

Statistical bulletin

Labour market in the regions of the UK: November 2020

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



Release date: 10 November 2020 Next release: 15 December 2020

Notice

9 November 2020

The effect of the coronavirus (COVID-19) pandemic on our capacity means we have reviewed the existing labour market releases and have suspended some publications.

This will protect the delivery and quality of our remaining labour market outputs and ensure we can respond to new demands as a direct result of coronavirus. More details about the impact on labour market outputs can be found in our <u>statement</u>.

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1. Main points

- For the three months ending September 2020, the highest employment rate estimate in the UK was in the South East (78.3%) and the lowest was in Northern Ireland (70.5%).
- For the three months ending September 2020, the highest unemployment rate estimate in the UK was in the North East (6.7%) and the lowest was in Northern Ireland (3.6%).
- For the three months ending September 2020, the highest economic inactivity rate estimate in the UK was in Northern Ireland (26.8%) and the lowest was in the South East (18.1%).
- Between June and September 2020, workforce jobs decreased in all regions of the UK, with the largest decrease in London at 104,000 and the smallest in Northern Ireland at 1,000.
- In September 2020, the region with the highest estimated proportion of workforce jobs in the services sector was London at 92.0%, while the East Midlands had the highest proportion of jobs in the production sector at 13.1%.
- The highest average estimated actual weekly hours worked, for the 12 months ending June 2020, was in London at 31.7 hours and the lowest was in the North East at 28.4 hours; for full-time workers, it was highest in London at 35.9 hours, and for part-time workers it was highest in Northern Ireland at 15.5 hours.

The data in this bulletin come from the Labour Force Survey, a survey of households. It is not practical to survey every household each quarter, so these statistics are estimates based on a large sample.

2. Coronavirus and measuring regional labour market

Coronavirus and Labour Force Survey estimates

Because of the coronavirus (COVID-19) pandemic, all face-to-face interviewing for the Labour Force Survey (LFS) was suspended and replaced with telephone interviewing. This change in method for initial contact has changed the non-response bias of the survey, affecting interviews from March 2020 onwards. An article on Coronavirus and its impact on the Labour Force Survey gives more detail on this change.

LFS estimates presented for periods from January to March 2020 onwards have been weighted to account for this bias. Annual Population Survey (APS) estimates presented that include affected periods are based on datasets that have not yet been reweighted to account for this.

LFS estimates presented in this bulletin are based on interviews that took place throughout the period from the start of July to the end of September 2020. All the interviews relate to the period after the implementation of coronavirus social distancing measures. Interviews relate to the period following the government closure of schools, introduction of lockdown and announcement of measures aimed at protecting businesses and jobs.

The International Labour Organization (ILO) definition of employment includes those who worked in a job for at least one hour and those temporarily absent from a job. Workers furloughed under the Coronavirus Job Retention Scheme (CJRS), or who are self-employed but temporarily not in work, have a reasonable expectation of returning to their jobs after a temporary period of absence. Therefore, they are classified as employed under the ILO definition.

3. Regional labour market summary

Table 1 shows the latest estimates for employment, unemployment and economic inactivity for July to September 2020 and a comparison with the previous quarter (April to June 2020). Comparing non-overlapping periods (July to September 2020 with April to June 2020) provides a more robust short-term comparison.

Table 1: Summary of latest headline estimates for regions of the UK, seasonally adjusted, July to September 2020

