

Statistical bulletin

Workless households for regions across the UK: 2016

Provides annual information at a local level about households and the adults and children living in them, by their economic activity status. Differences within UK nations and regions are highlighted.



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1. Main points

- In 2016, the areas with the highest percentage of workless households were generally located outside the south of England.
- However, not all locations outside the south of England had high percentages of workless households; 8 of the 50 areas with the lowest in 2016 were in Scotland, Wales, the Midlands and the north of England.
- Hartlepool, North Ayrshire and Inverclyde were in the five areas with the highest percentage of workless households in both 2015 and 2016.
- Windsor and Maidenhead, and Bracknell Forest were in the five areas with the lowest percentage of workless households in both 2015 and 2016.

2. Things you need to know about this release

This bulletin provides statistics on the economic status of households in the UK at a regional and local level and the people living in them. The statistics are from the Annual Population Survey (APS), cover the period January to December 2016 and only include households where at least one person is aged 16 to 64 years old.

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

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

Apart from this exception, the most up-to-date analysis of the economic status of households at a national and regional level is available in the bulletin, <u>Working and workless households in the UK: Jan to Mar 2017</u>. These statistics come from the Labour Force Survey (LFS), cover the period January to March 2017, include data for earlier years and are consistent with the headline national figure.

Annual Population Survey (APS) re-weighting

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

All data included in this bulletin for 2012 to 2015 and in the accompanying datasets have been reweighted.

Main definitions

This statistical bulletin uses a number of main definitions.

Households: for the purposes of this bulletin, estimates only include those households where at least one person is aged 16 to 64 years.

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

Working households are households, as defined previously, and where all members aged 16 and over are <u>employed</u>.

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

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

Data source

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

This bulletin focuses on county and unitary authority level analysis alongside consistent aggregations within the APS to regions in England and countries within the UK. This bulletin also includes analysis and data about reasons for non-employment in workless households at a regional level.

How these data should be interpreted

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

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

Analysis of LFS household datasets was released in <u>Working and workless households in the UK: Jan to Mar 2017</u>, which uses household data from the LFS covering the period January to March 2017.

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

- the UK as a whole
- England, Scotland, Wales and Northern Ireland
- the regions of England (except for analysis of reasons for non-employment in workless households)

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

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

3. Workless households

In 2016, the areas with the highest percentage of workless households (those which include at least one person aged 16 to 64 years and where no-one aged 16 or over is in work) tended to be located outside the south of England (London, South East, South West, East of England). The 15 areas with the lowest percentage of workless households were all in the south of England and the 15 areas with the highest percentage of workless households were all outside the south of England.

As the Annual Passenger Survey (APS) is a sample survey, all estimates from it and, hence, all specific rankings and their year-on-year changes are subject to sampling variability. However, most of the areas with the highest and lowest percentages of workless households in 2016 had similar rankings in previous years. In particular, for all years from 2006 to 2016, Glasgow City and Liverpool were among the top 10 counties and unitary authorities and West Berkshire was among the bottom 10 when comparing the percentages of workless households. Rankings for 2006 to 2016 are included in Table E of the datasets.

Comparing the two latest periods, Hartlepool, North Ayrshire and Inverciyde were in the five areas with the highest percentage of workless households in both 2015 and 2016. Windsor and Maidenhead, and Bracknell Forest were in the five areas with the lowest percentage of workless households in both 2015 and 2016.

To help remove some of the sampling variability seen in these estimates, the average of the ranks for each of the counties and unitary authorities was calculated for the 5-year periods 2007 to 2011 and 2012 to 2016. These "average ranks" were then ranked to show which counties and unitary authorities consistently performed well or poorly. For this, we have considered a rank of one to be high as it indicates a high degree of worklessness.

Table 1 shows the 10 areas with the highest average rank of the percentage of workless households over the last 5 years (2012 to 2016) and the highest average rank of the percentage of workless households over the previous 5 years (2007 to 2011). Liverpool had the highest average rank in 2007 to 2011 and Hartlepool had the highest rank in 2012 to 2016, despite being just outside the top 10 in the previous 5-year period. Along with Liverpool, Middlesbrough, Glasgow City, Blaenau Gwent, Wolverhampton and Nottingham were also in the top 10 for both periods.

Table 1: Average rank of counties and unitary authorities with highest percentage of workless households, UK, 2007 to 2011 and 2012 to 2016

Rank 2007 to 2011		2012 to 2016	
1	Liverpool	Hartlepool	
2	Glasgow City	Glasgow City	
3	Blaenau Gwent	Liverpool	
4	Merthyr Tydfil	Wolverhampton	
5	Manchester	Middlesbrough	
6	Neath Port Talbot	Blaenau Gwent	
7	Middlesbrough	North Ayrshire	
8	Newham	West Dunbartonshire	
9	Wolverhampton	Nottingham	
10	Nottingham	Newcastle upon Tyne	

Source: Office for National Statistics

Table 2 shows the 10 areas with the lowest average rank of the percentage of workless households over the last 5 years (2012 to 2016) and the lowest average rank of the percentage of workless households over the previous 5 years (2007 to 2011). The area with the lowest average rank was different for each 5-year period: Wokingham was the lowest for 2007 to 2011 and Windsor and Maidenhead was the lowest for 2012 to 2016. Along with these two areas Bracknell Forest, Richmond upon Thames, Merton and West Berkshire were in the lowest 10 areas for both periods.

