



# Northern Ireland Labour Market Report

Theme: Labour Market Frequency: Monthly

Geographical Area: Northern Ireland

Published: 14th June 2022

## **Key Points**

- The number of employees receiving pay through HMRC PAYE in NI in May 2022 was 779,100, an increase of 0.4% over the month and 4.2% over the year. This is the highest on record and the twelfth consecutive month that employee numbers have been above pre-COVID levels.
- Earnings from the HMRC PAYE indicated that NI employees had a median monthly pay of £1,925 in May 2022, a decrease of £15 (0.8%) over the month and an increase of £120 (6.6%) over the year.
- In May 2022, the seasonally adjusted number of people on the claimant count was 36,300 (3.8% of the workforce), which is a decrease of 300 (0.9%) from the previous month's revised figure. The May claimant count remains higher than the pre-pandemic count in March 2020 (by 22%).
- NISRA, acting on behalf of the Department for the Economy, received confirmation that 90 redundancies occurred in May 2022. At 1,620, the annual total was 73% less than in the previous year. Over the year June 2021 to May 2022, 2,110 redundancies were proposed, 77% less than in the previous 12 months.
- The latest NI seasonally adjusted unemployment rate (the proportion of economically active people age 16 and over who were unemployed) for the period February-April 2022 was estimated from the Labour Force Survey at 2.6%. This was a decrease of 0.6 percentage points (pps) over the quarter and of 1.0pps over the year. Neither the quarterly nor annual changes were statistically significant.
- The proportion of people aged 16 to 64 in work (the employment rate) increased by 1.5pps over the quarter and by 1.8pps over the year to 70.2%. The quarterly change was statistically significant. The total number of weekly hours worked in NI (27.9 million) increased by 6.6% over the quarter and by 9.7% over the year.
- The economic inactivity rate (the proportion of people aged 16 to 64 who were not working and not seeking or available to work) decreased by 1.1pps over the quarter and by 1.2pps over the year to 27.8%. Neither the quarterly nor annual changes were statistically significant.
- Businesses reported that employee jobs in NI increased over both the quarter (1.5% or 11,470 jobs) and the year (3.3% or 25,700 jobs) to 794,880 jobs in March 2022 to reach a series high.
- Private sector jobs reached a series high in March 2022. Private sector jobs increased over both the quarter (1.7% or 9,540 jobs) and the year (3.5% or 19,540 jobs). Public sector jobs also increased over the quarter (0.8% or 1,770 jobs) and the year (2.8% or 6,090 jobs).

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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> (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 the timing of release in line with change in ONS release practices in response to COVID-19; and
- Included additional administrative sources of labour market data to provide a fuller picture of the labour market.

## 1. Summary of Labour Market Statistics

**Updated June 2022** 

## Change over quarter

Seasonally adjusted LFS estimates for Northern Ireland for the period February-April 2022 showed that, over the quarter:

the unemployment rate decreased by 0.6pps to 2.6%
 the employment rate increased by 1.5pps to 70.2%
 the economic inactivity rate decreased by 1.1pps to 27.8%
 Not statistically significant
 Not statistically significant

The number of employee jobs at March 2022 was estimated at 794,880. This was:

• an increase of 1.5% (+11,470 jobs) over the quarter from the revised December 2021 estimate of 783,410.

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 May 2022, there was:

• a decrease of 0.9% (-300) over the month to 36,300.

Experimental statistics from HMRC PAYE indicated that in May 2022:

- 779,100 people were payrolled employees, an increase of 0.4% from the previous month; and
- median monthly pay for employees in NI was £1,925, a decrease of 0.8% (£12) over the month.

#### During May 2022 there were:

• 90 confirmed redundancies notified to the Department, almost 40 percent of the monthly average (240) during 2021.

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>	Feb-Apr 2022	23,000 (+/-5,000)	-4,000 (+/-5,000)	-8,000 (+/-8,000)
Employment <sup>2</sup>	Feb-Apr 2022	852,000 (+/-20,000)	24,000 (+/-17,000)	28,000 (+/-28,000)
Economically inactive <sup>2</sup>	Feb-Apr 2022	606,000 (+/-19,000)	-18,000 (+/-17,000)	-16,000 (+/-27,000)
Unemployment rate <sup>1</sup>	Feb-Apr 2022	2.6% (+/-0.6pps)	-0.6pps <sub>0.6pps</sub>	-1.0pps (+/-1.0pps)
Employment rate <sup>2</sup>	Feb-Apr 2022	70.2% (+/-1.6pps)	1.5pps (+/-1.3pps)	1.8pps (+/-2.3pps)
Economic inactivity rate <sup>2</sup>	Feb-Apr 2022	27.8% (+/-1.6pps)	-1.1pps (+/-1.3pps)	-1.2pps (+/-2.3pps)
Employee jobs <sup>3</sup>	March 2022	794,880 (+/-5,000)	+11,470	+25,700
		Estimate	Change over month	Change over year
Experimental Claimant Count <sup>4</sup>	May 2022	36,300	-300	-17,100
Redundancies <sup>5</sup> - Confirmed	May 2022	90	+10	-190
Redundancies <sup>5</sup> - Proposed	May 2022	*	*	*
Payrolled Employees <sup>6</sup>	May 2022	779,100	2,900	31,700
Median Monthly pay <sup>7</sup>	May 2022	£1,925	-£15	£120
			Downl	oad 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>2</sup> Levels for all persons age 16 and over, rates for working age (16 to 64).

<sup>4</sup> The number of claimants on 12<sup>th</sup> May, seasonally adjusted, and rounded to nearest 100.

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

<sup>&</sup>lt;sup>3</sup> Employee jobs survey date for Quarter 1 was 28<sup>th</sup> February 2022; data rounded to the nearest 10 and seasonally adjusted.

