

Statistical bulletin

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

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

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Next release: 12 November 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
- Earnings and employment from Pay As You Earn Real Time Information, UK
- Employment in the UK
- Vacancies and jobs in the UK

# 2. Main points

- Labour Force Survey (LFS) estimates have been affected by increased volatility, resulting from smaller achieved sample sizes, meaning that estimates of change should be treated with additional caution, and we recommend using them as part of our suite of labour market indicators alongside Workforce Jobs (WFJ), Claimant Count data, and Pay As You Earn Real Time Information (PAYE RTI) estimates.
- The longer-term broad coherence between WFJ and RTI when looking at annual change suggests that
  these sources are likely to be providing a more reliable read on employment, particularly for employees;
  these sources continue to indicate that we have seen a sustained moderation of growth in
  employment across most regions over the last year.
- Despite these coherence challenges, the LFS continues to be the sole source of data for unemployment, economic inactivity and self-employment, and provides a range of breakdowns that are only possible from LFS data.
- LFS estimates have been weighted to population estimates published in November 2023 for periods from July to September 2022; headline UK seasonally adjusted series before this have been modelled, but other series, including regional, have a discontinuity at this point.
- In June to August 2024, the highest employment rate in the UK was in the South West (78.8%) and the lowest was in Wales (69.8%), the highest unemployment rate was in the North East (5.6%) and the lowest was in Northern Ireland (1.9%), and the highest economic inactivity rate was in Northern Ireland (28.5%) and the lowest was in the South West (18.6%).
- Comparing September 2024 with the same period last year, changes in the number of payrolled employees ranged from a 1.5% increase in Northern Ireland, to largely unchanged in London.

The ongoing challenges with response rates, response levels and weighting approach mean that labour market statistics based on both the Labour Force Survey (LFS) and Annual Population Survey (APS) will be consideredofficial statistics in developmentuntil further review. Because of increased volatility of LFS and APS estimates, estimates of change should be treated with additional caution. Read more in <a href="Section 6: Data sources and quality">Section 6: Data sources and quality</a>.

# 3. Latest headline estimate

Table 1: Summary of the latest headline estimates and quarterly changes for regions of the UK, seasonally adjusted, June to August 2024 [Notes 1, 5, and 6]

	Employment rate (%) aged 16 to 64 years [Note 1]	Change on March to May 2024	Unemployment rate (%) aged 16 years and over [Note 2]	Change on March to May 2024	Inactivity rate (%) aged 16 to 64 years [Note 3]	Change on March to May 2024
UK	75.0	0.6	4.0	-0.4	21.8	-0.3
Great Britain	75.1	0.7	4.0	-0.4	21.6	-0.3
England	75.6	0.7	4.0	-0.5	21.2	-0.3
North East	70.0	1.0	5.6	0.7	25.7	-1.7
North West	74.2	1.6	3.7	-1.2	23.0	-0.7
Yorkshire and The Humber	72.4	-0.1	3.2	-0.3	25.2	0.4
East Midlands	75.8	0.2	4.4	-1.1	20.6	0.7
West Midlands	74.1	0.9	4.1	-1.1	22.6	-0.1
East	76.8	1.4	3.1	-0.8	20.6	-0.8
London	75.9	1.1	5.5	0.3	19.7	-1.3
South East	77.9	-0.5	3.6	-0.3	19.2	0.8
South West	78.8	0.6	3.2	-0.5	18.6	-0.1
Wales	69.8	1.1	4.8	1.3	26.5	-2.3
Scotland	73.7	0.8	3.9	-0.9	23.2	-0.1
Northern Ireland	70.2	-0.9	1.9	-0.1	28.5	1.1

Source: Labour Force Survey from the Office for National Statistics

#### Notes

- 1. Increased volatility of Labour Force Survey (LFS) estimates, resulting from smaller achieved sample sizes, means that estimates of change should be treated with additional caution.
- 2. 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.
- 3. 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.
- 4. 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.
- 5. The estimates in this table come from a survey and are therefore subject to sampling variability.
- 6. More information on the quality of these estimates is available in Table A11 of the Labour market overview and Dataset S02 from this release.

Table 2: Summary of the latest headline estimates and annual changes for regions of the UK, seasonally adjusted, June to August 2024 [Notes 1, 5 and 6]

	Employment rate (%) aged 16 to 64 years [Note 1]	Change on June to August 2023	Unemployment rate (%) aged 16 years and over [Note 2]	Change on June to August 2023	Inactivity rate (%) aged 16 to 64 years [Note 3]	Change on June to August 2023
UK	75.0	0.3	4.0	-0.2	21.8	-0.1
Great Britain	75.1	0.3	4.0	-0.2	21.6	-0.1
England	75.6	0.5	4.0	-0.2	21.2	-0.4
North East	70.0	-0.9	5.6	1.2	25.7	0.0
North West	74.2	1.2	3.7	-1.8	23.0	0.4
Yorkshire and The Humber	72.4	-1.6	3.2	0.6	25.2	1.1
East Midlands	75.8	1.2	4.4	-0.2	20.6	-1.1
West Midlands	74.1	-0.7	4.1	-0.1	22.6	0.9
East	76.8	0.5	3.1	-0.6	20.6	0.0
London	75.9	3.5	5.5	0.3	19.7	-3.8
South East	77.9	-0.8	3.6	-0.3	19.2	1.1
South West	78.8	0.4	3.2	0.1	18.6	-0.4
Wales	69.8	-3.4	4.8	0.8	26.5	2.8
Scotland	73.7	-0.5	3.9	-1.0	23.2	1.2
Northern Ireland	70.2	-0.4	1.9	-0.5	28.5	0.7

Source: Labour Force Survey from the Office for National Statistics

## Notes

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- 3. 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.
- 4. 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.
- 5. The estimates in this table come from a survey and are therefore subject to sampling variability.
- 6. 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. Data on regional labour market

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

Dataset HI00 | Released 15 October 2024

Labour market indicators for UK constituent countries and English regions, including employment, unemployment, economic inactivity, workers' hours, jobs and Claimant Count, published monthly.

