



# UK & SUFFOLK EMPLOYMENT - INTERIM BRIEF

25 November 2024

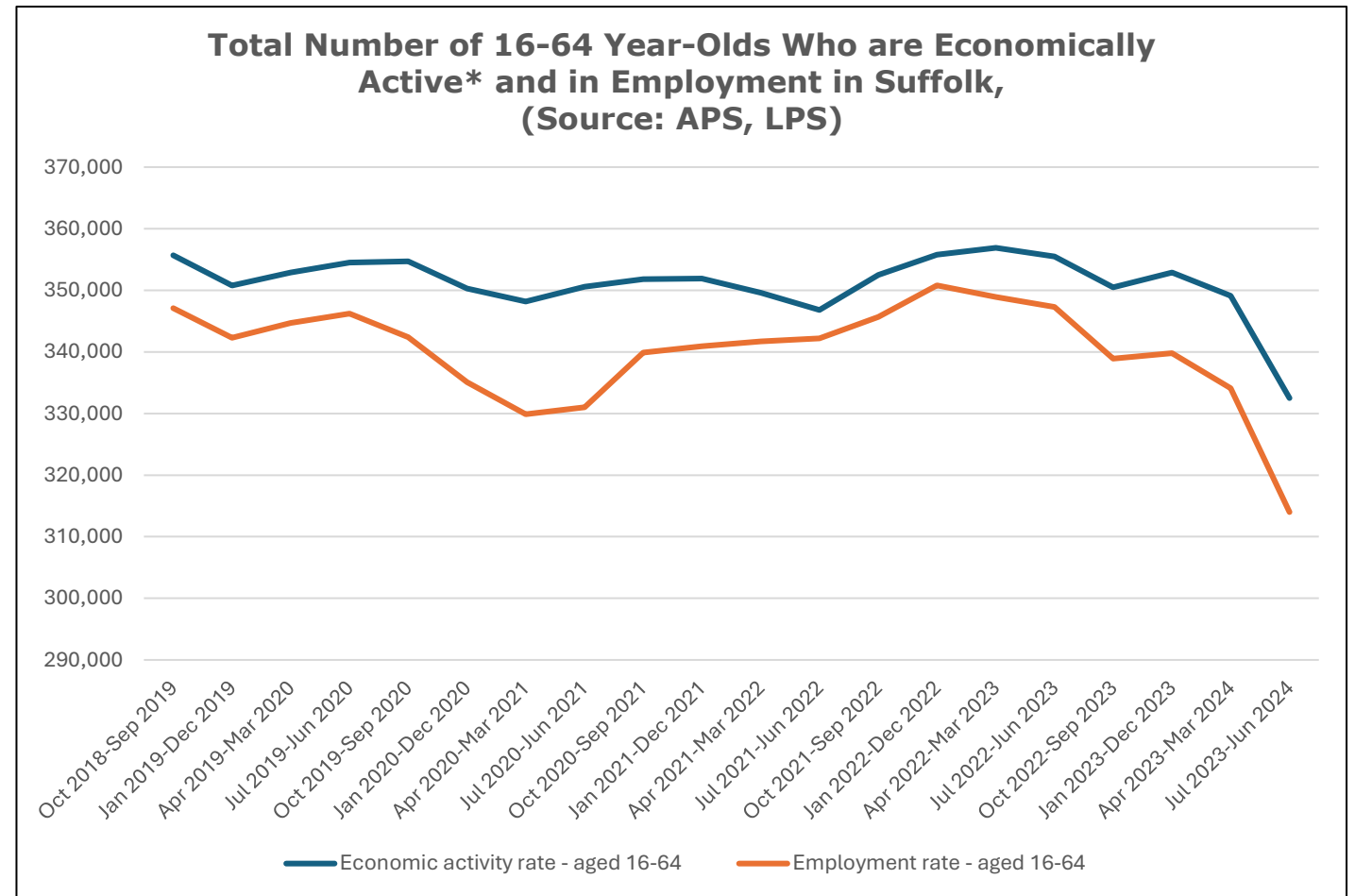
*Next full Economy & Employment Update due: 20 December 2024*

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# A Worrying Trend for Suffolk?

