

Guide to Regional and Local Labour Market Statistics

Introduction

Labour Market Statistics are amongst the most prominent official statistics produced. Indicators spanning employment, unemployment, economic activity, economic inactivity and vacancies are published each month by the Office for National Statistics (ONS) for the eleven government office regions in England, Scotland and Wales. In addition, a wide range of data are available through ONS publications and official dissemination channels. Comparable indicators for Northern Ireland are also published by the Department of Enterprise, Trade and Investment.

If you have any comments on this guide please telephone the Subnational Labour Market Branch on 020 7533 6168.

A National Statistics publication

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1: Data Sources

Regional and local labour market data are obtained from a range of sources including the Labour Force Survey, the Annual Business Inquiry, the Annual Survey of Hours and Earnings and administrative sources. This chapter provides a brief description of each source. More detail on how each source relates to the key labour market topics is given in later chapters.

Labour Force Survey

The Labour Force Survey (LFS) uses labour market concepts and definitions agreed by the International Labour Organisation (ILO) – an agency of the United Nations. The same definitions are used by European Union member states and members of the Organisation for Economic Co-operation and Development (OECD).

The LFS is the largest regular household survey in the United Kingdom. LFS interviews are conducted continuously throughout the year. In any three month period a nationally representative sample of approximately 120,000 people over the age of 16 in around 57,000 households are interviewed. Each household is interviewed five times at three monthly intervals. Most initial interviews (80 per cent) are carried out face-to-face by an interviewer visiting the address, except where the address is north of the Caledonian Canal¹. Most subsequent interviews (80 per cent) are done by telephone where possible. The LFS asks a series of questions about respondents' personal circumstances and their labour market activity. Most questions refer to the week before the interview. Questions about earnings are asked in the first and fifth interviews. LFS data are grossed so that the results are representative of the UK population. Grossing is achieved using a combination of national and sub-national population estimates and projections. The survey currently utilises mid-year population estimates up to mid-2003 and projection data subsequently.

The LFS was introduced in 1973 and was carried out every two years until 1983. From 1984 the survey was conducted on an annual basis using ILO definitions with results produced for every spring quarter (representing data collected during the March to May period). The survey moved to a continuous basis from spring 1992 in Great Britain and from winter 1994/5 in Northern Ireland. This change meant that results could be published for each seasonal quarter – spring (March to May), summer (June to August), autumn (September to November) and winter (December to February). Since April 1998, headline national and regional results have been published 12 times a year covering the most recent three month period. The results are published around six weeks after the end of the period to which they refer.

Labour Force Survey annual Local Area Database

Up to and including the 1999/2000 version, the Labour Force Survey annual Local Area Database (LADB) was constructed using data from four consecutive quarters of the LFS, covering the period from March in one year to February the following year. The structure of the quarterly survey means that taking data for individuals interviewed for the first and the fifth time in each quarter provides an annual sample without overlaps. The purpose of the database was to make available more accurate data for Unitary Authority/local authority districts (UA/LADs) – the larger sample means that the sampling errors associated with the LADB are smaller than those associated with the quarterly results.

From the year starting in March 2000, additional local area data is available from the new English Local Labour Force Survey (LLFS), which is designed to produce more robust data for Learning Partnerships (LPs). It is a National Statistics partnership project by the Department for Employment and Skills, the Department for Work and Pensions and the Office for National Statistics. This survey aims to augment the quarterly LFS so that a minimum sample size is achieved in each Local Education Authority (LEA) in England. This means that some areas, such as Birmingham, have no additional sample, whereas others, including most London boroughs, have substantial boosts to their sample. The sample boost was designed in such a way that it could be incorporated into the LADB. To enable the data to be aggregated across different LEAs a new weighting method was developed. This uses the same population estimates that are used to weight the quarterly survey.

To address the concerns of respondents and encourage their participation in voluntary enquiries, ONS and its predecessors have always offered an assurance of confidentiality. ONS has taken adherence to this assurance very seriously, not only as a matter of public trust which is so essential if it is to do its work, but also nowadays as a requirement of the Data Protection Act. Any databases released for analysis by outside bodies have always

¹ Because the area north of the Caledonian Canal is sparsely populated, selecting an unclustered face-to-face sample would be very expensive. A random sample is drawn from the published telephone directory.

been anonymised to ensure that users could not identify any respondent with the information given. When databases with sub regional identifiers were released, additional precautions were taken to reduce the detail given for some potentially disclosive variables and this was deemed sufficient to maintain our safeguards.

However, technology, and particularly software, has advanced at a rapid rate. Proprietary programmes designed to link records from different sources for the same people have improved dramatically, and our methodologists now advise us that it is much easier to link survey records to other named data without having any names and addresses on the survey records. This means that for respondents with unusual combinations of personal circumstances the anonymised records we previously thought 'safe' might now be linkable to other named information to establish identities.

Although the risk for most respondents is negligible, there remains a risk of identification for people with unusual combinations of personal circumstances and in these circumstances the National Statistician cannot sanction the free release of such data. This affects the LFS microdata with local area indicators attached.

From March 2001, the LFS sample was also boosted in Wales, a National Statistics partnership project by the National Assembly for Wales and the Office for National Statistics.

Annual Business Inquiry

The Annual Business Inquiry (ABI) was introduced in April 2001 to replace the Annual Employment Survey (AES). ABI data are available from 1998 onwards. AES data are available for 1995, 1996 and 1997 on a basis which is consistent with the ABI data for the subsequent years. The AES itself replaced the biennial Census of Employment in Great Britain which was last held in 1993.

All these surveys have certain characteristics in common. They are surveys of employers in Great Britain whose aim is to measure employee jobs by detailed industry and detailed region. Although the mechanics of the surveys are different, they tend to cover roughly similar numbers of businesses accounting for between a quarter and a third of all workplaces in GB.

In Northern Ireland, the DETI carries out a full Census of Employment every two years as a benchmark, and a short term quarterly employment survey to provide more up-to-date estimates of employee jobs. The ABI is not the source of Northern Ireland regional employment figures.

Claimant Count

The claimant count records the number of people claiming unemployment-related benefits on one particular day each month. Currently the benefits covered are Jobseeker's Allowance (JSA) and National Insurance credits. JSA replaced both Unemployment Benefit and unemployment-related Income Support on 7 October 1996. Up to 6 October 1996 the claimant count figures included those who claimed Unemployment Benefit, unemployment-related Income Support or National Insurance credits. Claimant count data are provided by the Jobcentre Plus (part of the Department for Work and Pensions) administrative system. Claimant count data are released five weeks after the date to which they refer.

Annual Survey of Hours and Earnings

The Annual Survey of Hours and Earnings (ASHE) is a survey of the earnings of employees in Great Britain. It is based largely on a one per cent sample of employees who are members of pay-as-you-earn (PAYE) income tax schemes and is carried out in April of each year. It is designed to represent all categories of employees in businesses of all kinds and sizes.

The main purpose of the survey is to obtain information on an annual basis about the levels, distribution and make-up of earnings of employees in all industries and occupations and for the collective agreements which cover them. The data collected relate to earnings for a pay-period each April.

The survey improves on and replaces the New Earnings Survey (NES) which had been held, broadly in the same form, each year since 1970 following its introduction in September 1968, until 2003. The ASHE collects similar information to the NES but has significant methodological differences, such as the introduction of imputation and weighting. A similar but separate survey is conducted by the Department of Enterprise, Trade and Investment in respect of employees in Northern Ireland.

Vacancies

Local area job vacancy statistics are derived from the administrative records of vacancies notified to Jobcentre Plus. They are therefore not comprehensive as only a proportion of all job vacancies are notified to Jobcentre Plus offices. The proportion of all vacancies, which are notified, will tend to vary over time, by geographical area, by occupation, and by industry.

Jobcentre vacancy data refer to a count of job vacancies on a particular date each month. The basic count relates to the number of job opportunities notified by employers to Jobcentres that remain unfilled. In addition to these, data are collated for vacancies notified by Jobcentres during the month, vacancies filled, vacancies cancelled and placings². In general vacancies on government programmes are excluded.

Jobcentre vacancy statistics were withdrawn from National Statistics as a result of distortions to the data caused by the introduction of new administrative procedures (Employer Direct) by Jobcentre Plus. The series published by ONS therefore only goes up to April 2001.

ONS and the Department for Work and Pensions are continuing to monitor and review the data with the aim of re-introducing Jobcentre vacancy statistics when it is appropriate to do so. In addition to the previous impact of Employer Direct, the numbers of notified vacancies appear to be substantially affected by a drive by Jobcentre Plus to increase notifications from many employers in chosen sectors, which began in April 2003. Recent changes in the figures would therefore not necessarily signify developments in the labour market.

A limited range of statistics on Jobcentre Plus vacancies, relating to the inflows of newly notified vacancies, is now available on Nomis®, though not at this stage as National Statistics. An article in the July 2003 issue of *Labour Market Trends* (page 363) gives more background and explores ways of adjusting for the discontinuity in the inflows series. See also the news item on page 455 in the September 2002 issue of *Labour Market Trends*.

ONS have introduced its new survey of vacancies but this only provides information at UK level, not at regional or local level.

Other measures

The Short Term Employer Surveys (STES) are much smaller than the ABI and are conducted every three months. The surveys are used to provide estimates of quarterly changes in the number of jobs between the annual surveys. The short-term surveys use a sample of around 29,000 enterprises in the service sector (groups of local units under common ownership) every three months and 9,000 enterprises in the production sector each month. The results of these surveys and data gathered from administrative sources are used to generate the employee job series.

IDBR

The Inter-Departmental Business Register (IDBR) is ONS' register of all UK businesses. It is updated from three main sources: ONS business surveys, information from Customs & Excise about businesses registering for VAT, and information from Inland Revenue about businesses registering for PAYE. Certain organisations are permitted access to the individual records on IDBR which form a rich pool of data for local data analysis.

Census of Population

The Census of Population is carried out once every ten years; the last Census took place on 29 April 2001. Every household and every communal establishment in the United Kingdom is covered. The Census form is designed for self-completion. This means that the design of the form must take account of the burden on the public as well as the requirement to collect the necessary information.

Census data are essential for providing accurate and detailed information that is nationally consistent down to small areas. The Census includes questions on employment and unemployment therefore, producing labour market indicators once every 10 years. The 2001 Census aimed to ensure better consistency with ILO definitions than had been the case in 1991.

² Jobcentre Plus now refers to "placings" as "job entries"

Census data are unique in enabling detailed multi-variate analyses of information about employment and characteristics of people and households made at one point in time for the whole population. They provide a rich source of information about local areas and small groups in the population. One product of the Census is the set of Special Workplace Statistics, which provide information on employment by area of both residence and workplace and on the journeys between them. This product is used in the construction of Travel-to-Work Areas (see page 7).

