

**Local area labour markets:  
statistical indicators  
September 2005**



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## Local area labour markets: statistical indicators

### Introduction

In order to understand the labour market of an area a number of different indicators are needed to give an overall picture of the labour market. The necessary indicators depend to some extent on the geographical area, and the sources of data to supply the indicators will, in some cases, vary depending on the type of area. A basic set of indicators to describe the labour markets of areas such as local authorities or parliamentary constituencies could be as shown below:

- a) Active and inactive resident population
  - Working age population
  - Working age employment rate
  - Activity rate
  - Inactivity rate
  - Unemployment rate
  
- b) Benefit dependency of resident population
  - Claimant count as proportion of population
  - Incapacity benefit proportion
  - Other benefits proportions
  - Total working age benefit proportion
  
- c) Jobs and vacancies at workplaces in area
  - Jobs density – ratio of jobs to population
  - Percentages of jobs in specific industries
  - Percentages of jobs in public and private sector
  - Vacancies rate – JobcentrePlus vacancies as proportion of jobs
  
- d) Earnings
  - Median earnings of population working in area
  - Median earnings of population resident in area

The framework is based around the ideas of labour supply and demand, bringing these together in a meaningful way. Statistics relating to the employment, unemployment and benefit dependency of the resident population of the area provide indicators of labour supply. Statistics relating to jobs and vacancies at workplaces in the area provide statistics of labour demand. Earnings statistics, provide indicators relating both to labour supply and labour demand. The median earnings of the resident population of the area is a characteristic of the labour supply provided by people living in that area. And the median earnings of people with a workplace in the area is an indicator of the nature of the labour demand arising from employers in the area.

All ONS's dissemination of local area labour market data now follows the format of this framework. The most comprehensive presentation of these data is from the local area Labour Market profiles on Nomis® (<http://www.nomisweb.co.uk>). There are

profiles for local authorities, parliamentary constituencies and wards. Because of their small size, the ward profiles contain only data from the 2001 population census. The local authority and parliamentary constituency profiles present data from the best available source for the indicator and geographical area. Official population estimates are available for local authorities and these are used in the local authority profiles. For parliamentary constituencies official population estimates do not exist (in England and Wales) so census data are used for population estimates (these census based population estimates have been adjusted to make them consistent with 2001 official mid-year population estimates for other areas).

Labour supply data are mainly from the annual Labour Force Survey (LFS) and the Annual Population Survey (APS). These surveys have been derived from the quarterly LFS, but also include extra respondents, specifically to provide better estimates for local areas. In addition a statistical model has been developed to provide the best possible estimates of unemployment for local authority areas. The model uses annual LFS and APS data but also uses other information (claimant count and socio-economic cluster) on the areas. The model-based estimates are the best available estimates of unemployment and so these are used in the local authority profiles rather than the direct survey estimates (for more information see the section on [model-based estimates of unemployment](#)).

Data on benefits received are included in the profiles, and these are from the administrative sources of the Department for Work and Pensions (DWP). Finally, labour demand data are included from the Annual Business Inquiry, the jobs density indicator and earnings data from the Annual Survey of Hours and Earnings (ASHE). The profiles take data from the main Nomis® datasets, which can be interrogated down to very detailed levels, in terms of both variable and geography. The Nomis® service is available at [www.nomisweb.co.uk](http://www.nomisweb.co.uk).

## Content of the Report

This report presents local area labour market data from the APS and other sources. The APS is a new survey of individuals, and is described in more detail in the section on [Sources of local area labour market statistics](#). Although the APS is an annual survey, the results from the survey will be published quarterly, but with every publication covering a year's data. This report will be updated quarterly as APS results become available.

As well as summary data from the APS, available here and on Nomis®, the APS microdata are available to users through the Data Archive at Essex University. Access to these data is through a 'Special Licence' scheme, which allows access to detailed data provided that their intended use is fully described and strict conditions of access are adhered to. More detail is available on the Data Archive website (<http://www.data-archive.ac.uk>).

The next section of the report is [Topic Analyses](#), which look at local authorities within Government Office Region. The topics include employment, unemployment, economic inactivity, ethnicity, claimant count, jobs density and earnings.

The [Nomis® Local Area Profiles](#) section describes the datasets available from Nomis® and how to access the Nomis® local area labour market profiles.

[Sources of local area labour market statistics](#) describes the data sources from where the indicators presented here, are obtained.

[Model-based unemployment estimates](#) describes a new source of estimates of unemployment, which will provide estimates of unemployment, for local authorities, which are more reliable than those obtained directly from survey data.

Accompanying Regional Framework Tables are downloadable as an Excel file from the National Statistics website. Data are presented in the format of the supply and demand framework for local authority areas and parliamentary constituencies, within Government Office Regions.

## Topic analyses

### Employment – all persons

The employment rate for people of working age for the UK was 74.2 per cent in 2004. Working age is 16 to 59 for females and 16 to 64 for males. The total number of working-age persons in employment was 27.0 million with a further 1.0 million people aged over working age in employment.

