

Statistical bulletin

# Workless Households for Regions across the UK: 2014

UK households in which no-one aged 16 or over is in employment, focusing on regional differences and the reasons why people living in workless households are not working.



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Next release: To be announced

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# 1. Main points

- In 2014, the areas with the highest percentage of workless households tended to be located outside of the south of England
- However, not all locations outside of the south of England had high percentages of workless households; 7
  of the 40 areas with the lowest in 2014 were in Scotland, the Midlands and the north of England
- In 2014, Liverpool had the highest percentage of workless households (30.3%) and was one of 8 counties and unitary authorities in Great Britain where more than a quarter of households were workless
- West Berkshire had the lowest percentage of workless households in 2014 (6.7%), one of 15 counties and unitary authority areas where fewer than a tenth of households were workless
- In recent years, there have been falls in the percentage of workless households in most areas of Great Britain. Over four-fifths of counties and unitary authority areas saw a decrease between 2009, just after the economic downturn, and 2014
- In more than three-quarters of counties and unitary authorities in Great Britain, the percentage of children in workless households was lower in 2014 than it was in 2009

## 2. Abstract

This bulletin provides statistics on the economic status of UK households at a local level and the people living in them. The statistics are from the Annual Population Survey (APS), cover the period January to December 2014 and only include households where at least 1 person is aged 16 to 64 years old.

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

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

Apart from this exception, the most up-to-date analysis of the economic status of households at a national and regional level is available in the bulletin, <u>Working and workless households</u>, <u>2015</u>. These statistics come from the Labour Force Survey (LFS), cover the period April to June 2015, include data for the same quarter in earlier years and are consistent with the headline national figure.

# **Acknowledgements**

The author wishes to acknowledge contributions from James Cooper, Matthew Bridge and Maryam Baluch.

# 3. Introduction

#### Main definitions

This statistical bulletin uses a number of main definitions:

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

**Student households** are households where all adults are aged 16 to 24 and in full-time education. The definition excludes households where all members are in education but some members are aged 25 years or more. People in full-time education can also be in employment.

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

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

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

#### Data source

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

Further information on quality of the data within the Annual Population Survey is available via <u>Labour Market</u> <u>Quality and Information</u> on our website.

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

## How these data should be interpreted

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

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

Analysis of Labour Force Survey (LFS) household datasets is released alongside this bulletin in <u>Working and workless households</u>, 2015 which uses household data from the LFS covering the period April to June 2015.

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

- the UK as a whole
- England, Scotland, Wales and Northern Ireland

the regions of England (except for analysis of reasons for non-employment in workless households)

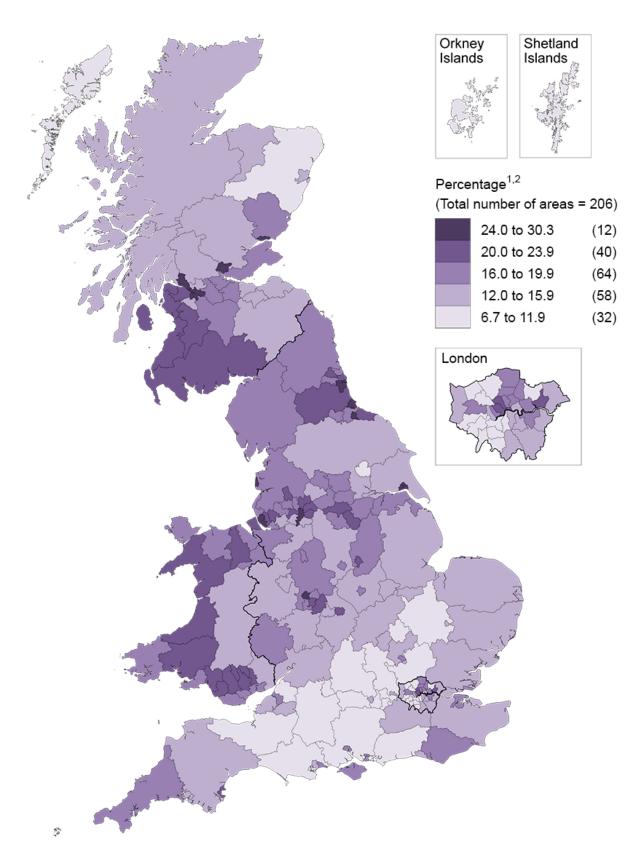
## The main uses of the data, main users and reasons for production

