

Hampshire Monthly Labour Market Update February 2025

- National Headlines (survey-based):
 - Employment
 - Unemployment
 - Economic Inactivity
- South-East (survey-based) Labour Market
- Local Monthly (claimant-count) Unemployment
- Local quarterly (survey-based)

Against market expectations the UK economy grew by 0.1% in the last quarter of 2024, after flatlining during the summer. Labour markets show signs of some stability, pay growth ticks up and annual inflation increases.

Economy

- According to the latest ONS quarter GDP estimate, the UK economy grew by 0.1% in 3-months to December 2024 (Q4), following zero growth in Q3 (Jul-Sep), thereby avoiding a technical recession. The monthly estimate for December grew by 0.4%, largely because of growth in the services sector, following unrevised growth of 0.1% in November.
- Services output increased by 0.2% in Q4 2024. The Largest contributions came from health & social work and professional services. Consumer-facing services rose by 0.1% in Q4 and led by growth of 5.6% in the travel agency, tour operator and other reservation services sector. Monthly services output grew by 0.4% in December 2024.
- Production output contracted by 0.8% in Q4 2024, driven by a decline in manufacturing output (-0.7%). However, on the monthly estimate production grew by 0.5% in December (driven by manufacturing), following a revised fall of 0.5% in November.
- Construction output grew by 0.5% in Q4 2024, led by new work, largely private new housing. However, monthly construction output is estimated to have fallen by 0.2% in December due to a decrease in repair and maintenance work.

UK Headline (survey-based) Labour Markets

- Headline survey-based estimates suggest the labour market achieved a degree of stability, although data quality issues persist. PAYE data and vacancies data saw little change.

Payroll and Employment

- Timelier data saw January's early estimate of payrolled employment stall (0.0%) but was up by 0.3% on the year (January 2024 to January 2025).

- The headline working age (16-64-years) employment rate was estimated at 74.9% for the 3-months to December 2024, The employment rate increased both on the year and in the latest quarter.
- Headline employment levels (aged 16+) are estimated at 33.85million for the 3-months to December 2024, up by an estimated 107,000 on the quarter and by 479,000 on the year. There were net flows from unemployment into employment
- A survey by Chartered Institute of Personnel and Development (CIPD) reports on anecdotal evidence that businesses are considering the largest round of redundancies in a decade, with forthcoming tax rises eroding business sentiment, a finding echoed in a survey by the Federation of Small Businesses (FSB).
- Despite job losses, wages saw strong growth. Annual pay growth stands at 6.0% for total pay (including bonuses) and 5.9% for regular pay. Adjusted for inflation both real total and average regular pay grew by 2.5%. Pay growth was largely driven by the private sector.
- Annual CPI inflation increased by 3.0% in January 2025, partly led by price rises in air fares, meat, bread and private school fees. Core inflation rose by 3.7% while services inflation jumped to 5.0%. At the February MPC meeting the Bank of England (BoE) cut the base rate from 4.75% to 4.50%, the lowest rate in 18 months due to weaker than expected growth, combined with declining business and consumer confidence. The BoE halved its economic growth expectations for 2025, down from 1.5% to 0.75%. January's higher inflation figures presents a headache for the BoE going forward.

Vacancies (demand for labour)

- Vacancies continue to ease with the 31st consecutive quarter fall to sit at 819,000 for the 3-months to January. The total number of vacancies declined by an estimated 485,000 since the peak in March to May 2022. The number of unemployed people per vacancy was 1.9 in 3-months to December 2024, up by 0.1 from 1.8 in the previous quarter.

Unemployment & redundancies

- Estimated ONS headline measure of unemployment (aged 16+) is 4.4% for the 3-months to December 2024. The unemployment rate increased both on the year and in the latest quarter.
- Headline unemployment levels (aged 16+) stood at an estimated at 1.55 million, up by 48,000 on the quarter and by 213,000 on the year. However, smaller sample sizes make the data highly volatile and making short-term changes hard to gauge if unemployment is trending up, down or unchanged.

Economic Inactivity

- Headline measure of economic inactivity (16-64 years) rate is 21.5% for the 3-months to December 2024. The economic inactivity rate decreased on the year and in the latest quarter.
- Latest quarter estimates show that an estimated 9.28 million people aged between 16 and 64 years were not in the labour force (economically inactive). Overall, the number of those aged 16 to 64 who are economic inactive is down by 42,000 on the quarter and by 126,000 on the year. There were net movements from economic inactivity into unemployment. Annual and quarterly decreases in economic inactivity were largely down to students or the long-term sick.

