

Statistical bulletin

Regional labour market statistics in the UK: Feb 2017

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



Release date: 15 February 2017 Next release: 15 March 2017

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1. Main points

For the 3 months ending December 2016, the highest employment rate in the UK was in the South East (78.6%) and the lowest was in Northern Ireland (70.0%). The employment rate estimates for those aged 16 to 64 for October to December 2016 compared with July to September 2016, showed few large increases or decreases for the regions and countries of the UK.

For the 3 months ending December 2016, the highest unemployment rate in the UK was in the North East (7.0%) and the lowest was in the South East (3.4%). The unemployment rate estimates for October to December 2016 compared with July to September 2016, are showing few large changes for the regions of the UK.

For January 2017, the highest Claimant Count rate in the UK was in the North East (3.9%) and the lowest was in the South East (1.2%). Compared with December 2016, all regions saw a decrease in the seasonally adjusted Claimant Count rate.

For the 3 months ending December 2016, the highest economic inactivity rate in the UK was in Northern Ireland (25.9%) and the lowest was in the South East (18.7%). The largest changes in the economic inactivity rate, compared with the same period last year, were in Scotland, which increased by 1.7 percentage points and the East Midlands, which decreased by 1.7 percentage points.

Between June 2016 and September 2016, the largest increase in workforce jobs in the UK was in the South West, at 41,000. The largest decrease was in Scotland at 27,000.

In September 2016, the region with the highest proportion of workforce jobs in the service sector was London at 92.5%, which had increased by 0.6 percentage points since June 2016. The East Midlands had the highest proportion of jobs in the production sector at 13.8%.

The highest average actual weekly hours worked, for the 12 months ending September 2016, was in London at 33.5 hours and lowest in the South West at 31.3 hours. For full-time workers, it was highest in London at 38.2 hours and for part-time workers it was highest in Northern Ireland at 17.1 hours.

2. In this bulletin

This bulletin shows the latest main labour market statistics for the regions and countries of the UK, 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 Ireland Labour Market Report</u> on the Northern Ireland Statistics and Research Agency (NISRA) website.

Updated this month

Labour Force Survey estimates for the period October to December 2016 Claimant Count for January 2017

Also in this release

Public and private sector employment for September 2016 Workforce jobs estimates for September 2016 Annual Population Survey estimates for the period October 2015 to September 2016

3. Summary of latest regional labour market statistics

Table 1 shows the latest estimates for employment, unemployment and economic inactivity for October to December 2016 and a comparison with the previous quarter (July to September 2016). Comparing non-overlapping periods (October to December 2016 with July to September 2016) provides a more robust short-term comparison. Table 2 shows the latest Claimant Count rate for January 2017 and shows how these figures compare with the previous month (December 2016) and the previous year (January 2016).

Table 1: Summary of latest headline estimates for regions of the UK, seasonally adjusted, October to December 2016

UK regions

	Employment rate ¹ (%) aged 16 to 64		Unemployment rate ² (%) aged 16 and over	Change on Jul to Sep 2016	Inactivity rate ³ (%) aged 16 to 64	Change on Jul to Sep 2016
United Kingdom	74.6	0.1	4.8	0.0	21.6	-0.1
Great Britain	74.7	0.1	4.8	0.0	21.4	-0.1
England	74.9	0.1	4.8	0.0	21.2	-0.1
North East	70.3	-0.9	7.0	0.9	24.3	0.2
North West	73.0	0.8	5.0	-0.2	23.0	-0.6
Yorkshire and The Humber	73.5	0.5	5.0	-0.6	22.5	-0.1
East Midlands	75.7	0.6	4.7	0.2	20.5	-0.7
West Midlands	72.2	-1.2	5.9	0.6	23.1	0.7
East	76.7	-0.4	4.4	0.2	19.6	0.3
London	73.7	0.1	5.5	-0.2	21.9	0.0
South East	78.6	0.5	3.4	-0.3	18.7	-0.3
South West	77.5	0.5	3.6	-0.3	19.5	-0.3
Wales	72.7	-0.4	4.4	0.0	23.8	0.4
Scotland	73.6	0.1	4.9	0.2	22.4	-0.2
Northern Ireland	70.0	0.1	5.3	-0.3	25.9	0.1

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 2: Summary of latest Claimant Count estimates for regions of the UK, seasonally adjusted, January 2017 (experimental statistics)