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

## 4. Workless households

In 2014, the areas with the highest percentage of workless households (those which include at least 1 person aged 16 to 64 and where no-one aged 16 or over is in work) tended to be located outside of the south of England. Figure 1 maps the broad pattern among counties and unitary authorities in Great Britain.

Figure 1: Percentage of workless households, counties and unitary authorities, Great Britain, 2014



<sup>1</sup> Households all include at least one person aged 16 to 64.

<sup>2</sup> A workless household is a household where no one aged 16 or over is in employment. Source: Office for National Statistics licensed under the Open Government Licence v.3.0. Contains OS data © Crown copyright and database right 2015

In 2014, Liverpool had the highest percentage of workless households (30.3%), and was one of 8 counties or unitary authority areas in Great Britain where more than a quarter of households were workless. The others were Middlesbrough, Sunderland and Hartlepool in the North East, Glasgow and West Dunbartonshire in Scotland, Wolverhampton in the West Midlands and Blackpool in the North West.

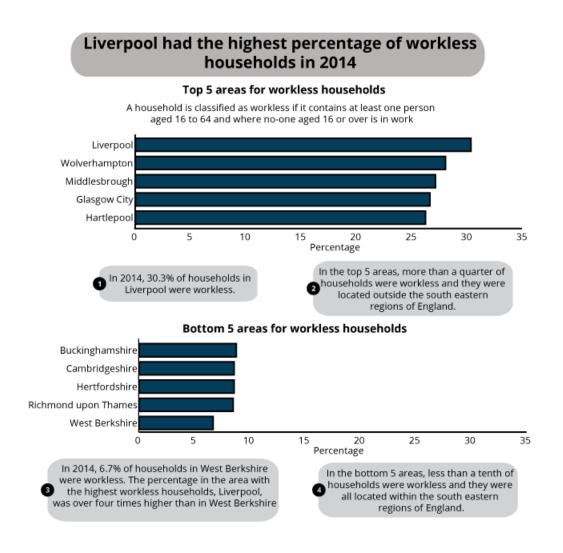
The percentage in Liverpool was more than 4 times that in West Berkshire (6.7%, the lowest in Great Britain). The latter was one of 15 counties and unitary authority areas where fewer than a tenth of households were workless.

The <u>full data</u> are in the accompanying reference tables and show that there were 39 counties or unitary authority areas outside of the south of England (London and the South East, South West and East of England regions) that had a **higher** percentage of workless households than anywhere within these 4 regions.

On the other hand, not all of the 40 areas with the **lowest** percentages were in the south of England. Although 33 were, there were also 3 in Scotland, 3 in the Midlands and 1 in the north of England. None of the 40 were in Wales.

Figure 2 compares the extremes of the percentages of workless households by charting the 5 counties or unitary authorities with the lowest and the five with the highest.

Figure 2: Percentage of workless households, top and bottom 5 counties and unitary authorities, Great Britain, 2014