The three areas with the highest rates were City of London (100 per cent - note this estimate is not considered to be statistically reliable as it is based on a sample of just seven respondents – the next highest rate in London is 79.3 per cent in Bromley). and is considered unreliable), South Northamptonshire (85.9 per cent) and Shetlands Islands (85.8 per cent). Over 90 areas had a rate of at least 80.0 per cent.

The three areas with the lowest rates were the east London boroughs of Tower Hamlets (53.7 per cent), Newham (55.7 per cent) and Hackney (56.2 per cent). Two other areas (Haringey and Manchester) also had an employment rate below 60 per cent.

Table 1, below, shows the working age employment rate for countries and Government Office Regions, and the local authorities with highest and lowest rates within country and region.

Table 1: Working-age employment rates by English region and country and by highest and lowest unitary authorities/local authority districts in 2004.

English region and country	Per cent	UA/LAD			
		Highest	Lowest		
North East	70.0	Darlington	76.6	Middlesbrough	64.4
North West	72.6	Stockport	81.9	Manchester	59.5
Yorkshire and the Humber	73.9	Harrogate	83.6	Sheffield	68.6
East Midlands	75.4	South Northamptonshire	85.9	Nottingham	63.2
West Midlands	73.5	Rugby	81.7	Sandwell	66.1
East	78.6	Dacorum	85.4	Great Yarmouth	70.7
London	69.1	City of London	100.0	Tower Hamlets	53.7
South East	78.9	Eastleigh	85.0	Oxford	70.0
South West	77.9	South Gloucestershire	83.7	Penwith	70.4
Wales	71.2	Flintshire	79.1	Merthyr Tydfil	62.5
Scotland	74.7	Shetland Islands	85.8	Glasgow City	64.9
Northern Ireland	67.6			Not available	

Source: Annual Population Survey.

Note that the Isles of Scilly (South West) is excluded as the sample size is zero.

## **Employment - males and females**

The working-age employment rate is higher for males than for females. The UK rate for males is 78.9 per cent compared with 69.3 per cent for females.

The three UA/LADs with the highest rates of working age male employment were City of London (100 per cent - based on a very small sample – the next highest rate in London is 84.3 per cent in Merton), Cherwell, in Oxfordshire, (91.9 per cent) and South Northamptonshire (91.5 per cent).

The three UA/LADs with the lowest rates were the London boroughs of Tower Hamlets (61.7 per cent) and Haringey (62.2 per cent) and Manchester (63.1 per cent).

Note that the Isles of Scilly is excluded as the sample size is zero.

The highest rates of working age female employment were the Shetland Islands (83.3 per cent), Eilean Siar (81.7 per cent), both in Scotland and West Oxfordshire (81.4 per cent).

Three London boroughs had rates of less than 50 per cent - Newham (44.4 per cent), Tower Hamlets (45.5 per cent) and Hackney (47.1 per cent).

Note that the City of London and the Isles of Scilly are excluded as the sample sizes are either zero or disclosive i.e. less than three.

Estimates of the employment rate of working-age females is lower than the corresponding rate for males in most UA/LADs with only five areas showing a higher estimate for females than males. Note that such differences may not be significant due to the sampling variability of these estimates.

Source: Annual Population Survey.

## **Employment - Disabled persons**

The UK employment rate for disabled persons of working age is 48.8 per cent.

About 40 per cent of all UA/LADs have a rate below 50 per cent.

The highest rates are Brentwood, East (100.0 per cent – based on a small sample), South Northamptonshire, East Midlands (83.4 per cent), Vale of White Horse, South East and East Cambridgeshire, East (both 81.5 per cent).

The lowest rates are Tower Hamlets, London (16.8 per cent), Berwick-upon-Tweed, North East (22.3 per cent) and Torrington, South West (23.9 per cent).

Note that the City of London and the Isles of Scilly are excluded as the sample sizes are either zero or disclosive i.e. less than three.

Source: Annual Population Survey.

## Unemployment

A total of 1.4 million people, aged 16 and over, were unemployed in 2004 based on the International Labour Organisation definition. This was 4.7 per cent of the economically active population.

The three areas with the lowest rates are North Dorset, (0.7 per cent), West Wiltshire, (0.9 per cent), both in the South West and Wychavon, West Midlands (1.0 per cent), all based on small sample sizes.

Five London boroughs have a rate that is more than 10 per cent – Tower Hamlets (12.6 per cent), Hackney (11.9 per cent), Lambeth (11.4 per cent), Southwark (11.4 per cent) and Haringey (11.3 per cent).

Table 2, below, shows the unemployment rate for countries and Government Office Regions, and the local authorities with highest and lowest rates within country and region.

Table 2: Unemployment rates by English region and country and by highest and lowest unitary authorities/local authority districts in 2004.