<sup>&</sup>lt;sup>5</sup> Redundancies in the calendar month, not seasonally adjusted, and rounded to 10. Estimates with less than three returns are suppressed (\*).

<sup>&</sup>lt;sup>6</sup> HMRC Pay-As-You-Earn Real Time Information, rounded to 100 and seasonally adjusted.

<sup>&</sup>lt;sup>7</sup> HMRC Pay-As-You-Earn Real Time Information, seasonally adjusted.

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

Seasonally adjusted LFS estimates for Northern Ireland for the period February-April 2022 showed that over the year:

- the unemployment rate decreased by 1.0pps to 2.6%
- the employment rate increased by 1.8pps to 70.2%
- the economic inactivity rate decreased by 1.2pps to 27.8%

Not statistically significant Not statistically significant Not statistically significant

The employee jobs total at March 2022 was 794,880, representing:

• an increase of 3.3% (+25,700 jobs) over the year from the revised March 2021 estimate of 769,170.

The seasonally adjusted experimental claimant count showed that in May 2022, there was:

• a decrease of 32.0% (-17,100) over the year to 36,300.

Experimental statistics from HMRC PAYE indicated that, in May 2022:

- 779,100 people were payrolled employees, an increase of 4.2% from May 2021; and
- median monthly pay for employees in NI was £1,925, an increase of 6.6% (£120) from the same period one year earlier.

Over the latest twelve-month period there were:

- 1,620 confirmed redundancies, which was 73% less than the previous year (5,930)
- 2,110 redundancies were proposed, a decrease of 77% from the previous year (9,160).

35.000 30,000 28,000 25,000 21,000 20,000 15,000 10,000 ■ A: Employment 5,000 ■B: Unemployment 5.000 C: Active (A+B) 0 D: Inactive ■E: 16+ Population (C+D) -5,000 -10,000 -8,000 -15,000 -16,000 -20,000 Α C D Ε В Download Figure 1 data

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

Note: figures are rounded so may not sum

## **UK** summary

Seasonally adjusted LFS estimates for the UK for the period February-April 2022 showed:

- the unemployment rate (3.8%) decreased by 0.2pps over the quarter and by 1.1pps over the year;
- the employment rate (75.6%) increased by 0.2pps over the quarter and by 1.0pps over the year; and
- the economic inactivity rate (21.3%) decreased by 0.1pps over the quarter and over the year.

The seasonally adjusted experimental claimant count for the UK showed that in May 2022, there was a decrease of 1.2% (-19,700) over the month and a decrease of 35.0% (-852,300) over the year, to 1,584,200.

#### Commentary

The latest labour market indicators continue to show that employee measures have surpassed prepandemic levels. Measures of total employment (e.g. employment rate and hours worked), unemployment and economic inactivity, although showing trends of improvement, have not yet returned to their pre-pandemic position.

The latest HMRC payroll data showed the highest level of payrolled employees on record in May, 3.5% above those recorded in March 2020 pre-COVID. Earnings recorded for May were up by 6.6% over the year and are now 10% above pre-COVID levels.

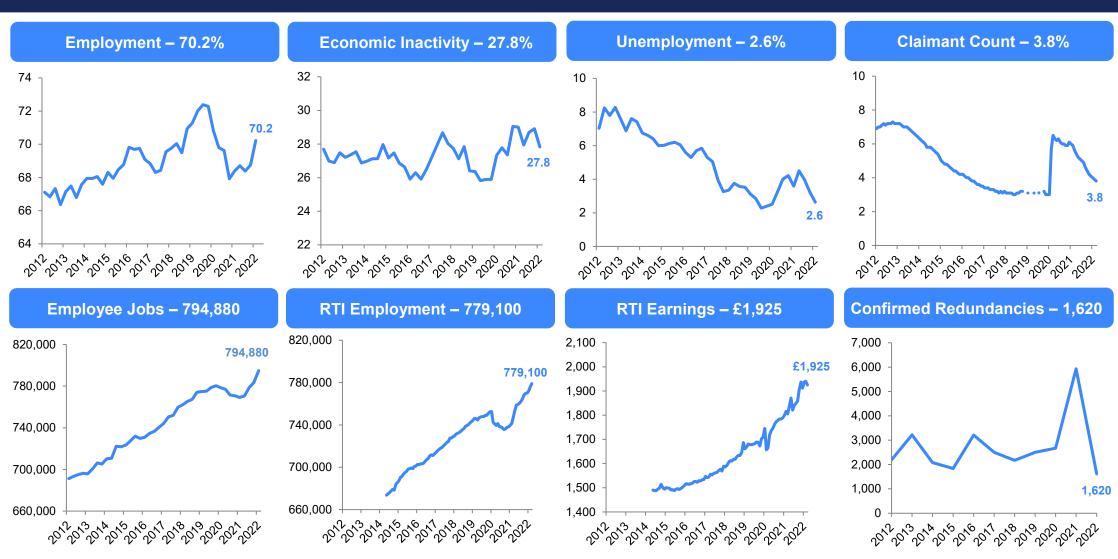
Businesses reported that employee jobs increased over both the quarter and the year to a series high of 794,880 jobs in March 2022. The increase in employee jobs was largely driven by the services sector. The number of employee jobs in the services sector, manufacturing sector, and the private sector are now the highest on record.

The Labour Force Survey shows a statistically significant increase in the employment rate over the quarter to February-April 2022 to 70.2% (1.5pps). When comparing to the pre-pandemic levels, the total number of hours worked in February-April 2022 was 3.2% below, whilst the employment rate was 2.1pps below. The economic inactivity rate remains 1.9pps above the pre-pandemic position and the unemployment rate for February-April 2022 sits 0.2pps above the pre-pandemic figure recorded in November-January 2020.

