Office for National Statistics

Statistical bulletin

Labour market in the regions of the UK: February 2021

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

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1 . Main points

- Since February 2020, the number of payrolled employees for all regions followed a pattern of decline, with varying magnitude; comparing January 2021 with January 2020, decreases in payrolled employees ranged from 0.8% in Northern Ireland to 5.2% in London.

- Annual growth in median pay for employees in January 2021 was highest in Wales (an increase of 5.2%) and lowest in the South East (an increase of 3.4%).

- For the three months ending December 2020, the highest employment rate estimate in the UK was in the South East (78.6%) and the lowest was in Northern Ireland (69.4%); most regions saw a decrease in the employment rate compared with the same period last year, except for the North East, which was largely unchanged, and Yorkshire and The Humber, which saw a small increase of 1.1 percentage points.

- For the three months ending December 2020, the highest unemployment rate estimate in the UK was in London (7.0%) and the lowest was in Northern Ireland (3.6%); all regions saw an increase in the unemployment rate compared with the same period last year, with London seeing the largest increase, at 2.7 percentage points.

- For the three months ending December 2020, the highest economic inactivity rate estimate in the UK was in Northern Ireland (28.0%) and the lowest was in the South East (18.3%); most regions saw an increase in the economic inactivity rate compared with the same period last year, except for the North East, which saw a small decrease of 0.3 percentage points, and Yorkshire and The Humber, and London, with decreases of 1.6 and 1.5 percentage points, respectively.

- Between June and September 2020, workforce jobs decreased in all regions of the UK, except for Wales, which increased by 11,000; the largest decrease was in London at 98,000.

- Average weekly hours worked, for the 12 months ending September 2020, varied between London, with 30.9 million hours worked and the North East, with 27.9 million hours worked; all regions saw a decrease in the average weekly hours worked, compared with the same period last year, with the North West and Scotland both with the largest decreases of 3.2 hours per week; for total weekly hours worked, the South East saw the largest decrease compared with the same period last year, down 13.2 million hours per week.

Labour Force Survey (LFS) responses are weighted to official population projections. As the current projections are 2018-based they are based on demographic trends that pre-date the coronavirus pandemic. We are analysing the population totals used in the weighting process and may make adjustments if appropriate. Rates published from the LFS remain robust; however, levels and changes in levels should be used with caution. This will particularly affect estimates for country of birth, nationality, ethnicity and disability.

2 . Regional labour market data

[Headline Labour Force Survey indicators for all regions](#)
Dataset HI00 | Released 23 February 2021
Headline labour market indicators from the Labour Force Survey (LFS) for all of the UK regions. These cover economic activity, employment, unemployment and economic inactivity. Datasets HI01 to HI12 provide all regional level indicators for each region of the UK.

[Claimant Count by unitary and local authority (experimental)](#)
Dataset CC01 | Released 23 February 2021
Claimant Count for people resident in local and unitary authorities, counties, and regions of the UK.

[Regional labour market summary](#)
Dataset S01 | Released 23 February 2021
Labour market indicators for countries and regions of the UK, covering employment, unemployment, Claimant Count and workforce jobs.

[Local indicators for counties and local and unitary authorities](#)
Dataset LI01 | Released 23 February 2021
Labour market indicators for local and unitary authorities, counties, and regions in Great Britain for a 12-month period.

[Real Time Information statistics](#)
Dataset Real Time Information statistics | Released 23 February 2021
Earnings and employment statistics from Pay As You Earn (PAYE) Real Time Information (RTI) (Experimental Statistics) seasonally adjusted.

All regional labour market datasets used in this bulletin are available on the [Related data page](#).

3 . Glossary

Actual and usual hours worked

Statistics for [usual hours worked](#) measure how many hours people usually work per week. Compared with actual hours worked, they are not affected by absences and so can provide a better measure of normal working patterns. For example, a person who usually works 37 hours a week but who was on holiday for a week would be recorded as working zero actual hours for that week, while usual hours would be recorded as 37 hours.

