

Statistical bulletin

# Labour market in the regions of the UK: May 2020

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



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## Notice

## 19 May 2020

The effect of the coronavirus (COVID-19) pandemic on our capacity means we have reviewed the existing labour market releases and have suspended some publications.

This will protect the delivery and quality of our remaining labour market outputs and ensure we can respond to new demands as a direct result of COVID-19. More details about the impact on labour market outputs can be found in our statement.

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## 1. Main points

- For the three months ending March 2020, the highest employment rate estimate in the UK was in the South East (80.2%) and the lowest was in Northern Ireland (72.4%).
- For the three months ending March 2020, the highest unemployment rate estimate in the UK was in the North East (5.4%) and the lowest was in Northern Ireland (2.4%).
- For the three months ending March 2020, the highest economic inactivity rate estimate in the UK was in Northern Ireland (25.8%) and the lowest was in the South East (17.3%).
- Between September and December 2019, the largest estimated increase in workforce jobs in the UK was in London at 43,000, while the largest decrease was in the North West at 53,000.
- In December 2019, the region with the highest estimated proportion of workforce jobs in the services sector was London at 91.5%, while the East Midlands had the highest proportion of jobs in the production sector at 13.2%.
- The highest average estimated actual weekly hours worked, for the 12 months ending December 2019, was in London at 33.8 hours and the lowest was in the North East at 30.9 hours; for full-time and part-time workers, it was highest for both in Northern Ireland, at 38.4 hours and 17.0 hours respectively.

## **Coronavirus and Labour Force Survey estimates**

The Labour Force Survey (LFS) estimates presented in this bulletin are based on interviews that took place throughout the period from the start of January to the end of March 2020. Consequently, most interviews relate to the period prior to the implementation of coronavirus (COVID-19) social distancing measures. Interviews in the final week of March 2020 relate to the period following the government closure of schools, introduction of lockdown and announcement of 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.

## 2. Regional labour market summary

Table 1 shows the latest estimates for employment, unemployment and economic inactivity for January to March 2020 and a comparison with the previous quarter (October to December 2019). Comparing non-overlapping periods (January to March 2020 with October to December 2019) provides a more robust short-term comparison.

Table 1: Summary of latest headline estimates for regions of the UK, seasonally adjusted, January to March 2020

	Employment rate <sup>1</sup> (%) aged 16 to 64 years	Change on October to December 2019	Unemployment rate <sup>2</sup> (%) aged 16 years and over	Change on October to December 2019	Inactivity rate <sup>3</sup> (%) aged 16 to 64 years	Change on October to December 2019
UK	76.6	0.2	3.9	0.1	20.2	-0.3
Great Britain	76.8	0.2	3.9	0.1	20.0	-0.3
England	77.1	0.2	4.0	0.1	19.6	-0.4
North East	72.9	1.8	5.4	-0.7	22.9	-1.3
North West	76.2	0.3	4.0	-0.3	20.5	-0.2
Yorkshire and The Humber	73.9	0.6	4.3	-0.2	22.7	-0.5
East Midlands	78.2	-0.2	3.8	0.2	18.7	0.1
West Midlands	75.0	-0.5	5.0	0.6	21.0	0.1
East	78.0	-0.6	3.7	0.4	18.9	0.1
London	76.9	1.4	4.7	0.4	19.4	-1.7
South East	80.2	0.1	2.9	-0.2	17.3	0.0
South West	79.2	-1.0	3.1	0.3	18.2	0.7
Wales	74.3	-0.1	3.2	0.3	23.2	-0.1
Scotland	74.7	-0.3	4.1	0.6	22.1	-0.1
Northern Ireland	72.4	0.0	2.4	0.0	25.8	0.0