The decreasing trend in the NI Claimant Count continued for May 2022 and is 43% less than the recent peak in May 2020.

In May 2022, 90 redundancies were confirmed to the Department which was well below the monthly average for 2021 of 240. Proposed redundancies over the most recent twelve month period (2,110) were 77% lower than in the previous twelve months.

## **Labour Market Statistics**



Labour Force Survey, February-April 2022, seasonally adjusted and subject to future revisions. Quarterly Employment Survey, March 2022, seasonally adjusted and subject to future revisions. Redundancies, Claimant Count and PAYE Real Time Information, May 2022



#### Things users need to know

Today's publication contains the first release of reweighted Labour Force Survey data using updated PAYE Real-Time Information data and with the introduction of the non-response bias adjustment to NI data. Data have been reweighted from January-March 2020 to January-March 2022 and comparisons to UK regions have been reinstated in the report.

When compared with previously published estimates, the reweighting has generally decreased the NI employment rate and increased the unemployment and economic inactivity rates. The largest increase in the unemployment rate (0.7pps) occurs in the January-March 2021 quarter. The largest decrease in the employment rate (-2.9pps) is in the March-May 2021 quarter. The largest increase in the economic inactivity rate (2.5pps) is also in March-May 2021. More detail on the scale of the NI revisions is provided in the accompanying document: <u>LFS Revision Note - June 2022</u> as well as in an ONS article Impact of reweighting on Labour Force Survey key indicators: 2022.

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 May are included that are based on 85% of data and subject to revision in next month's release. Breakdowns by age and industry are now published quarterly from the HMRC Pay-As-You-Earn (PAYE) system. Age breakdowns are due to be published again in July 2022 with sector breakdowns available in August.

NISRA suspended all face to face household interviews from March 2020 onwards due to the COVID pandemic and all LFS interviews since then have been conducted by telephone. This change initially resulted in a reduction in the achieved sample size, when compared to pre-pandemic levels, which in turn affected the precision of the estimates during the pandemic. For example, the confidence interval around the employment rate increased by +/-0.3pps between the February-April 2020 and February-April 2021 estimates. The achieved sample size has nearly returned to pre-pandemic levels and, as such the employment rate confidence interval for February-April 2022 was similar to confidence intervals prior to the pandemic.

#### **Base effects**

Where possible, in addition to comparisons with one year ago, comparisons against the pre-pandemic value are also provided for context.

## **Labour Market Statistics User Group**

The most recent Labour Market Statistics User Group took place in September 2021. The presentation, along with Q&A and feedback documents from this session, is available from the <u>Labour Market Statistics user engagement page</u> on the NISRA website. An <u>updated newsletter</u> has been published which provides an overview of developments since the user group in September and plans for the next six months.

Following the OSR consultation on the release time of official statistics, the Code of Practice for Statistics was updated and edition 2.1 came into effect on 5<sup>th</sup> May 2022. The May 2022 change enabled alternative release times (ARTs) to be used, when granted by the Director General for Regulation. Release time exemptions that were granted before May 2022 have been converted to alternative release times, which include the 7am release time for the NI Labour Market Report.

#### Labour Market Report (LMR) development

A new format of this report is currently in development using HTML, which will further improve on accessibility. The tables attached to the LMR are also being reviewed and improved. We aim to roll these out in the coming months and will keep users informed of a timeline for releasing the new LMR.

#### 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 ONS) as a comparison.

A Labour Market Outputs consultation in summer 2019 (<u>Labour Market Statistics User Engagement</u> page) 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 <u>Use of Economic and Labour Market Business and Household Surveys</u> page provides recent examples of how data collected from the Labour Force Survey is used to inform, develop and monitor evidence-based policies. The Labour Force Survey is used to provide baselines for the Department for the Economy's (DfE) Skills Strategy for Northern Ireland and draft Industrial Strategy, the OECD Skills Strategy for NI, and the Department for Communities' (DfC) Enabling Success Strategy. The Labour Force Survey was used to calculate 7 of the 49 draft 2016–2021 Programme for Government Indicators. 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 <u>user requested</u> 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.

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

The <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

## 2 Unemployment

**Updated June 2022** 

#### **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. (Please see section 5 and the <a href="Estimating and Reporting Uncertainty">Estimating and Reporting Uncertainty</a> paper for more details on sampling error and survey methodology changes employed during the pandemic).

The Labour Force Survey estimates for January-March 2020 to January-March 2022 have been revised. Please see LFS Revision Note - June 2022 for details of these revisions.

**LFS Unemployment:** The International Labour Organisation (ILO) defines unemployed as those aged 16 and over 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.

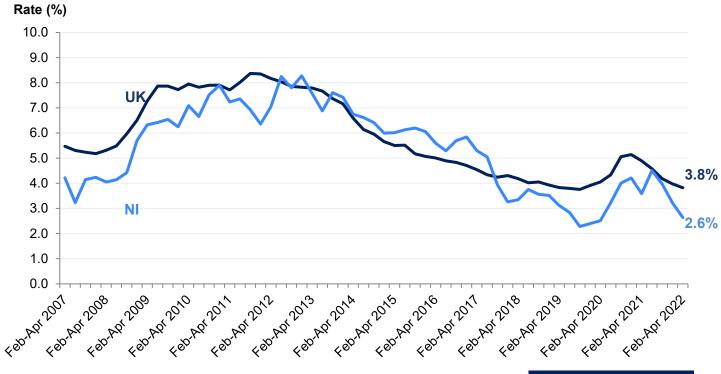
Long-Term Unemployment: Those who have been unemployed for 12 months or more.

Youth Unemployment: Unemployed people aged 16 to 24 years.