Economic inactivity

People not in the labour force (also known as economically inactive) are not in employment but do not meet the internationally accepted definition of unemployment because they have not been seeking work within the last four weeks and/or they are unable to start work in the next two weeks. The economic inactivity rate is the proportion of people aged between 16 and 64 years who are not in the labour force.

Employment

Employment measures the number of people in paid work or who had a job that they were temporarily away from (for example, because they were on holiday or off sick). This differs from the number of jobs because some people have more than one job. The employment rate is the proportion of people aged between 16 and 64 years who are in employment. A more detailed explanation is available in our [guide to labour market statistics](#).

Local labour market indicators

Local labour market indicators cover employment, unemployment, economic inactivity 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 years.

Pay As You Earn (PAYE) Real Time Information (RTI)

These data come from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) system. They cover the whole population rather than a sample of people or companies, and they will allow for more detailed estimates of the population. The release is classed as Experimental Statistics as the methodologies used to produce the statistics are still in their development phase. As a result, the series are subject to revisions.

PAYE is the system employers and pension providers use to take Income Tax and National Insurance contributions before they pay wages or pensions to employees and pensioners. This publication relates to employees only and not pensioners.

Unemployment

Unemployment measures people without a job who have been actively seeking work within the last four weeks and are available to start work within the next two weeks. The unemployment rate is not the proportion of the total population who are unemployed. It is the proportion of the economically active population (those in work plus those seeking and available to work) who are unemployed.

A more detailed glossary is available.

4 . Measuring the data

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 in full separately, in the Northern Ireland Labour Market Report on the Northern Ireland Statistics and Research Agency (NISRA) website. Regional and local area statistics are available from Nomis.

Coronavirus and measuring regional labour market

Because of the coronavirus (COVID-19) pandemic, all face-to-face interviewing for the Labour Force Survey (LFS) was suspended and replaced with telephone interviewing. This change in method for initial contact has changed the non-response bias of the survey, affecting interviews from March 2020 onwards. An article on Coronavirus and its impact on the Labour Force Survey gives more detail on this change.

LFS estimates presented for periods from January to March 2020 onwards were re-weighted to account for this bias on 13 October 2020. Annual Population Survey (APS) estimates presented that include affected periods are now also reweighted to account for this.

LFS estimates presented in this bulletin are based on interviews that took place throughout the period from the start of October to the end of December 2020. All the interviews relate to the period after the implementation of coronavirus social distancing measures, the use of local restrictions and government measures aimed at protecting businesses and jobs.

The International Labour Organization (ILO) definition of employment includes those who worked in a job for at least one hour and those temporarily absent from a job. Workers furloughed under the Coronavirus Job Retention Scheme (CJRS), or who are self-employed but temporarily not in work, have a reasonable expectation of returning to their jobs after a temporary period of absence. Therefore, they are classified as employed under the ILO definition.

The data in this bulletin come from the Labour Force Survey, a survey of households. It is not practical to survey every household each quarter, so these statistics are estimates based on a large sample.

We continually review all publications and data published as part of the labour market release; this has led to the [postponement of some publications and datasets](#) to ensure that we can continue to publish our main labour market data. This will also protect the delivery and quality of our remaining outputs as well as ensuring we can respond to new demands as a direct result of the coronavirus pandemic.

For more information on [how labour market data sources are affected by the coronavirus pandemic](#), see the article published on 6 May 2020, which details some of the challenges that we have faced in producing estimates at this time.

An article published on 11 December 2020 [compares our labour market data sources and discusses some of the main differences](#).

Our latest data and analysis on the impact of the coronavirus on the UK economy and population are available on our dedicated [coronavirus web page](#). This is the hub for all special coronavirus-related publications, drawing on all available data. In response to the developing coronavirus (COVID-19) pandemic, we are working to ensure that we continue to publish economic statistics. For more information, please see [COVID-19 and the production of statistics](#).

The Labour Force Survey and population estimates

Labour Force Survey (LFS) responses are weighted to official population projections. As the current projections are 2018-based they are based on demographic trends that pre-date the COVID-19 pandemic. We are analysing the population totals used in the weighting process and may make adjustments if appropriate. Rates published from the LFS remain robust; however, levels and changes in levels should be used with caution. This will particularly affect estimates for country of birth, nationality, ethnicity and disability.