2: Geographies

Regional and local labour market information is available for a wide range of statistical geographies. Information can be aggregated for almost any statistical geography where the lowest level at which the data are collected can be fitted to existing boundaries, or where data are collected with postcode information or grid references and there are appropriate look-up files or digital boundaries. In some cases the statistical geographies for which the data are available are a by-product of the collection method e.g. vacancies data are only available for Jobcentre Plus areas and can be aggregated from these for larger areas.

Local government geographies

The local government structure in Great Britain underwent substantial change in the 1990s as a result of a programme of local government reorganisation³. The basic statistical reporting building block for local government areas is the electoral ward/division in England, Wales and Northern Ireland and postcode sectors in Scotland. At the higher levels there are structural differences between the United Kingdom constituent countries; in England there is a mix of single-tier and two-tier local government while in the rest of the United Kingdom the structure of local government is single-tier.

The local government areas in the United Kingdom are:

England: the City of London Corporation, London boroughs, metropolitan districts and unitary authorities (all providing single-tier local government) and counties and county districts (all providing two-tier local government);

Wales: single-tier unitary authorities;

Scotland: single-tier council areas;

Northern Ireland: single-tier district council areas.

Changes were also made to the areas for which regional statistics are produced. In England, Government Office Regions (GORs) have replaced Standard Statistical Regions (SSRs) for the provision of regional statistics; although the GOR and SSR boundaries differ in some regions, the current local government geographies aggregate to both. Elsewhere in the United Kingdom, 'regional' statistics are produced at country level.

In addition to the major reorganisation of local government areas at county and district levels, there has been extensive change at electoral ward/division level, resulting from the latest programme of periodic reviews of boundaries which is now concluding. In order to maintain comparisons over time, 'frozen' 1991 wards (i.e. the wards in existence at the time of the 1991 Census) have been used frequently as building bricks for some higher level statistical geographies.

The 'frozen' 2001 Census wards are called 'Census Area Statistics (CAS)' wards. In England and Wales they are derived from the wards that existed or had been promulgated in Statutory Instruments by 31 December 2002. These wards are called the '2003 Statistical Wards' and include wards that came into effect operationally in May 2003 and June 2004. 18 wards were too small to release census statistics and so the wards were merged with neighbouring wards to form the CAS wards. Output Areas have been created from postcodes existing as at the 2001 Census and their boundaries have been constrained to the CAS ward boundaries. Output Areas are intended to form the primary statistical building block for the foreseeable future.

In Scotland, CAS wards have been built from postcode-based Output Areas whose boundaries have been constrained to the Council Areas. Consequently, although there is a one-for-one match between the electoral and CAS wards there are some minor boundary differences.

In Northern Ireland, the CAS wards are an exact one-for-one match with the electoral wards existing as at the 2001 Census.

³ Reorganisation in England was introduced between 1 April 1995 and 1 April 1998; all of Wales and Scotland was reorganised on 1 April 1996. Local government was last reorganised in Northern Ireland in October 1973.

⁴ Ward changes are usually effective in May but in 2004 the changes were effective in June to coincide with the European parliamentary elections.

In England, where the programme of periodic ward reviews is continuing until 2005, a new set of 'Statistical Wards' is introduced each year reflecting the wards existing or promulgated in Statutory Instruments at the end of the calendar year.

In some cases datasets are available for both 'frozen' and 'current wards'. The 'All Fields Postcode Directory' contains the current statutory' and 'statistical' wards, the 1991 'frozen' wards, the 2001 'CAS' wards and Output Areas.

Local Education Authorities

Local Education Authorities (LEAs) are the bodies responsible for the local administration of state sector education services in England and Wales. These are matched to Unitary Authorities, London Boroughs, Metropolitan Districts and Counties with the single exception that the Isles of Scilly form a distinct LEA. In Scotland, the education services are administered by the 32 Council Areas. In Northern Ireland, the local education administration is carried out by five Education and Library Boards.

NUTS and Local Administrative Units

The primary classification of higher level areas for European purposes is known as the 'Nomenclature des Unites Territoriales Statistique', translated as Nomenclature of Units for Territorial Statistics (NUTS). They provide a breakdown of the European Union's territory for producing regional statistics. These are comparable across the Union. The classification has three hierarchical levels, and is built up from administrative units such as local government areas in the member states. The NUTS1-3 areas were 'frozen' by a European Regulation in June 2003. In the United Kingdom, the three levels are broadly as follows:

- NUTS 1. Government Office Regions in England; Wales; Scotland; Northern Ireland.
- NUTS 2. Individual counties, or groups of counties, London boroughs, metropolitan districts and unitary authorities in England; groups of unitary authorities in Wales; groups of whole or part council areas and/or local enterprise company areas in Scotland; Northern Ireland.
- NUTS 3. Individual counties or unitary authorities, or groups of counties, London boroughs, metropolitan districts, unitary authorities and non-metropolitan districts in England; groups of unitary authorities in Wales; groups of whole or part council areas and/or local enterprise company areas in Scotland; groups of district council areas in Northern Ireland.

The breakdown of areas for regional statistics extends beyond the three NUTS levels to two levels of Local Administrative Units (LAUs) (which were formally the NUTS4 and 5 levels). Unlike the NUTS levels, the LAUs are not currently frozen by Regulation (though this is currently being considered). Consequently, future district/unitary authority boundary changes may cause the current coterminosity between the NUTS3 and LAU1 boundaries to be lost. In the United Kingdom, the two levels are broadly as follows:

- LAU 1. Individual London boroughs, metropolitan districts, unitary authorities or non-metropolitan districts in England; individual unitary authorities in Wales; individual or groups of whole or part unitary authorities and/or local enterprise company areas in Scotland; individual district council areas in Northern Ireland.
- LAU 2. Electoral wards/divisions in England; electoral divisions in Wales; whole or part electoral wards in Scotland; electoral wards in Northern Ireland.

Travel-to-Work Areas

Travel-to-Work Areas (TTWAs) are approximations to self-contained labour markets based on commuting-to-work patterns. The current TTWA boundaries, which are subject to periodic review, were published in May 1998 following a period of consultation, using data from the 1991 Census. Commuting patterns are available by ward for people resident within the ward, and also those who work within the ward. A statistical algorithm is used to group wards into areas that are substantially self-contained. The basic criteria used in the exercise was that:

at least 70 per cent of those who live in the area also work there and 70 per cent of those who work in the area also live there; and

the working population as measured by the Census should be at least 20,000.

In areas of low population density these criteria were amended so that the minimum working population of the TTWA was 3,500 and the self-containment criteria increased to at least 75 per cent.

As some, predominantly professional and managerial, workers have increased their travel to work distance the self-containment factor has been reduced. In effect this removes the extreme cases, so the TTWA definition has moved closer to a 'manual/semi-skilled' based definition.

The 308 TTWAs are constrained to preserve national boundaries within the United Kingdom, but do not necessarily coincide with other UK geographical boundaries.

Other geographies

Parliamentary Constituencies

A Parliamentary Constituency (PC) is the area that an individual MP represents in the House of Commons. There are 659 PCs in the United Kingdom at present. Unlike local authority areas, whose boundaries are reviewed by the Electoral Commissions, PCs are defined by Parliamentary Boundary Commissioners and come into effect at the time of the next General Election. Reviews generally take place every eight to 12 years so a geographic definition of a constituency may differ from one government to another. PCs are therefore defined in terms of the ward boundaries existing at the time of the latest review by the parliamentary commissioners. ONS currently constructs best-fit PCs from 'frozen' wards for Labour Market Statistics.

Electoral Wards

Electoral Wards are defined by the Electoral Commissions, and are the areas that an individual local councillor represents on local authority councils. Reviews take place periodically.

Greater London Authority constituencies

Until its abolition in 1986, the administrative area of Greater London was controlled by the Greater London Council (GLC). Thereafter the 32 boroughs and the City of London Corporation became single-tier administrations. However, in 1998 a referendum revealed a large majority favoured re-creating a single authority to deal with London-wide issues. As a result, since 2000, London has a directly elected Mayor who works in conjunction with a Greater London Authority (GLA). This GLA has 25 members, 14 of whom are elected directly from constituencies formed from groupings of either two or three London boroughs, and 11 of whom are elected using a city-wide proportional system.

Scottish Parliamentary constituencies

The Scottish Parliament, founded in 1999 and sitting in Edinburgh, has a total of 129 MSPs (Members of the Scottish Parliament). 73 MSPs are elected directly from single member constituencies (and are the same as the Westminster constituencies, apart from Orkney & Shetland which is split into two Scottish Parliamentary Constituencies); the remaining 56 are elected via a proportional system using eight electoral regions which coincide with the eight pre-1999 European Parliament seats.

National Assembly for Wales electoral regions

This was also founded in 1999 and sits in Cardiff with a total of 60 AMs (Assembly Members). 40 AMs are elected directly from single member constituencies, which have the same boundaries as the Westminster constituencies, and the remaining 20 are elected via a proportional system using five electoral regions which coincide with the five pre-1999 European Parliament seats.

European Electoral Regions

New European Electoral Regions were introduced in June 1999. These regions correspond exactly to English Government Office Regions, Wales, Scotland and Northern Ireland.

Jobcentre Plus areas

The Employment Service and Benefits Agency merged on 1 April 2002 to form Jobcentre Plus. In some areas Jobcentre Plus offices are already offering fully integrated work and benefit services but it will take several years to integrate the entire local office network of Jobcentres and social security offices fully. Jobcentre Plus is expected to be introduced throughout Great Britain by 2006. The Jobcentre Plus areas are administrative areas which reflect the structure that are considered necessary to fulfil the organisation's business objectives of filling vacancies and making benefit payments. As a result the areas are subject to frequent change, but are useful for presenting statistics that cannot be geographically referenced to any other type of area. In order to provide a consistent time series for vacancy data, ONS use 'frozen' Jobcentre areas.

Postcode areas

Historically postcodes have been collected and used to allocate a geographical reference such as wards. Postcodes can also be directly aggregated into three levels of postal geography:

- The postcode area e.g. SG
- The postcode district e.g. SG5
- The postcode sector e.g. SG5 1

New Deal Units of Delivery

These are the administrative basis for the Government's New Deal for Young People intended to help long term unemployed people aged 18 to 24. The New Deal is being delivered in Great Britain by 144 local partnerships. The areas covered by these are known as Units of Delivery. These areas are defined mostly in terms of Jobcentre Plus areas. On the Nomis® database the areas are best-fitted to 1991 'frozen' wards.

Learning Partnerships

The Department for Education and Skills (DfES) and its national partners have put in place Learning Partnerships (LPs) that will bring together all existing local partnership arrangements covering post-16 and lifelong learning. There are 104 LPs in England, based mainly on Local Education Authority areas. The Learning and Skills Council (LSC) now has responsibility for the LPs which are key to identifying the learning and skills needs of local communities and ensuring there is proper co-ordinated consultation and feedback for the voices of learners and non-learners to be heard. One of the key tasks of a Learning Partnership is to co-ordinate local efforts towards meeting the National Learning Targets.