UK regions

	Level (thousands) aged 18 and over	Change on Dec 2016	Change on Jan 2016	Rate ¹ (%) aged 18 and over	Change on Dec 2016	Change on Jan 2016
United Kingdom	745.0	-42.4	2.8	2.1	-0.1	0.0
Great Britain	713.4	-41.4	9.3	2.1	-0.1	0.0
England	598.3	-34.4	9.4	2.0	-0.1	0.0
North East	49.0	-2.6	2.2	3.9	-0.2	0.2
North West	99.9	-6.7	-0.3	2.7	-0.2	-0.0
Yorkshire and The Humber	71.2	-4.3	-2.9	2.6	-0.2	-0.1
East Midlands	41.7	-3.4	-3.1	1.8	-0.1	-0.1
West Midlands	80.4	-4.5	4.2	2.8	-0.2	0.1
East	46.0	-3.3	0.6	1.5	-0.1	0.0
London	113.4	-3.6	4.7	2.0	-0.1	0.1
South East	57.7	-3.4	1.5	1.2	-0.1	0.0
South West	38.9	-2.6	2.5	1.3	-0.1	0.1
Wales	38.7	-2.7	-3.2	2.6	-0.2	-0.2
Scotland	76.4	-4.3	3.1	2.7	-0.2	0.1
Northern Ireland	31.6	-1.0	-6.5	3.5	-0.1	-0.7

Source: Department for Work and Pensions

Notes:

4. Understanding and working with labour market statistics

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 concepts within the labour market and their relationship to each other. The framework is based on labour supply and demand.

Labour supply consists of people who are employed, as well as those people defined as unemployed or economically inactive, who are considered to be potential labour supply. Our 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. Employers group this work to form jobs.

^{1.} Calculation of headline Claimant Count rate: Denominator is the number of people aged 18 and over claiming Jobseeker's Allowance plus some Universal Credit claimants plus Workforce Jobs.

This approach has wide international acceptance, including by the International Labour Organisation (ILO). 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).

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.

A Glossary of Labour Market terms is also available.

What is the relationship between the Annual Population Survey (APS) and the Labour Force Survey (LFS)?

The Labour Force Survey (LFS) is a household survey using international definitions of employment, unemployment and economic inactivity and compiles 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; for example, February to April data in a release will be followed by data for March to May in the next release.

The Annual Population Survey (APS), which began in 2004, is compiled from interviews for the LFS, along with additional regional 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; for example, 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 economic inactivity by age, and reasons for economic 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 October to December 2016 with the estimates for July to September 2016, which were first published on 16 November 2016. This provides a more robust estimate than comparing with the estimates for September to November 2016. This is because the October and November data are included within both estimates, so observed differences are only between September and December 2016. The LFS 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 or 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 Quality information, in the Quality and methodology section.

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, the data are seasonally adjusted to remove the effects of seasonal factors and the arrangement of the calendar.

A Glossary of Labour Market terms is also available.

Where to find explanatory information

We have produced a number of items to help aid understanding and highlight common misunderstandings of labour market statistics, all of which are available on our website:

- interpreting labour market statistics
- a detailed guide to labour market statistics
- a glossary of labour market terms

5. Employment

Employment measures the number of people in work; it 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.

An article comparison between estimates of employment and jobs is available on our website.

A Glossary of Labour Market terms is also available.

Regional employment

The employment rate for people aged from 16 to 64 for the UK was 74.6% for the period October to December 2016. This is an increase of 0.1 percentage points compared with the previous period (July to September 2016).

The UK region with the highest employment rate was the South East at 78.6%, followed by the South West at 77.5% and the East of England at 76.7%. The highest rate for the same period last year was also in the East of England at 77.9%.

The employment levels for London, the South East and Northern Ireland are at record highs.

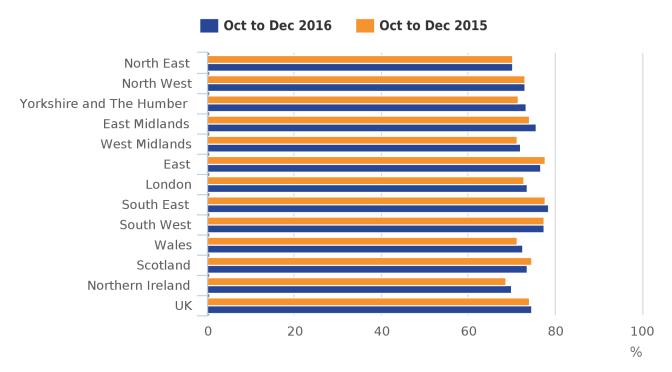
The region with the lowest employment rate was Northern Ireland at 70.0%, followed by the North East at 70.3% and the West Midlands at 72.2%. The lowest rate for the same period last year was also in Northern Ireland at 68.8%.

The largest increase in the employment rate estimates was for the North West, at 0.8 percentage points, followed by the East Midlands, at 0.6 percentage points. Neither of these increases is particularly large, with both regions showing a pattern of relatively flat employment rates over recent periods.

