co.uk).

Reproducing this data in reports and on websites: copyright issues

As monthly data tables are based on data from both the Office for National Statistics and the GLA, users are advised to take care over reproducing data and ensure they follow copyright guidance. Specifically if organisations want to reproduce this data (via reports or websites) they must:

- Ensure that they have permission to reproduce ONS data as they are Crown Copyright. Most organisations do this by obtaining a 'click-use' licence: (www.clickanduse.hmso.gov.uk).
- Ensure that the relevant source is acknowledged/visible on each table.
- Ensure that the data are reproduced accurately and not misrepresented in any way.
- Ensure that appropriate copyright statements are visible somewhere in the report:
  (i) Claimant count data are © Crown Copyright and are reproduced with the permission of the Controller of HMSO and the Queen's Printer for Scotland
  (ii) Copyright © Greater London Authority, 2006

The GLA is happy to share the data with local authorities and other agencies and will give permission for tables to be made available via other organisations websites provided organisations ensure the above conditions are met. Additionally the GLA require:

(i) That this guidance note is made available to accompany the tables.
(ii) That the data are made **freely** available to others (ie not sold on).

Further information

Other information on the subject of unemployment indicators can be found it two recent DMAG Briefings:

DMAG Briefing 2003/26	Unemployment in London: An analysis of 2001 Census
DMAG Briefing 2004/9	Measuring Unemployment: A guide to different sources of data on unemployment

If you have comments about the data or would like further information, please contact Lorna Spence of the DMAG Social Exclusion Team on 0207 983 4658 or by e-mail: *lorna.spence@london.gov.uk*

Appendix 1. GLA local area labour force estimates for the 2006 model

This note explains how the labour force base, which underpins the GLA claimant count model, is calculated.

The 2006 base is derived using data from the 2001 Census, GLA population projections and the ONS Labour Force (LF) projections.

2001 Census figures were used to determine the base for each ward. Using this base, a ratio of economically active persons (excluding full-time students) to population was calculated. In calculating the base for previous years' claimant count model, this Census ratio was then applied to the appropriate projected population figures.

However, in January 2006, the ONS released national labour force projections for 2006 to 2020. The change in economic activity (EA) rates between 2001 and 2006 was used to update the 2001 Census ratios.

The ratios were age and gender specific to take account of differences within the population. In keeping with the standard 'working-age' definitions, rates have been calculated for ages 16-17, 18, 19, 20-24, 25-29, … 55-59 and 60-64 (males only) and accumulated to age groups 16 to 24, 25 to 44 and 45 to 64 year olds for males and 16 to 24, 25 to 44 and 45 to 59 year olds for females. The total labour force figures are calculated from the age groups. Borough totals were sums of the ward level labour force estimates.

2001 Census base = Total economically active – Economically active full-time students

$$\textbf{Census Ratio} = \frac{\text{2001 Census base}}{\text{2001 Census population}}$$

$$\textbf{EA rate adjustment factor} = \frac{\text{EA rate}_{2006} \times 100}{\text{EA rate}_{2001}}$$

LF Adjusted Ratio = Census Ratio x EA rate adjustment factor

2006 base = 2006 population x LF Adjusted Ratio

Table A1. Economic activity rate adjustment factors, based on ONS Labour Force projections

	Age									
	16-17	18-24	25-29	30-34	35-39	40-44	45-49	50-54	55-59	60-64
Males	95.0	98.8	99.0	98.8	99.5	99.2	100.3	100.8	102.4	107.8
Females	90.5	99.1	101.3	101.1	99.1	100.1	100.9	104.0	110.0	NA

Every year, the GLA produces population projections by borough and ward. The projections are produced using a model that takes account of many factors, including births, deaths, migration, electorates and dwelling stock. The dwelling stock data come from the London Housing Capacity Study (LHCS). The current study was carried out in 2004/2005 and will feed into the first draft alterations to the Mayor's *London Plan*.

This set of population projections has been produced as part of the annual round of GLA demographic projections and incorporates ONS mid-year estimates and the components of population change – such as births, deaths and migration – for years 2001 to 2004. However, these projections are considered interim, as the ODPM 2003-based household projections are required to finalise them.

The GLA projections are produced up to 2031, and every year new projections are calculated taking account of additional data that have become available. To create the denominator for the claimant count rates, the latest available population projections for that particular year will be used. For illustrative purposes, using females aged 25 to 29 in wards in Camden, Table A2 shows the figures that were used to calculate the 2006 labour force figures.

Table A2. Deriving the 2006 labour force base for Camden wards, females aged 25-29