Table 2: Average rank of counties and unitary authorities with lowest percentage of workless households, UK, 2007 to 2011 and 2012 to 2016

Rank	2007 to 2011	2012 to 2016
1	Wokingham	Windsor and Maidenhead
2	West Berkshire	West Berkshire
3	Windsor and Maidenhead	Merton
4	Merton	Wokingham
5	Aberdeenshire	Buckinghamshire
6	Richmond upon Thames	Bracknell Forest
7	Bracknell Forest	South Gloucestershire
8	Oxfordshire	Richmond upon Thames
9	Surrey	Sutton
10	Hampshire	Hertfordshire

Source: Office for National Statistics

The effect of excluding student households

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

In these tables, most of the counties and unitary authority areas with the highest and lowest percentages of workless households in 2016 were the same as those when student households were included. In particular, four of the top five and all of the bottom five local authorities remained the same when student households were excluded. In most counties and unitary authority areas, the percentage of workless non-student households was slightly lower than the percentage of all households, reflecting the greater likelihood that student households were workless.

4. Working and mixed households

In 2016, the counties and unitary authority areas with high percentages of workless households were not necessarily those with low percentages of working households and vice versa. This was due to the uneven distribution of mixed households across Great Britain. For example, if an area has a high proportion of workless households, it could also have a relatively high percentage of working households if it had a lower-than-average proportion of mixed households.

A household can be mixed for a number of reasons. Some economic inactivity is a result of a personal decision such as taking early retirement or some instances of opting to look after home or family on a full-time basis, while other inactivity results from circumstances, such as sickness or disability.

The four areas with the lowest percentage of workless households in 2016 were in the South East, whereas none of the 75 areas with the lowest percentage of working households were in the South East. In 2016, Wolverhampton and Rochdale were the only areas that were in the bottom 10 for working households and top 10 for workless households.

Comparing 2011 to 2016, Birmingham, Brent, and Barking and Dagenham were the only areas whose percentage of working households was amongst the lowest 10 for both periods; whereas Bracknell Forest, Gloucestershire and Northamptonshire were the only areas whose percentage was amongst the highest 10 for both periods.

More than four out of five (86.7%) counties and local authorities saw an increase in the percentage of working households between 2011 and 2016. Bracknell Forest had the highest percentage of working households in 2016, whereas Aberdeenshire had the highest percentage in 2011. Of the areas that showed a decrease between 2011 and 2016, the majority (15 out of 24) saw decreases of less than 2.0 percentage points.

5. Children in workless households

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

As the data are from a sample survey, all estimates and, hence, all year-on-year changes are subject to sampling variability. This is especially true for subsets of the data such as children in workless households.

In more than four out of five counties and unitary authorities in Great Britain, the percentage of children in workless households was lower in 2016 than it was in 2011. In 34 of these areas, the 2016 figure was more than 10.0 percentage points lower, including in 13 London unitary authorities. No area had an increase above 8.0 percentage points.

At a regional level, the South East, South West and East of England had the lowest percentages of children in workless households in 2016, with all percentages below 10%. In contrast, Northern Ireland and the North East had the highest percentage of children in workless households at 17.6% and 15.4% respectively.

Between 2011 and 2016 only one region did not see a decrease in the percentage of children in workless households: Northern Ireland, which was unchanged at 17.6%. London had the largest decrease of 10.0 percentage points from 20.9% to 10.9%.

Table 3: Percentage of children in workless households, UK, 2011 and 2016

Area name		2011	2016
United Kingdom	K02000001	16.1	11.6
England	E92000001	16.0	11.2
North East	E12000001	21.5	15.4
North West	E12000002	18.9	13.3
Yorkshire and The Humber	E12000003	18.0	14.4
East Midlands	E12000004	15.9	11.7
West Midlands	E12000005	18.4	13.7
East	E12000006	12.3	9.1
London	E12000007	20.9	10.9
South East	E12000008	10.2	7.6
South West	E12000009	11.0	8.3
Wales	W92000004	18.7	13.9
Scotland	S92000003	13.9	12.5
Northern Ireland	N92000002	17.6	17.6

Source: Office for National Statistics

6. Reasons for worklessness in workless households

The larger sample size of the Annual Population Survey (APS), when compared with the LFS, allows for a national and regional analysis of the reasons why adults aged 16 to 64 years in workless households were not in employment. This analysis covers people aged 16 to 64 years where the household, as before, includes at least one person aged 16 to 64 years and has no-one aged 16 and over in work.

In 2016, as with every period covered in this release since 2006, the most common reason for worklessness in such households in the UK and in all regions and countries of the UK was sickness or disability. Northern Ireland had the highest percentage at 40.2%, more than 10 percentage points higher than the South East, which was the lowest at 26.3%.

London had the lowest percentage of people aged 16 to 64 years who were in workless households due to early retirement, at 9.2%, over three percentage points lower than the next lowest region, while the East of England and the South West had the highest percentage at 24.9% and 23.3% respectively.

7. Quality and methodology

The <u>Annual Population Survey (APS) Quality and Methodology Information</u> report contains important information on:

- the strengths and limitations of the data and how it compares with related data
- · uses and users of the data
- how the output was created
- the quality of the output including the accuracy of the data

Concepts and definitions

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

Sampling variability

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

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

Household datasets

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

Details of the policy governing the release of new data are available by visiting the UK Statistics Authority website.