



# Northern Ireland Labour Market Report

Theme: Labour Market Frequency: Monthly

Geographical Area: Northern Ireland

## **Key Points**

- The number of people on the NI claimant count (experimental) decreased over the month to 50,000 in July 2021. The experimental Claimant Count includes Jobseeker's Allowance Claimants and those claimants of Universal Credit who were claiming principally for the reason of being unemployed.
- During July 2021, 850 redundancies were proposed. Over the year from 1<sup>st</sup> August 2020 to 31<sup>st</sup> July 2021, 6,090 redundancies were proposed, a third less than in the previous 12 months (8,790). The department was notified of 250 confirmed redundancies in July, taking the annual total to 5,750. This total was 81% higher than last year.
- The number of employees receiving pay through HMRC PAYE in NI in July 2021 was 762,600, an increase of 1.1% over the month and 3.1% over the year. This is 1.3% above the pre-COVID total recorded in March 2020.
- Earnings from the HMRC PAYE indicated that NI employees had a median monthly pay of £1,887 in July 2021, an increase of 2.1% over the month and 8.5% over the year. The median monthly pay in July 2021 was 7.8% above the value in March 2020.
- The latest Labour Force Survey (LFS) estimates relate to April-June 2021 and indicate that, over the quarter, both the employment and unemployment rates increased, while the economic inactivity rate decreased.
- The NI unemployment rate (16+) increased over the quarter (0.4pps) and increased over the year (1.2pps) to 3.8% in April-June 2021. The NI unemployment rate was below the UK rate (4.7%). The annual change was statistically significant and likely to reflect real change.
- The proportion of people aged 16 to 64 in work (the employment rate) increased over the quarter (0.9pps) and was unchanged over the year at 71.1%. The latest employment rate recorded for the whole of the UK was 75.1%. Neither the quarterly nor annual changes were statistically significant.
- The NI economic inactivity rate (the proportion of people aged from 16 to 64 who were not working and not seeking or available to work) decreased over the quarter (-1.3pps) and over the year (-0.9pps) to 25.9%. The NI economic inactivity rate remained above the UK rate (21.1%). Neither the quarterly nor annual changes were statistically significant.
- The total number of weekly hours worked in NI was estimated at 27.5million, an increase of 4.8% on the previous quarter and 18.6% on the equivalent period last year.

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#### NATIONAL STATISTICS STATUS

National Statistics status means that our statistics meet the highest standards of trustworthiness, quality, and public value, and it is our responsibility to maintain compliance with these standards.



These statistics were designated as National Statistics in August 2010 following a full assessment of Labour Market Statistics for Northern Ireland against the Code of Practice for statistics. A compliance check in March 2020 recommended the continued designation of the report as a National Statistic. These statistics were considered as part of a wider assessment of the UK employment and jobs statistics.

Since the assessment by the UK Statistics Authority, we have continued to comply with the Code of Practice for Statistics, and have made the following improvements:

- Redesigned the Labour Market Report, providing more context to results by setting recent changes within context of longer term trends;
- Removed pre-release access to enhance trustworthiness, and brought forward the publication date as a result;
- Improved timeliness of <u>quarterly labour force survey tables</u>
   <sup>□</sup> (ranging from 1 week to 3 months) by incorporating quarterly tables in the main Labour Market Report Publication
- Improved quality of the LFS data by boosting the sample size and improving precision around headline estimates (Please note since the COVID-19 pandemic sample sizes have decreased due to difficulty of collecting survey information from households)
- Reviewed and updated quality protocols for release for LFS data
- Improved accessibility of labour market statistics by <u>changing the release dates of</u> <u>statistics to avoid public holidays</u> and amended the format and structure of reports in line with accessibility regulations.
- Temporarily changed timing of release in line with change in ONS release practices in response to COVID-19.
- Included additional administrative sources of labour market data to provide a fuller picture of the labour market

## 1. Summary of Labour Market Statistics

**Updated August 2021** 

## Change over quarter

Seasonally adjusted LFS estimates for Northern Ireland for the period April-June 2021 showed that, over the quarter:

the unemployment rate increased by 0.4pps to 3.8%
the employment rate increased by 0.9pps to 71.1%

• the economic inactivity rate decreased by 1.3pps to 25.9%

Not statistically significant Not statistically significant Not statistically significant

The seasonally adjusted experimental claimant count (Jobseeker's Allowance Claimants and those claimants of Universal Credit who were claiming principally for the reason of being unemployed) showed that in July 2021, there was:

• a decrease of 1.5% (800) over the month to 50,000.

Experimental statistics from HMRC PAYE indicated that in July 2021:

- 762,600 people were payrolled employees, an increase of 1.1% from the previous month; and
- median monthly pay for employees in NI was £1,887, an increase of 2.1% (£39) over the month.

#### During July 2021 there were:

• 250 confirmed redundancies notified to the Department, a decrease from the previous month (300), and 850 redundancies proposed.

Table 1: Labour Market Summary	Time Period	Estimate (95% Confidence interval)	Change over quarter (95% Confidence interval)	Change over year (95% Confidence interval)
Unemployment <sup>1</sup>	Apr-Jun 2021	34,000 (+/-7,000)	4,000 (+/-7,000)	11,000 (+/-9,000)
Employment <sup>2</sup>	Apr-Jun 2021	855,000 (+/-22,000)	10,000 (+/-20,000)	-5,000 (+/-30,000)
Economically inactive <sup>2</sup>	Apr-Jun 2021	585,000 (+/-21,000)	-14,000 (+/-20,000)	-6,000 (+/-29,000)
Unemployment rate <sup>1</sup>	Apr-Jun 2021	3.8% (+/-1.0pps)	0.4pps (+/-0.8pps)	1.2pps (+/-1.0pps)
Employment rate <sup>2</sup>	Apr-Jun 2021	71.1% (+/-1.8pps)	0.9pps (+/-1.6pps)	0.0pps (+/-2.4pps)
Economic inactivity rate <sup>2</sup>	Apr-Jun 2021	25.9% (+/-1.7pps)	-1.3pps (+/-1.6pps)	-0.9pps (+/-2.4pps)
		Estimate	Change over month	Change over year
Experimental Claimant Count <sup>3</sup>	July 2021	50,000	-800	-10,900
Redundancies <sup>4</sup> - Confirmed	July 2021	250	-50	-430
Redundancies <sup>4</sup> - Proposed	July 2021	850	360	-1,090
Payrolled Employees <sup>5</sup>	July 2021	762,600	7,900	23,100
Median Monthly pay <sup>6</sup>	July 2021	£1,887	£39	£148

Download Table 1 data

LFS data are seasonally adjusted. More information on confidence intervals is available on the <u>background Information page</u> in the Estimating and reporting uncertainty paper.

<sup>&</sup>lt;sup>1</sup>People aged 16 and over. Unemployment rate = total unemployed as a proportion of the economically active.

<sup>&</sup>lt;sup>2</sup> Levels for all persons aged 16 and over, rates for working age (16-64).

<sup>&</sup>lt;sup>3</sup> The number of claimants on 8<sup>th</sup> July, seasonally adjusted, and rounded to nearest 100.

<sup>&</sup>lt;sup>4</sup> Redundancies in the calendar month, not seasonally adjusted, and rounded to 10.

<sup>&</sup>lt;sup>5</sup> HMRC Pay-As-You-Earn Real Time Information, rounded to 100 and seasonally adjusted.

<sup>&</sup>lt;sup>6</sup> HMRC Pay-As-You-Earn Real Time Information, seasonally adjusted.

<sup>\*</sup> Redundancy estimates with less than three business returns are suppressed.

#### NI Labour Market Structure: Change over year

Seasonally adjusted LFS estimates for Northern Ireland for the period April-June 2021 showed that over the year:

- the unemployment rate increased by 1.2pps to 3.8%
- the employment rate was unchanged at 71.1%
- the economic inactivity rate decreased by 0.9pps to 25.9%

Statistically significant Not statistically significant Not statistically significant

The seasonally adjusted experimental claimant count showed that in July 2021, there was:

• a decrease of 18.0% (10,900) over the year to 50,000.

Experimental statistics from HMRC PAYE indicated that, in July 2021:

- 762,600 people were payrolled employees, an increase of 3.1% from July 2020; and
- median monthly pay for employees in NI was £1,887, an increase of 8.5% (£148) from the same period one year earlier.