Local Learning and Skills Councils/Education and Learning Wales areas

There are 47 Local Learning and Skills Councils (LLSCs) in England, and their boundaries are coterminous with one or more Local Education Authorities. The LLSCs meet local learning and training needs for everyone over the age of 16 not at university. In particular, local offices are responsible for matching learning opportunities to the needs of local employers.

Each LLSC has the resources and local flexibility to work with local representatives from employers, learning providers and community groups, to identify skills shortages and implement training and education to address them.

The equivalent to the LLSCs in Wales are the 4 regional Education and Learning Wales (ELWa) areas.

Assisted Areas

Regional Selective Assistance is the Department of Trade and Industry's main instrument of direct financial assistance to businesses in Great Britain. Delivery of the scheme in England is primarily through the Government Offices with Business Links playing a signposting role and also acting as advisers to applicants in some cases. In Wales and Scotland the scheme is delivered through the National Assembly for Wales and the Scottish Executive respectively. Grants are discretionary on projects with fixed capital expenditure over £500,000, and which create or safeguard jobs in Assisted Areas.

Information about the scheme and the areas, which are designated assisted areas, is available from the DTI website www.dti.gov.uk/support/rsajf2512001.htm

Structural Funds

Structural Funds are the European Union's main instruments for supporting social and economic restructuring across the Union. A region may have access to one or more of the four structural funds depending on whether it has objective 1 or 2 status; all regions have objective 3 status.

Information about structural funds and designated areas is available from the DTI website at www.dti.gov.uk/europe/structural.html

Small Business Service Areas

The Small Business Service (SBS), an agency of the Department of Trade and Industry, was launched in April 2000 to provide a single organisation in government dedicated to helping small firms and representing them within government.

The SBS is responsible for the network of 45 Business Links in England, which provide information, advice and access to experts on all issues relating to running one's own business. The areas covered by these Business Links are built up from groups of whole counties, unitary authorities and local authority districts.

Strategic Health Authority/Board Areas

Strategic Health Authorities (SHAs) were introduced in England in April 2001 and comprise whole local authorities. There are no health authorities in Wales. In Scotland, the health boards comprise mostly whole council areas but in some instances a council area is split across two health boards. In Northern Ireland, the health boards comprise whole district council areas.

Primary care areas

Primary care trusts (PCTs) and care trusts (CTs) in England and local health boards (LHBs) in Wales provide primary health care to the community. PCT/CTs were introduced in some parts of England in 2000 and all PCT/CTs were in place by April 2002. There are 300 PCTs and 3 CTs. The PCT/CTs can comprise a whole county or a number of local authorities or parts of local authorities (mostly whole electoral wards existing at the time the PCT was introduced). LHBs were introduced in Wales in April 2003 and equate to the 22 unitary authorities.

Rural Development Areas

Rural development areas are generally defined in terms of civil parishes, which for data output are then best fitted to 'frozen' wards. They are defined by the rural development authority.

TEC/LEC areas

Training and enterprise councils (TECs) in England and Wales and local enterprise companies (LECs) in Scotland were established in 1989/90. From April 2001 the work of the TECs moved to the English Local Learning Skills Councils (LLSCs) and the Education and Learning Wales (ELWa). The role of the LLSCs/ELWa and LECs is to ensure the nation's workforce is appropriately equipped to meet the skill requirements of industry and commerce, and to encourage inward investment to areas where there are pockets of available labour. The former TEC areas are still used for statistical purposes and, like the LECs, use 'frozen' wards as their building blocks; moreover, in most urban areas they conform to local authority boundaries and in other areas to non-metropolitan county boundaries. They are also liable to change to reflect local macro-economic and infrastructure developments. The ONS collects information annually on boundary changes from the LLSCs and LECs.

Statistical geographies and geographical inter-relationships

Output areas are increasingly being used as the basic statistical building block. Output areas straddle the boundaries of many geographies but are able to be best-fitted on a whole output area basis using 2001 Census population/household counts.

ONS is currently introducing 3 layers of super output areas (SOAs), built from output areas, in England and Wales. These are intended to be durable for the foreseeable future to provide a consistent geography readily measuring change. Each of the SOA layers is being built from aggregations of the layer below. The lower level of some 34,400 SOAs has been created and the middle layer is currently being developed. The higher level is expected to be at local authority level.

A single similar layer of datazones exists in Scotland and a higher level of datazones is being considered. A single set of super output areas is being proposed for Northern Ireland.

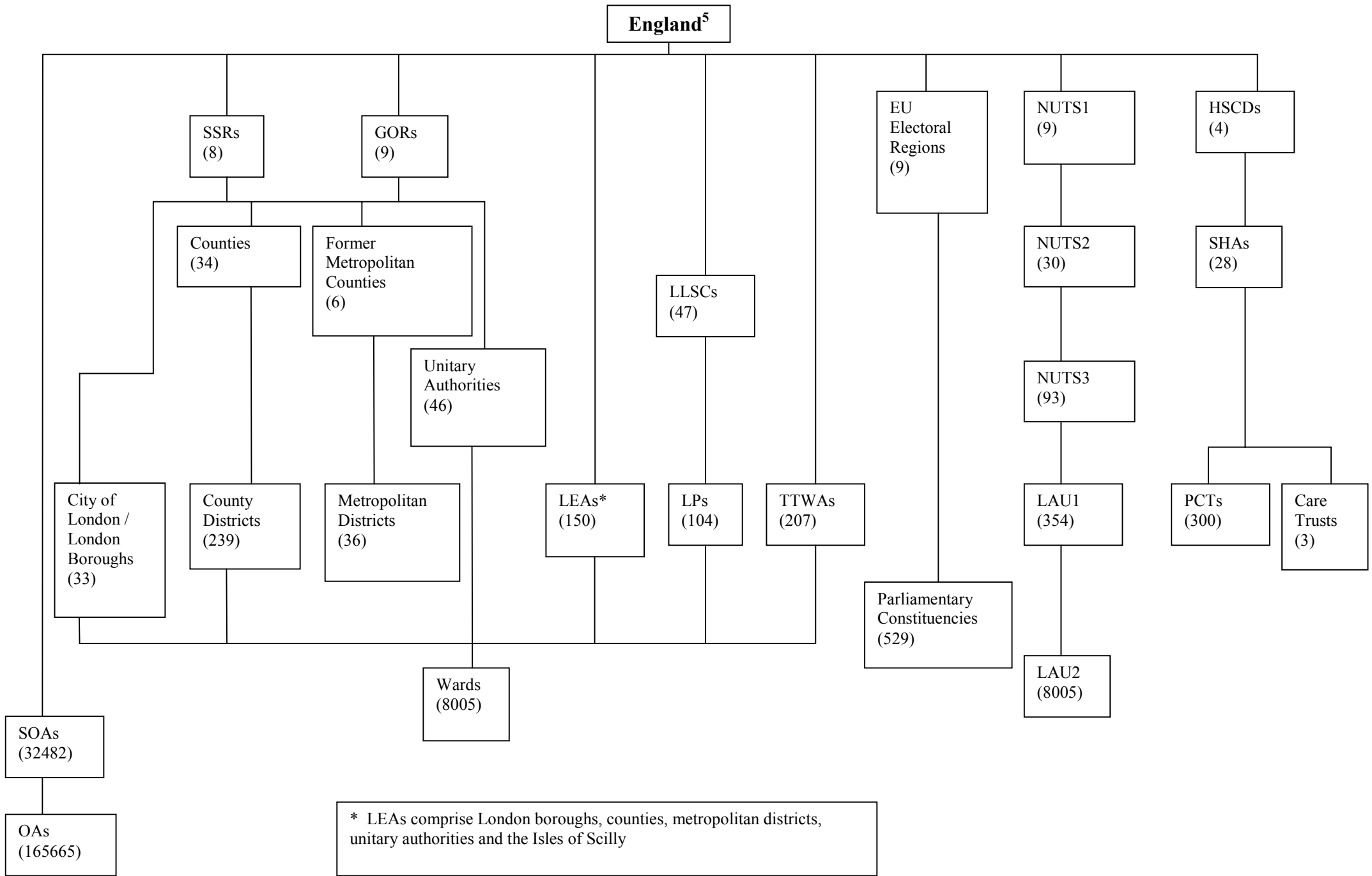
Outputs for geographies other than SOAs will be produced through estimation methods from data held for SOA blocks. Popular geographies will be pre-built from SOAs and estimated values for many statistics will be pre-calculated for ready access.

More information on geographies can be obtained from:
ONS Geography Customer Services
Office for National Statistics
Segensworth Road
Titchfield
FAREHAM
Hampshire
PO15 5RR