South-East Region Labour Market

- South East headline working age employment rate for the 3-months to December was 77.8%, the unemployment rate 3.9% and the economic inactivity rate 19.0%. The South East employment rate was up 0.3ppts, the unemployment rate was down 0.1ppts, and inactivity rate down 0.2ppts.
- On the timelier (but seasonally unadjusted) unemployment Claimant Count the South-East rate was 3.2% for January 2025, up by 0.1ppts on the month and up on the year (0.3ppts). The claimant count (183,990) is up by 3,820 on the previous month and up on the year by around 17,105.

Local Employment

Hiring intentions (the number of online job postings) in Hampshire and Isle of Wight stays in negative territory for January 2025. Employers continue to ease up on recruitment, although tentative signs of improvement as demand softened against larger a fall in December. **Online postings were down by 5.3% for the 3-months to January 2025** compared to 3-months to December 2024 (-11.7%).

Provisional **January 2025 payrolled employee numbers for Hampshire and Isle of Wight increased** (based on revised data), while quarter and long-term annual trends saw growth. **Latest payrolled employment estimate was 918,300 for Hampshire and Isle of Wight**, close to 2,250 higher on the month and around 2,400 more than a year ago.

Nearest headline (survey-based from p4) not dated this month.

Unemployment

Nearest headline (survey-based from p4) not dated this month.

Economic Exclusion

Nearest headline (survey-based from p4) not updated this month.

The rate for residents aged 16-17 who are **Not in Education, Employment or Training (NEETS) in the Hampshire County Council area was 3.7% in January 2025**, higher on the month and on the year. **The rate for the combined NEET & Unknowns was at 5.4%**, lower on month and on the year.

Local ONS Monthly unemployment Claimant Count

On the timelier but seasonally unadjusted provisional ONS monthly claimant measure, **unemployed benefit claimants saw a larger increase in January 2025, some of which will be seasonal effects.**

However, the increase was sufficient to change the working age rate from 3.0% in December to 3.1% in January. Claimant numbers rose across all broad age groups. Those aged 50+ saw a proportionately higher number of unemployed claimants compared to last month.

The Hampshire and Isle of Wight claimant count increased by 1,060 to 38,710 (Jan 2025). The working age rate rose to 3.1%. The 18-24 age group increased by 145 claimants to stand at 6,765 with the rate increasing to 4.1%.

The Hampshire & Two Cities claimant count increased by 890 to 35,310 (Jan 25). The working age rate increased to 3.1%. The 18-24 age group increased by 100 claimants to stand at 6,115 with the rate increasing to 3.9%.

The County area claimant count increased by 545 claimants to 20,940 (Jan 2025). The working age rate increased to 2.5%. The youth unemployment increased by 60 claimants to 3,505, with the rate increasing to 3.6%.

The comparable UK working age rate is 4.1% and South-East region 3.2% - **all three Hampshire functional economic areas are lower than both the UK and South-East rates.**

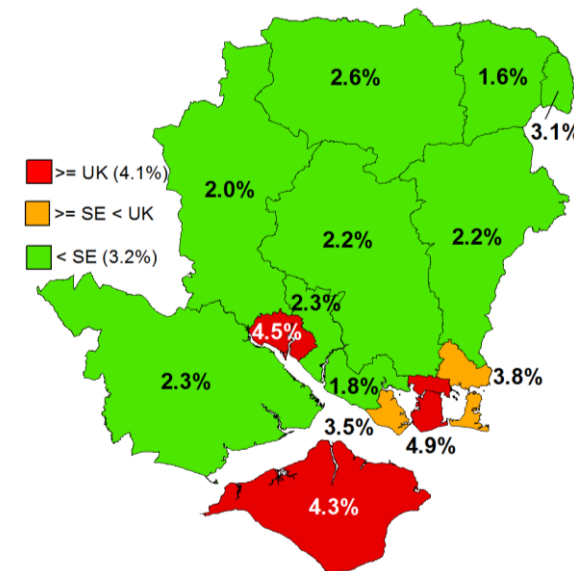
Most of the Hampshire & Isle of Wight's 14 authorities have unemployed claimant rates below the two benchmark areas. Only the two cities and Isle of Wight have rates above the UK average.