The largest decrease in the employment rate estimates was for the West Midlands, at 1.2 percentage points, followed by the North East at 0.9 percentage points. For the West Midlands this fall is largely due to an unusually high estimate for the July to September period, whereas the North East's fall, whilst a little lower than estimates in early 2016, is comparable with estimates for the same time a year ago. As with both of the largest increases, the general pattern has been for a relatively flat employment rate in recent periods.

Figure 1: Employment rates by region and comparison year on year, seasonally adjusted, October to December 2015 and October to December 2016

UK regions



Source: Labour Force Survey: Office for National Statistics

Over the year, the region with the largest increase in the employment rate was Yorkshire and The Humber, with an increase of 1.8 percentage points, followed by the East Midlands, with an increase of 1.6 percentage points.

The East of England had the largest decrease in the employment rate at 1.2 percentage points, followed by Scotland at 1.0 percentage points.

Where to find data about employment

Employment estimates are available for each region in <u>Dataset HI00 – Headline LFS indicators for all UK regions</u> and <u>HI01 to HI12 – Headline indicators for individual UK regions (Tabs 1 and 2)</u>, and <u>Datasets LI01 to LI05 Local indicators for sub-regional areas of Great Britain</u>, for this and further estimate breakdowns by age or geographies.

These tables contain data produced from the Labour Force Survey (LFS) and Annual Population Survey (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.

6. Workforce jobs (first published 14 December 2016)

Workforce jobs 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 (LFS), as employment is an estimate of people and some people have more than 1 job.

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

A Glossary of Labour Market terms is also available.

The service sector consists of the following industries:

- wholesale and retail trade
- repair of motor vehicles and motor cycles, transport and storage
- accommodation and food service activities
- information and communication
- · financial and insurance activities
- real estate activities
- · professional, scientific and technical activities
- administrative and support service activities
- public administration and defence
- · compulsory social security
- education
- · human health and social work activities
- · arts, entertainment and recreation
- other service activities
- people employed by households

The production sector consists of the following industries:

- · mining and quarrying
- manufacturing
- electricity, gas, steam and air conditioning supply
- water supply, sewerage, waste and remediation activities

The "other" sector consists of agriculture, forestry, and fishing and construction industries.

The Northern Ireland self-employed component of the workforce jobs is published by the <u>Northern Ireland Statistics and Research Agency</u> (NISRA) as part of the <u>Economic and Labour Market Statistics</u>.

Regional workforce jobs

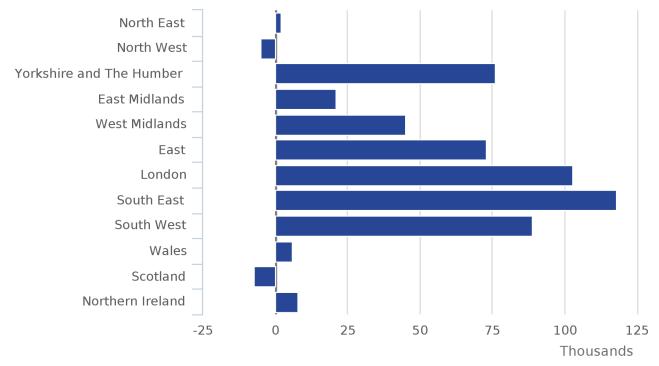
Workforce jobs increased in 6 of the 12 regions of the UK between June 2016 and September 2016. The largest increase of 41,000 was in the South West, followed by the West Midlands, which increased by 29,000.

The largest decrease was in Scotland, which decreased by 27,000, followed by Wales, which decreased by 16,000.

Compared with the same month last year (September 2015), the largest increase in workforce jobs was in the South East, with an increase of 118,000. This was also the largest overall change. The largest decrease was in Scotland, at 7,000.

Figure 2: Change in workforce jobs, by region, seasonally adjusted, September 2015 and September 2016

UK regions



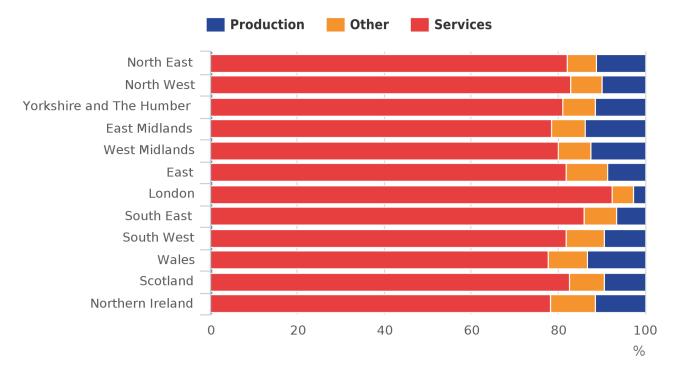
Source: Office for National Statistics

The East Midlands had the highest proportion of jobs in the production sector, at 13.8%, while London had the lowest proportion, at 2.7%. 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 92.5%, whilst Wales had the lowest proportion at 77.8%. The service sector currently accounts for 83.7% of the total workforce jobs in the UK.

