

Statistical bulletin

Labour market in the regions of the UK: May 2022

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



Release date: 17 May 2022

Next release: 14 June 2022

Correction

19 May 2022 13:40

In the main points section of this bulletin the employment rates for Scotland and Northern Ireland were described as record lows, instead of joint record lows. This has now been corrected. We apologise for any inconvenience caused.

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1. Other pages in this release

Other commentary from the latest labour market data can be found on the following pages:

- Labour market overview
- Average weekly earnings in Great Britain
- Vacancies and jobs in the UK
- Employment in the UK
- Earnings and employment from Pay As You Earn Real Time Information, UK

2. Main points

- The number of payrolled employees continued to increase in all regions of the UK, with the largest percentage increase in the South West and the smallest percentage increase in the South East.
- For the three months ending March 2022, the highest employment rate estimate in the UK was in the South West (79.1%) and the lowest was in the North East (70.9%).
- The largest change in the employment rate compared with the same period last year was in the West Midlands, with an increase of 3.1 percentage points, resulting in a record high employment rate of 76.1%, while the largest decrease was in the North East at 1.1 percentage points; the only region in the UK to see a decrease in the employment rate.
- For the three months ending March 2022, the highest unemployment rate estimate in the UK was in the North East (5.0%) and the lowest was in Northern Ireland (2.3%).
- All regions of the UK saw a decrease in the unemployment rate compared with the same period last year, with the East Midlands seeing the largest decrease of 2.5 percentage points, resulting in a record low unemployment rate of 2.7%; Scotland and Northern Ireland also saw record joint low unemployment rates of 3.2% and 2.3% respectively.
- For the three months ending March 2022, the highest economic inactivity rate estimate in the UK was in Northern Ireland (26.0%) and the lowest was in the South West (18.5%); the largest change in the economic inactivity rate compared with the same period last year was in the West Midlands, with a decrease of 2.0 percentage points, resulting in a joint record low economic inactivity rate of 20.3%, while the largest increase was in the North East at 1.8 percentage points.

3. Latest headline estimate

Table 1: Summary of latest headline estimates, and quarterly changes, for regions of the UK, seasonally adjusted, January to March 2022 [Notes 4 and 5]

	Employment rate (%) aged 16 to 64 years [Note 1]	Change on October to December 2021	Unemployment rate (%) aged 16 years and over [Note 2]	Change on October to December 2021	rate (%) aged 16 to	Change on October to December 2021
UK	75.7	0.1	3.7	-0.3	21.4	0.1
Great Britain	75.8	0.1	3.8	-0.3	21.2	0.2
England	75.9	0.0	3.9	-0.3	21.0	0.2
North East	70.9	-0.1	5.0	-0.6	25.2	0.4
North West	73.1	-0.6	4.3	-0.3	23.5	0.8
Yorkshire and The Humber	73.1	0.3	4.0	0.2	23.7	-0.5
East Midlands	76.0	0.6	2.7	-0.8	21.9	-0.1
West Midlands	76.1	1.0	4.6	-0.4	20.3	-0.7
East	77.9	-1.2	3.4	0.3	19.3	0.9
London	75.2	-0.7	4.7	-0.4	21.0	1.2
South East	78.3	0.7	3.2	-0.7	19.0	-0.2
South West	79.1	0.3	2.9	0.0	18.5	-0.3
Wales	74.1	-0.4	3.0	-0.1	23.6	0.5
Scotland	75.6	1.4	3.2	-0.9	21.9	-0.7
Northern Ireland	72.2	1.5	2.3	-0.4	26.0	-1.2

Source: Office for National Statistics - Labour Force Survey

Notes

- 1. Calculation of headline employment rate: number of employed people aged 16 to 64 years divided by the population aged 16 to 64 years. Population is the sum of employed plus unemployed plus inactive.
- 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
- 3. .Calculation of headline economic inactivity rate: number of economically inactive people aged 16 to 64 years divided by the population aged 16 to 64 years. Population is the sum of employed plus unemployed plus inactive.
- 4. The estimates in this table come from a survey and are therefore subject to sampling variability. More information on the quality of these estimates is available in Table A11 of the labour market overview and Dataset S02 from this release.
- 5. The estimates for Northern Ireland have not had the non-response bias adjustment from the recent reweighting fully applied. Early indications suggest the impact on UK headline rate estimates would be less than 0.1 percentage point. We will continue to investigate this and will keep users advised accordingly.