Source: Office for National Statistics - Labour Force Survey

Notes

- Calculation of headline employment rate: number of employed people aged from 16 to 64 years divided by the population aged from 16 to 64 years. Population is the sum of employed plus unemployed plus inactive. <u>Back to table</u>
- 2. Calculation of headline unemployment rate: number of unemployed people aged 16 years and over divided by the sum of employed people aged 16 years and over plus unemployed people aged 16 years and over., Calculation of headline economic inactivity rate: number of economically inactive people aged from 16 to 64 years divided by the population aged from 16 to 64 years. Population is the sum of employed plus unemployed plus inactive. <u>Back to table</u>

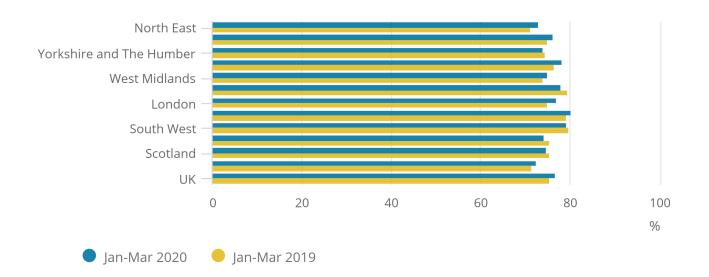
## 3. Employment

## Figure 1: The South East had the highest employment rate in the UK and a record high employment rate for the region

Employment rate estimates by UK region and comparison year-on-year, seasonally adjusted, between January to March 2019 and January to March 2020

## Figure 1: The South East had the highest employment rate in the UK and a record high employment rate for the region

Employment rate estimates by UK region and comparison year-on-year, seasonally adjusted, between January to March 2019 and January to March 2020



#### Source: Office for National Statistics - Labour Force Survey

<u>Employment</u> measures the number of people aged 16 years and over in paid work and those who had a job that they were temporarily away from. The employment rate is the proportion of people aged between 16 and 64 years who are in employment.

The employment rate estimate for people aged between 16 and 64 years for the UK was 76.6% for the period January to March 2020. This is an increase of 0.2 percentage points compared with the previous quarter (October to December 2019).

The UK region with the highest employment rate estimate was the South East at 80.2%. The rate in the South East was a record high for the region, along with a record high employment level. The highest estimated rate for the same period last year was in the South West at 79.6%. The next highest employment rate estimate for January to March 2020 was seen in the South West at 79.2%, followed by the East Midlands at 78.2%. There was also a record high employment rate and level for London, with the rate at 76.9%, and a record high employment level for the North West at 76.2%.

The region with the lowest employment rate estimate was Northern Ireland at 72.4%, followed by the North East at 72.9%. The lowest estimated rate for the same period last year was in the North East at 71.1%.

The largest increase in the employment rate estimate, compared with October to December 2019, was in the North East at 1.8 percentage points, followed by London at 1.4 percentage points. The largest decrease in the employment rate estimates, compared with October to December 2019, was for the South West at 1.0 percentage point, followed by the East of England at 0.6 percentage points. Northern Ireland was largely unchanged compared with the previous quarter.

Over the year, the region with the largest increase in the employment rate was London at 1.9 percentage points, followed by the North East with an increase of 1.8 percentage points (Figure 1). The East of England saw the largest decrease in the employment rate at 1.4 percentage points, followed by Wales with a decrease of 1.1 percentage points.

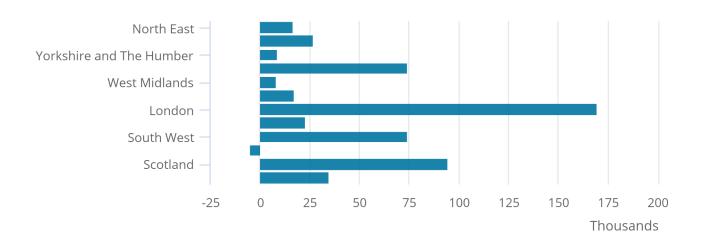
## 4. Workforce jobs (first published 17 March 2020)

### Figure 2: London saw the largest change in workforce jobs compared with last year

Change in estimated workforce jobs, by UK region, seasonally adjusted, December 2018 and December 2019

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Change in estimated workforce jobs, by UK region, seasonally adjusted, December 2018 and December 2019



#### Source: Office for National Statistics - 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 (LFS), as employment is an estimate of people and some people have more than one job.