The comparable UK young people (18-24 age group) rate is 5.4% and the South-East region 4.2% - **all three Hampshire functional economic areas are lower than the UK and South-East rate.**

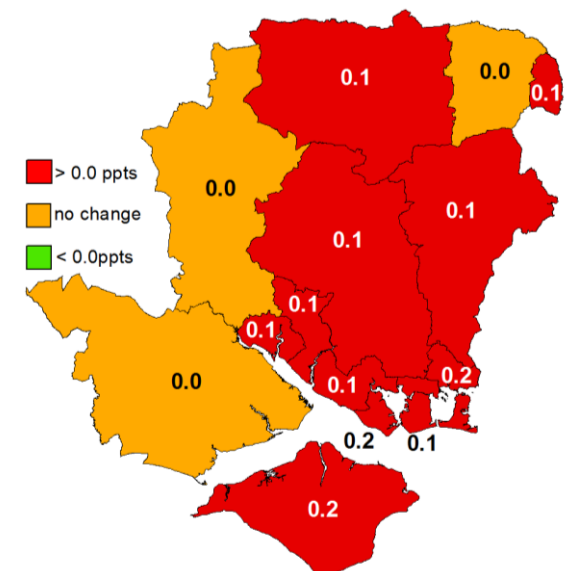
Hampshire Business News

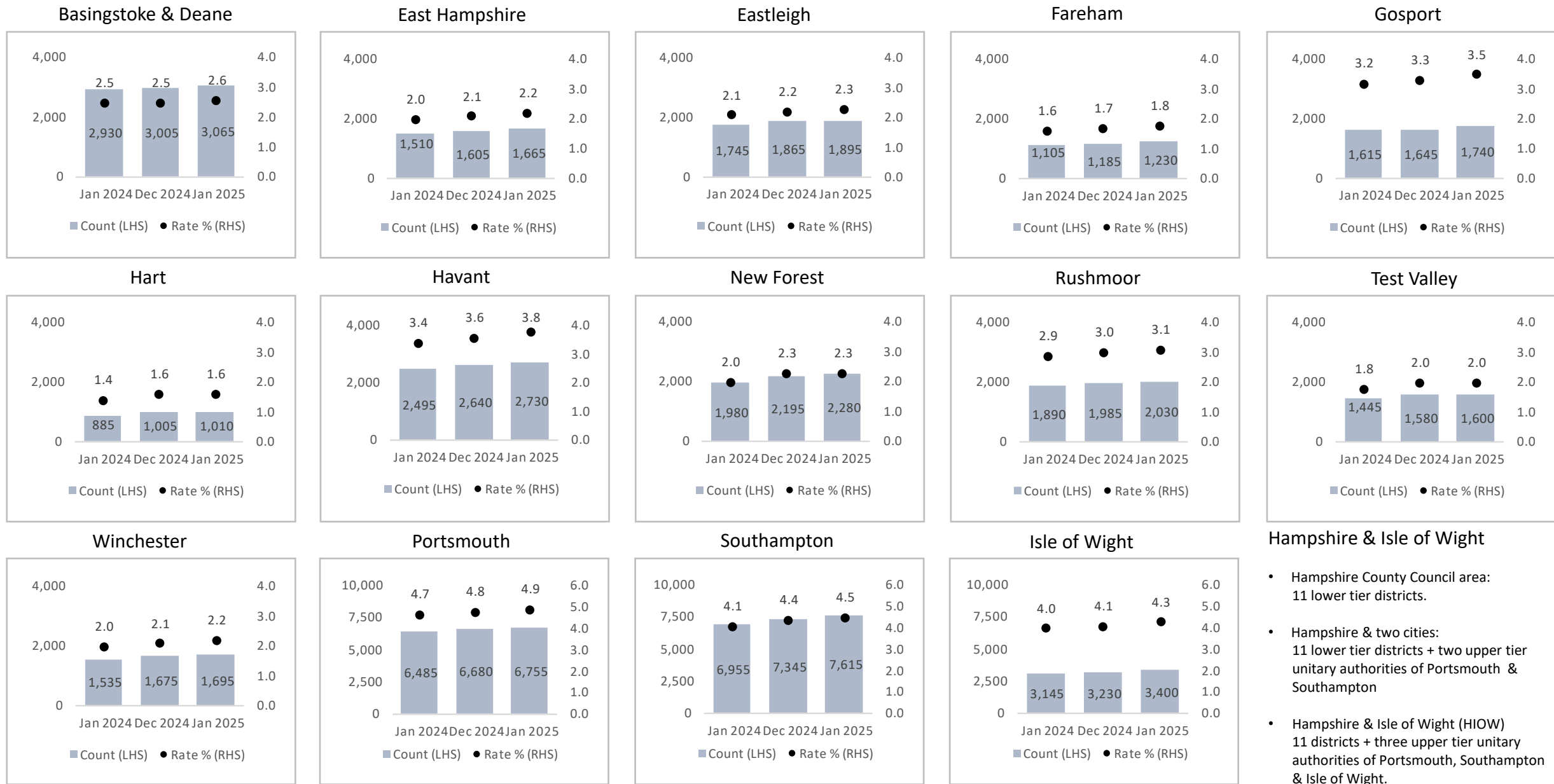
- State-of-the-art manufacturing site run by Saab opened in Hampshire. The site in Fareham develops, makes and supports the company's radar and underwater robotics systems. The site has 400 jobs and provides local opportunities for apprenticeships.
- Airbus developing new military satellite system costing £127m and designed and built in the UK, supporting 200 jobs including the Airbus site at Portsmouth.
- South East to receive £38.4m to help councils build more walking, wheeling and cycling routes. Around £8.9m allocated across the four upper tier authorities in Hampshire.
- Plans approved for indoor climbing centre on Millbrook Trading Estate, potentially creating 30 jobs.