	Employment rate ¹ (%) aged 16 to 64 years	_	Unemployment rate ² (%) aged 16 years and over	Change on April to June 2020	Inactivity rate ³ (%) aged 16 to 64 years	Change on April to June 2020
UK	75.3	-0.6	4.8	0.7	20.9	0.0
Great Britain	75.4	-0.6	4.8	0.7	20.7	0.0
England	75.7	-0.6	4.8	0.7	20.4	0.0
North East	71.5	-1.7	6.7	1.2	23.3	0.5
North West	74.7	-0.7	4.6	0.9	21.6	0.0
Yorkshire and The Humber	74.5	0.8	4.7	0.8	21.8	-1.4
East Midlands	75.0	-1.4	4.9	0.4	21.0	1.1
West Midlands	74.5	0.2	4.9	0.3	21.5	-0.4
East	77.6	0.3	4.3	0.2	18.7	-0.5
London	75.2	-1.0	6.0	1.2	20.2	0.2
South East	78.3	-1.0	4.1	0.8	18.1	0.3
South West	76.5	-0.9	4.1	0.3	20.0	0.6
Wales	72.1	-2.5	4.6	1.9	24.4	1.1
Scotland	74.0	0.4	4.5	0.0	22.4	-0.3
Northern Ireland	70.5	-0.5	3.6	1.0	26.8	-0.3

Source: Office for National Statistics - Labour Force Survey

Notes

- 1. Calculation of headline employment rate: number of employed people aged from 16 to 64 years divided by the population aged from 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 from 16 to 64 years divided by the population aged from 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 2 of this release and the accompanying dataset S02.

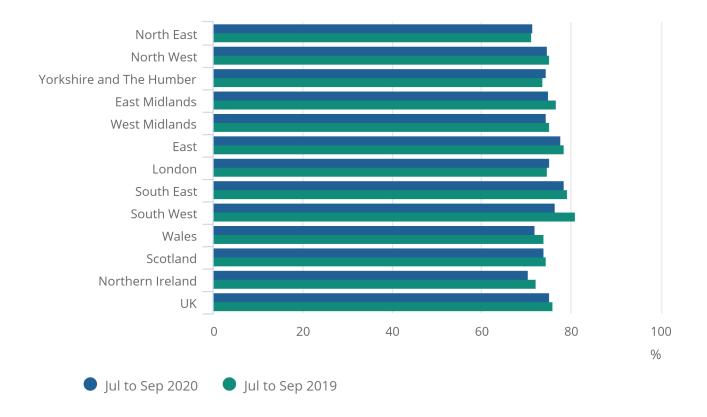
4. Employment

Figure 1: The South East had the highest employment rate in the UK

Employment rate estimates for people aged 16 to 64 years, by UK region, seasonally adjusted, between July to September 2019 and July to September 2020

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Employment rate estimates for people aged 16 to 64 years, by UK region, seasonally adjusted, between July to September 2019 and July to September 2020



Source: Office for National Statistics – Labour Force Survey

Employment measures the number of people aged 16 years and over in paid work and those who had a job that they were temporarily away from. The employment rate is the proportion of people aged between 16 and 64 years who are in employment.

The employment rate estimate for people aged between 16 and 64 years for the UK was 75.3% for the period July to September 2020 (Figure 1). This is a decrease of 0.6 percentage points compared with the previous quarter (April to June 2020).

For the period July to September 2020:

- the UK region with the highest employment rate estimate was the South East at 78.3%
- the UK region with the lowest employment rate estimate was Northern Ireland at 70.5%
- the largest increase in the employment rate estimate, compared with the previous quarter (April to June 2020), was in Yorkshire and The Humber at 0.8 percentage points
- the largest decrease in the employment rate estimate, compared with the previous quarter (April to June 2020), was in Wales at 2.5 percentage points
- compared with the same period last year, Yorkshire and The Humber saw the largest increase in the estimated employment rate, at 0.8 percentage points
- compared with the same period last year, the South West saw the largest decrease in the estimated employment rate, at 4.4 percentage points

5. Workforce jobs (first published 15 September 2020)

On 13 October 2020, data from our Labour Force Survey (LFS) were reweighted. The workforce jobs estimates, which include some data from LFS, published on 15 September 2020 are based on the previous weighting methodology; more information can be found in <u>our article</u>. Workforce jobs estimates will be revised by 15 December 2020.

