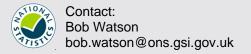


Statistical bulletin

Regional Labour Market: June 2015

Regional, local authority and parliamentary constituency breakdowns of changes in UK employment, unemployment, economic inactivity and other employment-related statistics.



Release date: 17 June 2015

Next release: 15 July 2015

Table of contents

- 1. Main points
- 2. In this bulletin
- 3. Summary of latest regional labour market statistics
- 4. <u>Understanding and working with labour market statistics</u>
- 5. Detailed commentary
- 6. Employment
- 7. Workforce jobs (first published on 17 June 2015)
- 8. Actual hours worked (first published on 17 April 2015)
- 9. <u>Unemployment</u>
- 10. Claimant Count (experimental statistics)
- 11. Economic inactivity
- 12. Local labour market indicators
- 13. Where to find more information about labour market statistics
- 14. Quality information
- 15. Background notes

1. Main points

- The employment rate in the United Kingdom, for the 3 months ending April 2015, was highest in the South West (77.3%) and lowest in Northern Ireland (68.4%). The employment rate estimates are showing a mix of increases and decreases across the regions and countries of the UK
- The unemployment rate in the United Kingdom, for the 3 months ending April 2015, was highest in the North East (7.4%) and lowest in the South East (4.1%). All regions are showing decreases in the unemployment rate compared with a year ago
- The inactivity rate in the United Kingdom, for the 3 months ending April 2015, was highest in Northern Ireland (27.0%) and lowest in the South West (19.2%). A year ago, the lowest inactivity rate in the UK was in the South East (19.7%)
- The Claimant Count rate in the United Kingdom, for May 2015, was highest in Northern Ireland (4.8%) and lowest in the South East (1.2%). The Claimant Count for May 2015 compared with April 2015, is showing decreases or no change in the count across all regions of the UK, except the North West, for men, and the North West and Wales, for women
- The largest increase in workforce jobs, in the United Kingdom, for the 3 month period ending March 2015, was in the West Midlands, at 40,000. The largest decrease was in the South East, at 32,000
- The highest proportion of workforce jobs in the service sector was in London, at 91.7%, which is a decrease of 0.2 percentage points from the previous quarter. The East Midlands had the highest proportion of jobs in the production sector, at 13.8%, which has increased by 0.2 percentage points from the previous quarter. (Please note: this was corrected at 09.40 17 June 2015)
- The highest average actual weekly hours worked, for the twelve months ending December 2014, were in London, at 33.6 hours and lowest in the South West, at 31.2 hours. For full time workers, it was highest in London, at 38.3 hours and for part time workers it was highest in Northern Ireland, at 17.8 hours

2. In this bulletin

The headline measure of the Claimant Count has been changed in this month's release to include out-of-work claimants of Universal Credit. See background notes for further details.

This bulletin shows the latest main labour market statistics for the regions and countries of the United Kingdom, along with statistics for local authorities, travel-to-work areas and parliamentary constituencies.

Data for Northern Ireland, although included in this bulletin, are available separately, in full, in the <u>Northern</u> <u>Ireland Labour Market Report</u> on the Department of Enterprise, Trade and Investment, Northern Ireland website (DETINI) website.

Updated this month

Labour Force Survey estimates for the period February 2015 to April 2015. Claimant Count for May 2015. Workforce jobs estimates for March 2015. Public and private sector employment for March 2015.

Also in this release

Annual Population Survey estimates for the period January 2014 to December 2014.

3. Summary of latest regional labour market statistics

Table A shows the latest estimates for February 2015 to April 2015, for employment, unemployment and economic inactivity and shows how these estimates compare with the previous quarter (November 2014 to January 2015). Comparing non-overlapping periods; February 2015 to April 2015 with November 2014 to January 2015, provides a more robust short-term comparison. Table B shows the latest rates for the Claimant Count, for May 2015, and shows how these figures compare to the previous month (April 2015) and the previous year (May 2014).

Table A: Summary of latest headline estimates for February 2015 to April 2015, seasonally adjusted

UK regions	Employment rate (%) aged 16 to 64	Change on Nov 2014 to Jan 2015	Unemployment rate (%) aged 16 and over	Change on Nov 2014 to Jan 2015	Inactivity rate (%) aged 16 to 64	Change on Nov 2014 to Jan 2015
North East	69.3	-0.9	7.4	-0.3	24.9	1.1
North West	71.7	0.5	5.7	-0.5	23.8	-0.2
Yorkshire and The Humber	71.6	-0.8	6.9	0.9	23.1	0.2
East Midlands	74.4	0.4	4.9	-0.1	21.6	-0.2
West Midlands	71.0	-0.2	6.4	-0.2	24.0	0.3
East of England	76.8	0.2	4.4	-0.7	19.6	0.3
London	71.9	-0.4	6.3	0.1	23.2	0.3
South East	76.9	0.4	4.1	-0.5	19.7	0.1
South West	77.3	1.0	4.2	-0.3	19.2	-0.8
Wales	70.3	0.6	6.4	0.2	24.8	-0.8
Scotland	74.4	0.4	5.9	0.0	20.8	-0.4
Northern Ireland	68.4	0.6	6.1	0.1	27.0	-0.8
Great Britain	73.6	0.1	5.5	-0.1	22.0	0.0
United Kingdom	73.4	0.1	5.5	-0.1	22.2	0.0

Source: Office for National Statistics

Notes:

^{1.} Calculation of headline employment rate: Number of employed people aged from 16 to 64 divided by the population aged from 16 to 64. Population is the sum of employed plus unemployed plus inactive

^{2.} Calculation of headline unemployment rate: Number of unemployed people aged 16 and over divided by the sum of employed people aged 16 and over plus unemployed people aged 16 and over

^{3.} Calculation of headline economic inactivity rate: Number of economically inactive people aged from 16 to 64 divided by the population aged from 16 to 64. Population is the sum of employed plus unemployed plus inactive

Table B: Summary of latest Claimant Count estimates for May 2015, seasonally adjusted (Experimental statistics)

