Regional Labour Market, October 2014

Coverage: UK
Date: 15 October 2014
Geographical Area: Local Authority and County
Theme: Labour Market

Key Points

• The employment rate in Great Britain was highest in the East of England (76.8%) and lowest in Wales (68.8%).

• The unemployment rate in Great Britain was highest in the North East (9.3%) and lowest in the South West (4.6%).

• The inactivity rate in Great Britain was highest in Wales (26.3%) and lowest in the East of England (19.1%).

• The Claimant Count rate in Great Britain was highest in the North East (4.8%) and lowest in the South East (1.6%).

In this bulletin:

This bulletin shows the latest key labour market statistics for the regions and countries of Great Britain along with statistics for local authorities, travel-to-work areas and parliamentary constituencies.

Data for Northern Ireland are available separately.

Updated this month
Labour Force Survey estimates for the period June 2014 to August 2014 and reweighted estimates from June 2001 to August 2001 onwards. Due to technical issues, tables X01 – X03 were updated on 22nd October 2014.

Claimant Count for September 2014.
Annual Population Survey estimates for the period July 2013 to June 2014.
Also in this release
Workforce Jobs estimates for June 2014.

Overview of regional labour market published 15 October 2014

The employment rate estimates for those aged 16 to 64, for the three months to August 2014 compared to the three months to May 2014, showed few large movements for the regions and countries of the UK.

The largest increase in the employment rate estimate was for Scotland at 0.9 percentage points, followed by the East of England at 0.7 percentage points. The employment rate for Scotland has been steadily increasing for the last two years, although the rate of increase has generally been slower than suggested by the latest estimate. This larger increase is partially due to an estimate for the three months to May 2014 (73.1%), which was unusually low compared with other recent estimates. Similarly, the employment rate for the East of England has been rising at a steadier rate than suggested by the latest estimate.

The largest decrease in the employment rate estimate was for the North East, at 0.7 percentage points. The employment rate in the North East has been generally increasing for more than a year. It is not yet clear whether the latest estimate is lower due to normal variability of the estimates or a change in the underlying pattern.

Although much lower than the record highs toward the end of 2013, the recent falls in the employment rate estimates for Wales appear to be levelling off with the latest estimate showing a decrease of 0.3 percentage points.

Most regions of the UK are either showing general increases in employment rates over recent periods or are fairly flat, increasing over the last year.

Employment rates remain higher in the East of England at 76.8%, South East at 76.5% and South West at 76.2% than the rest of the UK.

The employment levels for the North West, Yorkshire and The Humber, East of England, London and Scotland are all at record highs, with many other regions close to record highs. Despite this, the rates for many regions remain below previous records due to increasing population levels. For London however, the employment rate is at a record high of 72.1%.

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

The largest decreases in the unemployment rate for the three months to August 2014, compared to the three months to May 2014, were for London at 0.9 percentage points and Yorkshire and The Humber at 0.7 percentage points.

Along with these, all regions of the UK are showing decreases compared with a year ago.
The unemployment rate for the North East remains the highest in the UK at 9.3%, followed by the West Midlands at 7.5%.

The Claimant Count for September 2014 compared with August 2014 is showing decreases in the count for both men and women across most regions of the UK. The exception is in Scotland where the count showed a small increase in September. The September count date was 11 September 2014, one week before the Scottish independence referendum.

**Employment**

The employment rate for people aged from 16 to 64 for the UK was 73.0%, for the period June 2014 to August 2014.

The region with the highest rate in Great Britain was the East of England, at 76.8%, followed by the South East, at 76.5%. The region with the lowest rate was Wales, at 68.8%, followed by the North East, at 69.0%, and the West Midlands, at 69.7%.

The region with the largest increase in the employment rate on the previous period (March 2014 to May 2014), was Scotland, with an increase of 0.9 percentage points, followed by the East of England, with an increase of 0.7 percentage points and London and the North West, both with an increase of 0.4 percentage points. The North East had the largest decrease in the employment rate, with a decrease of 0.7 percentage points, followed by the West Midlands and East Midlands, with decreases of 0.5 and 0.4 percentage points respectively. The UK rate increased by 0.1 percentage points.

**Figure 1: Employment Rates, June to August 2014, Seasonally Adjusted**

Source: Labour Force Survey - Office for National Statistics
Over the year, the regions with the largest increase in the employment rate were the North East and North West, both with an increase of 2.5 percentage points, followed by the East Midlands, with an increase of 2.4 percentage points and London, with an increase of 2.3 percentage points. The only decrease in the employment rate was in Wales, at 1.3 percentage points. The South East had the smallest increase of 0.2 percentage points, followed by the West Midlands, at 1.1 percentage points.