Figure 2: The South East saw the largest change in workforce jobs, compared with last year

Annual change in estimated workforce jobs, by UK region, seasonally adjusted, between June 2019 and June 2020

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Annual change in estimated workforce jobs, by UK region, seasonally adjusted, between June 2019 and June 2020



Source: Office for National Statistics - Workforce jobs

<u>Workforce jobs</u> measures the number of filled jobs in the economy. The estimates are mainly sourced from employer surveys such as the Short-Term Employment Surveys (STES) and the Quarterly Public Sector Employment Survey (QPSES). Workforce jobs is a different concept from employment, which is sourced from the LFS, as employment is an estimate of people and some people have more than one job.

A comparison between estimates of employment and jobs article is available.

During the coronavirus (COVID-19) pandemic, the LFS and workforce jobs (WFJ) series may have additional differences because a person's perception of their attachment to a job may differ from the business's perception of that job. It is also important to note that the LFS is based on interviews throughout the coverage period, whereas the WFJ series relate to a specific date. This difference can be significant in a labour market that is experiencing rapid changes.

For June 2020, there were an estimated 35.41 million workforce jobs in the UK; this is 264,000 fewer than a year ago (June 2019) and 354,000 fewer than last quarter (March 2020).

Workforce jobs increased in 6 of the 12 regions of the UK between June 2019 and June 2020. The largest estimated increase of 25,000 was in Yorkshire and The Humber, followed by London at 14,000. The largest estimated decrease was seen in the South East at 125,000, followed by the West Midlands at 74,000 (Figure 2).

Compared with last quarter (March 2020), all regions of the UK saw a decrease in workforce jobs, the largest being in London at 104,000, followed by the East of England at 69,000, and the North West at 40,000.

For June 2020, the East Midlands had the highest proportion of jobs in the production sector at 13.1% (Figure 3), while London had the lowest proportion at 3.1%. This is because London has primarily service-based industries within its region, such as financial and administrative sectors.

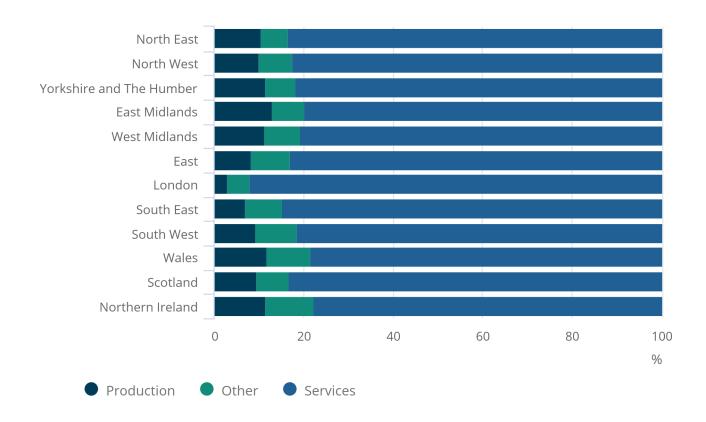
For the services sector, London had the highest proportion at 92.0%, while Northern Ireland had the lowest proportion at 77.8%. The services sector currently accounts for 83.8% of the total workforce jobs in the UK.

Figure 3: Jobs in London were more dominated by the services sector than in other regions

Proportion of workforce jobs by broad industry group, by UK region, June 2020

Figure 3: Jobs in London were more dominated by the services sector than in other regions

Proportion of workforce jobs by broad industry group, by UK region, June 2020



Source: Office for National Statistics - Workforce jobs

6. Actual hours worked (first published 13 October 2020)

The latest estimates from the Annual Population Survey (APS) were released on 13 October 2020 for the period July 2019 to June 2020. Unlike the Labour Force Survey (LFS), the APS weighting methodology does not yet include adjustments for tenure. These are expected to be revised on 15 December 2020.

Figure 4: Men in Northern Ireland worked more hours than in any other region

Average (mean) estimated actual weekly hours of work, by UK region and by sex, July 2019 to June 2020

Figure 4: Men in Northern Ireland worked more hours than in any other region

Average (mean) estimated actual weekly hours of work, by UK region and by sex, July 2019 to June 2020



Source: Office for National Statistics - Annual Population Survey

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.

