

# Insights

A bulletin of news, commentary, and publications on the labour market

## Labour market statistics

Over the course of a month the Office for National Statistics (ONS) publishes around 80+ statistical reports. These cover a range of subjects including the economy, trade, health, society and the labour market; the most specific of which is the monthly labour market overview [Labour market overview, UK - Office for National Statistics \(ons.gov.uk\)](#) which provides the official rates of employment, unemployment etc and links to regional datasets. Alongside ONS, statistics are also released from government departments such as DfE and DWP around education and employment support. What we will try to do is try to keep you up to date with the releases of labour market related data.



The provisional **Annual Survey of Hours and Earnings (ASHE)** was released this month. [Employee earnings in the UK - Office for National Statistics \(ons.gov.uk\)](#). ASHE data comes from employer responses from PAYE records using a sample of 1% of employees in the UK for a week in April. The main report (there are also reports on low pay/high pay and the gender pay gap) provides data on the average weekly pay and hours

worked by mode of work, by sector etc and includes some interactive products on pay by location and occupation which can be embedded in a website. The data will also feed into careers resources which provide information on occupational and sectoral pay.

## Headlines

- The impact of the pandemic on the workforce particularly the job retention scheme means that ONS advises that the 2022 data should be looked at in terms of trends rather than making direct comparison with the more recent years.
- Median weekly pay for full-time employees was £640 in April 2022
- Low pay is defined as being paid less than two-thirds of median hourly pay. High pay is being paid 1.5 times median hourly pay. In 2022, low pay is therefore defined as those earning below £9.85 per hour and high pay employees are those earning more than £22.16 per hour.
- When considering hourly pay, around 1 in 10 of all employee jobs were low paid. This was the lowest proportion of low-paid employee jobs by hourly pay since the data series began in 1997. When considered in terms of weekly pay, the proportion of low-paid jobs was around 25%, the lowest on record. High paid jobs account for around 25% of all jobs.
- The gender pay gap is calculated as the difference between average hourly earnings of men and women as a proportion of men's average hourly earnings. It is a measure across all jobs in the UK, not of the difference in pay between men and women for doing the same job. For full-time employees this stood 8.3% in 2022 (down from 9.0% in April 2019).

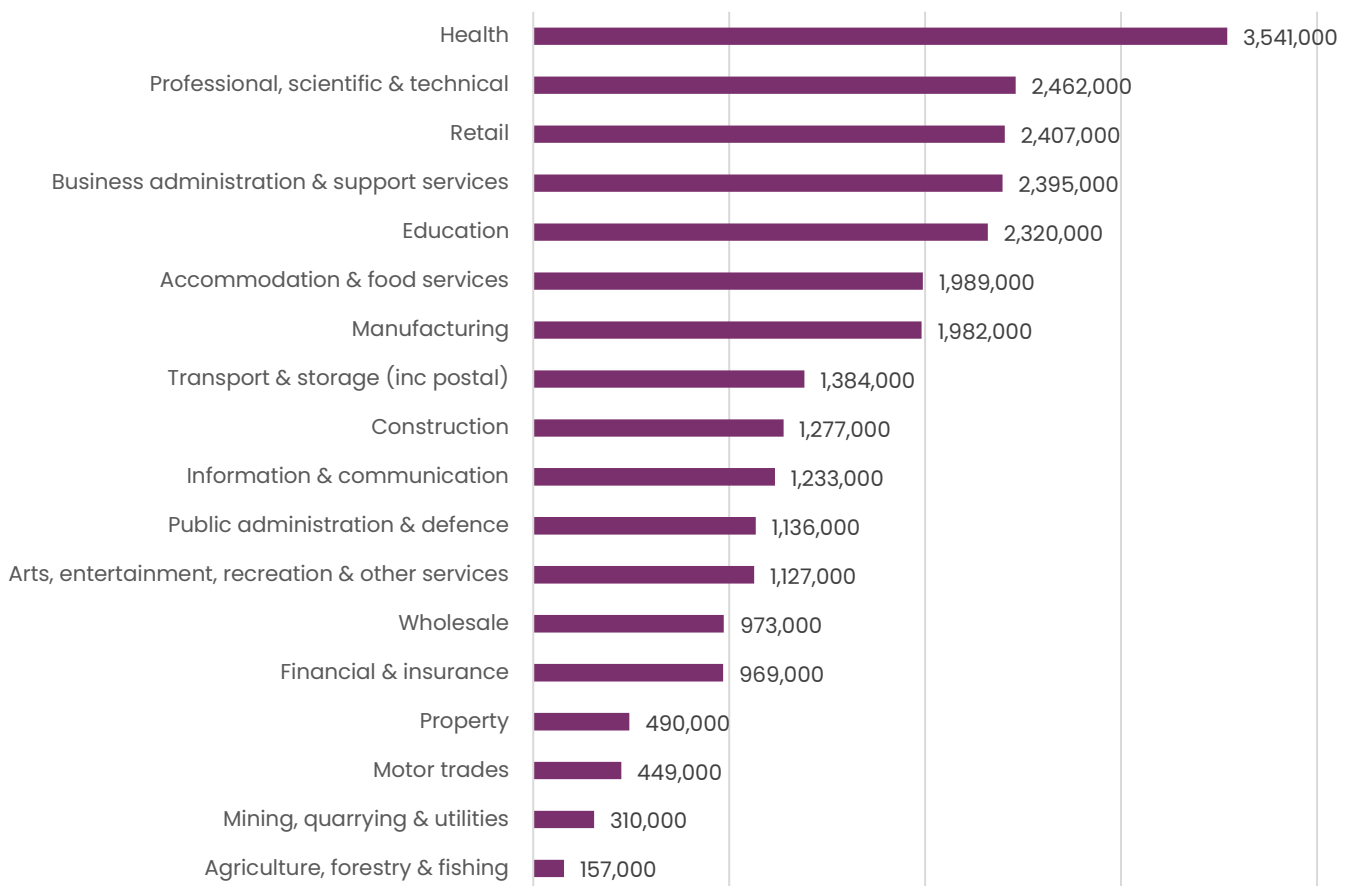
- For part-time employees the gender pay gap is a negative 2.8% i.e. higher pay for women than men. The differences are more pronounced within age groups – for the under 40s it is 3.2% for full-time employees and for the 40-49 group it goes up to 11%.