**Unemployment**

The unemployment rate for people aged 16 and over for the UK was 6.0%, for the period June 2014 to August 2014.

The region with the highest rate in Great Britain was the North East, at 9.3%, followed by the West Midlands, at 7.5% and Yorkshire and The Humber, at 7.0%. The regions with the lowest rate were the South West, at 4.6%, followed by the South East, at 4.7% and the East of England, at 4.9%.

The regions with the largest decrease in the unemployment rate on the previous period (March 2014 to May 2014), were Scotland, at 1.4 percentage points, followed by London, at 0.9 percentage points and Yorkshire and The Humber, at 0.7 percentage points. There was only one region with an increase in the unemployment rate; the South East, at 0.2 percentage points. The unemployment rate in the West Midlands remained unchanged. The UK rate decreased by 0.4 percentage points.
Over the year, all regions showed a decrease in the unemployment rate. The largest decreases were in London, at 2.3 percentage points, the East Midlands, at 2.1 percentage points and the North West, at 2.0 percentage points.

An interactive chart showing regional unemployment rates over time is available.
Workforce Jobs (First published on 17 September 2014)

Workforce Jobs increased in 9 of the 11 regions of Great Britain between March 2014 and June 2014, with Wales showing the only decrease of 15,000. In the South West, there was no change. The largest increase of 112,000 was in London, followed by the West Midlands, which increased by 54,000.

The East Midlands had the highest proportion of jobs in the production sector at 14.0% whilst London had the lowest proportion, at 2.9%. For the service sector, London had the highest proportion, at 91.9%, whilst the East Midlands had the lowest proportion, at 78.3%.

Figure 3: Workforce Jobs by broad industry group, June 2014, Seasonally Adjusted

Source: Office for National Statistics
Jobseeker’s Allowance

The seasonally adjusted Claimant Count rate for the UK was 2.8% in September 2014, down 0.1 percentage point from August 2014, with the level down 18,600.

The region with the highest rate in Great Britain was the North East, at 4.8%, down 0.1 percentage point from the previous month. The next highest rates were in Yorkshire and The Humber, at 3.8% and Wales at 3.7%.

The region with the lowest rate was the South East, at 1.6%. The next lowest rates were seen in the South West at, 1.7% and the East of England, at 2.0%.

All regions of the UK saw a decrease in the Claimant Count level, except Scotland, which saw an increase of 300.
Local Authority Labour Market Indicators

For the period July 2013 to June 2014, the local authorities with the highest employment rate in Great Britain, were Eden in Cumbria, at 87.0%, Dacorum in Hertfordshire, at 85.4% and North Dorset, at 85.2%. Liverpool, at 59.4%, was the only local authority with a rate lower than 60%.

For the period July 2013 to June 2014, the local authority with the highest unemployment rate in Great Britain, was Middlesbrough, at 13.2%, followed by Liverpool, at 12.8% and Kingston upon Hull, at 12.6%. There were 7 local authorities with a rate of less than 3%: Stratford-on-Avon and...
South Northamptonshire, at 2.7%, Eden in Cumbria and Uttlesford, at 2.8% and Mole Valley, Elmbridge in Surrey and South Lakeland, at 2.9%.

In September 2014 the local authorities with the lowest proportion of the population, aged from 16 to 64 years, claiming Jobseeker’s Allowance in Great Britain, were the Isles of Scilly, at 0.0%, followed by Stratford-on-Avon, Mid Sussex and the Shetland Islands, all at 0.5% and Harrogate, Richmondshire, South Northamptonshire, South Cambridgeshire, Wokingham, Hart in Hampshire, Winchester, Cherwell, South Oxfordshire, Vale of White Horse, Mole Valley, Waverley, North Dorset, West Dorset and Aberdeenshire, all at 0.6%. There were a further 18 local authorities, at 0.7%. These were followed, by a further 55 local authorities, with a proportion of 1.0% or less. It was highest in Wolverhampton, at 5.4%, followed by Kingston upon Hull, at 5.2% and Middlesbrough, at 5.1%. There were a further 12 local authorities in Great Britain, with a proportion of 4.0% or more.
Figure 5: Claimant Count Map

Download map

PNG  PNG format
(191 Kb)

An interactive version of this map showing Claimant Count proportions by local authority over time is available. This map also shows Claimant Count proportions for males, females, 18 to 24 year olds and those claiming over 12 months.
The job density of an area is the number of jobs per head, of resident population, aged 16 to 64. In 2012, the highest jobs density in Great Britain was the City of London, at 77.46 and the lowest was East Renfrewshire, at 0.38. Westminster (4.25), Camden (2.11) and Tower Hamlets, Islington and Kensington and Chelsea (all 1.30), all in London, were the next highest jobs densities. The highest jobs density outside London was Watford at 1.25. After East Renfrewshire, the lowest jobs densities were Lewisham (0.39) and Waltham Forest and East Dunbartonshire, both at 0.43, followed by Newham and Haringey, both at 0.44.