Impact on production of workforce job estimates

Because of social distancing measures leading to the temporary closure of businesses across the UK, there have been some difficulties in collecting data using the Short-Term Employment Survey (STES). Survey response rates were lower than is typical. To protect the quality of our output, we have used alternative sources where possible to inform data. We have used Standard Industrial Classification (SIC) section-level indications from the Business Impact of Coronavirus (COVID-19) Survey (BICS) as well as survey contributor-level comments provided to us over the telephone or electronically, as a guide on whether businesses are operational and likely, or not, to be actively recruiting and to confirm employment figures.

End of EU exit transition period

As the transition period ends and the UK enters into a new Trade and Co-operation Agreement with the EU, the UK statistical system will continue to produce and publish our wide range of economic and social statistics and analysis. We are committed to continued alignment with the highest international statistical standards, enabling comparability both over time and internationally, and ensuring the general public, statistical users and decision-makers have the data they need to be informed.

As the shape of the UK's future statistical relationship with the EU becomes clearer over the coming period, the ONS is making preparations to assume responsibilities that as part of our membership of the EU, and during the transition period, were delegated to the statistical office of the EU, Eurostat. This includes responsibilities relating to international comparability of economic statistics, deciding what international statistical guidance to apply in the UK context and to provide further scrutiny of our statistics and sector classification decisions.

In applying international statistical standards and best practice to UK economic statistics, we will draw on the technical advice of experts in the UK and internationally, and our work will be underpinned by the UK's well-established and robust framework for independent official statistics, set out in the Statistics and Registration Service Act 2007. Further information on our proposals will be made available early this year.

We will continue to produce our labour market statistics in line with the UK Statistics Authority's Code of Practice for Statistics and in accordance with International Labour Organization (ILO) definitions and agreed international statistical guidance.

Data sources

This bulletin includes labour market estimates at a regional level from the Labour Force Survey (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 Annual Population Survey (APS). Any estimates for geographic areas below regional level are provided using the APS. In tables where the APS estimates are provided for detailed geographic areas, regional and national estimates are also provided from the APS for comparability.

The LFS is a household survey using international definitions of employment, unemployment and economic inactivity. It 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 three-monthly period, based on interviews that took place throughout the three months; for example, February to April data in a release will be followed by data for March to May in the next release.

The 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.

A comparison between estimates of employment and jobs is available.

Comparisons with earlier data

The most robust estimates of short-term movements in estimates derived from the LFS are obtained by comparing the estimates for October to December 2020 with the estimates for July to September 2020, which were first released on 10 November 2020. This provides a more robust estimate than comparing with the estimates for September to November 2020. This is because the October and November 2020 data are included within both estimates, so observed differences are only between September and December 2020. The LFS is representative of the UK population over a three-month period, not for single-month periods.

Quality and methodology

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the Quality and Methodology Information (QMI) reports for various labour market topics:

- LFS QMI

- LFS performance and quality monitoring reports

- APS QMI

- Vacancy Survey QMI

- Workforce jobs QMI

- Average weekly earnings QMI

- Labour Disputes Inquiry QMI

Further information about the LFS is available from the LFS – user guidance.

A guide to labour market statistics, which includes a glossary, is also available for further information.

5 . Strengths and limitations

Uncertainty in these data

The estimates presented in this bulletin contain uncertainty. There are many sources of uncertainty, but the main sources in the information presented include each of the following.

Because of the coronavirus (COVID-19) and the suspension of face-to-face interviewing on 17 March 2020, we had to make operational changes to the Labour Force Survey (LFS), particularly in the way that we contact households for initial interview, which moved to a "by telephone" approach. These changes resulted in a response where certain characteristics have not been as well represented as previously. This is evidenced in a change in the balance of type of household that we are reaching. In particular, the proportion of households where people own their homes in the sample has increased and rented accommodation households has decreased.

