

Statistical bulletin

# Labour market in the regions of the UK: February 2024

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

Contact:
Bob Watson and Chloe Wilkes labour.supply@ons.gov.uk +44 1633 455400

Release date: 13 February 2024

Next release: 12 March 2024

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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

- Labour Force Survey (LFS) estimates have been reweighted for periods from July to September 2022; headline UK seasonally adjusted series prior to this have been modelled, but other series, including regional, have a discontinuity at this point and because of increased volatility of LFS estimates, estimates of quarterly change should be treated with additional caution.
- For the three months ending December 2023, the highest employment rate estimate in the UK was in the South East (78.0%) and the lowest was in Wales (71.1%).
- London saw the largest increase in the employment rate compared with the same period last year, increasing by 2.0 percentage points, with the South West seeing the largest decrease of 2.9 percentage points.
- For the three months ending December 2023, the highest unemployment rate estimate in the UK was in the East Midlands (5.1%) and the lowest was in Northern Ireland (2.6%); London (3.8%) had a record low unemployment rate for the region.
- The East Midlands had the largest increase in the unemployment rate compared with the same period last year, increasing by 1.6 percentage points, with London seeing the largest decrease of 0.9 percentage points.
- For the three months ending December 2023, the highest economic inactivity rate estimate in the UK was in Northern Ireland (26.8%) and the lowest was in the South East (18.8%).
- The South West saw the largest increase in the economic inactivity rate compared with the same period last year, up 2.6 percentage points, with London seeing the largest decrease of 1.3 percentage points.
- Comparing January 2024 with the same period last year, changes in payrolled employees ranged from a 1.9% increase in Northern Ireland to a 1.0% increase in Yorkshire and The Humber.

The ongoing challenges with response rates and levels mean that Labour Force Survey (LFS)-based labour market statistics will be considered <u>official statistics in development</u> until further review.Because of increased volatility of LFS estimates, estimates of quarterly change should be treated with additional caution. Read more in Section 6: Measuring the data

# 3 . Latest headline estimate

Table 1: Summary of latest headline estimates, and quarterly changes, for regions of the UK, seasonally adjusted, Oct to Dec 2023 [Notes 4, 5, and 6]

	Employment rate (%) aged 16 to 64 years [Note 1]	July to	Unemployment rate (%) aged 16 years and over [Note 2]	Change on July to September 2023	rate (%)	Change on July to September 2023
UK	75.0	0.2	3.8	-0.2	21.9	0.0
Great Britain	75.1	0.1	3.9	-0.3	21.8	0.1
England	75.4	0.2	3.8	-0.3	21.5	0.1
North East	71.6	0.3	4.3	-0.3	25.4	0.1
North West	73.4	0.6	4.3	-1.1	23.2	0.3
Yorkshire and The Humber	74.4	0.6	3.4	0.3	22.9	-0.9
East Midlands	73.7	-0.6	5.1	0.3	22.3	0.4
West Midlands	74.4	-0.4	3.8	0.1	22.5	0.2
East	76.3	-0.1	3.4	-0.3	20.8	0.3
London	76.1	3.1	3.8	-1.3	20.8	-2.2
South East	78.0	-1.1	3.8	0.3	18.8	0.9
South West	76.7	-1.9	2.8	-0.4	21.0	2.4
Wales	71.1	-1.7	3.5	0.0	26.2	1.7
Scotland	74.4	0.6	4.5	0.1	22.0	-0.8
Northern Ireland	71.3	0.6	2.6	0.4	26.8	-1.1

Source: Labour Force Survey from the Office for National Statistics

#### 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.
- 5. More information on the quality of these estimates is available in Table A11 of the labour market overview and Dataset S02 from this release.
- 6. Due to increased volatility of LFS estimates, resulting from smaller achieved sample sizes, estimates of quarterly change should be treated with additional caution.