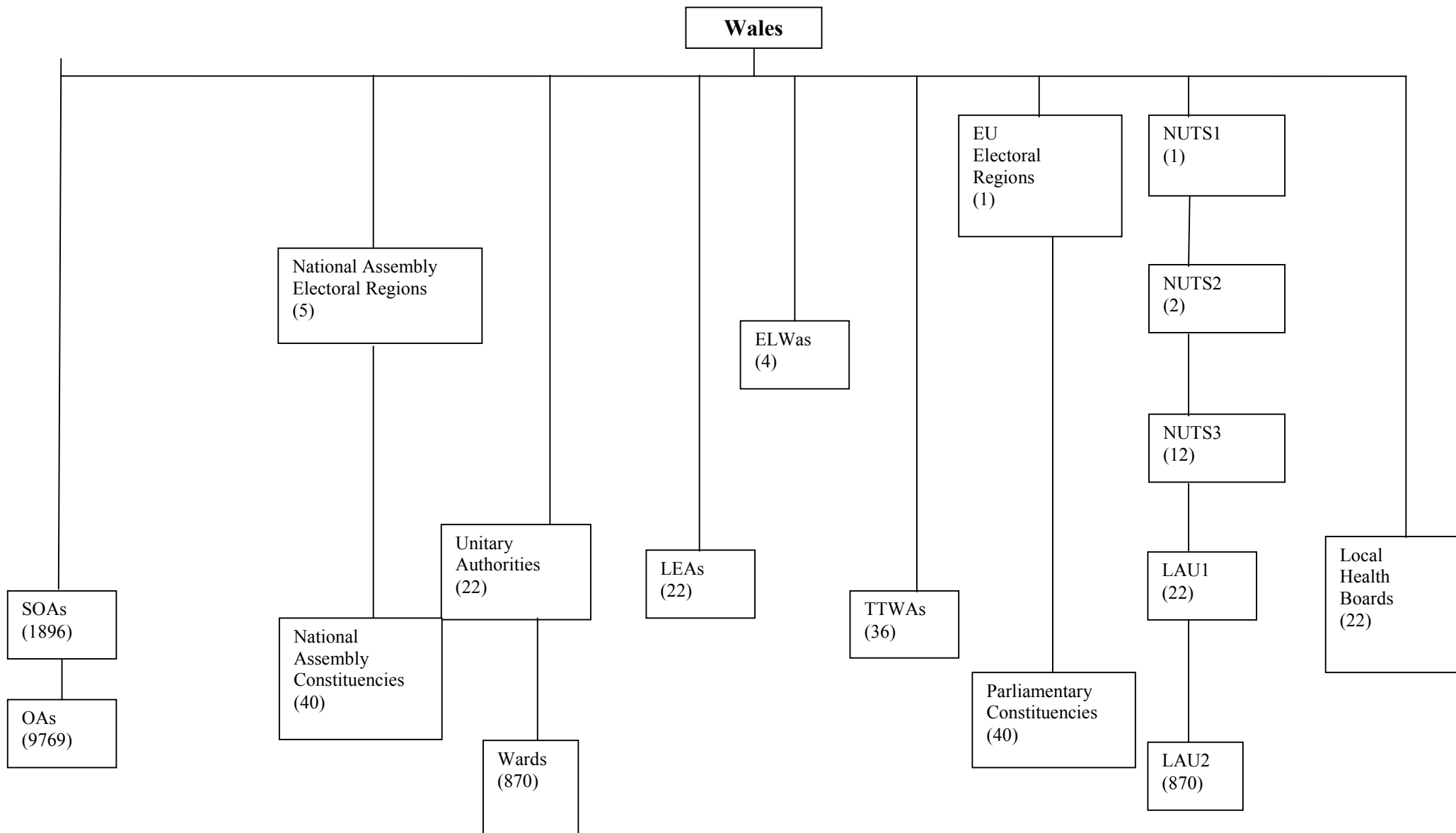
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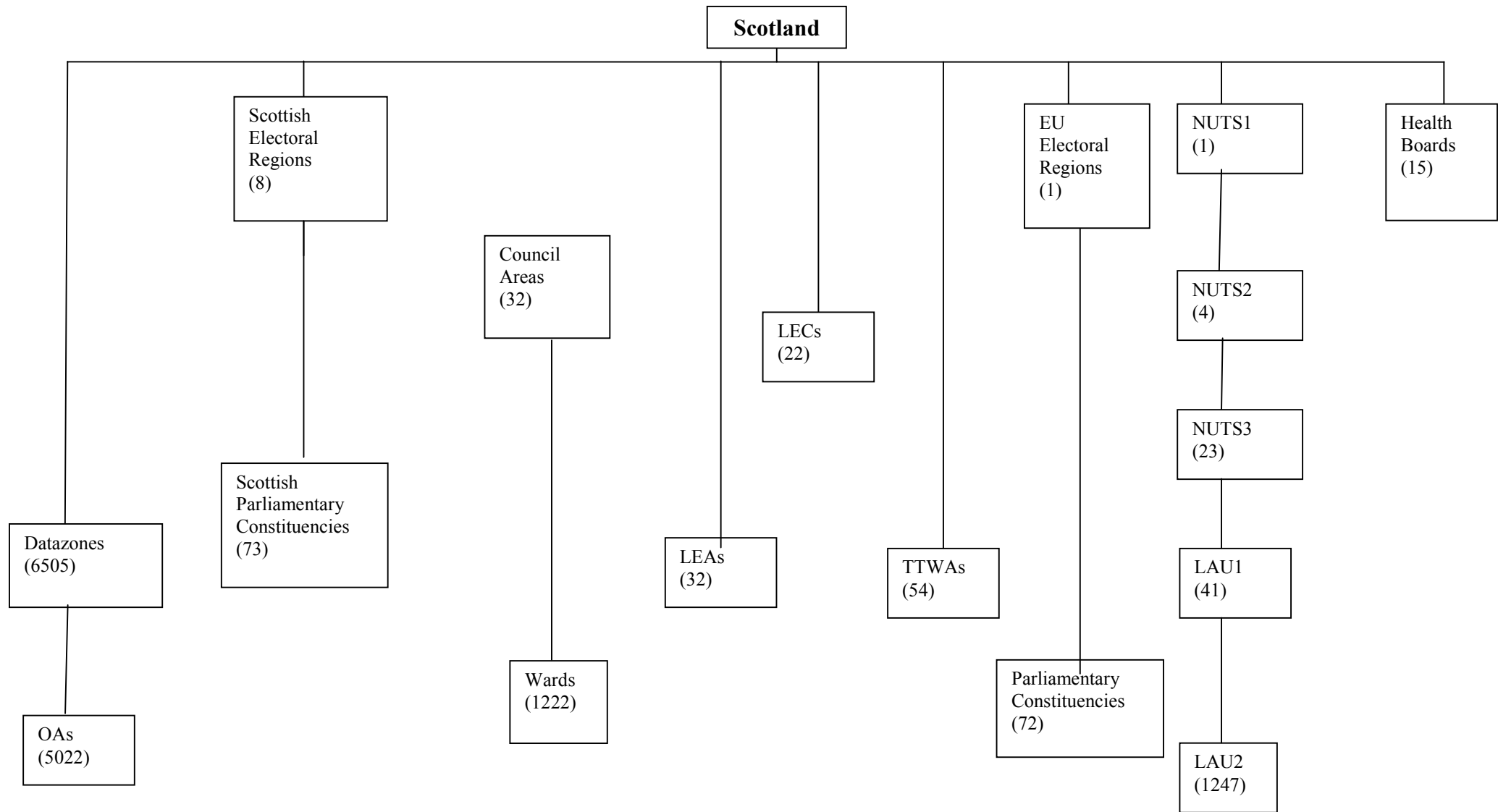
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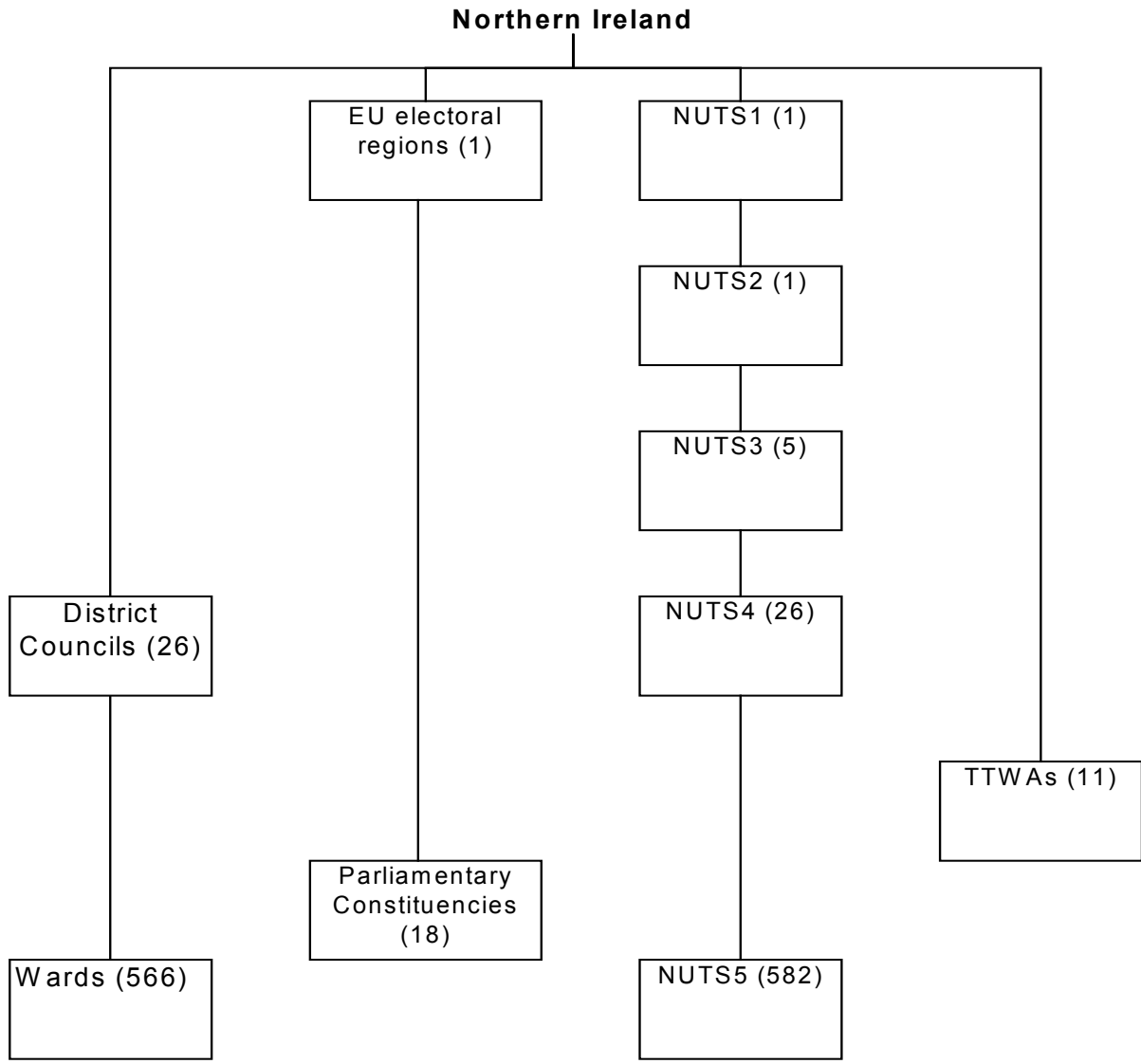
E-mail: ons.geography@ons.gsi.gov.uk



* LEAs comprise London boroughs, counties, metropolitan districts, unitary authorities and the Isles of Scilly







3: Employment

Employment can be regarded as either the number of people with jobs or the number of jobs. The number of people with jobs is measured through the LFS. The number of jobs is measured through the ABI and the STES for Great Britain and the census of employment and the quarterly employment survey in Northern Ireland. For a more detailed definition of employment, please refer to section 10 of this guide.

Regional

Sources and availability

Regional employment data are derived from the LFS, STES and the ABI, plus, in Northern Ireland, the census of employment and the quarterly employment survey. The headline measure of employment is the employment rate.

The LFS provides an estimate of the number of people in employment, broken down into employees, self-employed, unpaid family workers and government-supported trainees. Quarterly estimates of all these measures are available for Great Britain from spring 1992 for both GORs and SSRs, and from 1994/1995 for the United Kingdom as a whole. Prior to spring 1992 annual estimates for each spring are available back to spring 1984 for SSRs only. Estimates of the number of unpaid family workers are not available prior to spring 1992.