Suffolk's economic activity\* rate has remained at approximately 80% for the last 5 years. However, it is estimated to have fallen 2.1% in the year to March 2024 and 5.4% in the year to June 2024. This is reflected in the **employment rate for Suffolk falling 3.6% percentage points in the year to March 2023 and 7.8% in June 2024.**

The number of economically active 16-64-year-olds in Suffolk fell from 355k in June 2023 to 332.5k in June 2024. We need to continue to monitor this closely to identify whether this is the result of the poor labour force statistics or a fundamental problem (or a mixture of both).



\* Economically active refers to people of working age (16-24) who are either employed or actively seeking employment.



# Data Quality: Words of Caution

- The way in which the UK labour market is measured needs to change. The market has changed post-Covid with shifts in employment structures, hybrid working and an increase in long-term sickness.
- The Labour Force Survey (LFS) is the largest household study in the UK and has provided the official measures of employment and unemployment to date. However, there have been substantially fewer responses to the LFS in recent years, leading to subsequent volatility of estimates, including those for unemployment and economic activity. The Office for National Statistics (ONS) advises caution when interpreting official data with a labour-force component. The ONS also cautions against making comparisons with levels prior to June 2022 and looking at short-term comparisons. The ONS will detail new re-weightings and measurements for labour market statistics on **03 December 2024**.
- Labour market trends are best viewed by looking at a series of indicators, including current and projected national and local indicators rather than unemployment rates in isolation.
- The unemployment statistics from the APS/LFS produced on 12 November 2024 should be treated with extreme caution. The sample size for the East of England was very small and there are considerable concerns about the reliability of the data. New LFS data will be released for Suffolk and districts on **17 December 2024**.

