

Statistical bulletin

Workless households for regions across the UK: 2015

Provides annual information at a local level about households and the adults and children living in them, by their economic activity status. Differences within UK nations and regions are highlighted.



Contact: Bob Watson subnational.labour.market@ons. gsi.gov.uk

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1. Main points

In 2015, the areas with the highest percentage of workless households were generally located outside of the south of England.

However, not all locations outside of the south of England had high percentages of workless households; 13 of the 50 areas with the lowest in 2015 were in Scotland, Wales, the Midlands and the north of England.

Liverpool and Hartlepool were in the 5 areas with the highest percentage of workless households in both 2014 and 2015.

Richmond upon Thames and Windsor and Maidenhead were in the 5 areas with the lowest percentage of workless households in both 2014 and 2015.

2. Abstract

This bulletin provides statistics on the economic status of households in the UK at a regional and local level and the people living in them. The statistics are from the Annual Population Survey (APS), cover the period January to December 2015 and only include households where at least one person is aged 16 to 64 years old.

Due to the larger sample size at local level within the APS, these statistics provide the most timely and highest quality estimates of the economic status of households for local areas and other sub-regional geographical breakdowns within Great Britain.

At a regional level, the larger sample size of the APS allows a comparison of reasons why people within workless households are not in employment.

Apart from this exception, the most up-to-date analysis of the economic status of households at a national and regional level is available in the bulletin, <u>Working and workless households in the UK: Apr to June 2016</u>. These statistics come from the Labour Force Survey (LFS), cover the period April to June 2016, include data for earlier years and are consistent with the headline national figure.

3. Introduction

i. Main definitions

This statistical bulletin uses a number of main definitions.

Households: For the purposes of this bulletin, estimates only include those households where at least 1 person is aged 16 to 64.

Student households are households where all adults are aged 16 to 24 and in full-time education. The definition excludes households where all members are in education but some members are aged 25 years and over. People in full-time education can also be in <u>employment</u>.

Working households are households, as defined above, and where all members aged 16 and over are employed

Workless households are households, as defined above, and where no-one aged 16 and over is in employment. These members may be <u>unemployed</u> or <u>economically inactive</u>. Economically inactive members may be unavailable to work because of, for example, family commitments, retirement or study, or they may be unable to work through sickness or disability.

Mixed households are households, as defined above, which contain both working and workless members, aged 16 and over.

ii. Data source

The source for the statistics in this bulletin is the Annual Population Survey (APS) household dataset. These data are available for January to December and they do not contain information on earnings. All members of the household are weighted equally in the household datasets.

This bulletin focuses on county and unitary authority level analysis. Data on the economic status of households for districts within counties and at NUTS levels (2 and 3) are contained in datasets, alongside consistent aggregations within the APS to regions in England and countries within the UK. This bulletin also includes analysis and data about reasons for non-employment in workless households at a regional level.

iii. How these data should be interpreted

The APS household datasets can be used for analysis of family or household characteristics at the country, regional or local level. This statistical bulletin particularly focuses on the economic status of households and household members in counties and unitary authority areas. For example:

- the number of households with all, some or no people in employment;
- the number of adults in each of these household types;
- the number of children in each of these household types.

Analysis of Labour Force Survey (LFS) household datasets was released in <u>Working and workless households in</u> <u>the UK: Apr to June 2016</u> which uses household data from the LFS covering the period April to June 2016.

The LFS data should be used for the most up-to-date analysis of the economic status of households for

- the UK as a whole
- England, Scotland, Wales and Northern Ireland
- the regions of England (except for analysis of reasons for non-employment in workless households)

iv. The main uses of the data, main users and reasons for production

Users of the data in this bulletin include government departments, devolved administrations, local authorities, independent research organisations and members of the media and general public. These data are used to understand how the economic status of households at a local level compares with that in other local areas within the UK and to examine patterns of change in the data over time.

4. Workless households

In 2015, the areas with the highest percentage of workless households (those which include at least one person aged 16 to 64 and where no-one aged 16 or over is in work) tended to be located outside of the south of England (London, South East, South West, East of England). The 20 areas with the lowest percentage of workless households were all in the south of England and the 20 areas with the highest percentage of workless households were all outside the south of England.