English region and country	UA/LAD				Per cent
	Highest	Lowest			
North East	5.8	Middlesbrough	9.3	Tynedale	2.5
North West	4.6	Manchester	8.7	Congleton	1.4
Yorkshire and the Humber	4.5	Kingston upon Hull	7.2	Ryedale Hambleton	1.6
East Midlands	4.3	Nottingham	9.1	Blaby	1.2
West Midlands	5.1	Sandwell	9.4	Wychavon	1.0
East	3.7	Luton	6.4	Mid Suffolk	1.7
London	7.1	Tower Hamlets	12.6	Havering	2.6
South East	3.7	Portsmouth	6.5	Chichester	1.1
South West	3.4	Kerrier	5.7	North Dorset	0.7
Wales	4.8	Blaenau Gwent	7.2	Flintshire	2.4
Scotland	5.4	North Ayrshire	9.7	Orkney Islands	1.6
Northern Ireland	5.4			Not available	

Source: Annual Population Survey.

Note that St Edmundsbury (East), City of London and the Isles of Scilly (South West) are excluded as the sample sizes are disclosive i.e. less than three.

## Economic inactivity –all persons

Economically active persons are those, who are either in employment or unemployed. The remainder of the population are economically inactive. At the UK level, about 95 per cent of economically active people of working age are employed and thus the geographical patterns of activity look very similar to those for employment.

The UK working-age inactivity rate was 22.0 per cent in 2004, a total of 7.9 million people.

The three areas with the lowest rates were Dacorum, Hertfordshire (11.4 per cent), Eastleigh, Hampshire(12.2 per cent) and South Northamptonshire (12.5 per cent).

The three areas with the highest rates were the east London boroughs of Newham (38.6 per cent), Tower Hamlets (38.5 per cent) and Hackney (36.1 per cent).

Table 3, below, shows the working age economic inactivity rate for countries and Government Office Regions, and the local authorities with highest and lowest rates within country and region.

Table 3: Working-age economic inactivity rates by English region and country and by highest and lowest unitary authorities/local authority districts in 2004.

English region and country	UA/LAD		Per cent		
	Highest	Lowest			
North East	25.6	Easington	32.2	Chester-le-Street	19.5
North West	23.8	Manchester	34.7	South Ribble	15.8
Yorkshire and the Humber	22.5	Bradford	26.8	Harrogate	14.7
East Midlands	21.2	Nottingham	30.3	South Northamptonshire	12.5
West Midlands	22.5	Wolverhampton	28.0	Bromsgrove	16.3
East	18.3	Great Yarmouth	24.6	Dacorum	11.4
London	25.5	Newham	38.6	Bromley	16.7
South East	18.0	Oxford	26.3	Eastleigh	12.2
South West	19.4	Penwith	25.5	South Gloucestershire	14.4
Wales	25.1	Merthyr Tydfil	32.9	Flintshire	18.9
Scotland	21.0	Glasgow	29.6	Shetland Islands	12.8
Northern Ireland	28.5		Not available		

Source: Annual Population Survey.

Note that the City of London and the Isles of Scilly are excluded as the sample sizes are either zero or disclosive i.e. less than three.

## **Economic inactivity – males and females**

Overall, the working age economic inactivity rate is lower for males than females. The UK rate for males is 16.8 per cent compared with 27.4 per cent for females.

The three UA/LADs with the lowest rates for males were Cherwell, South East (5.1 per cent), Dacorum, East (6.5 per cent) and South Northamptonshire, East Midlands (6.9 per cent).

The three areas with the highest rates were Manchester (30.5 per cent), Liverpool (29.3 per cent) and Tower Hamlets (29.0 per cent).

The three UA/LADs with the lowest rates for females were Eilean Siar, Scotland (14.8 per cent), West Oxfordshire, South East (14.9 per cent) and South Cambridgeshire (15.7 per cent).

The three areas with the highest rates were the east London boroughs of Newham (50.6 per cent), Tower Hamlets (48.5 per cent) and Hackney (47.2 per cent).

In only one area (Eilean Siar) is the estimate of the working age male rate higher than the corresponding female rate. This difference may not be significant due to the sampling variability of these estimates.

Note that the City of London and the Isles of Scilly are excluded as the sample sizes for male and female working age inactivity are either zero or disclosive i.e. less than three.

Source: Annual Population Survey.

## Ethnic groups - demographics

Estimates indicate that 8.8 per cent of the overall UK population are non-white.

London has the highest concentration of non-whites in the country with nearly one in three Londoners being non-white. In Inner London, this rises to just under two in every five.

Apart from Inner and Outer London, the only other sub-regions with a non-white resident proportion over 10 per cent are West Midlands Metropolitan County (20.4 per cent) and West Yorkshire (13.1 per cent).

Of the 11 unitary authorities and local authority districts (UA/LADs) where the proportion of non-white residents exceeds 40 per cent, nine are in London. Three of those boroughs - Newham, Brent and Tower Hamlets - have an estimated non-white population greater than the estimated number of whites.

Slough and Leicester City are the only areas outside London with a proportion over 40 per cent. Only around 30 per cent of all UA/LADs have an estimate of 5 per cent or more.

Table 4, below shows the percentage of non-white resident population for countries, Government Office Regions and sub-regions.

Table 4: Proportion of non-white residents for countries, regions and sub-regions, 2004.