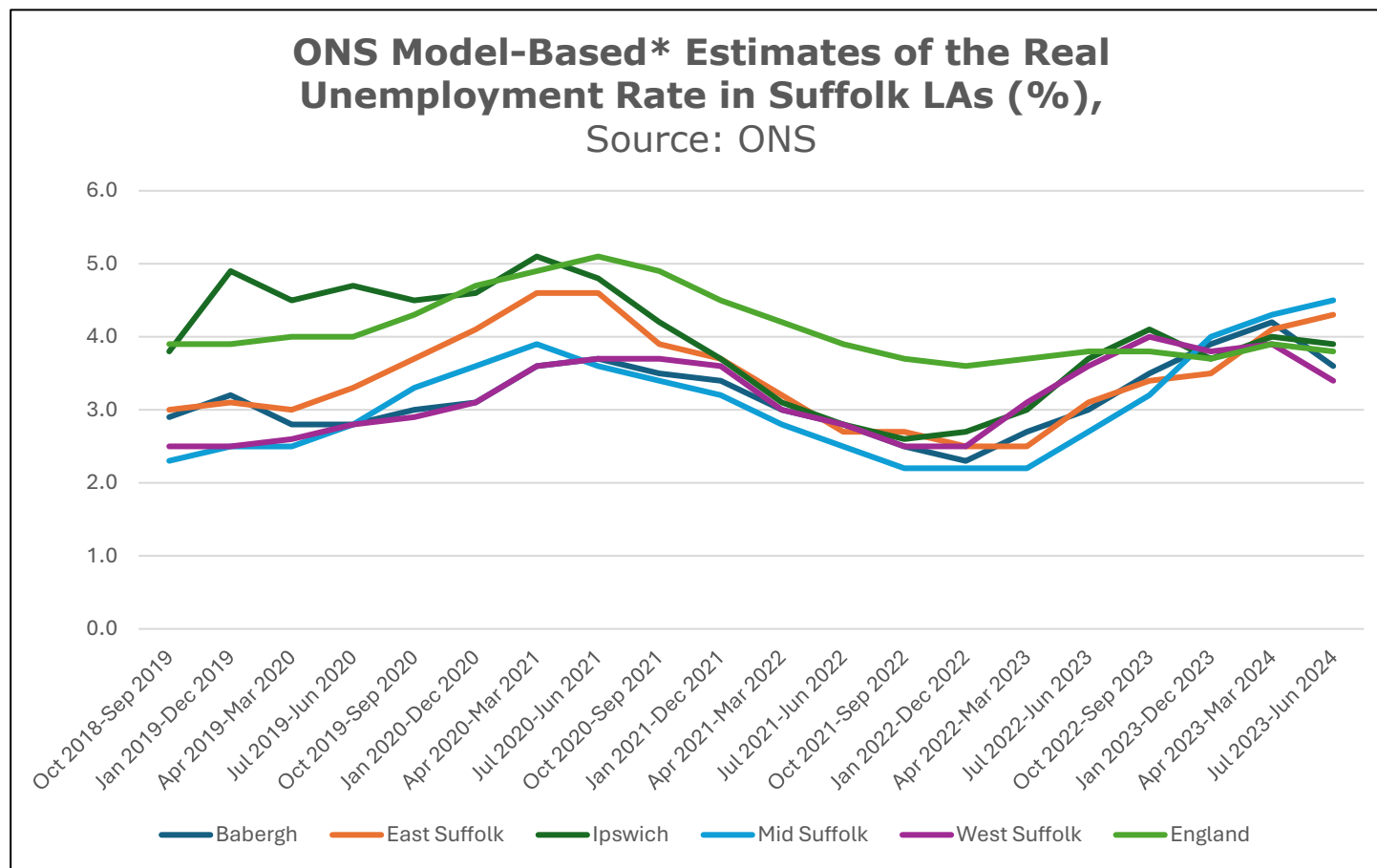


# A Mixed Picture

As the unemployed form a small percentage of the population, the Annual Population Survey (APS) and LFS unemployed estimates within local authorities are based on very small samples, so for many areas are unreliable. To overcome this, model-based estimates have been developed that provide better estimates of total unemployed for local authorities.

Model-based figures for the year to June 2024 would suggest a possible end to the continued rise in unemployment since 2022 in West Suffolk, Ipswich and Babergh. However, **Mid-Suffolk and East Suffolk are continuing to see unemployment rate rises.**

We will monitor this closely when the next data is released on 17 December 2024.