For the period July 2019 to June 2020, the UK region with the highest estimated average actual weekly hours worked (for all workers) was London at 31.7 hours, followed by Northern Ireland at 31.2 hours. The North East had the lowest number of hours worked at 28.4 hours.

All regions of the UK saw a decrease in the average hours worked, compared with the same period of the previous year (July 2018 to June 2019), the largest of which was in the North East with a decrease of 2.9 hours per week. The smallest decreases in the average hours worked were in London and the South East, both with a decrease of 2.0 hours per week.

The region with the highest average actual weekly hours worked in full-time jobs was London at 35.9 hours. This is a decrease of 2.1 hours compared with the same period of the previous year (July 2018 to June 2019). The regions with the lowest average actual weekly hours worked in full-time jobs were the North East and East of England, both at 33.0 hours. For part-time jobs, the region with the highest average hours worked was Northern Ireland at 15.5 hours and the region with the lowest was the South West at 14.2 hours.

For men, the region with the highest average hours worked was Northern Ireland at 35.5 hours and for women it was London at 27.6 hours. The largest difference in average hours worked between men and women was in the East Midlands where men worked on average 9.5 more hours per week than women (Figure 4).

The largest overall changes compared with the same period of the previous year (July 2018 to June 2019) were seen for men in the North East and Scotland, where the average hours worked in each region decreased by 3.1 hours to 32.2 and 33.0 hours per week, respectively. In comparison, for women, the largest change was in the North East, where the average hours worked decreased by 2.7 hours to 24.3 hours per week.

The region with the largest difference in total weekly hours worked between men and women was London, where men worked a total of 29.0 million more hours a week than women. The region with the smallest difference was Northern Ireland, where men worked only 5.0 million more hours a week than women. All regions of the UK saw a decrease in the total weekly hours worked compared with the same period of the previous year (July 2018 to June 2019), with the largest decrease seen in the South East, of 8.2 million hours to 138.0 million hours a week. Northern Ireland saw the smallest decrease in total hours of 1.5 million hours to 27.0 million hours a week.

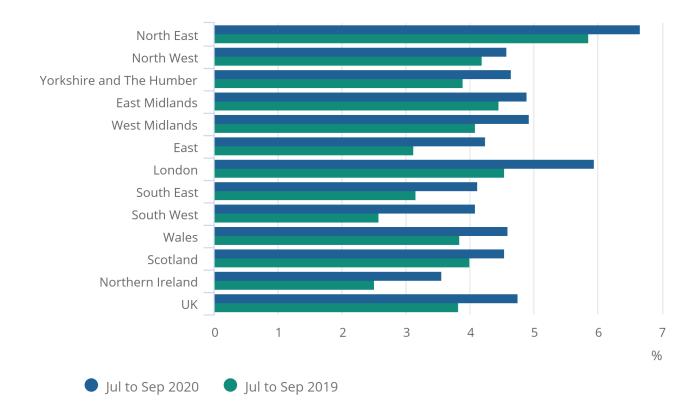
7. Unemployment

Figure 5: The unemployment rate has increased for all UK regions compared with same period last year

Unemployment rate estimates for people aged 16 years and over who are economically active, by UK region, seasonally adjusted, between July to September 2019 and July to September 2020

Figure 5: The unemployment rate has increased for all UK regions compared with same period last year

Unemployment rate estimates for people aged 16 years and over who are economically active, by UK region, seasonally adjusted, between July to September 2019 and July to September 2020



Source: Office for National Statistics – Labour Force Survey

<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.

Regional estimates for the unemployment rate are volatile, which needs to be allowed for when considering the pattern of change over time. The unemployment rate estimate for people aged 16 years and over for the UK was 4.8% for the period July to September 2020 (Figure 5); this is an increase of 0.7 percentage points compared with the previous quarter (April to June 2020).