As the Annual Population Survey is a sample survey, all estimates from it and, hence, all specific rankings and their year-on-year changes are subject to sampling variability. However, most of the areas with the highest and lowest percentages of workless households in 2015 had similar rankings in previous years. In particular, for all years from 2006 to 2015, Glasgow City and Liverpool were among the top 10 counties and unitary authorities and West Berkshire and Wokingham among the bottom 10 when comparing the percentages of workless households. Rankings for 2006 to 2015 are included in Table E of the reference tables.

Comparing the two latest periods; Liverpool and Hartlepool were in the 5 areas with the highest percentage of workless households in both 2014 and 2015. Richmond upon Thames and Windsor and Maidenhead were in the 5 areas with the lowest percentage of workless households in both 2014 and 2015.

To help remove some of the sampling variability seen in these estimates, the average of the ranks for each of the counties and unitary authorities was calculated for the 5 year periods 2006 to 2010 and 2011 to 2015. These "average ranks" were then ranked to show which counties and unitary authorities consistently performed well or poorly. For this we have considered a rank of 1 to be high as it indicates a high degree of worklessness.

Table 1 shows the 10 areas with the highest average rank of the percentage of workless households over the last 5 years (2011 to 2015) and the highest average rank of the percentage of workless households over the previous 5 years (2006 to 2010). Liverpool had the highest average rank for both 5 year periods, with Middlesbrough, Glasgow City, Blaenau Gwent, Manchester and Nottingham also being in the top 10 for both periods.

	2006-2010	2011-2015	
Rank			
1	Liverpool	Liverpool	
2	Glasgow City	Middlesbrough	
3	Merthyr Tydfil	Glasgow City	
4	Neath Port Talbot	Hartlepool	
5	Blaenau Gwent	Blaenau Gwent	
6	Knowsley	Wolverhampton	
7	Kingston upon Hull, City of	North Ayrshire	
8	Manchester	West Dunbartonshire	
9	Middlesbrough	Manchester	
10	Nottingham	Nottingham	

Table 1: Average rank of counties and unitary authorities with highest percentage of workless households

Source: Office for National Statistics

Table 2 shows the 10 areas with the lowest average rank of the percentage of workless households over the last 5 years (2011 to 2015) and the lowest average rank of the percentage of workless households over the previous 5 years (2006 to 2010). The area with the lowest average rank was different for each 5 year period: Wokingham was the lowest for 2006 to 2010 and Windsor and Maidenhead was the lowest for 2011 to 2015. Along with these 2 areas Oxfordshire, Bracknell Forest, Richmond upon Thames, Merton and West Berkshire were in lowest 10 areas for both periods.

Table 2: Average rank of counties and unitary authorities with lowest percentage of workless households, UK, 2006 to 2010 and 2011 to 2015

	2006-2010	2011-2015	
Rank			
1	Wokingham	Windsor and Maidenhead	
2	West Berkshire	West Berkshire	
3	Windsor and Maidenhead	Wokingham	
4	Bracknell Forest	Merton	
5	Richmond upon Thames	Buckinghamshire	
6	Oxfordshire	Richmond upon Thames	
7	Surrey	Hertfordshire	
8	Aberdeenshire	Bracknell Forest	
9	Hampshire	South Gloucestershire	
10	Merton	Oxfordshire	

Source: Office for National Statistics

The effect of excluding student households

The datasets accompanying this release include tables of data that exclude student households (where all adults are aged 16 to 24 and in full-time education).

In these tables, most of the counties and unitary authority areas with the highest and lowest percentages of workless households in 2015 were the same as those when student households were included. In particular, the top 5 and bottom 5 local authorities remained the same when student households were excluded. In most counties and unitary authority areas, the percentage of workless non-student households was slightly lower than the percentage of all households, reflecting the greater likelihood that student households were workless.

5. Working and mixed households

In 2015, the counties and unitary authority areas with high percentages of workless households were not necessarily those with low percentages of working households and vice versa. This was due to the uneven distribution of mixed households across Great Britain. For example, if an area has a high proportion of workless households, it could also have a relatively high percentage of working households if it had a lower than average proportion of mixed households.