Jan 2025 Monthly claimant count Rate (%)



Monthly Rate Change (ppts): Dec 24 – Jan 25



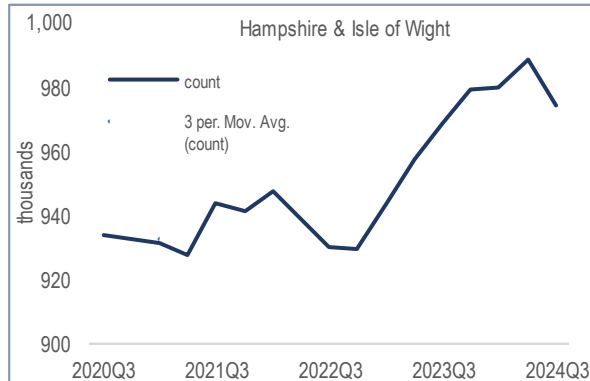
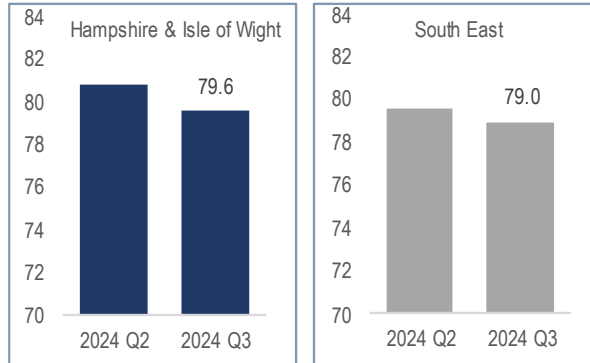


Hampshire & Isle of Wight Quarterly Labour Market Indicators (not updated this month)

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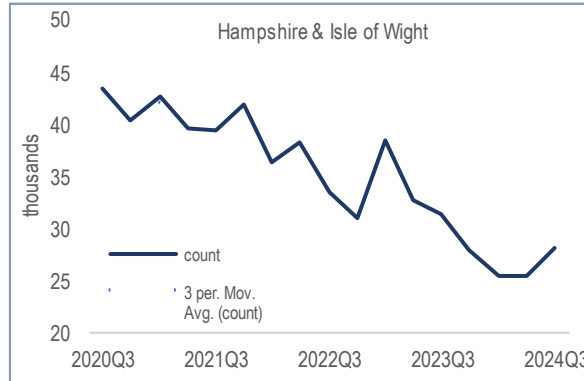
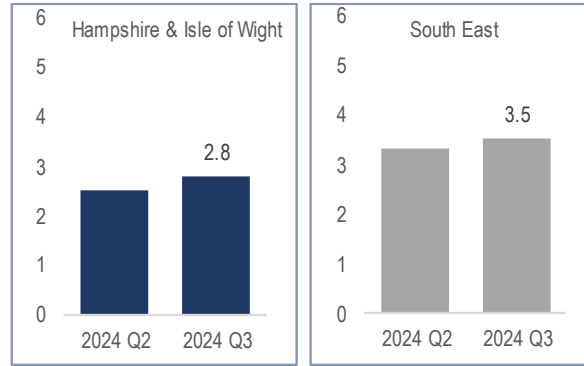
ONS considers APS robust for national and headline regional estimates but concerns with the quality of estimates for local authority geographies. As such, use with caution.