The Employee jobs series is a component of the wider measure of workforce jobs. In addition to employee jobs, workforce jobs includes estimates of self-employment jobs, government-supported trainees and HM Armed Forces. At regional level data for civilian workforce jobs are published, which exclude the figures for the Armed Forces. The estimates of self-employment jobs are from the LFS and include people whose main job is as an employee, but are self-employed in a second job. The estimates of government-supported trainees are supplied by DfES and are derived from their administrative systems. Data for all three components are available back to June 1983.

The ABI provides an annual estimate of employee jobs in Great Britain, around one year after the date of the survey. The STES are combined with the ABI to produce quarterly estimates of employee jobs at regional level. Quarterly estimates of employee jobs by industry have been available for Standard Statistical Regions since September 1978. These were available on an SIC80⁵ basis until March 1995. They have been available on an SIC92⁷ basis since September 1993. Quarterly seasonally adjusted estimates of total employee jobs are available for SSRs from September 1981. Estimates for GORs are available from 1995.

The Northern Ireland census of employment provides a biennial count of all employee jobs for the region. Industry information is available at five-digit SIC92 level, and the smallest geographical area is ward level. The quarterly employment survey provides mainly two-digit industry estimates for Northern Ireland as a whole (some three-digit information is available). A full public sector job count is also carried out on a quarterly basis as part of this survey.

Appropriate use

The main difference between the two sources is the distinction between the number of people in employment and the number of jobs. Where an industrial breakdown is required, ABI or STES data should be used. Where estimates of total employment are required the LFS provides the preferred measure. The LFS also provides detailed information about the characteristics of people's work and allows for cross tabulations with other characteristics such as occupation, qualifications and training.

More information is available from the booklet 'How Exactly is Employment Measured?' details in chapter 13.

Where published

All employment data are published on Nomis®. LFS data are also available from the Labour Market helpline, and from the LLFS section of the National Statistics website. Employee jobs data are also available through the ONS Neighbourhood Statistics Service. Tables from the LFS, STES and ABI are variously published in the regional first releases (RFRs), in Labour Market Trends and in the Labour

⁵ Standard Industrial Classification - the classification was last revised in 1992

Force Survey Quarterly Supplement. The Northern Ireland DETI produces a range of monthly and quarterly publications, plus maintaining a web-site containing all key labour market and economic statistics (this can be found at the following address – www.detini.gov.uk/statsres/).

Local

Sources and availability

Local area employment data are derived from the LFS, LADB and ABI.

The LFS provides an estimate of the number of people in employment, broken down into employees, self-employed, unpaid family workers and government trainees. Quarterly estimates of all these measures are available from spring 1992 for 1981-based local authorities and from autumn 1993 for current local areas.

Estimates from the LADB are available annually for 1994/95 to 2002/03. The LADB geographies are not consistent over time as they refer to the local authority districts and unitary authorities in effect at the time the mid-year population estimates were produced for each database.

The Annual Business Inquiry (ABI) provides an annual estimate of employee jobs in Great Britain around one year after the date of the survey. The ABI replaced the Annual Employment Survey which itself replaces the Census of Employment. Estimates of employee jobs are produced for both frozen and current wards. This means that estimates can be derived for a wide range of geographies. The ABI is also disaggregated to postcode sectors, allowing estimates to be produced for all levels of postcode geography. Not only are a range of geographical disaggregations available, but the data are also presented for the full range of industries, and split by gender and by full and part-time workers.

Appropriate use

The LFS should be used when an estimate of the number of people in employment is required. However, ONS has operated a policy of suppressing data where the level is below 10,000 for quarterly data, 6,000 for annual data from 1994/95 to 1999/2000 and either 2,000, 4,000 or 6,000 for the 2000 to 2002/03 data, dependent on the sample sizes, so for some variables estimates are not available for all areas. For more information on the reasons for different thresholds, please see Volume 6 of the LFS User Guide (details in Chapter 12). In 2004 it was decided that data should not be suppressed for statistical reliability reasons, but that all estimates should be published along with guidance for the user on how reliable they are. However, some dissemination routes (for example the monthly First Releases), will continue to use thresholds until the computer systems used to produce them can be adapted to the new rules.

Where published

All key employment data are published on Nomis®. LFS data are also available from the Labour Market Helpline. Employee jobs data are also available through the ONS Neighbourhood Statistics Service. Employment from the LADB by UA/LAD is published in the Regional First Releases. Employment from the quarterly LFS is published for some areas in the Quarterly Supplement.

Rates

Sources and availability

Employment rates are available from the LFS and annually from the LADB database.

The employment rate is the number of people in employment expressed as a proportion of the total number of people in the population of interest. For example, the working-age employment rate is the number of people of working age in employment expressed as a proportion of the total number of people of working age.

Employment rates from the LFS are available, where publishable, for local authority districts and all higher level geographical aggregations from spring 1992 on a quarterly basis. Employment rates are available for all but 2 UA/LADs from the LADB from 1994. Annual rates for parliamentary constituencies and TTWAs from 1995 are also available from Nomis® and the Labour Market Helpline.

Appropriate use

Quarterly or annual employment rates from the LFS or LADB may be used, but the greater precision of the estimate from the LADB should be noted and this source used where possible.

Where published

Employment rates are published on Nomis®, and most LFS data are available from the Labour Market Helpline. Tabulations of employment rates by age are available at regional level in the RFR. Employment rates are also published as part of the labour market summary in the Regional First Releases (RFR), the LFS Quarterly Supplement (QS) and Labour Market Trends (LMT), as well as DETI publications for Northern Ireland figures.

4: Unemployment

Information about unemployment is collected and published - using the International Labour Organisation (ILO) definition - via the LFS. The claimant count is an administrative measure of the number of people claiming unemployment-related benefits (Job Seeker's Allowance). For a detailed description of these two measures, please refer to section 10 of this guide.

Regional

Sources and availability

Unemployment is available at regional level from the LFS. Quarterly estimates of all these measures are available from spring 1992 for both GORs and SSRs. Prior to spring 1992 annual estimates for each spring are available back to spring 1984 for SSRs only.

The claimant count is collected via the Benefits Agency administrative system. It is available at regional level back to 1974. The claimant count is seasonally adjusted at regional level and consistent seasonally adjusted regional series are available back to 1974, and back to 1971 for the UK in total, for GB and for Northern Ireland.

Appropriate use

The ILO measure of unemployment is the internationally agreed measure, and should therefore be used whenever comparability is of importance. The claimant count gives complete coverage of claimants according to the current benefit rules. Therefore it is subject to discontinuities when there are changes in the rules governing entitlement to claim benefits. However, the seasonally adjusted claimant count series takes into account these changes. Rule changes may also indirectly affect the ILO measure of unemployment.

More information is available from the booklet 'How Exactly is Unemployment Measured?'; details in chapter 13.

Where published

All key unemployment data are published on Nomis®. Most LFS data are also available from the Labour Market Helpline. Claimant count information is also available through the ONS Neighbourhood Statistics Service. Tables are also published in the Regional First Releases, in Labour Market Trends and in the Labour Force Survey Quarterly Supplement.

Local

Sources and availability

Unemployment is available at UA/LAD and TEC level from the LFS. The claimant count is available at ward level, postcode sector level, and for any aggregations of these.

The LFS provides an estimate of the number of people who are ILO unemployed. Quarterly estimates of this measure are available from spring 1992 for 1981-based local authorities and from autumn 1993 for current local areas. Estimates from the LADB are available annually for 1994 to 1999 and subsequently from the ALALFS. The LADB/ALAFS geographies are not consistent over time as they refer to the local authority districts and unitary authorities in effect at the time the mid-year population estimates were produced.

The claimant count is a by-product of an administrative system. The address and postcode of claimants are collected, and this allows flexibility in the range of geographies for which this data set can provide results.

Appropriate use

UK unemployment should be used where it is important that the data are internationally comparable. However, there are problems of reliability with the LFS for small areas as it is a sample survey and therefore subject to sampling variability. This is a particular problem with unemployment because the numbers are much smaller than those in employment or the economically inactive. The ONS operates a policy of suppressing data where the level is below 10,000 for quarterly data, 6,000 for annual data from 1994/95 to 1999/2000. From 2000/2001 thresholds were calculated for each Unitary Authority, since

sample sizes varied between authorities. Currently data produced from the ALALFS is no longer suppressed on the grounds of reliability, but only where the information is deemed disclosive (where cell sizes are based on two or less un-weighted cases). Thresholds are, however, still calculated and offered as a guide to users on the level of reliability for a given estimate. For more information on thresholds and the rules of disclosure, please see Volume 6 of the LFS User Guide (details in Chapter 12).

The claimant count can be used where it does not matter that the data are not internationally comparable or where data are required for smaller areas. The claimant count is accurate at all geographical levels because it is a complete count.

Where published

All data are published on Nomis. LFS data are also available from the Labour Market Helpline. Unemployment from the LADB/ALALFS by UA/LAD is published in the Regional First Release. Claimant count information is also available through the ONS Neighbourhood Statistics Service. Unemployment from the quarterly LFS is published for some UA/LADs in the Quarterly Supplement. Claimant count tables are published for UA/LAD, TTWA, PC and NUTS3 areas in the Regional First release and Labour Market Trends.

Unemployment Rates

Sources and availability

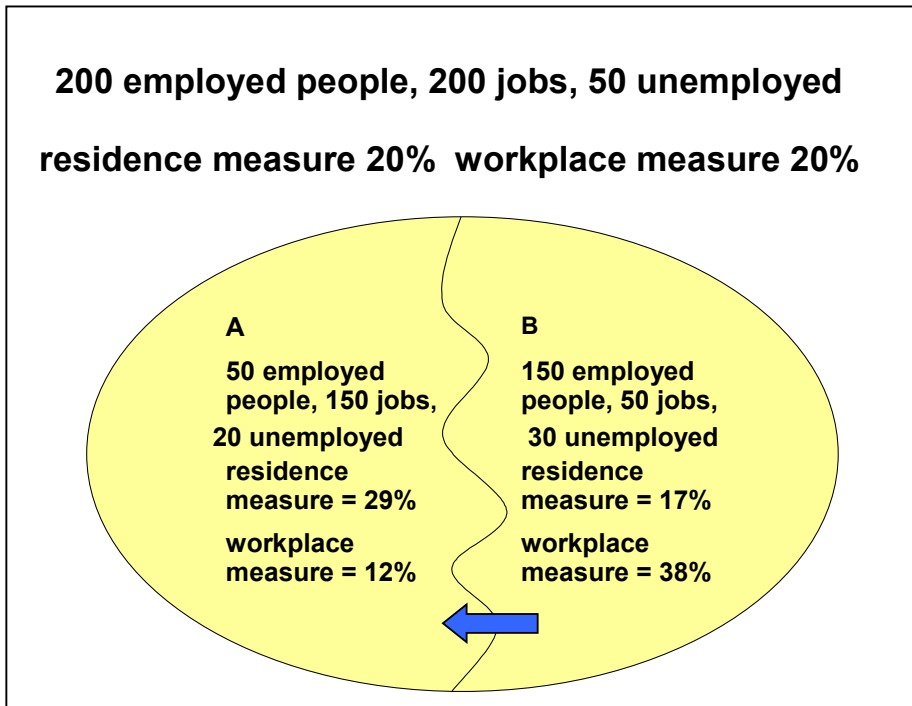
The unemployment rate uses unemployment as the numerator, and the economically active population – unemployment plus employment from the LFS – as the denominator. As the LFS is a household survey this measure is on a residence basis. Rates for local authority areas are available from both the quarterly LFS and the annual LADB/ ALALFS, although for many areas the data are below publication threshold. Annual rates for parliamentary constituencies and TTWAs are also available. Additional wider unemployment rates can be constructed using components of the economically inactive group if desired. These are available for the LADB and the quarterly LFS.