Figure 3: Proportion of workforce jobs by broad industry group, by region, September 2016

UK regions



Source: Office for National Statistics

Where to find data about workforce jobs

Workforce jobs estimates are available for each region in <u>Datasets HI01 to HI12 – Headline indicators for individual UK regions</u> (Tabs 4 and 5).

While comparable estimates for workforce jobs by industry begin in 1978, there is information back to 1841, based on census data (not comparable with the latest estimates), available from <u>2011 Census Analysis</u> on our website.

7. Actual hours worked (first published 18 January 2017)

Actual hours worked 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.

A Glossary of Labour Market terms is also available.

Regional actual hours worked

For the period October 2015 to September 2016, the UK region with the highest average actual weekly hours worked (for all workers) was London at 33.5 hours, followed by Northern Ireland at 32.9 hours. The South West had the lowest number of hours worked at 31.3 hours.

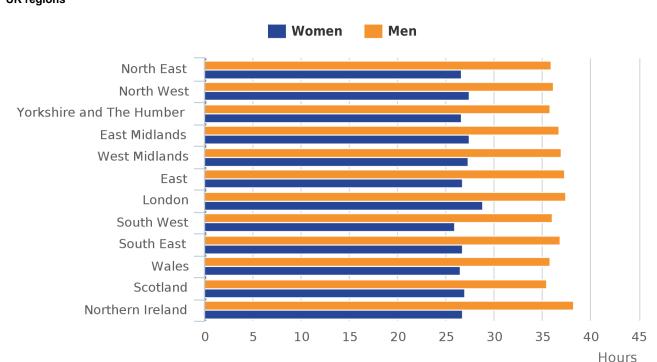
The UK region with the largest increase in the average hours worked, compared with the same period last year (October 2014 to September 2015) was the South East, with an increase of 0.4 hours, a percentage increase of 1.4%. This was followed by the West Midlands and London, both with an increase of 0.2 hours (percentage increases of 0.5% and 0.7% respectively). The largest decrease in the average hours worked was in Northern Ireland, with a decrease of 0.7 hours (2.0%).

The region with the highest average actual weekly hours worked in full-time jobs was London, at 38.2 hours. This represents an increase of 0.3 hours and a percentage increase of 0.8%, compared with the same period last year. The lowest was Scotland at 36.4 hours, which has decreased by 0.2 hours, a percentage decrease of 0.5%. For part-time jobs, the region with the highest average hours worked was Northern Ireland at 17.1 hours and the lowest was the South West at 15.6 hours.

For men, the region with the highest average hours worked was Northern Ireland, at 38.3 hours and for women it was London, at 28.8 hours. The largest difference in average hours worked between men and women was in Northern Ireland, where men worked on average 11.5 more hours a week than women. The largest change compared with the same period last year (October 2014 to September 2015), was seen for women in the South East, where the average hours worked increased by 2.2%: increasing from 26.1 hours to 26.7 hours and Northern Ireland, where the average hours worked decreased by 2.2%: decreasing from 27.4 hours to 26.8 hours per week.

The region with the largest difference in total hours worked between men and women was London, where men worked a total of 34.0 million more hours than women. The region with the smallest difference was Northern Ireland, where men worked only 6.0 million more hours than women.

Figure 4: Average (mean) actual weekly hours of work, by region and by sex, October 2015 to September 2016



UK regions

Source: Annual Population Survey: Office for National Statistics

Where to find data about hours worked

Hours worked estimates are available for each region in <u>Datasets HI01 to HI12 – Headline indicators for individual UK</u> regions (Tab 6). These estimates are based on data from the Annual Population Survey (APS).

The national data is also available at the UK labour market statistical bulletin in Datasets <u>Hour1-Actual weekly hours worked (seasonally adjusted)</u> and <u>Hour2-Usual weekly hours worked (seasonally adjusted)</u>. These estimates are based on data from the Labour Force Survey (LFS).

8. Unemployment

Unemployment 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.

A Glossary of Labour Market terms is also available.

Regional 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 4.8%, for the period October to December 2016. This is unchanged compared with the previous period (July to September 2016).