Employment ↓



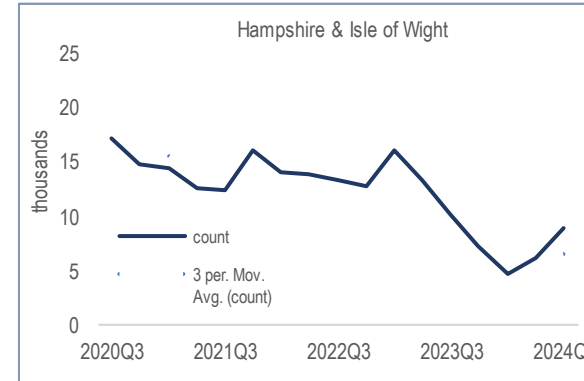
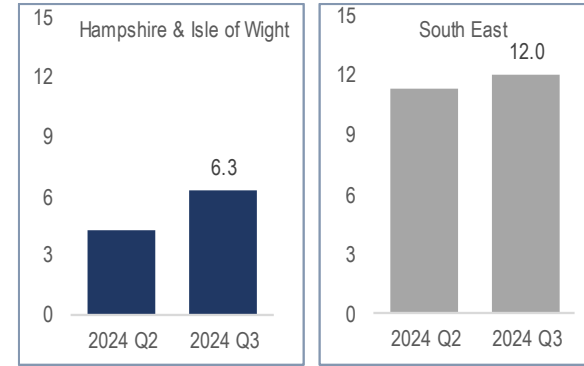
- Long lag in the data for the 12 months to Sep 2024 data (Q3 2024). Sub-regional data is less reliable with changes based on rates.
- An estimated 974,400 Hampshire & Isle of Wight residents were in employment in Q3.
- The **resident employment rate in Hampshire & Isle of Wight decreased to 79.6% in Q3 2024**, down by 1.2ppt on the quarter but up 0.2ppt on the year. The South East average rate is lower at 79.0%.

Unemployment ↑



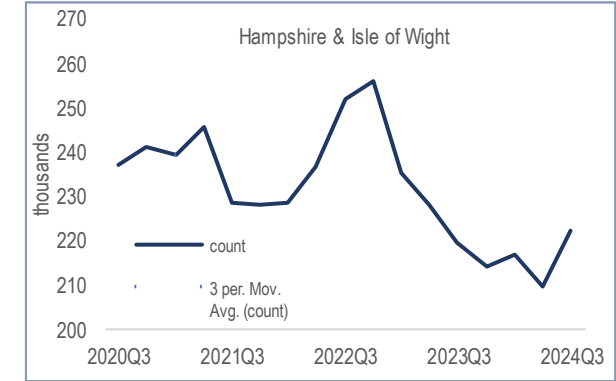
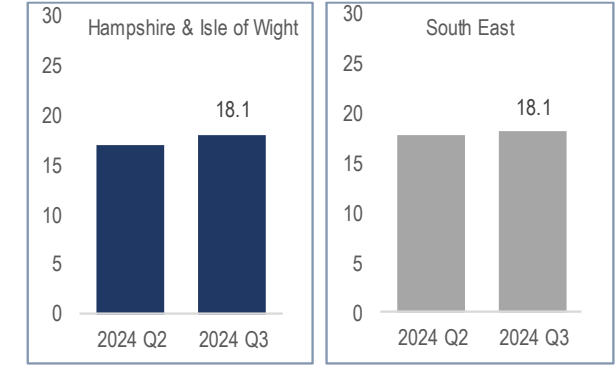
- There were an estimated 28,100 working age (16-64 years) Hampshire & Isle of Wight residents who were unemployed in the year to Q3 2024.
- **Unemployment** on the headline (survey-based) measure rose by 0.3ppt on the quarter to **2.8% in the year to Sep 2024** but 0.3ppt lower on the year.
- The rate is well below the South East average (3.5%).

Youth Unemployment (16-24) ↑



- These estimates less reliable but suggest 8,900 Hampshire & Isle of Wight residents aged 16-24 were unemployed in Q3 2024.
- The **youth unemployment rate** on the headline (survey) measure **increased by 2.2ppt on the previous quarter to 6.3% but and down 0.5ppt on the year**.
- The local rate is suspiciously low to the South East rate (12%). Young people more likely to be unemployed than working age.