#### Claimant Count by unitary and local authority

Dataset CC01 | Released 15 October 2024

Claimant Count by sex for local and unitary authorities, counties and regions in the UK, published monthly. These are official statistics in development.

#### Regional labour market summary

Dataset S01 | Released 15 October 2024

Labour market indicators for UK countries and regions, including employment, unemployment and economic inactivity, rolling three-monthly figures published monthly, seasonally adjusted. Labour Force Survey.

#### Local indicators for counties and local and unitary authorities

Dataset LI01 | Released 15 October 2024

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

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

Dataset | Released 15 October 2024

Earnings and employment statistics from Pay As You Earn (PAYE) Real Time Information (RTI), UK, NUTS 1, 2 and 3 areas and local authorities, monthly, seasonally adjusted. These are official statistics in development.

All regional labour market datasets used in this bulletin are available on our 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**

The term <u>employment</u> refers to the number of people in paid work or those 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

The term <u>unemployment</u> refers to the number of 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. Data sources and quality

From our March 2024 labour market release, Labour Force Survey (LFS) periods from July to September 2022 onwards have been reweighted to provide information on the size and composition of the UK population, consistent with the population estimates published in November 2023. 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, LFS estimates for the regions and countries of the UK will be inconsistent with UK totals for periods between June to August 2011 and June to August 2022.

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

The Annual Population Survey (APS) has not been reweighted to the new populations. Consequently, all APS tables remain weighted to the previous population totals, which will be inconsistent with those used for LFS in the latest periods.

Reweighting the LFS does not address the volatility seen in recent periods and that may be seen to some extent in the future. 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.

The longer-term broad coherence between WFJ and RTI, when looking at annual change, suggests that these sources are likely to provide a more reliable read on employment, particularly for employees. These sources continue to indicate that we have seen a sustained moderation of growth in employment across most regions over the last year.

Despite these coherence challenges, the LFS continues to be the sole source of data for unemployment, economic inactivity and the self-employed. There are also a range of breakdowns that are only possible from LFS data.

As external sources are suggesting that recent increases in LFS measures of employment are likely to be overstating underlying employment growth, we expect that underlying changes in the other labour market statuses will also be affected. For example, the more modest growth we see in alternative employment sources may indicate that unemployment and/or economic inactivity have fallen by less than the LFS has recently suggested.

It is also likely that some of the recent movements in LFS estimates are being affected by the increased sample size and change in data collection methods taken over the last year, in addition to any underlying changes in the labour market.

We are continuing to improve the quality of the LFS, building on our work to date, which our <u>Performance and quality monitoring report</u> showed by an increase in achieved interviews. Work is also underway to carry out a further reweighting of our LFS estimates, detailed in our <u>Labour market transformation article</u>. The reweighted estimates are due to be published in December 2024, which we anticipate will improve coherence between LFS and other sources. With this work ongoing, we advise caution particularly when interpreting short-term change in the LFS, and to encourage users to make use of a wide range of data sources where possible.

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

## Official statistics in development

LFS and APS estimates are currently not considered accredited official statistics and are designated as "official statistics in development". Until September 2023, these were called "experimental statistics". Read more about the change in our <u>Guide to official statistics in development</u>. More information in relation to the APS being classed as "official statistics in development" can be found in this <u>ONS letter to the Office for Statistics Regulation about the Annual Population Survey</u>.

## **Uncertainty**

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

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, see the ILO's Resolution concerning statistics of work, employment and labour underutilization publication.

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 Regional sampling variability and revisions summary dataset.

## Making our published spreadsheets accessible

Following the Government Statistical Service (GSS) guidance on releasing statistics in spreadsheets, we will be amending our published tables over the coming months to improve the 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 <a href="mailto:labour.market@ons.gov.uk">labour.market@ons.gov.uk</a>.

## 7. Related links

## Working and workless households in the UK: April to June 2024

Bulletin | Released 28 August 2024

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 2024

Bulletin | Released 22 August 2024

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

#### Welsh Government labour market overview

Bulletin | Released 15 October 2024

Monthly data on employment, unemployment, and economic inactivity.

#### Scottish Government Labour market statistics

Statistical release | Released 15 October 2024

Statistical publications relating to Scotland's labour market.

#### NISRA labour market overview

Report | Released 15 October 2024

A monthly overview of the main labour market statistics for Northern Ireland, from the Northern Ireland Statistics and Research Agency (NISRA).

#### Labour market transformation - update on progress and plans: July 2024

Article | Released 18 July 2024

An update on the Transformed Labour Force Survey (TLFS) and Labour Force Survey (LFS).

## 8. Cite this statistical bulletin

Office for National Statistics (ONS), published 15 October 2024, ONS website, statistical bulletin, <u>Labour market in the regions of the UK: October 2024</u>