For the period July to September 2020:

- the UK region with the highest unemployment rate estimate was the North East at 6.7%
- the UK region with the lowest estimated unemployment rate was Northern Ireland at 3.6%
- the largest increase in the unemployment rate estimate compared with the previous quarter (April to June 2020) was seen in Wales at 1.9 percentage points
- there were no decreases in the unemployment rate estimate compared with the previous quarter (April to June 2020), however, Scotland was unchanged
- compared with the same period last year, the South West saw the largest increase in the estimated unemployment rate, at 1.5 percentage points
- there were no decreases in the unemployment rate compared with the same period last year; the North West and the East Midlands saw the smallest increases in the estimated unemployment rate, both at 0.4 percentage points

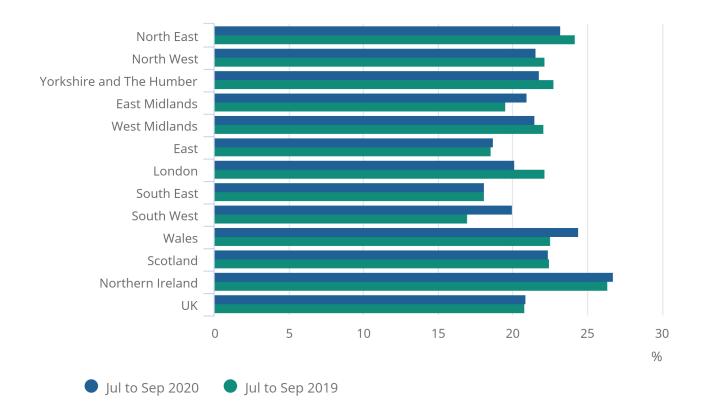
8. Economic inactivity

Figure 6: Northern Ireland had the highest economic inactivity rate in the UK

Economic inactivity rate estimates for people aged 16 to 64 years, by UK region, seasonally adjusted, between July to September 2019 and July to September 2020

Figure 6: Northern Ireland had the highest economic inactivity rate in the UK

Economic inactivity rate estimates for people aged 16 to 64 years, by UK region, seasonally adjusted, between July to September 2019 and July to September 2020



Source: Office for National Statistics - Labour Force Survey

<u>Economic inactivity</u> measures people without a job but who are not classed as unemployed because they have not been actively seeking work within the last four weeks and/or they are unable to start work within the next two weeks. Our headline measure of economic inactivity is for those aged between 16 and 64 years.

The estimated economic inactivity rate for people aged between 16 and 64 years for the UK was 20.9% for the period July to September 2020 (Figure 6); this is largely unchanged compared with the previous quarter (April to June 2020).

For the period July to September 2020:

- the UK region with the highest estimated economic inactivity rate was Northern Ireland at 26.8%
- the UK region with the lowest estimated economic inactivity rate was the South East at 18.1%
- the largest increase in the economic inactivity rate estimate compared with the previous quarter (April to June 2020) was in Wales at 1.1 percentage points
- the largest decrease in the economic inactivity rate estimate compared with the previous quarter (April to June 2020) was in Yorkshire and The Humber at 1.4 percentage points
- compared with the same period last year, the South West saw the largest increase in the estimated economic inactivity rate, at 3.2 percentage points
- compared with the same period last year, London saw the largest decrease in the estimated economic inactivity rate, at 1.6 percentage points

9. Local labour market indicators

The latest estimates from the Annual Population Survey (APS) were released on 13 October 2020 for the period July 2019 to June 2020. Unlike the Labour Force Survey (LFS), the APS weighting methodology does not yet include adjustments for tenure. These are expected to be revised on 15 December 2020.

Indicators from the Annual Population Survey (first published 13 October 2020)

For the period July 2019 to June 2020, the local authorities with the highest employment rate estimates in the UK were Wellingborough at 89.7%, South Oxfordshire at 88.6% and Torridge at 88.2%. East Lindsey was the local authority with the lowest rate at 61.8%, followed by Tendring at 63.7% and Middlesbrough at 64.7%.