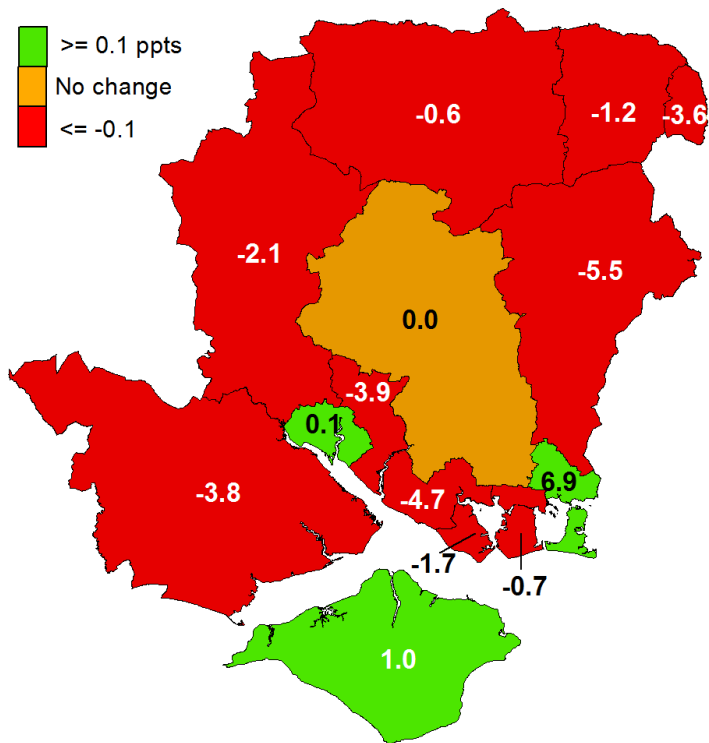
Economic Inactivity ↑



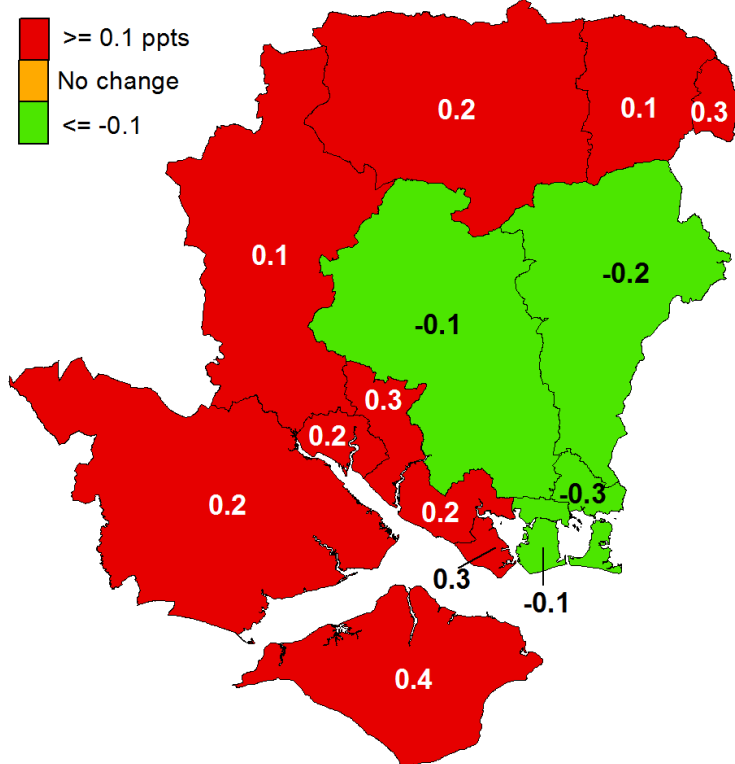
- There are an estimated 222,000 Hampshire & Isle of Wight residents who were economically inactive in the year to Q3.
- At **18.1%, close to one in five Hampshire & Isle of Wight residents were economically inactive in the year to Sep 2024 (Q3)**, with the rate up on the previous quarter by 1.0ppt, and up by 0.1ppt on the previous year.
- The local rate is the same as the South East.

ONS considers APS robust for national and headline regional estimates but concerns with the quality of estimates for local authority geographies. As such, use with caution.