Over the latest twelve-month period there were:

- 5,750 confirmed redundancies, which was an increase of 81% from the previous year (3,180)
- 6,090 redundancies were proposed, a decrease of 31% from the previous year (8,790).

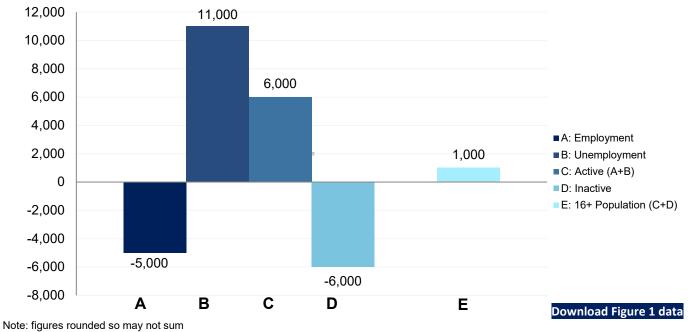


Figure 1: NI labour market structure (16+): change over year

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## **UK** summary

Seasonally adjusted LFS estimates for the UK for the period April-June 2021 showed:

- the unemployment rate (4.7%) decreased by 0.2pps over the quarter and increased by 0.6pps over the year;
- the employment rate (75.1%) increased by 0.3pps over the quarter and decreased by 0.7pps over the year; and
- the economic inactivity rate (21.1%) decreased by 0.2pps over the quarter and increased by 0.2pps over the year.

#### Commentary

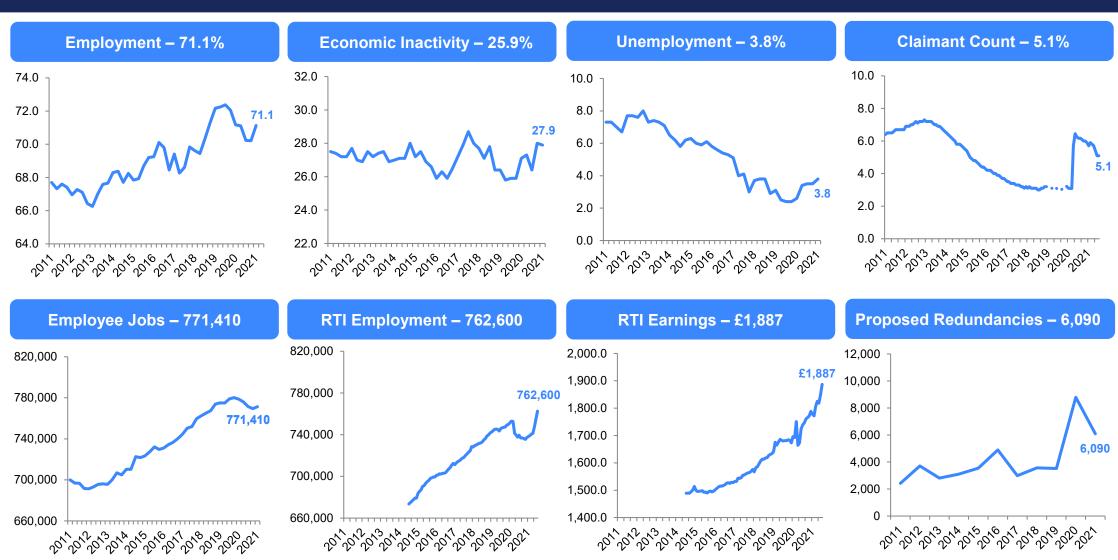
The number of payrolled employees remain above pre-pandemic levels for the second consecutive month. However, the number of collective redundancy proposals has shown increases in June and July.

The HMRC payroll data is the most timely and best single, overall indicator of the labour market. The latest data show that, the number of employees has increased for eight consecutive months, with an increase of 2.9% (21,400 employees) in the last three months alone. Employee numbers are now at their highest level on record and are 1.3% above those recorded in March 2020 pre-COVID. This is the second consecutive month that employee numbers have been above pre-COVID levels. Provisional HMRC data show the Coronavirus Job Retention Scheme supported approximately 44,000 jobs at the end of June (equivalent to a take-up rate of 6%). This continues the downward trend from approximately 117,000 supported jobs during January.

The Labour Force Survey shows the total number of hours worked (April-June 2021) has increased by 19% over the year, reflecting the lower number of employed people who are temporarily away from work or working zero hours compared to one year earlier. The total number of hours worked in April-June remains 6% below the pre-pandemic level in October-December 2019, the employment rate (71.1%) remains 1.2pps below the pre-pandemic rate, while the economic inactivity (25.9%) and unemployment (3.8%) rates are 0.1pps and 1.5pps above respectively.

Following low levels of redundancies at the beginning of 2021, the number of proposed collective redundancies has increased from 150 in May to 490 in June and 850 in July. These levels of proposed redundancies remain below the 2020 average of 920 redundancies per month.

## **Labour Market Statistics**



Labour Force Survey, April-June 2021, seasonally adjusted and subject to future revisions. Quarterly Employment Survey, March 2021, seasonally adjusted and subject to future revisions. Redundancies, Claimant Count and PAYE Real Time Information, July 2021



#### Things users need to know

Today's release contains updated labour market indicators derived from household surveys, and administrative data sources. Although the broad concepts are similar across sources, differences in reference periods, definitions and methodology exist which impact the interpretation of the statistics. Of particular note is the 'location' of the furloughed in the estimates. Those furloughed under the <a href="Coronavirus Job Retention Scheme (CJRS">Coronavirus Job Retention Scheme (CJRS)</a> or receiving a grant through the Self Employment Income Support Scheme (SEISS) are likely\* to be included in the Labour Force Survey (LFS) estimates of employment and not within the LFS unemployment estimates. (\*As labour market status is self-defined by respondents in the survey). Similarly, employees on the CJRS are included in the HMRC count of employees paid through payroll, and the Quarterly Employment Survey (QES) estimate of employee jobs. In contrast, a proportion of those receiving grants through CJRS and SEISS may be accessing Universal Credit unemployment benefits as a 'top-up' payment, and are included in the experimental Claimant Count. More information is available in the <a href="comparison of labour market data sources">comparison of labour market data sources</a> article by ONS.

The LFS response rate for April-June 2021 was 19%. NISRA suspended all face-to-face household interviews in the middle of March 2020 due to COVID-19 and from April 2020 onwards all LFS interviews have been conducted by telephone. This has reduced the achieved sample size when compared to prepandemic levels; however the achieved sample size (16+) for April-June 2021 is 5% higher than April-June 2020. The reduction in achieved sample size, when compared with pre-pandemic levels, has affected the precision of the estimates. For example the employment rate 95% confidence interval has increased by +/-0.2pps when compared with January-March 2020.

COVID-19 has resulted in a decrease in coverage response rate in QES Q1 2021 when compared to 2019, primarily due to the restrictions in place for businesses. The coverage response rate for Q1 2021 (66%) was lower than the median coverage response rate for 2019 (77%) but higher than the 2020 median coverage response rate (64%). As a result, employee jobs estimates for 2020/21 are likely to be subject to higher revisions than normal over the coming quarters. These can be tracked through the revisions triangle. Comparisons of provisional employee jobs estimates at lower industry levels in particular (e.g. 2 digit Standard Industrial Classification level), should be treated with caution.

ONS recommend HMRC payroll data as the best single indicator of the labour market. Experimental statistics from HMRC Pay-As-You-Earn (PAYE) system are included and show the number of employees paid through PAYE and a measure of employee earnings. Flash estimates for June are included that are based on 85% of data and subject to revision in next month's release.

#### **Base effects**

Users should note that many of the annual changes in the report are based on a comparison of current data against data relating to the first month or quarter of the pandemic. Where possible a comparison with one year ago as well as a comparison against the pre-pandemic value is provided for context.

## **Labour Market Statistics User Group**

The next Labour Market Statistics User Group will take place on 30<sup>th</sup> September 2021. To register for this event, please follow this link: <u>Labour Market Statistics User Group Meeting 2021 Invitation</u>

The presentation from the Labour Market Statistics User Group 2020 is available from the <u>Labour Market Statistics user engagement page</u> on the NISRA website.

In response to feedback from last year's event, a <u>Labour Market Statistics Newsletter</u> was published in June providing a summary of recent developments and upcoming plans.