UK region	Level (thousands) aged 18 and over	Change on April 2015	Change on May 2014	Rate (%) aged 18 and over	Change on April 2015	Change on May 2014
North East	46.7	-0.7	-17.7	3.8	-0.1	-1.5
North West	107.1	2.1	-28.0	2.8	0.1	-0.7
Yorkshire and The Humber	83.2	-1.7	-31.7	3.1	-0.1	-1.2
East Midlands	48.4	-1.0	-22.4	2.1	0.0	-1.0
West Midlands	80.6	-1.2	-34.6	2.8	0.0	-1.2
East of England	48.3	-0.1	-23.8	1.6	0.0	-0.8
London	114.3	-1.5	-39.9	2.0	0.0	-0.7
South East	59.2	-0.9	-25.9	1.2	0.0	-0.5
South West	37.8	-0.1	-17.6	1.3	0.0	-0.6
Wales	44.8	-0.1	-14.9	3.0	0.0	-1.0
Scotland	78.1	-0.4	-22.4	2.8	0.0	-0.8
Northern Ireland	43.4	-1.0	-12.0	4.8	-0.1	-1.3
Great Britain	748.4	-5.5	-278.9	2.2	0.0	-0.8
United Kingdom	791.8	-6.5	-290.9	2.3	0.0	-0.8

Source: Department for Work and Pensions

4. Understanding and working with labour market statistics

Introduction

Labour market statistics measure many different aspects of work and jobs and provide an insight into the economy. They are also very much about people, including their participation in the labour force, the types of work they do, the earnings and benefits they receive and their working patterns.

We have developed a framework for labour market statistics to describe the major concepts that exist within the labour market and their relationship to each other. The framework is based on the concepts of labour supply and demand.

This approach has wide international acceptance, including by the International Labour Organisation (ILO). Labour supply consists of people who are employed, as well as those people defined as unemployed or economically inactive, who can be considered to be potential labour supply. The ONS framework distinguishes between these 3 categories of worker, and also between the different working arrangements of those in employment such as employees, the self-employed and those on government schemes.

Labour demand is represented by employers, who have a need for work to be done, and who offer compensation for this work to the employees who undertake it. This work is grouped by employers to form jobs. Users of labour market statistics include central and local government, economists, financial analysts, journalists, businesses, trade unions, employer associations, students, teachers, industrial tribunals, academic researchers and lobby groups.

They use them for the analysis, evaluation, monitoring and planning of the labour market and economy. Labour market statistics are also used for social analysis and help inform a wide range of government policies towards population groups of particular concern (women, young people, older people and jobless households).

A glossary is also available to explain the main labour market terms.

Where to find explanatory information

Explaining the concepts of employment, unemployment and economic inactivity is available on our website as a short video.

<u>Interpreting Labour Market statistics</u>, available on our website, is designed to help users interpret labour market statistics and highlight some common misunderstandings.

A more detailed <u>Guide to Labour Market Statistics</u>, which expands on "Interpreting Labour Market Statistics" and includes a <u>Glossary</u>, is also available on our website.

About labour market statuses

Everybody aged 16 or over is either employed, unemployed or economically inactive. The employment estimates include all people in work including those working part-time. People not working are classed as unemployed if they have been looking for work within the last 4 weeks and are able to start work within the next 2 weeks. A common misconception is that the unemployment statistics are a count of people on benefits; this is not the case as they include unemployed people not claiming benefits.

Jobless people who have not been looking for work within the last 4 weeks or who are unable to start work within the next 2 weeks are classed as economically inactive. Examples of economically inactive people include people not looking for work because they are students, looking after the family or home, because of illness or disability, or because they have retired.

What is the relationship between the APS and the LFS?

The Labour Force Survey (LFS) is a household survey using international definitions of employment, unemployment and economic inactivity, together with a wide range of related topics such as occupation, training, hours of work and personal characteristics of household members aged 16 years and over. Estimates are produced every month for a rolling 3 monthly period, e.g. January to March data in a release will be followed by data for February to April in the next release. The Annual Population Survey (APS), which began in 2004, is compiled from interviews for the LFS, along with additional regional boost samples. The APS comprises the main variables from the LFS, with a much larger sample size. Consequently the APS supports more detailed breakdowns than can be reliably produced from the LFS. Estimates are produced every quarter for a rolling annual period, e.g. January to December data will be followed by data for April to March when they are next updated.

This bulletin includes labour market estimates at a regional level from the LFS on total employment, unemployment and economic inactivity. More detailed regional estimates for employment by age, full-time and part-time working, economic activity and inactivity by age, and reasons for inactivity are provided using the APS. Any estimates for geographic areas below regional level are provided using the APS. In tables where APS estimates are provided for detailed geographic areas, regional and national estimates are also provided from APS for comparability.

Making comparisons with earlier data

The most robust estimates of short-term movements in estimates derived from the Labour Force Survey (LFS) are obtained by comparing the estimates for February to April 2015 with the estimates for November 2014 to January 2015, which were first published on 18 March 2015. This provides a more robust estimate than comparing with the estimates for January to March 2015. This is because the February and March data are included within both estimates, so effectively observed differences are those between the individual months of January and April 2015. The LFS is sampled such that it is representative of the UK population over a 3 month period, not for single month periods.

Accuracy and reliability of survey estimates

Most of the figures in this statistical bulletin come from surveys of households or businesses. Surveys gather information from a sample rather than from the whole population. The sample is designed carefully to allow for this, and to be as accurate as possible given practical limitations such as time and cost constraints, but results from sample surveys are always estimates, not precise figures. This means that they are subject to a margin of error which can have an impact on how changes in the numbers should be interpreted, especially in the short-term.

Changes in the numbers reported in this Statistical Bulletin (and especially the rates) between 3 month periods are usually not greater than the margin of error. In practice, this means that small, short-term movements in reported rates (for example, within plus/minus 0.3 percentage points) should be treated as indicative, and considered alongside medium and long-term patterns in the series and corresponding movements in administrative sources, where available, to give a fuller picture.

Further information is available in the Quality information section of this statistical bulletin.

Seasonal adjustment

All estimates discussed in this statistical bulletin are seasonally adjusted except where otherwise stated. Like many economic indicators, the labour market is affected by factors that tend to occur at around the same time every year; for example, school leavers entering the labour market in July and whether Easter falls in March or April. In order to compare movements other than annual changes in labour market statistics, such as, since the previous quarter or since the previous month, the data are seasonally adjusted to remove the effects of seasonal factors and the arrangement of the calendar.

5. Detailed commentary

This section of the statistical bulletin consists of the following parts.