A comparison between estimates of employment and jobs article is available.

For December 2019, there were an estimated 35.83 million workforce jobs in the UK; this is 67,000 more than for September 2019.

Workforce jobs increased in 6 of the 12 regions of the UK between September 2019 and December 2019. The largest estimated increase of 43,000 was in London, followed by the South East at 42,000.

The largest estimated decrease was in the North West at 53,000, followed by Wales, which decreased by 27,000.

Compared with the same month the previous year (December 2018), the largest estimated increase in workforce jobs was in London at 170,000. The only decrease was in Wales at 4,000 (Figure 2).

The East Midlands had the highest proportion of jobs in the production sector at 13.2% (Figure 3), while London had the lowest proportion at 3.1%. This is because London has primarily service-based industries within its region, such as financial and administrative sectors.

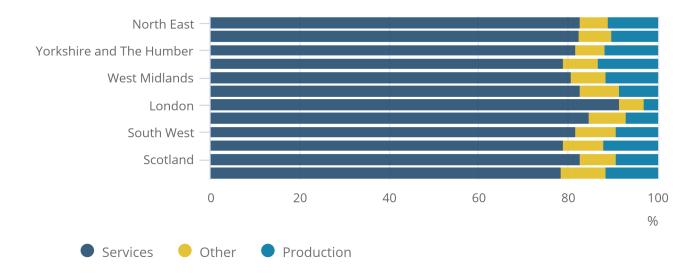
For the services sector, London had the highest proportion at 91.5%, while Northern Ireland had the lowest proportion at 78.4%. The services sector currently accounts for 83.6% of the total workforce jobs in the UK.

#### Figure 3: Jobs in London are more dominated by the services sector than in other regions

#### Proportion of workforce jobs by broad industry group, by UK region, December 2019

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Proportion of workforce jobs by broad industry group, by UK region, December 2019



#### Source: Office for National Statistics - Workforce jobs

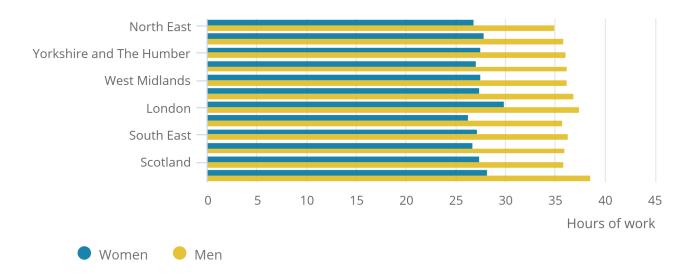
## 5. Actual hours worked (first published 21 April 2020)

#### Figure 4: Men in Northern Ireland worked more hours than in any other region

Average (mean) estimated actual weekly hours of work, by UK region and by sex, January to December 2019

## Figure 4: Men in Northern Ireland worked more hours than in any other region

Average (mean) estimated actual weekly hours of work, by UK region and by sex, January to December 2019



#### Source: Source: Office for National Statistics – Annual Population Survey

Statistics for <u>usual hours worked</u> measure how many hours people usually work per week. Compared with <u>actual hours worked</u>, 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.

For the period January to December 2019, the UK region with the highest estimated average actual weekly hours worked (for all workers) was London at 33.8 hours, followed by Northern Ireland at 33.5 hours. The North East had the lowest number of hours worked at 30.9 hours.

The UK region with the largest increase in the average hours worked, compared with the same period of the previous year (January to December 2018), was the South East with an increase of 0.6 hours. The largest decrease in the average hours worked was in the North East with a decrease of 0.7 hours.