The UK region with the highest rate was the North East at 7.0%. This was also the region with the highest rate for the same period last year at 8.1%. The next highest rates were seen in the West Midlands, at 5.9% and London, at 5.5%. The region with the lowest rate was the South East at 3.4%, followed by the South West at 3.6%.

The region with the largest decrease in the unemployment rate on the previous period (July to September 2016), was Yorkshire and The Humber at 0.6 percentage points. The general pattern for Yorkshire and The Humber over recent periods is for decreasing unemployment rates. The next largest decreases were seen in the South East, South West and Northern Ireland, all at 0.3 percentage points.

The largest increase in the unemployment rate on the previous period (July to September 2016) was seen in the North East at 0.9 percentage points. This is partially due to an unusually low figure for July to September 2016, with the latest estimate more in line with other recent figures. The next largest increase was seen in the West Midlands at 0.6 percentage points.

Figure 5: Unemployment rates by region, seasonally adjusted, October to December 2016

UK regions



Source: Labour Force Survey: Office for National Statistics

The majority of regions are showing decreases in the unemployment rate compared with a year ago, with the exception of the East Midlands, North West, East of England and West Midlands, which increased by 0.1, 0.2, 0.5 and 0.6 percentage points respectively. The largest decreases were in Yorkshire and The Humber and the North East, both at 1.1 percentage points.

We are currently unable to produce the interactive chart relating to unemployment rate by government region, due to compatibility issues. We aim to develop an improved version of this in the near future.

Where to find data about unemployment

Unemployment estimates are available for each region in <u>Dataset HI00 – Headline LFS indicators for all UK regions</u> and <u>HI01 to HI12 – Headline indicators for individual UK regions</u> (Tab 2(2)), and Datasets <u>LI01 to LI05 – Local indicators for sub-regional areas of Great Britain</u>, for further estimate breakdowns by age or geographies.

These tables contain data produced from the Labour Force Survey (LFS) and Annual Population Survey (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.

9. Claimant Count (Experimental Statistics)

What is the Claimant Count?

The Claimant Count measures the number of people claiming benefit principally for the reason of being unemployed.

Prior to the introduction of Universal Credit, the Claimant Count was measured using the number of claimants of Jobseeker's Allowance (JSA). Since its introduction in May 2013, the Claimant Count now includes 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 will continue to be designated as Experimental Statistics while this development is ongoing.

From April 2015, the Claimant Count includes claimants of Universal Credit who are required to seek and be available for work, as well as all JSA claimants.

Between May 2013 and March 2015, the Claimant Count includes all out-of-work Universal Credit claimants, as well as all JSA claimants.

Between October 1996 and April 2013, the Claimant Count is a count of the number of people claiming JSA.

Between February 1971 and September 1995, the Claimant Count is an estimate of the number of people who would have claimed unemployment-related benefits if JSA had existed at that time.

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.

The Claimant Count estimates are currently designated as experimental statistics because the Universal Credit estimates are still being developed by the Department for Work and Pensions. The roll out of the full service Universal Credit offering over the coming months means that the Claimant Count may be volatile from month to month and be affecting the seasonal adjustment of the data. We therefore encourage people to be cautious when looking at individual month's figures, and we will continue to monitor the Claimant Count statistics.

See Notes for Claimant Count at the end of this section and Background notes for further information.

Regional Claimant Count

The seasonally adjusted Claimant Count rate for the UK was 2.1% in January 2017, down 0.1 percentage points from December 2016, with the level down 42,400.

Figure 6 shows the regional Claimant Count rates since comparable records began in 1974. It shows that whilst Claimant Count rates have varied widely over that period, the regions with the highest Claimant Count rates have generally continued to have higher than average rates, whilst those regions with the lowest rates also continue to be the same regions.

Figure 6: Claimant Count rate by region, seasonally adjusted, April 1974 to January 2017

UK regions

Source: Office for National Statistics

Interactive chart: move the cursor onto each plot line to see the Claimant Count rate for that region.

Looking in more detail, Figure 7 shows the UK region with the highest rate was the North East at 3.9%. The next highest rates were in Northern Ireland at 3.5% and the West Midlands at 2.8%. For the same period last year, Northern Ireland was the region with the highest rate at 4.2%.

The region with the lowest rate was the South East at 1.2%, followed by the South West at 1.3% and the East of England at 1.5%.