People in work

- Employment
- 2. Workforce jobs
- 3. Hours of work

People not in work

- 4. Unemployment
- 5. Claimant Count
- 6. Economic inactivity

Other labour market statistics

7. Local authority labour market indicators

Index of tables

LFS headline indicators (employment, unemployment and inactivity):

Headline indicators for all Regions (HI00) (7.48 Mb Excel sheet)

LFS headline indicators (employment, unemployment and inactivity); employment and workforce jobs estimates; Claimant Count; and economic activity and inactivity estimates for each region are available in the following tables:

Headline indicators for the North East (HI01) (2.38 Mb Excel sheet)

Headline indicators for the North West (HI02) (2.16 Mb Excel sheet)

Headline indicators for Yorkshire and The Humber (HI03) (2.59 Mb Excel sheet)

Headline indicators for the East Midlands (HI04) (2.74 Mb Excel sheet)

Headline indicators for the West Midlands (HI05) (2.56 Mb Excel sheet)

Headline indicators for the East of England (HI06) (2.53 Mb Excel sheet)

Headline indicators for London (HI07) (2.18 Mb Excel sheet)

Headline indicators for the South East (HI08) (2.15 Mb Excel sheet)

Headline indicators for the South West (HI09) (2.15 Mb Excel sheet)

Headline indicators for Wales (HI10) (2.39 Mb Excel sheet)

Headline indicators for Scotland (HI11) (2.58 Mb Excel sheet)

Local indicators for unitary and local authorities (LI01) (245.5 Kb Excel sheet)
Local indicators for parliamentary constituencies (LI02) (310.5 Kb Excel sheet)
Local indicators for constituencies of the Scottish Parliament (LI02.1) (114.5 Kb Excel sheet)
Local indicators for travel-to-work areas (LI03) (175.5 Kb Excel sheet)
Local indicators for NUTS3 areas (LI04) (174.5 Kb Excel sheet)
Local indicators for Local Enterprise Partnerships (LI05) (100.5 Kb Excel sheet)
The following tables contain local Jobseeker's Allowance data for all regions:
Jobseeker's Allowance by unitary and local authority (Not designated as National Statistics) (JSA01) (265.5 Kb Excel sheet)
Jobseeker's Allowance by parliamentary constituency (Not designated as National Statistics) (JSA02) (633 Kb Excel sheet)
Jobseeker's Allowance by constituencies of the Scottish Parliament (Not designated as National Statistics) (JSA02.1) (122.5 Kb Excel sheet)
Jobseeker's Allowance by Local Enterprise Partnership (Not designated as National Statistics) (JSA03) (99.5 Kb Excel sheet)
Other tables:
Guide to Tables in Regional Labour Market Statistical Bulletin (90 Kb Excel sheet)
Summary of headline indicators (S01) (73 Kb Excel sheet)
Sampling variability and revisions summary (S02) (61 Kb Excel sheet)
Claimant Count denominators (S03) (69.5 Kb Excel sheet)
Model based estimates of unemployment (M01) (2.81 Mb Excel sheet)
Estimates of employment by age (experimental statistics) (X01) (6.86 Mb Excel sheet)
Estimates of unemployment by age (experimental statistics) (X02) (6.82 Mb Excel sheet)
Estimates of inactivity by age (experimental statistics) (X03) (6.84 Mb Excel sheet)

The following tables contain local labour market indicators for all regions:

6. Employment

What is employment?

<u>Employment</u> measures the number of people in work and differs from the number of jobs because some people have more than one job.

Employment consists of employees, self-employed people, unpaid family workers and people on government supported training and employment programmes. Unpaid family workers are people who work in a family business who do not receive a formal wage or salary but benefit from the profits of that business. The government supported training and employment programmes series does not include all people on these programmes; it only includes people engaging in any form of work, work experience or work-related training who are not included in the employees or self-employed series. People on these programmes NOT engaging in any form of work, work experience or work-related training are not included in the employment estimates; they are classified as unemployed or economically inactive.

Explaining the concepts of employment, unemployment and economic inactivity is available on our website as a short video.

A comparison between estimates of employment and jobs is available in an article on our website.

Where to find data about employment

Employment estimates are available for each region at data tables <u>HI00 (7.48 Mb Excel sheet)</u> and <u>HI01 to HI11</u> (Tables 1 and 2), and Tables <u>LI01 to LI05</u>, for this and further estimate breakdowns by age.

These tables contain data produced from the LFS and APS. A note in the section "Understanding and working with labour market statistics" on the relationship between the LFS and APS entitled "What is the relationship between the APS and the LFS?" is included in this bulletin.

Regional commentary: employment

The employment rate for people aged from 16 to 64 for the UK was 73.4%, for the period February 2015 to April 2015. This is an increase of 0.1 percentage point from the previous period.

The regions with the highest rate in the United Kingdom were the South West, at 77.3%, followed by the South East, at 76.9% and the East of England, at 76.8%. The highest employment rate for the same period last year was in the South East, at 76.3%.

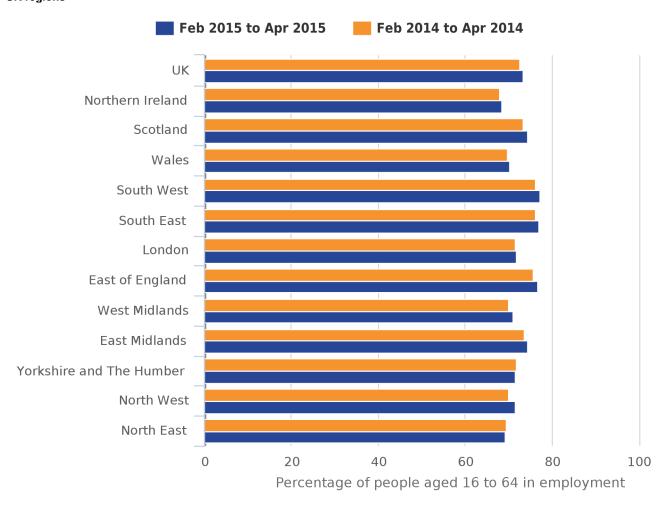
The regions with the lowest rate were Northern Ireland, at 68.4%, followed by the North East, at 69.3%, and Wales, at 70.3%. The lowest employment rate for the same period last year was also in Northern Ireland, at 68.0%.