For the period July 2019 to June 2020, the local authorities with the highest unemployment rate estimates in the UK were Birmingham at 8.0%, followed by Hartlepool at 7.2%, and South Tyneside and Middlesbrough, both at 6.9%. The local authorities with the lowest rates were the Orkney Islands and Eden in Cumbria, both at 1.7%, followed by the Shetland Islands, Ribble Valley and South Lakeland, all at 1.9%.

Jobs densities (first published 21 January 2020)

The jobs density of an area is the number of jobs per head, of resident population, aged 16 to 64 years. A high jobs density would represent an employment centre, where people commute to for work. A low jobs density would represent an area with fewer jobs, where people would commute from for work.

In 2018, the highest jobs density estimate in Great Britain was the City of London at 110.11 and the lowest was Lewisham at 0.40. Westminster (4.28) and Camden (2.17), both in London, were the next highest jobs densities. The highest jobs density estimate outside London was Watford at 1.80. After Lewisham, the lowest jobs densities were East Renfrewshire at 0.45, followed by East Dunbartonshire, Redbridge and Waltham Forest, all at 0.47.

10 . Regional labour market data

Headline Labour Force Survey indicators for all regions

Dataset HI00 | Released 10 November 2020

Headline labour market indicators from the Labour Force Survey (LFS) for all of 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 10 November 2020

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

Regional labour market summary

Dataset S01 | Released 10 November 2020

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 13 October 2020

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

All regional labour market datasets used in this bulletin are available on the Related data page.

11. 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 economically inactive) 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 and/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 geographic 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.

Unemployment

Unemployment 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.

12. Measuring the data

This bulletin shows the latest main labour market statistics for the regions and countries of the UK, along with statistics for local authorities, travel-to-work areas and Parliamentary constituencies.

Data for Northern Ireland, although included in this bulletin, are available in full separately, in the <u>Northern Ireland Labour Market Report</u> on the <u>Northern Ireland Statistics and Research Agency</u> (NISRA) website. Regional and local area statistics are available from <u>Nomis</u>.

Latest updates

From the March 2020 release, this bulletin has been presented in a new format, which, following a review from our publishing team, has been designed in line with the Office for National Statistics' (ONS's) new style guide and provides a more user-friendly experience. The title of the release has also changed to 'Labour market in the regions of the UK'. All previous release titles have remained unchanged, but all <u>previous releases</u> are still linked to the new release. All data contained within the release have not changed, so all data and commentary within the bulletin are still directly comparable.

Coronavirus (COVID-19)

We continually review all publications and data published as part of the labour market release; this has led to the postponement of some publications and datasets to ensure that we can continue to publish our main labour market data. This will also protect the delivery and quality of our remaining outputs as well as ensuring we can respond to new demands as a direct result of the coronavirus pandemic.

For more information on how labour market data sources are affected by the coronavirus pandemic, see the <u>article</u> published on 6 May 2020, which details some of the challenges that we have faced in producing estimates at this time.

A <u>blog</u> published in July 2020 by Jonathan Athow, Deputy National Statistician for Economic Statistics, explains some of the differences between sources. An article and blog were published in October 2020 explaining the <u>impact of the coronavirus on our Labour Force Survey</u>.

Our latest data and analysis on the impact of the coronavirus on the UK economy and population are available on our dedicated <u>coronavirus web page</u>. This is the hub for all special coronavirus-related publications, drawing on all available data. In response to the developing coronavirus (COVID-19) pandemic, we are working to ensure that we continue to publish economic statistics. For more information, please see <u>COVID-19</u> and the production of statistics.

Impact on production of workforce job estimates

Because of social distancing measures leading to the temporary closure of businesses across the UK, there have been some difficulties in collecting data using the Short-Term Employment Survey (STES). Survey response rates were lower than is typical. To protect the quality of our output, we have used alternative sources where possible to inform data. We have used Standard Industrial Classification (SIC) section-level indications from the Business Impact of COVID-19 Survey (BICS) as well as survey contributor-level comments provided to us over the telephone or electronically, as a guide on whether businesses are operational and likely, or not, to be actively recruiting and to confirm employment figures.