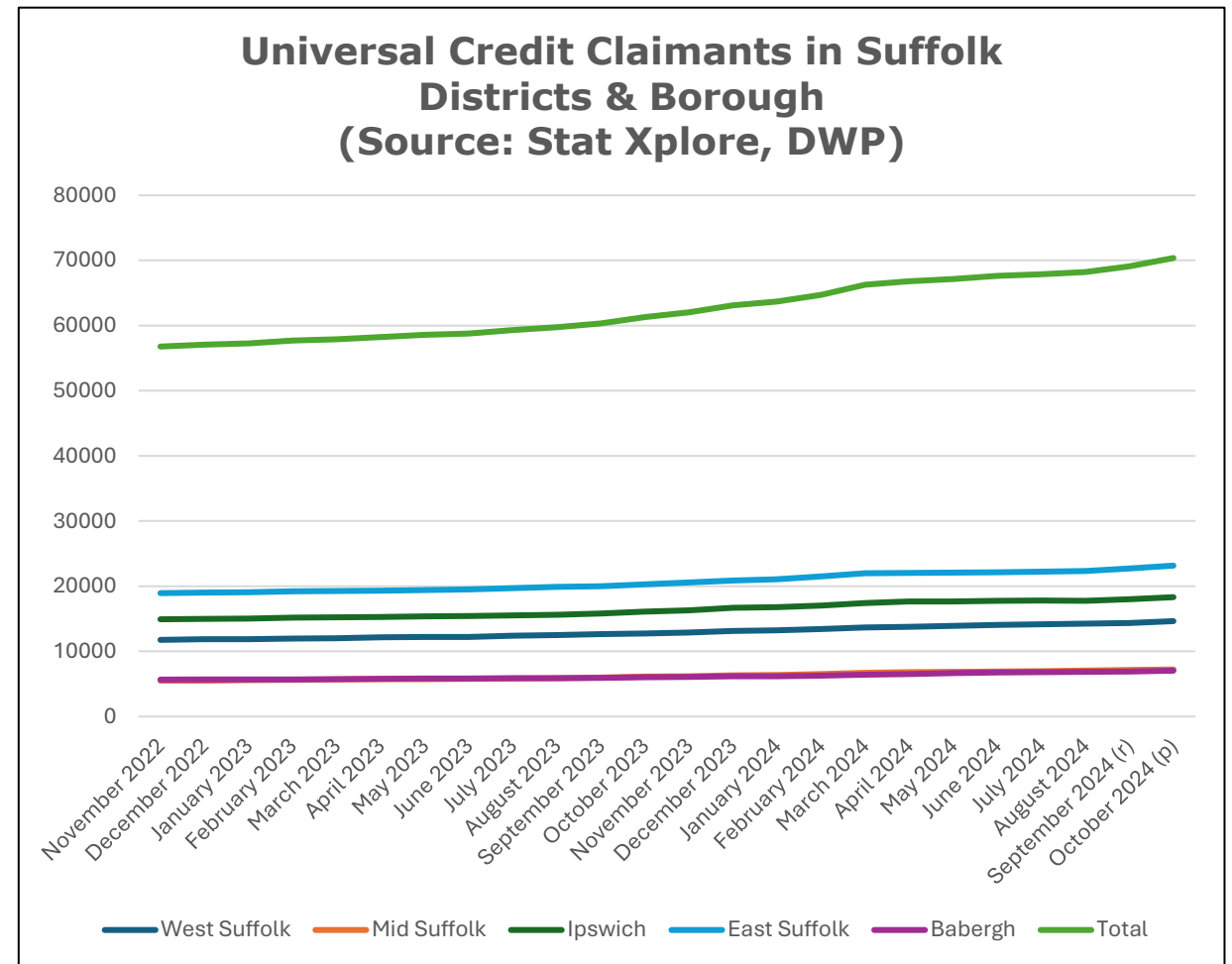


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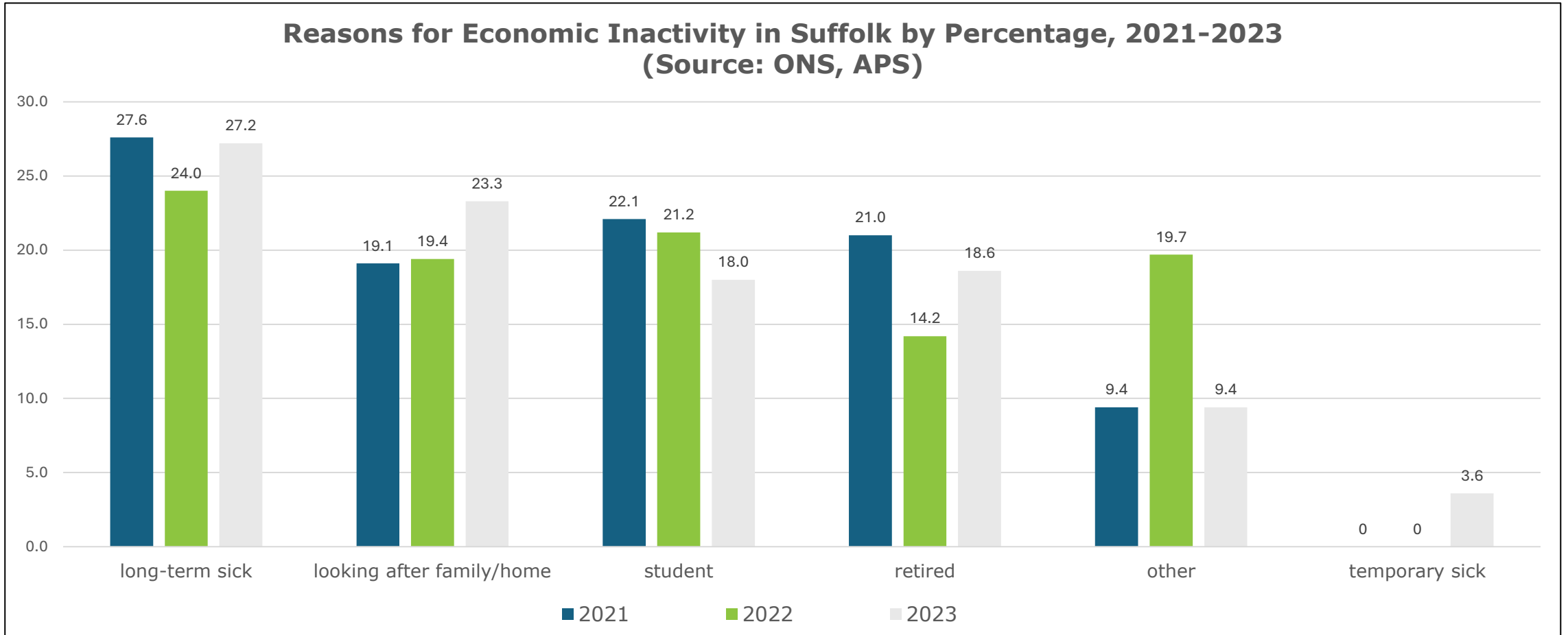
# Universal Credit Claimants

There is often a time lag between a reduction in economic activity and benefit claims and we would expect to see an increase in claimants in the second half of 2024. Claimant figures July-October 2024 do appear to suggest a downturn but not one that tracks the model-based mixed fortunes of Suffolk's districts and borough (see slide 4).