The regions with the largest increase in the employment rate on the previous period (November 2014 to January 2015), were the South West, with an increase of 1.0 percentage point, followed by Wales and Northern Ireland, both with an increase of 0.6 percentage points and the North West, with an increase of 0.5 percentage points. The estimates for the South West have been quite erratic for recent periods, however the general pattern does suggest that the employment rate has been increasing.

The North East had the largest decrease in the employment rate, with a decrease of 0.9 percentage points, followed by Yorkshire and The Humber, with a decrease of 0.8 percentage points and London, with a decrease of 0.4 percentage points. For all other regions the general pattern is still for flat or gently increasing employment rates. With the exceptions of the North East and Yorkshire and The Humber, the latest employment rate estimates are higher than the same period one year ago.

Figure 1: Employment rates by region and comparison year on year, February 2015 to April 2015, seasonally adjusted

UK regions



Source: Labour Force Survey - Office for National Statistics

Over the year, the regions with the largest increase in the employment rate were the North West, with an increase of 1.8 percentage points, followed by Scotland, with an increase of 1.2 percentage points and the South West, with an increase of 1.1 percentage points.

There were only 2 regions that had a decrease in the employment rate; Yorkshire and The Humber at 0.3 percentage points and the North East, at 0.1 percentage points. London had the smallest increase of 0.3 percentage points.

7. Workforce jobs (first published on 17 June 2015)

What is workforce jobs?

<u>Workforce jobs</u> measures the number of filled jobs in the economy. The estimates are mainly sourced from employer surveys such as the Short-Term Employment Surveys (STES) and the Quarterly Public Sector Employment Survey (QPSES). Workforce jobs is a different concept from employment, which is sourced from the Labour Force Survey, as employment is an estimate of people and some people have more than one job.

The service sector consists of the following industries: Wholesale & retail trade; repair of motor vehicles and motor cycles, transport & storage, accommodation & food service activities, information & communication, financial & insurance activities, real estate activities, professional scientific & technical activities, administrative & support service activities, public admin & defence; compulsory social security, education, human health & social work activities, arts, entertainment & recreation, other service activities and people employed by households, etc. The production sector consists of the following industries: mining & quarrying, manufacturing, electricity, gas, steam & air conditioning supply and water supply, sewerage, waste & remediation activities. "Other" consists of the following industries: agriculture, forestry & fishing and construction.

The Northern Ireland self-employed component of the workforce jobs may differ to that published by the Department of Finance and Personnel (NI).

A comparison between estimates of employment and jobs is available in an article published on our website.

Where to find data about workforce jobs

Workforce jobs estimates are available for each region at data tables HI01 to HI11 (Tables 4 and 5).

While comparable estimates for workforce jobs by industry begin in 1978, some information back to 1841, based on census data, are available in a report published by us in June 2013.

Regional commentary: workforce jobs

Workforce jobs increased in 8 of the 12 regions of the United Kingdom between December 2014 and March 2015. The largest increase of 40,000 was in the West Midlands, followed by the East of England, which increased by 36,000.

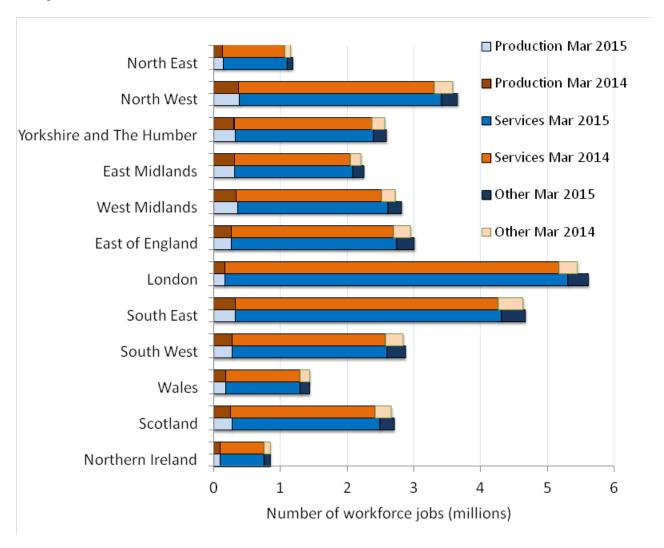
The largest decrease of 32,000 was in the South East, followed by Yorkshire and The Humber, which decreased by 5,000.

The East Midlands had the highest proportion of jobs in the production sector, at 13.8%, whilst London had the lowest proportion, at 2.8%. This is due to London having primarily service-based industries within its region, such as financial and administrative sectors.

For the service sector, London had the highest proportion, at 91.7% whilst Northern Ireland had the lowest proportion, at 77.7%. The service sector currently accounts for 83.4% of the total workforce jobs in the United Kingdom.

Figure 2: Workforce jobs by broad industry group, by region and comparison year on year, March 2015, seasonally adjusted

UK regions



8. Actual hours worked (first published on 17 April 2015)

What is actual hours worked?

<u>Actual hours worked</u> measures the number of hours worked in the economy. Changes in actual hours worked reflect changes in the number of people in employment and the average hours worked by those people.

Where to find data about hours worked

Hours worked estimates are available for each region at data tables HI01 to HI11 (Table 6).

The national data is also available at tables 7 and 7(1) at data tables <u>HOUR01 (499 Kb Excel sheet)</u> and <u>HOUR02 (1.72 Mb Excel sheet)</u> of the UK Labour Market Statistical bulletin.

Regional commentary: actual hours worked

For the period January 2014 to December 2014, the region with the highest average actual weekly hours worked, for all workers, was in London, at 33.6 hours, followed by Northern Ireland, at 33.4 hours. The lowest was in the South West, at 31.2 hours, followed by Wales, at 31.4 hours.