#### Context

The LMR is a monthly overview of key labour market statistics for NI. It includes figures from the Labour Force Survey (LFS), the Quarterly Employment Survey, claimant count, redundancies counts, and HMRC PAYE statistics. More information about the data sources can be found in Section 5. Where available, we have included equivalent UK data (produced by the ONS) as a comparison.

A Labour Market Outputs consultation in summer 2019 (<u>Labour Market Statistics User Engagement page</u>) showed labour market statistics are used for policy monitoring and research, academic and private sector research, service planning and delivery.

Government Departments are key users of labour market statistics. The Labour Force Survey is used to calculate 7 of the 49 draft 2016 – 2021 Programme for Government Indicators, helping to measure progress towards three high level outcomes – We prosper through a strong competitive regionally balanced economy; We have a more equal society; We have more people working in better jobs. The Labour Force Survey is also used to provide baselines for DfE's draft Industrial Strategy, OECD Skills Strategy for NI, and DfC's Enabling Success Strategy. Other Government departments such as the Executive Office, the Department of Finance (DoF) and the Department of Agriculture, Environment and Rural Affairs (DAERA), as well as bodies such as Invest NI and Belfast City Council, regularly require specific user requested labour market analysis in order to monitor policies for example, equality and employment. Significant non-governmental users of labour market statistics (including the media, banks, academics, private consultants, and the general public) use the data primarily for reporting or researching the performance of the economy. Labour market statistics attract widespread media coverage, with a number of broadcasters publishing articles on the labour market on a monthly basis, generally on the day of publication of the LMR.

Ad-hoc data requests related to the labour market impacts of coronavirus and associated schemes are added to the COVID-19 related analysis page.

For more on how COVID-19 has affected the production of statistics please see the COVID-19 and the production of statistics section on the NISRA website and an ONS Statement on <a href="mailto:ensuring the best possible">ensuring the best possible</a> information during COVID-19 through safe data collection page.

<u>DfE Economic Commentary page</u> provides an overview of the state of the Northern Ireland economy including the labour market, in context with the UK and Republic of Ireland and the most up-to-date official statistics on the economy and labour market are available on the <u>Economic Overview page</u> of the NISRA website.

Further information on using labour market statistics can be found on the Office for National Statistics (ONS) website:

- Employment and labour market page
- Guide to Labour Market Statistics page
- Glossary page<sup>®</sup>

## 2 Unemployment

**Updated August 2021** 

#### **Labour Force Survey**

The Labour Force Survey (LFS) is a household sample survey carried out by interviewing individuals about their personal circumstances and work. It provides a rich source of information on the labour force using internationally agreed definitions. Estimates are subject to sampling error (see section 5 and the Estimating and Reporting Uncertainty paper on the background information page for details).

**LFS unemployment:** The International Labour Organisation (ILO) defines unemployed as those aged 16+ without a job who were able to start work in the two weeks following their LFS interview and had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained.

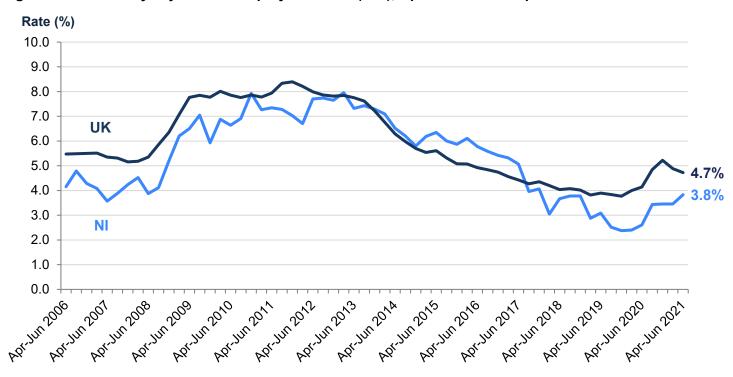
Long-Term Unemployment: those who have been unemployed for 12 months or more.

Youth Unemployment: unemployed people aged 16-24 years.

#### **Key Findings**

- LFS unemployment rate for April-June 2021 in NI increased over the quarter and increased over the year to 3.8%
- The UK unemployment rate is estimated at 4.7%

Figure 2: Seasonally adjusted unemployment rate (16+), Apr-Jun 2006 to Apr-Jun 2021



Download Figure 2 data

Figure 2 shows unemployment rates on the current 3-month rolling average for NI and the UK over the last 15 years. The unemployment rate in the UK reached over 8% in late-2011, while the NI rate reached 8% in early-2013. The NI rate has been below the UK rate since mid-2017. The UK unemployment rate is 0.6 percentage points (pps) higher than one year ago and the NI unemployment rate is 1.2pps higher than one year ago. The NI unemployment rate is 1.5pps higher than the series-low recorded in October-December 2019 (2.4%).

#### LFS unemployment

The unemployment rate (16+) for the period April-June 2021 was estimated at 3.8%. This was:

- an increase of 0.4pps over the quarter and an increase of 1.2pps over the year;
- the male (16+) unemployment rate (4.8%) increased by 2.1pps over the year; and
- the female (16+) unemployment rate (2.8%) increased by 0.4pps over the year.

The number of unemployed people aged 16+ was estimated at 34,000, which was:

- up 4,000 from last quarter; and
- up 11,000 from the same period last year.

## UK regional and international LFS comparisons

The most recent NI unemployment rate (3.8%) was:

- below the overall UK average rate (4.7%); and
- the second-lowest rate among the twelve UK regions.

## Long-term and youth unemployment\*

In April-June 2021, the percentage of unemployed who have been unemployed for 1 year or more (long-term) was 33.8% in NI. The youth (16-24) unemployment rate was 12.0%.

\*Please note that estimate for youth unemployment for Northern Ireland is based on a smaller sample size than the overall unemployment estimate. This may result in less precise estimate which you should treat as indicative, in particular when comparing with other regions or over time.

Further information is available on the NISRA - Economic and Labour Market Statistics website: Labour Force Survey page

### Comparison between LFS Unemployment and the Experimental Claimant Count

LFS is a sample survey conducted to International Labour Organisation (ILO) definitions. It provides the official unemployment measure in NI with a time lag of six weeks between the end of data collection and publication of estimates. The experimental claimant count is a measure of the number of people claiming benefits principally for the reason of being unemployed and is derived from Jobs and Benefits Offices systems. Statistics derived from it are influenced by changes to the benefit system, such as the introduction of Universal Credit. It is a timelier labour market indicator than measures produced from the LFS, with estimates published one month after the claimant count date.

There is a similar overall trend between LFS unemployment and the claimant count for most of the twenty year period from 2000 – 2020. Recent figures, however, show a clear divergence and highlight the difference in methodology and definitions between the two measures. One important difference contributing to the divergence since April 2020 is that those furloughed under the Coronavirus Job Retention Scheme and not working would be included within the LFS employment estimates as 'temporarily away from work', and not the LFS unemployed estimates. In contrast, those who are furloughed could potentially be included within the Universal Credit 'searching for work' conditionality and therefore be counted within the experimental claimant count.

A fuller user guide setting out the differences between the experimental claimant count and the LFS unemployment is available from the <u>differences between the ILO unemployment and claimant count page</u> on the NISRA website.

#### Claimant count (experimental)

The claimant count is an administrative data source derived from Jobs and Benefits Offices systems, which records the number of people claiming unemployment-related benefits.

Claimant count (experimental): consists of all people claiming Jobseeker's Allowance (JSA) <u>plus</u> those Universal Credit (UC) claimants who were claiming principally for the reason of being unemployed. Some claimants are wholly unemployed and seeking work, while others may be employed but with low earnings that make them eligible for unemployment related benefit support. The most recent reference date was 8<sup>th</sup> July.

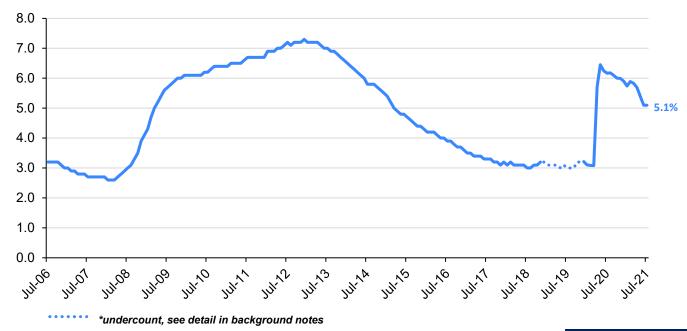
**Universal Credit:** Universal Credit was rolled out in NI for new claims of six benefits, including income-based JSA, on a phased geographical basis between September 2017 and December 2018.