	Proportion of non-white population		Per cent Proportion of non-white population
<b>UNITED KINGDOM</b>	<b>8.8</b>	<b>West Midlands</b>	<b>11.4</b>
		West Midlands Metropolitan County	20.4
<b>GREAT BRITAIN</b>	<b>9.0</b>	Rest of West Midlands	2.9
<b>ENGLAND</b>	<b>10.1</b>	<b>East</b>	<b>5.5</b>
<b>North East</b>	<b>2.9</b>	<b>London</b>	<b>32.1</b>
Tyne and Wear	4.1	Inner London	38.6
Rest of North East	2.0	Outer London	28.0
<b>North West</b>	<b>6.0</b>	<b>South East</b>	<b>5.8</b>
Greater Manchester	9.8	<b>South West</b>	<b>2.6</b>
Merseyside	2.8		
Rest of North West	4.3	<b>WALES</b>	<b>2.3</b>
<b>Yorkshire and the Humber</b>	<b>7.5</b>	<b>SCOTLAND</b>	<b>2.3</b>
South Yorkshire	5.5	Strathclyde	3.4
West Yorkshire	13.1	Rest of Scotland	1.4
Rest of Yorkshire and the Humber	1.6		
<b>East Midlands</b>	<b>7.4</b>	<b>NORTHERN IRELAND</b>	<b>0.9</b>

Source: Annual Population Survey.

## Ethnic groups - employment

The UK employment rate for non-white working-age persons was 58.5 per cent (a total of 1.9 million people) compared to 75.8 per cent for whites.

Of the 30 areas with the highest proportion of non-white residents, all but six are in London. These areas contain about half of all non-white persons in employment. All of these areas have a higher rate for white persons. The working age employment rate for whites across these 30 areas is about 18 percentage points higher than the non-white rate (56 per cent).

Table 5, below, shows non-white employment rates for the 30 areas with the highest percentages of non-white population.

Table 5: Employment rates of non-white persons of working age for the 30 areas with the highest proportions of non-white population

<b>UA/LAD</b>	<b>Proportion of non-white population</b>	<b>Per cent Working-age Employment Rate</b>
Newham	63.9	54.4
Tower Hamlets	53.0	39.7
Brent	51.3	59.9
Ealing	48.9	62.1
Hackney	47.3	40.3
Harrow	43.2	62.3
Redbridge	41.9	66.9
Waltham Forest	41.0	53.0
Lambeth	41.0	55.2
Slough	40.8	67.6
Leicester	40.4	59.9
Haringey	39.3	43.4
Southwark	37.5	57.2
Hounslow	36.3	60.4
Lewisham	35.6	58.8
Luton	34.1	55.1
Westminster	34.0	51.8
Camden	33.7	47.0
Islington	33.1	45.9
Croydon	31.9	70.2
Birmingham	29.0	49.3
Barnet	28.8	63.2
Merton	27.2	69.4
Hammersmith and Fulham	27.1	50.1
Greenwich	26.8	57.7
Kensington and Chelsea	26.1	47.5
Wolverhampton	25.7	58.0
Barking and Dagenham	25.6	61.3
Bradford	25.1	50.4
Hillingdon	24.8	67.5

Source: Annual Population Survey.

## **Ethnic groups – economic inactivity**

The working-age inactivity rate for non-white persons for the UK was 34.5 per cent (a total of 1.1 million people) compared with the corresponding rate for whites of 20.7 per cent.

The 30 areas with the highest proportion of non-white residents contain 56 per cent of the total number of economically inactive non-white persons. In all these areas, the economic inactivity rate for whites is lower than the rate for non-whites. The working-age economic inactive rate for whites across these 30 areas is nearly 15 percentage points lower than the non-white rate of just over 36 per cent. Three of the 30 areas (Tower Hamlets, Hackney and Haringey) have a higher working age economic inactivity rate than working age employment rate.

Table 6, below, shows non-white economic inactivity rates for the 30 areas with the highest percentages of non-white population.

Table 6: Economic inactivity rates of non-white persons of working age for the 30 areas with the highest proportions of non-white population

<b>UA/LAD</b>	<b>Proportion of non-white population</b>	<b>Per cent</b>
		<b>Working-age Inactivity Rate</b>
Newham	63.9	40.9
Tower Hamlets	53.0	51.2
Brent	51.3	33.1
Ealing	48.9	33.4
Hackney	47.3	49.6
Harrow	43.2	27.3
Redbridge	41.9	28.8
Waltham Forest	41.0	39.1
Lambeth	41.0	31.1
Slough	40.8	27.1
Leicester	40.4	34.9
Haringey	39.3	49.3
Southwark	37.5	32.4
Hounslow	36.3	29.3
Lewisham	35.6	30.2
Luton	34.1	38.6
Westminster	34.0	42.4
Camden	33.7	45.4
Islington	33.1	44.5
Croydon	31.9	23.3
Birmingham	29.0	39.5
Barnet	28.8	28.0
Merton	27.2	23.8
Hammersmith and Fulham	27.1	40.7
Greenwich	26.8	34.3
Kensington and Chelsea	26.1	43.9
Wolverhampton	25.7	36.0
Barking and Dagenham	25.6	31.9
Bradford	25.1	44.5
Hillingdon	24.8	28.6

Source: Annual Population Survey.