Table 2: Summary of latest headline estimates, and annual changes, for regions of the UK, seasonally adjusted, January to March 2022 [Notes 4 and 5]

	Employment rate (%) aged 16 to 64 years [Note 1]	t Change on January to March 2021	Unemployment rate (%) aged 16 years and over [Note 2]	t Change on January to March 2021	Inactivity rate (%) aged 16 to 64 years [Note 3]	Change on January to March 2021
UK	75.7	0.9	3.7	-1.2	21.4	0.0
Great Britain	75.8	0.9	3.8	-1.2	21.2	0.0
England	75.9	0.9	3.9	-1.2	21.0	0.0
North East	70.9	-1.1	5.0	-0.8	25.2	1.8
North West	73.1	0.5	4.3	-0.7	23.5	0.0
Yorkshire and The Humber	73.1	0.8	4.0	-1.0	23.7	0.0
East Midlands	76.0	1.3	2.7	-2.5	21.9	0.8
West Midlands	76.1	3.1	4.6	-1.5	20.3	-2.0
East	77.9	0.2	3.4	-0.6	19.3	0.3
London	75.2	0.7	4.7	-2.2	21.0	1.1
South East	78.3	0.1	3.2	-0.3	19.0	0.1
South West	79.1	2.4	2.9	-0.9	18.5	-1.6
Wales	74.1	0.2	3.0	-1.4	23.6	1.0
Scotland	75.6	1.3	3.2	-1.2	21.9	-0.3
Northern Ireland	72.2	2.0	2.3	-1.2	26.0	-1.2

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Notes

- 1. Calculation of headline employment rate: number of employed people aged 16 to 64 years divided by the population aged 16 to 64 years. Population is the sum of employed plus unemployed plus inactive.
- 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.
- 3. Calculation of headline economic inactivity rate: number of economically inactive people aged 16 to 64 years divided by the population aged 16 to 64 years. Population is the sum of employed plus unemployed plus inactive.
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4. Regional labour market data

Headline Labour Force Survey indicators for all regions

Dataset HI00 | Released 17 May 2022

Headline labour market indicators from the Labour Force Survey (LFS) for all 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 17 May 2022

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

Regional labour market summary

Dataset S01 | Released 17 May 2022

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 12 April 2022

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

Earnings and employment from Pay As You Earn Real Time Information, seasonally adjusted

Dataset | Released 17 May 2022

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.

5. Glossary

Actual and usual hours worked

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.

Economic inactivity

People not in the labour force (also known as <u>economically inactive</u>) 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, 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 geographical 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 because 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

<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.

A more detailed glossary is available.

6. Measuring the data

This bulletin relies on data collected from the Labour Force Survey (LFS), and the Annual Population Survey (APS) derived from it, the largest household survey in the UK.

Quality and methodology information on strengths, limitations and appropriate uses is available in our <u>Labour Force Survey (LFS) Quality and Methodology Information (QMI)</u>. The <u>LFS performance and quality monitoring reports provide data on response rates and quality-related issues.</u>

Data for Northern Ireland are available in full in the <u>Northern Ireland Labour Market Report on the Northern Ireland Statistics and Research Agency (NISRA) website.</u>

Coronavirus (COVID-19)

For information on how labour market data sources are affected by the coronavirus (COVID-19) pandemic, see our <u>Coronavirus and the effects on UK labour market statistics article</u>, published on 6 May 2020. This article details some of the challenges that we have faced in producing estimates.

Our <u>Comparison of labour market data sources article</u>, published on 11 December 2020, compares our labour market data sources and discusses some of the main differences.

Labour Force Survey (LFS) responses published from 15 July 2021 have been reweighted to new populations using growth rates from HM Revenue and Customs' (HMRC's) Real Time Information (RTI). This allows for different trends during the coronavirus pandemic. Our Impact of reweighting on Labour Force Survey key indicators, UK: 2020 article explains the reweighting methodology, which gives improved estimates of both rates and levels.