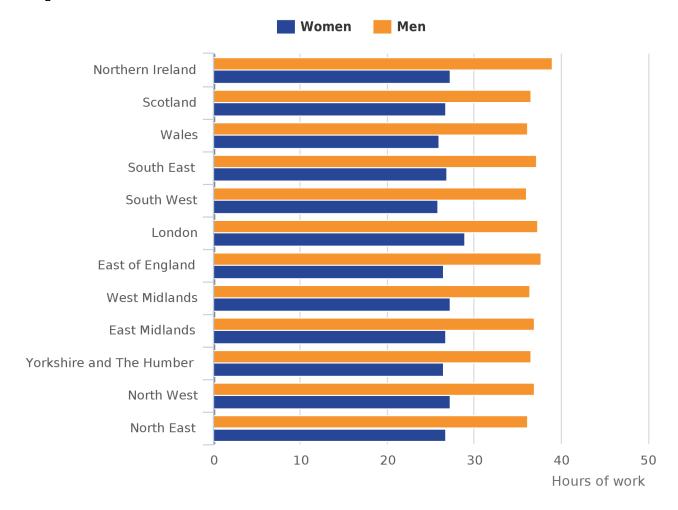
The region with the largest increase in the average hours worked, compared to the same period last year (January 2013 to December 2013) was the East Midlands, with an increase of 0.6 hours (1.8 percentage points), followed by the North West, with an increase of 0.5 hours (1.5 percentage points). London and Wales had the largest decreases in the average hours worked, with a decrease of 0.1 hours (0.3 and 0.4 percentage points respectively).

The region with the highest average actual weekly hours worked in full-time jobs, was London, at 38.3 hours, a decrease of 0.3 percentage points, compared to the same period last year, and the lowest was Wales, at 36.7 hours, which has decreased by 0.7 percentage points. For part-time jobs, the region with the highest amount of hours worked was Northern Ireland, at 17.8 hours and the lowest was the South West, at 15.5 hours.

The region with the largest change in the total weekly hours worked was the East Midlands, which increased by 5.1 percentage points. Wales had the smallest change, with an increase of 0.4 percentage points. The region with the largest difference in total hours worked between men and women was in London, where men worked a total of 32.0 million more hours than women.

Figure 3: Average (mean) actual weekly hours of work, by region and by sex, January 2014 to December 2014, not seasonally adjusted

UK regions



Source: Annual Population Survey (APS) - Office for National Statistics

9. Unemployment

What is unemployment?

<u>Unemployment</u> measures people without a job who have been actively seeking work within the last 4 weeks and are available to start work within the next 2 weeks.

Explaining the concepts of employment, unemployment and economic inactivity is available on our website as a short video.

Where to find data about unemployment

Unemployment estimates are available for each region at data tables <u>HI00 (7.48 Mb Excel sheet)</u> and <u>HI01 to HI11</u> (Table 2(2)), and Tables <u>LI01 to LI05</u>, for further estimate breakdowns by age.

These tables contain data produced from the LFS and APS. A note in the section "Understanding and working with Labour Market Statistics" on the relationship between the LFS and APS entitled "What is the relationship between the APS and the LFS?" is included in this bulletin.

Regional commentary: unemployment

Regional estimates for the unemployment rate are quite volatile, which needs to be allowed for when considering the pattern of change over time.

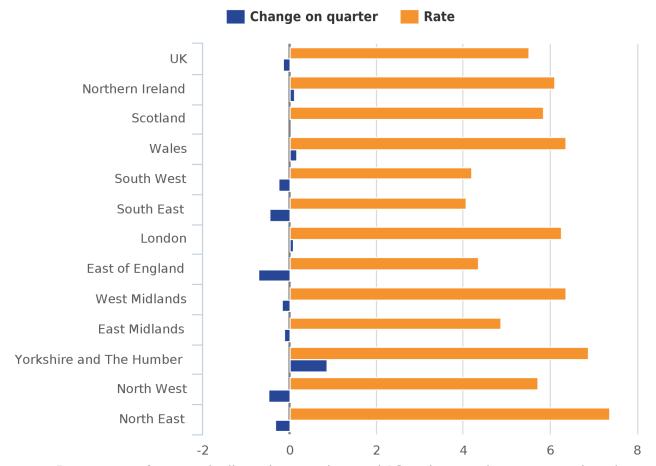
The unemployment rate for people aged 16 and over for the UK was 5.5%, for the period February 2015 to April 2015. This has decreased by 0.1 percentage points compared to the previous period for comparison (November 2014 to January 2015).

The region with the highest rate in the United Kingdom was the North East, at 7.4%. This was also the region with the highest unemployment rate, for the same period last year, at 9.7%. The next highest unemployment rates were seen in Yorkshire and The Humber, at 6.9% and Wales and the West Midlands, both at 6.4%. The regions with the lowest rate were the South East, at 4.1%, followed by the South West, at 4.2% and the East of England, at 4.4%.

The regions with the largest decrease in the unemployment rate on the previous period (November 2014 to January 2015), were the East of England, at 0.7 percentage points, followed by the North West and the South East, both at 0.5 percentage points and the North East and the South West, both at 0.3 percentage points. For all other regions, the general pattern is for flat or gently falling unemployment rates.

Figure 4: Unemployment rates by region, February 2015 to April 2015, seasonally adjusted

UK regions



Percentage of economically active people, aged 16 and over, who are unemployed

Source: Labour Force Survey - Office for National Statistics

All regions are showing decreases in the unemployment rate compared with a year ago. The largest decreases were in the North East, at 2.3 percentage points, the North West, at 1.8 percentage points and London, at 1.3 percentage points. The smallest decrease in the unemployment rate was in Wales, at 0.2 percentage points.

An interactive chart showing regional unemployment rates over time is available on our website.

10 . Claimant Count (experimental statistics)

Special note: Changes to the Claimant Count

In previous editions of this statistical bulletin, the headline measure of the Claimant Count included claimants of Jobseeker's Allowance (JSA) only. In this month's edition the headline measure of the Claimant Count includes, for the first time, some claimants of Universal Credit as well as JSA claimants. These Universal Credit estimates are still being developed by the Department for Work and Pensions. We have therefore decided that the Claimant Count estimates including Universal Credit (which have been published as an alternative measure since July 2014) will continue to be designated as experimental statistics even though they are now the headline measure.

The coverage of the Universal Credit estimates does not precisely match the Claimant Count definition, because it includes some claimants who are not required to seek work. However, our analysis indicates that any bias in the new experimental measure of the Claimant Count is now less than in the old measure which only included JSA claimants.

What is the Claimant Count?