#### **Key Findings**

- The NI unemployment rate for February-April 2022 decreased over the quarter and over the year to 2.6%
- The UK unemployment rate is estimated at 3.8%

Figure 2: Seasonally adjusted unemployment rate (age 16 and over), Feb-Apr 2007 to Feb-Apr 2022



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. During this period, the UK rate peaked at over 8% in 2011 while the NI rate reached over 8% in 2013. Both the NI and UK unemployment rates recorded low points in 2019, reaching 2.3% and 3.8% respectively, whilst the NI rate has been below the UK rate since mid-2017.

### LFS unemployment

The unemployment rate (age 16 and over) for the period February-April 2022 was estimated at 2.6%. This was:

- a decrease of 0.6pps over the quarter (not statistically significant); and
- a decrease of 1.0pps over the year (not statistically significant).

The number of unemployed people (age 16 and over) was estimated at 23,000, which was:

• down 4,000 from last quarter and down 8,000 from the same period last year.

## **UK** regional comparison

The NI unemployment rate (age 16 and over) for February-April 2022 of 2.6% was:

- 1.2pps below the overall UK rate (3.8%); and
- the lowest of the twelve UK regions.

## Long-term unemployment

In February-April 2022, the percentage of unemployed who have been unemployed for 1 year or more (long-term) was 41.6% in NI.

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

## 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 were 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 12<sup>th</sup> May.

**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 300 over the month to 36,300.
- In May 2022, 3.8% of the NI workforce was recorded on the claimant count.

Figure 3: Seasonally adjusted claimant count (experimental) monthly rates, May 2007 – May 2022



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.

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 May 2022, 36,300 people were recorded on the NI Claimant Count. This is 43% less than the recent peak in May 2020 and 22% more than the pre-pandemic count in March 2020.

## Claimant count (experimental) unemployment

The NI seasonally adjusted claimant count was 36,300 (3.8% of the workforce) in May 2022, representing:

- a decrease of 0.9% over the month, continuing the trend of consecutive monthly decreases since March 2021
- a decrease of 0.8% in males and 1.1% in females over the month
- the claimant count rate (3.8%) was unchanged over the month
- a decrease of 17,100 (32%) over the year, and
- an increase of 6,500 (22%) since March 2020.

The UK seasonally adjusted claimant count decreased by 1.2% over the month to 1,584,200 (4.0% of the workforce). The UK count is 41% below the recent peak in August 2020 and 29% above the pre-pandemic count in March 2020.

Annual and monthly claimant count data are available on the NINIS website in the form of interactive maps for Parliamentary Constituency, Council Area and Super Output Area.

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. Users should also note, all other things being equal, more redundancies in sectors dominated by large businesses would be expected as *collective redundancies* refers to 20 or more employees. Further information can be found in the Redundancies Background Quality Report.

To prevent potential identification of individual businesses, redundancy totals relating to fewer than three businesses are not disclosed. Please see the <u>Redundancy Data Statistical Disclosure Control Policy</u> 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**

- 90 redundancies were confirmed in May 2022, taking the annual total to 1,620, which was 73% less than the previous year (5,930).
- In the latest 12-month period, there were 2,110 proposed redundancies, which was 77% less than the previous year (9,160).

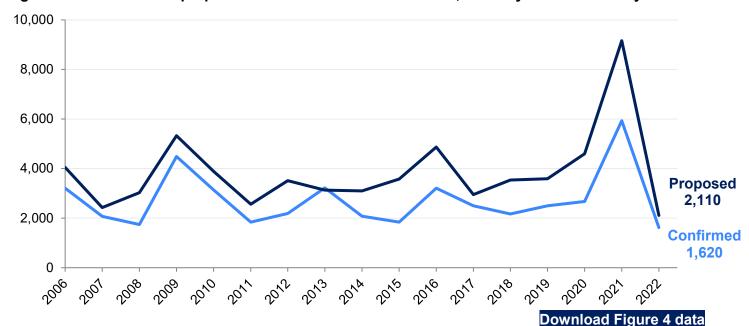


Figure 4: Confirmed and proposed redundancies - Annual totals, Jun-May 2006 to Jun-May 2022

Redundancy notification data generally shows a high degree of correlation between proposed and confirmed redundancies when grouped by year. 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, 2,110 redundancies were proposed, where two-thirds of these redundancies were proposed in summer 2021.

There were 1,620 confirmed redundancies in the most recent twelve-month period, which was the lowest rolling twelve-month total of confirmed redundancies since June 2008 (1,600) and the second lowest in the time series. The monthly average of confirmed redundancies so far in 2022 was 50, which was well below the monthly average of 240 during 2021.

#### **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 May 2022, the Department was notified of:

• 90 confirmed redundancies (almost 40 percent of the monthly average (240) during 2021).

Over the latest twelve month period there were:

- 1,620 confirmed redundancies, which was 73% less than the previous year (5,930)
- 550 (or 34% of all confirmed redundancies) confirmed in manufacturing
- 310 (19%) confirmed in financial and insurance activities
- 190 (12%) confirmed in education.

### **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.

In line with the statistical disclosure control policy to prevent identification of individual businesses, redundancy totals relating to fewer than 3 businesses are not disclosed. As such, the number of proposed redundancies for the month of May cannot be disclosed.

Over the last twelve months to the end of May 2022 there were:

- 2,110 proposed redundancies, which was 77% less than the previous twelve months (9,160).
- 470 (or 22% of all proposed redundancies) proposed in wholesale and retail trade
- 220 (10%) proposed in administrative and support service activities.

Annual and monthly confirmed redundancy trend tables are available on the NISRA website at <a href="Confirmed Redundancies">Confirmed Redundancies</a> - Trend Tables 2021.

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

## 3 Employment

### LFS employment

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. (Please see section 5 and the <a href="Estimating and Reporting Uncertainty">Estimating and Reporting Uncertainty</a> paper for more details on sampling error and survey methodology changes employed during the pandemic).