When the recent weighting methodology for the Labour Force Survey (LFS) was applied, there was a small error in the implementation. When calculating three-month averages for the Pay As You Earn (PAYE) Real Time Information (RTI), the months used were the previous three-month average. For example, for the October to December period, the RTI data used were those for September to November. This led to a slight overestimation of the non-UK population by approximately 0.50%. This represents less than half the size of the sampling variability. The size is roughly the same over the quarters of 2020, and the impact on January to December 2020 Annual Population Survey (APS) estimates is about 14,000 for EU born, 25,000 for non-EU born and 39,000 for non-UK born. The impact on LFS economic activity estimates at a national level is mostly below 0.10%, and the impact on rates is less than 0.02 percentage points.

LFS and APS reweighting

We plan to reweight Labour Force Survey (LFS) and Annual Population Survey (APS) datasets that include data from March 2020 using RTI data. We intend to release the initial reweighted LFS estimates in the June Labour Market publication. On 23 May 2022, we plan to publish an article with indicative estimates of the impact and a more detailed reweighting timeline.

Making our published spreadsheets accessible

Following the Government Statistical Service (GSS) guidance on <u>releasing statistics in spreadsheets</u>, we will be amending our published tables over the coming months to improve usability, accessibility and machine readability of our published statistics. To help users change to the new formats, we will be publishing sample versions of a selection of our tables, and where practical, initially publish the tables in both the new and current formats. If you have any questions or comments, please email <u>labour.market@ons.gov.uk</u>.

Consultation on release practices

The Office for Statistics Regulation (OSR) has finalised its consultation on release practices. The Office for National Statistics (ONS) has welcomed the findings in a statement on the ONS's response to the OSR's proposals, specifically noting that the release-time exemptions, which were granted during the coronavirus pandemic, are now incorporated into the revised Code of Practice. As such, the monthly Labour Market bulletin will continue to be published at 7am.

Labour Market Statistics User Engagement

Over the last few years, the ONS has been developing a transformed version of the LFS using an online-first multimode collection approach. With recent developments, including the addition of the ability to respond by telephone, the ONS is now in a position to begin moving towards incorporating the transformed LFS data into the regular labour market data releases.

We understand these changes may have an impact on some of our users and <u>we are carrying out a survey</u>, which closes 29 June 2022, to better understand those impacts.

7. Strengths and limitations

The estimates presented in this bulletin contain <u>uncertainty</u>. The Labour Force Survey (LFS) gathers information from a <u>sample of households</u> across the UK. The sample is designed to be as accurate as possible given practical limitations. This can have an impact on how changes in the estimates should be interpreted, especially for short-term comparisons.

As the number of people in the sample gets smaller, the variability of the estimates that we can make from that sample gets larger. Estimates for small groups, which are based on small subsets of the sample, are less reliable and tend to be more volatile than for larger aggregated groups.

In general, changes in the numbers (and especially the rates) reported between three-month periods are small and are not usually greater than the level that is explained by sampling variability. For a fuller picture, short-term movements in reported rates should be considered alongside longer-term patterns in the series and corresponding movements in other sources.

Information on the quality of estimates is available in our LFS sampling variability dataset.

The data in this bulletin follow internationally accepted definitions specified by the International Labour Organization (ILO). This ensures that the estimates for the UK are comparable with those for other countries. For more information, the Resolution concerning statistics of work, employment and labour underutilization publication is available to download from the ILO website.

Our <u>reconciliation report of job estimates article</u>, which compares the latest Workforce Jobs estimates with the equivalent estimates of jobs from the LFS (published every March), has been postponed until further adjustments are made.

Reliability of the main indicators in this bulletin can be obtained by monitoring the size of revisions. These measures are available in our <u>Regional Sampling variability and revisions summary dataset</u>.

8. Related links

Labour market overview, UK: May 2022

Bulletin | Released 17 May 2022

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: May 2022

Bulletin | Released 17 May 2022

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: May 2022

Bulletin | Released 17 May 2022

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: October to December 2021

Bulletin | Released 2 March 2022

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: February 2022

Bulletin | Released 24 February 2022

Quarterly bulletin examining estimates of men and women aged between 16 and 24 years in the UK who are not studying or in employment.