## Claimant Count

The proportion of claimants of Jobseekers Allowance (JSA) as a percentage of the resident working age population was 2.4 per cent for the United Kingdom for 2004.

The areas with the highest proportions were the London Boroughs of Tower Hamlets (5.8 per cent) and Hackney (5.7 per cent) and Derry in Northern Ireland (5.4 per cent). Eleven areas had a proportion of 5.0 per cent or more.

The areas with the lowest proportions were Rutland (0.5 per cent), Isles of Scilly, Purbeck, Ribble Valley, Salisbury, West Oxfordshire, all at 0.6 per cent. Fifty-one areas have a proportion below 1 per cent.

Table 7, below, shows the claimant count as a percentage of the resident working age population for countries and Government Office Regions, and the local authorities with highest and lowest percentages within country and region.

Table 7: Claimants of Jobseekers Allowance as a proportion of the resident working age population; English region and country and by highest and lowest unitary authorities/local authority districts; 2004.

						Per cent
English region and country		UA/LAD				
		Highest		Lowest		
North East	3.0	Middlesbrough	4.7	Teesdale		1.4
North West	2.4	Liverpool	5.1	Ribble Valley		0.6
Yorkshire and the Humber	2.4	Kingston upon Hull	4.9	Craven		0.9
East Midlands	2.0	Leicester	4.8	Rutland		0.5
West Midlands	2.8	Birmingham	5.0	Bridgnorth		1.0
				Malvern Hills		
				Stratford on Avon		
East	1.7	Great Yarmouth	4.8	East Hertfordshire		0.8
				South Cambridgeshire		
				Uttlesford		
London	3.3	Tower Hamlets	5.8	Richmond upon Thames		1.5
South East	1.4	Hastings	3.5	West Oxfordshire		0.6
South West	1.4	Penwith	2.3	Isles of Scilly		0.6
		Torbay		Purbeck		
				Salisbury		
Wales	2.3	Blaenau Gwent	3.7	Ceredigion		1.5
				Monmouthshire		
Scotland	3.0	Inverclyde	5.0	Aberdeenshire		1.4
Northern Ireland	3.0	Derry	5.4	Banbridge		1.5
				Magherafelt		

Source: Jobcentre Plus administrative system.

## **Jobs density**

The latest available estimates of jobs density indicate that there were 0.83 jobs per resident of working age in the United Kingdom for 2003.

London is the region with the highest jobs density at 0.92 jobs per resident of working age compared to the North East which has a jobs density of 0.71.

The three local areas with the highest jobs densities are in inner London – the City of London (55.74); Westminster (3.65) and Camden (1.84). Outside London, Crawley, which contains Gatwick Airport, has the highest jobs density at 1.43.

The three areas with the lowest estimates of jobs densities are Chester-le-Street (North East) with just 0.36 jobs per resident of working age; East Renfrewshire in Scotland with 0.40 and Carrickfergus (Northern Ireland) with an estimate of 0.43.

Table 8, below, shows the jobs densities for countries and Government Office Regions, and the local authorities with highest and lowest densities within country and region.

Table 8: Estimates of jobs density; English region and country and by highest and lowest unitary authorities/local authority districts; 2003.

English region and country	UA/LAD				
		Highest		Lowest	
North East	0.71	Newcastle upon Tyne	1.06	Chester-le-Street	0.36
North West	0.81	Preston	1.17	Wigan	0.59
Yorkshire and the Humber	0.81	Craven	1.03	Barnsley	0.63
East Midlands	0.78	Nottingham	1.09	Gedling	0.51
West Midlands	0.81	Worcester	1.04	Nuneaton and Bedworth	0.55
				South Staffordshire	
East	0.83	Norwich	1.20	Castle Point	0.45
London	0.92	City of London	55.74	Newham	0.47
South East	0.87	Crawley	1.43	Gosport	0.54
South West	0.87	Exeter	1.15	Weymouth and Portland	0.55
Wales	0.74	Cardiff	0.97	Caerphilly	0.49
Scotland	0.82	Aberdeen City	1.27	East Renfrewshire	0.40
Northern Ireland	0.78	Belfast	1.34	Carrickfergus	0.43

Sources:

Population estimates: Office for National Statistics; General Register Office for Scotland

Employee jobs: Annual Business Inquiry; Department for the Environment, Farming and Rural Affairs; Scottish Executive; National Assembly for Wales

Self-employed: Annual local area Labour Force Survey

Government-supported trainees: Department for Education and Skills; Department for Work and Pensions; Scottish Executive; National Assembly for Wales

HM Armed Forces: Ministry of Defence

Northern Ireland data: Department for Enterprise, Trade and Investment; Northern Ireland Statistics and Research Agency

## Earnings – by area of workplace

The latest available estimates of earnings from the 2004 Annual Survey of Hours and Earnings indicate that the median gross weekly pay for full-time employees in the United Kingdom was £422.1. The median earnings of people with a workplace in the area is an indicator of the nature of the labour demand arising from employers in the area.