A household can be mixed for a number of reasons. Some economic inactivity is a result of a personal decision such as taking early retirement or some instances of opting to look after home or family on a full-time basis, while other inactivity results from circumstances, such as sickness or disability.

The 3 areas with the highest percentage of working households in 2015 were in the South East, whereas none of the 50 areas with the lowest percentage of working households were in the South East. In 2015, Liverpool and Hartlepool were the only areas that were in the bottom 10 for working households and top 10 for workless households.

Comparing 2010 to 2015, Newham had the lowest percentage of working households in both periods, (35.1% in 2010 and 39.4% in 2015) with Leicester and Redbridge also being in the lowest 5 areas for these periods. Bracknell Forest had the highest percentage of working households for both periods,(65.5% in 2010 and 67.8% in 2015) with West Berkshire also appearing in the highest 5 areas for both periods.

Nearly 4 out of 5 (79.6%) counties and local authorities saw an increase in the percentage of working households between 2010 and 2015. Of the areas that showed an increase between 2010 and 2015, the majority (29 out of 41) saw increases of less than 2 percentage points.

6 . Children in Workless Households

The datasets accompanying this release include the percentages of adults and children in each of the 3 types of households (working, mixed and workless). The counties and unitary authority areas with higher percentages of adults in workless households are mainly those with higher percentages of workless households but this is not necessarily true for children in workless households.

As the data are from a sample survey, all estimates and, hence, all year-on-year changes are subject to sampling variability. This is especially true for subsets of the data such as children in workless households.

In more than three-quarters of counties and unitary authorities in Great Britain, the percentage of children in workless households was lower in 2015 than it was in 2010. In 25 of these areas, the 2015 figure was more than 10 percentage points lower, including in 15 London unitary authorities. No area had an increase above 8.0 percentage points.

At a regional level, the South East, East of England and South West had the lowest percentages of children in workless households in 2015, all being below 9%. In contrast, the North East had over double the percentage of children in workless households at 18.1%.

Between 2010 and 2015 only one region saw an increase in the percentage of children in workless households: Northern Ireland which had a small increase from 16.3% to 16.5%. London had the largest decrease of 10.3 percentage points from 22.6% to 12.3%.

Table 3: Percentage of children in workless households, UK, 2010 and 2015

Area name	2010 2015
UNITED KINGDOM	16.6 12.1
NORTH EAST	19.8 18.1
NORTH WEST	18.4 14.4
YORKSHIRE AND THE HUMBER	18.9 14.8
EAST MIDLANDS	16.1 11.6
WEST MIDLANDS	19.9 14.7
EAST	11.7 8.1
LONDON	22.6 12.3
SOUTH EAST	10.8 7.8
SOUTH WEST	11.6 8.8
WALES	18.8 13.6
SCOTLAND	15.2 12.6
NORTHERN IRELAND	16.3 16.5

Source: Office for National Statistics

7. Reasons for worklessness in workless households

The larger sample size of the Annual Population Survey, when compared with the Labour Force Survey, allows for a national and regional analysis of the reasons why working age adults in workless households were not in employment. "Working age" in this analysis is 16 to 64 and workless households, as before, include at least one person aged 16 to 64 and have no-one aged 16 and over in work.

In 2015, as with every period covered in this release since 2006, the most common reason for worklessness in such households in the UK and all regions and countries of the UK, was sickness or disability. Northern Ireland had the highest percentage at 37.9%, more than 10 percentage points higher than the South East, which was the lowest at 27.0%.

London had lowest percentage of people aged 16 to 64 who were in workless households due to early retirement, at 9.3%, over 3 percentage points lower than the next lowest region, with the East of England and the South West having the highest percentage at 25.4% and 24.7% respectively.

8. Quality and methodology

The <u>Annual population survey (APS) Quality and Methodology Information document</u> contains 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

9. Background Notes

1. Annual Population Survey (APS) re-weighting

We have has revised estimates derived from the APS (including estimates of employment, unemployment and economic inactivity) as a result of taking on board the latest population estimates and projections. These revisions are in line with similar revisions to Labour Force Survey (LFS) estimates.

All data included in this bulletin for 2013 and 2014 and in the accompanying datasets have been reweighted.