**Percentage of workforce:** the number of claimants as a percentage of workforce jobs plus claimants. Workforce jobs are the sum of employee jobs, self-employment jobs, HM Forces, and government-supported trainees. This measure is only available at the NI level.

## **Key Findings**

- NI claimant count (experimental) decreased by 800 over the month to 50,000.
- In July 2021, 5.1% of the NI workforce were recorded on the claimant count.

Figure 3: Seasonally adjusted claimant count (experimental) monthly rates, July 2006 – July 2021



Download Figure 3 data

In March 2018, the NI claimant count measure changed from one based solely on Jobseekers Allowance (JSA) to an experimental measure based on JSA claimants and Universal Credit (UC) claimants who were claiming principally for the reason of being unemployed. Those claiming unemployment-related benefits (either UC or JSA) may be wholly unemployed and seeking work, or may be employed but with low income and/or low hours, that make them eligible for unemployment-related benefit support. Under UC a broader span of claimants became eligible for unemployment-related benefit than under the previous benefit regime.

The increases in claimant count between March 2020 and May 2020 can largely be attributed to the increase in the numbers of people becoming unemployed or having their hours reduced, resulting in very low earnings below the administrative earnings threshold. There may be some persons, previously not eligible for UC due to partner earnings, but now eligible because of work allowance increases who would now be included within the count. Estimates to identify the extent to which each group has contributed to the increase in claimant count are not available for NI.

In July 2021, 50,000 people were recorded on the NI Claimant Count. This is 22% less than the recent peak in May 2020; and 64% more than the pre-pandemic count in March 2020.

#### Claimant count (experimental) unemployment

The NI seasonally adjusted claimant count was 50,000 (5.1% of the workforce) in July 2021, representing:

- a decrease of 1.5% over the month (the fifth consecutive monthly decrease)
- a decrease of 1.4% in males and 1.7% in females
- a decrease of 0.1pps in the claimant count rate over the month
- a decrease of 10,900 (18.0%) over the year, and
- an increase of 19,600 (64%) since March 2020

The UK seasonally adjusted claimant count decreased by 0.3% over the month to 2,293,000 (5.7%).

Annual and monthly claimant count data are available on the NINIS website in the form of interactive maps for <a href="Parliamentary Constituency">Parliamentary Constituency</a>, <a href="Council Area">Council Area</a> and <a href="Super Output Area">Super Output Area</a>.

Further details on the experimental claimant count are available on the NISRA - Economic and Labour Market Statistics website: Claimant Count

#### Redundancies

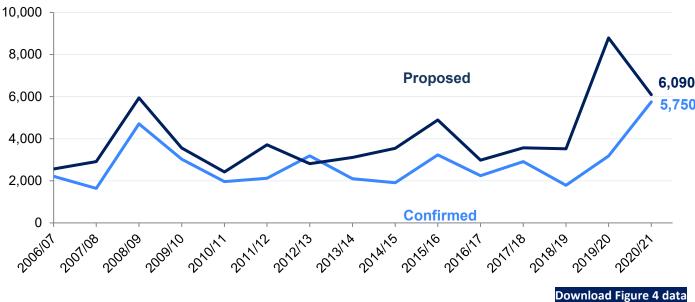
Under the Employment Rights (Northern Ireland) Order 1996 (Amended 8 October 2006) companies are only legally required to notify the Department of impending redundancies of 20 or more employees. Companies who propose less than 20 redundancies are not required to notify the Department, therefore the figures provided are likely to be an underestimate of total job losses, however, it is not possible to quantify the extent of the shortfall. Further information can be found in the Redundancies Background Quality Report. To prevent potential identification of individual businesses, redundancy totals relating to fewer than 3 businesses are not disclosed. Please see the Redundancy Data Statistical Disclosure Control Policy for further information.

**Redundancies:** Subject to the criteria mentioned above, employers must notify the Department of (a) redundancies proposed and (b) redundancies confirmed. Since all proposed redundancies do not actually take place, the confirmed total provides a better indication of real job losses.

## **Key Findings**

- 250 redundancies were confirmed in July 2021, taking the annual total to 5,750
- 850 redundancies were proposed in July 2021, taking the annual total to 6,090

Figure 4: Confirmed and proposed redundancies – Annual totals, Aug-Jul 2007 to Aug-Jul 2021



Redundancy notification data shows a high degree of correlation between proposed and confirmed redundancies when grouped by year. On a monthly basis the correlation is lower as there is a time lag between proposing and making redundancies (see Figure 5). The graph above shows that, generally the number of proposed redundancies is higher than confirmed redundancies indicating that not all proposed redundancies take place.

Over the most recent twelve-month period, 6,090 redundancies were proposed and 5,750 were confirmed. The highest rolling twelve-month totals since 2000 were 11,000 proposed redundancies between January and December 2020 and 7,120 confirmed between January and December 2000.

#### Confirmed redundancies

Employers are required by law to notify the Department of proposals to make 20 to 99 redundancies at least 30 days before the first dismissal, and, for 100 or more redundancies, 90 days before the first dismissal. This results in a time lag of at least a month between the redundancies being proposed and then being confirmed.

During July 2021, the Department was notified of:

• 250 confirmed redundancies, a decrease of 18% compared with last month (300).

Over the latest twelve month period there were:

- 5,750 confirmed redundancies, which was 81% higher than the previous year (3,180)
- 2,470 (or 43% of all confirmed redundancies) confirmed in manufacturing
- 1,330 (23%) in the wholesale and retail trade and
- a further 360 (6%) in transportation and storage.

#### **Proposed redundancies**

It should be noted that since not all proposed redundancies actually take place, the confirmed total provides a better indication of real job losses.

Recent data show there were:

850 proposed redundancies in July, an increase of 73% compared to the previous month (490).

Over the last twelve months to the end of July 2021 there were:

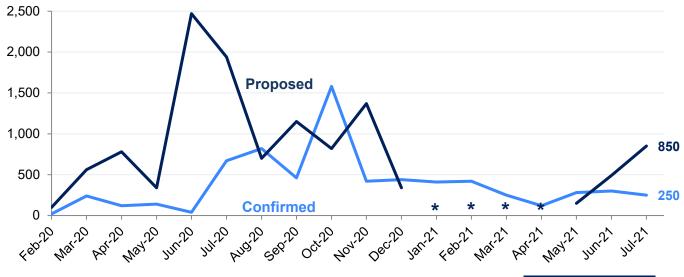
- 6,090 proposed redundancies, which was 31% lower than the previous year (8,790)
- 1,570 (26% of all proposed redundancies) proposed in manufacturing
- 1,560 (26%) in the wholesale and retail trade.

Figure 5 charts monthly proposed and confirmed redundancies over the last 18 months. The graph shows the lag between proposed redundancies and the confirmation of the redundancies, which is not apparent when plotted on an annual basis (as in Figure 4).

Of note are the proposed redundancies in June and July 2020; the highest consecutive monthly total of proposed redundancies on record at over 4,410. The number of proposed redundancies between August and November remained high, an average of around 1,000 per month, then dropped from December onwards. The number of redundancy proposals has increased from 150 in May to 490 in June and 850 in July.

The large number of proposed redundancies began to translate into confirmed redundancies from July and peaked in October. The October total (1,580) was the highest number on record, falling to 420 in November. Confirmed redundancies have been on a downward trend since then, with 250 recorded in the most recent month.

Figure 5: Confirmed and proposed redundancies - Monthly totals, February 2020 to July 2021



<sup>\*</sup> Cells with less than three business returns are suppressed from August 2020

Download Figure 5 data

Further information is available on the NISRA - Economic and Labour Market Statistics website: Redundancies

## 3 Employment

## LFS employment

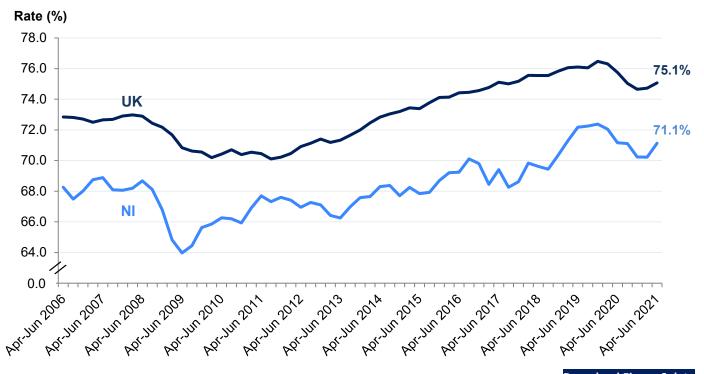
**LFS employed:** people aged 16 or over who did at least one hour of paid work in the reference week (whether as an employee or self-employed); those who had a paid job that they were temporarily away from; those on government-supported training and employee programmes and those doing unpaid family work.