Table 2: Summary of latest headline estimates, and annual changes, for regions of the UK, seasonally adjusted, Oct to Dec 2023 [Notes 4 and 5]

	Employment rate (%) aged 16 to 64 years [Note 1]	October to	Unemployment rate (%) aged 16 years and over [Note 2]	Change on October to December 2022		Change on October to December 2022
UK	75.0	-0.2	3.8	0.0	21.9	0.2
Great Britain	75.1	-0.2	3.9	-0.1	21.8	0.2
England	75.4	0.0	3.8	-0.2	21.5	0.2
North East	71.6	1.2	4.3	-0.6	25.4	-0.7
North West	73.4	-0.4	4.3	0.5	23.2	0.0
Yorkshire and The Humber	74.4	1.0	3.4	-0.6	22.9	-0.6
East Midlands	73.7	-0.8	5.1	1.6	22.3	-0.5
West Midlands	74.4	0.2	3.8	-0.7	22.5	0.3
East	76.3	-1.1	3.4	-0.4	20.8	1.5
London	76.1	2.0	3.8	-0.9	20.8	-1.3
South East	78.0	-0.2	3.8	-0.2	18.8	0.4
South West	76.7	-2.9	2.8	0.4	21.0	2.6
Wales	71.1	-0.4	3.5	-0.1	26.2	0.6
Scotland	74.4	-1.6	4.5	1.1	22.0	0.7
Northern Ireland	71.3	0.4	2.6	0.1	26.8	-0.4

Source: Labour Force Survey from the Office for National Statistics

#### 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.
- 5. More information on the quality of these estimates is available in Table A11 of the labour market overview and Dataset S02 from this release.

## 4. Regional labour market data

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

Dataset HI00 | Released 13 February 2024

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

Dataset CC01 | Released 13 February 2024

Claimant Count for people resident in local and unitary authorities, counties, and regions of the UK. These are official statistics in development.

#### Regional labour market summary

Dataset S01 | Released 13 February 2024

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 | 16 January 2024

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 | 13 February 2024

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 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 <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 <u>Guide to labour market statistics</u>.

## 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.

## 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 Real Time Information

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 <u>official statistics in development</u> 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.

For more terms relating to the labour market, a more detailed glossary is available.

## 6. Measuring the data

From our February 2024 labour market release, Labour Force Survey (LFS) periods from July to September 2022 onwards have been reweighted to incorporate the latest estimates of the size and composition of the UK population. This reweighting creates a discontinuity between June to August 2022 and July to September 2022. Users should account for this discontinuity when considering long-term movements in the series.

We have modelled the seasonally adjusted UK levels of employment, unemployment and economic inactivity by sex and age-band back to the start of the population revisions in June to August 2011. This has been done by scaling to the latest population estimates, while accounting for the relative revisions to population by sex and age-band in each year over the revision period. While UK measures have been modelled, estimates for the regions and countries have not. Therefore, for periods between June to August 2011 and June to August 2022, LFS estimates for the regions and countries of the UK will be inconsistent with UK totals.

This reweighting does not address the volatility seen in recent periods and that may be seen to some extent going forward. Therefore, we advise increased caution when interpreting short-term changes in series. We also recommend using them as part of a suite of labour market indicators alongside Workforce Jobs, Claimant Count data, and Pay As You Earn (PAYE) Real Time Information (RTI) estimates.

LFS estimates are currently not considered National Statistics and are designated as <u>official statistics in development</u>.

For further information, please see our <u>Impact of reweighting on Labour Force Survey key indicators article.</u>

## 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 us at <u>labour.market@ons.gov.uk</u>.

## 7. Strengths and limitations

The estimates presented in this bulletin contain uncertainty, as defined in our article, <u>Uncertainty and how we measure it for our surveys</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.

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>.

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 annual Reconciliation of estimates of jobs, UK article compares the latest Workforce Jobs series estimates with the equivalent estimates of jobs from the LFS. It is usually published following the benchmarking of Workforce Jobs.

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: February 2024

Bulletin | Released 13 February 2024

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 2024

Bulletin | Released 13 February 2024

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 2024

Bulletin | Released 13 February 2024

Estimates of the number of vacancies and jobs for the UK.

#### Working and workless households in the UK: April to June 2023

Bulletin | Released 30 August 2023

The economic status of households in the UK and the people living in them, where at least one person is aged 16 to 64 years. Taken from the Labour Force Survey.

#### Young people not in education, employment or training (NEET), UK: August 2023

Bulletin | Released 24 August 2023

Estimates of young people (aged 16 to 24 years) who are not in education, employment or training, by age and sex.

## 9. Cite this statistical bulletin

Office for National Statistics (ONS), published 13 February 2024, ONS website, statistical bulletin, <u>Labour market in the regions of the UK: February 2024</u>