The Labour Force Survey estimates for January-March 2020 to January-March 2022 have been revised. Please see LFS Revision Note - June 2022 for details of these revisions.

**LFS employed:** people age 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 age 16 and over while rates relate to people aged between 16 and 64 years.

### **Key Findings**

- The NI employment rate for February-April 2022 increased over the quarter and over the year to 70.2%
- The UK employment rate is estimated at 75.6%
- Total weekly hours worked was estimated at 27.9 million hours per week for the period February-April 2022. This was 2.5 million hours (9.7%) higher than the same period last year. Hours worked figures are not adjusted for seasonality.

Figure 5: Seasonally adjusted employment rate (aged 16 to 64), Feb-Apr 2007 to Feb-Apr 2022

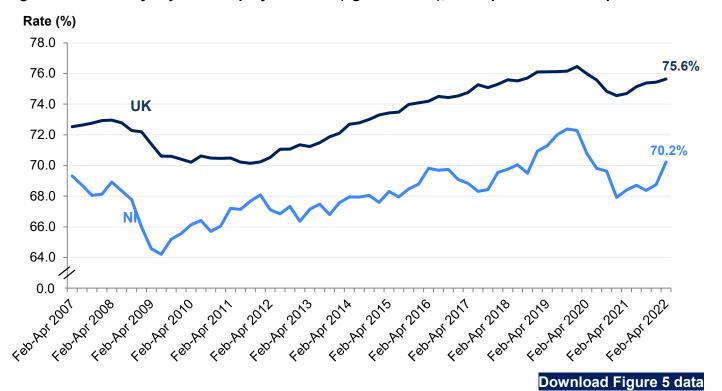


Figure 5 shows that, over the last 15 years, the NI employment rate has been consistently below the UK rate. Although showing a similar trend, the fall in the employment rate in NI between 2008 and 2009 (by almost 5pps) was steeper than the fall in the UK rate. There was a general increasing trend for NI and the

UK between 2013 and 2019, where both reached a peak at the end of 2019. The NI and UK employment rates for those aged 16 to 64 increased over the year to February-April 2022, to 70.2% and 75.6% respectively. The NI rate is 2.1pps below the pre-pandemic rate in November-January 2020 (72.3%), whilst the UK rate is 0.8pps below.

## **Employment rate (aged 16 to 64 years)**

The most recent NI employment rate for those aged 16 to 64 for the period February-April 2022 was estimated at 70.2%. This was:

- an increase of 1.5pps over the quarter (statistically significant); and
- an increase of 1.8pps over the year (not statistically significant).

Annual changes by sex included:

- the male (aged 16 to 64) employment rate (73.5%) increased by 3.3pps over the year; and
- the female (aged 16 to 64) employment rate (67.1%) increased by 0.4pps over the year.

## **UK** regional comparison

The NI employment rate (aged 16 to 64) for February-April 2022 of 70.2% was:

- 5.4pps below the overall UK rate (75.6%) and
- the lowest of the twelve UK regions.

Please note that the following estimates are not adjusted for seasonality.

## Total weekly hours

The total number of weekly hours worked in Northern Ireland was estimated at 27.9 million hours, this was:

- an increase of 1.7 million hours (6.6%) on the previous quarter;
- an increase of 2.5 million hours (9.7%) from the same period last year; and
- 0.9 million hours, or 3.2%, below the pre-pandemic (November-January 2020) figure.

Figure 6: Total weekly hours worked (age 16 and over), Feb-Apr 2007 to Feb-Apr 2022

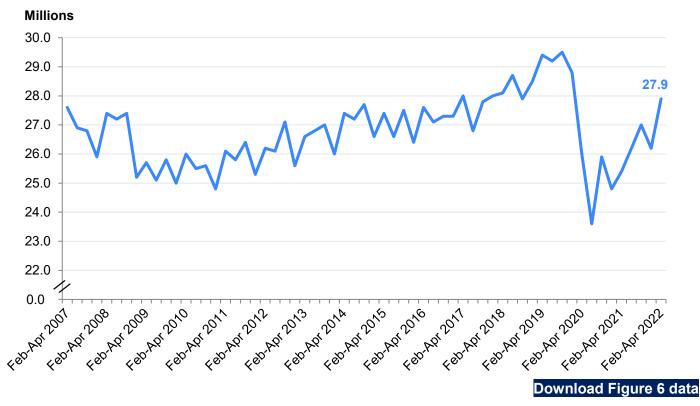


Figure 6 demonstrates that, like many labour market indicators, total weekly hours worked shows a seasonal pattern. Outside of these seasonal variations a trend of increasing weekly hours worked can be seen between 2009 and early-2020.

The total number of weekly hours worked in February-April 2022 remains below (5.2%) the peak of 29.5 million hours in August-October 2019. When examining the time series presented above, at 27.9 million hours, the total number of weekly hours worked was 18.4% higher than the low point of 23.6 million hours in May-July 2020.

#### **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 May 2022 are based on around 85% of information, and will be subject to revision in the next month's release when between 98% and 99% of data will be available (main estimates). The size of revisions to main and flash estimates are similar for employees, while revisions to earnings flash estimates are typically larger than main estimate revisions. **Revision triangle** is available on the NISRA website.

## **Key Findings**

- The number of payrolled employees in NI in May 2022 was 0.4% higher than April 2022 and 4.2% higher than May 2021
- Employee numbers were above pre-COVID levels for the twelfth consecutive month
- In the UK, the number of employees increased by 0.3% over the month and 3.9% over the year to May

779,000
770,000
750,000
710,000
690,000
670,000
770,000
770,000
770,000
770,000
770,000
770,000

Figure 7: Payrolled employees from PAYE RTI, July 2014 to May 2022

Download Figure 7 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 March 2020. This was followed by a sharp decrease of around 10,000 employees (1.3%) to April 2020. Employee numbers remained around that level until April 2021.