The **Business Register and Employment Survey (BRES)** is the official source of data on employee numbers at a detailed geographical and industrial sector level. It is published annually with the latest release in October (although the data period is 2021). [Employees in the UK - Office for National Statistics \(ons.gov.uk\)](https://www.ons.gov.uk/employment-and-labour-markets/employees-in-the-uk). From a CEIAG perspective, the data does provide answers to

the question of where (sectorally) most people work. The chart below shows the employee numbers for England by main sector – 13% of employees in England work in the health sector – this includes health and care. At regional and more local geographies, it is possible to see the greater employment dependence of certain sectors over others. In Middlesbrough, health accounts for 27% of employees, in Hounslow this is 7%. In Kirklees, 19% of employees are working in manufacturing, in Tower Hamlets this is less than 1%.

BRES data is available through NOMIS [Nomis - Official Census and Labour Market Statistics \(nomisweb.co.uk\)](https://nomisweb.co.uk) which is the official (and free) source of labour market data.

## Employees by industry - England 2021 (ONS BRES 2021 - SIC 2007 broad industrial groups)



One of the exciting (for LMI people) sources of information on the labour market is the **Census**. The first releases of data are already available covering demographics and households

**Census maps - Office for National Statistics ([ons.gov.uk](https://ons.gov.uk))**. Data on the labour market and travel to work is due to be released from December 2022 and we will be reporting on that in January's edition.  
**Census - Office for National Statistics ([ons.gov.uk](https://ons.gov.uk))**

## Sector Knowledge

The latest report on the state of the **adult social care** workforce has been published by Skills for Care. **The state of the adult social care sector and workforce 2022 ([skillsforcare.org.uk](https://skillsforcare.org.uk))**. Although the workforce exceeds that of the NHS – there are around 1.5 million people working in adult social care in the UK – and the trend has been on the up, the workforce fell in the last year by 50,000. What is growing is the number of unfilled posts. The vacancy rate is 11% compared to less than 4%, ten years ago and on any one day there are around 165,000 vacancies. The average age of carers has also increased in that time to 44.4 and the proportion of men in the workforce has stayed the same. The staff turnover rate is 29% (this is around 15% on average across all industries – according to a quick search on Google but there may be more reliable figures). Pay does not greatly increase with experience – 7p per hour more for a person with five years experience compared to a new starter. There is a diverse workforce but not at managerial level, 24% of jobs are zero hours pay which can mean flexibility, but the evidence is that there is a much higher turnover for these staff.

According to the CEO, the answers must include attracting more and younger people in general and more men specifically, improving the career pathways, tackling discrimination and the lack of development opportunities, improved pay and more learning and development as there is a correlation between staff who have received more I&d time and positive retention. The backdrop for the sector is that covid has had an impact on the workforce and prospective workforce and that we have the lowest and falling levels of unemployment. The changes to the Shortage

Occupation List to allow recruitment of overseas workers came into effect in Feb 2022 and that is showing signs of alleviating some of the shortage of staff.



## Skills

Understanding employers' **skills needs**, matching provision to needs and providing intelligence on this, has been a fundamental part of labour market analysis for many years.