The region with the highest average actual weekly hours worked in full-time jobs was Northern Ireland at 38.4 hours. This is a decrease of 0.1 hours compared with the same period of the previous year (January to December 2018). The regions with the lowest average actual weekly hours worked in full-time jobs were the North East and East of England, both at 35.9 hours. For part-time jobs, the region with the highest average hours worked was Northern Ireland at 17.0 hours and the region with the lowest was the South West at 15.8 hours.

For men, the region with the highest average hours worked was Northern Ireland at 38.2 hours and for women, it was London at 29.5 hours. The largest difference in average hours worked between men and women was in Northern Ireland, where men worked on average 9.9 more hours per week than women (Figure 4).

The largest overall change compared with the same period of the previous year (January to December 2018) was seen for women in the South East, where the average hours worked increased by 1.0 hour to 27.5 hours. In comparison, for men, the largest change was in the North East, where the average hours worked decreased by 0.9 hours to 34.9 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 32.0 million more hours than women. The region with the smallest difference was the North East, where men worked only 5.0 million more hours than women. The North East saw the largest decrease in total hours worked compared with the same period of the previous year (January to December 2018), while the South East saw the largest increase in total hours.

## 6. Unemployment

### Figure 5: The North East had the highest unemployment rate in the UK

#### Unemployment rates by UK region, seasonally adjusted, January to March 2020

Figure 5: The North East had the highest unemployment rate in the UK

Unemployment rates by UK region, seasonally adjusted, January to March 2020



#### Source: Office for National Statistics – Labour Force Survey

<u>Unemployment</u> 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.

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

The unemployment rate estimate for people aged 16 years and over for the UK was 3.9% for the period January to March 2020; this is an increase of 0.1 percentage point compared with the previous quarter (October to December 2019) (Figure 5).

The UK region with the highest unemployment rate estimate for January to March 2020 was the North East at 5.4%, followed by the West Midlands at 5.0%.

The region with the lowest estimated unemployment rate was Northern Ireland at 2.4%. This was followed by the South East, with an unemployment rate of 2.9%, and the South West at 3.1%.

The largest increases in the unemployment rate on the previous quarter (October to December 2019) were seen in the West Midlands and Scotland, both at 0.6 percentage points, followed by the East of England and London, both at 0.4 percentage points.

The largest decrease in the unemployment rate estimate was in the North East at 0.7 percentage points, down from 6.1% to 5.4%. This was followed by the North West, with a decrease of 0.3 percentage points, and Yorkshire and The Humber and the South East, both with a decrease of 0.2 percentage points. Northern Ireland was largely unchanged compared with the previous quarter.

The regions with the largest increase in the unemployment rate estimates over the year were the East of England and Scotland, both at 0.8 percentage points, followed by the South West at 0.6 percentage points. The largest decrease was in Wales at 1.3 percentage points, followed by Yorkshire and The Humber and Northern Ireland, both at 0.5 percentage points. The North East remained largely unchanged compared with the same period last year.

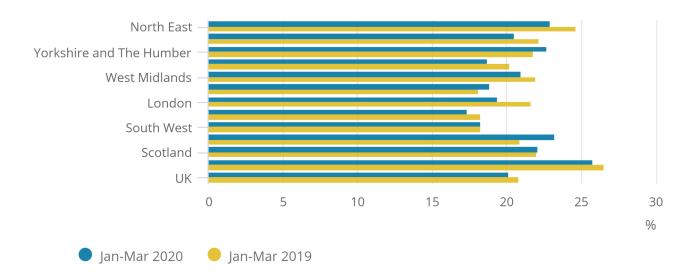
## 7. Economic inactivity

#### Figure 6: Northern Ireland had the highest economic inactivity rate in the UK

Economic inactivity rate estimates by UK region and comparison year-on-year, seasonally adjusted, between January to March 2019 and January to March 2020

Figure 6: Northern Ireland had the highest economic inactivity rate in the UK

Economic inactivity rate estimates by UK region and comparison year-on-year, seasonally adjusted, between January to March 2019 and January to March 2020



#### Source: Office for National Statistics - Labour Force Survey

<u>Economic inactivity</u> measures people without a job but who are not classed as unemployed because they have not been actively seeking work within the last four weeks and/or they are unable to start work within the next two weeks. Our headline measure of economic inactivity is for those aged between 16 and 64 years.