Index of Tables

LFS headline indicators (Employment, unemployment and inactivity):

Headline Indicators for All Regions (HI00) (7.36 Mb Excel sheet)

LFS headline indicators (Employment, unemployment and inactivity); Employment and Workforce Jobs estimates; Claimant Count; and Economic Activity and Inactivity estimates for each region are available in the following tables:

Headline Indicators for North East (HI01) (2.21 Mb Excel sheet)
Headline Indicators for North West (HI02) (1.97 Mb Excel sheet)
Headline Indicators for Yorkshire and The Humber (HI03) (2.4 Mb Excel sheet)
Headline Indicators for East Midlands (HI04) (2.56 Mb Excel sheet)
Headline Indicators for West Midlands (HI05) (2.4 Mb Excel sheet)
Headline Indicators for East of England (HI06) (2.36 Mb Excel sheet)
Headline Indicators for London (HI07) (1.99 Mb Excel sheet)
Headline Indicators for South East (HI08) (1.97 Mb Excel sheet)
Headline Indicators for South West (HI09) (1.97 Mb Excel sheet)
Headline Indicators for Wales (HI10) (2.21 Mb Excel sheet)
Headline Indicators for Scotland (HI11) (2.4 Mb Excel sheet)

The following tables contain local labour market indicators for all regions:

Local Indicators for Unitary and Local Authorities (LI01) (251.5 Kb Excel sheet)
Local Indicators for Parliamentary Constituencies (LI02) (312 Kb Excel sheet)
Local Indicators for Constituencies of the Scottish Parliament (LI02.1) (115.5 Kb Excel sheet)
Local Indicators for Travel-to-Work Areas (LI03) (180 Kb Excel sheet)

Local Indicators for NUTS3 areas (LI04) (145.5 Kb Excel sheet)

Local Indicators for Local Enterprise Partnerships (LI05) (105.5 Kb Excel sheet)

The following tables contain local Claimant Count data for all regions:

Claimant Count by Unitary and Local Authority (JSA01) (256 Kb Excel sheet)

Claimant Count by Parliamentary Constituency (JSA02) (622.5 Kb Excel sheet)

Claimant Count by Constituencies of the Scottish Parliament (JSA02.1) (123 Kb Excel sheet)

Claimant Count by Local Enterprise Partnership (JSA03) (101.5 Kb Excel sheet)

Other tables:

Summary of Headline Indicators (S01) (72.5 Kb Excel sheet)

Sampling Variability and Revisions Summary (S02) (61 Kb Excel sheet)

Claimant Count Denominators (S03) (69 Kb Excel sheet)

Model Based Estimates of Unemployment (M01) (2.21 Mb Excel sheet)

Estimates of Employment by Age (Experimental Statistics) (X01) (6.87 Mb Excel sheet)

Estimates of Unemployment by Age (Experimental Statistics) (X02) (6.83 Mb Excel sheet)

Estimates of Inactivity by Age (Experimental Statistics) (X03) (6.86 Mb Excel sheet)

Background notes

1. **This Month’s Bulletin**
   ONS has revised estimates derived from the Labour Force Survey (including estimates of employment, unemployment and economic inactivity) as a result of taking on board population estimates from the 2011 Census. Estimates have been revised back to June to August 2001.

   **Experimental Labour Force Survey statistics of labour market status by age for UK regions and countries (X01-X03)**
   Due to technical issues, the reweighted June to August 2014 tables were not published simultaneously with the Headline Indicators. These tables have been updated on 22nd October 2014.
ONS has also updated the building blocks used to construct geographic areas for the Claimant Count. Previously, geographic areas were built from 2001 census output areas, on a best fit basis. ONS has now updated this to use 2011 census output areas, in line with the ONS geography policy. This change does not have any significant affect on published outputs.

2. **Next Month’s Bulletin**

   There are no planned changes to next month’s bulletin.

3. **Introduction of Universal Credit**

   On 29 April 2013, the Department for Work and Pensions (DWP) started a Pathfinder for Universal Credit which created the first jobseeker Universal Credit claimants. This has been extended to further Jobcentre Plus Offices (JCP) across Great Britain. Further information for dates of roll out to Universal Credit can be found in [List of Jobcentre Plus Offices under Universal Credit](90.6 Kb Pdf).

   Universal Credit will replace a number of means-tested benefits including income based Jobseeker’s Allowance (JSA). It will not replace contributory based JSA.