Some of the current work on this that is underway:

- The **Unit for Future Skills - GOV.UK ([www.gov.uk](https://www.gov.uk))** – a unit within the DfE looking at ways of improving the quality of jobs and skills data. They are behind the development of a number of interactive dashboards covering employment, outcomes, career progression and skills.
- Employer representative bodies have been designated to lead the development of Local Skills Improvement Plans (**Identifying and meeting local skills needs to support growth - GOV.UK ([www.gov.uk](https://www.gov.uk))**) (LSIPs) for all 38 areas of England. These are due to be completed by Summer 2023.
- **The Skills Imperative 2035 - NFER** is a five-year research programme to identify the essential employment skills that people will need for the work of the future. The publications are already underway and you can follow the news of their updates here **News - NFER**

## In the News

An article about **teaching assistants (ta)** leaving their posts because of better wages paid elsewhere.

[Teaching assistants quitting schools for supermarkets because of 'joke' wages | Primary schools | The Guardian.](#) While this may not be robust enough to qualify as a definite fact, an interesting fact about teaching assistants is that they have appeared in the top 10 occupations required in job postings for the UK over the last three years<sup>1</sup>. There are currently 275,000 fte (full time equivalent) teaching assistants in England<sup>2</sup> – that's one ta for every 1.7 teachers.

Since the Pensions Act 2014, the changes to the State Pension Age have focussed attention on the participation of **older workers** (nb this is defined as people aged 50 or over) in the labour market. The last review of the state pension was in 2017, which noted that in 1948, a 65-year-old could expect to spend 13.5 years in receipt of it – around 23% of their adult life. In 2017, a 65-year-old can now expect to live for another 22.8 years, or 33.6% of their adult life.



There are now 2 million+ more workers aged 50+ than there were ten years ago and over 400,000 more people in work aged over 65<sup>3</sup>. The **hospitality industry** has traditionally been a sector with a younger age workforce but research from The Caterer.com [Silver servers: Over 50s boost retirement income with hospitality jobs | Bdaily](#) says that for a number of reasons (lack of overseas workers, cost of living) older workers are being increasingly attracted to this work.

While the long term trend is for greater numbers of 50+ being economically active (that means they are either in work or unemployed but looking for work), the last few years have seen an increase in the number of older people becoming economically inactive. This is

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<sup>1</sup> Lightcast Job Postings in the UK

<sup>2</sup> <https://explore-education-statistics.service.gov.uk/find-statistics/school-workforce-in-england>

deduced to be a consequence of changes in opportunity or attitudes to work through the impact of the coronavirus pandemic. The State of Ageing [Work | The State of Ageing 2022 | Centre for Ageing Better \(ageing-better.org.uk\)](#) from the Centre for Ageing helps outline some of the issues affecting the 50+ and their possible solutions.

## Careers Education and Policy

The positive impact of what you see and who you meet has been the source of research (Education and Employers charity in partnership with Learn by Design and dmh associates) into the use of diverse role models in **primary schools** and the influence on primary aged children's career views and attitudes to learning

[New evaluation shows impact of role models on primary-aged children - Education and Employers](#)

The Parliamentary Education Committee on **CEIAG** has been running through 2022.

[Careers Education, Information, Advice and Guidance \(CEIAG\) - Committees - UK Parliament](#)

This is an inquiry into the effectiveness of the careers advice given to students. Chaired by Robert Halfon MP, it is worth providing his opening observations:

*"Despite the great efforts of all those individuals and organisations involved in providing careers guidance and support, the truth is that careers guidance policy is not fit for purpose in this country. We will never create a parity of esteem between vocational and technical skills and academic learning until we change the culture of careers.*

*"The hundreds of millions spent by the Government is not always providing value for money due to unnecessary duplication of efforts, and traditional thinking.*

<sup>3</sup> ONS Annual Population Survey

*“What is needed is a sea-change of careers advice which puts ‘skills, skills, skills’ first and foremost. The Skills and Post-16 Education Bill, currently progressing through Parliament requires only one careers meeting per pupil over three key year groups. Instead, we should see at least three careers meetings per pupil, per year, involving colleges, technical education providers and apprenticeship providers. This would show we mean business when it comes to supporting our young people with their futures.*

*“This inquiry will be a root and branch review of the current system, not just looking closely at the data and outcomes for young people, but it will also set out a plan for the future.”*

Written evidence was concluded in March including a response from Education Development Trust. The latest oral evidence is available through recordings made for Parliament TV. Watching the most recent session on 21<sup>st</sup> October, it was interesting to hear comments about the lack of labour market information available for schools. [Careers Education, Information, Advice and Guidance \(CEIAG\) - Committees - UK Parliament](#)