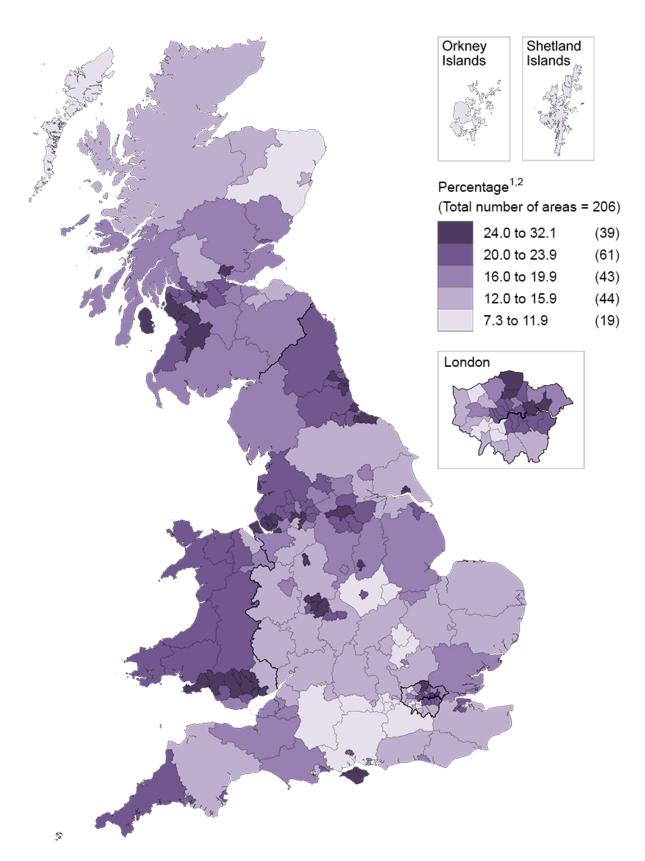


As the Annual Population Survey is a sample survey, all estimates from it and, hence, all specific rankings and their year on year changes are subject to sampling variability. However, most of the areas with the highest and lowest percentages of workless households in 2014 had similar rankings in previous years. In particular, for all years from 2006 to 2014, Glasgow City and Liverpool were among the top 10 counties and unitary authorities and West Berkshire and Wokingham among the bottom 10 when comparing the percentages of workless households. Rankings for 2006 to 2014 are included in <u>Table E (110 Kb Excel sheet)</u> of the reference tables.

## Changes in workless households since 2009

In the majority of local authority areas, the percentage of workless households has fallen in recent years. Figure 3 maps the 2009 data using the same scales as used for 2014 data in Figure 1 to allow comparisons. In total, over four-fifths of these areas had a lower percentage of workless households in 2014 than 5 years earlier.

Figure 3: Percentage of workless households, counties and unitary authorities, Great Britain, 2009



<sup>1</sup> Households all include at least one person aged 16 to 64.

<sup>2</sup> A workless household is a household where no one aged 16 or over is in employment. Source: Office for National Statistics licensed under the Open Government Licence v.3.0. Contains OS data © Crown copyright and database right 2015

## The effect of excluding student households

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

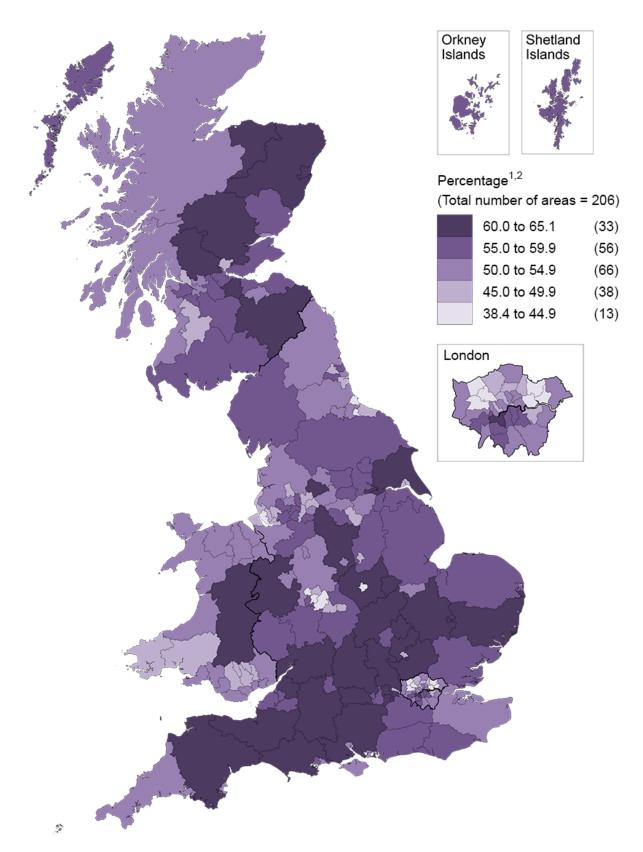
In these tables, most of the counties and unitary authority areas with the highest and lowest percentages of workless households in 2014 were the same as those when student households were included. In particular, the top 5 and bottom 5 local areas in Figure 2 remain the same when student households were excluded. In most counties and unitary authority areas, the percentage of workless non-student households was slightly lower than the percentage of all households, reflecting the greater likelihood that student households were workless.