Since April 2021 there has generally been an upward trend in the number of payrolled employees and the May 2022 total is now 4.2% above the level one year earlier. This is the highest on record and the twelfth consecutive month that employee counts have been above pre-COVID levels.

Data from the latest HMRC PAYE RTI show that:

- 779,100 people were payrolled employees in May 2022, an increase of 0.4% from the previous month and 4.2% from May 2021.
- In the UK, there were 29,645,000 payrolled employees at May 2022, an increase of 0.3% over the month and 3.9% over the year.
- All regions of the UK increased over the year to May 2022, with London recording the largest increase (5.6%) and the North West and East Midlands recording the joint smallest (3.4%). NI had the second highest annual increase, recording a higher increase than the UK (4.2% and 3.9% respectively).
- Between March 2020 and May 2022, all regions of the UK recorded an increase in payrolled employees (an increase of 2.2% overall). NI recorded the largest increase (3.5%) while London recorded the lowest (1.2%).

## 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.

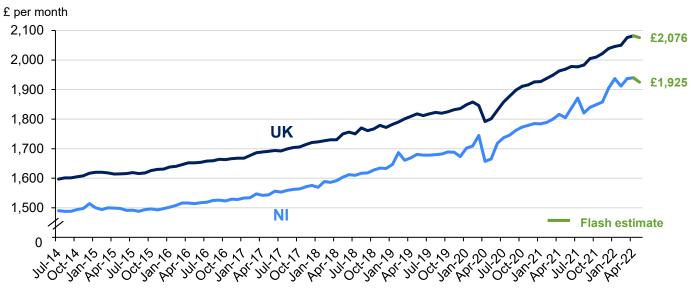
**Note:** The percentage change of the median has been calculated using rounded figures.

A comparison of earnings statistics from the Annual Survey of Hours and Earnings (ASHE) and HMRC Pay As You Earn (PAYE) Real Time Information (RTI) is available on the **NISRA website**.

### **Key Findings**

- Median monthly pay decreased by 0.8% (£15) over the month to May to £1,925 and was 6.6% (£120) higher than the same period last year
- UK median monthly pay decreased by 0.3% (£6) over the month to May to £2,076 and increased by 5.4% (£107) over the year

Figure 8: Median Monthly Pay from PAYE RTI, July 2014 to May 2022



Download Figure 8 data

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 2.1% was seen between February and March 2020 in NI, followed by a decrease of 5.0% in NI and 2.9% 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, however in recent months some volatility has been seen in the NI results.

Median employee pay decreased in the latest month (£1,925) and is now 10.3% higher than the prepandemic level in March 2020 (£1,745).

Data from the latest HMRC PAYE RTI show that:

- NI had a median monthly pay of £1,925 in May 2022, which was an decrease of 0.8% on the previous month and an increase of 6.6% from May 2021
- UK had a median monthly pay of £2,076 in May 2022, which was a decrease of 0.3% on the previous month and an increase of 5.4% from May 2021
- NI had the highest annual increase of the 12 UK regions and has the second lowest median in the UK. London has the highest median pay (£2,527)
- Since March 2020, earnings in NI have increased by 10.3%, lowest of all the UK regions, and more than 2pps lower than the UK, which increased by 12.5%.

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 28<sup>th</sup> February 2022 for Northern Ireland.

**QES employee:** An employee is defined as anyone age 16 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 both the quarter and the year to 794,880 jobs in March 2022 to reach a series high.
- The quarterly increase in employee jobs in March 2022 was largely driven by the services industry sector (+9,050 jobs). Both the services sector and manufacturing sector reached a series high in March 2022.
- The annual increase in employee jobs in March 2022 was also largely driven by the services industry sector (+21,440 jobs). The manufacturing sector also reported an increase (+3,750 jobs) over the year.
- March 2022 estimates reported a second consecutive quarter of annualized growth (+1.3%) following four quarters of decline.
- Private sector jobs reached a series high in March 2022. Private sector jobs increased over both the
  quarter (+9,540 jobs) and the year (+19,540 jobs). Public sector jobs also increased over the quarter
  (+1,770 jobs) and the year (+6,090 jobs).

Figure 9: Index of Employee Jobs, March 2007 to March 2022

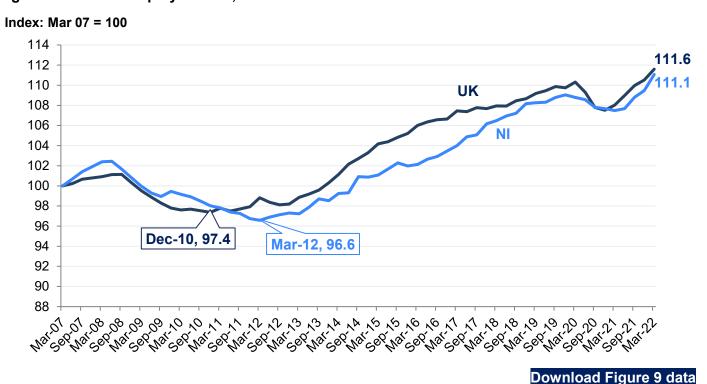


Figure 9 shows estimated seasonally adjusted employee jobs, indexed to allow comparison between NI and the UK. The UK reached a low point in December 2010, more than a year before the NI low in March 2012. There are now 103,720 more employee jobs in NI since the lowest point in March 2012, and 3,991,000 more jobs in the UK since December 2010.