**Note:** For analysis purposes, numbers refer to people aged 16 and over while rates relate to people aged between 16 and 64 years.

### **Key Findings**

- The employment rate increased over the quarter and was unchanged over the year at 71.1%
- Total weekly hours worked was estimated at 27.5 million hours per week for the period April-June 2021. This was 4.3 million hours (18.6%) higher than the same period last year. Hours worked figures are not adjusted for seasonality.

Figure 6: Seasonally adjusted employment rate (16-64), Apr-Jun 2006 to Apr-Jun 2021



Download Figure 6 data

Figure 6 shows that, over the last 15 years, the NI employment rate has been consistently below the UK rate. Although showing a similar trend, the fall in the employment rate in NI between 2008 and 2009 (decrease of 5.4 percentage points) was steeper than the fall in the UK rate. The most recent NI employment rate for those aged 16-64 for the period April-June 2021 was estimated at 71.1% and was unchanged over the year. The UK employment rate for those aged 16-64 for the same period was 75.1%, a decrease of 0.7pps over the year.

Although the NI employment rate is unchanged over the year, the male NI employment rate decreased and the female NI employment rate increased over the year by approximately 4 percentage points. In the UK the male employment rate decreased over the year while the female employment rate increased marginally.

#### **Employment rate (16-64 years)**

The most recent NI employment rate for those aged 16-64 for the period April-June 2021 was estimated at 71.1%. This was:

- an increase of 0.9pps over the quarter and
- unchanged over the year.

Annual changes by sex included:

- the male (16-64) employment rate (71.8%) decreased by 4.0pps over the year and
- the female (16-64) employment rate (70.5%) increased by 3.9pps over the year.

#### **UK Regional comparison**

The employment rate in NI (71.1%) was:

- 3.9pps below the UK average (75.1%) and
- the lowest rate among the twelve UK regions.

Please note that the following estimates are not adjusted for seasonality and as such differ marginally from the seasonally adjusted estimates above.

## **Employment by Age**

Although the overall level of employment was unchanged over the year, this was not replicated for all age bands. There was a notable decrease in the number of 16-24 year olds in employment; however this was counter-acted by an increase in the number in employment in other age bands. The April-June 2021 unadjusted results show:

- the youth employment (16-24 years) rate fell by 8.7pps over the year;
- an increase in the employment rate for 25-34 year olds (+4.6pps); and
- a smaller increase in the employment rate for 35-49 year olds (+2.1pps).

#### Worked fewer hours

Of the 855,000 aged 16+ in employment, 202,000 (24%) indicated they had worked fewer hours than usual (including those who were temporarily away from work) in the reference week.

For more information on how the coronavirus pandemic and decreased working hours are linked please see the Employment and hours worked page.

#### **Total weekly hours**

The total number of weekly hours worked in Northern Ireland was estimated at 27.5 million hours, this was:

- an increase of 4.8% on the previous quarter (January-March 2021)
- an increase of 4.3 million hours, or 18.6% from the same period last year (April-June 2020)

Figure 7: Total weekly hours worked (16+), Apr-Jun 2006 to Apr-Jun 2021

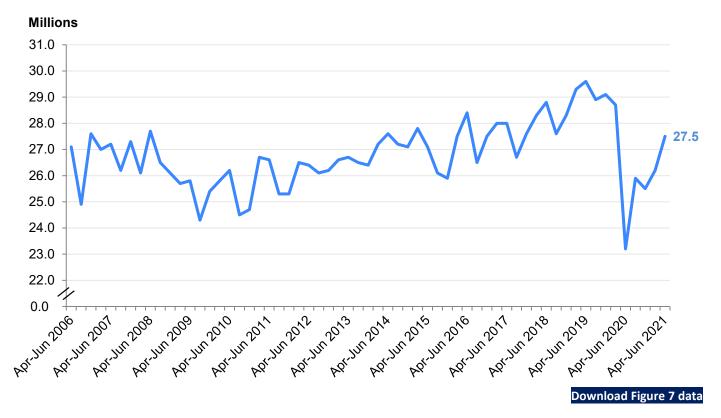


Figure 7 shows that, like many labour market indicators, total weekly hours worked shows a seasonal pattern. Outside of these seasonal variations a trend of increasing weekly hours worked can be seen between 2009 and 2020.

The total number of hours worked in April-June 2021 increased by 4.8% from the previous quarter and is 18.6% higher than the series low point one year previous. At 27.5 million hours, the total number of weekly hours worked remains 5.6% below the pre-pandemic level of 29.1 million hours (October-December 2019).

#### **HMRC PAYE Real Time Information**

## Experimental payrolled employee counts from HMRC PAYE Real Time Information System

HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) system is the system employers use to take Income Tax and National Insurance contributions before they pay wages to employees. These data relate to employees paid by employers only, and do not include those who are self-employed. Data are based on where employees live and not the location of their place of work within the UK. Data are seasonally adjusted but not adjusted for inflation. As employees who are "furloughed" as part of the Coronavirus Job Retention Scheme programme should still have their payments reported through this system, they should feature in these data.

The data are classed as Experimental Statistics as the methodologies used to produce the statistics are still in their development phase. Early estimates (flash estimates) for July 2021 are based on around 85% of information and may be subject to revision in next month's release when between 98% and 99% of data will be available. Revision triangle is available **here**.

## **Key Findings**

- The number of payrolled employees in NI in July was 1.1% higher than June 2021 and 3.1% higher than July 2020
- Employee numbers were above pre-COVID levels for the second consecutive month
- In the UK, the number of employees increased by 0.6% over the month and by 2.0% over the year to July

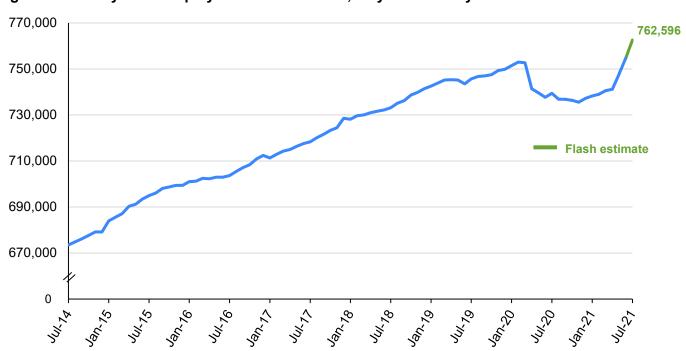


Figure 8: Payrolled employees from PAYE RTI, July 2014 to July 2021

Download Figure 8 data

Between 2014 and 2020 the number of payrolled employees had generally been increasing each month. Prior to COVID, payrolled employees peaked at around 753,000 in February and March 2020. This was followed by a sharp decrease of 11,300 employees (1.5%) to April 2020. Employee numbers remained around that level until April 2021.

Since April 2021 there has been a sharp increase in the number of payrolled employees and the July total is now 2.9% above the level in April. This is the highest on record and the second consecutive month that employee counts have been above pre-COVID levels.

Data from the latest HMRC PAYE RTI show that:

- 762,600 people were payrolled employees in July 2021, a 1.1% increase from the previous month and 3.1% from July 2020.
- In the UK, there were 28,860,400 payrolled employees at July 2021, an increase of 0.6% over the month and 2.0% over the year.
- All regions of the UK saw an increase over the year to July 2021, with Northern Ireland and Wales recording the joint largest increase (3.1%) and London recording the smallest increase (0.6%).
- Between March 2020 and July 2021, seven of the regions of the UK recorded a decrease, whilst five recorded an increase in payrolled employees (a decrease of 0.6% overall), with NI recording the largest increase (1.3%).