# 5. Working and mixed households

In 2014, the counties and unitary authority areas with high percentages of workless households were not necessarily those with low percentages of working households and vice versa. This was due to the uneven distribution of mixed households across Great Britain. For example, if an area has a high proportion of workless households, it could also have a relatively high percentage of working households if it had a lower than average proportion of mixed households.

As an illustration, the areas in Figure 4 with lower percentages of working households are not exactly the same as those in Figure 1 with higher percentages of workless households, particularly in parts of London.

Figure 4: Percentage of working households, counties and unitary authorities, Great Britain, 2014

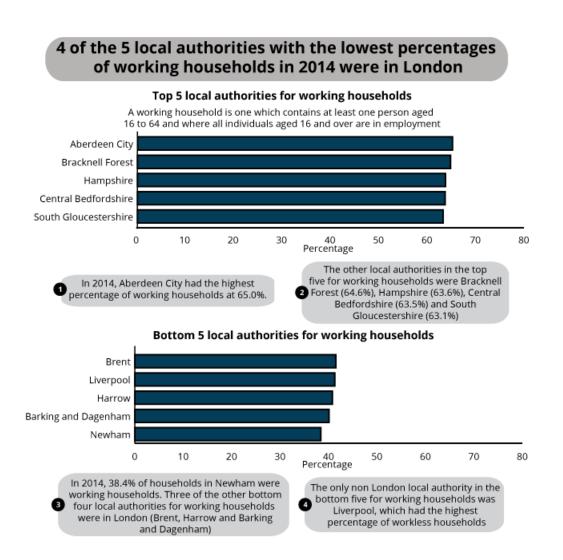


<sup>1</sup> Households all include at least one person aged 16 to 64.

<sup>2</sup> A working household is a household where all individuals aged 16 and over are in employment. Source: Office for National Statistics licensed under the Open Government Licence v.3.0. Contains OS data © Crown copyright and database right 2015

The percentage of working households in 2014 ranged from 65.0% in Aberdeen City to 38.4% in Newham. Figure 5 compares the extremes of the percentages by charting the 5 counties or unitary authorities with the lowest percentages and the 5 with the highest. In 2014, Liverpool was the only area that was in the bottom 5 for working households and the top 5 for workless households.

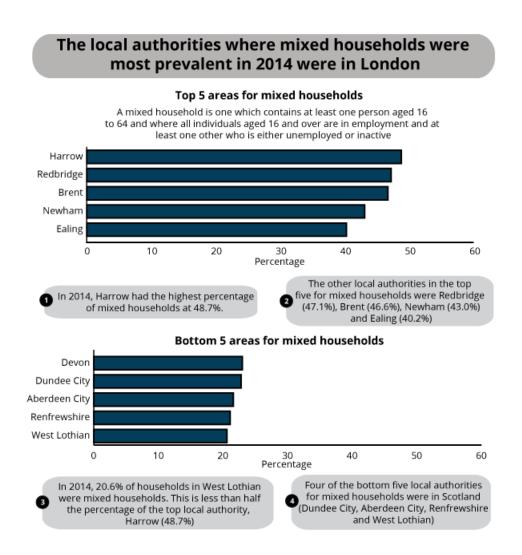
Figure 5: Percentage of working households top and bottom 5 counties and unitary authorities, Great Britain, 2014



Source: Annual Population Survey (APS) - Office for National Statistics

The main reason for differences between the geographic distributions in Figures 1 and 4 was the large variation among counties and unitary authority areas of the percentages of mixed households. Figure 6 compares the extremes of the percentages of mixed households. The 5 counties and unitary authorities with the highest percentages of mixed households in 2014 were in London while the 4 with the lowest were in Scotland.