# Reasons for Economic Inactivity

Reasons for Economic Inactivity in Suffolk by Percentage, 2021-2023  
(Source: ONS, APS)

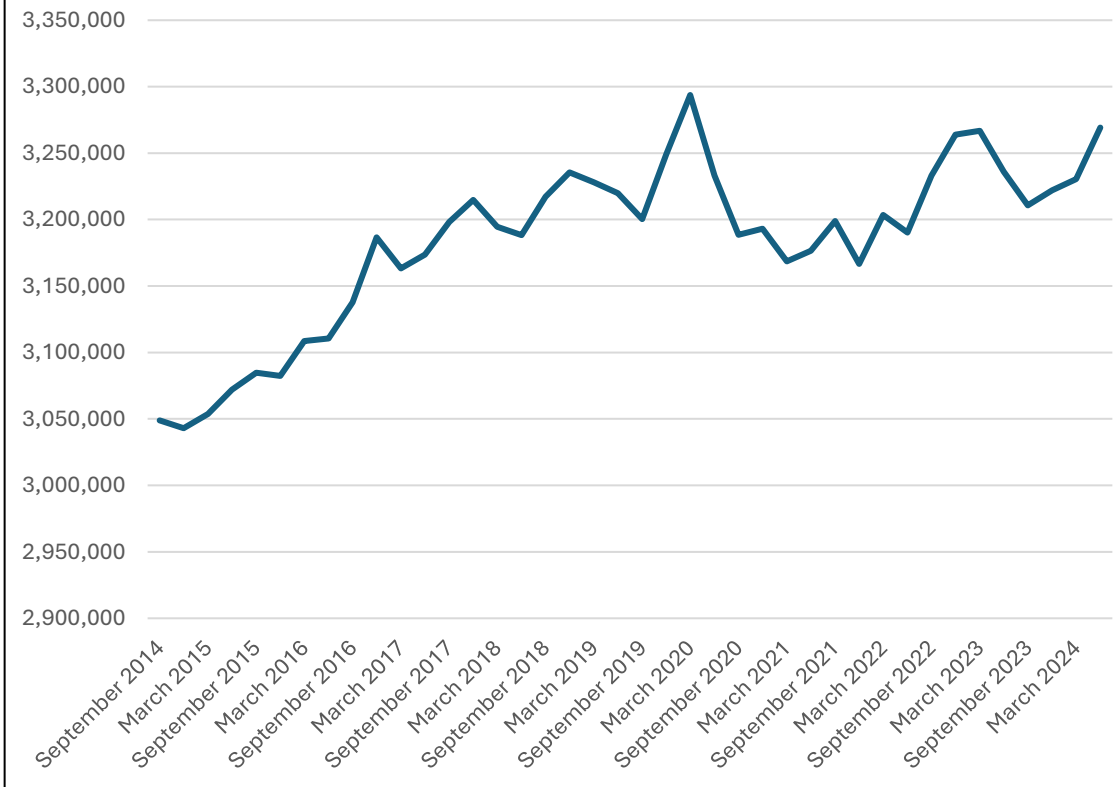


# Workforce Jobs: Regional Figures

Workforce jobs (WFJ) is a quarterly measure of the number of jobs in the UK and is the preferred measure of the change in jobs by industry. It is a compound source that draws on a range of employer surveys, household surveys and administrative sources. Third quarter figures for 2023 are not available from the Labour Force Survey (LFS), hence estimates have been used instead. The WFJ is not available at County level but the picture for the East does suggest an uptick in the labour market.