Three London boroughs had a median gross weekly pay over £600 - the City of London (£772.0), Tower Hamlets (£709.8) and Islington (£621.6).

Three areas had a median gross weekly pay under £300 – South Shropshire (£256.2), Berwick-upon-Tweed, Northumberland (£269.2) and Penwith, Cornwall (£298.2).

Table 9, below, shows the median weekly pay for full-time employees, employed in the area, for countries and Government Office Regions, and the local authorities with highest and lowest median earnings within country and region.

Table 9: Median gross weekly pay; full-time employees; English region and country and by highest and lowest unitary authorities/local authority districts of workplace; 2004.

English region and country	UA/LAD	£ per week			
		Highest	Lowest		
North East	372.6	Redcar and Cleveland	472.3	Berwick-upon-Tweed	269.2
North West	397.1	Copeland	528.4	Hyndburn	306.0
Yorkshire and the Humber	392.9	Selby	437.8	Ryedale	315.9
East Midlands	385.5	Derby	464.2	Mansfield	316.9
West Midlands	393.6	Solihull	471.9	South Shropshire	256.2
East	422.3	Three Rivers	576.7	Waveney	344.8
London	540.8	City of London	772.0	Bexley	377.8
South East	449.1	Spelthorne	593.7	Shepway	337.6
South West	393.0	Swindon	457.5	Penwith	298.2
Wales	383.2	Flintshire	428.0	Powys	330.2
Scotland	392.7	Shetland Islands	448.4	Scottish Borders	326.3
Northern Ireland	372.3			Not available	

Source: Annual Survey of Hours and Earnings

Note that no reliable estimates available for West Somerset, Isles of Scilly, both in the South West, and Orkney Islands (Scotland).

## Earnings – by area of residence

The latest available estimates of earnings from the 2004 Annual Survey of Hours and Earnings indicate that the median gross weekly pay for full-time employees in the United Kingdom was £422.1. The median earnings of the resident population of the area is a characteristic of the labour supply provided by people living in that area.

Six areas have an estimated median gross weekly pay, for resident full-time employees, of over £600. The London boroughs of Kensington and Chelsea (£842.3) and Richmond upon Thames (£652.6), Elmbridge, Surrey (£633.4), Brentwood, Essex (£629.3), the City of Westminster (£610.9) and St. Albans, Hertfordshire (£602.0). Note that City of London is excluded as the estimate is considered unreliable.

The three areas with the lowest estimates were Berwick-upon-Tweed, Northumberland (£273.3), Hyndburn, Lancashire (£300.9) and Penwith, Cornwall (£315.6).

Table 10, below, shows the median weekly pay for full-time employees, resident in the area, for countries and Government Office Regions, and the local authorities with highest and lowest median earnings within country and region.

Table 10: Median gross weekly pay; full-time employees; English region and country and by highest and lowest unitary authorities/local authority districts of residence; 2004.

English region and country		UA/LAD		£ per week	
		Highest		Lowest	
North East	371.1	Castle Morpeth	495.1	Berwick-upon-Tweed	273.3
North West	398.0	Macclesfield	514.5	Hyndburn	300.9
Yorkshire and the Humber	394.8	Craven	466.9	Ryedale	324.6
East Midlands	394.2	Rushcliffe	547.5	Boston	338.9
West Midlands	394.9	Bromsgrove	524.2	Stoke on Trent	338.8
East	450.1	Brentwood	629.3	Waveney	341.4
London	513.2	Kensington and Chelsea	842.2	Barking and Dagenham	415.7
South East	465.7	Elmbridge	633.4	Isle of Wight	355.1
South West	398.3	North Wiltshire	492.9	Penwith	315.6
Wales	384.4	Vale of Glamorgan	435.1	Blaenau Gwent	317.3
Scotland	393.2	East Dunbartonshire	460.4	Moray	331.6
Northern Ireland	372.1			Not available	

Source: Annual Survey of Hours and Earnings

Note that no reliable estimates available for the City of London or Isles of Scilly (South West).

## Nomis® Local Area Profiles

A comprehensive range of labour market data is available from Nomis® (<http://www.nomisweb.co.uk>). Many different datasets are available for many different types of local geography. The datasets of labour supply data include quarterly and annual Labour Force Survey, population censuses for 1991 and 2001. Datasets on labour demand include the Annual Business Inquiry, and quarterly Workforce Jobs. Also available are comprehensive and very detailed data on claimants of Job Seekers Allowance. Data on other benefits are available, based on sample of 5 per cent of benefit recipients.

In addition to the individual datasets, which can be interrogated down to very detailed levels, labour market profiles for local areas, are available on Nomis®. The profiles use data available from the underlying datasets, described above, but present the indicators as a report in the format of the labour market framework, to show an overall picture of the labour market for the area. Through the profiles users can also see time series of indicators and see comparisons with other areas. The profiles can also be downloaded as a pdf in order to produce a neat printed report.

Profiles are available for three different types of geographic area, local authorities, parliamentary constituencies and local authority wards. The profiles for local authorities and parliamentary constituencies take data from a number of different data sources. Because wards are very small areas, survey data for wards would be very unreliable, and so the ward profiles take data from the 2001 population census.