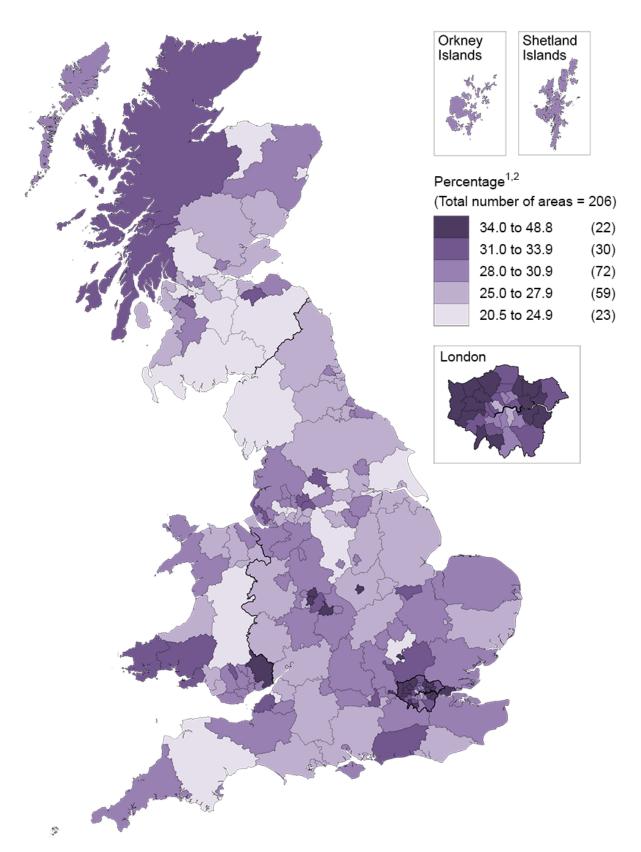
Figure 6: Percentage of mixed households, top and bottom five counties and unitary authorities, Great Britain, 2014



Source: Annual Population Survey (APS) - Office for National Statistics

A household can be mixed for a number of reasons. Some economic inactivity is a result of a personal decision such as taking early retirement or some instances of opting to look after home or family on a full-time basis, while other inactivity results from circumstances, such as sickness or disability. The map in Figure 7 illustrates the distribution of mixed households in 2014 across Great Britain.

Figure 7: Percentage of mixed households; counties and unitary authorities, Great Britain, 2014



- 1 Households all include at least one person aged 16 to 64.
- 2 A mixed household is a household where at least one person aged 16 and over is in employment and at least one other is either unemployed or inactive.

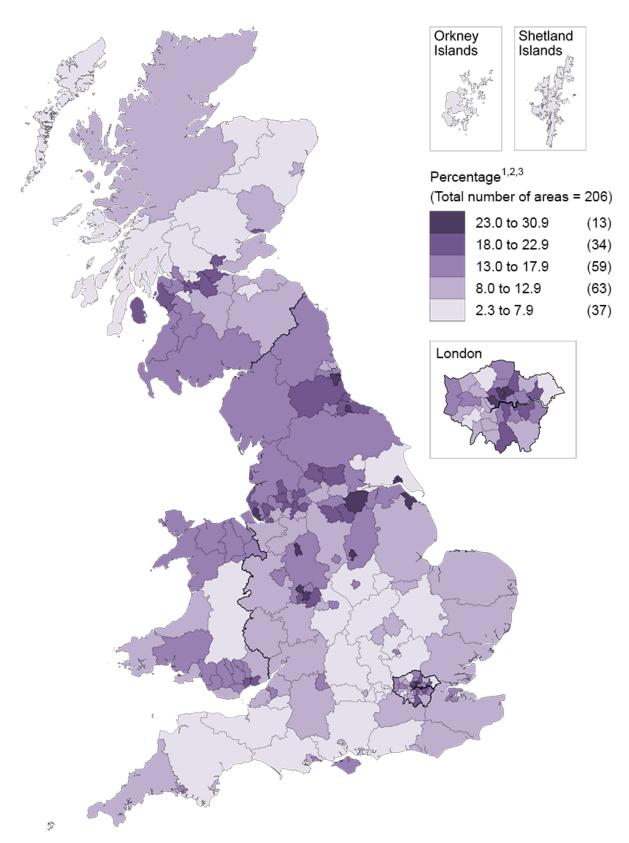
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## 6. Children in workless households

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

The map in Figure 8 highlights that the areas with the highest percentages of children in workless households in 2014 were not identical to those with the highest percentages of workless households overall. This is due to an uneven distribution of children across the different types of household in some areas.