			2001 Census data ('EA'=Economically Active)			ONS LF Projections adjustment	2005 Round Interim Projections - Scenario 8.07	
Females, aged 25-29[5]	Population	Persons EA	EA full-time students	Base[1]	Ratio[2]	Adjusted Ratio[3]	2006 Population	2006 Final Base[4]
Belsize	887	704	24	680	0.77	0.78	772	600
Bloomsbury	611	433	36	397	0.65	0.66	908	598
Camden Town with Primrose Hill	641	493	19	474	0.74	0.75	793	594
Cantelowes	665	508	20	488	0.73	0.74	909	676
Fortune Green	896	743	15	728	0.81	0.82	908	748
Frognal and Fitzjohns	831	656	21	635	0.76	0.77	753	583
Gospel Oak	559	421	15	406	0.73	0.74	715	526
Hampstead Town	686	556	25	531	0.77	0.78	629	493
Haverstock	777	552	24	528	0.68	0.69	803	553
Highgate	549	454	13	441	0.80	0.81	540	440
Holborn and Covent Garden	645	430	17	413	0.64	0.65	978	635
Kentish Town	810	632	40	592	0.73	0.74	799	592
Kilburn	747	570	11	559	0.75	0.76	738	559
King's Cross	812	403	55	348	0.43	0.43	1,192	518
Regent's Park	698	435	20	415	0.59	0.60	999	602
St. Pancras and Somers Town	610	361	8	353	0.58	0.59	944	554
Swiss Cottage	1,039	842	26	816	0.79	0.80	814	648
West Hampstead	1,069	905	15	890	0.83	0.84	845	713
Camden	**13,532**	**10,098**	**404**	**9,694**	**0.72**	**0.73**	**15,040**	**10,629**

[1] Base = Economically active persons (excluding economically active full-time students) = Economically Active 'All persons' – Economically Active 'full-time students'

[2] Ratio = 2001 Census Base \2001 Census Population

[3] The 2001Census ratio was adjusted to take account of the ONS national Labour Force projections. The change in the economic activity rates by age and gender between 2001 and 2006 was calculated and applied to all wards, boroughs and Greater London.

[4] 2006 Base = 2006 Population * Ratio

[5]Labour force data have been derived for detailed age bands then amalgamated to broader groups needed for the model

Taking Gospel Oak as an example:

2001 Census Ratio = $\frac{\text{2001 Census base}}{\text{2001 Census population}} = \frac{421 - 15}{559} = \mathbf{0.73}$

LF Adjusted Ratio = $\frac{\text{2001 Census Ratio x EA rate adjustment factor}}{100}$

= $\frac{0.73 \times 101.3}{100} = \mathbf{0.74}$

2006 base = 2006 population x LF Adjusted Ratio =715 x 0.74 = **526**

More information
A full working copy of the spreadsheet used to produce the denominators is available on request. For more information about the modelling process, please contact Georgia Hay of the DMAG Demography Team on georgia.hay@london.gov.uk or 020 7983 4347.

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Contact details for the Data Management and Analysis Group are as follows:

Rob Lewis (020 7983 4652) is **Head of the Data Management and Analysis Group**. rob.lewis@london.gov.uk

Bill Armstrong (020 7983 4653) works in the **Census Team** with particular responsibilities for **commissioned tables**, **workplace data** and **mapping**. bill.armstrong@london.gov.uk

Baljit Bains (020 7983 4613) works in the **Demography Team** and is responsible for **ethnic demography**, including **ethnic group projections**. baljit.bains@london.gov.uk

Gareth Baker (020 7983 4965) works on **GIS** issues. gareth.baker@london.gov.uk

Shen Cheng (020 7983 4889) works on **Education data** and is responsible for **school roll projections**. shen.cheng@london.gov.uk (maternity leave until early 2006)

David Ewens (020 7983 4656) is responsible for **Education research and data analysis**. david.ewens@london.gov.uk

Giorgio Finella (020 7983 4328) works in the **Census Team.** giorgio.finella@london.gov.uk

Dennis Grenham (020 7983 4532) works mostly on **statistical compendia**, **election statistics** and **special publications**. dennis.grenham@london.gov.uk

Georgia Hay (020 7983 4347) works in the **Demography Team** and is responsible for **ward level projections,** the **Demography Extranet** and **borough liaison**. georgia.hay@london.gov.uk

John Hollis (020 7983 4604) is responsible for the work of the **Demography Team** and the **Social Exclusion Team**, and particularly for **demographic modelling.** john.hollis@london.gov.uk

Eileen Howes (020 7983 4657) is responsible for the work of the **Census Team** and the **SASPAC** project. eileen.howes@london.gov.uk

Ed Klodawski (020 7983 4694) works in the **Demography Team.** His post is joint with the **London Health Observatory** and specialises in **ethnic** and **health** issues**.** edmund.klodawski@london.gov.uk

Rachel Leeser (020 7983 4696) works in the **Social Exclusion Team** with particular responsibilities for **surveys** and **income data**. rachel.leeser@london.gov.uk

Alan Lewis (020 7983 4348) works on the **SASPAC** project. alan.lewis@london.gov.uk

Michael Minors (020 7983 4654) is responsible for the work of the **General Statistics, Education, and GIS team**. michael.minors@london.gov.uk

Karen Osborne (020 7983 4889) works on **Education data** and is responsible for **school roll projections**. Karen.Osborne@london.gov.uk (maternity cover until early 2006)

Gareth Piggott (020 7983 4327) works in the **Census Team**. gareth.piggott@london.gov.uk

Lorna Spence (020 7983 4658) is a member of the **Social Exclusion Team**, with particular responsibilities for **labour market data**. lorna.spence@london.gov.uk

Lovedeep Vaid (020 7983 4699) works in the **Social Exclusion Team** with particular responsibilities for **benefits, indicators** and **income data**. lovedeep.vaid@london.gov.uk

Please use the above descriptions in deciding whom to contact to assist you with your information needs.