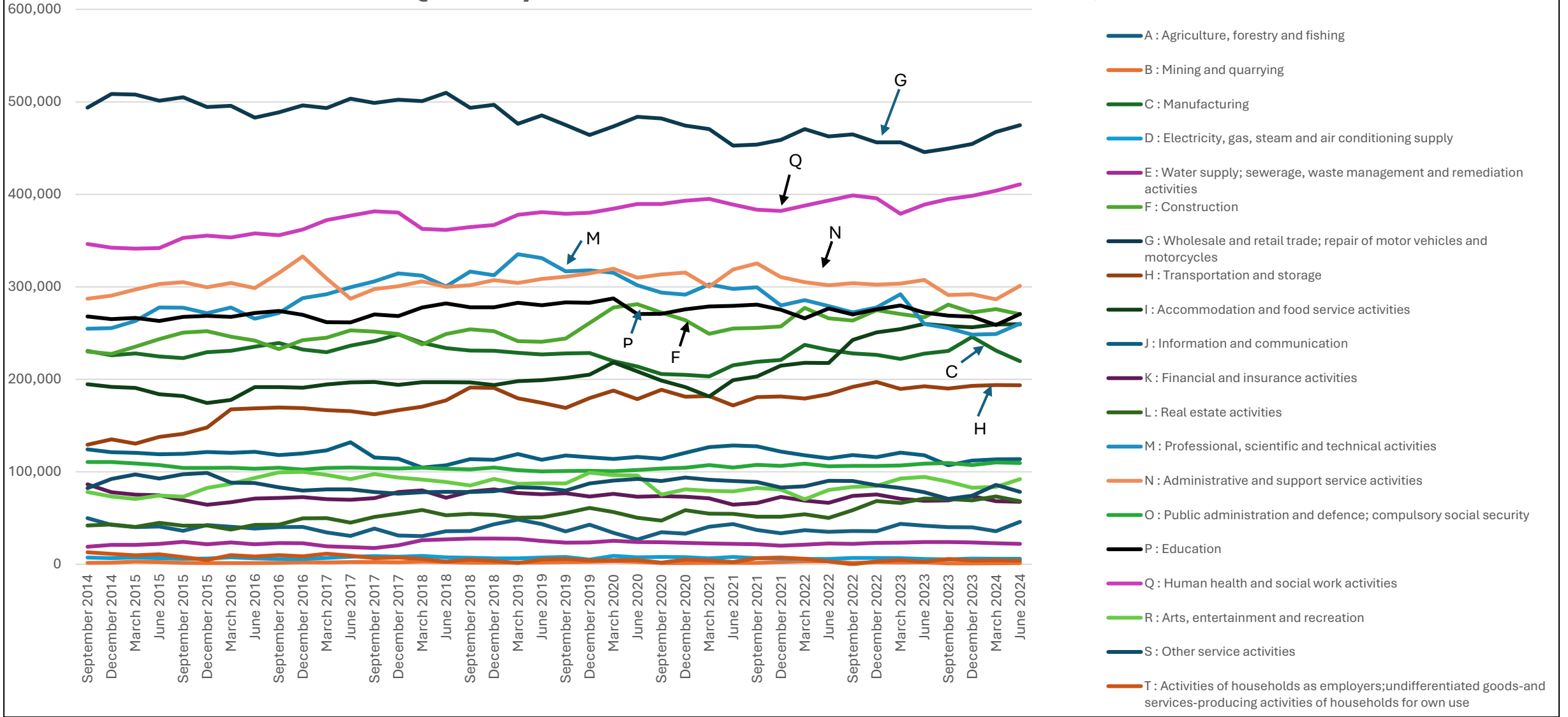
We will continue to monitor the WFJ and attempt to track the industries key to Suffolk's labour market.

**Total Workforce Jobs in the East Region,  
10-Year Period (seasonally adjusted)**  
(Source: ONS)



# Workforce Jobs by Industry (Seasonally Adjusted) for the East of England, Quarterly Totals Over 10 Years

Source: Workforce Jobs, ONS





# Conclusions: Close Monitoring & Further Insight

LFS and model-based estimates lead us to conclude that there has been an increase in unemployment in Suffolk since 2022, led by increased economic inactivity. After many years of below national unemployment rates, Suffolk appears to be closer to the national figure. However, the data estimates are too volatile and the picture too unclear (with some contradictions) at this stage to reach definitive conclusions about the size of the shift, whether it has continued for all districts and borough or to identify the reason for this trend.

Further Suffolk, regional, and district and borough data with breakdowns is required to build a more accurate picture of the labour market situation in the county. Whilst national data is available for many indicators, local data takes more time to be made available, if at all. Workforce data at county level will be available on **17 December**. SODA hopes to be able to compare this with other data at a local level, including but not limited to Not in Education or Employment (NEET), payroll/PAYE, Workforce Jobs, job advertisements, claimants and breakdowns on economic (in)activity to provide a clearer picture of the trends and drivers.





To discuss this Update or to see how SODA could help with a project, please don't hesitate to contact the team at [soda@suffolk.gov.uk](mailto:soda@suffolk.gov.uk)

SODA also manages the Suffolk Observatory: [Suffolk Observatory – Welcome to the Suffolk Observatory](#). Previous Economy & Employment Updates are available on the Suffolk Observatory.