## Comparison between LFS Employment and the number of paid employees from HMRC PAYE RTI

The LFS and HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) RTI measure different things. The LFS follows the International Labour Organization (ILO) definition of employment (anyone aged 16 years and over in paid work and those who had a job that they were temporarily away from in the reference week). This is the official measure of employment in NI but also has a time lag of six weeks between the end of data collection and the publication of estimates. LFS includes unpaid family workers who were employed but not paid, those earning below PAYE threshold and the self-employed but excludes those aged under 16 years, those in communal establishments, temporary foreign workers and employees doing certain types of seasonal work.

RTI measures the number of people who are being paid through the PAYE system via company payrolls and therefore the whole population of employees rather than a sample and not the self-employed. While those receiving pay through the PAYE scheme will include those under 16, people in communal establishments and some foreign residents it excludes those in the undeclared economy whose income is not reported via PAYE, the self-employed and those members of PAYE schemes where no employee earns above the Lower Earning Limit for National Insurance or has another job. The data are also classed as Experimental Statistics as the methodologies used to produce the statistics are still in their development phase. As a result, the series are subject to revisions. Early estimates (flash estimates) with a two week time lag are based on around 85% of information and are subject to larger revisions in the following release, when between 98% to 99% of data are available.

A <u>blog published by ONS</u>, helps to explain the differences between LFS and HMRC payroll estimates and recommends HMRC payroll data as the most timely and best single, overall indicator of the labour market.

#### **Experimental Median monthly earnings from HMRC PAYE Real Time Information System**

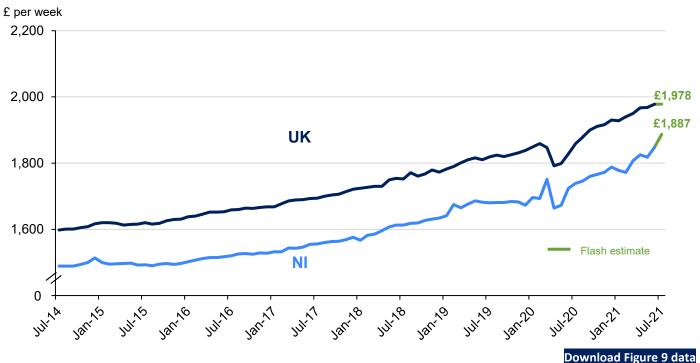
**Median** measures the amount earned by the average employee, i.e. the level of earnings at which half the population are above and half the population are below.

**Note:** The percentage change of the median has been calculated using rounded figures.

## **Key Findings**

- Median monthly pay increased by 2.1% (£39) over the month to July to £1,887 and was 8.5% (£148) higher than the same period last year.
- UK median monthly pay remained constant over the month to July at £1,978 and increased by 6.4% (£119) over the year.

Figure 9: Median Monthly Pay from PAYE RTI, July 2014 to July 2021



Median employee pay in NI and UK was generally on an increasing trend between mid-2015 and early 2020. A sharp increase in median pay of 3.4% was seen between February and March 2020 in NI, followed by a decrease of 5.0% in NI and 3.0% in the UK between March and April 2020. This coincided with decreases in the number of paid employees between March and April.

From April 2020, median employee pay has shown an upward trend and the most recent data shows the largest single monthly increase in the last 12 months. Median employee pay in NI is now 7.8% higher than the pre-pandemic level in March 2020.

Data from the latest HMRC PAYE RTI show that:

- NI had a median monthly pay of £1,887 in July 2021, which was an increase of 2.1% on the previous month and 8.5% from July 2020
- UK had a median monthly pay of £1,978 in July 2021, no change from the previous month and an increase of 6.4% from July 2020
- NI had the largest monthly increase of the 12 UK regions and median earnings are now the fifth highest in the UK. London has the highest (£2,411) and Yorkshire and the Humber the lowest (£1.826)
- Since March 2020, earnings in NI have increased by 7.8%, similar to the 7.1% increase seen in the UK.

Further information on UK monthly pay, UK pay distribution, methodology, data source, collection, and coverage of PAYE RTI data can be found on the Earnings and employment from PAYE page

## **Quarterly Employment Survey (QES)**

Employee jobs estimates are calculated from the Quarterly Employment Survey (QES) aspect of the Quarterly Business Survey (QBS). The QES has a sample size of approximately 6,000 companies that are asked to provide employment data for each of their business activities. The survey date for Quarter 1 was 1<sup>st</sup> March 2021 for Northern Ireland. Those who are furloughed under the Coronavirus Job Retention Scheme (CJRS) are included in employee jobs estimates.

**QES employee:** An employee is defined as anyone aged 16 years or over, that is directly paid from a business's payroll for carrying out a full-time or part-time job, or being on a training scheme in Northern Ireland.

## **Key Findings**

- Employee jobs in NI increased over the quarter but decreased over the year to 771,410 jobs in March 2021. This was the first quarterly increase since December 2019, following four quarters of decline.
- The quarterly increase in employee jobs in March 2021 was largely driven by the services industry sector (+2,240 jobs), which had previously experienced four consecutive quarters of decline.
- The annualised growth rate has fallen every quarter between March 2018 (2.3%) and March 2021 (-0.8%). March 2021 marked the second consecutive quarter of negative annualised growth since December 2012.
- The annual decline in private sector jobs (-1.6%) was the fourth consecutive annual decrease. Following a period of annual decline in public sector employee jobs between June 2015 and June 2017, since September 2017 there have been fifteen consecutive quarters of annual growth in public sector jobs to March 2021.

Figure 10: Index of Employee Jobs, March 2006 to March 2021

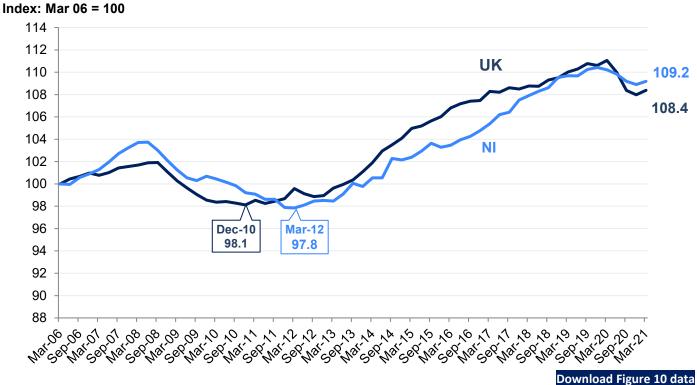


Figure 10 shows estimated seasonally adjusted employee jobs, indexed to allow comparison between NI and the UK. The UK reached a low point in December 2010, more than a year before the NI low in March 2012. There are now 80,120 more employee jobs in NI since the lowest point in March 2012, and 2,856,000 more jobs in the UK since December 2010.

#### **Employee Jobs**

The seasonally adjusted employee jobs total in Northern Ireland at March 2021 was 771,410, which was:

- an increase of 0.3% (+2,020 jobs) over the quarter from the revised December 2020 estimate of 769,390; and
- a decrease of 0.9% (-7,290 jobs) over the year from the revised March 2020 estimate of 778,710.
- Neither the guarterly nor the annual changes in employee jobs were statistically significant.

## Employee jobs by sector

The seasonally adjusted quarterly change consisted of:

- increases in the services (+0.4% or +2,240 jobs) and manufacturing (+0.3% or +280 jobs) sectors;
- decreases in the construction (-0.9% or -330 jobs) and other industries (-0.7% or -170 jobs) sectors;
- an increase of 0.1% (+400 jobs) in the private sector; and
- an increase of 0.3% (+600 jobs) in the public sector.

Over the year to March 2021:

- decreases were seen in all sectors; services (-0.9% or -5,860 jobs), manufacturing (-0.8% or -710 jobs), construction (-2.0% or -700 jobs) and other industries (-0.1% or -20 jobs);
- the private sector decreased by 1.6% (-9,260 jobs); and
- the public sector increased by 0.9% (+1,890 jobs).

Private sector jobs increased over the quarter (+0.1% or +400 jobs) but decreased over the year (-1.6% or -9,260 jobs). The annual decrease in private sector jobs was the fourth consecutive annual decrease.

Following a period of annual decline in public sector employee jobs between June 2015 and June 2017, since September 2017 there have been fifteen consecutive quarters of annual growth in public sector jobs to March 2021. There are 14,900 fewer public sector jobs (-6.5%) than the series peak in September 2009.