2. Sampling variability

The APS is a sample survey and is, therefore, subject to a margin of uncertainty, as different samples give different results. Analysis in this statistical bulletin focuses on counties and unitary authority areas with some areas of low population combined to provide larger sample sizes (see section 4 for details). Reference tables also include data for smaller areas, for example, districts within counties.

The datasets include measures of sampling variability (in hidden columns in each spreadsheet) and also include shading that indicates estimates that are not considered reliable for practical purposes. These data can be summed to provide more robust estimates for combined areas.

3. Information about local geographies used

The analysis within this bulletin includes comparisons of data for counties and unitary authorities within Great Britain and there are also data in the datasets for local authority districts, NUTS2 and NUTS3 areas. There are no local data included for Northern Ireland.

The bulletin focuses on the current version of each geography type and includes estimates for each year from 2006 to 2015 based on the current boundaries. Information about the local geographies used is in the following table:

Table 4: Information about the local geographies used

Local geography	Number of areas in Great Britain	Comment
Unitary Authorities	179 (125 in England, 32 in Scotland, 22 in Wales)	Includes 33 London boroughs and 36 authorities in the 6 former metropolitan counties of England (Tyne & Wear, Greater Manchester, Merseyside, West Midlands and South and West Yorkshire).
Counties	27 (all in England)	Excludes the 7 counties affected by structural changes to local government in England in 2009 (Cornwall, Durham, Northumberland, Shropshire, Wiltshire, Bedfordshire and Cheshire). The first 5 each became a single unitary authority; the last 2 were both split into 2 unitary authorities.
Districts	201 (all in England)	These are all within the 27 counties of England
NUTS3 areas	168 (133 in England, 23 in Scotland, 12 in Wales)	The latest Nomenclature of Territorial Units for Statistics (NUTS 2013) came into force on 1 January 2015. NUTS3 areas are made up of single or combined counties and unitary authorities, except in parts of Scotland where some local authorities are split between NUTS3 areas.
NUTS2 areas	39 (33 in England, 4 in Scotland, 2 in Wales)	These are mostly combinations of NUTS3 areas but 3 NUTS2 areas are identical to NUTS3 areas.

Source: Office for National Statisitcs

More information about counties, unitary authorities can be found at <u>ONS Geography – Administrative Geography</u>. The <u>Eurostat website</u> has further explanation of the NUTS geography.

In the analysis within this bulletin, data for each of the three least populated unitary authorities in England were combined with data for a larger neighbour. The three are listed in the table below along with the 3 least populated Scottish unitary authorities which have been combined to form 1 larger area for the analysis. Hence the analysis compares 201 distinct areas rather than all of the 206 counties and unitary authorities in Great Britain.

Table 5: Treatment of unitary authorities with small population

Unitary Authority with small population	Combined with	Note
Rutland	Leicestershire	NUTS3 area UKF22
City of London	Camden	NUTS3 area UKI31
Isles of Scilly	Cornwall	NUTS3 area UKK30
Na h-Eileanan Siar	Orkney and Shetland Islands	3 separate NUTS3 areas
Orkney Islands	Na h-Eileanan Siar & Shetland Islands	3 separate NUTS3 areas
Shetland Islands	Na h-Eileanan Siar & Orkney Islands	3 separate NUTS3 areas

Source: Office for National Statistics

4. Household datasets

The figures in this statistical bulletin come from APS household datasets. These are weighted differently to person datasets, in that each person in a household is given the same weight. This ensures that weighted estimates at the household level are consistent. When using the household datasets to give estimates of the total number of people, the different weighting procedure will give marginally different estimates to those from the person datasets.

5. Concepts and definitions

- Estimates within this statistical bulletin only cover households that contain at least 1 person aged 16 to 64.
- A household is defined as a single person, or a group of people living at the same address who have the address as their only or main residence and either share 1 main meal a day or share living accommodation (or both).
- A working household is a household that contains at least 1 person aged 16 to 64, where all individuals aged 16 and over are in employment.
- A mixed household is a household that contains at least 1 person aged 16 to 64, where at least one person aged 16 and over is in employment and at least 1 other is either unemployed or inactive.
- A workless household is a household that contains at least 1 person aged 16 to 64, where no-one aged 16 or over is in employment.
- Children refer to all children under 16.

Details of the policy governing the release of new data are available by visiting the UK Statistics Authority website.