Figure 8: Percentage of children in workless households; counties and unitary authorities, Great Britain, 2014

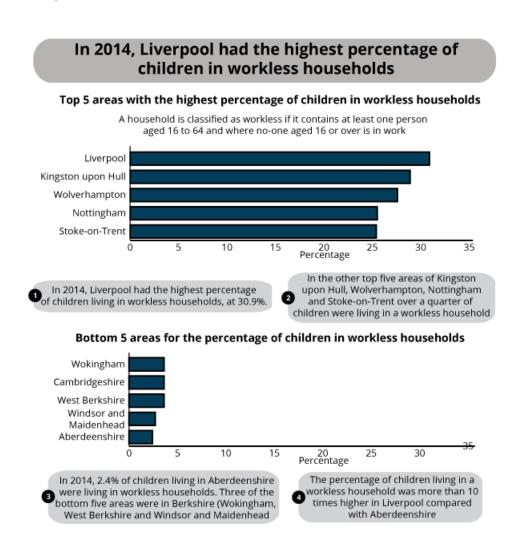


- 1 Households all include at least one person aged 16 to 64.
- 2 A workless household is a household where no one aged 16 or over is in employment.
- 3 Children refers to people aged under 16.

Source: Office for National Statistics licensed under the Open Government Licence v.3.0. Contains OS data © Crown copyright and database right 2015

Figure 9 compares the extremes of the percentages of children in workless households, showing the ten counties and unitary authority areas with the highest and lowest. Liverpool ranked highest in 2014 with more than 30% of children living in a workless household.

Figure 9: Percentage of children in workless households, top and bottom 5 counties and unitary authorities, Great Britain, 2014



Source: Annual Population Survey (APS) - Office for National Statistics

## Changes in the percentages of children in workless households since 2009

As the data are from a sample survey, all estimates and, hence, all year on year changes are subject to sampling variability. This is especially true for subsets of the data such as children in workless households. However, a comparison of the latest data for each of the 201 areas mapped in Figure 8 with the equivalent figures from 2009 gives an indication of patterns of change during the 5 year period.

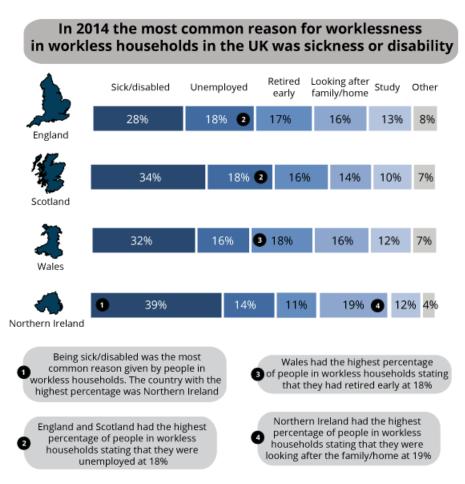
In more than three-quarters of counties and unitary authorities in Great Britain (153), the percentage of children in workless households was lower in 2014 than it was in 2009. In 24 of these areas, the 2014 figure was more than 10 percentage points lower, including in 12 London unitary authorities. No area had an increase above 7.0 percentage points.

## 7. Reasons for worklessness in workless households

The larger sample size of the Annual Population Survey, when compared to the Labour Force Survey, allows for a national and regional analysis of the reasons why working age adults in workless households were not in employment. "Working age" in this analysis is 16 to 64 and workless households, as before, include at least 1 person aged 16 to 64 and have no-one aged 16 or over in work.