To mitigate the impact of this non-response bias, in October 2020, we introduced housing tenure into the LFS weighting methodology for periods from January to March 2020 onwards. While not providing a perfect solution, this redressed some of the issues that had previously been noted in the survey results. More information can be found in Coronavirus and its impact on the Labour Force Survey and in this blog.

The change in weighting methodology resulted in revisions to all LFS estimates published on 13 October 2020 for the periods January to March 2020 through to July to September 2020 and consequently had an impact on recent movements for a number of the published series. More information about the impact of the change in weighting on main LFS indicators published in October 2020 can be found in Dataset X08.

Strengths

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

The labour market statistics are used by a range of users, including central and local government, the media, trade unions and businesses. They are used for the analysis, evaluation, monitoring and planning of the labour market and economy. They are also used for social analysis and help inform a range of government policies towards population groups of concern (such as women, young people, older people and jobless households).

Accuracy and reliability

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 three-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.

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. 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.

Revisions

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 S02 Regional labour market: Sampling variability and revisions summary and show the size of revisions over the last five years.

The revised data may be subject to sampling or other sources of error. Our standard presentation is to show five years' worth of revisions (that is, 60 observations for a monthly series and 20 for a quarterly series).

Table 1: Labour Force Survey sampling variability

Sampling variability (95% confidence intervals[1]) of regional Labour Force Survey estimates: October to December 2020[2]

	Employment level, aged 16 and over (thousands)[3]	Unemployment level, aged 16 and over (thousands)[3]	Economic activity level, aged 16 and over (thousands)[3]	Economic inactivity level, aged 16 to 64 (thousands)[3]	Employment rate, aged 16 to 64 (%)	Unemployment rate, aged 16 and over (%)
North East	±39	±18	±36	±47	±2.4	±1.4
North West	±65	±29	±63	±79	±1.5	±0.8
Yorkshire and The Humber	±55	±24	±53	±66	±1.7	±0.9
East Midlands	±43	±22	±41	±59	±1.7	±1
West Midlands	±59	±30	±56	±69	±1.6	±0.9
East	±55	±25	±51	±63	±1.4	±0.8
London	±91	±52	±84	±93	±1.4	±1
South East	±64	±26	±62	±75	±1.2	±0.6
South West	±55	±23	±54	±68	±1.6	±0.8
Wales	±44	±17	±44	±54	±2.2	±1.1
Scotland	±62	±24	±58	±74	±1.8	±0.9

Source: Office for National Statistics – Labour Force Survey

Notes

1. The sampling variability estimates are for 95% confidence intervals and are calculated on data that are not seasonally adjusted.

2. These data are part of dataset A11: Labour Force Survey sampling variability, which is part of the Labour market overview, UK release and dataset S02 of this release.

3. Labour Force Survey (LFS) responses are weighted to official population estimates and projections that do not currently reflect the impact of the COVID-19 pandemic. The LFS is not designed to measure changes in the levels of population or long-term international migration. We are analysing the population totals used in the weighting process and may make adjustments if appropriate. This issue does not affect rates published from the LFS; however, levels and changes in levels should be used with caution.

6 . Related links

Labour market overview, UK: February 2021
Bulletin | Released 23 February 2021
Estimates of employment, unemployment, economic inactivity and other employment-related statistics for the UK.

Earnings and employment from Pay As You Earn Real Time Information, UK: February 2021
Bulletin | Released 23 February 2021
Experimental monthly estimates of payrolled employees and their pay from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) data. This is a joint release between HMRC and the Office for National Statistics (ONS).

Vacancies and jobs in the UK: February 2021
Bulletin | Released 23 February 2021
Quarterly estimates of the number of people employed in the public and private sectors in the UK. The public sector comprises central government, local government and public corporations.

Working and workless households in the UK: July to September 2020
Bulletin | Released 25 November 2020
Commentary on quarterly estimates of the economic status of UK households and the people living in them.

Young people not in education, employment or training (NEET), UK: November 2020
Bulletin | Released 19 November 2020
Quarterly bulletin examining estimates of men and women aged between 16 and 24 years in the UK who are not studying or in employment.