   The Claimant Count measures the number of people claiming benefits principally for the reason of being unemployed. Since October 1996 it has been a count of the number of people claiming JSA. Following a consultation in 2012 by ONS, it was agreed that, with the introduction of Universal Credit, the Claimant Count would include:

   - people claiming contribution based JSA (which is not affected by the introduction of Universal Credit)
   - people claiming income based JSA during the transition period while this benefit is being gradually phased out, and
   - people claiming Universal Credit who are not earning and who are subject to a full set of labour market jobseeker requirements, that is required to be actively seeking work and available to start work.

   A new [data table](61.5 Kb Excel sheet) has been introduced in the National Labour Market Release providing an indicative representation of the Claimant Count including experimental Universal Credit statistics. There is also a [guidance document](16.5 Kb Pdf) to accompany this.

4. **Publication Policy**

   A list of the job titles of those given pre-publication access to the contents of this Statistical Bulletin is available on the website.

5. **Quality Issues**

   One indication of the reliability of the key indicators in this bulletin can be obtained by monitoring the size of revisions. These summary measures are available in the [Regional Labour Market Sampling Variability spreadsheet](61 Kb Excel sheet) available with this bulletin and show the size of revisions over the last five years. The revised data itself may be subject to
sampling or other sources of error. The ONS standard presentation is to show five years worth of revisions (i.e. 60 observations for a monthly series, 20 for a quarterly series).

Further information on the Quality of and Methods for Workforce Jobs estimates can be found in the Summary Quality Report. (295.4 Kb Pdf)

6. **Other Quality information**
   Quality and Methodology Information papers for labour market statistics are available on the website. Further information about the Labour Force Survey (LFS) is available from:
   - the LFS User Guide, and
   - LFS Performance and Quality Monitoring Reports.

7. **Definitions and Concepts**
   An article explaining how unemployment and the Claimant Count (141 Kb Pdf) series are defined and measured and the difference between the two series is available, along with an article to help users interpret labour market statistics and highlight some common misunderstandings. A more detailed Guide to Labour Market Statistics is also available.

8. **Sampling Variability**
   Very few statistical revisions arise as a result of ‘errors’ in the popular sense of the word. All estimates, by definition, are subject to statistical ‘error’ but in this context the word refers to the uncertainty.

   Some data in the bulletin are based on statistical samples and, as such, are subject to sampling variability. If many samples were drawn, each would give different results. The ranges shown in the Regional Labour Market Sampling Variability spreadsheet (61 Kb Excel sheet), available with this bulletin, represent ‘95% confidence intervals’. It is expected that in 95% of samples the range would contain the true value.

9. **Special Events**
   ONS has published commentary, analysis and policy on ‘Special Events’ which may affect statistical outputs. For full details go to the Special Events page on the ONS website.

10. **Details of the policy governing the release of new data**
    Details of the policy governing the release of new data are available by visiting www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html or from the Media Relations Office email: media.relations@ons.gsi.gov.uk

    The United Kingdom Statistics Authority has designated these statistics as National Statistics, in accordance with the Statistics and Registration Service Act 2007 and signifying compliance with the Code of Practice for Official Statistics.

    Designation can be broadly interpreted to mean that the statistics:
    - meet identified user needs;
    - are well explained and readily accessible;
are produced according to sound methods; and
are managed impartially and objectively in the public interest.

Once statistics have been designated as National Statistics it is a statutory requirement that the Code of Practice shall continue to be observed.

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This document is also available on our website at www.ons.gov.uk.

Statistical contacts

<table>
<thead>
<tr>
<th>Name</th>
<th>Phone</th>
<th>Department</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bob Watson</td>
<td>+44 (0)1633 455070</td>
<td>Regional and local data/Claimant</td>
<td><a href="mailto:bob.watson@ons.gsi.gov.uk">bob.watson@ons.gsi.gov.uk</a></td>
</tr>
<tr>
<td>Nicholas Palmer</td>
<td>+44 (0)1633 455839</td>
<td>Regional and national Labour Force Survey</td>
<td><a href="mailto:nicholas.palmer@ons.gsi.gov.uk">nicholas.palmer@ons.gsi.gov.uk</a></td>
</tr>
<tr>
<td>Mark Williams</td>
<td>+44 (0)1633 456728</td>
<td>Workforce Jobs</td>
<td><a href="mailto:mark.williams@ons.gsi.gov.uk">mark.williams@ons.gsi.gov.uk</a></td>
</tr>
</tbody>
</table>

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Issuing Body:
Office for National Statistics

Media Contact Details:
Telephone: 0845 604 1858
(8.30am-5.30pm Weekdays)

Emergency out of hours (limited service): 07867 906553

Email: media.relations@ons.gsi.gov.uk