The claimant count rate uses the claimant count as the numerator and an estimate of the workforce as the denominator. The workforce comprises employee jobs, self-employment jobs, government-supported trainees, armed forces jobs and claimants. The largest component of the workforce is employee jobs which, as noted in the employment chapter, comes from a survey of employers. As a result the claimant count rate is a workplace based measure, which expresses the demand for jobs in an area. In response to a review of local labour market statistics, since January 2003 workplace-based claimant count rates are published by ONS only at National and Government Office Region level. Although, workplace-based claimant count data for other geographical levels, including Parliamentary Constituencies, Local Areas and TTWAs, are available up to January 2003. Since this date, ONS publishes residence based claimant count proportions for all geographies below Government Office Region level. The main difference is that the denominator used to create the residence based claimant count rate is the working-age resident population of the area of interest.

Appropriate use

For large areas such as countries or regions the main difference between the two rates stem from the definition of the numerator. However, for smaller areas the additional effect of the difference between the residence and workplace denominators should not be ignored, as commuting will have an effect.

In a self-contained area, the number of jobs will be similar to the number of people in employment. Although some people may hold more than one job the main difference in smaller areas comes from the choice of denominator. In the example below, where numerator is the same for both rates, then in areas that have net in-commuting the workplace based rate will be lower than the residence based rate. Where there is net out-commuting then the residence-based rate will be lower than the workplace based rate.



Arrow indicates direction of net commuting flow

Both the claimant count rate and the unemployment rate are affected by the relative mixture of jobs and people in local areas and the commuting patterns these bring about. While the residence-based rate remains useful for social exclusion issues, analysing both rates together will give a broader picture of the local economy and ONS encourages users not to make direct comparisons of claimant count rates alone between UA/LADs. ONS produce TTWAs, which are approximations to self-contained labour markets, in order to allow claimant count rates to be compared between areas. However, TTWAs have become larger over time, reflecting increased commuting distances, which have meant in many cases the areas are too large for meaningful local economic analysis.

Where published

Unemployment rates are available from the Labour Market Helpline, and are published on Nomis®. Resident based claimant count proportions are published on Nomis® for all geographies, while workplace-based claimant count rates are published at national and GOR level only. Unemployment rates are also published as part of the labour market summary in the Regional First Release (RFR), the Quarterly Supplement (QS) and Labour Market Trends (LMT). Local area rates are published in the RFR and LMT and for Northern Ireland in the DETI publications and on the DETI web site

5: Activity and Inactivity

Economic activity covers those people who are either in employment or ILO unemployed. All others are considered to be economically inactive. Those people who are economically inactive may be so for a number of reasons:

- they are unable to work because they are looking after family;
- they do not wish to work (this includes retired people);
- they are full time students not available for work;
- they believe that no jobs are available (discouraged workers)
- they are unable to work because they are long-term sick or disabled.

The inactive group can be split into three groups: people who are seeking work but not available; who want work but are not seeking work and those who do not want work.

More information on the definitions of economic activity and inactivity can be found in section 10 of this guide.

Regional and Local

Sources and availability

Regional and local level data on activity and inactivity are available via the quarterly LFS and the annual LADB/ALALFS.

The chapters on employment and unemployment give more information on the constituent parts of economic activity. However, the LFS and LADB/ALALFS are the data sources for economic activity as defined on page five of this Guide.

The quarterly LFS provides detailed information on the reasons for economic inactivity. The information on the annual LADB is much more limited. From 1997/8, LADBs have information on people who are seeking work but not available, who want work but are not seeking work and those who do not want work. From 2000/2001 the ALALFS provided greater coverage and more detailed information. Prior to 1997 there is no detailed information on inactivity.

Information from the quarterly LFS is available back to spring 1992. People's reasons for being inactive are one area where this source has more information than the LADB.

The sum of the number of people who are economically active and the number of people who are inactive gives the population aged 16+. Children under 16 are not included in the figures.

Appropriate use

At regional level the quarterly LFS is the richest source of information on economic activity and inactivity. However, on inactivity, because of the level of detail available, some disaggregations are very small and subject to a high level of sampling variability.

At local level totals for economic activity and inactivity are available from the LADB/ALALFS. Some demographic characteristics may be applied to these data, but information on labour market attachment is only available from 1997/8 onwards. Again the figures are small and subject to a high level of sampling variability.

Where published

Table 11 of the Regional First Release contains detail on reasons for economic inactivity at regional level. Data from the quarterly LFS and annual LADB/ALALFS databases are available through the Labour Market Helpline. There is a limited amount of information available via Nomis®.

Rates

Sources and availability

Economic activity or inactivity rates are available from the LFS and LADB/ALALFS.

Economic activity and inactivity rates are defined as the number of people who are economically active or inactive expressed as a proportion of the total number of people in the population of interest. For

example the working-age activity rate is the number of people of working age who are economically active as a proportion of the total number of people of working age.

Economic activity rates from the LFS are available for around 405 unitary authorities/local authorities and all higher level geographical aggregations from spring 1992 on a quarterly basis. Inactivity rates are available for around 401 unitary authorities/local authorities.

Economic activity rates from the LFS are available for all but one unitary authorities/local authorities from the 2000/01 LADB. Inactivity rates are available for all but three unitary authorities or local authority districts. Annual estimates of economic activity/ inactivity rates are also available for Parliamentary Constituencies and TTWAs.

Appropriate Use

Quarterly or annual economic activity or inactivity rates from the LFS or LADB/ALALFS may be used, however, the greater precision of the estimate from the LADB/ ALALFS should be noted and this source used where possible.

Where Published

Economic activity and inactivity rates are published on Nomis®, and LFS data are available from the Labour Market Helpline. Tabulations of economic activity and inactivity rates by age are available at regional level in the RFR. Economic activity and inactivity rates are also published as part of the labour market summary in the RFR and in tables 13 to 16 of the RFR, the LFS Quarterly Supplement (QS) and Labour Market Trends (LMT). PC and TTWA rates are available from Nomis®, the Labour Market Helpline and for Northern Ireland, DETI publications and the DETI web-site.

6: Earnings

Earnings are a measure of the money people receive in return for work done gross of tax. It includes salaries and bonuses but does not include non-monetary perks such as benefits in kind. For a more detailed definition of earnings, please refer to section 10 of this guide.

Regional and Local

Sources and availability

There are two sources of earnings data - the Labour Force Survey (LFS) and the Annual Survey of Hours and Earnings (ASHE), which replaced the New Earnings Survey (NES) from October 2004. However, the ASHE has a much larger sample and therefore is able to publish data for small geographical areas such as local authority districts and parliamentary constituencies. Analysis by occupational and industrial groups within the larger regions are also published.

Appropriate use

The ASHE should be used where earnings data are required for regions, counties, unitary authorities and all small area data. Although the ASHE is largely based on a one percent sample of PAYE employees, it does attempt to cover earnings from those businesses below the PAYE threshold through a supplementary survey going to businesses registered for VAT only. United Kingdom level data ONS provide a reconciliation of the two sources.

Where published

ASHE data are available on the National Statistics website, through a portfolio of tables covering thirteen domain themes:

| | |
|----------|--------------------------------------------------|
| Table 1 | All employees |
| Table 2 | Occupation |
| Table 3 | Government Office Regions by Occupation |
| Table 4 | Industry |
| Table 5 | Government Office Regions by Industry |
| Table 6 | Age |
| Table 7 | Place of work by Local Authority |
| Table 8 | Place of residence by Local Authority |
| Table 9 | Place of work by Parliamentary Constituency |
| Table 10 | Place of residence by Parliamentary Constituency |
| Table 11 | Place of work by Travel-to-Work Area |
| Table 12 | Place of residence by Travel-to-Work Area |
| Table 13 | Public private sector |

For each of these themes statistics split by gender and full-time/part-time are available for the full range of hours and earnings variables.

NB. It is also possible to provide bespoke analyses from the surveys, for which an additional charge may be levied, see chapter 13 for details.

Northern Ireland regional earnings information is published by the DETI in the following publications:

- 1) Northern Ireland New Earnings Survey
- 2) Northern Ireland New Earnings Survey sub Northern Ireland Data
- 3) Northern Ireland New Earnings Survey Occupational Pension Data
- 4) Northern Ireland New Earnings Survey Historical Supplement

7: Vacancies⁶

Regional and Local

Sources and availability

Local area vacancy statistics published by ONS are derived from administrative data provided by Jobcentre Plus (part of the Department for Work and Pensions [DWP]). The basic counts of vacancies relate to the number of job opportunities notified by employers to Jobcentres which remained unfilled (stock). In addition to the basic stock of vacancies, figures are collated for vacancies notified during the month, vacancies cancelled, vacancies filled and placings. Data include "self-employed" opportunities created by employers but exclude the majority of vacancies on government programmes.

A "filled" vacancy is one which has been notified to a jobcentre and filled by a job seeker referred by the jobcentre or another agency to whom Jobcentre Plus has copied the vacancy. "Placings" differ in that they are the number of job seekers placed into employment by individual jobcentres, either using vacancies notified directly to that jobcentre or using vacancies notified to other jobcentres.

Reflecting the nature of the count, figures are only available for Jobcentre Plus areas and aggregates of Jobcentre Plus areas. This means that vacancy figures cannot be allocated to geographical areas with the same precision as, for instance, claimant count figures that have a postcode attached for spatial referencing. For example, it is not generally feasible to provide vacancy figures for a parliamentary constituency, which may well be covered by several jobcentres each of which may also cover areas outside the relevant constituency.

Comparisons between unemployment figures and vacancy figures can be made at levels down to travel-to-work areas using the jobcentre "best-fit" areas, although such comparisons can be misleading because not all vacancies are registered at jobcentres. Both stocks and flows figures are seasonally adjusted down to regional level. Inflow, outflow and placings figures are adjusted for variable four or five week periods between count dates by conversion to a standard month of four-and-one-third weeks prior to seasonal adjustment. No seasonal adjustment is undertaken at sub-regional level.