Further information is available on the <u>Quarterly Employment Survey page</u>, whilst further breakdowns of employee jobs by geography and industry are available from the <u>Business Register</u> and <u>Employment Survey page</u>.

## Impact of COVID-19 on data collection and estimates

COVID-19 impacted on the data collection and the validation of employee jobs data, which are collected on the Quarterly Business Survey. As a result, the employee jobs estimates for 2020/21 are likely to be subject to higher revisions than normal over the coming quarters. These can be tracked through the revisions triangle which is published alongside the QES publication on the QES revisions page. Comparisons of employee jobs estimates at lower industry levels in particular (e.g. 2 digit Standard Industrial Classification level), should be treated with caution.

#### Comparisons between LFS Employment and QES Employee Jobs

The concept of employment (measured by the LFS as the number of people in work) differs from the concept of jobs, since a person can have more than one job, and some jobs may be shared by more than one person.

The LFS and QES measure employment in different ways. The LFS is a sample survey carried out by interviewing individuals about their personal circumstances and work. The QES is a quarterly survey of businesses which provides short term employee jobs estimates for Northern Ireland. It surveys all public sector jobs, all private sector firms with 25 or more employees, all businesses with more than one industry activity and a representative sample of smaller firms. LFS employment figures are based on a rolling three month period and QES measures the number of jobs on a particular day.

LFS employment includes those who are employed, self-employed, unpaid family workers and those on Government supported training programmes. QES employee jobs include full-time and part-time jobs and those on a training scheme and excludes self-employed.

Download Figure 11 data

## 4 Economic Inactivity

## LFS economic inactivity

**Economically inactive**: People not in employment who have not been seeking work within the last 4 weeks and/or are unable to start work within the next 2 weeks.

## **Key Findings**

- The economic inactivity rate decreased over the quarter and over the year to 25.9%
- NI economic inactivity remains the highest of the twelve UK regions

Figure 11: Seasonally adjusted economic inactivity rates (16-64), Apr-Jun 2006 to Apr-Jun 2021

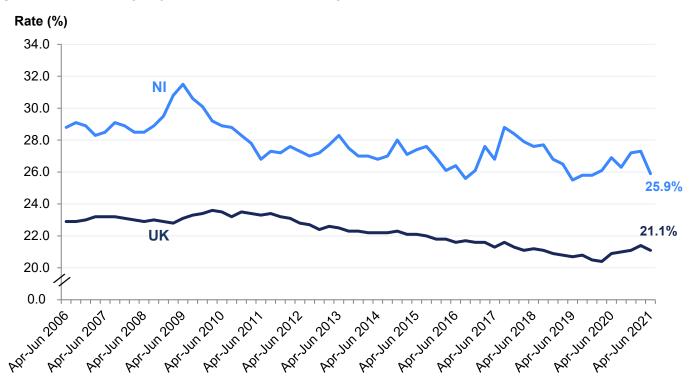


Figure 11 shows that, over the last 15 years, economic inactivity in NI has been consistently higher than the UK average. Economic inactivity peaked in NI during this time-period in 2009 at almost 32%, compared to the peak in the UK rate of 23.6% at the beginning of 2010.

During the past 10 years, the UK inactivity rate has mostly been on a downward trend. While NI economic inactivity has been more variable, it also shows a trend of decreasing rates, albeit at a slower rate than UK economic inactivity. Over the last year, economic inactivity in the UK has shown an increase while the NI economic inactivity rate has decreased, driven by a decrease in female economic inactivity.

## **Economically inactive**

The seasonally adjusted economic inactivity rate (aged 16-64) for April-June is estimated at 25.9%, which was:

- a decrease of 1.3pps over the quarter; and
- a decrease of 0.9pps over the year.

### Annual changes by sex:

- the male (16-64) economic inactivity rate (24.4%) increased by 2.4pps over the year; and
- the female (16-64) economic inactivity rate (27.5%) decreased by 4.2pps over the year.

## **UK Regional comparison**

The NI economic inactivity rate for those aged 16-64 was 25.9%. This was:

- 4.8pps higher than the UK average rate (21.1%); and
- the highest of the twelve UK regions.

Further information is available on the NISRA - Economic and Labour Market Statistics website:

Economic Inactivity in Northern Ireland topic paper page

Women in Northern Ireland 2020 page

## LFS unemployment

The definition of unemployment used in the Labour Force Survey (LFS) is in accordance with that of the International Labour Organisation (ILO). The ILO unemployed includes those without a job who were able to start work in the two weeks following their LFS interview and had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained. The definition of unemployment rate is the percentage of economically active people who are unemployed.

## LFS employment

The definition of ILO employed applies to anyone (aged 16 or over) who has carried out at least one hour's paid work in the week prior to interview, or has a job they are temporarily away from (e.g. on holiday). Also included are people who do unpaid work in a family business and people on Government-supported employment training schemes. The definition of employment rate is the percentage of all working age (16-64) people who are employed.

#### LFS economic inactivity

Economic inactivity is defined as those individuals who are neither in employment nor unemployed as determined by the ILO measure. The definition of economic inactivity is the percentage of all working age (16-64) people who are economically inactive.

#### Reporting Change and Sampling variability

Reported change is calculated using unrounded data and is presented to 1 decimal place. When a change is less than 0.05pps, it is rounded to 0.0pps and the data is reported as unchanged. 'Over the quarter' refers to comparisons between the latest quarterly estimates for the period April-June 2021, and the quarter preceding that (i.e. January-March 2021). 'Over the year' refers to comparisons between the latest quarterly estimates for the period April-June 2021 and those of the corresponding quarter one year previously (i.e. April-June 2020).

The LFS is a sample survey and, as such, estimates obtained from it are subject to sampling variability. If we drew many samples, each would give a different result. Table 2 shows the sampling variability of the estimates, and quarterly and annual changes using 95% confidence intervals. We would expect that in 95% of samples the range would contain the true value. The final column contains the confidence interval that can be used when assessing change between two independent samples. Due to the LFS five wave structure, this means it can be used to assess changes over six quarters or more. The confidence intervals have been calculated using data that are not seasonally adjusted, with the relevant sampling errors produced then applied to the seasonally adjusted data.

If none of the reported changes over the year or the quarter were statistically significant, then the recorded changes did not exceed the variability expected from a sample survey of this size.

Table 2: Sampling variability of labour market estimates

April-June 2021	Estimate	Confidence interval around estimate	Change over quarter	Confidence interval around quarterly change	Change over year	Confidence interval around annual change	Confidence interval around change
Unemployment <sup>1</sup>	34,000	+/-7,000	4,000	+/-7,000	11,000	+/-9,000	+/-9,000
Employment <sup>2</sup>	855,000	+/-22,000	10,000	+/-20,000	-5,000	+/-30,000	+/-30,000
Economically inactive <sup>2</sup>	585,000	+/-21,000	-14,000	+/-20,000	-6,000	+/-29,000	+/-30,000
Unemployment rate <sup>1</sup>	3.8%	+/-0.8pps	0.4pps	+/-0.8pps	1.2pps	+/-1.0pps	+/-1.0pps
Employment rate <sup>2</sup>	71.1%	+/-1.8pps	0.9pps	+/-1.6pps	0.0pps	+/-2.4pps	+/-2.5pps
Economic inactivity rate <sup>2</sup>	25.9%	+/-1.7pps	-1.3pps	+/-1.6pps	-0.9pps	+/-2.4pps	+/-2.4pps

<sup>&</sup>lt;sup>1</sup> People aged 16 and over. Unemployment rate = total unemployed as a proportion of the economically active.

Download Table 2 data

<sup>&</sup>lt;sup>2</sup> Levels for all persons aged 16 and over, rates for working age (16-64).

#### Response Rates – Updated quarterly (last updated 17/08/2021)

The total eligible sample for the April-June 2021 LFS consisted of 10,889 addresses (2,541 chosen at random from the Land and Property Services (LPS) list of domestic properties and 8,348 carried forward from the previous quarter). A random start, fixed interval sampling technique of the addresses, which are ordered by Council Area and Ward, is used. This ensures a proportional representation across the Council Areas in Northern Ireland.

Only private household addresses were eligible, since the LFS is a survey of the private household population. Every selected address is interviewed on five successive occasions, such that in any one quarter, a fifth of the sample will be receiving their first interview, one fifth their second and so on, with one fifth receiving their fifth and final interview. This results in an 80% sample overlap between quarters.