The profiles can be accessed via the Nomis® home page, or directly from the links in the table below:

<b>Profile</b>	<b>Link</b>
Local Authority	<a href="http://www.nomisweb.co.uk/reports/lmp/la/contents.aspx">http://www.nomisweb.co.uk/reports/lmp/la/contents.aspx</a>
Parliamentary Constituency	<a href="http://www.nomisweb.co.uk/reports/lmp/pca/contents.aspx">http://www.nomisweb.co.uk/reports/lmp/pca/contents.aspx</a>
Ward	<a href="http://www.nomisweb.co.uk/reports/lmp/ward/contents.aspx">http://www.nomisweb.co.uk/reports/lmp/ward/contents.aspx</a>

## Sources of local area labour market statistics

### Annual Local Area Labour Force Survey and Annual Population Survey

The Labour Force Survey is a quarterly survey of households in the UK, designed to provide timely information on the UK's labour market. It is a panel survey, in which respondents are interviewed in five consecutive quarters. A single LFS quarter collates data from around 60,000 households in the UK. This provides good estimates of the labour market in the UK as a whole, but for small areas or small population groups this does not provide a large enough sample to give reliable results.

In order to provide more reliable information, for local areas, the annual local area database (LADB) was developed, based on 96,000 households. The LADB combined data from four quarters of the quarterly LFS, such that one response only, from every respondent from the four quarters, was included in the annual database. The LADB covered the annual period March to February. Since 2000/01 the LADB has been augmented by a sample boosts, which are not included in the quarterly LFS. These boosts were designed to provide a minimum number of economically active persons, in the sample, in each Local Education Authority in England, and in each Unitary Authority in Wales and Scotland. The boosted survey was called the Annual Local Area Labour Force Survey (ALALFS).

In 2004, a further improvement, the Annual Population Survey (APS), was introduced. The APS included all the data of the ALALFS, but also included a further sample boost aimed at achieving a minimum number of economically active respondents, in the sample, in each Local Authority District in England. The first APS covered the calendar year 2004, rather than the ALALFS period of March to February. Also, the ALALFS data were published only once a year, but the APS data are published quarterly, but with each publication including a year's data. The first APS results, covering January to December 2004, were published in July 2005, data for April 2004 to March 2005 will be published in September 2005, data for July 2004 to June 2005 will be published in December 2005, and so on.

A further major advantage of the APS over the ALALFS is that APS microdata are available to users through the Data Archive at Essex University. Access to these data is through a 'Special Licence' scheme, which allows access to detailed data provided that the research use is fully described and strict conditions of access are adhered too. More detail is available on the Data Archive website (<http://www.data-archive.ac.uk>).

### **The Annual Business Inquiry (ABI)**

The ABI is conducted in two parts: one dealing with employment, the other with financial information. The financial inquiry covers a subset of 75,000 businesses, whereas the coverage of the employment inquiry is wider, and covers all UK businesses registered for Value Added Tax (VAT) and/or the Pay As you Earn (PAYE) tax scheme (approximate 78,500 businesses). The ABI obtains details on businesses from the IDBR stratified by industry and by six business size bands. The largest size band (250 or more employees) is included each year. Enterprises employing fewer than ten people are replaced annually as are half of those in the intermediate four size bands. The main strength of the ABI is its coverage of UK industry.

Response to the survey is compulsory under the Statistics of Trade Act and it achieves a response rate of approximately 85 per cent (response from largest employers, who constitute the majority of statistical data, is closer to 100 per cent). The survey requests a breakdown of their employees by sex and employment status with results available 12 months after the survey reference date. The ABI was designed to produce the best freestanding job estimates that can be produced at each successive reference date, and not of change in the number of jobs.

Figures at a regional and local level reflect the location of jobs, not the place of residence of the worker. The Annual Business Inquiry is also subject to sampling variability.

For further information on the ABI, see pp 405-8, *Labour Market Trends*, September 2000.

## **The Annual Survey of Hours and Earnings (ASHE)**

The Annual Survey of Hours and Earnings (ASHE) is a new survey that has been developed to replace the New Earnings Survey (NES). The ASHE includes improvements to the coverage of employees and to the weighting of earnings estimates. The data variables collected remain broadly the same, although an improved questionnaire will be introduced for the 2005 survey. The change in methodology means that statistics on pay and hours published from the ASHE, including the calculation of ONS's low pay statistics, are discontinuous with previous NES surveys. ASHE data are available from the Nomis® local area profiles.

The detailed NES volumes A to F will no longer be published as the ASHE volumes have replaced these. The ASHE volumes contain UK data on earnings for employees by sex and full-time/part-time workers. Further breakdowns are by region; occupation; industry; region by occupation; and age-groups, for the following variables: gross weekly pay, gross hourly pay, gross annual pay, weekly pay excluding overtime, hourly pay excluding overtime, overtime pay, shift pay, gross hours worked and overtime hours worked.

The latest results for 2004 and revised results for 2003 are now available, to be followed by tables of other ASHE variables, such as wage negotiating groups and pension categories.