The estimated economic inactivity rate for people aged between 16 and 64 years for the UK was 20.2% for the period January to March 2020; this is a decrease of 0.3 percentage points compared with the previous quarter (October to December 2019).

The UK region with the highest estimated rate was Northern Ireland at 25.8%, followed by Wales at 23.2%. Northern Ireland also had the highest economic inactivity rate, at 26.5%, in the same period the previous year. The current estimated rate in Northern Ireland is 5.6 percentage points higher than the UK rate.

The region with the lowest estimated rate was the South East at 17.3%, followed by the South West at 18.2% (Figure 6). London had a record low economic inactivity rate of 19.4%, driven by a record decrease in the economic inactivity level compared with the previous quarter.

The region with the largest increase in the economic inactivity rate estimate on the previous quarter (October to December 2019) was the South West at 0.7 percentage points, followed by the East Midlands, West Midlands and East of England, all at 0.1 percentage points. The region with the largest decrease in the economic inactivity rate estimate was London at 1.7 percentage points, followed by the North East at 1.3 percentage points. The South East and Northern Ireland were largely unchanged compared with the previous quarter (October to December 2019).

Over the year, the region with the largest increase in the economic inactivity rate estimate was Wales at 2.3 percentage points, followed by Yorkshire and The Humber at 0.9 percentage points. The region with the largest decrease in the inactivity rate estimate was London at 2.3 percentage points, followed by the North East at 1.8 percentage points.

## 8. Local labour market indicators

## **Indicators from the Annual Population Survey**

For the period January to December 2019, the local authorities with the highest employment rate estimates in the UK were Torridge at 90.9%, Adur in West Sussex at 90.4% and Eden in Cumbria at 89.2%. Middlesbrough was the local authority with the lowest rate at 62.9%, followed by Barrow-in-Furness at 63.3% and Nottingham at 63.9%. For the period January to December 2019, the local authorities with the highest unemployment rate estimates in the UK were Birmingham at 8.2%, followed by Middlesbrough at 7.6% and Hartlepool and South Tyneside, both at 7.5%. The local authorities with the lowest rates were Eden in Cumbria at 1.5%, followed by South Lakeland at 1.6% and Hart in Hampshire at 1.7%.

## Jobs densities (first published 21 January 2020)

The jobs density of an area is the number of jobs per head, of resident population, aged 16 to 64 years. A high jobs density would represent an employment centre, where people commute to for work. A low jobs density would represent an area with fewer jobs, where people would commute from for work.

In 2018, the highest jobs density estimate in Great Britain was the City of London at 110.11 and the lowest was Lewisham at 0.40. Westminster (4.28) and Camden (2.17), both in London, were the next highest jobs densities. The highest jobs density estimate outside London was Watford at 1.80. After Lewisham, the lowest jobs densities were East Renfrewshire at 0.45, followed by East Dunbartonshire, Redbridge and Waltham Forest, all at 0.47.

## 9. Regional labour market data

#### Headline Labour Force Survey indicators for all regions

Dataset HI00 | Released 19 May 2020

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 19 May 2020

Claimant Count for people resident in local and unitary authorities, counties, and regions of the UK.

#### Regional labour market summary

Dataset S01 | Released 19 May 2020 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 21 April 2020

Labour market indicators for local and unitary authorities, counties, and regions in Great Britain for a 12month period.

All regional labour market datasets used in this bulletin are available on the Related data page.