The <u>Claimant Count</u> measures the number of people claiming benefit principally for the reason of being unemployed:

- from November 2013 the Claimant Count includes all out of work Universal Credit claimants as well as all JSA claimants
- between May 2013 and October 2013 the Claimant Count includes all claimants of Universal Credit (including those who were in work) as well as all JSA claimants
- between October 1996 and April 2013 the Claimant Count is a count of the number of people claiming Jobseeker's Allowance (JSA)
- between January 1971 (when comparable estimates start) and September 1996 it is an estimate of the number of people who would have claimed unemployment-related benefits if the current benefit system had existed at that time

Ideally only those Universal Credit claimants who are out of work and required to seek work should be included in the Claimant Count but it is not currently possible to produce estimates on this basis. The Claimant Count therefore currently includes some out of work claimants of Universal Credit who are not required to look for work; for example, due to illness or disability.

The Claimant Count includes people who claim unemployment-related benefits but who do not receive payment. For example, some claimants will have had their benefits stopped for a limited period of time by Jobcentre Plus. Some people claim JSA in order to receive National Insurance Credits.

See "Notes for Claimant Count" at the end of this section and background notes for further details.

Where to find data about Claimant Count

Claimant Count estimates are available for each region at data tables HI01 to HI11 (Table 7).

Tables showing estimates of Jobseeker's Allowance are still available at Tables 7(1), 8 and 8(2)), and in Tables <u>JSA01 to JSA03</u>, for further estimate breakdowns by sub-regional geographic areas. However these estimates are not designated as National Statistics. The back data for Jobseeker's Allowance, at a regional level, is available from <u>Nomis</u>.

Regional commentary: Claimant Count

The seasonally adjusted Claimant Count rate for the UK was 2.3% in May 2015; unchanged from April 2015, with the level down 6,505.

The region with the highest rate in the United Kingdom was Northern Ireland, at 4.8%, down 0.1 percentage points from the previous month. The next highest rates were in the North East, at 3.8%, Yorkshire and The Humber, at 3.1% and Wales, at 3.0%. Northern Ireland was also the region with the highest Claimant Count rate for the same period last year, at 6.1%.

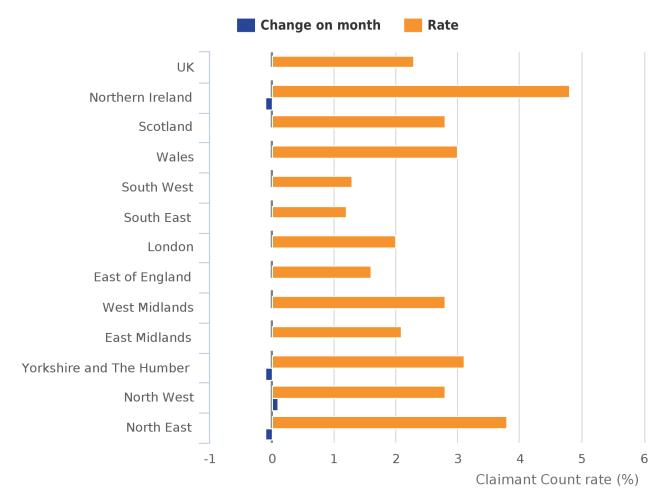
The region with the lowest rate was the South East, at 1.2%. The next lowest rates were seen in the South West, at 1.3% and the East of England, at 1.6%.

The largest change from the previous month was seen in Yorkshire and The Humber, with a decrease of 1,700.

The Claimant Count for May 2015 compared with April 2015, is showing decreases or no change in the count across all regions of the UK, except the North West, for men, and the North West and Wales, for women; the level for men increased by 1,300 and for women it increased by 900 and 100 respectively.

Figure 5: Claimant Count rates by region, May 2015, seasonally adjusted

UK regions



Source: Department for Work and Pensions

11. Economic inactivity

What is economic inactivity?

Economically inactive people are not in employment but do not meet the internationally accepted definition of unemployment. This is because they have not been seeking work within the last 4 weeks and/or they are unable to start work within the next 2 weeks.

Explaining the concepts of employment, unemployment and economic inactivity is available on our website as a short video.

Where to find data about economic inactivity

Inactivity estimates are available for each region at data tables <u>HI00 (7.48 Mb Excel sheet)</u> and <u>HI01 to HI11</u> (Tables 10 and 11), and Tables <u>LI01 to LI05</u>, for further estimate breakdowns by age and reason.

These tables contain data produced from the LFS and APS. A note in the section "Understanding and working with labour market statistics" on the relationship between the LFS and APS entitled "What is the relationship between the APS and the LFS?" is included in this bulletin.

Regional commentary: economic inactivity

The inactivity rate for people aged from 16 to 64 for the UK was 22.2%, for the period February 2015 to April 2015. This is unchanged from the previous period. The region with the highest rate in the United Kingdom was Northern Ireland, at 27.0%, followed by the North East, at 24.9%. The region with the lowest rate was the South West, at 19.2%, followed by the East of England, at 19.6%, and the South East, at 19.7%.

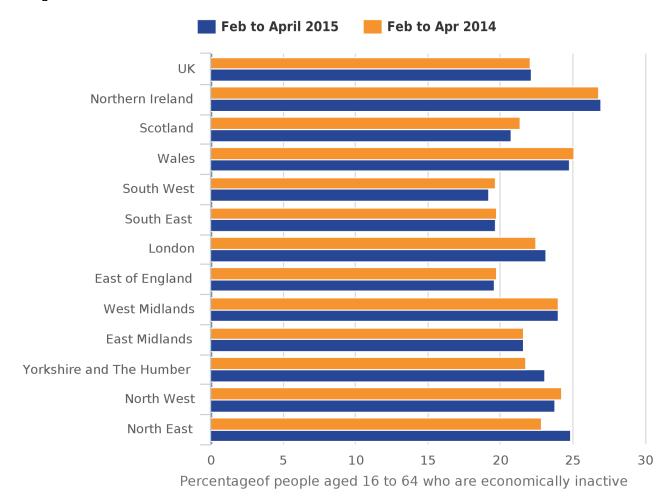
The region with the largest increase in the inactivity rate on the previous period (November 2014 to January 2015), was the North East, with an increase of 1.1 percentage points, followed by the East of England, London and the West Midlands, all at 0.3 percentage points. Northern Ireland, the South West and Wales had the largest decreases in the inactivity rate, all with a decrease of 0.8 percentage points.

Over the year, the regions with the largest increase in the inactivity rate were the North East, with an increase of 2.1 percentage points, followed by Yorkshire and The Humber, with an increase of 1.2 percentage points and London, with an increase of 0.7 percentage points. The largest decrease in the inactivity rate was in Scotland and the South West, both at 0.6 percentage points, followed by the North West, at 0.5 percentage points.