Changes to administrative procedures may also affect outputs. Since 1998, some Jobcentre Plus area offices have set up centralised vacancy taking arrangements, with all vacancies in an area being notified to a single office. For some areas it is not possible to identify which part of the area the job is located and data for individual jobcentres will be distorted from the date these centralised procedures were introduced.

Analyses of vacancy statistics by occupation and industry are available up to October 2000 on a quarterly basis, in the months of January, April, July and October. Vacancies by occupation are classified according to the Standard Occupational Classification (SOC1990). The vacancies by industry series vacancies are classified by the 1992 Standard Industrial Classifications (SIC92).

Latest available data

Jobcentre vacancy statistics were withdrawn from National Statistics as a result of distortions to the data caused by the introduction of new administrative procedures (Employer Direct) by Jobcentre Plus. The series published by ONS therefore only goes up to April 2001.

ONS and the Department for Work and Pensions are continuing to monitor and review the data with the aim of re-introducing Jobcentre vacancy statistics when it is appropriate to do so. In addition to the previous impact of Employer Direct, the numbers of notified vacancies appear to be substantially affected by a drive by Jobcentre Plus to increase notifications from many employers in chosen sectors, which began in April 2003. Recent changes in the figures would therefore not necessarily signify developments in the labour market.

A limited range of statistics on Jobcentre Plus vacancies, relating to the inflows of newly notified vacancies, is now available on Nomis®, though not at this stage as National Statistics. An article in the July 2003 issue of Labour Market Trends (page 363) gives more background and explores ways of adjusting for the discontinuity in the inflows series. See also the news item on page 455 in the September 2002 issue of Labour Market Trends.

⁶ Jobcentre Plus now refers to 'placings' as 'job entries'

Where published

All data are published on Nomis®. Latest available data are published in Labour Market Trends.

ONS have introduced a new survey of vacancies but this only provides information at UK level, not at regional or local level.

8: Historical comparisons

Where historical comparisons of regional and local data are required there is one major problem to be overcome. Often the geographical areas on which the data are based change over time. The Boundaries Commissions in the United Kingdom regularly review local authority and parliamentary boundaries. This means that either data have to be compared between areas that may have changed, or “frozen” geographies have developed to allow data to be compared across consistent boundaries. However, with changing geographies it is not meaningful to use a “frozen” geography without ever updating it. Prior to the publication of the 1991 counties frozen based data were used from 1981 wards. Subsequently data series were produced using 1991 frozen wards. Now some data are being produced for census area statistics wards (mostly current for 2003).

The following gives information about the specific geographical bases for the main datasets described in this guide. In some cases data are only available on a frozen basis, in others data are available on both frozen and current bases.

Annual Business Inquiry

The 1991 and 1993 Census of Employment and the 1995, 1996 and 1997 AES are all available on a frozen 1991 ward basis as well as the wards current at the time of data collection (September of the year in question). The 1981, 1984, 1987, 1989 and 1991 Censuses of Employment are available on a frozen 1981 basis. The possibility of presenting the 1991 Census of Employment on a 1981 or 1991 frozen basis allows the discontinuity arising as a result of boundary changes to be quantified at that point in time. Additionally the 1991 series was produced on both SIC industrial definitions (SIC 80 and SIC 92). Thus the discontinuity arising from the change in the classification system can also be quantified. ABI data are available for both current and frozen geographies.

The introduction of the ABI led to a significant upward shift in the level of employee jobs when compared with the estimates previously published from the AES. In order to give a time series of consistent data, the AES datasets for 1995, 1996 and 1997 were scaled up to the new levels identified in 1998 and 1999.

Because the scaling factor process is necessarily generalised, some local movements in the dataset may not have been preserved. Therefore, the original AES data for 1995, 1996 and 1997 have been retained on Nomis® to help interpret the scaled datasets. Annual data for periods prior to 1995 have not been revised upwards and therefore any analyses carried out on data spanning that period may be affected by this discontinuity.

Labour Force Survey

The quarterly LFS in the United Kingdom in its current form has been run since 1992. The data are available for SSRs and GORs; and for current counties and local authorities (where publishable) from autumn 1993. Annual LFS data are available for local authorities in tabulated form for a restricted range of variables from 1993.

Annual LFS Local Area Database

The first LADB was produced for 1994/5. This was based on local authority districts. Subsequent LADBs have taken on board local government boundary changes. The 1995/6 database included UAs introduced at 1 April 1996 and the 1996/7 and 1997/8 databases included UAs introduced at 1 April 1997. The UAs introduced in 1 April 1998 were introduced in the 1998/9 database.

The changing nature of local Government boundaries over time, and the effort to keep up to date with these has meant that historical comparisons are limited in areas where there have been significant boundary changes.

Claimant Count

The claimant count has been available generally only on a frozen ward basis, although census area statistics ward data (which mostly relate to 2003 wards) are available on Nomis® from February 2004. From January 1996 the frozen ward basis has been 1991 based. From January 1983 to April 1996 it was 1981 based.

Annual Survey of Hours and Earnings

Data are available for a variety of geographies; for more information see the contacts list.

Vacancies

Jobcentre vacancies can be compared over time using frozen jobcentre areas based on those in existence at 1985. Where the location of jobcentres has changed over time, the vacancies associated with new jobcentres are allocated to the most appropriate frozen jobcentre area. The frozen areas can be amalgamated to best fit to counties and to regions to provide historical comparisons for these areas as well.

Census of population

2001 Census data are produced for a variety of geographies using output areas created from postcodes, as building bricks. Results are made available for wards with boundaries in force as at 31 December 2002, and are aggregated to a range of higher level geographies such as local authorities, health areas and UK parliamentary constituencies.

9: The ONS geographical referencing strategy

Developments in Geographical Information Systems (GIS) software and mapping data over the past few years mean that aggregating data on a geographical basis has become much easier and more flexible. These developments will allow data suppliers to provide a wider range of geographies, and to up-date to new geographies. However, in many cases this requires a change to the data stored. At present most datasets carry a postcode which is used to allocate the data to a ward, or other type of geographical area using the 'All Fields Postcode Directory' supplied by ONS Geography. In future it is the intention of ONS Geography to provide the means to allocate a grid reference to data that have a postcode or an address. The allocation of a grid reference would then allow the data to be aggregated to any type of geography, old or new, for which there are digitised boundaries.

Currently ONS Geography can provide customers with 'centroid' grid references for postcodes (the grid reference of the mean address in the postcode) at one metre resolution. ONS Geography is currently developing a Geographic Referencing Infrastructure and is able to provide an address referencing matching tool.

While the move to grid references and digitised boundaries will allow for a more flexible mapping system, data suppliers will have to consider the potential difficulties with confidentiality if several overlapping geographies are supplied for the same dataset. Statistical Disclosure Branch will issue guidance for ONS business areas who are implementing the new system.

10: Definitions and Abbreviations

Definitions

Civilian workforce jobs: Workforce jobs excluding those in HM Forces.

Claimant count: The claimant count records the number of people claiming unemployment-related benefits. These are currently the Jobseeker's Allowance (JSA) and National Insurance credits, claimed at Jobcentre Plus local offices. People claiming JSA must declare that they are out of work, capable of, available for, and actively seeking work during the week in which the claim is made. They enter into a jobseeker's agreement setting out the action they will take to find work and to improve their prospects of finding employment.

Claimant count proportions: Local area claimant count proportions are expressed as a percentage of the resident working-age population in the location.

Discouraged workers: A subgroup of the economically inactive population who said that they would like a job and whose main reason for not seeking work was because they believed there were no jobs available.

Earnings: A measure of the money people receive in return for work done gross of tax. It includes salaries and bonuses but does not include non-monetary perks such as benefits in kind. This differs from income, which is the amount of money received from all sources. Income includes interest from building society and bank accounts, dividends from shares, benefit receipts, trust funds, etc.

Economic activity rate: The number of people who are in employment or unemployed expressed as a percentage of the relevant population.

Economic inactivity rate: The number of economically inactive people expressed as a percentage of the relevant population.

Economically active: The economically active population are those who are either in employment or ILO unemployed.

Economically inactive: Economically inactive people are not in employment, but do not satisfy all the criteria for UK unemployment. This group comprises those who want a job but who have not been seeking work in the last 4 weeks, those who want a job and are seeking work but not available to start and those who do not want a job. For example, students not working or seeking work and those in retirement are classed as economically inactive. It can be useful for some purposes to consider only those who are both economically inactive and of working age.

Employment: There are two main ways of looking at employment: the number of people with jobs or the number of jobs. These two concepts represent different things as one person can have more than one job. People aged 16 or over are classed as in employment (as an employee or self-employed) by the LFS, if they have done at least one hour of paid work in the week prior to their LFS interview or if they have a job that they are temporarily away from. People who do unpaid work in a family business and people on government-supported training and employment programmes are also included according to the International Labour Organisation (ILO) convention.

Employment rate: The number of people in employment expressed as a percentage of the relevant population.

Jobcentre vacancy: A job notified by an employer to a Jobcentre (including 'self-employed' work created by employers) which remained unfilled on the count day (the reference day for each month's statistics – usually the first Friday in the month).

Labour market attachment: A concept relating to a person's proximity to the labour force. It covers a spectrum from fully attached workers (e.g. those in employment or unemployment) at the one extreme, to those who do not want a job at the other extreme. The latter group, which includes economically inactive retired people, might be considered completely detached from the labour market.

Rates: Rates represent the proportion of the population or subgroup of the population with a certain characteristic. They allow changes in the labour market to be interpreted in a wider context, allowing for changes in the overall population or the number of people who are economically active. Rates can be calculated for different age groups. For employment, economic activity and economic inactivity, the most widely quoted rates are those for the working-age population i.e. men aged 16-64 and women aged 16-59. For unemployment, headline rates are expressed as a percentage of the economically active population aged 16 and over. Those over retirement age who continue to be economically active will therefore be included in the base while those who are economically inactive will not.

Unemployment: The ILO definition of unemployment covers people who are: not in employment, want a job, have actively sought work in the previous four weeks and are available to start work within the next fortnight, or, out of work and have accepted a job which they are waiting to start in the next fortnight.

Unemployment rate: The number of ILO unemployed people expressed as a percentage of the relevant economically active population (see page 21 for more details).

Workforce jobs: Information on the number of jobs is mainly collected through postal employer surveys. This gives the number of employee jobs (formerly known as employees in employment). The total number of workforce jobs (formerly known as workforce in employment) is calculated by summing employee jobs, self-employment jobs from the LFS, those in HM Forces and Government-supported trainees. Vacant jobs are not included.