After EU withdrawal

As the UK leaves the EU, it is important that our statistics continue to be of high quality and are internationally comparable. During the transition period, those UK statistics that align with EU practice and rules will continue to do so in the same way as before 31 January 2020.

After the transition period, we will continue to produce our labour market statistics in line with the UK Statistics Authority's <u>Code of Practice for Statistics</u> and in accordance with International Labour Organization (ILO) definitions and agreed international statistical guidance.

Data sources

This bulletin includes labour market estimates at a regional level from the Labour Force Survey (LFS) on total employment, unemployment and economic inactivity. More detailed regional estimates for employment by age, full-time and part-time working, economic activity and economic inactivity by age, and reasons for economic inactivity are provided using the Annual Population Survey (APS). Any estimates for geographic areas below regional level are provided using the APS. In tables where the APS estimates are provided for detailed geographic areas, regional and national estimates are also provided from the APS for comparability.

The LFS is a household survey using international definitions of employment, unemployment and economic inactivity. It compiles a wide range of related topics such as occupation, training, hours of work and personal characteristics of household members aged 16 years and over. Estimates are produced every month for a rolling three-monthly period, based on interviews that took place throughout the three months; for example, February to April data in a release will be followed by data for March to May in the next release.

The APS, which began in 2004, is compiled from interviews for the LFS, along with additional regional samples. The APS comprises the main variables from the LFS, with a much larger sample size. Consequently, the APS supports more detailed breakdowns than can be reliably produced from the LFS. Estimates are produced every quarter for a rolling annual period; for example, January to December data will be followed by data for April to March when they are next updated.

A comparison between estimates of employment and jobs is available.

Comparisons with earlier data

The most robust estimates of short-term movements in estimates derived from the LFS are obtained by comparing the estimates for July to September 2020 with the estimates for April to June 2020, which were first released on 11 August 2020. This provides a more robust estimate than comparing with the estimates for June to August 2020. This is because the July and August 2020 data are included within both estimates, so observed differences are only between June and September 2020. The LFS is representative of the UK population over a three-month period, not for single-month periods.

Quality and methodology

More quality and methodology information on strengths, limitations, appropriate uses, and how the data were created is available in the Quality and Methodology Information (QMI) reports for various labour market topics:

- LFS QMI
- LFS performance and quality monitoring reports
- APS QMI
- Vacancy Survey QMI
- Workforce Jobs QMI
- Average weekly earnings QMI
- Labour Disputes Inquiry QMI

Further information about the LFS is available from the LFS – user guidance.

A guide to labour market statistics, which includes a glossary, is also available for further information.

13 . Strengths and limitations

Uncertainty in these data

The estimates presented in this bulletin contain <u>uncertainty</u>. There are many sources of uncertainty, but the main sources in the information presented include each of the following.

Because of the coronavirus (COVID-19) and the suspension of face-to-face interviewing on 17 March 2020, we had to make operational changes to the Labour Force Survey (LFS), particularly in the way that we contact households for initial interview, which moved to a "by telephone" approach. These changes resulted in a response where certain characteristics have not been as well represented as previously. This is evidenced in a change in the balance of type of household that we are reaching. In particular, the proportion of households where people own their homes in the sample has increased and rented accommodation households has decreased.

To mitigate the impact of this non-response bias, in October 2020, we introduced housing tenure into the LFS weighting methodology for periods from January to March 2020 onwards. While not providing a perfect solution, this redressed some of the issues that had previously been noted in the survey results. More information can be found in <u>Coronavirus and its impact on the Labour Force Survey</u> and in this <u>blog</u>.

The change in weighting methodology resulted in revisions to all LFS estimates published on 13 October 2020 for the periods January to March 2020 through to May to July 2020 and consequently had an impact on recent movements for a number of the published series. More information about the impact of the change in weighting on main LFS indicators published in October 2020 can be found in <u>Dataset X08</u>.