Figure 7: Claimant Count rate by region, seasonally adjusted, January 2015 to January 2017

UK regions

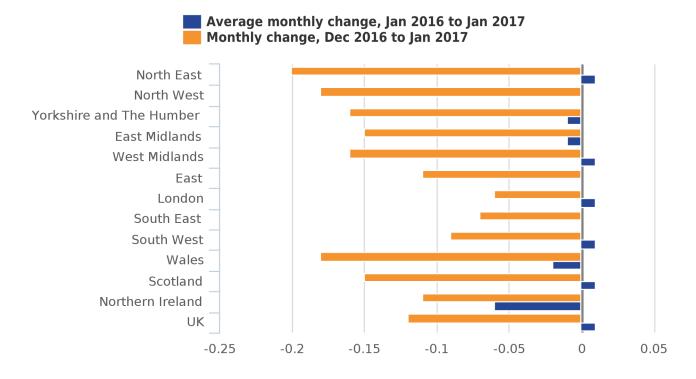
Source: Office for National Statistics

Interactive chart: move the cursor onto each plot line to see the Claimant Count rate for that region.

All regions saw a decrease in the Claimant Count level compared with the previous month (December 2016). The largest decrease in the Claimant Count level was in the North West, at 6,700. The Claimant Count levels for both men and women also showed decreases in all regions.

Figure 8: Comparison of Claimant Count rate, annual average change and monthly change, January 2017

UK regions



Source: Office for National Statistics: Department for Work and Pensions

Over the last 12 months, the average monthly change in the Claimant Count rates saw small increases in 5 of the 12 regions of the UK, with the North West, East of England and South East all being unchanged. The remaining 4 regions saw an average decrease, of which the largest was in Northern Ireland, at 0.06 percentage points.

Notes for Claimant Count

- 1. The Claimant Count now includes people claiming Universal Credit. The background notes to this statistical bulletin have further details.
- The Claimant Count includes people who claim Jobseeker's Allowance (JSA) 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; this is known as "sanctioning". Some people claim JSA in order to receive National
 Insurance Credits.
- 3. An article explaining how unemployment and the Claimant Count series are defined and measured and the difference between the 2 series is available, along with an article to help users interpret labour market statistics and highlight some common misunderstandings.
- 4. Universal Credit has not yet been introduced in Northern Ireland and so the "Claimant Count" for Northern Ireland will only be the number of people claiming JSA.
- 5. 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 Dataset CLA01 Claimant Count (experimental statistics) in the UK Labour Market bulletin.
- 6. Under Universal Credit a broader span of claimants are required to look for work than under Jobseeker's Allowance. As Universal Credit Full Service is rolled out the number of people recorded as being on the claimant count is therefore likely to rise.

Where to find data about the Claimant Count

Claimant Count estimates are available for each region at <u>Datasets HI01 to HI12 – Headline indicators for individual UK regions</u> (Tab 7) and at <u>Datasets CC01 – Claimant Count by unitary and local authority</u>, <u>CC02 – Claimant Count by parliamentary constituency</u>, <u>CC02.1 – Claimant Count for constituencies of the Scottish Parliament</u> and <u>CC03 – Claimant Count for Local Enterprise Partnerships</u>, for further estimate breakdowns by geographies.

Datasets showing estimates of Jobseeker's Allowance (JSA) are still available at HI01 to HI12 – Headline indicators for individual UK regions (Tabs 7(1), 8 and 8(2)), and in Datasets JSA01 – Jobseeker's Allowance for local and unitary authorities in the UK, JSA02 – Jobseeker's Allowance for Westminster parliamentary constituencies in the UK, JSA02.1 – Jobseeker's Allowance for constituencies of the Scottish Parliament and JSA03 – Jobseeker's Allowance for Local Enterprise Partnerships in England, for further estimate breakdowns by sub-regional geographic areas. However, these estimates are not designated as National Statistics. The back data for JSA, at a regional level, is available from Nomis. Workplace-based denominators used for the Claimant Count are also available at Dataset (S03) – Claimant Count denominators.

10. 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.

A Glossary of Labour Market terms is also available.

Regional economic inactivity

The economic inactivity rate for people aged from 16 to 64 for the UK was 21.6%, for the period October to December 2016. This is a decrease of 0.1 percentage points compared with the previous period (July to September 2016). The UK region with the highest rate was Northern Ireland at 25.9%, followed by the North East at 24.3%. The region with the lowest rate was the South East at 18.7%, followed by the South West at 19.5% and the East of England at 19.6%.