Northern Ireland also had the largest inactivity rate, at 26.8%, in the same period in 2014, increasing by 0.2 percentage points over the last year. The inactivity rate is now 4.8 percentage points higher than the UK rate.

Figure 6: Economic inactivity by region and comparison year on year, February 2015 to April 2015, seasonally adjusted

UK regions



Source: Labour Force Survey - Office for National Statistics

12. Local labour market indicators

What are local labour market indicators?

Local labour market indicators cover employment, unemployment, economic inactivity, Jobseeker' Allowance and jobs density, for sub-regional geographic areas such as local and unitary authorities, counties and regions in the United Kingdom for the most recent 12 month period available of the Annual Population Survey (APS). The job density of an area is the number of jobs per head, of resident population, aged 16 to 64.

Where to find data about local labour market indicators

Estimates are available at data tables <u>LI01 to LI05</u> in this statistical bulletin.

These tables contain data produced from the APS. A note in the section "Understanding and working with labour market statistics" on the relationship between the LFS and APS entitled "What is the relationship between the APS and the LFS?" is included in this bulletin.

Commentary: local labour market indicators

Indicators from the Annual Population Survey (first published on 17 April 2015)

For the period January 2014 to December 2014, the local authorities with the highest employment rate in Great Britain, were the Orkney Islands, at 89.3%, East Northamptonshire, at 86.4%, and Oadby and Wigston, at 85.9%. Liverpool is now the only local authority with an employment rate lower than 60%; at 59.2%. For the same period last year, the highest rate was in South Northamptonshire, at 89.2%; this area now has only the sixth highest employment rate, at 83.3%.

For the period January 2014 to December 2014, the local authority with the highest unemployment rate in Great Britain, was Middlesbrough, at 12.5%, followed by Liverpool, at 12.0% and Kingston upon Hull, at 11.7%. The local authorities with the lowest unemployment rate were South Northamptonshire and Stratford-on-Avon, both at 2.4%, followed by the Orkney Islands, at 2.7%. These were followed by 3 local authorities, all at 2.8% and a further 10 local authorities, all at 2.9%. For the same period last year, there were only 4 local authorities with an unemployment rate of less than 3.0%.

Indicators using Jobseeker's Allowance data (Not designated as National Statistics)

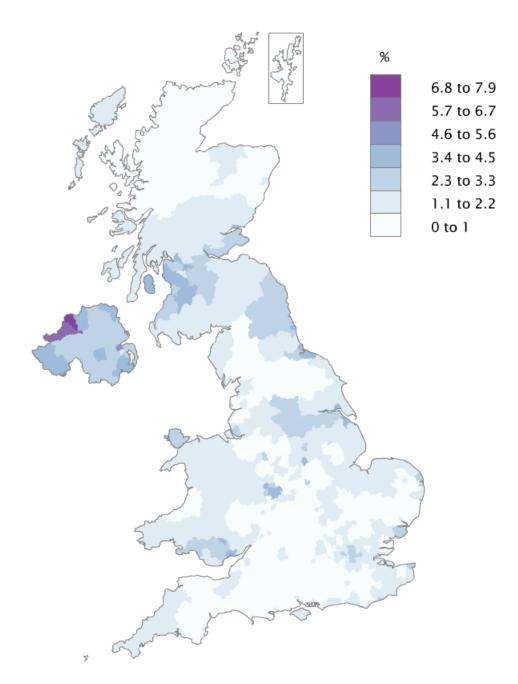
Currently it is not practical to produce detailed analysis for local areas using a Claimant Count based on claimants of Jobseeker's Allowance and Universal Credit. Consequently, this local analysis reflects claimants of Jobseeker's Allowance only, which will be affected by the roll-out of Universal Credit.

In May 2015, the local authorities with the lowest proportion of the population, aged from 16 to 64 years, claiming Jobseeker's Allowance in the United Kingdom, were the Isles of Scilly, at 0.2%, followed by Eden, South Lakeland, Harrogate, Richmondshire, Startford-on-Avon, Hart in Hampshire and South Oxfordshire, all at 0.4% and 15 other local authorities, all at 0.5%. There were a further 91 local authorities with a proportion of less than 1.0%.

The proportion was highest in Derry, at 7.4%, followed by Strabane, at 6.2% and Belfast, at 5.0%. There were a further 7 local authorities in the United Kingdom, all with a proportion of 4.0% or more. Kingston upon Hull was the local authority with the highest rate in Great Britain, at 4.5%.

Map 1: Jobseeker's Allowance Map, May 2015

Proportion of people aged 16 to 64 claiming Jobseeker's Allowance in local authorities in the United Kingdom



Contains Ordnance Survey data © Crown copyright and database right 2015.

An <u>interactive version</u> of this map showing Jobseeker's Allowance proportions by local authority over time is available on our website. This map also shows Jobseeker's Allowance proportions for males, females, 18 to 24 year olds and those claiming over 12 months.

Job densities (first published on 17 April 2015)

The job density of an area is the number of jobs per head, of resident population, aged 16 to 64. In 2013, the highest jobs density in Great Britain was the City of London, at 81.79 and the lowest was East Renfrewshire, at 0.40. Westminster (4.35), Camden (2.15) and Islington (1.36), all in London, were the next highest jobs densities. The highest jobs density outside London was Watford, at 1.32. After East Renfrewshire, the lowest jobs densities were Lewisham, at 0.41, followed by Barking and Dagenham, at 0.44 and East Dunbartonshire, Waltham Forest, Redbridge and Haringey, all at 0.45.

13. Where to find more information about labour market statistics

Other regularly published labour market releases

UK Labour Market statistics

Public Sector Employment

Young People who were Not in Employment, Education or Training (NEET)

Labour Productivity

Annual Survey of Hours and Earnings (ASHE)

Business Register and Employment Survey (BRES)

Note: Regional and local area statistics are also available at NOMIS®

Historic articles published in Economic and Labour Market Review and Labour Market Trends

Articles about labour market statistics were published in <u>Labour Market Trends</u> (up until 2006) and in Economic and Labour Market Review (from 2007 to 2011). Editions of Labour Market Trends are available on our website, from July 2001 until December 2006 when the publication was discontinued. Editions of <u>Economic and Labour Market Review</u> are available on our website from the first edition, published in January 2007, up until the last edition published in May 2011.