Strengths

We have developed a framework for labour market statistics to describe the concepts within the labour market and their relationship to each other. The framework is based on labour supply and demand. This approach has wide international acceptance, including by the International Labour Organization (ILO).

The labour market statistics are used by a range of users, including central and local government, the media, trade unions and businesses. They are used for the analysis, evaluation, monitoring and planning of the labour market and economy. They are also used for social analysis and help inform a range of government policies towards population groups of concern (such as women, young people, older people and jobless households).

Accuracy and reliability

Most of the figures in this statistical bulletin come from surveys of households or businesses. Surveys gather information from a <u>sample</u> rather than from the whole population. The sample is designed carefully to allow for this and to be as accurate as possible given practical limitations such as time and cost constraints, but results from sample surveys are always estimates, not precise figures. This means that they are subject to a margin of error, which can have an impact on how changes in the numbers should be interpreted, especially in the short-term.

Changes in the numbers reported in this statistical bulletin (and especially the rates) between three-month periods are usually not greater than the margin of error. In practice, this means that small, short-term movements in reported rates (for example, within plus or minus 0.3 percentage points) should be treated as indicative and considered alongside medium- and long-term patterns in the series and corresponding movements in administrative sources, where available, to give a fuller picture.

Seasonal adjustment

All estimates discussed in this statistical bulletin are seasonally adjusted, except where otherwise stated. Like many economic indicators, the labour market is affected by factors that tend to occur at around the same time every year; for example, school leavers entering the labour market in July and whether Easter falls in March or April. To compare movements other than annual changes in labour market statistics, the data are seasonally adjusted to remove the effects of seasonal factors and the arrangement of the calendar.

Revisions

One indication of the reliability of the main indicators in this bulletin can be obtained by monitoring the size of revisions. These summary measures are available in <u>Dataset S02 Regional labour market: Sampling variability and revisions summary</u> and show the size of revisions over the last five years.

The revised data may be subject to sampling or other sources of error. Our standard presentation is to show five years' worth of revisions (that is, 60 observations for a monthly series and 20 for a quarterly series).

Sampling variability

Table 2: Labour Force Survey sampling variability
Sampling variability (95% confidence intervals¹) of regional Labour Force Survey estimates, July to September 2020

	Employment level, aged 16 and over (thousands)	Unemployment level, aged 16 and over (thousands)	Economic activity level, aged 16 and over (thousands)		Employment rate, aged 16 to 64 (%)	Unemployment rate, aged 16 and over (%)
North East	±40	±19	±37	±47	±2.5	±1.5
North West	±68	±29	±64	±79	±1.5	±0.8
Yorkshire & The Humber	±56	±26	±53	±64	±1.7	±1.0
East Midlands	±48	±21	±44	±60	±1.8	±1.0
West Midlands	±62	±27	±59	±73	±1.7	±0.8
East	±57	±25	±53	±64	±1.5	±0.8
London	±91	±52	±83	±91	±1.4	±1.0
South East	t ±68	±32	±65	±77	±1.3	±0.7
South West	±59	±23	±58	±72	±1.7	±0.8
Wales	±45	±18	±43	±54	±2.3	±1.2
Scotland	±60	±25	±58	±73	±1.8	±0.9

Source: Office for National Statistics - Labour Force Survey

Notes

- 1. The sampling variability estimates are for 95% confidence intervals and are calculated on data that are not seasonally adjusted.
- 2. These data are part of data Table A11: Labour Force Survey sampling variability, which is part of the Labour market overview, UK release and dataset S02 of this release.

14. Related links

Labour market overview, UK: November 2020

Bulletin | Released 10 November 2020

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: November 2020

Bulletin | Released 10 November 2020

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: November 2020

Bulletin | Released 10 November 2020

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: April to June 2020

Bulletin | Released 26 August 2020

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: August 2020

Bulletin | Released 20 August 2020

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