In 2014, the most common reason for worklessness in such households in the UK was sickness or disability and this was particularly prevalent in Northern Ireland where it was the reason for almost two-fifths of people in workless households, as Figure 10 shows.

Figure 10: Reasons for worklessness in workless households, 2014, by country

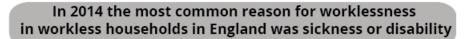


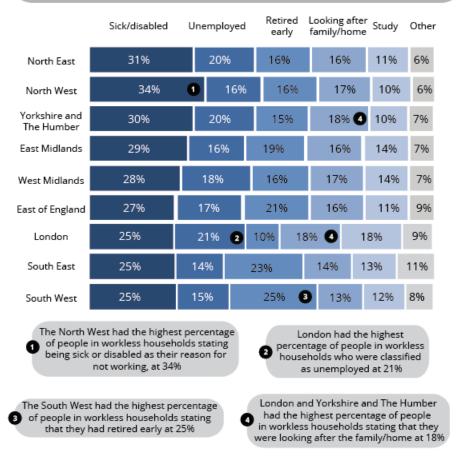
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Source: Annual Population Survey (APS) - Office for National Statistics

The reasons for worklessness in workless households varied across the English regions in 2014 as Figure 11 shows.

Figure 11: Reasons for worklessness in workless households, 2014, by English region





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## 8. Index of tables

<u>Table A1 LA (1.09 Mb Excel sheet)</u>: Households by the combined economic activity status of household members by local authority, region and country, 2006 to 2014

<u>Table A2 LA (1.05 Mb Excel sheet)</u>: Households by the combined economic activity status of household members, excluding student households, by local authority, region and country, 2006 to 2014

<u>Table B1 LA (1.05 Mb Excel sheet)</u>: People by the combined economic activity status of household members by local authority, region and country, 2006 to 2014

<u>Table B2 LA (1.05 Mb Excel sheet)</u>: People by the combined economic activity status of household members, excluding student households, by local authority, region and country, 2006 to 2014

<u>Table C1 LA (1.04 Mb Excel sheet)</u>: Children by the combined economic activity status of household members by local authority, region and country, 2006 to 2014

<u>Table C2 LA (1.04 Mb Excel sheet)</u>: Children by the combined economic activity status of household members, excluding student households, by local authority, region and country, 2006 to 2014

<u>Table D (31 Kb Excel sheet)</u>: Reasons given by people living in workless households for not working by country and region, 2014

Table E (110 Kb Excel sheet): Rankings of percentages of workless households for counties and unitary authority areas in Great Britain. 2006 to 2014

<u>Table F (80.5 Kb Excel sheet)</u>: Rankings of measures of household economic activity for counties and unitary authority areas in Great Britain, 2014

<u>Table A1 NUTS (580.5 Kb Excel sheet)</u>: Households by the combined economic activity status of household members by NUTS area, region and country, 2006 to 2014

<u>Table A2 NUTS (565.5 Kb Excel sheet)</u>: Households by the combined economic activity status of household members, excluding student households, by NUTS area, region and country, 2006 to 2014

<u>Table B1 NUTS (573.5 Kb Excel sheet)</u>: People by the combined economic activity status of household members by NUTS area, region and country, 2006 to 2014

<u>Table B2 NUTS (567.5 Kb Excel sheet)</u>: People by the combined economic activity status of household members, excluding student households, by NUTS area, region and country, 2006 to 2014

<u>Table C1 NUTS (565.5 Kb Excel sheet)</u>: Children by the combined economic activity status of household members by NUTS area, region and country, 2006 to 2014

<u>Table C2 NUTS (566.5 Kb Excel sheet)</u>: Children by the combined economic activity status of household members, excluding student households, by NUTS area, region and country, 2006 to 2014

# 9. Background notes

1. This edition of the bulletin differs to that released in 2014. Information about the changes is included in the Changes from last year's release table:

### Changes from last years release

This release (2014 data)	Last year's release (2013 data)	Comment
Bulletin and tables use reweighted data based on 2011 Census results	Used data not taking into account census outputs	This affects data for all years included in the release. More information in section 2 below
Data for 2006 to 2014	Data for 2004 to 2013	The reweighted 2004 and 2005 data are not available for local areas