## 10. Glossary

## Actual and usual hours worked

Statistics for <u>usual hours worked</u> 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 subregional 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.

## 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.

## 11 . 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 <u>Northern Ireland</u> <u>Labour Market Report</u> on the Northern Ireland Statistics and Research Agency (NISRA) website. Regional and local area statistics are available from <u>Nomis®</u>.

### Latest updates

From the March 2020 release, this bulletin has been presented in a new format, which, following a review from our publishing team, has been designed in line with the Office for National Statistics' (ONS's) new style guide and provides a more user-friendly experience. The title of the release has also changed to 'Labour market in the regions of the UK'. All previous release titles have remained unchanged but are still linked to the new release. All data contained within the release have not changed, so all data and commentary within the bulletin are still directly comparable.

## **Coronavirus (COVID-19)**

The coronavirus (COVID-19) pandemic presents challenges to accurate measurement of the labour market, as <u>outlined in this article</u>. In response to the developing situation, we are working to ensure that we continue to publish economic statistics. For more information, please see <u>COVID-19 and the production of statistics</u>.

We have reviewed all publications and data published as part of the labour market release in response to the COVID-19 pandemic. This has led to the <u>postponement of some publications and datasets</u> to ensure that we can continue to publish our main labour market data. This will protect the delivery and quality of our remaining outputs and ensure we can respond to new demands as a direct result of COVID-19.

David Freeman, head of labour market statistics at the ONS, has looked at how the ONS is responding to the pressing need for new information in his blog, <u>Measuring the labour market during the coronavirus</u>.

For more information on how labour market data sources, among others, will be affected by the COVID-19 pandemic, see the <u>statement published on 27 March 2020</u>.

Data in this statistical bulletin and accompanying datasets relate to Labour Force Survey (LFS) interviews that took place throughout the period from the start of January to the end of March 2020. Consequently, most interviews relate to the period prior to the implementation of COVID-19 social distancing measures. Interviews in the final week of March 2020 relate to the period following the government closure of schools, introduction of lockdown and announcement of measures aimed at protecting businesses and jobs.

Other data in this statistical bulletin and accompanying datasets relate to Annual Population Survey (APS) interviews that took place throughout the 12-month period of January 2019 to December 2019 and workforce jobs estimates for December 2019, and they are largely unaffected by recent developments.

Our latest data and analysis on the impact of COVID-19 on the UK economy and population is now available on our dedicated <u>COVID-19 web page</u>. This is the hub for all special COVID-19-related publications, drawing on all available data.

## Impact of COVID-19 on data collection

The LFS design is based on interviewing households over five consecutive quarters. Generally, the first of these interviews, called wave 1, takes place face-to-face, with most subsequent interviews, for waves 2 to 5, conducted by telephone.

During March, the ONS stopped conducting face-to-face interviews, instead switching to using telephone interviewing exclusively for all waves. This caused a significant drop in the number of wave 1 responses, for weeks 11, 12 and 13, because of difficulty in obtaining telephone numbers to conduct those interviews. There was also some reduction in response for waves 2 to 5. Initially, from week 11 of the quarter, less than half of the normal wave 1 sample size was achieved and around 80% of the normal wave 2 to 5 samples.

New measures have been introduced to improve the availability of telephone numbers, which increased sample sizes during April 2020, although they were still below normal LFS sample sizes.

## Impact of COVID-19 on survey weighting methodology

Because of the impact on data collection, weeks 11, 12 and 13 had smaller achieved sample sizes than other weeks within the quarter. To mitigate this impact on estimates for the quarter, the weighting methodology was enhanced to include weekly calibration to ensure that samples from each week had roughly equal representation within the overall three-month estimate. This meant that any impacts seen from changes in the labour market in those weeks would be fully represented within the estimates.

## Impact of government measures to protect businesses on the Labour Force Survey estimates

During late March 2020, the government announced a number of measures to protect UK businesses. This included the Coronavirus Job Retention Scheme (CJRS), also referred to as furloughing, and the Self-Employment Income Support Scheme (SEISS).