## **Employee Jobs**

The seasonally adjusted employee jobs total in NI at March 2022 was 794,880, which was:

- an increase of 1.5% (+11,470 jobs) over the quarter from the revised December 2021 estimate of 783,410; and
- an increase of 3.3% (+25,700 jobs) over the year from the revised March 2021 estimate of 769,170.
- While the quarterly change in employee jobs was not found to be statistically significant, the change over the year was statistically significant. It should be noted that in March 2021 a number of restrictions on businesses due to the COVID-19 (Coronavirus) pandemic were still in place, which may have had an impact on employee job numbers.

## Employee jobs by sector

The seasonally adjusted quarterly change consisted of:

- increases in the services (+1.4% or +9,050 jobs), manufacturing (+2.7% or +2,370 jobs) and other industries (+0.6% or +140 jobs) sectors;
- a decrease in the construction (-0.3% or -90 jobs) sector;
- an increase of 1.7% (+9,540 jobs) in the private sector; and
- an increase of 0.8% (+1,770 jobs) in the public sector.

Over the year to March 2022:

- increases were seen across all sectors: services (3.4% or +21,440 jobs), manufacturing (+4.4% or +3,750 jobs), construction (+0.9% or 320 jobs) and other industries (+0.8% or 190 jobs);
- the private sector increased by 3.5% (+19,540 jobs); and
- the public sector increased by 2.8% (+6,090 jobs).

Following a period of annual decline in public sector employee jobs between June 2015 and June 2017, since September 2017 there have been nineteen consecutive quarters of annual growth in public sector jobs to March 2022. There are 8,260 fewer public sector jobs (-3.6%) 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 may 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.

## LFS economic inactivity

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. (Please see section 5 and the <a href="Estimating and Reporting Uncertainty">Estimating and Reporting Uncertainty</a> paper for more details on sampling error and survey methodology changes employed during the pandemic).

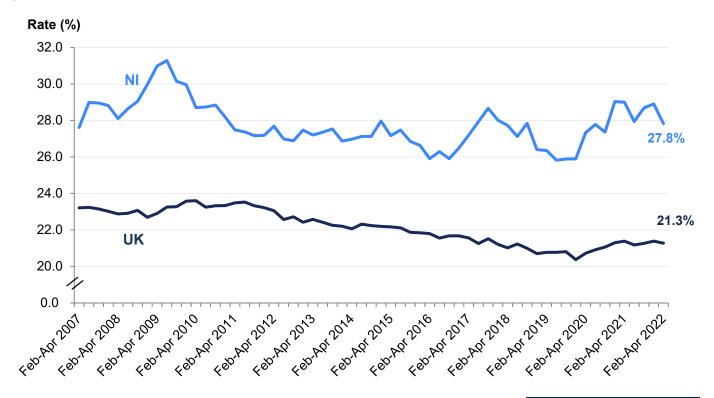
The Labour Force Survey estimates for January-March 2020 to January-March 2022 have been revised. Please see <u>LFS Revision Note - June 2022</u> for details of these revisions.

**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 NI economic inactivity rate for February-April 2022 decreased over the quarter and over the year to 27.8%
- The UK economic inactivity rate is estimated at 21.3%

Figure 10: Seasonally adjusted economic inactivity rates (aged 16 to 64), Feb-Apr 2007 to Feb-Apr 2022



Download Figure 10 data

Figure 10 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 the middle of 2009 at over 31%, compared to the peak in the UK rate of almost 24% at the beginning of 2010.

During the ten years to 2019, both the UK and NI economic inactivity rates were generally showing a downward trend, albeit the rate for NI has shown more variability than the UK. Whilst the NI rate has continued to show more variability than the UK since the onset of the COVID pandemic, there is a general

increasing trend for both. The NI and UK rates remain higher than the pre-pandemic period (November-January 2020), by 1.9pps and 0.9pps respectively. Over the last year, the economic inactivity rate in NI has shown a decrease of 1.2pps, whilst the UK rate has decreased by 0.1pps.

## **Economically inactive**

The seasonally adjusted economic inactivity rate (aged 16 to 64) for February-April 2022 is estimated at 27.8%, which was:

- a decrease of 1.1pps over the quarter (not statistically significant); and
- a decrease of 1.2pps over the year (not statistically significant).

## Annual changes by sex:

- the male (aged 16 to 64) economic inactivity rate (24.2%) decreased by 2.4pps over the year; and
- the female (aged 16 to 64) economic inactivity rate (31.4%) increased by 0.1pps over the year.

## **UK regional comparison**

The NI economic inactivity rate (aged 16 to 64) for February-April 2022 of 27.8% was:

- 6.6pps above the overall UK rate (21.3%); 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 2020-2021 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 (age 16 and 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 (aged 16 to 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 (aged 16 to 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 February-April 2022, and the quarter preceding that (i.e. November-January 2022). 'Over the year' refers to comparisons between the latest quarterly estimates for the period February-April 2022 and those of the corresponding quarter one year previously (i.e. February-April 2021).

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

February-April 2022	Estimate	Confidence interval: estimate	Change over quarter	Confidence interval: quarterly change	Change over year	Confidence interval: annual change	Confidence interval around change
Unemployment <sup>1</sup>	23,000	+/-5,000	-4,000	+/-5,000	-8,000	+/-8,000	+/-9,000
Employment <sup>2</sup>	852,000	+/-20,000	24,000	+/-17,000	28,000	+/-28,000	+/-30,000
Economically inactive <sup>2</sup>	606,000	+/-19,000	-18,000	+/-17,000	-16,000	+/-27,000	+/-29,000
Unemployment rate <sup>1</sup>	2.6%	+/-0.6pps	-0.6pps	+/-0.6pps	-1.0pps	+/-1.0pps	+/-1.0pps
Employment rate <sup>2</sup>	70.2%	+/-1.6pps	1.5pps	+/-1.3pps	1.8pps	+/-2.3pps	+/-2.5pps
Economic inactivity rate <sup>2</sup>	27.8%	+/-1.6pps	-1.1pps	+/-1.3pps	-1.2pps	+/-2.3pps	+/-2.4pps

Download Table 2 data

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

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

#### Response Rates – Updated quarterly (last updated 17/05/2022)

The total eligible sample for the January-March 2022 LFS consisted of 7,490 addresses (1,208 chosen at random from the Land and Property Services (LPS) list of domestic properties and 6,282 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.