Commentary on the highest and lowest percentages in 2014; geographical trends in the data and broad comparisons over time.	Commentary about the top five each year and how this had changed	Sampling variability means that changes in rankings have a high degree of uncertainty. See section 3 below.
Commentary focuses on counties and unitary authority comparisons. See section 4 below.	Commentary focuses on comparisons of NUTS3 areas	The NUTS3 geography is less widely used and there is no clear advantage in terms of reliability as areas with small sample sizes exist in both geographical breakdowns.
Two sets of local data tables, one including unitary authorities, counties and their districts, the other including NUTS2 and NUTS3 areas		Breaking down NUTS areas into local authorities is not possible in Scotland

#### 2. Annual Population Survey (APS) re-weighting

We have revised estimates derived from the APS (including estimates of employment, unemployment and economic inactivity) as a result of taking on board population estimates based on the 2011 Census. These revisions are in line with similar revisions to Labour Force Survey (LFS) estimates.

All data included in this bulletin and in the accompanying reference tables have been reweighted. This includes all estimates for earlier years (2006 to 2013) and data for these years should be extracted from the current release rather than earlier versions.

An article on the reweighting is available as a link from <u>Subnational Labour Market Guidance and Methodology</u> on our website.

#### 3. Sampling variability

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

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

#### 4. Information about local geographies used

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

The bulletin focuses on the current version of each geography type and includes estimates for each year from 2006 to 2014 based on the current boundaries. Information about the local geographies used is in the following table:

#### Information about local geographies used

Local Geograph	Number of y areas in GB	Comment
Unitary Authorities	179 (125 in England, 32 in Scotland, 22 in Wales)	Includes 33 London boroughs and 36 authorities in the 6 former metropolitan counties of England (Tyne and Wear, Greater Manchester, Merseyside, West Midlands and South and West Yorkshire).
Counties	27 (all in England)	Excludes the 7 counties affected by structural changes to local government in England in 2009 (Cornwall, Durham, Northumberland, Shropshire, Wiltshire, Bedfordshire and Cheshire). The first 5 each became a single unitary authority; the last 2 were both split into 2 unitary authorities.
Districts		These are all within the 27 counties of England

	201 (all in England)	
NUTS3 areas	168 (133 in England, 23 in Scotland, 12 in Wales)	The latest Nomenclature of Territorial Units for Statistics (NUTS 2013) came into force on 1 January 2015. NUTS3 areas are made up of single or combined counties and unitary authorities, except in parts of Scotland where some local authorities are split between NUTS3 areas.
NUTS2 areas	39 (33 in England, 4 in Scotland, 2 in Wales)	These are mostly combinations of NUTS3 areas but three NUTS2 areas are identical to NUTS3 areas.

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

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

#### **Unitary Authority with small population**

Unitary Authority with small population	Combined with	Note
Rutland	Leicestershire	NUTS3 area UKF22
City of London	Camden	NUTS3 area UKI31
Isles of Scilly	Cornwall	NUTS3 area UKK30
Comhairle nan Eilean Siar	Orkney and Shetland Islands	Three separate NUTS3 areas
Orkney Islands	Comhairle nan Eilean Siar and Shetland Islands	Three separate NUTS3 areas
Shetland Islands	Comhairle nan Eilean Siar and Orkney Islands	Three separate NUTS3 areas

#### 5. Household datasets

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

#### 6. Concepts and definitions

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

- children refer to all children under 16
- 7. Working and workless households: Pre-release access list 2015

A <u>list of the organisations given pre-publication access</u> to the contents of this bulletin is available on our website.

8. Details of the policy governing the release of new data are available by visiting <a href="www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html">www.statisticsauthority.gov.uk/assessment/code-of-practice/index.html</a> or from the Media Relations Office email: <a href="mailto:media.relations@ons.gsi.gov.uk">media.relations@ons.gsi.gov.uk</a>

These National Statistics are produced to high professional standards and released according to the arrangements approved by the UK Statistics Authority.