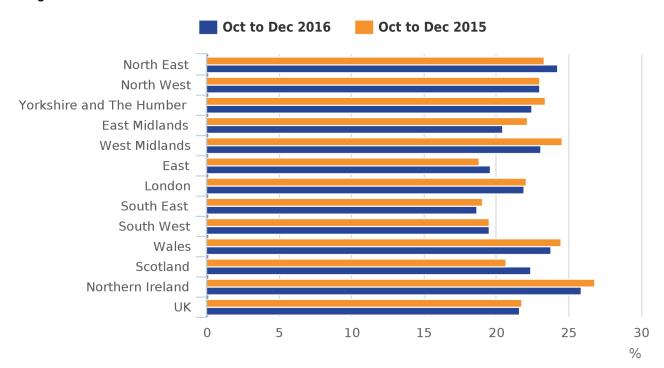
The region with the largest increase in the economic inactivity rate on the previous period (July to September 2016) was the West Midlands, with an increase of 0.7 percentage points, followed by Wales, with an increase of 0.4 percentage points. The East Midlands had the largest decrease in the rate, of 0.7 percentage points, followed by the North West, with a decrease of 0.6 percentage points. London was the only region that saw no change in its inactivity rate, compared with the previous period.

Over the year from October to December 2015 to October to December 2016, the region with the largest increase in the economic inactivity rate was Scotland, with an increase of 1.7 percentage points, followed by the North East, with an increase of 1.0 percentage point. The largest decrease in the rate was in the East Midlands, at 1.7 percentage points, followed by the West Midlands, at 1.5 percentage points.

Northern Ireland also had the highest economic inactivity rate at 26.8%, in the same period in 2015. The current rate is now 4.3 percentage points higher than the UK rate.

Figure 9: Economic inactivity rate by region and comparison year-on-year, seasonally adjusted, October to December 2015 and October to December 2016





Source: abour Force Survey: Office for National Statistics

Where to find data about economic inactivity

Economic inactivity estimates are available for each region at <u>Dataset HI00 – Headline LFS indicators for all UK regions</u> and <u>HI01 to HI12 – Headline indicators for individual UK regions</u> (Tabs 10 and 11), and <u>Datasets LI01 to LI05 – Local indicators for sub-regional areas of Great Britain</u>, for further estimate breakdowns by age, reason or geographies.

These tables contain data produced from the Labour Force Survey (LFS) and Annual Population Survey (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.

11. Local labour market indicators

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

Indicators from the Annual Population Survey (first published 18 January 2017)

For the period October 2015 to September 2016, the local authorities with the highest employment rates in Great Britain were Stroud at 89.0%, Erewash at 88.3%, Epsom and Ewell at 87.7% and Selby at 87.2%. Rochdale is the local authority with the lowest rate at 61.7%, followed by Birmingham at 61.9% and Leicester at 62.5%. For the same period last year, the highest rates were in Rushmore at 88.0% and Winchester at 87.7%.

For the period October 2015 to September 2016, the local authorities with the highest unemployment rates in Great Britain were Birmingham at 9.4%, followed by Hartlepool at 9.3%. The local authorities with the lowest rates were Uttlesford at 2.0%, followed by Eden in Cumbria at 2.1% and South Northamptonshire, Harborough and Stratford-on-Avon, all at 2.2%. These were followed by a further 34 local authorities all under 3.0%. For the same period last year, there were 46 local authorities with a rate of less than 3.0%.

Indicators using Claimant Count data (Experimental Statistics)

Under Universal Credit a broader span of claimants are required to look for work than under Jobseeker's Allowance (JSA). As Universal Credit Full Service is rolled out in particular areas, the number of people recorded as being on the Claimant Count is therefore likely to rise. This should be taken into account when comparing rates between different areas.

In January 2017, the UK local authority (excluding the Isles of Scilly) with the lowest proportion of the population aged from 16 to 64 years, claiming JSA or work-seeking Universal Credit was Stratford-on-Avon, at 0.4%. This was followed by 12 local authorities at 0.5% and 19 other local authorities at 0.6%. There were a further 59 local authorities with a proportion of less than 1.0%.

The proportion was highest in Derry City and Strabane at 5.3%, followed by Middlesbrough at 4.9%. There were a further 30 local authorities with a proportion of 3.0% or more in the UK.

Due to technical issues it is not currently possible to show the map reflecting the Claimant Count for the total amount of people claiming JSA and Universal Credit (formerly Figure 10). We are also unable to produce the interactive version of this map, due to compatibility issues. We aim to develop an improved version of this map in the near future, which will replace the need for a static map image.

Jobs densities (first published 18 January 2017)

The jobs density of an area is the number of jobs per head, of resident population, aged 16 to 64. In 2015, the highest jobs density in Great Britain was the City of London at 84.29 and the lowest was Lewisham at 0.40. Westminster (4.30) and Camden (2.23), both in London, were the next highest jobs densities. The highest jobs densities of Scilly at 2.01. After Lewisham, the lowest jobs densities were East Renfrewshire at 0.43, followed by East Dunbartonshire at 0.45 and Waltham Forest at 0.46.