Published ad hoc data and analysis

Additional statistical data and analyses for labour market statistics that have not been included in our standard publications are available on our website.

Methodological articles

A number of methodological articles about labour market statistics are available on our website.

14. Quality information

Quality issues

One indication of the reliability of the main indicators in this bulletin can be obtained by monitoring the size of revisions. These summary measures are available in the <u>Regional labour market sampling variability spreadsheet</u> (61 Kb Excel sheet) available with this bulletin and show the size of revisions over the last 5 years.

The revised data itself may be subject to sampling or other sources of error. Our standard presentation is to show 5 years worth of revisions (that is 60 observations for a monthly series, 20 for a quarterly series). Further information on the quality of and methods for workforce jobs estimates can be found in the Summary Quality Report (295.4 Kb Pdf).

Other quality information

Quality and methodology information papers (227.1 Kb Pdf) for labour market statistics are available on our website. Further information about the Labour Force Survey (LFS) is available from:

- the LFS user guide
- LFS performance and quality monitoring reports

15. Background notes

1. This month's bulletin

The headline measure of the Claimant Count has been changed in this month's release to include claimants of Universal Credit. See background note 3 for further details. There are also revisions to the Claimant Count back to 2012 resulting from the annual review of the seasonal adjustment process, and revisions to Claimant Count rates back to 2001 resulting from the updating of denominators to take on board the latest revisions to Workforce Jobs.

We have also changed the format of the Regional Labour Market Statistical Bulletin. The changes have brought the text more in line with the format of the current UK Labour Market Statistical Bulletin. We have also expanded to include Northern Ireland data to more of the bulletin. This does not extend to the inclusion of a set of Headline Indicator (HI) tables for Northern Ireland, but sees the inclusion of a Northern Ireland figure within other appropriate tables. Northern Ireland is also covered in some of the text and graphs of the release.

Except for the changes relating to the Claimant Count detailed above and the introduction of Northern Ireland to some tables, there are no other changes to the format of reference tables.

2. Next month's bulletin

There are no planned changes to next month's bulletin.

3. Incorporation of estimates of Universal Credit into the Claimant Count

In this release, the headline measure of the Claimant Count has been changed to include some claimants of Universal Credit (UC) as well as JSA claimants, resulting in upward revisions to the Claimant Count. Previously the headline measure did not include UC claimants.

The Claimant Count measures the number of people claiming benefits principally for the reason of being unemployed. Between October 1996 and April 2013, the only unemployment-related benefit in the UK was Jobseeker's Allowance (JSA) and the Claimant Count was therefore a count of the number of people claiming JSA.

The introduction of Universal Credit started on 29 April 2013 with the introduction of this new benefit in one Jobcentre Plus office. This has been extended to further Jobcentre Plus offices across Great Britain. A list of Jobcentres where Universal Credit is available can be found on the GOV.UK website.

Universal Credit is replacing a number of means-tested benefits including the means-tested element of Jobseeker's Allowance (JSA). It will not replace contributory-based JSA.

Following a consultation in 2012, it was decided that, with the introduction of Universal Credit, the Claimant Count would include:

- people claiming contribution-based JSA (which is not affected by the introduction of Universal Credit)
- people claiming income-based JSA during the transition period while this benefit is being gradually phased out
- people claiming Universal Credit who are not working and who are subject to a full set of labour market jobseeker requirements, that is required to be actively seeking work and available to start work

The experimental estimates of Universal Credit are still being developed by the Department for Work and Pensions and they currently include all out of work Universal Credit claimants including those who are not required to look for work (who should ideally be excluded from the Claimant Count).

The number of Jobcentre Plus offices introducing Universal Credit has increased substantially over the last few months. Consequently we have concluded that the experimental measure of the Claimant Count has now become the best estimate of the number of people claiming benefits principally for the reason of being unemployed. We are therefore no longer publishing 2 measures of the Claimant Count. Instead we are publishing a single measure of the Claimant Count which includes the experimental estimates of Universal Credit claimants. These experimental Claimant Count estimates are available at reference tables HI01 to HI01 (Table 7) of this statistical bulletin.

It is not currently possible to produce estimates of inflows and outflows for the new measure of the Claimant Count, however, estimates of JSA inflows and outflows continue to be available and are now published at reference HI01 to HI11 (Table 7(1)) of this statistical bulletin.

Similarly, it is not currently possible to produce an age or duration breakdown for the new measure of the Claimant Count. Estimates of JSA by age and duration continue to be available and are now published at HI01 to HI11 (Tables 8 and 8(2))

In addition to this, it is not currently possible to produce a breakdown for local geographies for the new measure of the Claimant Count. Therefore, estimates of JSA continue to be available and are published at Tables <u>LI01 to LI05</u> and Tables <u>JSA01 to JSA03</u>.

The JSA estimates published at data tables JSA01 to JSA03 are no longer designated as National Statistics because they are no longer the best estimate of the number of people claiming unemployment related benefits, as explained in correspondence between the National Statistician and the UK Statistics Authority:

Letter from National Statistician to UK Statistics Authority, 9 June 2015

Reply from UK Statistics Authority to National Statistician, 10 June 2015

"Jobseeker's Allowance, Universal Credit and the Claimant Count: Changes to the Measurement of the Claimant Count" provides further information and is available at the <u>Labour Market articles and reports page</u> on our website.

4. Claimant Count

Estimates of Claimant Count by region are available on a comparable basis back to April 1974. The figures from April 1974 to September 1996 are estimates of the number of people who would have claimed unemployment related benefits if JSA had existed. The national records start in 1971, and some data back to 1881 (which do not have National Statistics status) are available from the "Historic Data" worksheet within data table CLA01 in the UK Labour Market bulletin (292.5 Kb Excel sheet).

5. Publication policy

A list of the job titles of those given <u>pre-publication access</u> to the contents of this statistical bulletin is available on our website.

6. Special events

We have published commentary, analysis and policy on "Special events" which may affect statistical outputs. For full details go to the Special events page on our website.

7. Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

Designation can be broadly interpreted to mean that the statistics:

- · meet identified user needs
- are well explained and readily accessible
- are produced according to sound methods
- are managed impartially and objectively in the public interest

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.