The ONS classifies people within the labour market in line with International Labour Organization (ILO) definitions.

Under the ILO definition employment includes employed persons "at work" (that is, those who worked in a job for at least one hour) and employed persons "not in work" because of temporary absence from a job or working time arrangements. Under the current schemes, it is likely that workers would have an expectation of returning to that job and would consider the absence from work as temporary. Therefore, those people absent from work under the current schemes would generally be classified as employed under ILO definitions.

In many cases, however, they would be employed but not in work. This absence would have an impact on the total hours worked. This would also be reflected in the average actual hours worked, which are based on the average hours per person employed rather than the average hours per person at work. While actual hours would be significantly affected, there is unlikely to be any impact on usual hours, which would reflect normal working patterns.

## After EU withdrawal

As the UK leaves the EU, it is important that our statistics continue to be of high quality and are internationally comparable. During the transition period, those UK statistics that align with EU practice and rules will continue to do so in the same way as before 31 January 2020.

After the transition period, 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 ILO definitions and agreed international statistical guidance.

### Data sources

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 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 January to March 2020 with the estimates for October to December 2019, which were first released on 18 February 2019. This provides a more robust estimate than comparing with the estimates for December 2019 to February 2020. This is because the January and February 2020 data are included within both estimates, so observed differences are only between December 2019 and March 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
- <u>Vacancy Survey QMI</u>
- Workforce jobs QMI
- Average weekly earnings QMI
- Labour disputes inquiry QMI

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

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

## 12. Strengths and limitations

## 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 <u>Dataset S02 Regional labour market: Sampling variability</u> 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, 20 for a quarterly series).

## Sampling variability

Table 2: Labour Force Survey sampling variability

Sampling variability (95% confidence intervals) of regional Labour Force Survey estimates: January to March 2020

	Employment level, aged 16 and over (thousands)	Unemployment level, aged 16 and over (thousands)	Economic activity level, aged 16 and over (thousands)	level, aged 16 to 64	Employment rate, aged 16 to 64 (%)	Unemployment rate, aged 16 and over (%)
North East	±34	±15	±33	±41	±2.1	±1.2
North West	±63	±23	±61	±72	±1.3	±0.6
Yorkshire & The Humber	±55	±21	±53	±65	±1.6	±0.8
East Midlands	±42	±16	±40	±55	±1.6	±0.7
West Midlands	±54	±24	±50	±62	±1.5	±0.7
East	±59	±20	±57	±63	±1.4	±0.6
London	±86	±35	±82	±82	±1.3	±0.7
South East	t ±71	±25	±69	±77	±1.1	±0.5
South West	±55	±18	±54	±68	±1.6	±0.6
Wales	±41	±13	±40	±50	±2.1	±0.8
Scotland	±51	±21	±48	±60	±1.5	±0.7

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. <u>Back to table</u>
- 2. These data are part of data table A11: Labour Force Survey sampling variability, which is part of the Labour market overview, UK release. <u>Back to table</u>

## 13. Related links

#### Labour market overview, UK: May 2020

Bulletin | Released 19 May 2020

Estimates of employment, unemployment, economic inactivity and other employment-related statistics for the UK.

Labour market economic commentary: May 2020

Article | Released 19 May 2020

Additional economic analysis of the latest UK labour market headline statistics and long-term trends.

UK and non-UK people in the labour market: February 2020

Article | Released 18 February 2020 Estimates of labour market activity by nationality and country of birth.

Public sector employment, UK: December 2019 Bulletin | Released 17 March 2020 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.

Young people not in education, employment or training (NEET), UK: February 2020 Bulletin | Released 27 February 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.

Working and workless households in the UK: October to December 2019 Bulletin | Released 4 March 2020 Commentary on quarterly estimates of the economic status of UK households and the people living in them.