To improve coverage and make the survey more representative, supplementary information was collected for the 2004 ASHE survey on businesses not registered for VAT and for people who changed or started new jobs between sample selection and the survey reference period. The 2004 ASHE results are therefore discontinuous with the results for 2003, for which no supplementary information was collected. However, for 2004 two sets of results are available; the headline results that include supplementary information and results that exclude this information. These second set of results are given solely for comparison to earlier results.

For more information and detailed results of the 2004 ASHE see the National Statistics website:

<http://www.statistics.gov.uk/StatBase/Product.asp?vlnk=13290>

## **The Claimant Count**

The claimant count is a count of the number of people claiming Jobseeker's Allowance. It is an administrative count rather than an estimate based on survey responses.

The data on which the count is based are derived from the Jobcentre Plus administrative system for paying JSA. They relate to all JSA claimants, including people who do not receive any benefit payment but who sign on for National Insurance credits only, to preserve their eligibility for state pension. Claimants must declare that they are out of work, capable of, available for and actively seeking work during the week in which their claim is made. They enter a jobseeker's agreement setting out the action they will take to find work and improve their prospects of finding employment.

Various analyses of the claimant count are available: by sex, by age, by duration of claims and by occupation. As the claimant count is an administrative count it is available at all geographical levels.

For local areas the main claimant count indicators are the count itself (by sex) and as the percentage of the working age population.

## Jobs Densities

Jobs density is the total number of filled jobs in an area divided by the resident population of working age in that area. The total number of jobs is a workplace-based measure of jobs and comprises employees, self-employment jobs, government-supported trainees and HM Forces.

The number of jobs in an area is composed of jobs done by residents (of any age) and jobs done by workers (of any age) who commute into the area. The working-age population comprises residents of working age who work in the area plus workers of working age who commute out of the area to work in other areas and those who are unemployed or economically inactive of working age.

The Components of jobs densities are:

### 1. Employee jobs

By far the largest component, employee jobs accounts for 87 per cent of the total number of jobs at a Great Britain level, although it varies between local authorities from just over 50 per cent to over 95 per cent. Estimates of employee jobs are from the Annual Business Inquiry (ABI). Data are for December of each year and are published a year later. Data are for December of each year.

### 2. Agricultural employees

Estimates are obtained separately from the Department for Environment, Food and Rural Affairs, the Scottish Executive (SE) and the National Assembly for Wales (NAW) from June Agricultural Censuses.

### 3. Self-employment jobs

The second largest component accounting for about 12 per cent of the Great Britain total although it can account for up to 30 per cent in individual local authorities. Self-employment data are from the annual local area LFS/APS. The LFS/APS is a household survey and thus estimates are subject to sampling variability. Information on the local authority of workplace (main and second job), rather than the local authority where the person lives, is available only from March 2000, and hence the time series for local area job densities goes back only to 2000

### 4 . Government-supported trainees

Data are provided by the Department for Education and Skills and the Department for Work and Pensions, SE and NAW as at 30 June of each year.

### 5. HM Forces

Accounts for less than 1 per cent of the Great Britain total, but in a few areas constitutes a significant part of the total number of jobs (e.g. Richmondshire, where a quarter of the jobs are HM Forces). Estimates of armed forces personnel are produced by the Ministry of Defence as at 1 July of each year. Adjustments are made for military personnel serving

overseas or whose location is unknown.

The above components are included in the estimate of total jobs. The denominator for the jobs density of an area comes from:

#### 6. Population estimates

Official mid-year population estimates, for persons of working age, produced by ONS, for England and Wales and the General Register Office for Scotland.

## **Model-Based Estimates of Unemployment**

For small areas, for example local authorities, even the annual LFS or APS has small samples. This means that estimates from the LFS/APS for these areas are likely to be less reliable than those for larger areas since the sampling variability is high. In particular, this will affect estimates of events which are not common.

An example of this is unemployment. A statistical model was developed to provide reliable unemployment estimates for all local authorities. The model is a multilevel model that uses annual LFS/APS data, by age and sex, but also uses counts of claimants of Jobseeker's Allowance (claimant count) to calculate the estimates. The claimant count is an administrative measure, and so is known accurately for all areas. Also it is highly correlated with unemployment. The model is said, therefore, to borrow strength from the claimant count. The model also includes a socio-economic area indicator and a 'random' area effect.

The model without the random area effect (the fixed-effects model) produces good estimates of unemployment, but for some larger areas, the direct survey estimates are more precise than the fixed-effects model-based estimates. The inclusion of the random effect produces estimates that are, in effect, weighted averages of the survey estimates and the fixed-effects model estimates, with the weights depending on the relative precision of the two estimates. The full model produces, therefore, a single best estimate for all areas.

APS data will be published quarterly (but with each publication covering a year's data). The model-based estimates, using APS data and claimant count data referring to the same period, will similarly be produced quarterly. The model-based estimates are not available for the present publication (which includes APS data for January to December 2004), but will be included, alongside the other labour supply indicators from the APS, in future updates. The next publication will include APS and model-based estimates referring to the period April 2004 to March 2005.