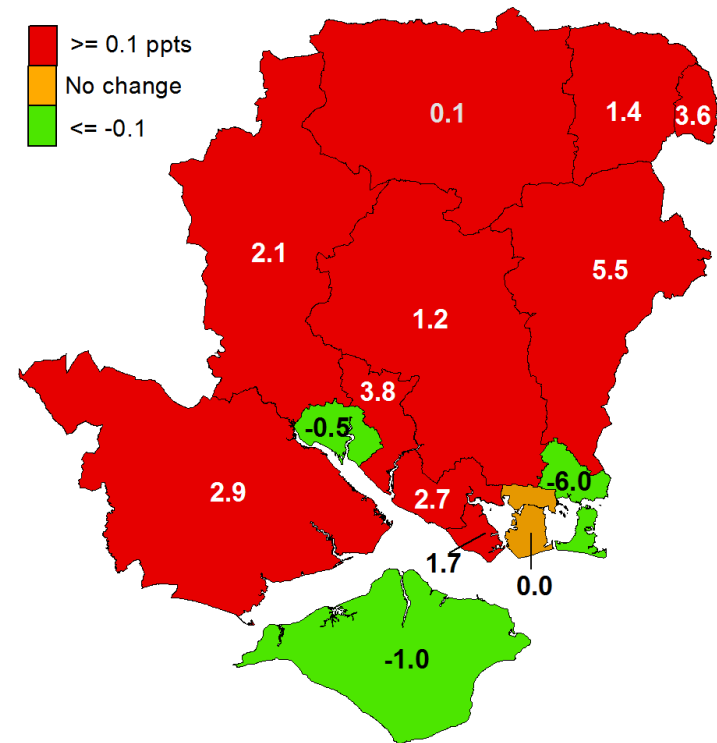
Employment Rate Change (ppts)



Unemployment Rate Change (ppts)



Economic Inactivity Rate Change (ppts)



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How to read 'traffic light' on page 4.

For the Labour market indicators, the change refers to the rate not the level. For example, a rise in the employment rate (on quarter and on the year) would see an upward green arrow, while a decrease in unemployment would see a downward green arrow.

Little or no change on previous period or where annual and quarter changes effectively cancel each other out

Sources:

The primary data source are the Office for National Statistics (ONS) and HMRC while additional data comes from several commercial sources such as, Lightcast.

For further information on Hampshire's labour market see Quarterly Labour Market Updates and Monthly Ward Claimant Count Reports available at: <https://www.hants.gov.uk/business/ebis/reports>

12 months to September 2024 (Q3) Updated this month	Employment (16-64yrs)		Unemployment (16-64yrs)		Economic Inactivity (16-64yrs)	
	Number	Rate (%)	Number	Rate (%)	Number	Rate (%)
Hampshire (CC)	674,300	81.3	13,200	1.9	141,900	17.1
Basingstoke & Deane	87,500	77.4	3,500	3.7	21,700	19.2
East Hampshire	56,300	80.1	2,100	3.1	12,600	17.9
Eastleigh	62,500	77.6	2,100	3.2	17,400	21.6
Fareham	57,200	81.1	1,700	2.9	11,900	16.9
Gosport	44,300	82.1	1,600	3.4	9,100	16.9
Hart	48,800	87.6	1,400	2.6	5,900	10.6
Havant	53,100	74.3	2,800	4.8	16,300	22.8
Isle of Wight	55,800	72.4	2,900	4.5	18,900	24.5
New Forest	79,000	79.7	2,900	3.3	17,700	17.9
Portsmouth	110,900	77.2	5,600	4.6	26,000	18.1
Rushmoor	54,200	84.7	1,800	3.1	9,800	15.3
Southampton	133,300	76.5	7,800	5.4	35,300	20.2
Test Valley	65,600	87.2	1,800	2.5	9,600	12.8
Winchester	65,900	87.0	1,900	2.6	9,900	13.0
Hampshire Economic Area	918,600	80.1	25,800	2.7	203,100	17.7
Hampshire & Isle of Wight	974,400	79.6	28,100	2.8	222,000	18.1
South East	4,458,400	79.0	163,600	3.5	1,023,500	18.1
United Kingdom	31,528,800	75.4	1,227,900	3.7	9,042,600	21.6

This publication is produced by the Economic and Business Intelligence Team, Hampshire County Council. For further information on the bulletin or to subscribe please contact:

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Hampshire
County Council

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