Table 3: Response rates, April-June 2021

Fully and partially responding	2,110
Eligible sample	10,889
Response rate (%)	19.4%

<sup>\*</sup>Of the addresses sampled, a small number contained more than one household and some contained households which moved during the quarter. Residents in NHS hospital accommodation (formerly called nurses' homes) and students living in halls of residence or boarding schools are included to improve the coverage of young people.

#### **LFS Comparisons**

Estimates of employment, unemployment, and economic inactivity are derived from the LFS. The most robust estimates of short-term movements in these estimates are obtained by comparing the estimates over separate three-month periods. For example, estimates relating to April-June 2021 should be compared with the estimates for January-March 2021. This provides a more robust estimate than comparing with the estimates for March-May 2021, as the April and May data are included within both estimates. Effectively, observed differences are those between the individual months of March 2021 and June 2021. The LFS is sampled such that it is representative of the NI population over a three-month period, not for a single month period.

### Seasonal adjustment

All estimates discussed in this Statistical Bulletin are seasonally adjusted unless otherwise stated. Like many economic indicators, the labour market is affected by factors that tend to occur at around the same time every year, for example, school leavers entering the labour market in July and whether Easter falls in March or April. To compare over months or quarters, the data are seasonally adjusted to remove the effects of seasonal factors and the arrangement of the calendar.

## **Suppression and Shading**

Estimates based on fewer than 3 events are supressed to prevent disclosure. In tables, shading is used to draw attention to lower statistical quality/precision of estimates that are based on a smaller sample size. Shaded estimates still provide the best estimate of the size of a group but comparison across time or between groups with similar values should be avoided. Unshaded estimates are based on a larger sample size. This is likely to result in estimates of higher precision, although they will still be subject to some sampling variability.

Please note that estimates for youth unemployment and long-term unemployment are based on a smaller sample size and are therefore shaded in the accompanying tables. As such, associated confidence intervals for these estimates are wide and comparisons over time and with other regions are not encouraged, as differences are not likely to be statistically significant.

#### LFS revisions

LFS microdata are routinely revised to incorporate the latest population estimates.

In February 2019 revisions were published affecting LFS data from the period June-August 2011 to October - December 2018. Revisions arose from reweighting the data, including a boost to the sample size in January 2018 and a seasonal adjustment review. More information on the increased sample size is available in a separate paper on the background information page of the NISRA website.

In October 2020 the LFS estimates from January-March 2020 to May-July 2020 were revised to include additional factors in the weighting process. Please see LFS revision note – October 2020 on the background information page of the NISRA website detailing the impact of the revisions.

In July 2021 the LFS estimates were reweighted from January-March 2020 to February-April 2021 to include new population weights using PAYE Real-Time Information data. An overview of the <a href="impact of reweighting">impact of reweighting</a> on estimates of unemployment, employment and economic inactivity is available on the NISRA website.

Impact of COVID-19 on Labour Force Survey – field operations, imputation, population estimates NISRA suspended all face to face household interviews in the middle of March 2020 due to COVID-19 and from April 2020 all LFS interviews were conducted by telephone. This change in mode for first interviews has changed the non-response bias of the survey, affecting interviews from March 2020 onwards. In particular, the proportion of households where people own their homes in the sample has increased whilst the proportion of rented accommodation households has decreased. As such, in October 2020 ONS revised the weighting methodology to include tenure type and provided a consistent reweighted time series back to January-March 2020. The impact on the NI results has generally been to increase the unemployment rate and economic inactivity rate and decrease the employment rate. More information can be found in the Coronavirus and its impact on the labour force survey page or in the LFS Revision note on the background information page of the NISRA website.

Imputation used for the Labour Force Survey (LFS) was not designed to deal with the changes experienced in the labour market in recent months. Experimental work by ONS with adjusted methodology suggests the use of the existing methodology has little impact on the employment rate (less than 0.2 percentage points). Further information can be found on the ONS website ONS – Measuring the data

Labour Force Survey (LFS) responses are typically weighted to official population projections. As the current projections are 2018-based they are based on demographic trends that pre-date the COVID-19 pandemic. ONS reweighted the LFS data from January-March 2020 to February-April 2021. <u>'Labour Force Survey weighting methodology'</u> details the reweighting methodology.

#### Temporary change in release time

Due to a change in ONS release and briefing practices in light of COVID-19, from April 2020 NISRA market sensitive statistics are released at 7am and not the standard release of 9.30am. NISRA requested the temporary change in time from the Office for Statistics Regulation. Correspondence between NISRA and OSR is available on the OSR website, and more detail on the change in ONS practices is available on the Changes to publication times for market-sensitive statistics page.

The OSR are carrying out a <u>review of the release time of official statistics</u>. Comments are welcome and can be directed to the OSR.

## Experimental Claimant Count (Jobseekers Allowance claimants plus some out-of-work Universal Credit claimants)

In March 2018, the NI JSA-only claimant count was replaced by an experimental measure based on JSA claimants plus out-of-work UC claimants who were claiming principally for the reason of being unemployed. The measure is categorised as experimental as the statistics are in the testing phase and not yet fully developed. ONS have produced a useful 'Guide to Experimental Statistics' page and an FAQ document explaining the difference between the two measures is available on the changes to the claimant count page on the NISRA website.

Additional data tables are published on the <u>Claimant Count page</u> and counts are available from the <u>NOMIS</u> website.

#### Claimant count correction note

A number of claims across the UK to the UC element of the Claimant Count were coded to incorrect locations for data relating to December 2018 to November 2019. This has been corrected for December 2019 onwards, but previous periods remain affected. The impact of the revision on NI for December 2019 was an increase of fewer than 1,000 cases.

#### **Claimant count revisions**

Seasonally adjusted estimates are revised on a regular basis. Each month the previous estimate is revised in line with the current seasonal adjustment model, giving the best estimate of change for the latest period. During the Covid-19 outbreak the seasonal adjustment parameters for the Claimant Count will be under constant review and may result in revisions to the seasonally adjusted Claimant Count. The most recent longer-term revisions were published in April 2021 and related to figures from January 2017 to January 2021. Further details and previous seasonal adjustment revisions are available from the <a href="mailto:changes to the claimant count page">changes to the claimant count page</a>

#### **Redundancy Legal Requirements**

Under the Employment Rights (Northern Ireland) Order 1996 (amended 8 October 2006), companies are only legally required to notify the Department of impending redundancies of 20 or more employees. Companies who propose less than 20 redundancies are not required to notify the Department so there is likely to be an undercount.

To prevent the potential identification of individual businesses, redundancy totals relating to fewer than 3 businesses are not disclosed. The Statistical Disclosure Control Policy is available on the NISRA website.

#### **HMRC PAYE**

Experimental Statistics on earnings and number of payrolled employees from HM Revenue and Customs' (HMRC's) Pay As You Earn (PAYE) Real Time Information (RTI) system are included in Section 3. HMRC PAYE RTI is the system employers use to take Income Tax and National Insurance contributions before they pay wages to employees. Data relate to employees paid by employers only, and do not include self-employment income or income from pensions, property rental or investments. Data are based on where employees live and not the location of their place of work within the UK. Data are seasonally adjusted but not adjusted for inflation. The HMRC PAYE covers the whole population rather than a sample of employees or companies. The data are classed as Experimental Statistics as the methodologies used to produce the statistics are still in their development phase. As a result, the series are subject to revisions. Background information including the methodology used to compile the statistics, strengths and limitation and a comparison with other labour market sources is available on the Earnings and employment from PAYE page on the ONS website. Detail is also available on the guide to experimental statistics page.

#### **Quarterly Employment Survey (QES)**

All QES data contained in the LMR are adjusted for seasonality. The seasonally adjusted series started in 2005. Public sector and private sector series are seasonally adjusted separately to the industry breakdowns. As such, the two series may differ at the NI level.

#### **QES Revisions**

QES estimates are revised quarterly to reflect the latest information provided to the Department by employers. The December 2020 seasonally adjusted estimate first published in March 2021 has subsequently been revised down 0.2%. For further details please see the <a href="Quarterly Employment Survey revisions">Quarterly Employment Survey revisions</a> page.

The Northern Ireland Statistics and Research Agency wishes to thank the participating households and businesses for their co-operation in agreeing to take part in the surveys and for facilitating the collection of the relevant data.

#### For further information contact:

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