Where to find data about local labour market indicators

Annual Population Survey (APS) estimates are available at <u>Datasets LI01 to LI05 – Local indicators for subregional areas of Great Britain</u> and Claimant Count estimates are available at Datasets <u>CC01 – Claimant Count by unitary and local authority</u> and <u>CC02 – Claimant Count by parliamentary constituency</u>, <u>CC02.1 – Claimant Count for constituencies of the Scottish Parliament</u>, and <u>CC03 – Claimant Count for Local Enterprise Partnerships in this statistical bulletin</u>.

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

12. Where to find more information about labour market statistics

Other datasets within the regional labour market release:

- Guide to tables in regional labour market statistical bulletin
- Summary of headline indicators (S01)
- Sampling variability and revisions summary (S02)
- Model-based estimates of unemployment (M01)
- Estimates of employment by age (experimental statistics) (X01)
- Estimates of unemployment by age (experimental statistics) (X02)
- Estimates of economic inactivity by age (experimental statistics) (X03)
- Regional public and private sector employment (RPUB1)

Other regularly published labour market releases:

- UK Labour Market statistics
- Public sector employment
- Young people not in education, employment or training (NEET)
- Labour Productivity
- Annual Survey of Hours and Earnings (ASHE)
- Business Register and Employment Survey (BRES)
- regional and local area statistics are also available at NOMIS®

We have also produced:

- ad hoc data and analysis related to employment and employee types
- methodological articles related to employment and employee types

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

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

13. Quality and methodology

Quality information

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 Dataset So2 Regional labour market: Sampling variability and revisions summary spreadsheet and show the size of revisions over the last 5 years.

The revised data 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 quality and methodology information report.

Other quality information

The Quality and Methodology Information documents for labour market statistics contain important information on:

- the strengths and limitations of the data and how it compares with related data
- users and uses of the data
- · how the output was created
- the quality of the output including the accuracy of the data

Labour market Quality and Methodology Information
Labour Force Survey Quality and Methodology Information
Claimant count Quality and Methodology Information
Vacancy Survey Quality and Methodology Information
Workforce Jobs Quality and Methodology Information
Average weekly earnings (AWE) Quality and Methodology Information

Further information about the Labour Force Survey (LFS) is available from:

- the Labour Force Survey user guide
- Labour Force Survey performance and quality monitoring reports

14. Background notes

1. Changes in this month's bulletin

<u>Table S01: Regional labour market summary</u> now includes new versions of its tables. The new versions still contain the same data as the old version, but have been reformatted to include Government Statistical Service (GSS) geography codes and to follow standard presentation format for regional tables.

2. Next month's bulletin

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

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

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.

Universal Credit is replacing a number of means-tested benefits including the means-tested element of JSA. It will not replace the contributory-based JSA.

The Universal Credit programme started on 29 April 2013, with the introduction of this new benefit in 1 Jobcentre Plus office. This has since been extended to some claimants in all Jobcentre Plus offices across Great Britain. The range of claimants eligible for Universal Credit varies in different offices across Great Britain. A list of Jobcentres where Universal Credit is available and which claimants are eligible is available on GOV.UK

Following a consultation in 2012, it was decided that, with the introduction of Universal Credit, the Claimant Count would aim to 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 (DWP) and they currently include Universal Credit claimants who are required to seek and be available for work. This will include a small number of claimants in work with very low earnings. These experimental Claimant Count estimates are available at Datasets HI01 to HI12 – Headline indicators for individual UK regions (Tab 7).

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 at Datasets HI01 to HI12 – Headline indicators for individual UK regions (Tab 7(1)).

Similarly, it is not currently possible to produce a regional age and 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 Datasets HI01 to HI12 – Headline indicators for individual UK regions (Tabs 8(1) and 8 (2)). Regional age breakdowns are available from Nomis.

A breakdown for local geographies for the new measure of the Claimant Count is now available at Datasets CC01 – Claimant Count by unitary and local authority, CC02 – Claimant Count by parliamentary constituency, CC02.1 – Claimant Count for constituencies of the Scottish Parliament and CC03 – Claimant Count for Local Enterprise Partnerships. Estimates of JSA continue to be available and are published at Datasets JSA01 to JSA03 – Jobseeker's Allowance for sub-regional areas of the UK.

The JSA estimates are no longer designated as <u>National Statistics</u> 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:

- <u>letter from National Statistician to UK Statistics Authority, 9 June 2015</u>
- reply from UK Statistics Authority to National Statistician, 10 June 2015

The article <u>Jobseeker's Allowance</u>, <u>Universal Credit and the Claimant Count</u>: <u>Changes to the measurement of the Claimant Count</u> provides further information.

4. Details of the policy governing the release of new data are available from the <u>UK Statistics Authority</u> website.