Workplace-based claimant count rate: For claimant count, headline rates for aggregates at government office region and above are expressed as a percentage of the number of workforce jobs plus the claimant count. Workplace-based claimant count rates for sub-regional areas were withdrawn from National Statistics in January 2003.

Abbreviations

| | |
|---------|-------------------------------------------------------------------------------------|
| ABI | Annual Business Inquiry |
| AES | Annual Employment Survey |
| ALA LFS | Annual Local Area Labour Force Survey |
| ASHE | Annual Survey of Hours and Earnings |
| DETI | The Northern Ireland Department of Enterprise, Trade and Investment |
| ES | Employment Service |
| GOR | Government Office Region |
| GRS | Geographical Referencing Strategy |
| IDBR | Inter-Departmental Business Register |
| ILO | International Labour Organization |
| JSA | Job Seeker's Allowance |
| LADB | Labour Force Survey Annual Local Area Database |
| LEA | Local Education Authorities |
| LEC | Local Enterprise Companies |
| LFS | Labour Force Survey |
| LLFS | Local Labour Force Survey (new survey for England) |
| LSC | Learning Skills Councils |
| LMT | Labour Market Trends |
| LP | Learning Partnerships |
| LMT | Labour Market Trends |
| NES | New Earnings Survey |
| NUTS | Nomenclature of Units for Territorial Statistics |
| OECD | Organisation for Economic Co-operation and Development |
| PC | Parliamentary Constituency |
| QS | Labour Force Survey Quarterly Supplement to Labour Market Trends |
| RFR | Regional First Releases |
| SIC | Standard Industrial Classification |
| SOC | Standard Occupational Classification |
| SSR | Standard Statistical Regions |
| STES | Short-Term Employer Surveys |
| TEC | Training and Enterprise Councils |
| TTWA | Travel-to-Work Areas |
| UA/LAD | Unitary Authorities and the bottom tier of the two tier local government in England |

11: Availability by area and topic

| Geography | Economic Activity | Employment | Unemployment | Economic Inactivity | Earnings/Income | Population |
|----------------------------------------------|-------------------|----------------------|---------------------|---------------------|-----------------|------------|
| County (66) Pre 1996 boundaries | | ABI | CC | | | CoP |
| Local Authority (469) Pre 1996 boundaries | | ABI | CC LFS | | | CoP |
| Unitary/upper tier authorities (229) | LADB/ ALA LFS | ABI LADB/ ALA LFS | CC LADB/ ALA LFS | LADB/ ALA LFS | ASHE | PE PP |
| Unitary/lower tier authorities (434) | LADB/ ALA | ABI LADB/ ALA LFS | CC LADB/ ALA LFS | LADB/ ALA LFS | ASHE | PE PP |
| LPs (101) | LADB/ ALA LFS | ABI LADB/ ALA LFS | CC LADB/ ALA LFS | LADB/ ALA LFS | ASHE | |
| LSCs (47) | LADB/ ALA LFS | ABI LADB/ ALA LFS | CC LADB/ ALA LFS | LADB/ ALA LFS | ASHE | |
| TEC/LECs (98) | LFS | ABI LFS | CC LFS | LFS | ASHE | |
| 1984 Travel-to-Work areas (334) | | ABI | CC | | | |
| 1998 Travel-to-Work areas (308) | LADB/ALA | ABI/ ALA LFS | CC LADB/ ALA LFS | LADB/ ALA LFS | ASHE | CoP |
| NUTS 3 (133) | | ABI | CC | | | |
| NUTS 4 (443) | | | CC | | | |
| 1995 Parliamentary Constituencies (659) | LADB/ ALA LFS | LADB/ ALA LFS | CC LADB/ ALA LFS | LADB/ ALA LFS | ASHE | |
| 1991 Wards | | ABI | CC | | | CoP |
| Current Wards | | ABI | | | | |
| Census Area Statistics wards | | | CC | | | |

Notes: Data may not be available for all areas, e.g. only 118 areas from the LADB have unemployment estimates. ASHE data may be available for other geographies, see earnings chapter
Key:

| | | | |
|------|-----------------------------------------|------|---------------------------------------------|
| ABI | Annual Business Inquiry | LADB | Local Annual Database (Labour Force Survey) |
| ALA | Annual Local Area (Labour Force Survey) | LFS | Labour Force Survey |
| ASHE | Annual Survey of Hours and Earnings | PE | Population Estimates |
| CC | Claimant Count | PP | Population Projections |
| CoP | Census of Population | | |

12: Sampling Variability of Survey Data

All survey data are subject to sampling variability. Sampling variability occurs because estimates are not based on complete coverage of the population of interest. Results for the part of the population that is not covered must therefore be estimated based on the information collected for that part of the population that is included in the survey.

Sampling variability can be estimated; however, the method of estimation depends on the way in which the survey is carried out.

The following paragraphs provide more information on sampling variability associated with the different sources quoted in this user guide. Sampling variability on the LFS is generally directly associated with the size of the estimate; this is not the case with surveys such as the ABI.

Labour Force Survey

The problems of sampling variability associated with the LFS are well documented. The methodology which is used to estimate the size of sampling variability is also well documented in the LFS User Guide volume 1 (see chapter 13 for information on obtaining the guide) for the quarterly database and the LFS User Guide volume 6 for the LADB.

The complex design of the LFS sample means that exact sampling variability calculations require a 'design factor', however, good approximations are available for the quarterly database and conservative approximations for the annual database. For the quarterly database, an estimate of M thousand has a 95 per cent confidence interval of approximately

$$\pm 1.96 * \sqrt{(M * 0.35)}$$

Note though that for a few estimates, particularly those involving ethnic groups, these intervals will be substantially too narrow. For these it is suggested that the width of the confidence intervals be doubled.

For the new LADB, an estimate of M thousand in an unboosted area has a 95 per cent confidence interval of approximately

$$\pm 1.96 * \sqrt{(M * 0.22)}$$

Once again, the width of confidence intervals for estimates involving ethnic minority groups should be doubled.

Standard errors for the latest LADB may be obtained from Nomis® alongside estimates.

For boosted areas, an estimate of M thousand has a 95 per cent confidence interval of approximately

$$\pm 1.96 * \sqrt{(M * G)}$$

where G is the average grossing factor for the area. More details and values of G can be found in the LFS user guide volume 6 - details of how to obtain this are given in chapter 13

Annual Business Inquiry

Coefficients of variation for the ABI have been published for 2-digit industry by region estimates of employee jobs. They are available on the Internet or via the contact in Chapter 13.

Annual Survey of Hours and Earnings

The ASHE is also subject to sampling variability. Estimates of coefficient of variation (standard error presented as a percentage of the estimate) are published alongside ASHE results. The ASHE uses the coefficient of variation to provide indicative quality markers to help users interpret the data. Estimates with a coefficient of variation in excess of 20 per cent are not published, although this data may be made available on request, except where this information is considered disclosive.

General

The presence of sampling variability means that it is difficult to make comparisons over time or between areas. Comparisons should take into account the size of sampling variability to ensure that any differences identified are real.

Estimates from the LFS are not published if they have a standard error that is more than 20 per cent of the estimate. In practice this means that estimates below 10,000 are not published from the quarterly database, while estimates below 6,000 are not published from the LADB prior to 2000/01. For the 2000/01 LADB, three levels of thresholds: 2,000; 4,000; or 6,000 apply.

13: Contacts

If you require further information on labour market statistics please ring:

Labour Market Helpline 020 7533 6094

Email Helpline labour.market@ons.gov.uk

Recorded Headlines 020 7533 6176
(Headline statistics on economic activity, employment, unemployment, vacancies, earnings, productivity and unit wage costs)

For press enquiries ring:

Press Office 020 7533 5725/5714

Labour market statisticians:

Nick Maine 020 7533 6130
(Regional and local data)

Peter Alstrup 020 7533 6110
(Labour Force Survey)

Andrew Machin 020 7533 6162
(Benefits and vacancies assessment)

Harry Duff 01633 812793
(ABI / AES)

Ian Richardson 01633 812669
(Workforce Jobs)

David Freeman 01633 813028
(Earnings)

Claire Powell 01633 819269
(Inter-Departmental Business Register)

Enhanced Local Labour Force Survey

Nick Maine (ONS) 020 7533 6130

Iain Bell (DWP) 20 7533 5663

Neil Ross (DfES) 114 259 4979

Labour market or economic information for Northern Ireland:

Joanne McCutcheon 02890 529425
(Regional and local data)

Clare Lyle 02890 529525
(ABI)

Ian Callaghan 02890 529430
(Claimant count)

Sean Donnelly 02890 529793
(Census of Employment and
Quarterly Employment Survey)

Martin Monaghan 02890 529421
(Labour Force Survey)

Lisa Taylor 02890 529424
(Earnings)

General enquiries about the LFS should be made to the Labour Market Helpline, but ad hoc analyses of Labour Force Survey data are available:

LFS Data Service lfs.dataservice@ons.gov.uk
LFS Sub-National Data Service snds@ons.gov.uk

Labour market data are available from the Nomis® database at the same time as the data are published in the releases.

Nomis® 0191 374 2468 (www.Nomisweb.co.uk)

Some series in the tables of the releases are also available through the ONS Databank service. Where this is the case the four letter identifier is shown at the top of the column. For more information contact:

ONS Time Series Data Service 020 7533 5675.

Information about ONS, its services, data and releases are available on the World Wide Web at:

<http://www.statistics.gov.uk/statbase/tsdintro.asp>

The ONS Neighbourhood Statistics Service can be found at:

<http://www.statistics.gov.uk/neighbourhood/>

Information on the Northern Ireland DETI its services, data and releases are available on the World Wide Web at:

<http://www.detini.gov.uk/statres/>

IDBR

For information on the IDBR, contact:
Claire Powell

01633 813 269

Free guides

How Exactly is Employment Measured?
How Exactly is Unemployment Measured?
What Exactly is the LFS?
Guide to Labour Market Statistics Releases
Guide to Regional and Local Labour Market Statistics

All of the above are available from the Labour Market Helpline: 020 7533 6094

The LFS User Guide consists of nine volumes: 1) Background and Methodology, 2) 2001 LFS Questionnaire, 2a) LFS Transitional Questionnaire 3) Details of LFS Derived Variables, 4) LFS Standard Derived Variables, 5) LFS Classifications, 6) LFS Local Area Data, 7) LFS Variables 1984-1991, 8) Household and Family Data and 9) Eurostat and Eurostat Derived Variables

To order, or for further information contact: 020 7533 5376

Further data and analytical articles are also published monthly in *Labour Market Trends*.

Further data for the LFS are published in the LFS Quarterly supplement available from the National Statistics website at: <http://www.statistics.gov.uk/statbase/Product.asp?vlnk=545>

Labour Market Trends editor: 020 7533 6126

Labour Market Trends subscriptions: 01256 302866

LFS Quarterly Supplement 020 7533 6179