There were 2,694 valid responses for the period January-March 2022, resulting in a response rate of 36.0%. Of the 1,208 addresses selected for their first interview in January-March 2022 (wave 1), there were 636 valid responses, giving a wave 1 response rate of 52.6%. The rest of the sample (6,282 addresses) is made up of those receiving their second, third, fourth or fifth interview (waves 2 to 5). There were 2,058 wave 2 to 5 valid responses for January-March 2022, giving a response rate of 32.8%.

Table 3: Response rates, January-March 2022

Fully and partially responding	2,694
Eligible sample	7,490
Response rate (%)	36.0%

<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 February-April 2022 should be compared with the estimates for November-January 2022. This provides a more robust estimate than comparing with the estimates for January-March 2022, as the February and March data are included within both estimates. Effectively, observed differences are those between the individual months of January 2022 and April 2022. 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.

Due to the small sample sizes and the effect this may have on the precision of the figures, estimates for youth unemployment and annual changes in unemployment by sex have not been included in this bulletin this month.

#### LFS revisions

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

In June 2022, the LFS estimates were reweighted from January-March 2020 to January-March 2022 using updated PAYE Real-Time Information data and with the introduction of the non-response bias adjustment to NI data. ONS published an <u>article on the impact of reweighting</u> on 23<sup>rd</sup> May, containing indicative estimates of the impact. An overview of the <u>impact of reweighting</u> on the NI 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 have been conducted by telephone. This change in mode for first interviews resulted in a decrease in the response rate and changed the non-response bias of the survey. The reduction in achieved sample size, when compared with pre-pandemic levels, decreased the precision of the estimates.

The proportion of households where people own their homes in the sample increased whilst the proportion of rented accommodation households 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.

In July 2021 the LFS from January 2020 was reweighted to take into account changes in the working population at UK level. More information on the changes can be found in the <a href="Impact of reweighting">Impact of reweighting</a> document or in the <a href="LFS Revision note">LFS Revision note</a> on the background information page of the NISRA website. The most recent reweighting detailed above, used the same methodological approach.

Since July 2021, NISRA survey interviewers returned to the field on LFS deploying a Knock to Nudge strategy. This involved them calling at sampled addresses, gaining co-operation and completing a telephone interview at a later stage. This has resulted in a considerable increase in Wave 1 response rates, almost reaching pre-pandemic levels. This improvement in response at Wave 1 from July 2021 has also increased the number of households participating in the longitudinal aspect of the survey (Waves 2-5) in subsequent quarters.

#### Impact of COVID-19 on the interpretation of statistics

Although the broad concepts are similar across sources contained within this release, 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 during the lifetime of the scheme (March 2020 to September 2021). Those who were furloughed under the Coronavirus Job Retention Scheme (CJRS) or received 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 have accessed Universal Credit unemployment benefits as a 'top-up' payment, and are included in the experimental Claimant Count. More information is available in the comparison of labour market data sources article by ONS.

#### Alternative 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 time 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.

The OSR carried out a consultation on the release time of official statistics and the <u>findings from this</u> <u>consultation</u> were published on 24<sup>th</sup> March 2022. ONS subsequently published a <u>response to the proposed</u> change to 9.30am release practice on 25<sup>th</sup> March 2022.

Following the OSR consultation, the <u>Code of Practice for Statistics</u> was updated and edition 2.1 came into effect on 5<sup>th</sup> May 2022. The May 2022 change enabled alternative release times (ARTs) to be used, when granted by the Director General for Regulation. <u>Release time exemptions</u> that were granted before May 2022 have been converted to <u>alternative release times</u>, which includes the 7am release time for the NI Labour Market Report.

# 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. 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 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 have been under constant review and this 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 changes to the claimant count page

#### **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 <u>Statistical Disclosure Control Policy</u> is available on the NISRA website. Where the number of businesses does not meet the threshold for release (as detailed in the Statistical Disclosure Control Policy), monthly totals are not published.

## **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 <u>revisions</u>. Background information including the methodology used to compile the statistics, strengths, and limitations and a comparison with other labour market sources is available on the <u>Earnings and employment from PAYE page</u> on the ONS website. Detail is also available <u>on the guide to experimental statistics page</u>. A <u>comparison document</u> was released in November 2021 of earnings statistics from the Annual Survey of Hours and Earnings (ASHE) and HMRC Pay As You Earn (PAYE) Real Time Information (RTI).

#### **HMRC PAYE revisions**

Early estimates (flash estimates) each month are based on around 85% of information, and will be subject to revision in the next month's release when between 98% and 99% of data will be available (main estimates). Payrolled employee flash estimates are typically revised by between -0.4% and 0.2% the following month, while main estimates are revised by between -0.6% and 0.1%. Median earnings flash estimates are typically revised by between -0.5% and 1.4% the following month, while main estimates are revised by between -0.3% and 0.3%.

## **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 2021 seasonally adjusted estimate first published in March 2022 has subsequently been revised up 0.1%. For further details, please see the <a href="Quarterly Employment Survey revisions">Quarterly Employment Survey revisions page</a>.

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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## 6 Index of Web Tables

**Please note:** The tables below are currently being reviewed, alongside the development of a new HTML Labour Market Report. We aim to roll these out in the coming months and will keep users informed of a timeline in due course.

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